

Sheffield City Region

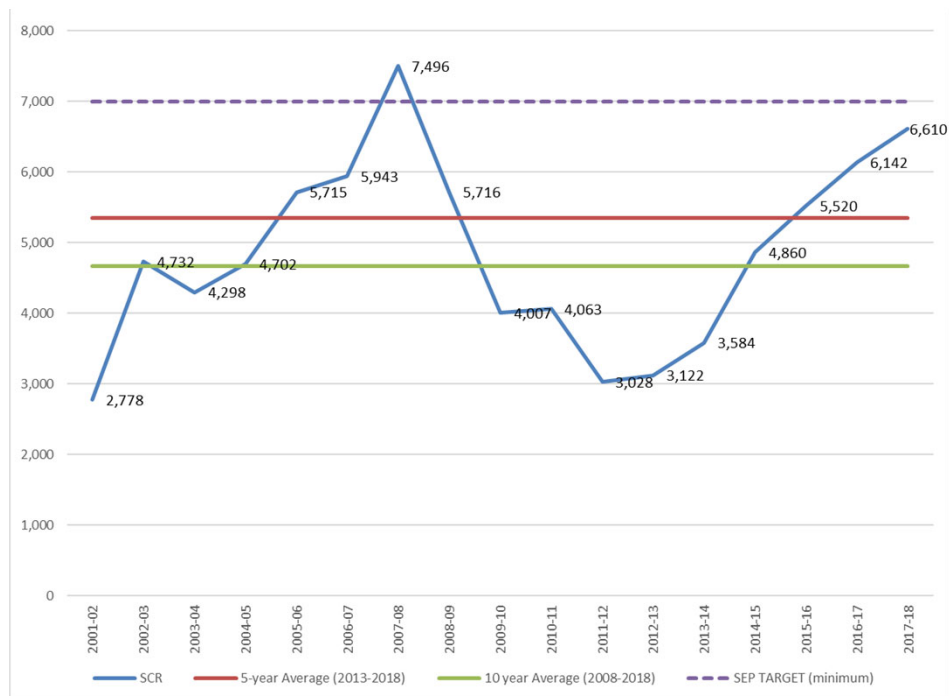
HOUSING BOARD

SCR HOUSING BOARD ACTIVITY AND WORK PROGRAMME

SCR HOUSING IN CONTEXT

Housing growth – a positive trend...

SCR Strategic Economic Plan (2014) Housing Target: 7,000+ net new dwellings per year



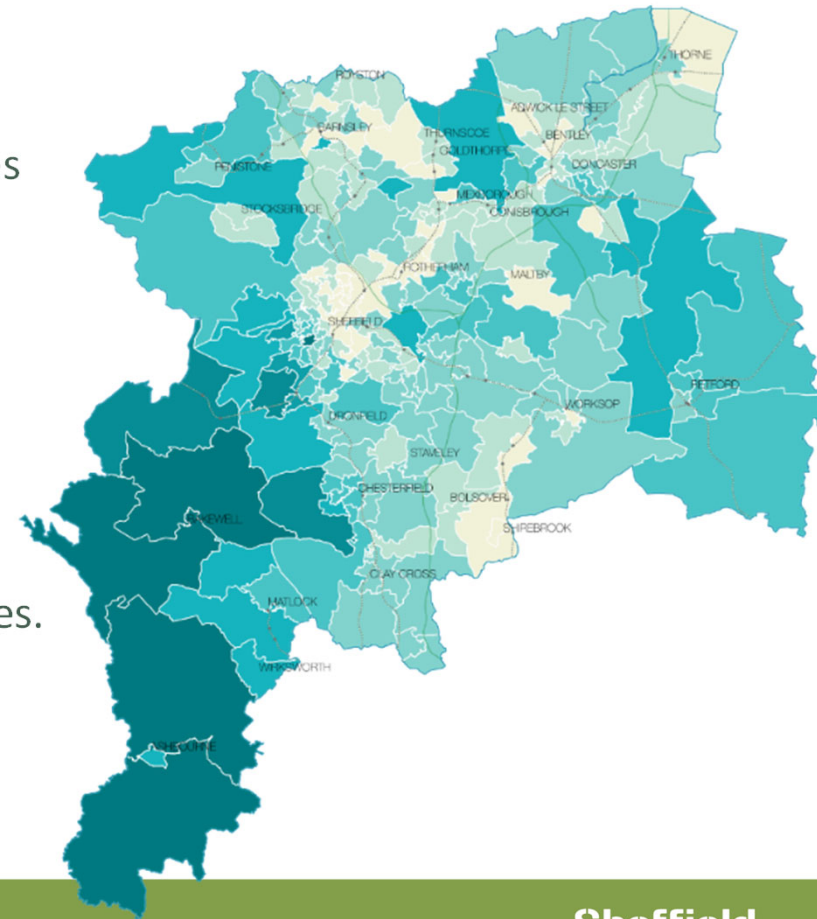
- Delivery of new homes is currently good – above national forecasts, but slightly lower than SEP target
- ... delivery of affordable housing static / reducing - c1,000 pa (need is for c2,000 pa)
- ... quality, type and tenure of new and existing stock is just as important.

SCR is planning for housing growth...

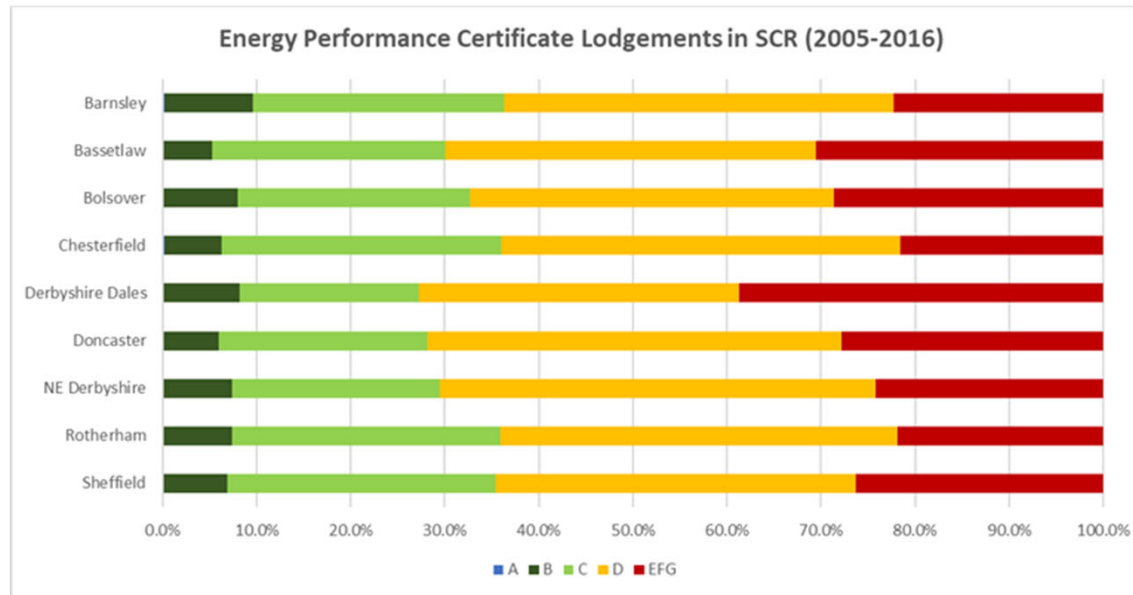
- SCR housing need 5,389 net new homes pa (Government's standard methodology).
- SCR Local Plans are planning for up to 6,659 pa (1,200 more than need).
- Land with planning permission for 31,000 new homes and a potential 5 year supply of 45,000 homes.
- But, supply backlog to meet SEP ambitions (7,000+ pa).
- Local Planning Authorities performance and land supply not issues per se.
- **Viability & deliverability of land are key barriers.**

AFFORDABILITY remains a mixed picture...

- Average **house prices** broad range - £134k (Barnsley) to £277k (Derbyshire Dales).
- **Mortgage payments**: generally affordable to those with two incomes above the bottom 20%.
- **Mortgage deposits** still hindering first time buyers.
- **Market rents** are affordable to those with two incomes above the bottom 20%.
- **Market rents** are higher than the Local Housing Allowance, causing difficulties for those on full or partial benefit.
- **Affordable rents** not affordable to those with low household incomes.
- **Social rents** are affordable to all households, with the exception of larger households/ properties.

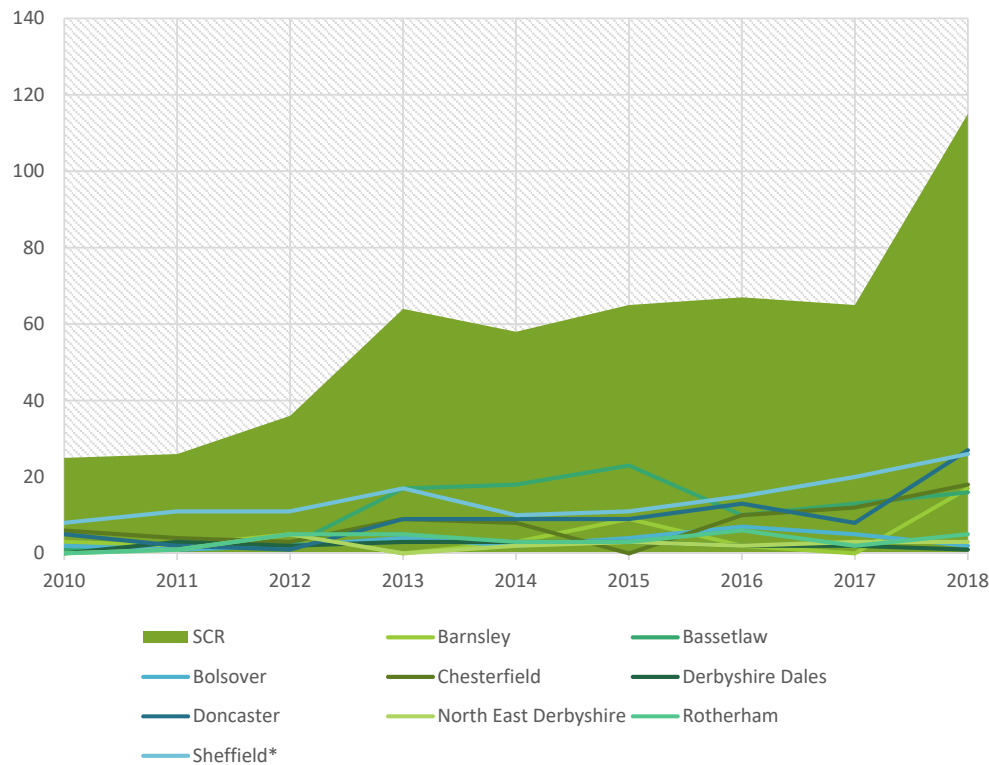


Energy efficiency (proxy for quality)...

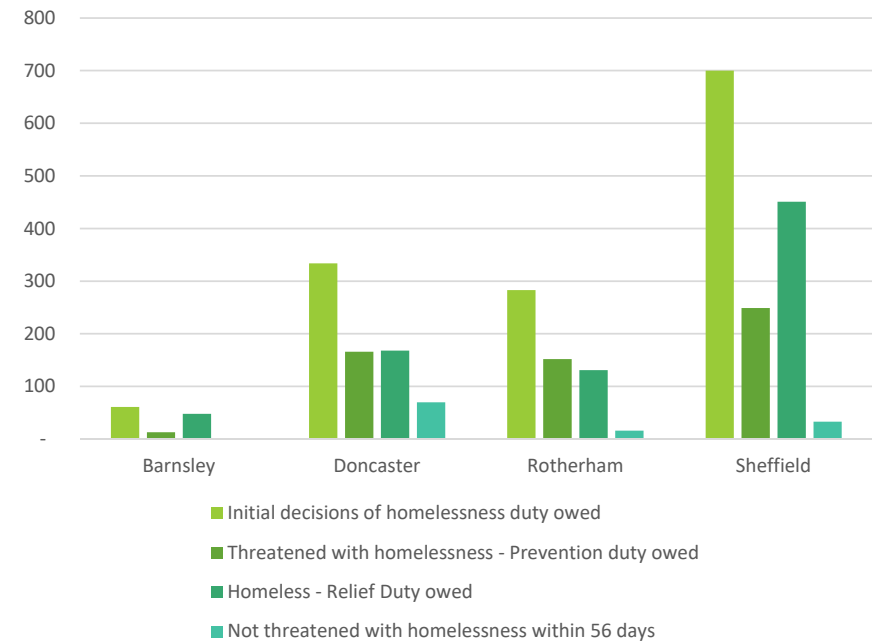


- Average EPC rating for the UK = D
- 11% of households in fuel poverty - (estimated 81,000 in SCR) .
- Energy efficient homes - reduce excess winter deaths, fuel poverty and respiratory health issues, increase wellbeing & contribute to improved mental health, reduce hospital admissions, impact on children's education.

Homelessness levels are increasing...



Initial decision of homelessness duty owed to households by local authority April to June 2018



KEY CHALLENGES

SCR Strategic Housing Picture

What we do know:

- New homes, filling the delivery backlog.
- Increasing demand for affordable homes.
- Housing scheme pipeline.
- Barriers to housing schemes' development

What we don't know:

- The true state of SCR's housing markets/ demand.
- Consumers' housing aspirations.
- The right type/ tenure/ quality of homes to deliver SCR's economic, social and environmental ambitions.
- Potential for housing innovation (e.g. Modular Build).
- How do these issues play out differently across the SCR.
- The impacts of Brexit.

Key Challenges: Government Policy

Investment: In 2017/18, Homes England invested c£36m in land and affordable housing programmes across SCR.

Policy: “... areas of the highest affordability pressure will receive a minimum of 80% of the total funding from [these] programmes on average over the next 5 years...”
(MHCLG, October 2018).

Investment policy based on **housing demand, affordability (national context) and land value uplift.**

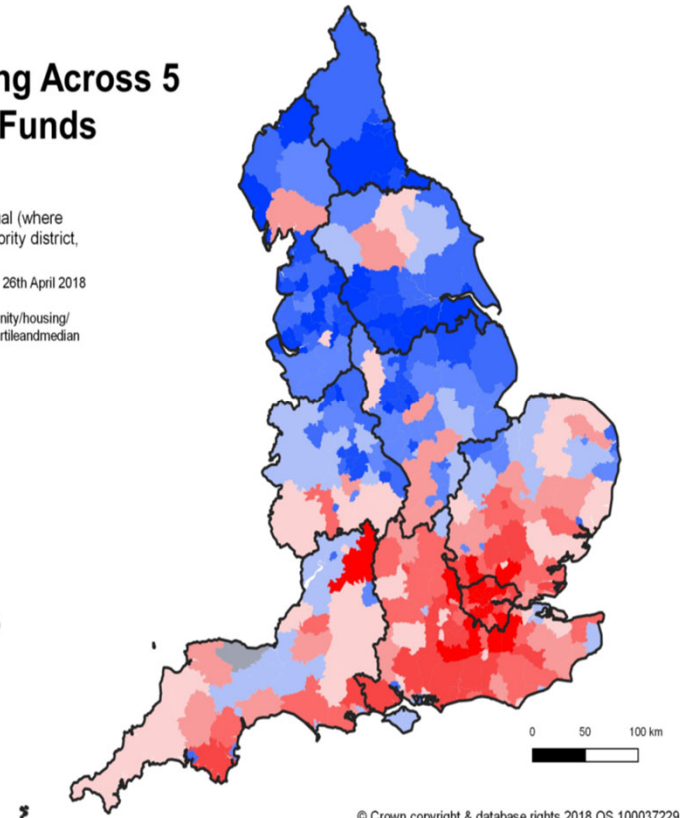
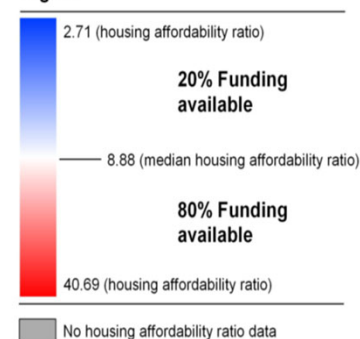
MHCLG: Geographical Targeting Across 5 Housing Programme Funds 30th October 2018

Ratio of median house price to median gross annual (where available) workplace-based earnings by local authority district, England, 2017

Source: ONS, House price to workplace-based earnings ratio, 26th April 2018

Table 5C: <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoworkplacebasedearningslowerquartileandmedian>

Legend



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SCR HOUSING FUND

In focus: the SCR Housing Fund

- Fund of last resort
- Pilot Fund to Full Fund (£10m to potential £25m)
- Flexible, responsive, robust and streamlined.
- c£4.3m approved (loans and grants).
- Unlocking/ accelerating delivery of 398 new homes (27% are affordable).
- Based on the six approved schemes to date:
 - Cost per home (SCR investment): c£10,780;
 - Recoverability rate: c30%;
 - Private sector investment unlocked: £29.2m;
 - Homes England co-investment: c£4.8m.



In focus: the SCR Housing Fund

Six schemes approved to date...

Former Park Gardeners Club (Sheffield)

- Delivery Partners: The Guinness Partnership
- Grant of £517k to unlock a stalled site
- 38 affordable flats for rent
- Development in progress
- Approved: March 2018
- Completion: October 2019



Nanny Marr Road (Darfield, Barnsley)

- Delivery Partners: Together Housing Group
- Grant of £367k for vital site remediation
- 35 homes for rent/ shared ownership
- Progress delayed due to land value negotiations with the Local Authority
- Approved: May 2018
- Completion: TBC



In focus: the SCR Housing Fund

Six schemes approved to date...

Leach Lane (Mexborough, Doncaster)

- Delivery Partners: Fenwood Estates
- SCR funding of £350k (50:50 grant/ loan) for vital site remediation
- 25 homes targeted at first time buyers
- Approved: May 2018
- Completion: January 2020



Little Kelham: Phase 2 (Sheffield)

- Delivery Partners: Citu
- SCR loan of £1m to support the financing of phase 2
- Delivering a super low energy development of 172 new build 1-4 bed homes for market sale
- Scheme includes 8,500 sq ft of commercial office space
- Approved: January 2019
- Completion: July 2020



In focus: the SCR Housing Fund

Six schemes approved to date...

Modern Methods of Construction Pilot (Various Sites, Rotherham)

- Delivery Partners: Rotherham MBC
- Grant of £664,000 to address the additional costs associated with delivering homes on physically constrained sites
- Enabling different Modern Methods of Construction (MMC) technologies to be tested
- 22 affordable homes targeted at older people and vulnerable single households
- Approved: January 2019
- Completion of first homes: December 2019

Competition: Rotherham pod housing pilot

29 AUGUST, 2018 • BY MERLIN FULCHER

Rotherham Metropolitan Borough Council is recruiting specialist housing suppliers for a new series of modular low-cost, single-person 'pod' homes

The team or teams chosen for the estimated £400,000 contract will harness modern methods of construction (MMC) to deliver a pilot programme of innovative affordable council houses which could be rolled out across the region on a larger scale if successful.

The contract is divided into two lots covering pilot sites at Vine Close and Chatham Street-Doncaster Gate where the local authority plans to deliver four and six new dwellings respectively. The chosen supplier or suppliers will design and install the new units while a separately appointed main contractor will prepare the sites.

In its brief, the council says it 'has ambitions to significantly increase the number of new homes built in Rotherham. To help achieve this, the council is piloting the use of modern methods of construction as a swifter and more efficient way to deliver new homes.

'The council is seeking tender returns from housing providers using MMC to deliver a pilot project which will consist of 10 small "pod" type homes for single-person households requiring affordable accommodation. This is identified as a pilot scheme which the council hopes to roll out as a larger programme, depending on the success of this pilot. The new homes will be added to council stock and will be developed on council land.'

ADVERTISEMENT

Awards entries now open

MOST POPULAR

- Serpentine Pavilion architect under fire over unpaid interns
- Igloo reveals six architects' modular home designs for Glasgow site
- AJ Small Projects shortlist 2019
- Brits join international line-up on shortlist for €188m Milton Keynes uni
- Foster + Partners' Tulip tower set for City of London approval
- St Catharine's College contest shortlist revealed
- Last chance: Book for AJ Summit and meet top clients
- AJ100 big hitter Purcell set to lay off staff

MOST COMMENTED

In focus: the SCR Housing Fund

Six schemes approved to date...

Falstaff (Sheffield)

- Delivery Partners: Sheffield Housing Company
- Grant of £1,517,144 to address site abnormal costs for remediation and drainage
- 100 open market sale homes and 6 homes shared ownership
- Approved: June 2019
- Completion of first homes: April 2019



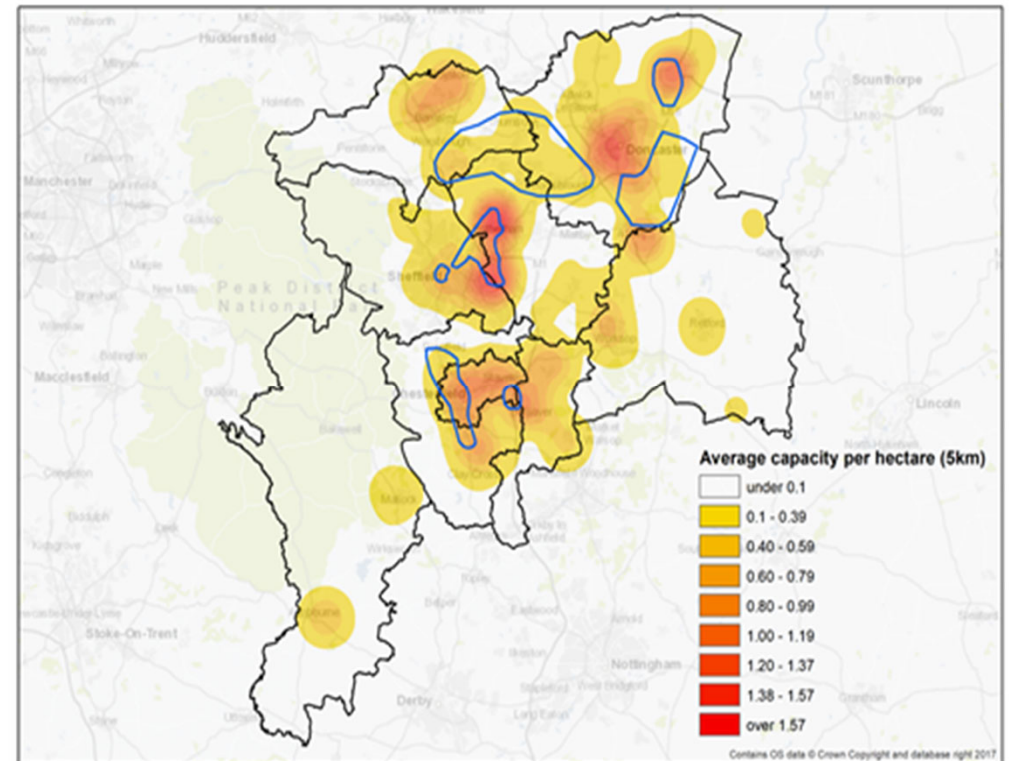
Current SCR Housing Programme

<u>SCHEMES - APPROVED</u>	<u>Local Authority Area</u>	<u>SCR Funding Ask</u>	<u>Homes</u>
Former Park Gardeners (Housing Association)	Sheffield	£517,060.00	38
Nanny Marr Road Ph2 (Housing Association)	Barnsley	£367,500.00	35
Leach Lane, Mexborough (Private)	Doncaster	£350,020.00	25
Little Kelham P2 (Private)	Sheffield	£1,000,000.00	172
MMC Pilot (Local Authority)	Rotherham	£540,000.00	22
Falstaff Phase 3 - SHC P4 - (Public/Private)	Sheffield	£1,517,144.00	106
Approved, FBC or Progressing to FBC		£4,291,724.00	398
<u>SCHEMES - PIPELINE - UP TO SBC</u>	<u>Local Authority Area</u>	<u>SCR Funding Ask</u>	<u>Homes</u>
Go Early - (Local Authority)	Rotherham		182
Fox Hill Crescent (Housing Association)	Sheffield		179
Bradwell CLT (Housing Association)	Derbyshire Dales		12
Claywood - SHC P4 - (Public/Private)	Sheffield		57
Finchwell Road/ Quarry Road- (Housing Association)	Sheffield		18
SBC or Progressing to SBC (aggregate total)		£6,206,234.00	448
<u>EMERGING PIPELINE</u>	<u>Local Authority Area</u>	<u>SCR Funding Ask</u>	<u>Homes</u>
Cotton Mill Row (Private)	Sheffield		90
High Speed to Housing (Private)	Chesterfield		350
Whinney Hill - (Public/Private)	Rotherham		217
Barnsley Build to Rent Scheme (Private)	Barnsley		100
Deerlands - SHC P4 - (Public/Private)	Sheffield		89
Shirecliffe - (Public/Private)	Sheffield		442
EoI or Progressing to EoI (aggregate total)		£9,794,520.00	1288
	TOTAL	£20,292,478.00	2134

CURRENT ACTIVITY AND WORK PROGRAMME

Emerging SCR Housing Programme

- A more strategic approach – scheme pipeline.
- Over 50% of SCR housing sites need some form of public intervention.
- 30-40 scheme package, with clarity on the intervention/ funding required.
- Based around ‘places’ – Major Growth Areas and urban centres.
- A joint programme with Homes England.



Emerging SCR MMC Collaboration

What do we mean by MMC?

- Modern Methods of Construction (MMC) are technologies which
 - reduce labour requirements
 - accelerate delivery
- **Volumetric**
 - Factory-produced three-dimensional units
- **Panellised**
 - Factory-produced flat panel units assembled on site
- **Hybrid**
 - A combination of volumetric and panel units
- **Sub-Assembly and Components**
 - Replaces parts of the structure normally fabricated on site



Emerging SCR MMC Collaboration

Challenges with MMC uptake

- Perception that costs are higher
- Immaturity of supply chains
- Sales related issues
- Loss of WIP management
- Design issues
- Customer perceptions
- Mortgage / Insurance issues
- Public sector support – demand, manufacturing?



Related SCR Activities

Activity or Project	Overview
Infrastructure and Investable Propositions	<ul style="list-style-type: none"> • LGF support to date: <u>123</u> homes completed, <u>10,300</u> homes unlocked. • A more 'place based' approach – opportunities and infrastructure needs. • Identification of housing schemes attractive to private sector investors. • Modular Homes
Homelessness	<ul style="list-style-type: none"> • A successful Homelessness summit led by the Mayor in November 2018. • Shared activities and approaches
One Public Estate (OPE) Programme	<ul style="list-style-type: none"> • Surplus Public Sector Land and Assets (c6,000 significant assets). • SCR Estates Transformation Strategy new collaborative approach.
Planning	<ul style="list-style-type: none"> • Statement of Common Ground. • Planning Advisory Service (PAS) Planning Performance Review. • Joint evidence bases
Partnerships and Networks	<ul style="list-style-type: none"> • Housing Providers Forum and the SCR Housing Compact. • Housing Associations (x5) Strategic Partnership (JV) with Homes England. • Home Builders Federation.
Supporting public sector partners with bids for Government funds	<ul style="list-style-type: none"> • Accelerated Construction, Housing Infrastructure Fund, Garden Communities, Better Town Centres.

TIMELINE OF ACTIVITIES OVER 2019/20



QUESTIONS & DISCUSSION

Sheffield
City Region

Questions and discussion

- Comments on the current work programme activities?
- Any immediate gaps in the work programme or areas for further development?
- Comments on the monitoring information?