

New Homes Delivery Plan

September 2018 – March 2023

Page 39



Delivery Plan Introduction and Context

The Council has a vision for Sheffield to be the fairest city in the UK. Building the right homes and fixing our broken housing market is a key element of achieving that vision. Sheffield is a successful, prosperous and growing city with a growing demand for housing. These homes matter to us and we are producing a new 'Homes for All' Housing and Neighbourhoods Strategy in the autumn setting out the Council's ambition for homes in the city to support strong neighbourhoods and to help people to feel safe, warm and well and, address the inequality divide.

Our ambition is to use new housing to reduce inequality in Sheffield and provide more choice of good quality and affordable homes for all lifestyles who live in the city now, as well as people who wish to come and work in Sheffield in the future.

Collectively the Council, public and private sector are presently building around 2,500 new homes each year. However, many of these are flats and homes for young people and young professionals so it is not addressing the need for new family homes in the city's existing neighbourhoods. The city also has a significant shortage of quality homes for older people and specialist accommodation for our vulnerable people and in many areas and it is becoming increasingly difficult to find the right type of accommodation in the areas where it is needed. The Council is committed to making sure that no one in the city should be living in a home that damages their health, residents feel safe and homes are affordable, so it is important that we use developable land in the city that is allocated for housing to address these shortfalls.

This New Homes Delivery Plan is the pre-cursor to presenting the new Homes for All Housing and Neighbourhood Strategy in the autumn. The delivery plan aims to maintain the current level of homes being built through direct intervention and by enabling the public and private sector to deliver the homes we need. This will continue to support the Council's intention to prioritise brownfield land to ensure that land that is allocated for housing is built out, particularly where land has been unused for many years. It sets out a programme for achieving over 2,000 new homes per annum ensuring momentum is maintained on a number of approved housing delivery programmes over the next 5 years and as part of a longer term pipeline.

We will as part of this overall approach be developing a clear neighbourhood engagement plan to ensure that we are listening to the views of tenants and residents living in our neighbourhoods when catering for new homes and to ensure they are located in areas that will improve the quality of neighbourhoods and make them great places to live and work in.

To sustain this level of delivery, the Council will continue to seek opportunities to work in partnership with the private sector to deliver the numbers required. We also believe that a range of homes like this supports the city's economy by helping people into work especially those furthest away from the labour market, attracting and retaining businesses and their workforce. A good range of homes helps more people to share in the city's growing economy.

The Council is in the process of developing its overarching strategic approach to create sustainable homes and neighbourhoods, and there will be a suite of documents to support this - the Economic Strategy, Transport Vision, City Centre Plan, Green City Strategy, a new Local Plan and a Housing and Neighbourhoods Strategy that will also provide the strategic direction required for the city in the future.

The Council has set out in this plan the commitment to support the building of over 2,000 new homes, including 725 new affordable homes a year for the next 5 years. We expect all new developments to contain a reasonable level of affordable housing, unless there are exceptional circumstances preventing this. The New Homes Delivery Plan aims to deliver a range of affordable housing solutions in all parts of the City. In large parts of Sheffield private developers will be expected to contribute towards meeting this need by on-site provision or through financial contributions for building affordable homes on other sites. The Council itself will have a key role in building affordable and specialist homes in all parts of the city, and we will work in partnership with developers to look for opportunities to provide affordable housing on all sites. Delivering new homes boosts our opportunities to deliver affordable homes.

This New Homes Delivery Plan will also help us to be clear with Government on the city's strategic priorities and seek to access external funding that supports the city plans and the outcomes that we want to deliver.

The Government has revised National Planning Policy Framework that includes a Housing Delivery Test, to be introduced in November 2018. This test will assess delivery over the previous 3 years and, where delivery has fallen below 95% of the local planning authority's housing requirement over that period, the authority should prepare an action plan in line with national planning guidance. The action plan should assess the causes of under-delivery and identify actions to increase delivery in future years. Our provisional assessment is that delivery in Sheffield over the period 2015-18 is likely to be 85-88% of the housing requirement. The Sheffield Housing Delivery Plan is therefore the City Council's response to the Government's imminent requirement to produce an action plan.

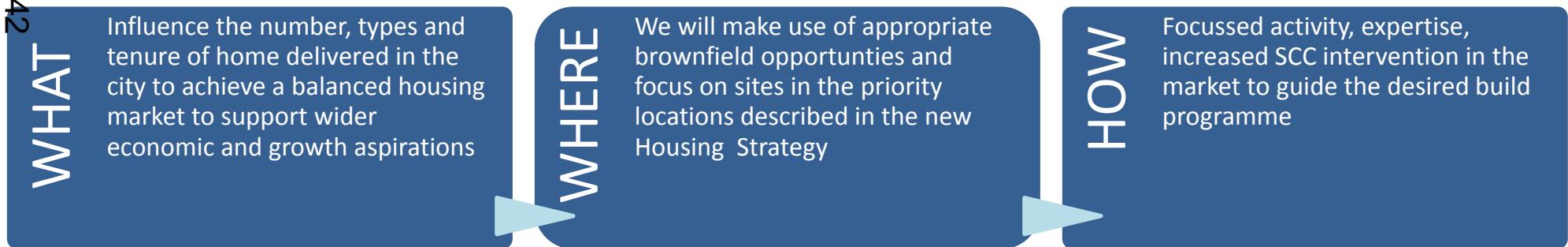
To deliver the scale and types of homes needed we will:

- Identify the correct balance, quality and type of homes that will create successful and healthy communities across the city
- Be clear on our priority housing locations; City Centre and Housing Zone, Upper and Lower Don Valley and the South East
- Create a balanced city centre housing offer promoting mixed communities in some city centre neighbourhoods
- Deliver new affordable homes, both for rent and ownership
- Support citywide housing delivery programmes such as the Sheffield Housing Company and Council Stock Increase Programme
- Make greater use of Council owned land and assets through disposal and acquisition
- Work closely with Sheffield house builders and investors to provide a range of quality homes to support mixed tenure neighbourhoods and create new neighbourhoods

- Cater for the following identified gaps in provision:
 - homes in all tenures for people wanting to downsize
 - homes for sale in the mid-market and above for couples and families wishing to progress through the market
 - a range of affordable homes for sale and rent
 - homes for older people and families in some city centre neighbourhoods
 - specialist homes for older people and people with learning disabilities in all tenures

We want to work with partners in both the private and public sectors to increase house building across the city. This is because our homes matter to us. They are the foundations of strong communities and, at a very basic level, they are a major factor in deciding whether we feel safe, warm and cared for. We want a more inclusive and successful city, so we need an affordable choice of good quality homes for all. We will use new housing to reduce inequality in Sheffield, not make it worse.

The key to delivering the actions above will be collaborative working between the Council, its partners and the Private Sector alongside better integration and commissioning. The Council will be proactive in providing support and intervening as required to make sure that the programme for housing delivery is balanced across the city. This delivery plan underpins the strategy, and clearly sets out the:



1. Why we need a new housing delivery plan

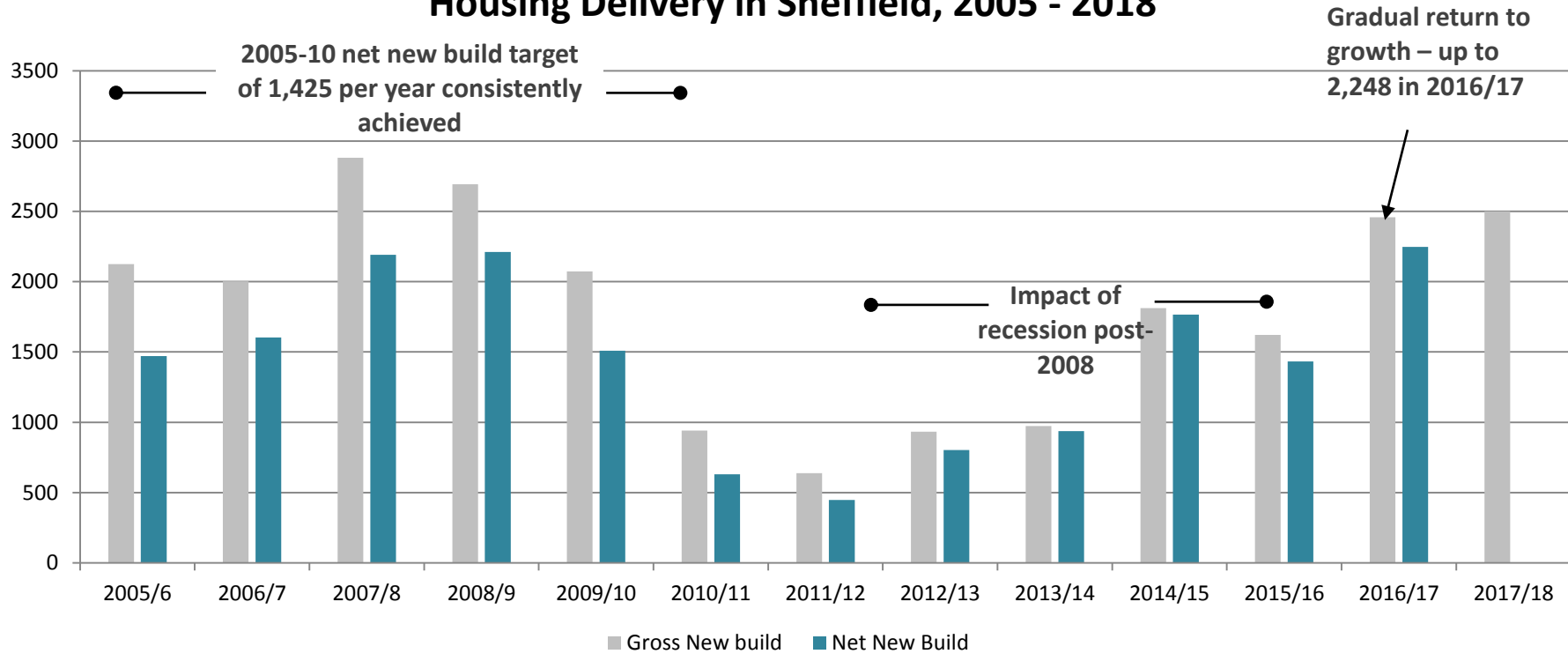
1. The number of homes required vs The number of homes being delivered

The Sheffield Local Plan (pending adoption) is likely to set out a net new build housing target of between 1,975 and 2,425, including 725 new affordable homes, a year (Target range set in the Strategic Housing Market Assessment 2013). We are therefore planning for a figure above 2,000 new homes per year but acknowledge that Sheffield's housing target will change as the Local Plan is developed, examined and adopted.

In order to hit targets we need to maintain the current delivery numbers, a significant increase on the previous levels of delivery. In summary:

- Local Plan (pending) – Target for 2018 onwards = 2000+ homes per annum
- Actual Delivery 2005 – 2017 = Average (net) = 1,437 homes per annum
- Actual Delivery 2016 / 17 = 2,248 homes
- Forecast / estimated 2017 / 18 = 2, 200 homes

Housing Delivery in Sheffield, 2005 - 2018



Page 44

1

2. The type, balance, quality and tenure mix of homes being built

House builders in the private sector are currently providing a too narrow range of house types and tenures.

Over the last five years there has been an average of 1560 (gross) new homes completed per year – the majority of which, 64%, were apartments or student accommodation (50% apartments and 14% student accommodation) and 36% of completions were houses. The Council will work with both Universities to develop a new Student Accommodation Strategy to shape this area of activity.

¹ Gross Housing Completion figures for 2017/18 are estimated as the actual figure is still being calculated at the time of writing

Of the homes delivered, 19% (or 302 per year) were affordable homes, including those secured through s106 affordable housing agreements, which is significantly short of the city's 725 per year affordable housing target.

Our evidence tells us that this delivery profile is not adequately meeting housing demand from families, older households and households needing specialist accommodation. This delivery plan will address the delivery numbers, tenure and the type of home.

2. Local Housing Vision – What we need to deliver and where

This Delivery Plan is not just about building more homes; it is about building the right mix and balance of homes in the right places and building successful and healthy communities. Through this delivery plan we aim to shape neighbourhoods and to create a more balanced housing offer that better meets local housing need. Our intention is where possible to create more neighbourhoods where the additional homes support good health and reduce inequality. We also intend for the additional homes to provide more choice to enable people to upsize and downsize their homes locally, as their needs change.

The city has 13 distinct Housing Markets Areas (HMA's), each one having its own housing offer. These are shown in the map below.

The Council has a robust set of data that is used to review the existing housing offer in each market area and has identified local housing shortfalls along with issues and challenges for housing delivery. This information will be used to guide the approach taken by the Council to deliver more new homes. The 13 HMAs provide an overview of the housing offer in these areas. Site specific developments and negotiations will be undertaken in line with a more detailed knowledge of the conditions in that specific area.



- Housing Market Areas
- City Boundary

Scale: 1:130,364

Sheffield City Council
Housing Strategy and Policy

3. Delivery Approach – How we will deliver

Over recent years the Sheffield housing market has delivered sizeable amounts of student accommodation in the city centre. The Council's ambition is to increase the levels of family type houses, general needs apartments and apartments aimed at families and older generations.

How we deliver through strategic Council intervention can provide mechanisms to guide the market to a different outcome.

The Council can drive and influence the timing and supply of new homes in the city in a number of ways:

1. By how it grants planning permission to private house builders
2. By supporting sites that have become stuck in the development process
3. By how it supports private house builders who have planning permission, but where delivery has stalled
4. Through its involvement with the Sheffield Housing Company to deliver homes at pace in specific areas
5. By how it develops its own land to build council housing through the HRA Stock Increase programme
6. By supporting landowners and developers with planning and infrastructure to free-up stuck sites
7. By investing in wider infrastructure to unlock sites and make developments more viable / attractive to the market

In support of the themes above, a detailed operational plan for 2018 – 2023 sets out a range of actions linked to key outcomes and resources that underpin how we will deliver. Details of this can be found in [Appendix A](#).

Principles of Intervention - The Council's interventions will be guided by the following principles.

The council will intervene where:

1 SCC wishes to influence development to create a coherent place and community	2 The private sector is not meeting local housing demand or need	3 The market is unwilling or unable to deliver (site needs planning permission, has not started or has stalled)	4 The market will deliver but a higher quality scheme could be established through land assembly, which can't be achieved through the private sector	5 It will accelerate delivery on or release new brownfield sites	6 Statutory powers are required to unblock sites in the private sector (CPO or statutory action)
---	---	--	---	---	---

In order to meet the targets set for numbers and locations, the Council must:

- Increase its resource capacity to provide an efficient and effective housing delivery role,
- Develop a deliverable site pipeline to sustain the number of homes built per year and diversify the range of new homes,
- Stimulate private sector and Council activity on residential sites to build new homes provide a balance of good quality house types and tenures that address local housing need
- Increase the capacity of the affordable housing programme and stimulate the private sector to provide more affordable homes for sale and rent
- Establish long term investment programmes to develop brownfield land in priority housing areas
- Consider alternative delivery models for affordable housing

The Council has a number of approved or proposed interventions including;

- HRA funded stock increase programme (for the provision of new homes for rent, older persons and specialist housing and shared ownership)
- Stuck sites programme
- Sheffield Housing Company
- Disposals Programme
- Bids to the Housing Infrastructure Fund
- Bids to the City Region
- Bids for government grant funding such as the Shared Ownership and Affordable Homes Programme
- Bids for estates regeneration funding to the Ministry of Housing, Communities and Local Government

4. The case for Intervention

Current housing delivery estimates

Our future housing delivery estimate is informed by the Strategic Housing Land Availability Assessment (SHLAA).

This is the information source of all the possible land that could be used for housing development across the city. The Council's current formal five-year housing supply was published in the 2017 Interim Position Paper that is available at <https://www.sheffield.gov.uk/content/sheffield/home/planning-development/housing-land-sites.html>.

To establish a firmer picture of housing delivery over the next 5 years we have applied a risk based assessment of sites within the SHLAA taking into account the following;

- Current planning permission status
- Average build rates for developers
- Current site occupation and need for intervention
- Site location and the concentration of sites
- Existing site intelligence
- Level of site assembly / infrastructure work required prior to build commencing
- Current economic climate

We acknowledge that the rate of delivery cannot be forecast with absolute certainty as the demand for housing and the capacity of developers to deliver housing will fluctuate. However, the risk based assessment provides the best possible estimate at this point in time and forms the baseline delivery figures (below table) for housing delivery **without Council intervention**.

Work Stream	Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Year 4 2021/22	Year 5 2022/23	5 Year Total	Years 6-10 23/24 - 27/28	10 Year Total
Private Land								
Planning - Full Permission Not Started	196	316	283	46	46	887	1,381	2,268
Planning - Full Permission Required	6	72	685	173	254	1,190	7,857	9,047
Private Construction Suspended	108	0	14	0	36	158	298	456
Private In Delivery	1,415	351	305	115	103	2,289	312	2,601
Property - Disposals/Acquisitions	0	0	0	0	0	0	294	294
Public Land								
HRA Stock Increase Programme ²	0	0	16	80	68	164	237	401
Planning - Full Permission Not Started	30	57	0	0	0	87	14	101
Planning - Full Permission Required	104	134	502	181	365	1,286	2,819	4,105
Property – Disposals	0	0	17	69	75	161	994	1,155
Public In Delivery	44	44	44	43	0	175	0	175
Sheffield Housing Company	331	292	211	127	136	1,097	317	1,414
Grand Total	2,234	1,266	2,077	834	1,083	7,494	14,523	22,017
Windfall Sites	200	200	200	200	200	1,000	1,000	2,000
Grand Total (Including Windfall Sites)	2,434	1,466	2,277	1,034	1,283	8,494	15,523	24,017

Table 1- Risk tested Delivery Pipeline 2018 – 23 (Source: SCC Housing Growth Team)

The current housing delivery estimates shown in Table 1 fall short of the Council's 2000+ per annum target showing that SCC intervention is justified to increase the volume of new homes. In addition, intervention is also needed to increase the number of new houses and apartments for non-student use to redress the imbalance in the types of homes (not just volumes). Key observations from the site review are, that the:

- Pipeline is at risk of fluctuating below the target of 2000 per year, averaging 1400 per year and completions of apartments peak in 2020/21;
- Majority of the new build capacity is in the private sector;
- Sites with planning permission and to commence on site are significant with 42 sites generating a total capacity of 2268 homes;
- Pipeline assumes that full planning permission will be secured for over 13,000 homes; and,

² This only relates to new build Stock Increase Programme activity, it does not include S.106 purchases or Buy Back of former Right to Buys

- Council is bringing forward 1182 new homes itself through land disposals and building its own properties to rent and it is programmed to deliver 1414 through the Sheffield Housing Company.

Proposed delivery estimates with intervention

A number of key interventions have been identified to accelerate housing delivery by both the Council and private sector these include;

- Adopting a strategic approach to priority areas
- Accelerating the Councils New Build Stock Increase Programme
- Investing in site enabling works prior to disposing of sites
- Disposing of viable sites for private sector delivery with planning briefs to influence housing type
- Strategic acquisitions in the city centre to assemble sites
- Accelerating Sheffield Housing Company's Programme
- Deliver physical infrastructure to unlock sites, subject to successful funding bids
- Providing planning advice, guidance and support to help developers / investors through the process
- Consider joint ventures where we want / need to influence the housing offer
- Establish a proactive contact role to liaise with developers/ land owners providing support to unlock development

It is anticipated that by making these interventions housing delivery in the next 5 years can increase by 1934 homes bringing the average per annum over 2000 as shown in the Table 2 below.

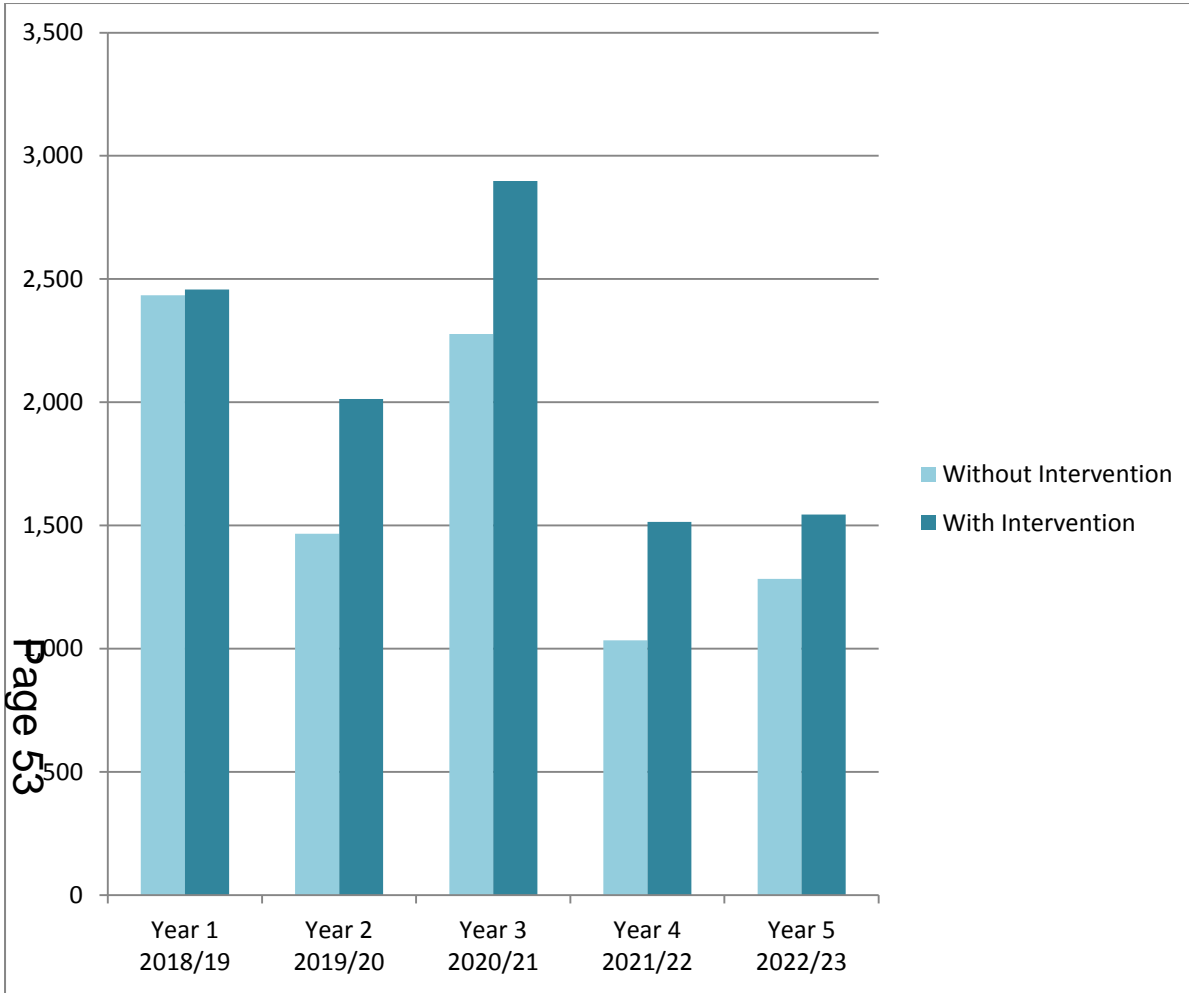
Work Stream	Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Year 4 2021/22	Year 5 2022/23	5 Year Total	Years 6-10 23/24 - 27/28	10 Year Total
Private Land								
Planning - Full Permission Not Started	220	506	318	81	81	1,206	1,062	2,268
Planning - Full Permission Required	6	224	889	249	343	1,711	6,620	8,331
Private Construction Suspended	108	0	14	0	36	158	298	456
Private In Delivery	1,415	351	305	115	103	2,289	312	2,601
Property - Disposals/Acquisitions	0	0	0	0	0	0	786	786
Public Land								
HRA Stock Increase Programme ³	0	191	194	165	228	778	271	1,049
Planning - Full Permission Not Started	30	57	0	0	0	87	14	101
Planning - Full Permission Required	104	134	676	299	104	1,317	1,038	2,355
Property - Disposals	0	15	47	217	313	592	1,570	2,162
Public In Delivery	44	44	44	43	0	175	0	175
Sheffield Housing Company	331	292	211	145	136	1,115	652	1,767
Grand Total	2,258	1,814	2,698	1,314	1,344	9,428	12,623	22,051
Windfall Sites	200	200	200	200	200	1,000	1,000	2,000
Grand Total (Including Windfall Sites)	2,458	2,014	2,898	1,514	1,544	10,428	13,623	24,051

Table 2 – Delivery Pipeline with Increased Council Intervention 2018-23 (Source: SCC Housing Growth Team)

It is important to note that these interventions will not only accelerate housing delivery in years 1 to 5 - it will also secure future sites for development into year 6 onwards as the acquisitions and site enabling work streams, in particular, are not expected to deliver units until after year 5. Whilst there is less certainty in the figures for year 6 onwards (reflected in the current conservative estimate), due to the volatility of the market, intervening now will help to create a more sustainable delivery pipeline and it is likely this will lead to increased numbers in years 6 to 10.

This plan will be updated on an annual basis as it is intended to be rolling programme of investment.

³ This only relates to new build Stock Increase Programme activity, it does not include S.106 purchases or Buy Back of former Right to Buys



In order to intervene in the market and achieve the increases in housing delivery illustrated in this chart and the type, tenure and quality of housing required additional resource will be required both in terms of funding and staff time.

Investing resource into housing growth will also ensure that Sheffield can better position itself when trying to secure external funding from the Government and private sector allowing all opportunities to be maximised safeguarding the future success of the programme.

Further information on the type of intervention and impact on delivery can be found in Appendix B.

The Benefits of intervention

We anticipate, with further investment:

- The Council can unlock an additional 19 sites on publicly owned land, release 1,934 new homes into the 5 year pipeline and triple the volume of homes it builds itself and in partnership with the private sector. Of which:
 - The Council will build a further 614 more affordable new homes, through the HRA New Build Programme.
 - A further 11 Council owned sites could be marketed to bring forward over 1064 new homes through the Council's disposal programme.
- Sheffield Housing Company can bring forward over 350 new homes
- Strategic acquisitions will commence on a rolling programme in the city centre housing zone, we propose to concentrate on a number of key sites that if assembled could unlock up to 2018 homes by 2028.
- Provide the opportunity to work in partnership with Rotherham to develop the pipeline for the Sheffield/ Rotherham corridor which could achieve over 18,000 homes over the next 20 -30 years
- The pace of new build will be a combination of directly working with the private sector and making it easier for the private sector to get on and deliver new homes
- Increased income to the Council from CIL, Council Tax and New Homes Bonus and capital receipts over the 5 year period of this plan
- A greater supply and variety of houses to help balance the citywide shortfalls

Funding and income

To address the shortfalls in housing types, achieve the increased rates of housing delivery to those detailed within Table 2, and fully realise the benefits of increased income, there is a requirement for an additional investment of £25,265,000 over the Delivery Plan period (2018 – 2023). The breakdown of how this funding will be invested is given below:

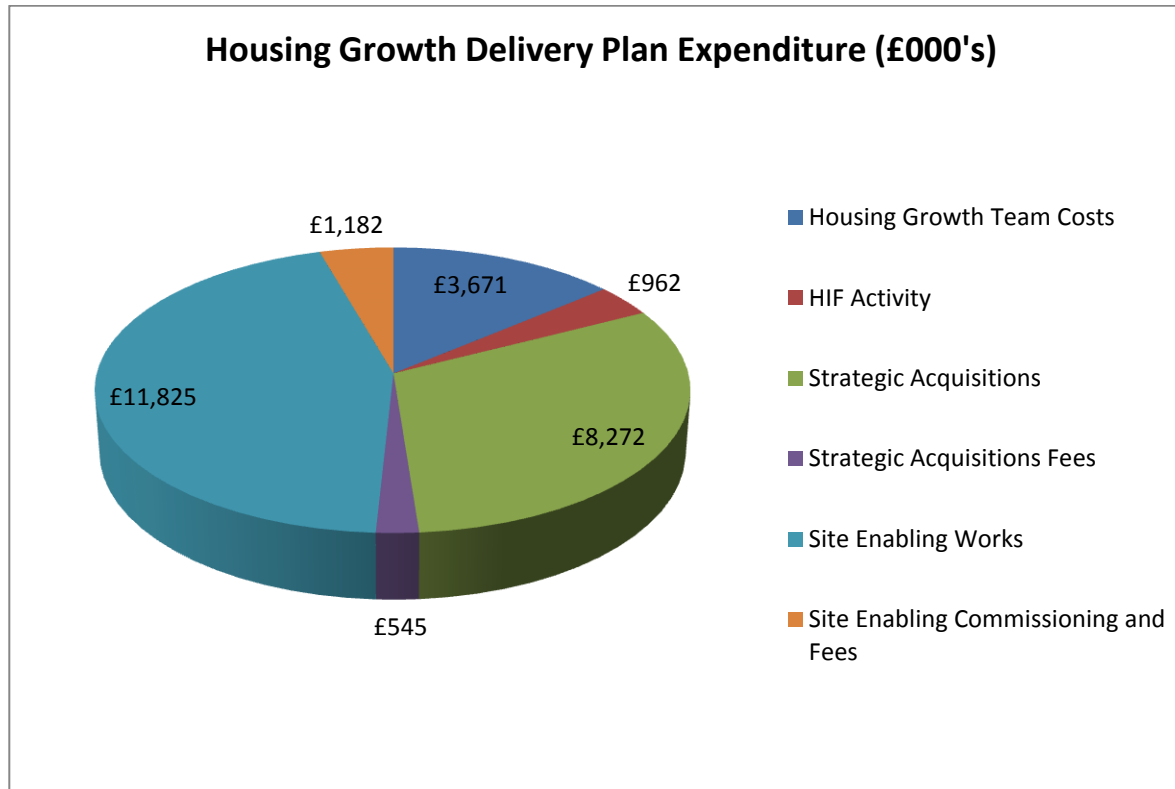
Expenditure (£000s)	2018/19	2019/20	2020/21	2021/22	2022/23	5 Year Total
Housing Growth Team Costs	£605	£744	£759	£774	£790	£3,671
HIF Activity	£840	£122	£0	£0	£0	£962
Strategic Acquisitions	£6,046	£1,598	£627	£0	£0	£8,272
Strategic Acquisitions Fees	£174	£8	£363	£0	£0	£545
Site Enabling Works	£300	£2,000	£5,438	£2,043	£2,043	£11,825
Site Enabling Commissioning and Fees	£350	£350	£161	£161	£161	£1,182
Sub Total	£8,315	£4,822	£7,349	£2,978	£2,994	£26,458
Current Funding (£000s)						
Housing Revenue Account	£159	£159	£159	£159	£159	£793
GIF Funding (Sheffield Housing Company Client Team)	£200	£200	£0	£0	£0	£400
Sub Total	£359	£359	£159	£159	£159	£1,193
Net Costs / Funding Required	£7,957	£4,464	£7,190	£2,820	£2,835	£25,265

Table 3: New Homes Delivery Plan (2018 – 2023) Budget

Expenditure is proposed to:

- **Fund the Housing Growth Delivery Team (2018 – 2023).** To perform a pro-active contact role. This will bring forward the private sector pipeline; to commission and deliver site enabling works to improve the viability of Council and privately owned sites; to contract manage existing and new partnerships and to monitor and report monthly on the targets set in the plan beyond the 5 year plan.
- **Provide capacity to further develop options and feasibility studies for bid submissions. (2018 – 2020)** There is potential for additional Housing Infrastructure Funding (HIF) or other capital funding from Government. Resources are required to ensure capacity to develop proposals or engage specialist expertise.

- **Enable Strategic Acquisitions** over a rolling 5 year programme (2018 – 2023) will assemble key brownfield sites in the City Centre to build a mixture of apartments and houses and land acquisitions to increase the available land in the Affordable Housing Programme, where there is a shortfall in provision.
- **To consider a fund to invest in/pay for site enabling works** such as road, services infrastructure, remediation, ground clearance and preparation to improve the viability of marginal sites. This is an opportunity to unlock private and public sites to provide balanced delivery programmes across the city.



The adjacent chart illustrates the proportion of spend across the programme highlighting that the majority of the investment is identified for Strategic Acquisitions, 31%, and Site Enabling works, 45% and represents a total of 76% of the total investment as Capital.

The following tables show the projected income generated by housing delivery. The actual amount of income generated will be subject to housing market conditions over the period. The income and delivery numbers are based on assumptions made from November 2017 and will be refined as the housing is developed and actual income achieved which will be reported to Cabinet on an annual basis.

Income generated by private sector developments without any SCC interventions.

Income (£000's)	2018/19	2019/20	2020/21	2021/22	2022/23	Total
New Homes Bonus	£2,788	£5,733	£7,170	£9,445	£7,474	£32,609
Council Tax	£2,487	£5,115	£6,397	£8,427	£9,156	£31,581
Community Infrastructure Levy	£4,051	£4,822	£3,123	£2,790	£2,733	£17,519
Grand Total/Forecast Income	£9,326	£15,670	£16,689	£20,661	£19,362	£81,708

Table 5: New Homes Delivery Plan (2018 – 2023) Budget

Income generated by private sector and existing SCC programmes.

Income (£000's)	2018/19	2019/20	2020/21	2021/22	2022/23	Total
New Homes Bonus	£5,722	£6,892	£6,017	£5,972	£5,469	£30,072
Council Tax	£2,876	£6,199	£8,200	£11,308	£12,686	£41,269
Community Infrastructure Levy	£6,078	£9,629	£7,132	£7,142	£4,812	£34,793
Capital Receipt	£0	£6,400	£9,900	£2,000	£0	£18,300
Grand Total/Forecast Income	£14,676	£29,120	£31,249	£26,423	£22,967	£124,434

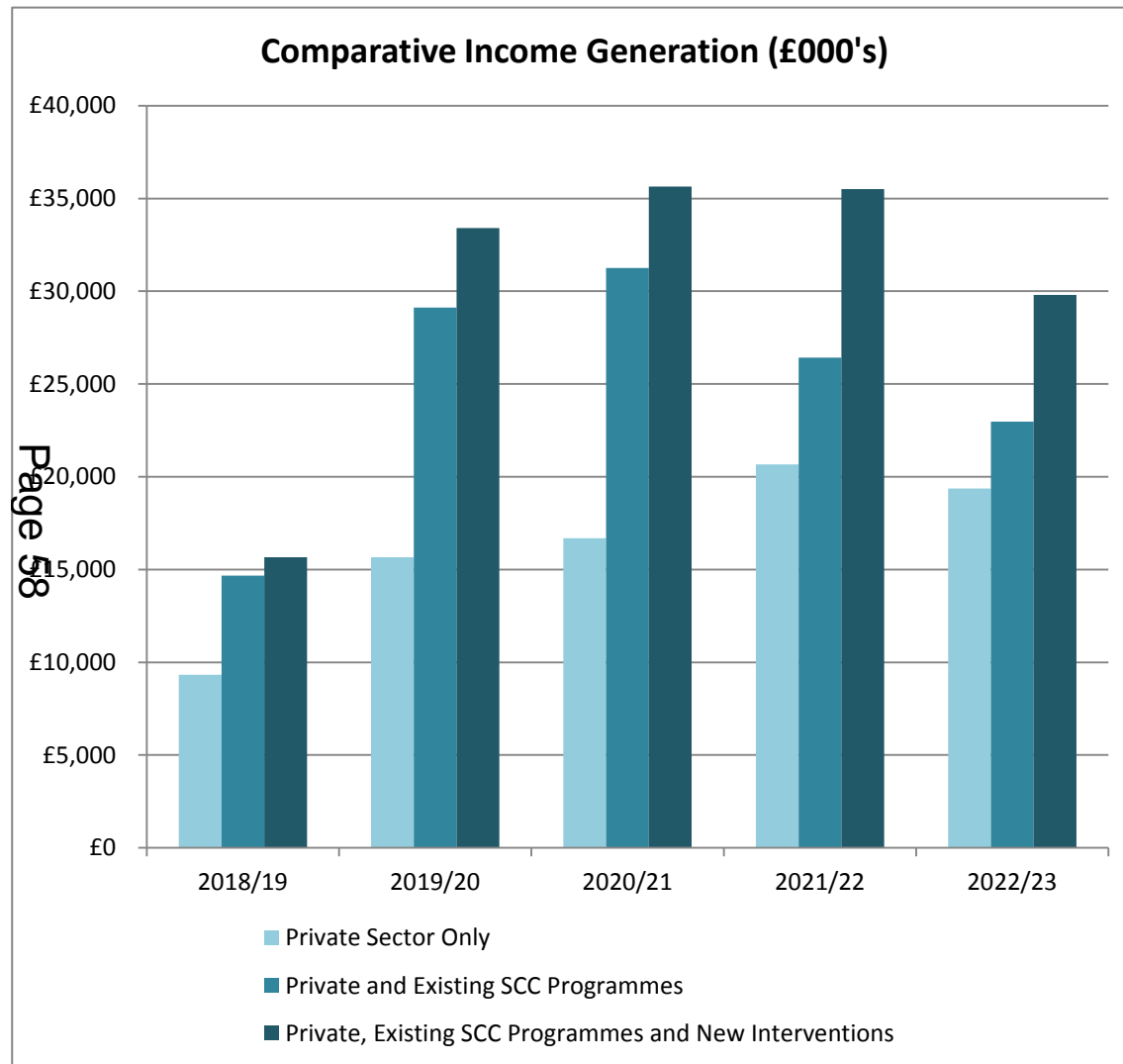
Table 6: New Homes Delivery Plan (2018 – 2023) Budget

Income generated by privates sector, existing SCC programmes and additional interventions in this delivery plan.

Income (£000's)	2018/19	2019/20	2020/21	2021/22	2022/23	Total
New Homes Bonus	£5,918	£7,048	£6,527	£7,163	£7,270	£33,925
Council Tax	£2,876	£6,232	£8,953	£12,912	£15,003	£45,977
Community Infrastructure Levy	£6,115	£10,331	£8,764	£8,267	£4,783	£38,259
Capital Receipt	£750	£9,500	£9,900	£2,000	£795	£22,945
Capital Receipt from Strategic Acquisitions	£0	£300	£1,500	£5,160	£1,950	£8,910
Grand Total/Forecast Income	£15,659	£33,410	£35,645	£35,501	£29,801	£150,016

Table 7: New Homes Delivery Plan (2018 – 2023) Budget

The 'capital receipts from strategic acquisition's' shown in table 6 are based on the purchase, enhancement and disposal of a number of brownfield sites, as approved by Cabinet in March 2018.



Indicative Income generation:

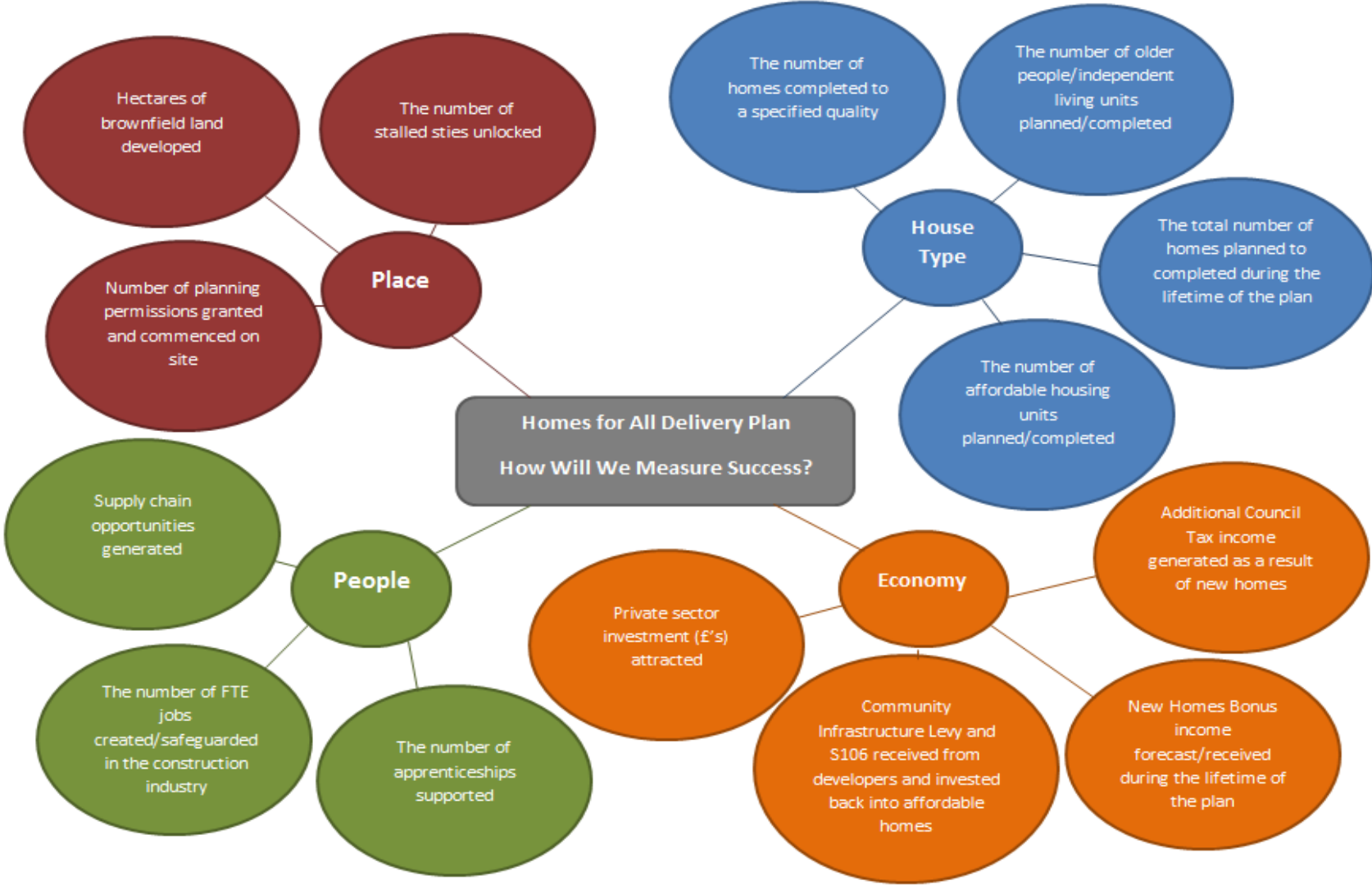
The indicative gross income generated for the Council is estimated to be £150,016,000. Sources of income are:

- New Homes Bonus: income receivable from Government on a 4 year rolling basis, payment based on the net number of new homes built.
- Council Tax generated and collected
- Community Infrastructure Levy generated via the implementation of planning consents
- Land receipts paid to the Council for the sale of land/property.

Income received will go into the Council's Growth Investment Fund which is established on the basis of an 'evergreen' fund whereby the returns from projects (New Homes Bonus or reward of capital receipts) are reinvested into future projects which in turn generate new returns. A proportion of the fund is set aside for 'enabling' projects to support physical infrastructure schemes which generate no immediate return but create a setting for investment and support the Council's corporate capital programme to bring forward some of the Council's other strategic projects. This programme will provide some certainty of future income that will underpin the Council's medium term financial strategy.

5. Measuring Success

The success of the New Homes Delivery Programme will be measured against these Key Performance Indicators. It will be the responsibility of the Housing Growth Team to monitor and report on the success of the programme along with the Housing Growth Programme Group.



6. Risks

There are ways that the Council can influence the housing market, to sustain a pipeline of viable residential sites and adjust the type, quality and number of homes that are delivered in Sheffield. However, there are also a number of drivers that affect the housing market and people's decisions to move, which the Council cannot change. The key risks to the Housing Delivery Plan and mitigating action is set out below.

	Risk	Mitigation
Page 60	<p>1 Infrastructure required to unlock sites</p> <ul style="list-style-type: none"> • City centre redevelopment opportunities are spread across the urban core. Fragmented land use pattern means it is difficult to deliver a co-ordinated package of infrastructure necessary to support new communities • Lack of resource to co-ordinate proposals and lack of strategic funding means that future infrastructure solutions could continue to be delivered in isolation and infrastructure solutions fail to impact positively on the attractiveness of local sites 	<p>Creation of an Integrated Infrastructure Plan to identify priority projects and investment required to prioritise funding applications.</p> <p>Continue to work with Government to establish a flexible single housing and infrastructure fund for Sheffield</p> <p>We have submitted bids for Housing Zone status, Capacity Funding and for Housing Infrastructure Funding.</p> <p>Allocate resources to support appraisal work and bidding processes</p>
	<p>2 Site viability</p> <ul style="list-style-type: none"> • Council policy is to develop brownfield land. Previous industrial use makes ground preparation costs higher than average • Potential declining land values/capital receipts may limit the Council's ability to invest • Local topography, hills and river basins often means that sites require bespoke ground remediation/scheme proposals • Property valuations may be prohibitive in newly emerging markets • Viability issues may impact on the quality of scheme achieved 	<p>Identification of priority sites pipeline, Diversifying the market to attract more house builders and introduction of pro-active contact role with landowners, agents and developers.</p> <p>Identifying and releasing sites for private sector development in a timely manner balancing delivery and demand.</p>

3	<p>Brexit and housing market economy changes</p> <ul style="list-style-type: none"> • Continuing economic and political uncertainty in the run up to 2019, further interest rate rises, falling real wages and weaker consumer. • Any limits on immigration could result in fewer construction workers from overseas, development takes longer & extra building cost could be passed onto buyers. • Fluctuations in house prices and potential market slowdown, impact expected to be region specific. • Persistent shortages of house building keep house prices rising faster than earnings on average. • Affordability for first time buyers and risk that buyers will need to save longer to buy their first homes. 	<p>SCC continues to invest in the transformation of the City Centre, the Advanced Manufacturing Park and Advanced Manufacturing Research Centre and HS2 to promote developer and investor confidence</p> <p>Monitoring of citywide housing delivery programme and provision of housing market guidance to illustrate the types of homes needed in each housing market area.</p> <p>Deliver a balanced programme to ensure delivery is aligned with market demand and capacity</p> <p>Use the delivery programme to promote more capacity of SME developers and builders</p>
4	<p>Private Sector delivery</p> <ul style="list-style-type: none"> • Private sector development does not provide the required breadth of housing need for Sheffield people • Developer decisions are influenced by labour and supply chain capacity, ability to finance development, activity adjacent to the site and conditions of the local economy 	<p>SCC to guide and support private sector to develop housing to meet identified needs in Housing Market Areas</p> <p>New programme to support enabling work and investment in sites to reduce risk.</p> <p>Introduction of self-funded business models for the Council to invest in Affordable Housing through HRA and s106 receipts.</p> <p>Promotion of economic priorities such as the transformation of the city centre, the Advanced Manufacturing Park and Advanced Manufacturing Research Centre and HS2 to create the right environment for a buoyant housing market</p> <p>Focus of resources in the City Centre, Lower and Upper Don Valley and the South East to promote developer and investor confidence.</p> <p>SCC recognises the importance of innovation in the housing market and will promote Modern Methods of Construction on suitable sites.</p> <p>Similarly, a diverse range of housing developers and builders will increase the housing growth activity in the city and therefore it will be important to work closely with Small to Medium Enterprises (SMEs) including Custom Build developers to enable their development in the city too.</p>

7. Political and Executive Governance

To deliver the new ambition will require strategic political leadership. This will be provided through the Strategic Capital Board and also the Place Growth Board (chaired by the Cabinet Member for Transport and Development) as the Cabinet Member lead for housing delivery.

A Housing Growth Programme Group has been established. This group will be the single route for Housing Delivery activity and will ensure that the proposals set out in this delivery plan are monitored, risks are effectively managed and housing outcomes are delivered. This group will be responsible for presenting annual progress reports to the Council's Cabinet and Cabinet will be asked to approve any amendments to the rolling 5 year Housing Delivery pipeline.

Individual projects and programmes of work, such as site enabling, may be the subject of further executive decisions in accordance with the Leaders Scheme of Delegation and will follow the Council's capital approvals and reporting process that includes the Housing Growth Programme Group and the Capital Programme Group before ultimate approval by Cabinet.

Housing Growth Programme Group

- Will ensure that the proposals set out in this delivery plan are monitored, risks are effectively managed and housing outcomes are delivered.
- Provide regular updates and Business Cases for endorsement to Place Growth Board



Capital Programme Group

CPG is the Council's principle officer forum which reviews and endorses projects, prior to seeking Cabinet approval
CPG may endorse to Cabinet and GIF funding requests with a value up to £500,000



Place Growth Board

- Will consider recommendations made to it and if appropriate it will endorse these recommendations for consideration by SCB and/or Cabinet.
- Will respond with guidance to issues that have been escalated (within its delegations)



Strategic Capital Board

- The principle purpose of SCB is to articulate priorities, against which funding allocations will be made.
- It considers the Business Case and if appropriate, endorses it for consideration by Cabinet
- SCB must endorse all GIF funding requests for amounts over £500,000



Cabinet

- Cabinet will be asked to consider GIF investment into Housing Growth projects and will be asked to consider and approve the rolling 5 year Housing Delivery activity.

APPENDIX A: Housing Delivery Activity Table

Activity	Expected Delivery Period (years)	Expected Outcome
Planning <ul style="list-style-type: none"> Completion of the Local Plan for the allocation and delivery of new housing Ensure information and systems for processing planning applications are in place Provide informal planning advice and pre application advice 	<ul style="list-style-type: none"> 1 - 2 1 1 - 5 	<ul style="list-style-type: none"> Increased sites available to developers and builders Accelerated housing delivery Influence the type, range and quality of new homes
Acquisition <ul style="list-style-type: none"> We will assemble land and consider joint land sales Prioritise the acquisition of new homes to support the SCC Housing Revenue Account new homes programme Explore and acquire land in areas with high Affordable Housing shortfalls to support the SCC Affordable Housing Programme 	<ul style="list-style-type: none"> 2 - 5 1 - 1 3 - 5 	<ul style="list-style-type: none"> Unlock brownfield site Increased family housing offer in the city centre Increased affordable housing delivery
Infrastructure <ul style="list-style-type: none"> Develop an Integrated Infrastructure Plan to identify physical infrastructure requirements that unlock housing development Invest in feasibility work to identify infrastructure needs and identify and secure funding opportunities 	<ul style="list-style-type: none"> 2 - 5 1 - 2 	<ul style="list-style-type: none"> Infrastructure requirements mapped and prioritised Unlock stalled sites Provision of strategic infrastructure to ensure long term delivery of housing
Asset Disposal <ul style="list-style-type: none"> Invest in the de-risking of sites which SCC bring to the market Dispose of sites with clear planning briefs to influence the type of homes to built Proactively promote our smaller sites to SME builders 	<ul style="list-style-type: none"> 1 - 5 1 - 5 1 - 5 	<ul style="list-style-type: none"> Increased sites available to developers and builders Increased likelihood of influencing housing type and range

Provide one to one support to developers

- SCC will work with the developer and co-ordinate SCC cross departmental support to ensure timely delivery on sites which require planning permission, have planning consent but have yet to start or have stalled
- Sign post developers and Registered Providers to funding and partnering opportunities

- 1 – 5
- 1 - 5

- Ensure consistency of approach from SCC
- Private sector pipeline brought forward and accelerated housing delivery
- Influencing housing type and

Affordable Housing

- Publish guidance on affordable housing requirements in the local area
- Create a single Affordable Housing Programme
- Be clearer about on/off site section 106 developer contributions
- Apply for external grants and continue to talk to Government about funding flexibilities to increase the affordable housing pipeline
- Develop a Council shared ownership model to retain Council equity in land to meet housing need and maximise the number of affordable homes delivered using council resources
- Explore and establish a new Site Enhancement/Enabling fund to de-risk SCC owned land and private stalled sites that provide affordable housing

- 1
- 1
- 1
- 1 – 5
- 1 - 3
- 2 – 3

- Clarity for Registered Providers, and developers about affordable housing requirements across the city
- Increased supply of affordable housing for sale and for rent, including specialist affordable housing schemes

Direct Delivery

- Procure contractors, delivery partners and/or consortium to deliver our Affordable Housing Programme and HRA Stock Increase programme

- 1 - 5

- Increase the number of affordable homes delivered
- Directly influence housing types

APPENDIX B: Council Interventions

Our interventions are grouped by the level of intervention required, **guiding development** is the most resource intensive (physical infrastructure/site assembly) and where we want to influence the type of homes, the Council needs to **stimulate** the housing market, by marketing sites with development briefs and investing in site enhancement works. The majority of our time resource, requiring **minimum/no intervention** will be in the private sector, contacting land owners and developers, to identify the support developer's need.

Page 66

Guiding Development	<ul style="list-style-type: none"> • Deliver physical infrastructure subject to funding bids and Community Infrastructure Levy. • Assemble/invest in land and consider joint sales where we intend to change the housing offer. • Explore scope for investment in land to provide affordable housing.
Intervention required to stimulate the market	<ul style="list-style-type: none"> • Site enabling works to improve viability. • Procure a Contractor(s), Delivery Partner(s) or consortium to deliver homes • Market sites and properties with planning briefs in our disposal pipeline
No intervention required in the short term	<ul style="list-style-type: none"> • Proactive contact with land owners/agents to identify what support is needed to unlock development • Market sites and properties with planning briefs in our disposal pipeline • Publish guidance on affordable housing required in local areas • Signpost developers and landowners to financial investors (Homes England, Home Building Fund) • Lead with Registered Private Providers of Social Housing to identify privately owned stalled sites that can be unlocked with affordable housing investment

The table below provides a summary of current approved intervention and proposed additional interventions

Current Council Approved Intervention 2018 -2023	Additional Intervention 2018 -2023
<p>Stuck Sites</p> <p>The Council may take action to ensure that land and property owners invest in their property where these assets are preventing residential development in the area. For instance, if and where necessary, the Council may intervene using statutory powers to encourage the owner to invest in essential works to protect, improve and enhance the property and where the owner fails to improve their property the Council will take direct action and recover costs from the owner.</p>	
<p>Sheffield Housing Company</p> <p>A joint venture between SCC and KGP (Keepmoat Great Places) set up in 2011 to develop approximately 60 hectares of land and to build up to 2,500, high quality new homes built for open market sale. This regeneration vehicle was set up to lift the quality of homes and wider environment and stimulate the new housing market sufficiently to encourage other developers to build. There are a number of phases within the Sheffield Housing Company Programme which are underway.</p>	<p>Sheffield Housing Company</p> <p>For phases 4 and 5 the Company will need to secure relevant funding to ensure that sites are viable and to commence on site within the 5 year Housing Delivery Programme. The Council will monitor delivery through active contract management of the Development Agreement</p>
<p>Council Stock Increase Programme (detail in the Housing Revenue Account Business Plan)</p> <p>The approved programme has a target of 1,600 affordable homes and will be achieved through a mix of commissioned new build homes and property acquisitions (existing homes which are classed as long term empty and new build homes purchased off plan).</p> <p>Our intention through this programme is to provide a range of affordable homes to meet local shortfalls. Where appropriate, our approach will introduce new tenures to help households who aspire for affordable home ownership and provide important flow in the Affordable Housing sector to enable us to free up rented accommodation.</p> <p>It will deliver 148 new units in the Adlington during 2018/19 area providing homes for older people to live independently and for people with learning disabilities. Our priority is to build then a further 3 new high quality older persons homes over the</p>	<p>Affordable Homes Programme</p> <p>Our single affordable housing programme brings together affordable homes from our Disposal Programme, new build by housing associations and s106 commuted sums.</p> <p>Increasing the number of new/replacement Council homes is a high priority. The Council will increase the Council's Stock Increase Programme by 600 to 1,600 new affordable homes by 2022/23. In 2018/19 we will be planning for a further 245 new homes on the South East of the city. The majority will be for older people and a number of general needs housing.</p> <p>Council land has capacity for additional homes but the number of additional homes delivered (on top of the approved programme of 1600 homes) is still dependent on suitable site opportunities, the level of savings that can be made from the HRA, on our borrowing capacity, any additional funding such as grant and use of s106 receipt's. As a priority, we will establish the number of council homes that can be</p>

next few years and also create a new facility that offers 'temporary accommodation' for people who need support at a vulnerable times.

Over 150 new build homes will be acquired 'off plan' this resource will be used to unlock stalled private sector sites.

built on council land and will develop a strategy for how additional homes can be delivered.

Our intention through this programme is to provide a range of affordable homes to meet local shortfalls. Where appropriate, our approach will introduce new tenures to help households who aspire for affordable home ownership and provide important flow in the Affordable Housing sector to enable us to free up rented accommodation.

Disposing of Council Land

The approach towards disposal of land by the Council is increasingly flexible and commercial when considering and approving the disposing of land for housing and mixed used schemes. The Council uses conditional contracts where appropriate to set out planning permission or start on sites expectations and create step in options for the Council on land we have disposed of, for marginal or innovative schemes

Disposing of Council Land

Where key sites have viability issues we may choose to invest in enabling works through remediation, service diversions, physical infrastructure to decrease risk through our proposed enhancement/enabling fund. We will also proceed with joint land sales where it is beneficial to the Council and the land owner/developer.

We have the scope to market a further 6 sites in the 5 year programme, which will deliver 431 new homes.

Page 68

Physical Infrastructure

The Council has applied for Government funding to develop and produce an Integrated Infrastructure Plan to identify and plan the physical infrastructure required across the city.

Resources would be needed to fund the development of priority schemes in the Neepsend, Penistone Road area to deliver infrastructure (flood protection, highway works and strategic site assembly) that can't be funded from housing development and to unlock brownfield land for housing in the city centre.

Our expression of interest to the Housing Infrastructure Fund could unlock and bring forward earlier delivery of up to 4,000 private sector built homes in the city centre. Without infrastructure investment the pace of development up to 2035 would be significantly lower.

	<p>Strategic Acquisitions</p> <p>The Council’s City Centre Plan contains details on the Council’s vision for the city centre. In summary we will promote initiatives to broaden housing provision beyond student flats and studios to include other growing market sectors.</p> <p>Funding has been approved to facilitate acquisition and land assembly in our priority locations, where the market is unable or unwilling to deliver homes that meet local housing shortfalls and delivers our housing ambitions.</p> <p>In the Lower Don Valley we will work with existing land owners to facilitate joint land sales to promote the comprehensive redevelopment of key sites to transform local housing markets e.g. the Attercliffe Canal side area has the capacity to build up to 400 new homes. This is the first phase of the strategy to transform the Attercliffe area, regenerating the Local Centre and canal side improvements.</p>
	<p>Supporting the private sector</p> <p>An important element of this plan will include activity focussed at supporting sites in housing priority areas where development has stalled and where development has not commenced following the granting of planning consent.</p> <p>The private sector will take the lead in delivering the majority of the new homes within this plan. We initially forecast that:</p> <ul style="list-style-type: none"> • Between 2018 and 2023 the private sector has the capacity to build 5364 new homes; and, • Beyond 2023 there is capacity for a further 9078 new homes for the private sector to build. <p>However, the profile of private sites shows us that that almost two thirds of these sites are not under construction.</p>

This page is intentionally left blank