

**STAFFORDSHIRE MOORLANDS DISTRICT COUNCIL**

**Report to Cabinet**

**24 April 2018**

<b>TITLE:</b>	<b>Accelerated Housing Delivery Programme</b>
<b>PORTFOLIO HOLDER:</b>	<b>Councillor Sybil Ralphs – Portfolio Holder for Regeneration</b>
<b>CONTACT OFFICER:</b>	<b>Pranali Parikh – Regeneration Manager</b>
<b>WARDS INVOLVED:</b>	<b>All</b>

**1. Reason for the Report**

- 1.1 The purpose of this report is to prepare for the delivery of the Local Plan subject to submission to the Planning Inspectorate this summer and successful examination thereafter. The report is aimed to inform the members of the issues and potential opportunities for accelerating housing delivery in the District and to seek approval for a comprehensive package of approaches to tackle low level of development activity and to maintain the 5 year supply in order to deliver the Local Plan.

**2. Recommendation**

- 2.1 It is recommended that;
- 2.2 The Cabinet approve the following:
- a. The proposal for the Accelerated Housing Delivery programme as outlined in para 7.5 and 7.7.
  - b. The expenditure as outline in para 6.4
- 2.3 The Cabinet note the options in section 5 and approve the recommended option as outlined in paragraph 5.2

**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. Currently 189 homes have full planning permission, and a further 900 homes have outline approval as of March 2018. In order to tackle this problem we have listened to the issues raised by developers and developed a comprehensive delivery programme to

tackle the problem.

- 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 The emerging local plan will be considered by a Council Assembly in June 2018. If approved the Plan will be submitted to the Secretary of State with the public examination process expected to take place in Autumn 2018. Depending on the outcome, adoption is likely to happen in spring 2019. The local plan makes provision for around 3859 new homes including around 2847 upon allocated sites
- 3.4 In parallel to the Local Plan, the Council is working jointly with Staffordshire County Council to prepare a Growth Strategy to provide a delivery mechanism for the Plan. The report seeking approval to start consultation for the Draft Growth Strategy will be considered by the Cabinet in June 2018. Both Local Plan and Growth Strategy are aimed at supporting and delivering sustainable and planned growth in the District.
- 3.5 This report forms the delivery mechanism for the housing delivery element of the emerging Local Plan and the emerging Growth Strategy and outlines how it will be delivered through the following actions:
- 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
- 3.6 The above mentioned approach is anticipated to accelerate housing delivery that will support economic growth in the area and enhance the vibrancy of our towns and villages. The successful delivery of the proposed 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 delivery plan has the potential to help deliver all four aims of the Corporate Plan:
- Help create a safer and healthier environment for our residents to live and work
  - Meet financial challenges & provide value for money
  - Support economic development & regeneration
  - Protect and improve the environment

#### 5. **Options and Analysis**

- 5.1 To not approve the Accelerated Housing delivery proposal. This is not considered the preferred option because the government is imposing sanctions on local authorities who are unable demonstrate a delivery of the housing target. This is currently based on OAN of 320 dwellings per year until the new local plan is adopted. The community benefits in the form of Council Tax, New Homes Bonus and Business Rate would be reduced. **Not recommended**

- 5.2 To approve the accelerated housing delivery programme. Having an implementation plan in place will help in demonstrating the Council's commitment to delivering the emerging Local Plan and maintaining a 5 year land supply. The government is focused on housing delivery and is encouraging local authorities to take a more proactive approach. The accelerated housing delivery programme coordinates the council's effort to access funding and attract investment into the area. **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.
- The project requires a multi- disciplinary approach, co-ordinating expertise from various teams, including;
  - Regeneration
  - Property Services
  - Planning Applications Team

- Finance
- Legal

- 6.3 Equality and Diversity/Equality Impact Assessment  
No implications at this stage. All action plan projects will need to be subject to an individual EIA
- 6.4 Financial Considerations  
£75,000 has been earmarked in year one (2018-19) from the Regeneration service budget to prepare the acquisition and investment strategy and two masterplans. An additional sum of £75,000 will be required for the following financial year (2019-20) to complete the remaining masterplans and will be considered as part of the budget arrangements at the appropriate time.
- 6.5 Legal  
Legal advice will be sought at all relevant stages of the delivery of the accelerated housing programme.
- 6.6 Sustainability  
The Local Plan and Growth Strategy for Staffordshire Moorlands are prepared according to wider sustainability considerations.
- 6.7 Internal and External Consultation  
Senior officers have been involved in the preparation of the Growth strategy.
- 6.8 Risk Assessment  
A detailed risk assessment will be required for each individual project as part of the wider programme of delivery.

Dai Lerner  
**Executive Director of Place**

**Web Links and  
Background Papers**

Name of any papers

**Location**

Council building or web hyperlink

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**7. Background and Detail**

## Planning Context

- 7.1 The adopted Core Strategy (2014) states that 'provision will be made for 6000 additional dwellings (net of demolition) to be completed in Staffordshire Moorlands during the period 2006-2026'. This equates to 300 units per year. Completion rates have been well below this anticipated rate, shown below.

Number of homes completed:

- 2012/13 = 96
- 2013/14 = 124
- 2014/15 = 307
- 2015/16 = 100
- 2016/17 = 128

Number of homes with planning consent not yet under construction on larger sites (10+): 189 full planning approval and 900 outline (March 2018).

- 7.1.0 The emerging Local Plan requires that 6080 homes be built over the plan period (2012-2031) at an annual rate of 320 per year. As at March 2018 there were over 1000 homes with planning permission yet to come forward. The accelerated housing delivery programme proposes a number of measures with the aim of assisting and helping landowners and developers to remove the barriers and constraints which is preventing them from starting work on site. The priority now is therefore to support active conversion from sites with unimplemented planning permission to the delivery of homes.

- 7.1.1 The government's drive to increase the number of homes built was demonstrated in the Housing White Paper Published (Feb 2017), Autumn Statement (Nov 2017) and most recently proposed changes to the National Planning Policy Framework (NPPF). The government acknowledges that although planning approvals are being granted by local authorities, they are not being turned into completed homes. As part of the Autumn Budget the government pledged the following package of financial assistance.

- Additional funding to the Affordable Homes Programme now total £7.1 billion
- Additional £2.3 billion to the Homes England Housing Infrastructure Fund
- Additional £1.1 billion to the Home England Land Assembly Fund
- A £630 million fund to accelerate the building of homes and small stalled sites.

- 7.1.2 In March the government announced changes to the National Planning Policy Framework (NPPF). The major changes announced focus on;

- A shake-up of viability assessments making it harder for developers to negotiate down affordable housing contributions
- Reform of Section 106 and the Community Infrastructure Levy to make the systems simpler and more standardised
- Introduction of Housing Delivery Targets forcing councils to oversee delivery of new homes
- Stronger protections for the green belt

- The presumption in favour of sustainable development would be triggered where a council cannot demonstrate a five-year housing supply "or where the housing delivery test indicates that delivery of housing has been substantially below the housing requirement over the previous three years"

7.1.3 The most significant of these proposed changes which was first mooted as part of the Housing White Paper is the introduction of the Housing Delivery Test.

**A housing delivery test will impose sanctions on councils failing to meet housebuilding targets in their local plans.** The draft proposes that from 2020, the presumption in favour of sustainable development will apply where delivery is below 75 per cent of the authority's housing requirement. The draft would allow councils to consider imposing planning conditions requiring development to be brought forward within two years, unless this could hinder viability or deliverability. It also encourages local planning authorities to consider why major sites have not been built out when considering subsequent planning applications.

## 7.2 New Home Bonus (NHB)

7.2.1 Following government announcements New Homes Bonus: Sharpening the Incentive (Dec 2016). NHB payments will be made for four years, rather than six years from 2018/19. From 2018/19 the government will also consider withholding payments from local authorities that are not planning effectively, by making positive decisions on planning applications and delivering housing growth. To encourage more effective local planning the government will consider withholding payments for homes that are built following an appeal.

7.2.2 A baseline for housing growth has been introduced at 0.4% below which the Bonus will not be paid. The NHB allocation for 2017/18 is as follows:

Total units added (from CTB from Oct 15-16)	Units for reward (Band D equivalents, net those under the baseline)	Net additions: difference in housing stock on CTB from (Oct 15 to Oct16) excludes empty homes	Empty homes brought back into use	Affordable units	Affordable homes premium: (£) £ 350 per unit	Year 7 payment (£): inc. empty homes	Total Payment in year, inc previous delivery
195	31	132	63	19	£5,320	£43,092	£945,571

7.2 In order increase the delivery of new homes the government is incentivising local authorities to work with developers and land owners to actively work together and convert unimplemented planning approvals into much needed homes.

## 7.3 The Issues

7.3.1 Through comprehensive discussions with developers, landowners and other stakeholders a range of issues and barriers to development have been identified. 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.

7.3.2 Affordable housing is an important factor in enabling sites to come forward either through s106 agreements or in some circumstances for 100 percent affordable housing. There are a limited number of registered providers who currently work in the Moorlands area so it is important to encourage a good working relationship with them

7.3.3 In order to meet the government expectation regarding housing delivery through the Housing Delivery Test, and with a thorough understanding of the issues which are delaying housing growth it is proposed to commence a programme of work with the aim of increasing housing delivery across the Staffordshire Moorlands area.

## 7.4 Opportunities

7.4.1 The government is investing additional resources and incentivising local authorities with the sole aim of stimulating the housing market to tackle the shortfall in housing delivery. As mentioned above in para 7.1.1 the government is prioritising and incentivising house builders to develop housing sites. There are signs that the housing market is improving across the Staffordshire Moorlands, a number of larger sites have been submitted for planning approval which would indicate that developers think that demand is sufficient.

7.4.2 Although the Council is unable to improve the connectivity of the area, we are able to exploit the A50 corridor through Blythe Vale which is a priority investment corridor for the Midlands Connect strategy

7.4.3 Once the Local Plan is adopted, delivery discussions with landowners and developers will take place to enable delivery of the newly allocated sites with a potential to deliver around 2847 new homes.

7.4.4 Although historically the level of completions has been low across the Staffordshire Moorlands area there are a number of indicators which would suggest that the housing market is responding favourably. For example, there has been an increase in the number of planning applications submitted and the Council has had positive discussions with a number of small to medium sized developers who have expressed interest in the Staffordshire Moorlands area.

## **7.5 The Proposal**

It is proposed to create a comprehensive package of measures to accelerated housing delivery in the district through an 'Accelerated Housing Delivery Programme'. The following proposal demonstrates the Council's commitment to delivering the emerging Local Plan and maximising community benefits by supporting developers.

### **1. Open for business approach to planning applications and regulatory process**

- 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.

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

- 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.  
Unimplemented planning approvals on sites 10+ dwellings
  - 25 sites, 1,099 homes
  - Leek 353, Biddulph 45, Cheadle 170, rural areas 543
- 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

### **3. Accelerating delivery of Local Plan sites**

- 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.

### **4. Council led proactive interventions**

- 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.

## **7.6 Approach to Delivery**

- 7.6.1 The proposed approach is to have a range of options and actions available to the Council to accelerate housing delivery in the District. The Council's role

will vary from supporting and facilitating delivery by private sector to leading and intervening where appropriate to do so.

- 7.6.2 All the sites with unimplemented planning approvals are privately owned which means that the Council is not able to control the delivery. It is anticipated that the above package of measures will support developers by improving the planning process, removing or easing development constraints where possible.
- 7.6.3 The masterplan process on the sites identified for accelerating the Local Plan delivery (para 7.5.3) will require varying levels of Council input and resources. In some circumstances the Council will be the driving force for the masterplan, where the private sector has been unable to deliver the site, or there is significant public sector land involved, or there is a business case for Council to get involved to maximise the community benefits. In other cases there will be limited input on sites, where other public sector bodies or the private sector is able to take the lead and move the site forward to delivery. The input required will depend on many factors and these are explored in detail below on a site by site basis.
- 7.6.4 It is proposed to commission an investment and acquisition strategy to consider Council's direct intervention in relevant areas. This work can precede or run in parallel with the preparation of masterplans.
- 7.6.5 Wharf Road, Biddulph (local plan policy DSB1)  
Parts of the site have been allocated for a mixed use development since 2007. Despite an area Action Plan being in place, the site has historically never come forward even though planning permissions have been approved in the past for parts of the site. The Council will need to lead on this masterplan in order to co-ordinate the large number of landowners both in the private and public sector to ensure a deliverable plan is achieved and relevant infrastructure is delivered for the site including, retail, residential and employment uses, also meeting landowners' aspirations and the wider Biddulph community.
- 7.6.6 Tunstall Road, Biddulph (local plan policy DSB2)  
The Victoria Business Park demonstrates an example of where the Council lead the delivery and brought together landowners and the Homes and Communities agency to deliver a key employment site. The Tunstall Road site requires a similar approach to this and the Council will need to lead on the delivery of the masterplan and land assembly to ensure the delivery of a key employment site with some residential dwellings in Biddulph.
- 7.6.7 Mobberley Farm, Cheadle (south west cluster) (local plan policy (DSC3)  
This is a key strategic housing site in the Local Plan which will provide new housing (approximately 430 dwellings), associated public open space and safeguard a route for a potential future link road between the A522 Tean Road and A521 Brookhouse Way. A comprehensive approach to development will require landowners to co-operate to bring the site forward. The Local Plan states that owners will be encouraged to enter into a Land equalisation

Agreement to ensure an equitable distribution of benefits to landowners. The Council will need to work with the private sector owners and enable them to prepare a coherent solution for the site.

#### 7.6.8 Blythe Vale sites (local plan policy DSR1)

St Modwens gained full planning approval for 118 dwellings in 2017 for the first phase of delivery on a 5.53ha section in the northwest of the wider 48.5ha site, which is bisected by the A50 bypass. St Modwens have indicated they will lead on the delivery and development of the masterplan for the remaining phases. The Council will have an overarching strategic role in facilitating and enabling delivery of the site.

In addition to the masterplan, in compliance with the of the Highways England comments for the emerging Local Plan, there will be a requirement for the Council to work in partnership with Staffordshire County Council, Stafford Borough Council, East Staffordshire Borough Council, Newcastle Under Lyme Borough Council, and Stoke-on-Trent City Council to prepare a joint assessment of all planned developments within these areas on A50. Following discussions with neighbouring authorities, the Council may decide to lead on this commission to ensure the Local Plan is compliant and deliverable.

#### 7.6.9 Cheadle Town Centre

Tape Street car park site was identified in the Cheadle town centre masterplan (2010) as a retail and commercial development opportunity. The site hasn't been developed due to changes in the financial market and viability of those uses in this location. As a central, accessible location, the site has a potential for development with more viable mix of uses, contributing to the town centre vitality. Staffordshire County Council and Staffordshire Moorlands District Council are the two key land owners and hence preparation of a joint public sector led masterplan is considered a key step forward.

#### 7.6.10 The Mill Quarter, Leek

The Leek Mill Quarter was identified as a key development opportunity in the Leek Town Centre Masterplan (2013). The area includes land ownership by major public sector partners such as Staffordshire County Council, Staffordshire Police, Staffordshire West Midlands Community Rehabilitation Company (Probation), and NHS North Staffordshire CCG. Most buildings in these ownerships are either vacant or underused. There is potential to work with adjacent private sector owners of mill buildings such as London Mill, York Mill, Well Street and Cross Street Mills. A deliverable masterplan needs to be prepared jointly in partnership with Staffordshire County Council and potentially health services to shape the vision and delivery of this central town centre development site.

In addition to the masterplan, discussion are ongoing with Historic England to consider the heritage of mills in leek as a whole and prepare a strategy for prioritisation of heritage assets and come up with an approach to intervention that is deliverable and realistic. The Council can work with partners to bring all relevant stakeholders together to agree the approach and action plan.

## 7.7 Next steps:

Considering the above, a phased approach is proposed to ensure efficient use of Council's resources. The following actions are proposed for the Council's direct intervention in accelerating the delivery of Local Plan sites:

	<b>Task</b>	<b>Timescale</b>	<b>Estimated cost to SMDC</b>	<b>Lead organisation</b>
1	Acquisition and investment strategy	2018-19	£15k	SMDC
2	Wharf Road masterplan, Biddulph	2018-19	£30k	SMDC
3	Tunstall Road masterplan, Biddulph	2018-19	£30k	SMDC
5	Mobberley Farm masterplan, Cheadle	TBC	nil	Private sector owners
6	Blythe Vale masterplan	TBC	nil	Private sector owners
7	A50 impact report + access infrastructure	TBC	TBC	SMDC+neighbouring authorities+Highways England+SCC
8	Cheadle Town Centre masterplan	TBC	£30k	SMDC+SCC
9	Mil Quarter, Leek  (Masterplan/ Leek Mills strategy)	TBC	£30k	SMDC+SCC