

Name of meeting: Cabinet

Date: 27th June 2023

Title of report: Housing Delivery Plan Update

Purpose of report: To provide an update to Cabinet on progress and to recommend increased delegation of powers to dispose of sites in the Housing Delivery Plan to support the Council's capital receipt targets but also secure Housing Growth outcomes. This report should be read in conjunction with another report on the Cabinet agenda on the 27th June entitled Surplus Property Disposals 23-24.

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	Yes
Key Decision - Is it in the <u>Council's Forward Plan (key decisions and private reports)?</u>	Key Decision – Yes Public report
The Decision - Is it eligible for call in by Scrutiny?	Yes
Date signed off by <u>Strategic Director</u> & name	David Shepherd – Strategic Director, Growth and Regeneration – 10/06/23
Is it also signed off by the Service Director for Finance?	Dean Langton
Is it also signed off by the Service Director for Legal Governance and Commissioning?	Julie Muscroft
Cabinet member <u>portfolio</u>	Cllr Graham Turner – Regeneration Cllr Cathy Scott – Housing and Democracy

Electoral wards affected: All

Ward councillors consulted: Ward councillors were consulted in 2018 prior to the original report establishing the programme of activity. This is an update report.

Public or private: Public

Has GDPR been considered? There is no personal data contained in this report.

1. Summary

Housing Growth and Regeneration have an important role to play in allowing Kirklees to build on its strengths and achieve its growth potential. There is a need to provide high quality housing on a scale and of a type that responds to the needs of a growing population and economy. The report approved at Cabinet on 29th August 2018 and subsequent update report to Cabinet on 20th January 2020 set out the approach to delivering the growth element of the Housing Strategy and provided a clear framework to guide activity to support Housing Growth.

We are focussed on delivering the maximum number of affordable and low carbon quality homes. The Housing Growth activity includes the development of 41 Council owned sites through a variety of projects and programmes and the delivery of Town Centre residential development at both Huddersfield and Dewsbury complementing wider Blueprint regeneration activity.

Support is also provided to assist private sector developers in bringing forward their sites. This includes site-specific planning advice, brokering contact with potential development or investment partners and advice in relation to overcoming barriers to development.

The activity covers the following projects and programmes.

- Supporting the delivery of Strategic Allocation sites
- Accelerated Construction Homes England grant funded Programme.
- Town Centre Living Programme
- Specialist and Supported Housing
- Affordable Housing
- Pipeline sites
- Registered Providers programme
- Brokerage service

In addition to the above the team in Homes and Neighbourhoods are delivering a Council New Build programme (currently focussed on regenerating smaller sites close to existing Council housing) and the Housing Buy Back Scheme.

Despite a very challenging period over the past three years, resulting in supply and workforce issues and ongoing inflation pressures, progress has been made across the programme. Appendix 1 provides a summary of this in relation to the various Housing Growth programmes and projects currently underway and in development.

Decisions are now needed for the following projects in the programme.

- Bradley Park is a key strategic site that has been progressed with technical support and a decision is now needed in order to move this project into the delivery of phase 1 of the site, as the first step in the delivery of multiple phases
- Following on from extensive feasibility work, where appropriate we are seeking to dispose of sites in the programme where this delivers housing growth outcomes.
- Work is undertaken to support the delivery of Affordable Home Ownership properties; this is at a cost to the service and proposals are set out in relation to charging fees for this service.

2. Information required to take a decision

2.1 Funding position

Significant work has taken place over the last three years to further develop the programme and options for delivering Housing Growth. Covid and other economic pressures have, as with all Capital projects, impacted viability of many schemes, some of which have paused, and many have increased in cost and delivery times have lengthened.

During this period work has continued to strengthen relationships with partners and create new partnerships to support positive outcomes and create capacity for delivery. This includes the successful work with West Yorkshire Combined Authority and Homes England which enabled us to secure grant funding of over £1M from the Housing Pipeline revenue fund to support the development of sites and bring them forward for delivery.

2.2 Strategic Partnerships

We are also active in the Strategic Place Partnership group, working with regional colleagues to drive forward work to support key strategic sites such as Bradley Park and Dewsbury Riverside; details are set out in Appendix 1. Work on Bradley Park is moving into preparation for delivery of phase 1 and this requires additional feasibility and development activity to support next steps, funding to support this has been identified and is recommended for approval as part of this report.

2.3 Pipeline sites

Utilising the Housing Pipeline revenue fund grant, option and feasibility work has progressed across many of the sites in the pipeline programme and we are now able to explore where appropriate the opportunity for disposal. Each site will be taken on merit and consideration will be given to supporting the Councils capital receipt target and securing housing growth outcomes.

2.4 Potential Site Disposals

Following on from 2.3 above, Members are reminded that at the Cabinet meeting of 29 August 2018 there were 41 sites identified for different schemes, all of different sizes and values. These are set out in the report which is in the background papers and to which there is a link at paragraph 9 below. As part of the ongoing management of the housing growth programme officers may decide that the optimum way of achieving new housing delivery would be to dispose of the sites to third parties. There is, however, a risk associated with this of the potential land banking of sites leading to a delay in housing delivery. A potential way to mitigate this risk would be to dispose of the site by way of a contract conditional on them obtaining planning permission for housing development so that only the committed would buy the properties due to the expenditure they would have to occur in obtaining planning permission. Other approaches which mitigate this risk would also be explored with legal colleagues prior to any disposal.

Officers will recommend that notwithstanding the amendments made to the Constitution as set out in paragraph 2.16 of item 7 of the report to the Corporate Governance and Audit Committee on 12 May 2023 (reserving to the Executive powers to approve any disposal where the value of the property exceeds £1m) Cabinet grant

authority to officers to be able to dispose of any of the 41 sites referred to in this paragraph on terms to be agreed, irrespective of value after consultation with the relevant portfolio holder but subject to all relevant policies and applicable legislation in doing so.

2.5 Overall delivery

The overall delivery position is set out in Appendix 1. Delivery through the programme is currently estimated at 2,124 units to be delivered by 2030 and we are currently on site or in contract for circa 800 homes.

2.6 Affordable / discounted market homes

First Homes became a mandatory Central Government requirement from 28 December 2021. They are a new Affordable Home Ownership (AHO) product to be delivered via Section 106 planning obligations on residential development sites. The Council is also involved in the sale process for other AHO properties, including Discount Market Sale properties and Starter Homes. Given the work involved and the capacity needed to carry this out it is proposed that the Council introduces a fee to cover reasonable costs of the Council for processing the sale of AHO secured via the planning system (First Homes, Starter Homes and Discount Market Sale). This work will be delivered by the Housing Growth team and Appendix 2 sets out the detail of the work and proposals for charging.

3. Implications for the Council

3.1 Working with People

The Housing Growth work covers a wide range of activity and the Council is working with a range of partners to deliver market and affordable housing which meets local needs, alongside specialist accommodation such as Extra Care schemes and supported accommodation for people with learning disabilities. There is therefore significant benefit to Kirklees citizens in providing access to housing across a range of tenures as part of a programme of quality housing developments. In addition, as part of the construction process, the benefits of the local supply chain and opportunities for apprenticeships and training is maximised at every opportunity.

3.2 Working with Partners

To deliver the significant number of new homes needed the Council is working with a wide range of partners in both the private and public sector such as Registered Providers, Homes England, West Yorkshire Combined Authority, private sector developers and investors.

Working with partners brings additional resources, expertise and capacity to deliver projects, as set out in section 2 above.

3.3 Place Based Working

The needs of Kirklees residents and communities varies widely and by using intelligence and information we are focussing our resources in the best way possible to achieve the best outcome for residents. The specialist housing including the Extra Care Housing programme is a good example of this where we are using information on housing needs

and age demographics to ensure best use of our sites and meet the needs of local communities.

We are also using Place Standard tool which has supported the work to progress the first phase on Dewsbury Riverside.

3.4 Climate Change and Air Quality

Taking into account the Climate Emergency resolution we are exploring all opportunities to encourage energy efficient building methods, supporting the delivery of low carbon housing. A key example of this is the work Thirteen group are delivering across five sites in Kirklees. The commitment on this project is to maximise improvements to environmental standards and delivery of low carbon homes across all five sites.

Our work on housing in town centres seeks to re-use existing assets for housing in sustainable locations within easy reach of strategic transport links via trains and buses. The proximity to town centre leisure and retail uses removes the need for car ownership.

3.5 Improving outcomes for children

Well designed, energy efficient housing built to nationally described space standards, and with (where applicable to the site) provision of open space on site helps provide children with the best start in life.

3.6 Financial Implications for the people living or working in Kirklees

This report requests approval of expenditure of £800,000 of capital funding for Bradley Park. This is required to support preparation for next steps and delivery of phase 1 including additional feasibility and development activity. This is fully covered by grant funding and is already factored into the Capital Plan.

There are no financial impacts on wider residents of Kirklees. Our focus is on well designed energy efficient homes such as those delivered by Keepmoat and Thirteen Group as set out in Appendix 1. This will result in savings on energy costs for tenants and residents living in these homes when compared to other, less energy efficient properties.

3.7 Other (eg Integrated Impact Assessment (IIA)/Legal/Financial or Human Resources) Consultees and their opinions

An Integrated Impact Assessment (IIA) has been carried out alongside the Cabinet Report. The IIA indicates that there will be a neutral impact on communities including people identified as having a protected characteristic under the Equality Act 2010 and satisfies the public sector equality duty imposed on the council. The IIA also sets out that there will be a neutral impact on the environment.

4 Consultation and Engagement

Engagement with ward members takes place on a site by site basis, as proposals for each site progress. For example, local ward members are informed when survey work takes place on site, and at key points during the development process e.g. when planning applications are made or when there is a start on site.

Portfolio holders are informed of progress on the overall housing growth programme via their regular briefing sessions, and specific, strategic issues and decisions in relation to each site are taken to them for a decision.

5 Next steps and timelines

The current position in relation to the range of Housing Growth programmes and projects is included in Appendix 1. Whilst rigorous project management and risk mitigation measures are in place across all of the Housing Growth projects the activity is subject to a range of external factors and risks which may impact adversely on delivery. We will continue to work closely with our partners in Homes England and WYCA to minimise risk across the programme and secure resources to bolster delivery of Housing Growth.

6 Officer recommendations

Cabinet is recommended to:-

- i. Approve Capital funding allocation of £800,000 for Bradley Park - required to support preparation for next steps and delivery of phase 1 including additional feasibility and development activity.
- ii. Note the progress being made as detailed in the Housing Delivery Plan Update as set out in Appendix 1 to the report.
- iii. Delegate to the Service Director – Development, in consultation with relevant portfolio holder, the Service Director -Finance and the Service Director – Legal, Governance and Commissioning, power to dispose of any of the 41 sites identified in the housing growth programme, as referred to in paragraph 2.4 of the report, to not only support the Council's capital receipt targets but also secure Housing Growth outcomes, irrespective of the value of the site and on such terms as officers deem most appropriate after consultation and the agreement of the relevant portfolio holder but subject to all relevant policies and applicable legislation in doing so. Where any of the 41 sites in the housing growth programme are also included in the appendix to the surplus Property Disposals Cabinet report 27th June 2023 these will be dealt with in line with recommendations in the Property Disposals report.
- iv. Delegate to the Service Director – Legal, Governance and Commissioning power to enter into all agreements necessary to effect any of those disposals referred to at (iii)
- v. Agree to the fee charging proposals as set out in Appendix 2 to the report to cover the work the Housing Growth Team are delivering in respect of Affordable Home Ownership properties, including Discount Market Sale properties, First Homes and Starter Homes.

7 Cabinet Portfolio Holder's recommendations

The Cabinet Portfolio Holder is pleased that the programme is taking positive steps towards delivering Housing Growth across key projects. Whilst there is still more to do we have momentum and in particular the work on the phase 1 of Bradley Park, the approach to disposal where this delivers housing growth outcomes and our continued work to support the delivery of home ownership properties supports the ongoing drive for growth across Kirklees.

It's well documented that we have a national housing shortage, and we are not immune from that shortage however we are doing all we can to deliver high quality homes for our residents by working with partners, developing land that the council owns and by working on innovative schemes across the borough.

A decent home helps to deliver so many outcomes, for our residents from better health to more social mobility and better education outcomes, it is beholden on this ambitious Cabinet to do all we can to deliver more homes, and I believe the strategy in this report alongside starting to develop phase 1 of Bradley will deliver much needed new homes.

By working with this strategy and our many partners we now have a pipeline of projects that are starting to deliver new homes and will continue to do so for many years to come.

8 Contact officer

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9 Background Papers and History of Decisions

Appendix 1 Housing Delivery Plan Update

Appendix 2 Affordable Home Ownership Fee Charging

Cabinet Report – Housing Delivery Plan. Approved 29th August 2018
<https://democracy.kirklees.gov.uk/documents/q5703/Public%20reports%20pack%2029th-Aug-2018%2016.00%20Cabinet.pdf?T=10>

Cabinet Report – Dewsbury Riverside Masterplan. Approved 19th March 2019

<https://democracy.kirklees.gov.uk/documents/q5613/Public%20reports%20pack%2019th-Mar-2019%2016.00%20Cabinet.pdf?T=10>

Cabinet Report – Housing Delivery Plan Update. Approved 20th January 2020

<https://democracy.kirklees.gov.uk/documents/q6297/Public%20reports%20pack%2020th-Jan-2020%2010.00%20Cabinet.pdf?T=10>

Dewsbury Riverside Development Strategy. Approved 25th February 2020

[Agenda for Cabinet on Tuesday 25th February 2020, 4.00 pm | Kirklees Council](#)

Cabinet report – Disposal of land at Kenmore Drive, Cleckheaton

[Agenda for Cabinet on Tuesday 26th May 2020, 5.00 pm | Kirklees Council](#)

Cabinet report - Registered Providers Clusters Programme - Update and Land Disposals

[Agenda for Cabinet on Tuesday 5th July 2022, 3.00 pm | Kirklees Council](#)

Cabinet Report – Residential Development in Huddersfield Town Centre. Approved 26th July 2022

<https://democracy.kirklees.gov.uk/documents/g7181/Public%20reports%20pack%2026th-Jul-2022%2015.30%20Cabinet.pdf?T=10>

10 Service Director responsible

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