



Oldham
Council

Report to CABINET

Housing Delivery Strategy

Portfolio Holder: Councillor Hannah Roberts - Cabinet Member for Housing

Officer Contact: Emma Barton, Executive Director for Place and Economic Growth

Report Author: Bryn Cooke, Head of Housing

Ext. 4134

21 March 2022

Reason for Decision

Oldham is targeted by Government to deliver c.700 homes per annum up to 2037, which is significantly higher than what has been achieved in the Borough in recent years. In order to meet both the Oldham Housing Strategy objectives and deliver at the scale required to support projected population growth, new models of delivery and partnership working will be necessary, with the need for the Council to take an active role in driving forward housing development.

The report makes a series of recommendations for the Council to drive forward a programme of housing development activity.

Executive Summary

This report sets out the current policy context and ambitions for housing delivery in the Borough as part of the Creating a Better Place regeneration programme. It considers the merits of a range of development options which the Council could progress to ensure delivery of housing on land under its control and updates on current housing activity and recent achievements in the borough. Progress towards developing brownfield land are highlighted. It also considers and makes recommendations regarding affordable housing, low and zero carbon housing and Modern Methods of Construction.

The report sets out 3 possible options (a land sale, delivery via Building Lease and procuring a Strategic Development Partner) available to the Council and the advantages and disadvantages of each, before making site specific recommendations for delivery.

Recommendations

Cabinet is requested to approve that:

To endorse the action being taken:

1. To approve the housing delivery programme of work as follows:

- Immediate / Short Term Priority: To agree disposal/ delivery plans for the Derker and Southlink sites to stand the best chance of delivery within the Brownfield Housing Fund deadlines, as outlined in the separate reports.
- Short to Medium Term: Procure delivery partners for sites, packaging sites where necessary to improve viability.
- Short to Medium Term: Select a Strategic Development partner(s) to progress development of the strategic town centre residential sites with the Council. Prioritising Council resource and investment to help establish a housing market in the town centre.

Cabinet is asked to delegate authority to the Director of Legal Services or their nominated representative to sign and/or affix the Common Seal of the Council to all contractual documentation and associated or ancillary documentation referred to above and/or required to give effect to the authorisations, delegations and recommendations in this report.

1. Background

Set out below is a summary of the key housing and policy strategies for Oldham which form the background to recent achievements and current housing activity outlined in Section 2 and have also informed the preparation of the delivery options and work recommended in Sections 3 and 4.

- 1.1.1 ***Creating a Better Place*** incorporates significant programmes of work that have been progressed over the past eighteen months in order to set out a comprehensive vision and strategic framework for the borough. These include the:
- Updated vision for Oldham Town Centre;
 - Housing Strategy 2019; and
 - Updated Medium Term Property Strategy.
- 1.1.2 ***Creating a Better Place*** focuses on building more homes for our residents, creating new jobs through town centre regeneration, and ensuring Oldham is a great place to visit with lots of family friendly and accessible places to go.
- 1.1.3 This approach has the potential to deliver up to 2,000 new homes in the town centre designed for a range of different budgets and needs, 1,000 new jobs and 100 new opportunities for apprenticeships, and will help drive forward the Council's commitment to be the Greenest Borough.
- 1.1.4 Oldham Council is ambitious and bold, and it is on the cusp of an exciting programme of significant change, which is essential to achieve its wider objectives including health, education and improved transport connectivity and public realm. Corporate land and property assets are critical to this agenda and therefore the previously approved Medium-Term Property Strategy (MTPS) has been refreshed to ensure it meets the scale of the change required.
- 1.1.5 At a strategic level, the work completed across the last eighteen months has confirmed that the property portfolio can be a catalyst for building new homes, creating job opportunities, re-skilling residents through new apprenticeship opportunities, and re-engaging communities and partners through property / estate co-location and collaboration. This strategic work also supports the Council's ambitions for inclusive growth, thriving communities and co-operative services.
- 1.1.6 Delivery of the ambitious programmes of work within '*Creating a Better Place*' requires efficient and effective systems and processes in place. Significant work has already taken place during 2019 to ensure the right resources are in place for robust, fit for purpose governance and effective delivery. Changes to the Council's Land and Property protocols are also proposed to further strengthen this.

1.2 Oldham Housing Strategy (2019)

- 1.2.1 The Oldham Housing Strategy, published in 2019, underpins the Housing Delivery Action Plan and guides how the Council will take decisions and action in respect of housing delivery over the coming years. The Council acknowledged that the ambitions set out in the strategy to deliver more new homes will require a different approach to supporting viability in the most appropriate way on a site-by-site basis. In particular, if the Council are to be successful in redeveloping more of the borough's brownfield land it needs to adopt different strategies to improving viability. This could include considering our approach to planning obligations, packaging sites, providing greater clarity and exploring alternative sources of 'gap funding'.

-
- 1.2.2 The Housing Strategy also notes that through housing insights evidence base and the Local Plan Review, the Council will provide a steer on the requirements for major development sites that come forward in order to support their comprehensive sustainable development and integration into the surrounding neighbourhoods. This includes homes built to high quality design and at a density that are appropriate to the location and nature of the site; and developing an 'Oldham Code' for low/zero-carbon homes.
 - 1.2.3 With a new focus on economic recovery, aligned with ensuring Oldham meets its housing need continues to be of paramount importance. This has created the opportunity to review additional brownfield sites in the town centre and across the borough to help bring forward these opportunities for housing development within the Greater Manchester's Plan for Homes, Jobs, and the Environment (formerly the Greater Manchester Spatial Framework (GMSF) and now known as Places for Everyone), and Oldham's Local Plan.
 - 1.2.4 Our aim is to provide a diverse housing offer that meets the needs of different sections of the population at different times in their lives. Our proposals go beyond numbers alone with a focus on the significant contribution that a quality housing offer makes to quality of life. For example, helping an older person to meet their need for a smaller more manageable home which, with the right adaptations, can protect and enhance independence.

1.3 Housing Delivery Action Plan

- 1.3.1 Oldham's current Local Housing Needs Assessment is for 683 new homes per year. Over the past 10 years Oldham has averaged 344 new homes per year. The Housing Delivery Action Plan published in 2021 highlights the step changes needed to meet this challenge in both housing delivery and land supply. The Council's land assets form an important part of the solution in increasing housing delivery. Oldham's land supply has capacity for over 10,700 homes with almost 3,000 of these planned for land in Council ownership.

1.4 Covid Recovery Strategy (June 2021)

- 1.4.1 The Covid Recovery strategy builds on the work already happening across Oldham to recover from the impact of the pandemic and will form the basis of the Council's work as it starts to transition from crisis support to recovery. A key priority area of the strategy is to *"improve housing quality both inside and outside of the home, while bringing forward significant investment in new and affordable homes"* whilst also *"championing a green recovery"*.
- 1.4.2 Poor-quality housing has a profound impact on health. The condition of homes, insecure tenure, and wider neighbourhood characteristics all have a considerable effect on health and wellbeing. Groups in the population who are more likely to live in poor housing are often the same groups who are vulnerable to COVID-19 and other health conditions. COVID-19 has widened existing health inequalities in Oldham and groups with the worst health outcomes are more likely to live in poor housing. To tackle this, the Council will improve housing quality, both in and outside of the home, while bringing forward significant investment in new and affordable homes.
- 1.4.3 The Council plans to respond to the impacts of coronavirus in a bold and ambitious way. We want to use this as an opportunity to stimulate a green recovery that accelerates our ambitions around reducing the boroughs carbon footprint and protecting our greenspace for residents to enjoy.

1.4.4 The Council has committed to:

- **Invest in Quality Homes** - Building more affordable homes through speeding up Council homebuilding, starting to deliver new homes in the town centre and working with Registered Providers (RPs) across the borough to help deliver a minimum of 25% affordable homes; and
- **Build a greener economy that reduces Oldham's carbon footprint** - Start to deliver the Green Homes Grant Local Authority Delivery Scheme in the private sector and for social housing to improve energy efficiency, reduce fuel poverty and create new green jobs.

1.5 Oldham Green New Deal Strategy

1.5.1 In July 2019, the Council announced its intention to develop an 'Oldham Green New Deal Strategy' to replace the Climate Change Strategy 2013- 2020. As part of this a new carbon neutrality target was declared for the Council as an organisation by 2025. These commitments are in the wider context of the GM Combined Authority target for carbon neutrality for the city region by 2038, with a programme of delivery set out in the GM five-year Environment Plan. Through the Green New Deal Strategy the Council will develop an Oldham Code for new build homes, which will set out expectations for energy and environmental performance across a wide range of metrics.

1.6 Oldham Draft Wealth Building Blueprint (2020)

1.6.1 A draft Local Wealth Building Blueprint is in production. The vision of this Blueprint for Community wealth building aims to "harness the spend, assets and wealth of the council and other key 'anchor' institutions within the borough to bring benefits to both the local economy and directly to residents". A key pillar of this blueprint is to increase how the Council makes best use of land and property for public good.

2 Recent Achievements and Current Activity

Recent Achievements

2.1 Since the launch of the Housing Strategy, there have been notable achievements and actions improving the housing offer for Oldham. Some of these are outlined below, whilst others are projects underway and described under Current Activity.

- Successfully brought the statutory functions (homelessness, temporary accommodation and allocations) back in house. We now deliver these functions directly to our residents to help solve housing issues and reduce homelessness.
- The Common Allocations Framework (CAF) has recently been reviewed and the partnership is made up of 7 registered social landlords within the borough, all of whom provide 100% of their properties to the council's housing register for allocation to our residents in housing need
- The revised Strategic Housing Partnership was launched at the start of the new housing strategy 2019 to oversee the delivery of the action plan. There are several workstreams ongoing which support its successful delivery, with the key emphasis being working on partnership. We are currently developing a new build allocations policy which will determine how new build properties are let within the borough and where their rent levels are pitched, ensuring greater accessibility and affordability for our residents. The partnership has also recently signed up to a number of homelessness pledges to assist with preventing and alleviating homelessness within the borough

-
- Late last year saw the launch of our new Homelessness Strategy and Temporary Accommodation Strategy. The aim is to become more prevention focused and prevent homelessness by working in partnership with our key stakeholders. For those who do find themselves as homeless and need emergency temporary accommodation, we are re-profiling and remodeling our portfolio to ensure it is fit for purpose, offering minimum standards, providing value for money whilst keeping residents in the borough.
 - Warm homes – we have used monies secured through the green new deal to retrofit some of our housing stock to ensure energy efficiency. This in turn supports the green agenda and can mean reduced utility bills for our residents.
 - Primrose Bank - The Council has built 19 five-bed energy efficient homes at Primrose Bank on land vacant for around 10 years. Completed in January 2021, the houses provide much needed larger family accommodation that was not being provided by Registered Providers in the borough. Part of an EU funded project, all homes are fitted with Photo Voltaic Panels on the rooves, battery storage systems and storage heating providing low carbon homes and low energy costs.
 - Building more homes – Oldham has averaged 344 new homes each year over the last 10 years with 3,443 new dwellings built. However, during the last 3 years, we have averaged 548 – and this includes a period of building slow down caused by the Covid-19 Pandemic.

Current Activity

2.2 Review of Council-owned Housing Sites

- 2.1.1 In Summer 2021, the Council commissioned a report from Walker Sime to consider the development potential and viability of 12 key housing sites in Council ownership with capacity for around 1,700 units. Whilst the Council owns more than the 12 sites identified, the sites were selected as they were the most significant in either size or location (e.g. town centre sites)
- 2.1.2 Each site was reviewed, and a masterplan provided with unit type and massing relevant to its location, topography and surrounding area. An estimate of total development costs was provided. Each scheme was considered on a fully planning policy compliant basis and included additional assumptions to support the delivery of zero/low carbon housing.
- 2.1.3 This work informs a base line of information required for taking the sites forward.

2.2 Unlocking Brownfield Sites

- 2.2.1 The Housing Strategy makes a commitment to secure brownfield development and re-purpose derelict industrial sites. However, many of these sites are simply unviable to develop as it costs more to build the homes than they are worth – especially those in and around the town centre.
- 2.2.2 The Greater Manchester Combined Authority (GMCA) was awarded £81m of funding under the Brownfield Housing Land Fund (BHLF). The fund provides grant support to build new homes on unviable brownfield/industrial land. The first tranche of funding was only available to those schemes which could start on site before March 2021 and in Oldham Bullcote Lane, Royton received grant to deliver 77 mixed tenure homes
- 2.2.3 Under the remaining funding, the Council has secured:
 - Southlink (up to £4.5 m) – Development of land jointly owned by TFGM and Oldham Council.

-
- The sites in Derker cleared as part of the Housing Market Renewal Programme, and have remained vacant for over 10 years have been awarded up to £2 m grant support via this fund. Derker has capacity for circa 150 homes and the grant could be used to help support zero carbon/highly energy efficient housing.

Further detail and proposals in relation to these two projects are outlined in separate reports.

- 2.2.4 With Council support, First Choice Homes Oldham have secured £1.1m for West Vale. Demolition of 2 vacant tower blocks and the building of 88 new affordable apartments and houses. The scheme has planning permission and demolition commenced in late 2021. Construction is due to start in mid-2022. Developments on privately owned brownfield sites at Maple Mill, Hathershaw and Vernon Mill, Royton are delivering a further 200 homes.

2.3 Infill Sites Project

- 2.3.1 The Council has already successfully built new homes in the borough at Primrose Bank and Holly Bank. There are a number of small sites with capacity to build 2 to 20 homes across the borough in Council ownership. All the sites have been cleared and are ready for development. However, given the size and location of the sites, they are unlikely to be of interest to a private developer. The sites are located at Lancaster House (Royton), Dew Way (Coldhurst), Flint Street (Derker), James Street (Failsworth), Wellington Street (Chadderton), Estate Street (Hathershaw) and Farm Road (Limehurst).
- 2.3.2 A Strategic Outline Business Case has been approved to construct around 43 wheelchair or accessible and adaptable homes across 7 brownfield sites. The homes will be a mix of 2 & 3 bed bungalows and 3 & 4 bed houses and will be either low or zero carbon. The project would be funded with Homes England Grant and resources from the Housing Revenue Account (HRA) which would be repaid over time via the rents received.
- 2.3.3 The homes will be owned by the Council and let at an affordable rent through the Housing Register to households containing a physically disabled person. This type of accommodation has been confirmed to be in high demand by Adult and Social Care (ASC) but in very short supply and unlikely to be provided by other housing developers due to the additional costs involved in constructing level access homes.
- 2.3.4 Due diligence including intrusive site investigations and detailed design work is now being undertaken so the project can be worked-up in sufficient detail and for the construction costings to be finalised. This includes meeting with modular building contractors to review designs and the logistics on site to ensure the right type of homes are delivered. Occupational Therapists are also involved in design of the homes to ensure the end-product meets customers' requirements. A Cabinet Report and Full Business Case will be completed for consideration this year.
- 2.3.5 The project will also bring cost savings to the Council through a reduction in demand for adaptations to existing housing and for health and social care services together with improvements in health, wellbeing and quality of life for disabled people and their families.

2.4 Broadway Green

2.4.1 Previously known as Foxdenton, Broadway Green is coming forward in phases and is progressing at pace. The spine road running through the site (named Lydia Becker Way) is now completed and open to traffic. A total of 234 new homes have been built or very nearly completed so far and work has started on site on the next residential phase of an additional 160 units. Planning consent has been secured for the new linear park and phase 1 of the linear park is due to start on site in Spring 2022.

2.4.2 In addition to the new homes, 30 acres of employment land has been sold this calendar year, which will deliver approximately 500,000 square feet of employment space. Works are due to start on the first employment site in early 2022.

2.5 **Hollinwood Junction/Kaskenmoor**

2.5.1 A new access road has been constructed opening up the site for development. A Costa coffee drive-thru has also been constructed on the northern part of the site and this is now open to trade. Up to 150 new homes are planned for the former Kaskenmoor school site and a planning application is likely to be submitted in Spring 2022. Homes England support and revenue funding to help complete due diligence on the site has been secured.

2.6 **Former South Chadderton School**

2.6.1 The council has secured Homes England support and revenue funding to help complete due diligence on the site before a procurement exercise is undertaken to secure a developer partner and this work will be completed by March 2022. The site has been identified as suitable for new housing with a high proportion of public open space and improved pedestrian links to the canal and local area.

2.7 **Fitton Hill**

2.7.1 Countryside Properties have submitted a planning application for 365 new homes at Fitton Hill. The two sites, which have been vacant for many years, are owned by Oldham Council and ForHousing. The development comprises of 2, 3 and 4 homes and will include affordable homes (both rent and shared ownership), private rent and open market sale. It is anticipated that the Planning Application will be considered in Spring and construction could start in the summer 2022.

2.8 **Securing more Affordable Housing**

2.8.1 This Interim Planning Position Paper was approved by Cabinet in February 2022. It provides an update to Policy 10 on Affordable Housing of Oldham's Joint Core Strategy and Development Management Development Plan Document (Joint DPD). The paper sets out the council's position in relation to:

- the dwelling threshold to which Policy 10 applies.
- First Homes; and
- Vacant Building Credit.

-
- 2.8.2 On sites under Council ownership or control, the Council will seek a minimum of 25% on site delivery of affordable homes including First Homes and a mix of affordable tenures including affordable rent and shared ownership. Exact requirements will be set out on a site-by-site basis in agreement with the Lead Member for Housing.
- 2.8.3 Even at Affordable Rent Levels, some households struggle with the rent levels that are being set. Working with Registered Providers, the Council will seek to ensure that affordable rent levels are set to Local Housing Allowance levels to provide security for residents around affordability.
- 2.8.4 Affordability will be further supported by providing Zero Carbon affordable housing (Sect 3) where energy bills can be as low as £300 per year, compared to a traditional gas heated house where bills are on average £1,000 per year. This gap is likely to increase significantly when the domestic energy price cap scheduled to be lifted in April 2022.

2.9 Working with RP Partners

- 2.9.1 The council has a successful record of working with Registered Providers and they are an important partner in helping deliver both our housing and wider strategic objectives around issues such carbon reduction, social value and neighbourhood management.

Registered Providers have built 492 new affordable homes in Oldham between 2016 and 2021. There are many examples where the Council has successfully worked with RPs to build new homes such as at Acre Lane, Derker and Cherry Avenue, Alt to develop around 90 new homes. At Fitton Hill, Countryside are working with Great Places Housing Group to deliver 90 new homes.

- 2.9.2 The delivery pipeline and Strategy set out a number of new opportunities for RP Partners to work with the Council to deliver more affordable homes.

3 Sustainability in Design and Construction - Zero and Low Carbon Housing

- 3.1 In line with the Oldham New Green Deal Strategy the Council will seek to ensure that developers deliver low carbon quality homes for people to live in on land in its ownership/control. The Council will expect that all properties be constructed to Standard Assessment Procedure (SAP) (2012) 'Carbon Neutrality' standards, unless the developer can demonstrate special circumstances such as viability considerations or the Council sets other specific objectives on a site-by-site basis.

All developments will be encouraged to take a 'fabric first' approach and incorporate alternative primary energy sources for space heating including air/ground source heat pumps and photovoltaics. The installation of gas fired heating systems will generally not be supported.

- 3.2 The Council will expect developers to adhere to the following the energy hierarchy (with any residual carbon emissions offset), which in order of importance seeks to:
- i. Minimise energy demand;
 - ii. Maximise energy efficiency;
 - iii. Utilise renewable energy;

- iv. Utilise low carbon energy; and
- v. Utilise other energy sources.

Space Heat Demand ¹	Hot Water Energy Demand ²	Renewable Energy Generation Targets
Houses (30kWh/m ²)	20% energy demand reduction (compared to part L 2013)	*Photovoltaic installation: 20% ground floorspace
<p>* Ground floorspace used as proxy for available roof area</p> <p>¹ As calculated within SAP2012, Space Heating Requirement (Box98 or equivalent at later SAP versions). It does not take into account the efficiency of the space heating system. It is based on a fabric first approach (insulation and airtightness)</p> <p>² Reduction in expected DHW grid energy demand compared to the Part L concurrent notional building. Takes into account the efficiency of the domestic hot water generating system, on-site energy generation and direct use, and any other passive hot water energy recovery systems installed.</p>		

The approach taken by the developer to addressing the energy hierarchy should be clearly set out in a Detailed Energy Statement to be submitted with any planning application.

Developers and partners should seek to achieve the following energy demand reductions for residential development in terms of space heat demand; hot water energy demand and the delivery of on-site renewable energy generation:

3.3 Detailed Energy Statement

A detailed energy statement, in line with Core Strategy Policy 8 and emerging PFE policy JP-S 2, will be required to demonstrate via site relevant evidence how the development has sought to maximize reductions in carbon emissions, including the minimisation of overheating risks and appropriate measures for post occupancy evaluation. Whole life cycle emissions should be considered where practicable. The energy statement should also set out the costs of adopting this approach and any potential impact on viability.

3.4 Vehicle Charging Points

Developers should incorporate adequate electric vehicle charging points to future proof for the likely long-term demand, taking account of the potential maximum energy demand for the sites.

3.5 It is understood that technology is moving very quickly in this field and each site will have its own considerations as to how it approaches meeting the Council's requirements for zero carbon housing. At currently day pricing and depending on size and location, the additional cost of delivering a net zero home is in the region of £15,000.

Accelerating delivery through Modern Methods of Construction (MMC)

3.6 The Council is committed to working closely with a diverse range of development partners, who share our ambition to maximise the uptake of Modern Methods of Construction (MMC). MMC is where homes are part or fully built off site in a controlled environment and then either assembled or transported to site. There are various methods of how MMC is achieved but they all seek to reduce build time and increase the quality of homes. High levels of energy efficiency and insulation can also be easily achieved. Where possible, the Council will require the use of MMC to increase productivity in the housing market.

3.7 Requirements for each site will be detailed in site specific tender documentation at each call for competition.

4. Delivery Options for Council-owned Land

4.1 In addition to the key projects highlighted in Section 2, there are a range of options available to the Council in delivering housing on its land assets. The options vary in the likely speed of delivery, Council resource requirements and potential risk. Set out below are the advantages and disadvantages of four key options to be considered (albeit it should be noted that there are variations for each which could be explored further should the Council have the appetite to progress a particular option). The three delivery options considered are:

- Land sale
- Building Lease
- Strategic Development Partner for the Town Centre

4.2 Option 1 Land Sale to Delivery Partner

4.2.1 This option would see the Council disposing of sites as a traditional land sale, likely securing offers subject to planning consent. This has been the traditional disposal route used successfully by the Council for developments at North Werneth and Cherry Avenue. It offers the potential for a quick delivery route and has limited resource requirements for the Council. However, this option is only feasible where sites are viable (or where multiple sites can be packaged together to become a viable proposition). Council control is limited to the controls available through the planning system, but the sale is likely to be structured so that the land ownership only transfers upon the Delivery partner successfully securing planning permission.

4.2.2 A land sale can progress through a number of routes including:

- Negotiated direct disposal (where a case can be made to support this)
- Marketing of the site for disposal through a procurement framework (e.g. Procurement Hub)
- Open marketing of the site

Due to the limitations of Council control under this option, it is unlikely to be suitable for key strategic placemaking sites (e.g. in the town centre) but could be suitable for viable sites (or were made viable through grant) where there is an ambition or a requirement for early delivery such as Derker.

Key Advantages	Key Disadvantages
<ul style="list-style-type: none"> • Potential for fastest route to delivery, relying on existing expertise and capacity in development sector 	<ul style="list-style-type: none"> • Limited influence/ control to ensure planning consent is implemented (however this may be mitigated through a buy-back agreement)

<ul style="list-style-type: none"> • Lowest resource requirements for the Council • Potential for receipt to Council (depending on scheme viability or site packaging) 	<ul style="list-style-type: none"> • May not achieve zero carbon schemes if this has not been adopted into policy. • Relies on schemes being viable to ensure market appetite for delivery (this can be mitigated to some extent through packaging sites together or securing grant funding where applicable)
--	---

4.3 *Option 2 Delivery through Building Lease*

4.3.1 Under this option Oldham could secure outline planning permission on the site and procure a preferred developer to enter a building lease to deliver the consented scheme (subject to conditions). Once conditions have been satisfied by the developer, an Agreement for Lease would be entered into with the land transferred once the development has reached an agreed milestone / practical completion of the units. Previously sites were disposed of via long lease (125 to 250 years) to help ensure the Council retained some control. However following recent Government legislation around new homes being sold on a freehold basis, this is now the preferred method of disposal.

4.3.2 The Lease could have an option to break / buy back option if works were not completed by an agreed date. The developer partner could be selected through a Public Contracts Regulations 2015 (PCR15) Compliant procurement framework (e.g. Procurement Hub and Homes England Dynamic Purchasing System) or through an open marketing exercise. As with option 1 above, opportunity exists to package sites together to pair less viable sites with more viable sites to ensure delivery partner interest.

4.3.3 This option is most likely to be suitable for sites where the Council is seeking to strike a balance between ensuring some control on product delivery and managing Council risk and resource requirements. This route has been used successfully for schemes at Lancaster Club, former Counthill School, St Augustine’s and Limehurst.

Key Advantages	Key Disadvantages
<ul style="list-style-type: none"> • Greater control on delivery and quality outcomes than Option 1 • Less resource intensive for the Council than options 3 and 4 • Potential for receipt to Council (depending on scheme viability or site packaging) 	<ul style="list-style-type: none"> • Limited control over speed of delivery (but offers more control than Option 1 to select an alternative partner if developer is not performing) • Longer initial lead-in time than Option 1 due to partner selection and contract negotiation process • Relies on schemes being viable to ensure market appetite for delivery (this can be mitigated to some extent through packaging sites together or securing grant funding where applicable)

4.4 **Strategic Development Partner for the Town Centre**

4.4.1 The option exists for the Council to establish a joint venture with a third-party developer partner(s). The appropriate form of partnership would need to be determined and an

agreement would exist between the project partners to establish roles, return on investment, principles of development and timescales for delivery.

4.4.2 This type of approach has been used by other councils where they wish to bring in the resources and expertise of a developer partner, but without ceding control via the traditional development agreement. It is typically only used for larger strategic projects where the Council has significant regeneration / placemaking objectives (e.g. the Manchester City Council JV with FEC at Victoria North and the Trafford Council JV with Bruntwood for Stretford Town Centre). Depending on the scale and complexity of the project, it can take c.18 months – 2 years for development to progress following selection of a partner.

4.4.3 A development partner would need to be procured through an PCR15 compliant route (e.g. procurement framework or full PCR15 selection). As with early options, opportunity exists to package sites together so the joint venture is responsible for delivering multiple sites. This option could help deliver housing on the town centre sites that because of viability issues would not be developed using options 1 and 2.

Key Advantages	Key Disadvantages
<ul style="list-style-type: none"> • Greater control over type of development, quality and speed of delivery- opportunity to ensure delivery of wider place making objectives • Brings in developer experience and expertise rather than rely on public sector resource • Opportunity for longer term revenue return / profit share (depending on terms negotiated with developer partner) 	<ul style="list-style-type: none"> • Considerably More resource intensive than Options 1 & 2 • Longer lead in timescales for partner selection process • Higher potential risk exposure to the Council than options 1 & 2 with returns dependent on scheme success

5. Recommendations and next steps: Oldham Housing Delivery Programme

5.1 As described in Section 4 above, there are a range of delivery options available to the Council varying in potential risk, return and delivery output. Given that the Oldham Housing Strategy has wide ranging objectives to not only drive forward the quantum of housing in the Borough but to also ensure that different sections of the population are supported, it is considered that no single option will offer a one-size fits all solution.

5.2 As such, it is recommended that the Council drives forward a programme of work, with different activity being progressed to meet the needs and objectives for different sites. This also allows the Council to achieve a balance between drawing on partner expertise and capacity, investing its own resources, facilitating early delivery and managing risk. The programme of work will require careful coordination from the Council with senior action owners needing to be identified for each workstream and progress reported to the Portfolio Holder as part of regular briefing meetings.

5.3 The proposed programme allows the Council to take the lead in driving forward housing development for the Borough and draws upon options 1-3 from above to establish an ambitious but deliverable plan. The emphasis of the programme is to target the majority of Council resource into key strategic sites in the town centre and to draw upon partner resource and capacity to enable delivery of other sites. A summary of the programme can be seen below:

Site	Estimated Capacity	Workstream
Derker	140	1: BHL Grant
Southlink	150	1: BHL Grant
Kaskenmoor School, Failsworth	150	2: Procure Developer
South Chadderton School,	150	2: Procure Developer
Saddleworth School, Uppermill	123	2: Procure Developer
Ward Lane, Diggle	10	2: Procure Developer
Blackshaw Lane, Royton	16	2: Procure Developer
Former Broadway House and Library Site	29	2: Procure Developer
Higher Lime, Limehurst Village	112	2: Procure Developer
In Fill sites project (7 sites boroughwide)	43	2: Procure Developer /Contractor
Former Leisure Centre, Town Centre	185	3: Delivery Partner
Civic Centre, West Street, Town Centre	480	3: Delivery Partner
Rock Street, Town Centre	100	3: Delivery Partner
Magistrates Court, Town Centre	150	3: Delivery Partner

5.4 Housing is more than building new homes and over the next 12 months the Housing Strategy Team will be:

- Reviewing the Housing Strategy Delivery plan in light of new and emerging legislation including the Domestic Abuse Act, Levelling Up, Adult Social Care White Paper and Landmark White Paper.
- Development of a landlord and tenants charter to help improved the private sector.
- Work with colleagues in GM to explore and action recommendations from the Private Sector Stock Condition Survey.
- Work with colleagues in GM to explore a home improvement agency.
- Review Oldham's Allocation's Policy to include new build allocations and also focus on truly affordable rents explaining what this means for Oldham.
- Progress private partner intervention to accelerate repurpose private /empty homes across the borough (housing company / JV opportunity)

6. Options/Alternatives

6.1 Option 1 – Support the Delivery Programme

The Delivery Programme provides an overarching framework to bring forward a number of key strategic sites in the Council's ownership for new housing. Given the different challenges and opportunities facing each site, a 'one size fits all' approach to deliver would not work. Each site needs to be delivered in way that gives the Council the best outcome and certainty around quality, tenure mix and housing type and timing.

This approach and direction of travel will also all the Council assets support the housing strategy objectives set out in this report.

6.2 Option 2 – Do not support the Delivery Programme

Whilst sites will continue to be bought forward in a piecemeal and ad-hoc way, this approach would not make the best use of the various sites. It will also mean that wider strategic objectives around zero and low carbon homes, modern methods of construction and social value are not fully utilised.

7. Preferred Option

7.1 Option 1 is the preferred option.

8. Consultation

8.1 The Portfolio-holder for Housing has been consulted and is supportive.

9. Financial Implications

9.1 The financial implications in relation to the Housing Delivery Strategy are complex and dependent on the circumstances of each individual site and the delivery route chosen. The strategy encompasses, and the Council holds, both General Fund and Housing Revenue Account funds to support housing schemes. As schemes are developed and care will need to be taken to ensure that they remain ringfenced from each other and are utilised on appropriate schemes.

9.2 The financial implications of individual developments and schemes will only become fully known as schemes continue to be worked up and developed. Detailed financial information for the proposed schemes, on a scheme by scheme basis, will need to be the subject of future reports as the schemes progress.

9.3 It will also be necessary to monitor the Housing Delivery Strategy at a programme level to ensure that resources have been allocated appropriately and that the total allocation remains within the total available budget.

(James Postle)

10.1 Legal Services Comments

These are Covered in the 'Closed Part B' Report.

11. Co-operative Agenda

11.1 The proposals will enable a mix of new homes to be built on long term vacant sites. Schemes will include a mix of affordable housing which will be let to those on housing need on the Housing Register.

(Ben Hill – People and Place)

12. Human Resources Comments

12.1 Not applicable

13. Risk Assessments

13.1 The risks on each project will be dependent on the specific option identified for delivery. When this becomes apparent the development of the project will assess the particular risks (Mark Stenson)

-
14. **IT Implications**
- 14.1 Not applicable
15. **Property Implications**
- 15.1 Property comments are as described in this report.
- Ben Hill, People and Place
16. **Procurement Implications**
- 16.1 Early engagement of the Commercial Procurement Team is key to ensure requirements are procured in line with funding conditions, public procurement law and the Council's Contract Procedural Rules, where applicable to the delivery option. Early engagement with Procurement is also key for the establishment of timescales; allowing for procurement delivery strategies to be developed with market engagement, mandatory Council due diligence on the use of third party Frameworks or Dynamic Purchasing Systems, and collaborative procurement and contract document drafting/compilation.
- Once particulars are established, Legal advice may be required to confirm the exercise of Option One does/will not amount to a 'public works contract' thereby attracting the public procurement regime.
- (Emma Tweedie – Commercial Procurement Unit)
17. **Environmental and Health & Safety Implications**
- 17.1 Not applicable
18. **Equality, community cohesion and crime implications**
- 18.1 Not applicable
19. **Implications for Children and Young People**
- 20.1 None
21. **Equality Impact Assessment Completed?**
- 21.1 No
22. **Key Decision**
- 22.1 Yes
23. **Key Decision Reference**
- 23.1 HSG-02-22
24. **Background Papers**
- 24.1 The following is a list of background papers on which this report is based in accordance with the requirements of Section 100(1) of the Local Government Act 1972. It does not

include documents which would disclose exempt or confidential information as defined by the Act:

Contact the report author Ben Hill for background papers.

25 **Appendices**

25.1 Plan of sites.



Oldham
Council