



Report to Economic and Wellbeing Scrutiny & Policy Development Committee

Report of: Janet Sharpe, Director of Housing and Neighbourhood Services

Subject: Private Sector House Building Report

Author of Report: Georgina Parkin, Housing Strategy and Policy Manager

Summary:

Increasing the number of homes in the city is critical to achieving economic growth. The Sheffield City Region Growth Plan sets out an ambition to create 70,000 new private sector jobs. This has significant implications for housing growth. We know from the Strategic Housing Market Assessment that Sheffield requires between 1,975 and 2,425 new homes per year.

A task group was established to scrutinise the Council's policies and practices to assess whether the Council has in place robust arrangements to meet this challenge and to identify any additional measures required to facilitate more private sector house building in the city. In May this year, a report was produced and presented to cabinet in which made 6 recommendations in the following four areas:

- Land disposal
- Culture
- Transparency / Communications
- City Centre

The information contained in this report has been requested by the Committee to enable it to scrutinise performance on the above recommendations.

Type of item: The report author should tick the appropriate box

Reviewing of existing policy	
Informing the development of new policy	√
Statutory consultation	
Performance / budget monitoring report	
Cabinet request for scrutiny	
Full Council request for scrutiny	
Community Assembly request for scrutiny	
Call-in of Cabinet decision	
Briefing paper for the Scrutiny Committee	
Other	

The Scrutiny Committee is being asked to:

Consider the progress made in implementing the recommendations of the Private Sector House Building Report and provide further comments and recommendations to inform the development of the Housing Growth Strategy.

Background Papers:

- 27th May 2015, Cabinet Report of the Economic and Environmental Wellbeing Scrutiny and Policy Development Committee: Private Sector House Building, including appendix.
- Strategic Housing Market Assessment 2013

Category of Report: OPEN

Report of the Director of Housing and Neighbourhood Services

Private Sector House Building Report

1. Introduction/Context

- 1.1 Increasing the number of homes in the city is critical to achieving economic growth. The Sheffield City Region Strategic Economic Plan (SEP) sets out an ambition to create 70,000 new private sector jobs. This has significant implications for housing growth. The Strategic Housing Market Assessment identified that Sheffield requires between 1,975 and 2,425 new homes per year.

A task group was established to scrutinise the Council's policies and practices to assess whether the Council has in place robust arrangements to meet this challenge and to identify any additional measures required to facilitate more private sector house building in the city. In May this year, a report was produced and presented to cabinet in which made 6 recommendations in the following four areas:

- Land disposal
- Culture
- Transparency / Communications
- City Centre

The information contained in this report has been requested by the Scrutiny Committee to enable it to review progress of the above recommendations.

2. Progress on the scrutiny task group recommendations

- 2.1 The Task Group report made 6 recommendations in the following four areas:

2.2 Land Disposal

- The Cabinet Member for Finance and Resources investigate ways to streamline the land disposal process, in conjunction with the respective Executive Directors by October 2015.
- The Cabinet Member for Finance and Resources ensures that as part of any future service delivery that the incentives for the delivery of property services align with Council's priorities for the city and take into account the longer term benefits land disposal for housing can bring. To report back on progress by October 2015.

2.2.1 Actions and progress to date

- (a) Additional project rigour to improve and accelerate delivery of the strategic disposals programme includes:
- an additional Disposals Surveyor resource to accelerate delivery of disposals
 - additional Project Management resource to create project plans for all disposal valued above £100k
 - a formal case management review system including monthly dashboard reports to Asset Management Group (AMG)
 - workshops with Legal to improve processes
 - Capital Programme Group endorsement for Kier Asset Partnership Service (KAPS) to commission site investigations on disposal sites due to resourcing difficulties in Capital Delivery Service (CDS)
- (b) Currently a monthly summary of the Strategic Disposals Programme including detailed waterfall analysis is presented to the Capital Programme Group. The Asset Enhancement Programme and South East Sites disposals programme and processes is to be subject to a learning review for all service areas involved in the programme to identify any opportunities for future service improvements.
- (c) Funding has been secured for asset enhancement type works through a variety of sources including SCC revenue, Capital funding approved by the Capital Programme Group (CPG), the custom build programme, Housing Revenue Account, and more recently a bid has been made for New Homes Bonus to create a fund that can be used flexibly across a number of sites to reflect priorities in the Housing Delivery Investment Plan and market demands.
- (d) KAPS are represented on the working group for the affordable housing review. Details of this review are listed in section 2.4.1 (c) below.
- (e) Cabinet recently considered a report on the future of the KAPS contract and agreed that the service should be brought back in-house when the current contract expires at the end of June 2016. This restructure will provide greater certainty about the alignment of priorities and help to streamline the disposals process.

2.3 Culture

- The Cabinet Member for Housing takes measures to ensure the proactive approach to stimulating house building is fully understood throughout the Council, particularly by front line staff dealing with developers. To report back on progress by October 2015.

2.3.1 Actions and progress to date

- (a) Housing Growth Board established to ensure a co-ordinated approach to housing delivery across Council Services with representation from Housing Regeneration, Planning, Creative Sheffield, City Regeneration, Capital and Major Projects (CaMP), Property Services

The board has responsibility for the strategic lead and monitoring role for Housing Growth Strategy. The Role includes:

- Managing change needed for building of new homes in the city
- Communicating housing delivery priorities to respective service areas
- Strategic lead for neighbourhood regeneration programmes
- Private Rented Sector Growth Strategy
- Affordable Housing Strategy & Programme
- Older Persons/ Specialist Housing Plans
- Commissioning of Neighbourhood Master-planning
- Developing/integrating bids to for Housing programmes

The Board will commission a 6 monthly report to be presented to the Executive Management Team on key issues and barriers.

- (b) The Communities led Key Account Management approach being developed to ensure that all services contributing to the delivery of new homes understand the priority sites and programmes of the council, and is targeting resources accordingly.

A range of developers have been contacted identify barriers to delivery and potential improvements to planning applications process. Activity to date includes:

- Providing direct support to developers by acting as one single point of access to the council services:
- Identifying sites which are in private ownership and discussing site specific barriers to delivery
- Working with Finance team to understand viability for schemes, and explore possibilities for using council funding
- Working with KAPS to align conveyancing, leases and licenses, strategic site disposal support
- Working with Planning Services to align resources for the planning applications process, planning briefs and advice
- Approach currently being piloted/tested with Keepmoat
- Sign posting to funding or by changing internal processes if required.

Still to do:

- Work to explore Legal development agreements, and aligning conveyancing of housing sites with Housing Growth Board priorities

2.4 Transparency / Communications

- The Cabinet Member for Housing takes steps to promote better understanding of the Council's flexible approach in order to attract developers to the city. To report back on progress by October 2015.
- The Cabinet Member for Housing takes steps to ensure there are opportunities for private sector developers and others to contribute to, and inform the Council's approach to housing development, including consideration of the establishment of a consultancy group. To report back on progress by October 2015.

2.4.1 Actions and progress to date

(a) Planning Permission

Considering suggestions from developers and their agents the Planning Service are implementing a number of changes around the process of gaining planning permission including:

- Area Team Managers prioritising housing delivery and highlighting their role in resolving applicant issues should they arise,
- A suite of monitoring reports have been developed to enable closer monitoring of performance in processing housing applications, including the pre-application process, Quarterly reports to the Development Management Team will commence from Q2 2015/16, with development work on software to enable improved pre-app monitoring by Q3.
- Two case officer posts were filled in May 2015, enabling a more timely pre-application and application service to be restored and ensure the Service Charter for Business Customer commitments are met.

In response to feedback from developers and local agents, and to enable quicker starts on site, a review of planning conditions was undertaken. The outcomes are:

- that requests for information supporting applications are proportionate.
- reduced number of pre-commencement conditions imposed,
- enabled decision notices to have conditions grouped by stage in development process to help applicants

(b) Local Plan

- Stakeholder workshop on new Local Plan, involving housing developers and agents, held in Feb 2015 to seek views on key issues/ spatial vision
- Representatives from Home Builders Federation involved in Strategic Housing Land Availability Assessment Working Group over the summer 2015 providing private sector view on the developability and deliverability of site options

- Independent consultant (URBED) report has been completed to help inform Local Plan options for accommodating housing growth over the next 20 years. Options include urban intensification (higher densities), urban remodelling (reallocation of employment land for housing) and Green Belt deletions
- Local Plan City-Wide (strategic level) options consultation to be held Nov/ Dec 2015 will identify broad spatial options for future housing growth. House builders/ agents will be specifically targeted as part of the consultation
- Draft Local Plan to be published for consultation summer 2016
- Local Plan publication draft May 2017; public examination late 2017, adoption mid-2018

(c) Affordable Housing Interim Planning Guidance (AHIPG) Review

- Consultants commissioned to assess whether current policies and procedures are stifling housing development (including on Council-owned sites)
- Review will also consider whether the expected developer contributions in the AHIPG (2014) is reasonable and based on sound evidence. The review will be informed by consultation with residential developers, including Registered Providers, residential agents and the district valuation office
- The review will fully explore and advise on the wider implications of any changes to the Council's approach to Affordable Housing through planning policy both in terms of the policy requirements and its implementation.
- Due to report December 2015

(d) Community Infrastructure Levy (CIL)

- CIL introduced July 2015 – expected to speed up and simplify negotiations with developers on planning benefits
- The CIL provides a vital funding source for enabling the delivery of upfront infrastructure (priorities to be agreed) to support sustainable development, including development on some housing sites. Introduction of CIL publicised through Developer Forum and via the Council web-site

(e) Engaging/ Supporting SME Developers

- Event held on 14 May 2015 aimed at small developers and builders covering:
 - Sheffield's Ambition for Growth,
 - Sheffield's Approach to supporting Development
 - Custom Build and Imminent Opportunities
 - Exploring Joint Ventures (Together Housing Group)
 - Supporting SME Businesses (Business Gateway Adviser, Sheffield City Council)
 - Developing Your Workforce (Apprenticeship Programme Manager, Opportunity Sheffield)

- Further event held September 2015 to communicate the Efficiency North Framework tender and to explore potential to include SME builders/developers in the tender frameworks opportunities. Business Sheffield also attended to see what support their service could provide to SMEs during this process.
- Working with KAPS the Custom Build Vanguard Programme has started to release small plots for residential development. The Planning Delivery Service continues to provide design and planning support to the programme.

2.5 City Centre

- The Cabinet Member for Housing undertakes further work to develop a fully integrated approach to a range of housing in the city centre, including family housing and the associated infrastructure requirements this type of housing would require, e.g. schools. To report back on progress by October 2015.

2.5.1 Actions and progress to date

(a) Revised City Centre Masterplan

The delivery of city centre residential sites is intrinsically linked with economic regeneration and the lead for this activity remains with the Creative Sheffield service. Officers in Creative Sheffield are actively monitoring over 60 residential opportunity sites in the City Centre liaising with land owners, developers, planners, KAPS and external agencies such as the Homes and Community Agency and Environment Agency to understand and try to overcome constraints and barriers to residential delivery. Over the past 3 years of this work over 2,200 new homes have been built or are under construction with a further 1,500 in the pipeline to start within the next 12 months.

(b) Strategic approach

A key element of the city's housing growth strategy will include a closer focus on the opportunities for residential development in the city centre, particularly how we will influence and diversify the type and range of homes on offer in the city centre. It will be a priority of the new Housing Growth Board to identify key residential opportunities in the city centre and to understand the infrastructure requirements that will enable a change in housing offer and encourage more families and older residents to come and live in the city centre.

The Sheffield City Region Infrastructure Fund could be a potential source of financing for some of these infrastructure requirements, although issues around the assessment criteria have proved challenging for housing led projects

(c) Schools

Key to the successful growth of family housing in any neighbourhood is good school provision. The city centre has one Primary school located within the boundary (Springfield). The 5 year capital programme for future provision identified increased demand and therefore a need for primary school at Netherthorpe in 2017. The plan also identified the need for primary school provision at Woodside in 2017 and secondary school provision in this area in 2018. The planned school provision in these areas will help accommodate the increased demand arising from the planned family housing in the Kelham Island area.

3 What does this mean for the people of Sheffield?

- 3.1 The Strategic Housing Market Assessment states that Sheffield requires between 1,975 and 2,425 new homes per year. The activity described in this report aims to facilitate more private sector house building in the city to meet this demand.

4. Recommendation

- 4.1 The Committee is asked to consider the progress made in implementing the recommendations of the Private Sector House Building Report and provide further comments to inform the development of the emerging Housing Growth Strategy.