

Report of:	Head of Housing and Partnerships
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Key Decision:	Yes
Report Track:	Cabinet: 18/03/20

CABINET
18 MARCH 2020
HOUSING INVESTMENT FUND PROGRAMME

1 Purpose of Report

- 1.1 To note the progress of the Housing Investment Fund Programme.

2 Recommendation(s)

- 2.1 That Cabinet approve the three site phased Housing Improvement Programme that will deliver a minimum of 100 social housing units (subject to planning consents).
- 2.2 That Cabinet delegate to the Head of Housing the authority to explore and consider additional and alternative sites as circumstances dictate.

3 Key Issues and Reasons for Recommendations

- 3.1 On 25 January 2018 Cabinet approved a budget of £12m, together with approval of a transfer of a further £0.929 million of resources from the General Fund Capital programme by Cabinet on 7 February 2019, for the establishment of a Housing Investment Fund to support the delivery of new Council housing in the District over a five year period and which now forms part of the agreed HRA Capital Programme for the period 2018-19 to 2022-23.
- 3.2 The Housing Investment Fund key project target outcome is that the fund will deliver as a minimum an additional 100 social housing units in the District over and above that which would ordinarily be delivered by the planning / S106 system. All units would be directly managed as part of the HRA.
- 3.3 Due to economies of scale in terms of procurement and partnerships, sites that are able to deliver 20+ social housing units have been prioritised in the early stages of the HIF programme. However, to deliver the HIF programme has necessitated consideration of the purchasing of some sites which has resulted in the recommendation to Cabinet to purchase the Aelfgar School site. Where

larger sites are unavailable or found to be not value for money, then smaller sites will be taken forward in later phases of the programme.

3.4 A programme of priority development sites has been formulated which it is anticipated will provide approximately 160 new homes of which it is expect about 60 will be for market sale and 100 for Council housing. The HIF Programme has identified and progressed three priority sites.

- Hawks Green, Old Hednesford Road, Cannock
- Aelfgar Site, Rugeley
- Site in Chadsmoor

Reasons for Recommendations

3.5 There are no decisions required to progress the three priority schemes but Cabinet are to approve that the three site programme.

3.6 The programme will be subject to amendment for a variety of reasons and therefore Cabinet is asked to delegate to the Head of Housing the authority to explore and consider additional and alternative sites as circumstances dictate.

4 Relationship to Corporate Priorities

4.1 This report supports the Council's Corporate Priorities as follows:

- (i) Promoting Prosperity – Increase housing choice through the Housing Investment Fund.
- (ii) Carbon Neutrality by 2030 is a corporate objective in the Corporate Plan 2018-2023.

5 Report Detail

5.1 On 25 January 2018 Cabinet approved a budget of £12m, together with approval of a transfer of a further £0.929 million of resources from the General Fund Capital programme by Cabinet on 7 February 2019, for the establishment of a Housing Investment Fund to support the delivery of new Council housing in the District over a five year period and which now forms part of the agreed HRA Capital Programme for the period 2018-19 to 2022-23.

5.2 The Housing Investment Fund project has been working to achieve the following objectives:

- a) To deliver additional Council owned homes for rent that are over and above the 20% delivered by the planning system.
- b) To develop priority sites that contain 50% affordable housing units.
- c) To meet the highest priority local needs for social housing;
- d) To attract external funding to augment the HIF resources and improve viability of individual sites;
- e) To deliver mixed schemes and mixed tenures;

5.3 The Housing Investment Fund key project target outcome is that the fund will deliver as a minimum an additional 100 social housing units in the District over and above that which would ordinarily be delivered by the planning / S106 system. All units would be directly managed as part of the HRA.

5.4 Bids have been, and will continue to be, developed and submitted to various bodies to attract external funding to compliment the HIF. This could include:

- Homes England Affordable Housing Fund
- West Midlands Combined Authority Land Remediation Fund
- Greater Birmingham & Solihull Local Enterprise Partnership
- Staffordshire and Stoke on Trent Local Enterprise Partnership

5.5 Due to economies of scale in terms of procurement and partnerships, sites that are able to deliver 20+ social housing units have been prioritised in the early stages of the HIF programme. However, to deliver the HIF programme has necessitated consideration of the purchasing of some sites and the recommendation to Cabinet to purchase the Aelfgar School site. Where larger sites are unavailable or not value for money, then smaller sites will be taken forward in later phases of the programme.

5.6 Following a review of site availability and development appraisals a programme of priority development sites has been formulated which it is anticipated will provide approximately 160 new homes of which it is expect about 60 will be for market sale and 100 for Council housing. The HIF Programme has identified and progressed three priority sites which are discussed in some detail below.

5.7 Hawks Green, Old Hednesford Road, Cannock

The Hawks Green Depot Site was identified as the first priority site for and Cabinet in June 19 agreed scheme approval and permission to spend. The Scheme will provide a total of 44 homes of which 22 will be for market sale and 22 Council homes. The Council homes will provide 6 one-bedroom houses, 8 one-bedroom flats, 8 two- bedroom and 2 three-bedroom houses. The number of one-bedroom houses has been increased from four to six to meet planning criteria. A local lettings plan will be submitted to Cabinet in particular to determine the criteria for the one-bedroom houses.

The developer, Jessup Brothers Limited were procured through the Dudley Framework to undertake both the Housing Development and the Depot Rationalisation works.

The depot rationalisation works which were required to release part of the site for the housing development are now on site.

Planning consent was granted on 5 February 2020. It is anticipated that the housing development works will start on site in April 2020 with a long-stop completion date of June 2022.

5.8 Aelfgar Site, Rugeley

The former Aelfgar School, consisting of 3.42 acres is in the ownership of Staffordshire County Council and together with the Council owned Former Squash Courts form a housing development site of some 4.29 hectares at

Taylors Lane Rugeley. The combined site is in the Local Plan as Policy RTC4. Staffordshire County Council have undertaken land remediation and placed the Aelfgar School site on the market. Cabinet on 30 January 2020 approved the purchase of the freehold interest in the site of the former Aelfgar School - Taylors Lane, Rugeley for a housing development subject to planning consent being granted.

It is anticipated that this site will provide approximately 60 homes of which 30 will be for market sale and 30 for new Council homes. In addition, Cabinet agreed in principle that the specification of the new Council housing will be based on a standard to achieve carbon neutrality or maximise carbon reduction as far as is practically possible. The developer will be encouraged to provide similar homes for market sale.

5.9 Site in Chadsmoor

A further site has been identified in the Chadsmoor Area which may provide approximately 60 homes of which 12 would be for market sale and 48 for Council housing. The site is undergoing some initial development appraisal work. As the site is in the Greenspace Network it is anticipated that an outline planning application will be submitted prior to procurement of a developer to determine the sites development feasibility.

5.10 Future and additional sites

Any opportunity to link other sites to the priority sites is explored and where possible will be pursued. An additional site is being investigated which may be tendered and developed with the Aelfgar site.

5.11 Key Milestones.

Key milestones are for information only and will be subject to amendment during the development process and formalised in development agreements and building contracts.

Site	Milestone	Target Date
Hawks Green	Housing Development Start on Site	April 2020
	Completion	31 March 2022
Aelfgar Site	Exchange of Contracts	Spring 2020
	Start on Site	Spring 2021
	Target Completion	Spring 2023
Site in Chadsmoor	Outline Planning	Winter 2020
	Start on Site	Winter 2021
	Target Completion	Winter 2023

6 Implications**6.1 Financial**

There are no financial implications arising from the report as set out above, all sites identified above are contained within the HRA capital programme for 2019-20 to 2022-23 as agreed at cabinet on 30 January 2020.

6.2 Legal

None.

6.3 Human Resources

None.

6.4 Section 17 (Crime Prevention)

All schemes will be 'secure by design' where appropriate.

6.5 Human Rights Act

None.

6.6 Data Protection

None.

6.7 Risk Management

There are a number of risks associated with development, particularly in relation to uncertain ground conditions. The Council's development partners will have extensive experience in developing on sites with land remediation issues.

The Council will also engage independent "Quantity Surveying" services to ensure value for money and adherence to the agreed schemes.

6.8 Equality & Diversity

None.

6.9 Best Value

None.

7 Appendices to the Report

None.

Previous Consideration

NFP Housing Investment Fund – Aelfgar Site	Cabinet	30 January 2020
Redevelopment of Hawks Green Depot	Cabinet	13 June 2019
Hawks Green Depot Rationalisation	Cabinet	13 June 2019

Background Papers

None