Affordable Housing Report

Residential Development
at Lea Bridge
Derbyshire

Report prepared for
John Smedley Ltd

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1 Brief planning background

1.1 In December 2015, John Smedley Ltd. was granted full planning permission for the creation of 26 new dwellings at its site in Lea Bridge reference AVA/2015/0403.

1.2 The planning permission required the applicant to fully comply with the terms of a 'Section 106 Agreement' which accompanied the approval notice.

1.3 The 'Section 106 Agreement' referenced is a Deed signed by Amber Valley Borough Council and John Smedley Ltd on 10th December 2015 whereby John Smedley Ltd. agreed to comply with a number of incidental conditions relating to the planning approval including (pertinent to this report) the provision of 'Affordable Housing'.

1.4 Within the 'Section 106 Agreement', John Smedley Ltd. agreed that it would restore and renovate three cottages, namely Lea Mills Cottages, 1–3 Lea Road, Lea Bridge DE4 5AE. These cottages are referred to as "*the Listed Buildings*".

1.5 Furthermore, the agreement stated (in Schedule 4, paragraph 3) that "*The Owner shall ensure that the Listed Buildings shall not be used for any purpose other than Social Rented Housing*" and that they shall be "*available for Occupation prior to the end of the eighteenth month following completion of construction of the eighteenth Market Dwelling*".

1.6 The three mill cottages date from circa 1780 and are protected by a Grade II listing in the National Heritage List for England (NHLE) as buildings of architectural or historic importance (List Entry Number 1248376). They are also located within the 'Derwent Valley Mills World Heritage Site' (NHLE List Entry Number 1000100).

1.7 At the time of the planning approval, the three cottages were disused and in a severe state of dilapidation, but also benefitted from an extant Listed Building Consent for their restoration and renovation issued by Derbyshire Dales District Council reference 14/00278/LBALT.

2 The current position

2.1 Construction of the 26 approved dwellings is part way through completion.

2.2 The works to restore and renovate the three cottages (the Listed Buildings) is complete. The Listed Buildings are therefore available for occupation.

2.3 In accordance with the Section 106 Agreement, John Smedley Ltd. will be required to cause the Listed Buildings to be used as 'Social Rented Housing'.

3 Social Rented Housing

3.1 'Social Rented Housing' is a category of 'Affordable Housing'.

3.2 'Affordable Housing' is housing provided through the planning system in compliance with the Government's policies contained within its 'National Planning Policy Framework' to meet the housing needs of those whose needs are not met by the market. It includes various categories of subsidised housing for sub-market rent and sub-market sale.

3.3 'Social Rented Housing' is sub-market rent housing that has its rent set by legislation as a prescribed formula and managed solely by a *registered provider of social housing* (RP).

3.4 RPs are registered with and regulated by the Government's Regulator of Social Housing (RSH).

3.5 To comply with the Section 106 Agreement, it will first be necessary to transfer ownership (whether leasehold or freehold) to a RP.

4 Sourcing a Registered Provider

4.1 To assist with identifying a suitable RP for the cottages, John Smedley Ltd. engaged willder:com ltd as expert consultants.

4.2 As of 8th February 2024, the RSH has 1,594 active registrations.

4.3 Of the 1,594 registered bodies, most solely manage a very small number of properties and/or properties in very specific geographies. By consultation with both Amber Valley BC and Derbyshire Dales DC and with local knowledge, we narrowed this to a shortlist of 15:

- Amber Valley Borough Council
- Anchor
- Bolsover District Council
- Derbyshire Dales District Council
- EMH / Midlands Rural Housing
- Futures Housing
- Guinness Trust
- Longhurst
- Metropolitan Thames Valley
- Nottingham Community HA
- Places for People
- Platform (also incorporates ex Dales Housing)
- Riverside
- Rykneld Homes
- Stonewater

4.4 This shortlist is every RP that either manages affordable housing within the Districts of Amber Valley and Derbyshire Dales, excluding those micro-organisations that were set up to manage specific local properties such as almshouses.

4.5 In December 2023, we wrote to every organisation on the shortlist inviting expressions of interest in the acquisition of the cottages for Social Rent in compliance with the Section 106 Agreement. The organisations were provided with a description of the cottages; the requirements of the Section 106 Agreement; architects' plans; and photographs of the renovated properties.

4.6 A few RPs provided some feedback. The most common reason for dismissing the acquisition as feasible was the small number of dwellings being offered. Whilst there is variation between RPs, generally the minimum scheme size required by the independent RPs is around twelve dwellings.

4.7 Of the 15 RPs approached, just two were interested in exploring the matter further. These were:

- Amber Valley Borough Council
- Derbyshire Dales District Council

4.8 It is noteworthy that these two RPs are both Local Authorities. They are recent entries in the market of Affordable Housing acquisition; Derbyshire Dales District Council registering as a provider in August 2020 and Amber Valley Borough Council in July 2022. There is an emerging trend in Local Authorities buying Affordable Housing generated by the Planning system though Section 106 agreements.

Amber Valley Borough Council

4.9 Amber Valley Borough Council's 'Housing Strategy Officer' was involved in inconclusive discussions in 2022.

4.10 David Arkle, 'Head of Housing and Growth' was approached to resurrect these discussions and delegated the matter to Sandra Kenny, 'Housing Enabling and Development Officer'. After correspondence and conversations with the writer, Sandra Kenny confirmed that, although Amber Valley BC is broadly interested in the acquisition of Affordable Housing emerging through Section 106 planning agreements, the cottages at Lea Bridge are not suitable.

Derbyshire Dales District Council

4.11 Derbyshire Dales District Council's 'Director of Housing', Robert Cogings discussed the cottages with the writer at some length to establish their suitability as an acquisition for Social Rent.

4.12 Robert confirmed that any acquisitions would be through DDDC's delivery partners, Nottingham Community Housing Association, but these Listed cottages are not suitable for DDDC acquisition as affordable homes.

5 Unsuitability for Social Rent

5.1 In conversation with the RPs and drawing on our own expertise in the field, the following is a brief list of why the three cottages are unsuited to Social Rent and therefore unsustainable.

- It is not possible to guarantee that damage is not caused to the cottages. It is a punishable offence to cause harm to a Listed Building.
- The dwellings have poor amenity space.
- The proximity of the factory and brook is hazardous, especially to children.
- Restoration of the historic fabric has necessarily created dwellings with sub-standard thermal performance which will result in elevated heating costs contributing to 'fuel poverty'.
- Restoration of the historic fabric has necessarily created dwellings with sub-standard acoustic separation between the dwellings, not the least of which is a 'flying' bedroom belonging to the 2nd floor of cottage 2 oversailing cottage 1.
- Maintenance costs arising from maintaining the Listed Building is well outside the normal management allowance of a financial appraisal.
- The location is not a priority demand target for Affordable Housing.
- The location is poorly serviced by amenities and would score low on housing sustainability indicators.

1.2 As a consequence of the scale of the development and for reasons largely outlined above, we have been unable to find any RP willing to express an interest in the acquisition of the cottages for Social Rent.

6 The report writer's experience

6.1 This report was written by Nick Willder of *willder:com ltd*, an independent architectural practice and housing consultants based in the East Midlands.

6.2 From 1988, Nick was senior partner at Bakewell & Partners, a private firm of architects based in Belper. Projects undertaken include housing throughout the area and a large number of commissions from the textile manufacturers in the Derwent Valley Mills World Heritage Site.

6.3 From 1999, Nick was 'Principal Architect' at Amber Valley Borough Council, leading a multi-discipline team that managed the Borough's buildings and Council Housing.

6.4 At the formation of Amber Valley Housing in 2003 by 'Stock Transfer' from the Borough Council, Nick became Development Manager overseeing a programme of development throughout the Borough of over 1000 new affordable homes.

6.5 As Amber Valley Housing grew to become Futures Housing Group, Nick became Vice Chair of the East Midlands National Housing Federation Development Group.

6.6 In 2013, Nick and his architect wife, Sarah Boylan, set up the consultancy *willder:com* to work on private commissions in architecture and affordable housing.

Report end.