

STAFFORDSHIRE MOORLANDS DISTRICT COUNCIL

Cabinet

29th March 2022

TITLE:	Housing Delivery Programme
PORTFOLIO HOLDER:	Councillor Sybil Ralphs MBE – Leader Councillor Mike Bowen - Communities
CONTACT OFFICER:	Sarah Porru – Head of Regeneration
WARDS INVOLVED:	All

1. Reason for the Report

- 1.1 To update councillors on progress of the Accelerated Housing Delivery Programme and present a refocused programme of work following the adoption of the Local Plan. The report seeks approval for an uplift in the Regeneration Service budget for the next financial year to enable the commission of a comprehensive package of interventions to tackle low levels of development activity, maintain the five-year housing land supply, and deliver the Local Plan.

2. Recommendation

- 2.1 It is recommended that the Cabinet approve the following:
- i) Approve the revised Housing Delivery Programme as outlined in paragraphs 8.1 - 8.8 of this report.
 - ii) Approve the 2022/23 budget uplift request as outlined in paragraph 6.4 of this report.

3. Executive Summary

- 3.1 The Accelerated Housing Delivery Programme was approved by members in April 2018 to drive forward delivery of new homes in response to the historic low levels of completions achieved in the District.
- 3.2 The Council adopted its Local Plan in September 2020. The adoption of the new plan has provided an ideal opportunity to review the existing Accelerated Housing Delivery Programme (HDP). The refreshed HDP proposed in this

report also reflects the recommendations identified in the Investment & Acquisition Strategy (2019) and continues the drive to sustain growth and economic investment and to meet the housing targets set out in the Local Plan.

- 3.3 In light of the planned growth set out in the Local Plan, it is proposed to re-focus the housing delivery programme on the following four updated themes:
- Theme 1 – Facilitating the Delivery of Council owned sites
 - Theme 2 – Accelerating the delivery of Local Plan sites
 - Theme 3 – Facilitating and supporting the delivery of partnership sites
 - Theme 4 – Affordable Homes
- 3.4 The full programme of work set out under the four key themes is outlined in paragraphs 8.0 - 8.11 of this report with a summary table provided in appendix 1.
- 3.5 The key next steps and those which require budget allocation are outlined below:
- Appoint an agent to work with the multiple owners at the allocated strategic development area at Wharf Road, Biddulph to consider land assembly and access options.
 - Appoint an agent to advise the Council on acquisition opportunities at the allocated strategic development area at Tunstall Road, Biddulph and to work with the multiple owners to consider land assembly options.
 - Appoint consultants in partnership with Staffordshire County Council to prepare a masterplan for the strategic development area at Blythe Vale to facilitate the delivery of the employment element of the allocation and to explore long term options for development at this location.
 - Commission market demand assessments for appropriate council owned land assets for housing development opportunities.
- 3.6 A budget to underpin the housing delivery programme will be required. Financial implications are considered at paragraphs 6.4 and 8.21 of this report. It is recommended that a budget uplift of £90,000 is made available to the Regeneration Service in 2022/23 to deliver against the programme's core aims.
- 3.7 It is proposed that a £70,000 budget is focused on bringing forward the masterplan proposals at Wharf Road and Tunstall Road in Biddulph. A £10,000 budget will match fund the Blythe Bridge masterplan (undertaken in partnership with SCC, with an initial £20,000 allocated from the 2021/22 budget) , in addition to £10,000 for demand assessments on appropriate Council land for future housing development. The above costings are approximate at this stage, costings will be confirmed through the tender and commissioning process.
- 3.8 A successful housing delivery programme is expected to help meet housing demand identified in the Local Plan, including for affordable homes, and maintain the Council's five year housing land supply. Construction activity and a growing population also acts a stimulus for economic growth and investment

to help towns and villages remain vibrant and sustainable.

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

4.1 The Housing Delivery Programme seeks to deliver housing growth anticipated in the Local Plan and therefore has links to the following aims in the Corporate Plan:

- Aim One: help create safer and healthier environments 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. **Options and Analysis**

5.1 **Option 1:** To decline to approve the re-focused Housing Delivery Programme, and /or decline to provide additional resources to help deliver the programme. This is not considered the preferred option.

5.2 The government is imposing sanctions on local authorities which are unable to demonstrate delivery of their housing target. In January 2021, the Council recorded a Housing Delivery test result achieving 97% of the required housing over the past three years. However, the recently published five year housing land supply results (as of April 2021) concluded that the Council cannot demonstrate a 5 year supply. **Option 1 is not recommended**

5.3 **Option 2:** To approve the revised Housing Delivery Programme and approve the additional resources required.

5.4 Having an implementation plan in place will demonstrate the Council's commitment to deliver the adopted Local Plan and help to maintain a five year housing land supply. The government, through the Housing Delivery Test, is encouraging local authorities to take a more proactive approach to securing the delivery of new homes. The housing delivery programme is designed to coordinate the Council's efforts to access funding and attract investment to the area. **Option 2 is recommended**

6. **Implications**

6.1 Community Safety - (Crime and Disorder Act 1998)
No implications

6.2 Workforce
The Regeneration Team is able to provide project management support, with experience and expertise in delivering development projects by utilising the relevant funding streams available.

A phased approach is suggested in order to utilise the available capacity of the team and to manage the workload more efficiently.

6.3 Equality and Diversity/Equality Impact Assessment

No implications at this stage

6.4 Financial Considerations

A 2022/23 budget of £90,000 be allocated to the Regeneration Service to deliver as follows:

- £30,000 to appoint consultants to facilitate land assembly and marketing/ delivery options at Wharf Road, Biddulph, including a highways consultant to evaluate the implications of the Aldi development and explore alternative access points to the remaining Wharf Road site.
- £40,000 to negotiate with owners at Tunstall Road, Biddulph with a view to commissioning an equalisation agreement, work to include undertaking valuations of two residential properties and preparation of a business case for site acquisition as necessary.
- £10,000 to commission market demand assessments for appropriate council owned land assets for housing development opportunities.
- £10,000 to appoint consultants to undertake a masterplan at Blythe Bridge (£20,000 already allocated from 2021/22 budget). It should be noted that the full cost of this work is expected to be £60,000, with SCC meeting half the costs.

6.5 Legal

Legal advice will be sought at all relevant stages to the delivery of the housing delivery project and where necessary independent external advice will be sought.

6.6 Sustainability

The Local Plan is prepared according to wider sustainability considerations

6.7 Internal and External Consultation

No implications

6.8 Risk Assessment

A detailed risk assessment will be required for each individual project as part of the wider programme of delivery.

Neil Rodgers
Executive Director (Place)

**Web Links and
Background Papers**

Cabinet; 24th April
2018

Service Delivery
Panel; 20th
November 2019

Investment &
Acquisition Strategy
Sept 2019

Location

Moorlands House

Moorlands House

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7. Background and Detail

7.1 In April 2018 Councillors approved the Accelerated Housing Delivery Programme (AHDP).

7.2 The aim of the programme was to:

- Drive forward delivery of the local plan and maintain a 5-year housing land supply by proactive measures and Council led interventions where appropriate.
- Deliver community benefits in the form of increased income from council tax, business rates and New Homes Bonus for reinvestment in the community.

7.3 The 2018 proposal created a comprehensive package of measures to accelerate housing delivery, which focused on four key themes.

- 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

7.4 Since the introduction of the programme a significant amount of progress has been made and the following outcomes have been achieved:

- Adoption of the Local Plan.
- 201 new homes completed in 2020/21.
- Completion of Investment and Acquisition Strategy.
- Completion of Wharf Road and Tunstall Road masterplans.
- Completion of an options appraisal for a Cheadle Town Centre masterplan.
- On-going community engagement on options for sites in public sector ownership in Cheadle town centre.
- 25 affordable homes delivered in 2020/21.
- Continue to strengthen our relationship with Homes England to access funding and support.
- Community Renewal Fund bid submitted for Blythe Vale masterplan.
- Strengthened and improved relationships with registered providers.
- Ongoing work through the One Public Estate programme.
- Revised planning pages to include guidance for small site owners and business to demystify the planning process.

7.5 Whilst the Council has been proactive in supporting housing growth, there is still further work to do. The adoption of the Local Plan in September 2020 has provided a good opportunity to review and refocus the Housing Delivery Programme. This will build on the positive outcomes achieved to date and set out updated priorities moving forward. In particular, the revised Housing Delivery Programme as set out in section 8 of this report proposes to refocus the Council's drive to accelerate delivery on sites allocated in the Local Plan that will support economic growth in the area and enhance the vibrancy of

towns and villages.

Barriers to housing delivery

- 7.6 Staffordshire Moorlands has experienced low levels of development for many years. Planning approvals are being granted on sites, but some are not coming forward to the construction phase.
- 7.7 Through discussions with developers, landowners registered providers and stakeholders, the Council has identified a number of key 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 units which is significantly larger than the majority of sites available in the Moorlands. It is hoped that the adoption of the Local Plan, with housing allocations including several larger, cluster sites, will help to address this.
 - 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.
 - Lack of control and certainty for the Council due to lack of publicly owned land that can be developed for housing.
 - 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.
- 7.8 In addition to the above issues, there are a number of wider concerns which could impact economic growth nationally.
- Covid 19 and the impact of new variants
 - Impact of Brexit
 - Labour market and increased costs and supply chain issues relating to building materials.

Impact of low levels of housing delivery

- 7.9 The lack of housing growth across the Staffordshire Moorlands impacts the area both in terms of economic prosperity and its demographic makeup. A lack of growth can lead to low investment in town centres and high levels of vacant shops. Local employers can experience difficulty in recruitment and there is a reduction in income to the Council and other public services.

Five Year Housing Land Supply

- 7.10 Despite the progress made to date through the existing Accelerated Housing Delivery Programme outlined in para 7.4. The recently published Five Year Land Supply Statement concludes the Council cannot demonstrate a 5 year supply, with evidence supporting a 4.21 years supply of housing land.

7.11 The impact of this is that there is now a presumption in favour of development. As such, para. 11d of the NPPF now applies to applications for housing development i.e. grant permission unless the application of policies that protect areas or assets of particular importance provide a clear reason for refusing the proposed development policies (e.g. Green Belt, Local Green Space, SSSI etc) , or unless any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in the Framework taken as a whole – The “Tilted Balance”.

Benefits of a Housing Delivery Programme

7.12 Housing growth supported through the HDP with the updated programme outlined in this report will support economic growth in the area and enhance the vibrancy of our towns and villages. Successful delivery of the proposed housing delivery programme is expected to bring the following benefits:

- Increase in the number of homes built, meeting housing demand identified in the Local Plan and maintaining the Council’s 5 year housing land supply.
- Increased investment in community benefits through Section 106 contributions, as well as supporting increased income from Council Tax.
- Delivery of affordable homes in line with Local Plan policy.
- Inward investment through development and construction activities.
- Creation and retention of jobs in construction and its supporting supply chain, and delivery of local homes to help secure a skilled labour force for local business.
- Increased footfall and spend in the local economy.
- Stimulus for economic growth and investment to help towns and villages remain vibrant and sustainable.

7.13 The SMDC Investment and Acquisition Strategy (2019) demonstrates that direct intervention and investment by the Council will support delivery of strategic objectives and priorities and generate economic benefits for the wider District & deliver social benefits for its communities. The strategy identified further development of Tunstall Road, Wharf Road & Blythe Vale as sites which, should be taken forward because they are:

- Strategically important for the district and align with the core policy objectives of SMDC/the region; and/or
- Have a clear need for intervention due to market failure, viability or complexity in delivery of the site; and/or
- Are in a location where there is considered to be a market demand; and/or
- Have the scope for significant benefits and/or could generate a return on investment for SMDC.

Blythe Vale is also identified as a site which is likely to be beneficial to overall job growth in the short to medium-term.

8 The proposal

8.1 The programme will focus on four core themes, each is described in further detail below:

- Facilitating the delivery of Council owned sites
- Accelerating delivery of Local Plan sites
- Facilitating and supporting the delivery of Partnerships sites
- Affordable Homes

Theme 1 - Facilitating the delivery of Council owned sites

8.2 Land in Council or public sector ownership is easier to deliver and more cost effective. However the Council has limited publicly owned land to accelerate for housing delivery, following the successful Ascent programme.

8.3 HDP actions under this theme are to:

- Review all council owned land assets for sustainable development opportunities.
- Review the Acquisition Strategy with a view to increasing land in Council ownership where this can stimulate delivery and address delivery constraints.

Theme 2 - Accelerating delivery of Local Plan sites

8.4 Following the adoption of the Local Plan and allocation of sites for residential development, the delivery of these sites is now the key lever for driving forward economic growth in the district.

8.5 HDP actions under this theme are principally to explore the most effective routes to delivery on strategic sites where the Council has already undertaken intervention (with preparation of masterplans at Wharf Road and Tunstall Road, Biddulph). Specific proposals are set out below.

- Wharf Road – appoint consultants to:
 - Update existing masterplan in terms of access, as delivery of Aldi has impacted on access.
 - Work with the school to negotiate a solution that will enable the school to retain a sports facility, whilst enabling sufficient land to deliver an access route to the whole site allocation.
 - Land assembly options (land equalisation, collaboration agreements).
- Tunstall Road - appoint consultants to:
 - Advise on Council acquisition and to prepare a business case as necessary.
 - Work with the multiple owners on land assembly and delivery mechanisms (for example land equalisation or collaboration agreements).
 - Explore delivery solutions which ensure the delivery of the employment allocation alongside the residential development.

- Carry out valuations of existing residential properties on site.
- Approach owners of the allocated residential sites and those with unimplemented planning approvals to look at steps to promote delivery and provide support and guidance as appropriate.
- Bid for funding and investment for relevant infrastructure or a viability gap (if any) as and when appropriate.
- Work with private sector land owners to assist delivery for large cluster sites identified in the Local Plan, where there is evidence of market failure. Potentially:
 - Mobberley Farm, Cheadle (local plan policy DSC3)
 - Cecilly Brook, Cheadle (local plan policy (DSC 2)
 - Land at the Mount, Leek local plan policy (DSL4)
 - Land at Newton House Leek (local plan policy DSL3)

Theme 3 - Facilitating and supporting the delivery of Partnerships sites

8.6 HDP actions under this theme are to:

- Work with Staffordshire County Council on a Blythe Vale Masterplan and Delivery Programme. Consultants will be appointed to:
 - Explore access and road improvements on the A50 to facilitate the delivery of the employment allocation.
 - Undertake a market demand appraisal to understand the type of employment units desirable at this location.
 - Develop an overarching masterplan programme for the study area which generates options for development.
- Work with developers and public sector partners to support the delivery of sites with public and private sector ownership, focusing on land at Cornhill East and West.
- Engage with owners of vacant and underutilised mills in Leek to commission a commercial demand analysis and options appraisal to understand future uses, viability of proposals and identify barriers to redevelopment (£30,000 budget approved June 2021).

Theme 4 - Affordable Homes

8.7 The actions below, taken together, outline the Council's strategy for further development of affordable and specialist housing.

- Continue to strengthen our relationship with registered providers and understand barriers and constraints to delivery.
- Work with registered providers to identify suitable sites for 100% affordable housing and pursue funding bids with Homes England.
- Work with registered providers to understand recent changes to the shared

ownership model lease and the implications this may have on registered providers' finances and ability to deliver.

- Seek to ensure that affordable housing delivered through developer contributions, or grant funded, will meet the needs and aspirations of the current and future population.
- Following the introduction of First Homes, evaluate the impact on the Council's ability to meet the needs of households on the housing register.
- Commission consultants to prepare a Developer Contributions SPD, which will provide further guidance to developers through the planning process.

Budget:

8.8 The proposed approach of the HDP is to have a range of options and actions available to the Council to accelerate housing delivery in the District, as set out above.

8.9 The following projects will require additional resources in 2022/23 to commission consultants to undertake work on the Council's behalf.

Theme	Task	Estimated cost
Facilitate the delivery of Council owned sites	Commission market demand assessments for appropriate council owned land assets for housing development opportunities.	£10,000
Accelerate the delivery of Local Plan sites	Wharf Road, Biddulph - Appoint agent to work with multiple owners to consider land assembly and access options	£30,000
	Tunstall Road Biddulph – Appoint consultants to advise on Council acquisition and land assembly/ delivery mechanisms.	£40,000
	Commission delivery plans/ masterplan Local Plan allocated sites where evidence of market failure can be demonstrated	TBC
Facilitate and support the delivery of sites requiring partnership working	Commission of the Blythe Vale masterplan and Delivery programme (SCC contribution £30,000). SMDC agreed £20,000 contribution from 2021/22 budget.	£10,000
Total		£90,000

Expected outputs against investment

8.10 The outputs achieved for this proposed Council investment are anticipated to be as set out in the table below.

Town / Village	Investment	Outputs	New homes
# District	£10,000	1. Report of market demand for residential development.	less than 33,
Biddulph	£70,000	2. Report of access options for delivery of Wharf Road Strategic Development Area. 3. MoU between land owners at Wharf Road relating to assembly and joint marketing. 4. MoU between land owners at Tunstall Road Strategic Development Area relating to assembly and joint marketing. 5. Valuations reports for two residential properties at the Tunstall Road site. 6. Business Case for site acquisition at Tunstall Road.	Wharf Road: 442 Tunstall Road: 105 (plus 4ha for employment development)
Blythe Vale, Blythe Bridge	£10,000	7. Review of options for satisfactory access to land south of the A50. 8. Market assessment of the type of employment unit most in demand here. 9. Review of Green Belt on land to the north and east of the Local Plan site allocation. 10. Assessment of demand for further residential development. 11. Masterplan for comprehensive scheme	St Modwen Phase 2: 118; Delivery of a regionally significant, strategic employment site and opportunity for expansion of the existing allocation in the long term.
TOTALS	£90,000		698 homes

Appendix 1

Summary of Accelerated Housing Delivery Programme

Priority for updated programme	Proposed actions under each priority	Proposals requiring budget allocation
Facilitate the delivery of Council owned sites	<ol style="list-style-type: none"> 1. Review all appropriate council owned land assets for housing development opportunities. 2. Review the Acquisition Strategy to increase land in Council ownership where this can stimulate delivery and remove delivery constraints. 	<ol style="list-style-type: none"> 1 Report of market demand for residential development.
Accelerate the delivery of Local Plan sites	<ol style="list-style-type: none"> 1 Approach owners of allocated residential sites and those with unimplemented planning approvals to promote delivery. 2 Bid for funding and investment to address any infrastructure or viability gaps. 3 Work with private sector land owners to assist delivery for large sites where there is evidence of market failure. <ul style="list-style-type: none"> • Mobberley Farm, Cheadle (local plan policy DSC3) • Cecilly Brook, Cheadle (local plan policy (DSC 2) • Land at the Mount, Leek local plan policy (DSL4) • Land at Newton House Leek (local plan policy DSL3) 4 Explore the most effective routes to delivery on sites where the Council has already undertaken intervention (masterplans at Wharf Road and Tunstall Road) 	<p>For Wharf Road, Biddulph: Appoint agent to work with multiple owners to consider land assembly and access options.</p> <p>For Tunstall Road, Biddulph Appoint agent to advise on Council acquisition and work with multiple owners to consider land assembly and scheme delivery.</p>
Facilitate and support the delivery of sites requiring partnership working	<ol style="list-style-type: none"> 1 Support the delivery of sites with public sector and private ownership, focusing on land at Cornhill East and West 2 Engage with owners of vacant and underutilised mills in Leek to commission a commercial demand analysis and options appraisal to understand future uses, viability of 	<p>Lead the commission of the Blythe Vale Masterplan and Delivery Programme in partnership with Staffordshire County Council.</p> <p>The plan will focus on a road improvement scheme to facilitate the delivery of the</p>

Priority for updated programme	Proposed actions under each priority	Proposals requiring budget allocation
	<p>proposals and identify barriers to redevelopment (£30,000 budget approved June 2021)</p> <p>3 Work with SCC on a Blythe Vale Masterplan and Delivery Programme.</p>	employment allocation.
Affordable homes programme	<p>1 Continue to strengthen our relationship with registered providers and understand barriers to constraints to delivery.</p> <p>2 Work with Registered providers to identify suitable sites for 100% affordable housing and pursue funding bids with Homes England.</p> <p>3 Work with Registered providers to understand recent to changes to shared ownership model lease.</p> <p>4 Seek to ensure that affordable housing will meet the needs of the current and future population.</p> <p>5 Following the introduction of First Homes, evaluate the impact on the Councils ability to meet the needs of households on the housing register.</p> <p>6 Commission consultants to prepare a Developer Contributions SPD</p>	