

## STAFFORDSHIRE MOORLANDS DISTRICT COUNCIL

### Service Delivery Overview & Scrutiny Panel

20 November 2019

<b>TITLE:</b>	<b>Accelerated Housing Delivery Programme Update</b>
<b>PORTFOLIO HOLDER:</b>	<b>Councillor Sybil Ralphs - Council Leader SMDC</b>
<b>CONTACT OFFICER:</b>	<b>Sarah Porru - Head of Regeneration</b>
<b>WARDS INVOLVED:</b>	<b>(All Wards);</b>

### Appendices Attached – Appendix A – FAQ – Home Build Fund

#### 1. Reason for the Report

- 1.1 To update councillors on the progress of the Accelerated Housing Delivery Programme. The AHDP is a package of measures to tackle the low level of development activity.

#### 2. Recommendation

- 2.1 That Councillors note the update report.

#### 3. Executive Summary

- 3.1 The Staffordshire Moorlands has suffered from low levels of development for many years. Planning approvals are being granted on sites but some are not coming forward to the construction phase.
- 3.2 In order to tackle this problem we listened to the issues raised by developers and developed a comprehensive delivery programme to tackle the problem. The Accelerated Housing delivery Programme (AHDP) was approved by members in April 2018.
- 3.2 The accelerated housing delivery programme has two aims, to;
- Drive forward delivery of the local plan and maintain 5 year land supply by proactive measures and Council led interventions where appropriate.
  - Deliver community benefits in form of increased income from council tax, business rates and New Homes Bonus for reinvestment in the

community.

- 3.3 In the short time the AHPD has been operational, officers have achieved the following outcomes;
- 34 affordable homes completed in 2018/19
  - Successful bid to LGF for Growth Fund Deal grant for Blythe Park Extension Infrastructure Scheme £1,250,000
  - Successful EOI to Homes England, Small Sites Fund with invitation to make a full funding application for Cornhill, Leek
  - Completion of the Investment and Acquisition Strategy
  - Completion of Wharf Road and Tunstall Road masterplans
  - Anticipated completion of Cheadle Town Centre masterplan December 2019
  - Strengthen and improved relationship with local registered providers
- 3.4 However the latest demographic information shows that in 2018 the population in Staffordshire Moorlands declined for the first time in many years. It was the only Staffordshire district to see a decline in population. The decline was driven by natural change (deaths exceed births by 330) and there were not enough people moving into the area to counteract the natural change figures.
- 3.5 The lack of new housing growth is exacerbating these demographic trends. In 2018/19 there were 140 new homes completed in the district. This compares to 660 in Stafford, 620 in East Staffordshire. Only 2.2% of houses sold in Staffordshire Moorlands are new homes. This is the tenth lowest figure for local authorities in England (out of 382 councils).
- 3.6 This low level of housing delivery combined with an ageing population leads to low investment in the town centre and high levels of empty shops, difficulty in recruitment, Investment going to higher growth areas, leading to a reduction in income to the Council and other public services. Therefore there is a continued need to drive the accelerated housing delivery programme.
- 3.7 This will deliver the following benefits, in addition to the above outcomes the successful delivery of the adopted accelerated housing delivery programme will bring the following benefits;
- Increase the number of new homes built, meeting housing demand identified in the local plan and contributing to the Council's 5 year land supply
  - Increased investment in community benefits through S106 contributions as well as increased income from Council tax and potentially from New Homes Bonus
  - Delivery of affordable homes in line with the emerging Local Plan Policy
  - Inward investment through the development and construction activities
  - Creation and retention of jobs through construction of homes and supporting the supply of homes for skilled labour force for the local businesses
  - Increased footfall and spend in the local economy
  - Stimulus for economic growth and external investment to help towns and villages remain vibrant and sustainable.

#### 4. **How this report links to Corporate Priorities**

- 4.1 The Accelerated Housing Delivery Programme seeks to deliver housing growth anticipated in the Local Plan and will therefore have links to the following aims in the Corporate Plan:
- Aim one: help create a safer and healthier environment for our communities to live and work
  - Aim two: Effective use of resources and provide value for money
  - Aim three: Help create a strong economy by supporting further regeneration of towns and villages
  - Aim four: Protect and improve the environment

#### 5. **Alternative Options**

- 5.1 There are no options, as the report is for information.

Dai Larner  
**Executive Director (Place)**

#### **Web Links and Background Papers**

HDT Action Plan

Tunstall Road Masterplan  
<https://democracy.staffs Moorlands.gov.uk/documents/s14601/Tunstall%20Road%20Masterplan%20-%20September%202019.pdf>

Wharf Road Masterplan  
<https://democracy.staffs Moorlands.gov.uk/documents/s14577/Wharf%20Rd%20SDS.pdf>

#### **Contact details**

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#### 6. **Detail**

- 6.1 Historically, completions rates in the Staffordshire Moorlands have been low.

Number of homes completed:

2012/13 = 96  
2013/14 = 124  
2014/15 = 307  
2015/16 = 100  
2016/17 = 128  
2017/18 = 142  
2018/19 = 165

- 6.2 The emerging Local Plan requires that 6080 homes be built over the plan period (2014-2033) at an annual rate of 320 per year. There are a number of sites with existing planning permission still to come forward. The priority is to therefore support active conversion from sites with unimplemented planning approvals to delivery of homes.

- 6.3 In response, back in April 2018 Councillors approved the Accelerated Housing Delivery Programme (AHDP). The aim of the programme was to:
- Drive forward delivery of the local plan and maintain 5 year land supply by proactive measure and Council led interventions where appropriate.
  - Delivery community benefits in the form of increased income from council tax, business rates and New Homes Bonus for reinvestment in the community.
- 6.4 The proposal created a comprehensive package of measures to accelerate housing delivery, which focused on 4 key themes, as set out in more detail in para 7.12.
- Open for business approach to planning applications and the regulatory process
  - Facilitating development on sites with un-implemented planning approvals
  - Accelerating delivery of emerging Local Plan sites
  - Council-led proactive interventions
- 6.5 Since the APDH was introduced the government also announced the Housing Delivery Test (HDT), as a monitoring tool to assess whether local areas are building enough homes to meet their housing need. The HDT which was introduced in February 2019 compares the number of new homes delivered over the previous 3 years with the authorities housing requirement.
- 6.6 A total of 369 homes were completed in Staffordshire Moorlands (including the Peak District National Park) over the three year period, 175 homes less than the 544 homes needed. This equated to 68% of the need being met. Government guidance states, where delivery has been less than 75% of the housing requirement, the NPPF presumption in favour of sustainable development will apply and an Action Plan must be prepared with six months. In line with government guidance, an action plan was approved by members in August 2019.
- 6.7 In advance of the Housing Delivery Test being introduced, the Council had already acknowledged the historic issue of low completions rates and work through the AHDP had commenced to drive development forward.
- 6.8 Through comprehensive discussions with developers, landowners registered providers and stakeholders the Council has identified a number of issues and barriers. These include:
- Low rates of house building due to:
    - National houses builders such as Barratts, Persimmon and Taylor Wimpey have minimum site thresholds of around 80-100 which is significantly larger than the majority of sites available in the Moorlands.
    - Connectivity across the Staffordshire Moorlands is poor which makes commuting less attractive and increases construction costs.
    - Low levels of profit margins, leading to a limited incentive for

- developers to expand into the Staffordshire Moorlands area.
    - Difficult to justify S106 contributions on small sites which leads to lack of infrastructure, education and open space investment.
  - Lack of control and certainty for the Council due to lack of publically owned land that can be developed for housing.
  - Local plan not being in place- leading to uncertainty and lack of developers' confidence
  - Difficult planning process. The appeal process is high risk, high cost and low reward on relatively small sites and low profit margins.
  - Lack of high skilled, high paid jobs within the district, affecting affordability of new housing
  - Lack of diversity in available house types, not attracting premium earners/ high skilled and young first time buyers.
- 6.9 The lack of housing growth across the Staffordshire Moorlands impacts the area both in terms of economic prosperity but also the demographic makeup of the area. The lack of growth leads to low investment in town centres and high levels of vacant shops, local employers have difficulty in recruitment and there is a reduction in income to the Council and other public services.
- 6.10 Recent population statistics show a decline in the population for the first time in many years, peaking at 98,496 in 2017 but declining to 98,397 in 2018. The impact of depopulation and an ageing population will inevitably mean an increase in social care provision and an increase demand for retirement accommodation. Whilst at the same time, employers will potentially be forced to relocate to where they can attract workers and the highstreets and town centres may also decline.
- 6.11 Driving growth forward through the AHDP and accelerating the delivery of the emerging Local Plan must be a priority for the Council. As identified above, limited growth can hugely stifle the sustainability of communities, young people move away seeking better opportunities which impacts on the vibrancy of the high street, employment opportunities and ultimately a reduction in Council Tax and Business Rates.

The AHDP focuses on four keys themes which are each split into a number of deliverable actions.

**6.12 Theme 1- Open for business approach to planning applications and regulatory process**

Actions are to:

- Prepare place marketing material to promote inward investment
- Incentivise development through a streamline planning application process
- Enhanced service delivery with customer focused approach to all regulatory functions.
- Reduce number of planning appeals to reduce the developers risk.

**6.13 Theme 2- Facilitating development on sites with un-implemented planning approvals.**

Actions are to:

- Enable and facilitate private sector partners and developers to help achieve an increase in the number of completions. Work with developers and partners to understand the issues and overcome barriers which delay development.
- Approach land owners with planning approvals and outline support and Homes England (HE) (formally the Homes and Communities Agency) funding available. The majority of developers across the Moorlands area are small to medium enterprises and can lack knowledge of the development process and or financing.
- Approach Registered Providers, land agents and developers to understand the barriers and constraints to delivery
- Work with Registered Providers to identify suitable sites for 100% affordable housing and pursue funding bids with HE
- Work with HE to promote 'Home Build Fund' aimed at small sites and small scale builders to bring forward delivery of sites
- Revise planning pages to include guidance for small site owners and business to demystify the planning process

#### **6.14 Update and progress made:**

6.15 Officers have undertaken an extensive programme of work with local developers, registered providers, Homes England to encourage landowners with unimplemented planning and outline approvals to progress, and ultimately commence delivery on site.

6.16 Frustratingly, interest and uptake of the Councils offer of assistance has been low. The Council approached all landowners (those with unimplemented planning approvals) offering the following pack of support and advice.

- preparing a reserved matters application
- discharging planning conditions,
- liaising with local Registered Providers for affordable housing
- understanding the market value of the site
- how to actively market the site and finding an appropriate buyer/ developer/ builder
- understanding legal issues related to development
- funding support, finance if required

6.17 In addition to the above support, the officers have liaised with Homes England regarding the advice and assistance they could offer to drive delivery forward. Landowners were invited to attend a drop in session directly with a senior officer from Homes England to promote their Home Building Fund. The Home Building Fund is aimed at helping developers and landowners who are struggling to obtain finance which is preventing them from commencing work on site. A FAQ leaflet (appendix 1) was developed and distributed to landlords to raise awareness. Despite our best efforts, very few landowners/ developers came forward to take advantage of this fantastic opportunity.

6.18 Work with registered providers has proved to be more positive and several

new providers are seeking development opportunities within the district.

6.19 Due to the geographic location of the Staffordshire Moorlands, whilst it is extremely positive to welcome new providers into the area, there are sadly still not a huge number willing to work in the district. The registered providers who are actively looking for development opportunities are;

- Honeycomb Group (formally known as Staffordshire Housing)
- Your Housing Group
- Wrekin Housing Trust
- Aspire Group
- Staffordshire and Rural Housing
- Jigsaw Homes Group
- Johnnie Johnson Housing Trust
- Peak District Rural Housing Association

6.20 Due to the limited number of open market developments under construction and viability concerns, there are a limited number of opportunities for registered providers in the district. This lack of opportunities has forced registered providers to think more strategically, and form relationships with developers to bring sites for 100% affordable housing. Where appropriate we are encouraging them to seek SOAHP grant from Homes England. This is mainly on sites where a financial viability has been identified and they are not able to be Core Strategy policy H2 compliant.

6.21 There were 34 affordable housing completions in 2018/19. These were delivered by 2 registered providers. Wrekin Housing Trust delivered 30 homes for affordable rent on Bank Street, Cheadle and will complete a further 12 apartments in 2019/20. A new relationship with EPIC has seen 4 empty homes purchased from the open market and brought back into use as shared ownership.

6.22 Officers are meeting regularly with registered providers to build stronger working relationships, and whilst it may be several years until we start to see increased delivery on site, we are constantly investigating opportunities to deliver more affordable homes across the district.

6.23 An online planning guide has been developed for businesses in order to demystify the planning process .  
<https://www.staffsmoorlands.gov.uk/article/1813/Pre-application-advice-for-businesses>

#### **6.24 Theme 3 Accelerating delivery of the Local Plan sites**

Actions are to:

- Once the Local Plan is submitted, start to approach owners of the newly allocated residential sites to look at steps for delivery.
- Work with private sector land owners to prepare masterplans and delivery options for large cluster sites identified in the emerging Local Plan.
  - Wharf Road, Biddulph (local plan policy DSB1)
  - Tunstall Road, Biddulph (local plan policy DSB2)

- Mobberley Area, Cheadle (south west cluster) (local plan policy (DSC3)
- Blythe Vale sites (local plan policy DSR1)
- In addition to the above masterplans, the following mixed use development opportunity sites where there is significant public sector land ownership would benefit from Council led intervention to prepare masterplans for coordinated delivery.
  - Cheadle Town Centre
  - The Mill Quarter, Leek
- Following the masterplans, work with landowners and stakeholders to initiate delivery and land assembly discussions.
- Work with stakeholders including Staffordshire County Council to bid for funding for relevant infrastructure or viability gap (if any) as and when appropriate.

**6.25 Update and progress made:**

6.26 Although the Local Plan timetable has been revised since the approval of the AHDP, work has commenced in readiness for adoption in 2020.

6.27 In order to ensure efficient use of Council resources a phased approach to commissioning masterplans has previously been agreed. The following actions tabled below were proposed for the Councils direct intervention in accelerating the delivery of Local Plan sites. The table below provides an update to each action.

6.28

Task	Timescale	Lead organisation	Update
Completed in preparation of Local Plan			
Acquisition and investment strategy	2018-19	SMDC	Report complete and adopted October 2019
Wharf Road masterplan, Biddulph	2018-19	SMDC	Report completed September 2019. No further work to be commissioned at present
Tunstall Road masterplan, Biddulph	2018-19	SMDC	Report completed September 2019. Further works are proposed but have not been put forward for member approval until the adoption of the local plan.
Cheadle Town Centre masterplan	2019/20	SMDC+SCC	Work in progress, due to complete Dec 2019. Bid to OPE phase 8 to be submitted in due course
Tasks still to be completed			

Mobberley Farm masterplan, Cheadle	TBC	Private sector owners	No update
Blythe Vale masterplan	TBC	Private sector owners	No update
A50 impact report + access infrastructure	TBC	SMDC+ neighbouring authorities Highways England & SCC	No update
Mil Quarter, Leek  (Masterplan/ Leek Mills strategy)	TBC	SMDC+SCC	No update

- 6.29 Since completion, The Acquisition Strategy, Tunstall Road and Wharf Road masterplans have been presented to members through Service Delivery. Links to further information is available in the background section.
- 6.30 One of the key actions for accelerating sites, is to work with stakeholders to bid for funding for relevant infrastructure or viability gaps.
- 6.31 Officers have successfully supported MJ Barrett to make an application to LGF for Growth Fund Deal 3 grant for the Blythe Park Extension Infrastructure Scheme. The scheme in Cresswell was awarded £1,250,000 of grant for infrastructure works which will enable the development of much needed employment/ commercial space and residential development.
- 6.32 Developers at Cornhill, with input from the Council, has successfully completed an EOI to Homes England for funding from its Small Sites Fund. The developer, Casey Group has been invited to make a full application.
- 6.33 Theme 4 – Council led interventions**  
Actions are to:
- Consider proactive intervention by the council where appropriate to gain more control and certainty over developments by using Council's resources and powers in form of assets, funding, borrowing powers, CPO powers and skill and expertise of the staff.
  - Commission consultants to prepare an investment and acquisition strategy for the purchase of land in appropriate areas to allow direct intervention from the Council and or its partners.
  - Consider a housing delivery vehicle such as a joint venture for public sector led delivery of a range of housing tenure and typologies.
  - Work with other public sector bodies including SCC, NHS and other public sector partners to review land assets in their ownership through the One Public Estate Programme (OPE) and consider options for enhanced service deliver through rationalisation of assets which may result in surplus land for additional housing sites.
  - Review all council owned land assets and consider development where

appropriate.

#### **6.34 Update and progress made:**

**6.35** The Investment and Acquisition Strategy was adopted in October 2018. The Strategy is a review of the rational for investment to understand the key drivers which might underpin the need for Council investment in Staffordshire Moorlands. The strategy sets out a range of potential intervention routes for shortlisted sites and site recommendations.

6.36 The overarching rational for the Council to invest or directly intervene in development in the District is based on 4 key principles.

- To deliver on strategic objectives and priorities
- To generate economic benefits for the wider district and social benefits for communities
- To deliver catalytic impacts to prove market demand for products and stimulate sector interest
- To generate financial returns for the Council in terms of capital receipts, and both short and long-term future revenue streams for the Council to support delivery of services.

**6.37** Another action under the Council led proactive interventions theme is to work with other public sectors partners to review land assets through the One Public Estate Programme (OPE) and consider options for enhanced service delivery through rationalisation of assets which may result in surplus land for additional housing sites. It is anticipated that a bid will be submitted to OPE phase 8 to deliver the completed Cheadle masterplan.

6.38 Cushman and Wakefield were commissioned to prepare a Spatial Masterplan and Investment Strategy for Cheadle Town Centre. The reasoning behind the masterplan is to make better use of Council and County Council owned sites and to rejuvenate the high street. The consultants evidence suggested that Cheadle was facing the following issues:

- Declining population
- Declining high street
- Lack of indemnity
- Congestion
- Lack of housing delivery in recent years

6.39 The masterplan is expected to be completed in December. It will contain options for utilising some public sectors sites including Tape Street car park to increase residential housing growth.

## **7 Next Steps**

7.1 Whilst the council has been extremely proactive in attempting to drive forward housing growth there is still further work to do. Officers will continue to implement the actions identified in the AHDP focusing on,

- Understanding and removing the barriers to growth and investment

- Continuing to work with developers and landowners with unimplemented planning approvals
- Working with developers and landowners to promote sites allocated in the emerging Local Plan.
- Continue to strengthen relationships with developers and registered providers
- Continue to work with other public sector bodies to attract funding and investment to the area.

- 7.2 It is anticipated that the Local Plan will be adopted in late 2019 early 2020, once adopted it is pivotal that the Council accelerate housing delivery on newly allocated sites that will support economic growth in the area and enhance the vibrancy of towns and villages. The successful delivery of the accelerated housing delivery programme will bring the following benefits;
- Increase the number of homes built, meeting housing demand identified in the emerging Local Plan and contributing to the Councils 5 year land supply
  - Increased investment in community benefits through S1076 contributions as well as increased income from Council Tax and potentially from New Homes Bonus
  - Delivery of affordable homes
  - Inward investment through the development and construction activities
  - Creation and retention of jobs through construction of homes and supporting the supply of homes for skilled labour force for local business
  - Increase in population and potential rise in the number of younger households choosing to remain in the area.