

Public Report
Cabinet

Committee Name and Date of Committee Meeting

Cabinet – 07 July 2025

Report Title

Denman Road Housing Development, Wath

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

Wath Ward

Report Summary

This report seeks approval from Cabinet to develop the Council-owned Denman Road site in Wath. It is projected that the site will deliver an estimated 18 new Council homes. Denman Road will be delivered as part of the 'Wath Small Sites' development, alongside Bushfield Road and Valley Drive. All three sites have previously been presented to and approved by Cabinet for inclusion as part of the Council's Housing Delivery Programme.

Appendix 1 shows the location of the 'Wath Small Sites', with the specific site requiring Cabinet approval coloured red, whilst the other two sites are outlined red.

Recommendations

That Cabinet:

1. Approves development of the Denman Road site, to build an estimated 18 new Council homes, with the final number subject to planning permission and further design work.
2. Delegates authority to the Interim Assistant Director of Housing, in consultation with the Cabinet Member for Housing, 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 Site Plan
Appendix 2 Indicative Site Layout
Appendix 3 Initial Equalities Screening (Part A)
Appendix 4 Equality Analysis (Part B)
Appendix 5 Climate Impact Assessment

Background Papers

Cabinet Report: Housing Development Programme Report – 2023/24
Cabinet Meeting: 23 January 2023

[Agenda for Cabinet on Monday 23 January 2023, 10.00 a.m. - Rotherham Council](#)

Rotherham Housing Strategy 2022-25

[Housing Strategy 2022-2025](#)

Cabinet Report: Housing Delivery Programme Report – 2024/25 Update
Cabinet Meeting: 10 February 2025

[Agenda for Cabinet on Monday 10 February 2025, 10.00 a.m. - Rotherham Council](#)

Consideration by any other Council Committee, Scrutiny or Advisory Panel

No

Council Approval Required

No

Exempt from the Press and Public

No

Denman Road Housing Development, Wath

1. Background

- 1.1 Denman Road is a Council-owned land asset held in the Housing Revenue Account (HRA). The site was first approved for development by Cabinet in January 2023 as part of the 'Housing Development Programme Report – 2023/24'. The most recent version of the Programme was approved by Cabinet in February 2025.
- 1.2 The site is allocated for residential housing in the Local Plan and has previously housed blocks of flats that were demolished as part of clearances under the Housing Market Renewal Pathfinder. All demolition works were completed by 2009. An indicative capacity layout has been produced for 18 dwellings, currently only an estimate at this time and this number could reduce or increase, dependant on the final scheme design and planning decision. The site is currently vacant and attracting fly tipping.
- 1.3 Evidence set out in previous Housing Delivery Programme reports presented to Cabinet has identified that there is a clear and continuing need for more affordable homes across the Borough. As the high cost-of-living continues to affect communities, more people are turning to the Council for financial and housing support. Through the Housing Delivery Programme, which started in 2018, the Council expects to deliver 1,000 new Council homes across the Borough by Summer 2027. This project will contribute to the delivery of 1,000 new Council homes by mid-2027.

2. Key Issues

Approvals

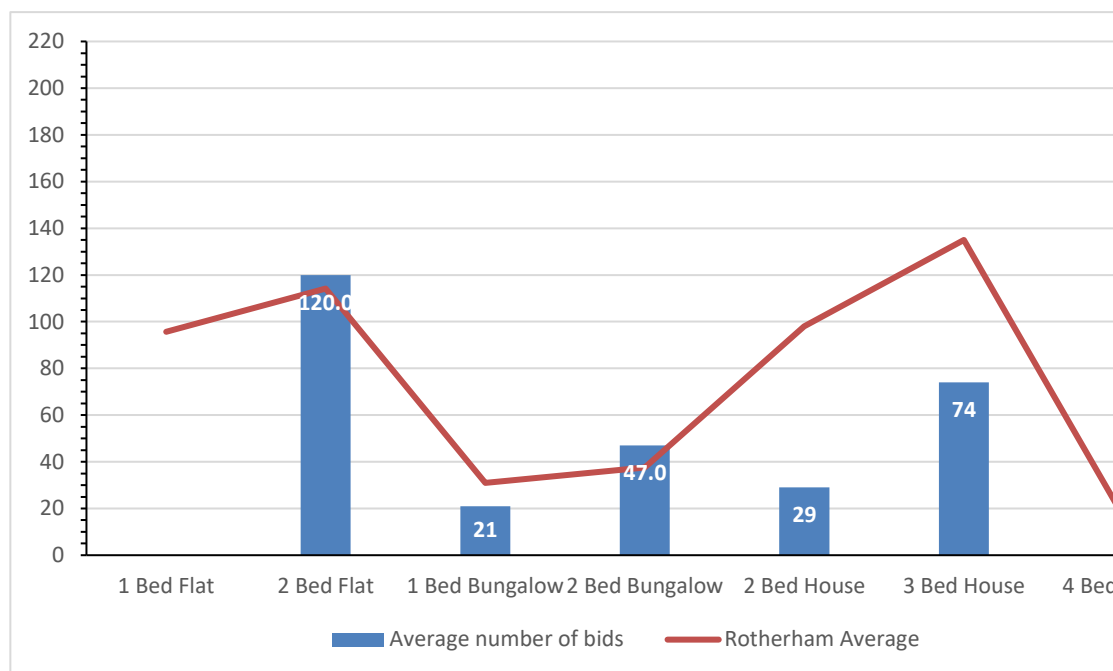
- 2.1 The site has been included within previous Housing Delivery Programme reports to Cabinet (as set out at 1.1), meaning that the use of this site to deliver new Council homes has previously been approved in principle.
- 2.2 Due to the number of homes the Denman Road site has the potential to deliver, and in line with previous Cabinet decisions (with sites expected to deliver more than 15 new homes requiring their own Cabinet Report/decision), the recommendations in this report seek the necessary approvals required to enable progression of this project.
- 2.3 Early indications estimated the Denman Road site has the potential to deliver 18 new homes on the site and planning applications have been submitted on this basis. The final designs may be subject to change in line with recommendation 2 of this report.

Local housing need and demand – Wath

- 2.4 The Wath locality is situated within the Wath Ward. The area is popular with a high requirement for all property types. Two-bed apartments receive the largest number of bids in the area with two and three-bed properties receiving

the largest number of bids across the Borough as a whole. All properties are let through a Choice Based Lettings Policy.

- 2.5 There are currently no one-bed apartments in the Ward to show any bid data but the demand for one-bed apartments in the Borough as a whole is high.



Graph 1: Average number of bids for each property type in Wath (Blue bars). The orange line represents the Rotherham average bids for 2024.

- 2.6 As of May 2025, there are over 7,000 active applications on the housing register operated by the Council.

Council housing delivery proposals

- 2.7 Housing intelligence and needs data identifies that there is a housing need for multiple property types in the area and any new homes are expected to be in high demand.
- 2.8 Currently the initial indicative layout has been produced by the appointed contractor for stage 1 design and build and submitted for planning permission, estimates 18 new homes. As set out within recommendation 2, the final design will need to balance strategic need, site constraints, and any requirements resulting from both stakeholder feedback and the planning application process and may result in an increase or decrease in the number of homes delivered.
- 2.9 The initial indicative layout comprises of an estimated 18 new homes, made up of two-bedroomed houses and three bedroomed houses.
- 2.10 This site forms one of three sites within the “Wath Small Sites” development. The other two sites that complete the development are Bushfield Road and Valley Drive. These schemes have already been approved as part of previous

Housing Delivery Programme reports to Cabinet and therefore do not require further Cabinet approvals as the sites are estimated to deliver 6 and 4 homes respectively. Bushfield Road was approved in January 2023 and Valley Drive was approved in October 2023. These sites will aim to address the need for apartments (8 apartments and 2 houses, subject to planning permission).

- 2.11 In view of the Council's net zero-carbon ambitions, all the new 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.

Biodiversity Net Gain

- 2.12 From January 2024, new Biodiversity Net Gain (BNG) requirements apply to most development sites. Smaller sites, which deliver no more than 9 homes, or which are smaller than 0.5 hectares, became subject to the BNG requirement from April 2024.
- 2.13 The BNG requirement is to be secured 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.
- 2.14 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: Develop the Denman Road site for an estimated 18 new homes

This project will contribute to the delivery of 1,000 new Council homes by mid-2027.

As this scheme is in stage 1 of a design and build contract, the Council retain the flexibility for the most appropriate scheme for the site, in line with Recommendation 2.

The benefit of the Council being the lead developer is full coordination of activity that achieves efficiencies whilst limiting the construction impact on the neighbouring properties and community.

- 3.2 This option is recommended.

Option 2: Do not develop the site for new Council homes

The site was approved for inclusion in the Programme by Cabinet in January 2023 as part of the Council's strategic aspiration to deliver hundreds of new Council homes by March 2026. This project will contribute to the delivery of 1,000 new Council homes by mid-2027.

If this site is not developed, along with not contributing to the development programme, there are ongoing costs associated with maintenance, fly tipping and anti-social behaviour.

This option is not recommended.

3.3 Option 3: Dispose of the Site

This removes the ongoing costs of fly-tipping and ASB management.

There are two options for disposal:

1. Dispose of the site via Open Market Sale or Auction at Full Market Value.

The Council would only have control over the scheme design via the planning process. The site would only achieve Affordable Housing in line with the Planning Policy.

2. Dispose at a Discount Market Value to a Registered Provider with a guarantee of social housing.

It is unlikely a Registered Provider would be interested in the smaller sites, Bushfield Road and Valley Drive and would therefore leave some ongoing management and maintenance to the Council.

Whilst the site could be sold to generate a modest capital receipt, this would prevent a sizeable number of new council homes from being delivered in an area with proven need for affordable homes. This site contributes to the 1,000 new homes target by mid-2027.

This option does not deliver the benefits set out in option 1.

This option is not recommended.

4. Consultation on the proposals

- 4.1 Wath Ward members were engaged on early proposals for the site and have been updated most recently in April 2025.

- 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 which commenced on 2nd April 2025.

4.5 Key stakeholders will continue to 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 for the construction phase is progressing in parallel with this report, alongside the contractor working through designs. A planning application has been submitted on 2nd April 2025 to ensure the programme would not be delayed. This will enable timely delivery should the proposals in this report be approved. Subject to Cabinet approval, the aim is to secure planning permission by Autumn 2025.

5.3 The latest forecast for construction activity is to start on site by Autumn 2025, with completion targeted for the new homes by the end of 2026. The wider Wath Small Sites project is due for final completion by December 2026.

5.4 This project is being brought forward for Cabinet approval now to avoid delaying the programme and incurring additional abortive costs. In terms of current levels of programme and cost certainty, the project is at Technical Design stage, therefore there is a high confidence in the costs currently presented. These indicative costs are based on the current survey information and site layouts submitted for a Planning Application.

5.5 To be able to move from the Design element of the contract into Build efficiently and in line with the current programme, Cabinet approval is required at this stage.

5.6 The Housing Delivery Programme Report being presented to Cabinet in July 2025 supports the removal of site-specific developments. This review of the programme has allowed resource to cover the additional costs required.

6. Financial and Procurement Advice and Implications

6.1 The current HRA Business Plan assumes 9 units will be delivered on the Denman Road site with a total cost of £2.4m (£267k per unit).

6.2 Based on the latest indicative site plans an increase of 9 units would equate to additional £2.4m budget requirement, increasing the total cost for the Denman Road site to £4.8m. The additional costs have not been tested for affordability in the HRA BP model. (See Section 5.6). Prior to the scheme progressing, the final costs will be presented in a business case and assessed for affordability

prior to entering a Build Contract. The final specific project funding will be approved via the Council's capital governance processes.

- 6.3 The scheme will incur pre-development costs which will become an abortive cost and charged to revenue should the scheme not progress to delivery stage. For this development the estimated abortive cost is approximately £553k.
- 6.4 The HRA Business Plan assumes tenants are charged Social Rent. This aligns with the current grant funding requirements for Homes England Affordable Homes Programme 2021-2026. Although the Council expect to let these properties as Social Rent, the Council may consider letting them at an Affordable Rent, subject to an assessment of the financial viability/ relevant grant funding requirements and an assessment of affordability for prospective tenants.
- 6.5 Whilst the primary source of funding for the scheme will be HRA resources, from the housing growth programme, additional sources of subsidy will be pursued to improve the overall viability and affordability of the scheme and reduce the impact on both the Housing Growth Programme and the wider HRA Business Plan. 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 governance process.
- 6.6 The procurement activity detailed in this report has been undertaken in compliance with the Public Contracts Regulations 2015 (which was the applicable legislation at the time this project commenced) and the Council's own Financial and Procurement Procedure Rules and this position will need to be maintained as the Council moves into any future Stage 2 build contract.

7. Legal Advice and Implications

- 7.1 The recommendations and delegations sought under this report are consistent with the Council's Constitution and previous Cabinet decisions and allow for timely and flexible decisions to be made in respect of potential housing 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 new homes will provide 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.
- 10.4 An equalities screening and assessment has been completed and is attached at Appendix 3 and 4.

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 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 No implications for Partners have been identified.

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).	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.
	Procurement of Contractor for Build.	The Council have only entered contract for the design stage currently and have the option to continue with the current contractor for the build element of the contract. However, if concerns arise, the Council can enter a competitive tender for the build contract and utilise another contractor. If the scheme is no longer viable, the Council can end the design contract without entering a build contract.
	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 will 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 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.
	Volatility of the housing market and uncertainty of contractor interest and capabilities.	Early market engagement activity (December 2023 and March 2024) with contractors confirmed the procurement strategy was appropriate for all schemes; a direct award on challenging sites will allow early engagement with the contractor on known issues to help with mitigation.
	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,	Ongoing dialogue between services regarding forward planning and resource requirements, and continued HRA

Procurement, Asset Management, etc.	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.
Project not progressing from design to build contracts due to a range of factors.	Scheme too expensive. Scheme no longer required towards target. Keep pre-development costs as low as possible, early costs engagement.
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.
Higher development costs due to infrastructure requirements.	A substation, retaining structure and turning head are likely required. This will add substantial costs to the scheme and result in higher-than-expected costs. Early cost engagement and design works will ensure viability prior to development. Higher site numbers will increase the split and reduce the costs per unit price.

14. Accountable Officers

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

Approvals obtained on behalf of Statutory Officers: -

	Named Officer	Date
Chief Executive	Sharon Kemp OBE	23/06/2025
Strategic Director of Finance & Customer Services (S.151 Officer)	Judith Badger	12/06/2025
Assistant Director, Legal Services (Monitoring Officer)	Phil Horsfield	04/06/2025

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