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Stalled Sites Delivery Supporting Technical Report

North Northamptonshire Joint Planning & Delivery Unit

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1 INTRODUCTION

1.1 Study Brief

North Northamptonshire Joint Planning and Delivery Unit (JPDU) and its partner councils instructed Local Partnerships to undertake an analysis of a sample of stalled housing sites to understand the reasons why they are stalled, and the range of interventions needed in order to unlock them. The aim is to identify the typical range of impediments to site development and provide the possible 'tools' and delivery mechanisms that could be applicable to similar stalled sites, in order to enable the upscaling of housing delivery across the sub-region.

Stalled sites have an important role in contributing to new housing supply and enhancing towns and local neighbourhoods. This review is undertaken against a backdrop of strategic site delivery where within North Northamptonshire, Kettering and Wellingborough are benefiting from the Home Building Fund with £70 million of Homes England loan funding over 20 years¹. This investment will be used to create roads, utilities and other works to unlock the delivery of new homes at two new strategic urban extensions and attract significant private sector investment.

In collaboration, Local Partnerships, the JPDU and partner councils, Wellingborough and East Northants have identified a cross-sample of four stalled sites which have failed to come forward for several years and which would benefit from an initial feasibility study to investigate the reasons for this. Some of the identified stalled sites have been the subject of historic planning applications and some have generated more recent levels of interest, although their delivery remains uncertain. The sites are in locations which would benefit from their development e.g. within town centres, local neighbourhoods or could form subsequent phases of previous residential developments. All are within private ownership.

The sites, which are the subject of the feasibility review, are as follows:

1. Reddens Scrap Yard, Leys Road, Wellingborough
2. Former Post Office Sorting Office, Midland Road, Wellingborough
3. Eastfield Road, Wellingborough
4. Former Shoe Factory site, Oakley Road, Rushden.

The key requirements for each site are as follows:

- site capacity analysis;
- high-level costings;
- financial viability appraisals;
- delivery action recommendations.

Sketch illustrative development layouts have been prepared to assess the potential housing capacity of each site and to provide a schedule of accommodation which informs the preparation of high-level costings and indicative financial appraisals to understand financial viability which can prove a barrier to development.

The Site Analysis Brochure² attached, which should be read in conjunction with this report, provides the illustrative development layouts; an overview of each site in terms of site location, characteristics, strengths, weaknesses, opportunities and threats. The illustrative development layouts and design work within the booklet is illustrative only and is not intended to be used as design guidance or development briefs for future development proposals which will need to be prepared separately.

At the pre-application stage with landowners/agents, proposals will need to factor in key design issues that effect the sites and which will need to be addressed as part of any proposal/application

¹ <https://www.businessleader.co.uk/70m-funding-brings-thousands-of-new-homes-to-northamptonshire/58363/>

² Northamptonshire Brownfield Sites, Site Analysis Brochure, May 2020 idpartnership.



submission. The pre-application process should enable the consideration of design options and solutions and serve to agree a preferred design solution which will be submitted as part of any planning application. This is typically an iterative process which can take time to resolve and on occasion will require compromise in order that developments remain viable and are implementable. This process will also enable the early engagement of other consultees in relation to infrastructure, utilities, highways and other council departments and identify any other issues which impact on design solutions.

This supporting technical report provides the following:

- Policy context and overview
- Landownership and stakeholder engagement
- Local residential market analysis
- Financial appraisal and viability assessment
- Delivery considerations and challenges at each of the stalled sites
- Delivery options and interventions which can be applied more widely on similar stalled sites.

1.2 Methodology

Local Partnerships attended a site visit with the JPDU and council representatives on 10th September 2019. Following selection of several sites, a total of four sites were agreed upon with the partner authorities in Wellingborough and East Northants.

The subsequent inception meeting was held on 2nd December 2019. In order to inform the site capacity analysis, the inception meeting provided an opportunity to gain further insight into the background of the selected sites; relevant data and intelligence was shared in relation to previous technical studies available and planning policies.

A facilitated workshop session with officers helped to explore practical interventions which the councils could take to stimulate increased rates of supply on smaller sites. This has proven useful in informing the potential delivery actions which may prove appropriate. This report and supporting technical document relate to sites located within Wellingborough and East Northamptonshire.

2 Policy Context

The adopted Joint Core Strategy (JCS) for North Northants 2011-2031 is the strategic Part 1 Local Plan for Corby, East Northamptonshire, Kettering and Wellingborough. It provides the strategic vision for more detailed Part 2 Local Plans prepared by the district and borough councils and by Neighbourhood Plans, where prepared by Neighbourhood Planning Groups.

The JCS includes provision for a minimum of 35,000 homes and 31,100 jobs and supporting infrastructure. Corby, Kettering, Wellingborough and Rushden are identified as 'growth towns' and will be the focus for co-ordinated infrastructure investment to support regeneration and growth in employment, housing, retail and higher order facilities serving one or more districts.

With respect to retail and leisure growth the JCS highlights that the planned expansion of housing and population in North Northants means that there is forecast to be an increase in spending available to support shops, restaurants and other business. A qualitative need has been identified for the provision of a medium-sized foodstore to serve Rothwell/Desborough and a quantitative need for around 4,500 sq.m. of convenience goods floorspace in the southern area by 2031. The Rushden Lakes development however, will account for most, if not all, the forecast additional comparison goods spending in the southern area and will also capture some spend from existing shopping locations. The JCS highlights that the greatest impact is forecast to be on Wellingborough town centre with a forecasted 12% of comparison shopping anticipated to be lost to Rushden Lakes.

In the northern areas the forecast growth in spending after 2021 is considered to present an opportunity for the town centres of Kettering and Corby to enhance their retail offer, but this will be subject to the towns' ability to compete with out of town and neighbouring developments. Additional retail capacity in Wellingborough for comparison floorspace is dependent on the performance in Rushden Lakes which will be monitored.

Policy 30 - Housing Mix and Tenure of the JCS stipulates that housing development should provide a mix of dwelling size and tenures to cater for current and forecast demand and to ensure the development of sustainable mixed and inclusive communities. In particular,

The mix of house types within a development should reflect:

- The need to accommodate smaller households with an emphasis on the provision of small and medium sized dwellings (1-3 bedrooms) including, where appropriate, dwellings designed for older people;
- The existing housing stock within the settlement or neighbourhood/ward in order to address any gaps in provision and to avoid an over-concentration of a single type of housing;

In addition, the internal floor area of new dwellings must meet the National Described Space Standards as a minimum. In terms of affordable housing, on private sector developments of 15 or more dwellings (net) or where the combined GFA of dwellings will exceed 1,500 sq.m. in the Growth Towns will seek 30% affordable housing (with the exception of Oundle where a 40% requirement is sought).

In terms of tenure mixes, planning policies vary across North Northamptonshire. The following extract illustrates the broad tenure mixes.



Required Tenures as a Percentage of New Housing						
TABLE 6 – REQUIRED TENURE AS PERCENTAGE OF NEW HOUSING 2011-31						
TENURE		CORBET ¹⁰⁸	EAST NORTHANTS	KETTERING	WELLINGBOROUGH	NORTH NORTHANTS
Affordable	Social and affordable rent	42.1	36.0	38.5	38.3	38.8
	Intermediate tenures – shared ownership	4.5	5.2	5.4	7.2	5.5
Market	Private rent	53.4	8.0	8.2	6.6	55.7
	Owner occupation		50.8	47.9	47.9	
Totals		100	100	100	100	100

Joint Core Strategy for North Northants – 2011-31.

Policy 30 states that where a robust viability assessment indicates that a development cannot meet the Policy 30 targets in full, the local planning authority will negotiate with the developer to agree an appropriate scale of provision. A flexible approach to planning policies is essential, if it can be demonstrated that the full burden of planning policies are rendering a development unviable.

2.1 Wellingborough Borough Council – Part 2 Adopted Plan for the Borough

The Local Plan for Wellingborough (PBW) was adopted on the 26th February 2019 and replaces the policies currently in the Town Centre Action Plan (2009) and saved policies from the Local Plan (1999-2004). The PBW also replaces the Site-Specific Proposals Development Plan Document that reached Preferred Options consultation stage in 2010. The PBW local specific policies will guide the future of the Borough over the period 2011-31 and will supplement the strategic policies in the JCS.

Policy H3 relates to the housing needs of older people and outlines how the local planning authority will seek the provision of a proportion of the housing to meet the needs of older people taking into account the evidence of local need, scale and location of the site and the viability of the development. Policy H4 also highlights that in addition to meeting the need of older persons, the council encourages the provision of retirement housing, supported housing and care homes through windfall sites in locations which provide ready access to services and facilities, particularly retirement and supported housing. Care homes are less reliant on local service provision, other than public transport.

Policy H5 states that on sites of 50 or more dwellings or 1.4ha or more site area, the local planning authority will seek the provision of 5% of plots to be made available as self-build or custom build plots.

2.1.1 Reddens Scrap Yard, Leys Road, Wellingborough

Reddens Scrap Yard is located on Leys Road/Highfield Road in Wellingborough. The site remains in active use as a scrapyard. The site is located within a residential area on the eastern corner of Eastfield Park, extending to approximately 1.14 ha. Redevelopment of the site for housing is expected to result in an improvement in residential amenity for neighbours, removing the heavy goods vehicle movements from the adjacent streets and removal of a non-conforming industrial use. The site has several mature trees which proposals should seek to retain. There are also a number of TPO's on the neighbouring primary school site to the eastern boundary of the scrapyard. There is an existing sewer in Anglian Water's ownership within the boundary which will need to be accommodated within the scheme layout or if necessary, a formal application to divert made.



The site is within 1.8km of Upper Nene Valley Gravel Pits SPA/Ramsar and therefore in accordance with the North Northants JCS Policy 4 and the Upper Nene Valley Gravel Pits SPA Supplementary Planning Document, mitigation measures in respect of the potential recreation pressure from the development will be required.

In accordance with Local Plan Policy, any proposals for the Leys Road/Highfield Road site should provide for satisfactory remediation of any contamination, a new street connecting Leys Road and Finedon Road; the retention of as many trees as possible and the safeguarding of a suitable access for the maintenance of foul drainage infrastructure.

2.1.2 Former Post Office Sorting Office, Midland Road, Wellingborough

The former Post Office Sorting Depot and adjacent BT Exchange are located on Midland Road, within Wellingborough town centre. The Town Centre Area Action Plan (AAP) previously identified this site for comprehensive mixed-use development, including new retail with residential above.

The site is vacant although in 2010 planning permission was granted on part of the site to demolish various disused buildings within the yards area of the former Post Office site, although no works were undertaken.

The site is a key redevelopment opportunity within the town centre. Policy TC8 of the PBW identifies that the site should be comprehensively redeveloped for mixed uses to include new retail with residential above; retention of the former Post Office sorting depot façade and the safeguarding of a suitable access for the maintenance of foul drainage infrastructure.

In terms of the planning aspiration to introduce commercial ground floor uses at the site, White Young Green³ previously carried out a market assessment and estimated that the site could provide between 20 and 23 dwellings over retail uses. The former Post Office Sorting Depot is not a listed building, but retention of the building's façade would retain a local heritage asset and enhance the local distinctiveness of the area. There is an existing sewer in Anglian Water's ownership within the boundary of the site which will need to be taken account of as part of any development scheme.

The Council recognises the challenges in delivering this site and consequently will work with the owners to bring forward a suitable scheme.

2.1.3 East of Eastfield Road, Wellingborough

The East of Eastfield Road site in Wellingborough is located to the rear of residential properties fronting Finedon Road to the north and Eastfield Road to the west. The railway line delineates the site's eastern boundary. The site was previously part of a larger allocated area in the Borough of Wellingborough Local Plan for which a development brief has been prepared and adopted as Supplementary Planning Guidance in 2006. Part of the site has been developed.

In accordance with PBW Policy H3 a mix of housing types sizes and tenures should be provided, a proportion of which should meet the needs of older households. 5% of plots should provide serviced building plots. The site is within 1.3km of the Upper Nene Valley Gravel Pits SPA/Ramsar site and in accordance with Policy 4 of the JCS and the Upper Nene Valley Gravel Pits SPA SPD mitigation measures in respect of potential recreation pressures from the development will be required.

2.2 East Northamptonshire Replacement District-wide Local Plan Part 2

The Replacement Local Plan Part 2 is currently being prepared and will replace remaining policies from the 2011 Rural North, Oundle and Thrapston Plan and 1996 East Northamptonshire District

³ Town Centre & Retail Study, March 2016, White Young Green



Local Plan where such policies have not been or are being replaced by an equivalent policy in a Neighbourhood Plan.

2.2.1 Rushden Neighbourhood Plan (RuNP) 4 June 2018

This covers the period 2011-2031 and was formally adopted in June 2018. This forms part of the development plan for the Parish of Rushden and is a material consideration in the determination of planning applications. Policy H4 of the RuNP relates to market housing, type and mix. This policy states that "...proposals will be required to provide a balance of property sizes and types to meet market demand in accordance with Policy 30 of the NNJCS. However, notwithstanding the requirement in Policy 30 to provide more smaller households in Rushden, flatted development will only be supported where it can be robustly demonstrated that it meets an identified local need; or where the physical or financial constraints of a site are such that it is not possible to provide smaller one and two bed houses or maisonettes; or where an existing non-residential building is being converted. In addition, housing which meets the needs of the elderly will be supported".

The former factory site at Rushden is also identified within the brownfield site register and was the site of the former GBD Reproduction Furniture. This site is included in the current East Northamptonshire 5 year housing land supply and is allocated in Policy EN35 of the emerging Part 2 Local Plan as a brownfield housing site capable of accommodating approximately 10 dwellings.

3 Landownerships and Stakeholder Engagement

Title searches have been undertaken in order to confirm landownerships at each site and other rights. Each council should seek legal advice when undertaking their own Title searches as and when required. Where possible, on some sites, we have engaged with the landowners and/or their agents which has been useful in gaining some high-level appreciation of their aspirations. This process highlighted several emerging proposals and issues relating to some of the subject sites, as summarised below:

3.1 Reddens Scrap Yard, Leys Road, Wellingborough

A review of the Title Register shows that the site has been held freehold by the Reddens family since 1931 and the family run business has been operating at the site ever since.

The owner confirms that there is currently local housebuilder/developer interest in their site, having received several approaches and consequently they may submit their own proposals for planning 'when the time is right' with a view to onward disposal to a housebuilder. There is in the region of 15,000 tonnes of stock on the site which Reddens estimate will take approximately two years to the remove.

3.2 Former Post Office Sorting Office, Midland Road, Wellingborough

The larger site comprising the older sorting office building and premises was acquired by a private individual in January 2013. The Title Register indicates that the site value was £700,000 as of November 2012 and was acquired by a private individual in January 2013.

The smaller, more modern former Post Office building is owned by CQK Limited. The Title Register indicates that the site was purchased for a price of £200,000 in November 2018.

This is a prominent site, approximately 0.45 ha and comprises a former Post Office sorting office, a more modern PO building and adjoining BT telecoms building located in the Primary Shopping area.

Greatwell Homes confirmed (in January 2020) that they have drawn up a proposal for part of the site occupied by the former Post Office Sorting Office which was due to be submitted for planning. Several iterations of the scheme have been considered with planning officers at Wellingborough Borough Council. The proposed mixed-use scheme comprises low rise apartments to the rear of the site, which will target the over 55's in addition to 1,082 sq.m. (11,647 sq.ft.) office accommodation to be occupied by Greatwell Homes. The offices will provide an active frontage onto Midland Road, in accordance with planning policy. The proposed scheme excludes the modern Post Office building which is within separate ownership and the BT Telecoms building.

Greatwell Homes have an ambition to bring the site forward although have failed to reach an agreement with the landowner with respect to a realistic purchase price. The landowner has historically retained commercial agents to act on their behalf in these negotiations. However, the landowner expectations in terms of land value is well in excess of what Greatwell Homes consider reasonable and consequently, the site is unlikely to come forward. Consequently, it is likely that Greatwell Homes will need to work with the Council in order to bring their proposed scheme forward and jointly with Homes England who have indicated possible support.

3.3 Eastfield Road, Wellingborough

The site study boundary at East of Eastfield, comprises of three units (i.e. Units 4&5 and Unit 7). A review of the Land Registry title register indicates that the units fall within two separate ownerships.

Units 4 & 5, owned by Virani Food Products Ltd, are held on a 10-year leasehold interest until 26th April 2028 having relatively recently being leased to JPGL Developments Ltd in April 2018. JPGL Developments own unit 7. This unit was purchased in March 2017 for a stated price of £1,950,000.



The company has been incorporated since June 2016. Virani are a manufacturer of ethnic ingredients for food manufacturers and appear to have been located at the industrial estate since 1973 and are long standing and well established in the area.

Whilst we have not engaged with the two landowners at this site as part of our review, these units appear to be relatively modern units in viable uses, and with an eight-year lease term remaining on units 4 & 5. The aspirations of the landowners will need to be determined.

We have not undertaken Title Searches of the wider area, which need to be undertaken at a later stage as discussions advance.

3.4 Factory Site, Oakley Road, Rushden

Discussion with the landowner confirmed that architects Gill & Associates have been appointed and to draw up proposals, intended to be submitted for pre-application discussions in due course.

In terms of the options under consideration, these comprise high density housing in addition to housing alongside apartments and commercial/community space. The owner confirms that there is currently some uncertainty around what such community space may provide as no end user has been identified. The owner has investigated a potential gym use but subsequently discounted this due to there already being adequate provision in the area. Alternatively, consideration has been given to incorporating a children's centre. Due to the lack of an identified end user, any such space would need to be flexible in order to respond to identified requirements. The owner expressed that due to costs incurred to date they are keen to see the site progress through planning.

The study team has met with Gill & Associates, the appointed architects, to discuss their emerging proposals for the site. Whilst it is encouraging to see progress being made, we acknowledge that the emerging proposals as they currently stand are likely to prove challenging from both a highways and planning perspective, due to the relatively high densities proposed, configuration and layout. Viability is also a challenge which the architects have also expressed as being an impediment to development in the past. The landowners have yet to engage in pre-application discussions.

3.5 Engagement with Registered Providers

There are a number of RP's active within the area, including the following.

3.5.1 Orbit Homes

We have liaised with Orbit Homes and they confirm that they are seeking sites with a minimum capacity of 40 homes which are suitable for the delivery of affordable family type housing and maisonettes. In terms of the type and tenure of homes, they will build 1, 2, 3 and 4 bed houses for open market sale, shared ownership and affordable rent. Social rented will also be considered subject to Homes England grant support.

In terms of sites across the North Northamptonshire area, they would consider individual sites which meet their criteria. In terms of process, when presented with an opportunity, their Strategic Asset Manager will appraise the sites based on a range of criteria including inter-alia the number of units which can be delivered, location and existing stock in the locality. Rents are typically capped at Housing Revenue Account (HRA) levels. For appraisal purposes, capital values are normally applied across different affordable housing tenures, with blended capital values being applied on mixed tenure sites.⁴

With respect to small sites in rural areas, these will typically be considered by their development agents, Northamptonshire Rural Housing Association.

⁴ Blended approach based on the mix of tenures with applied capital values typically as follows: Affordable Rented (58% of OMV), Shared Ownership (75% of OMV) and social rented (48% of OMV).



3.5.2 Northamptonshire Rural Housing Association.

Northamptonshire Rural Housing Association provide homes across rural Northamptonshire in villages with housing need, typically working with the communities, parish council, local authority and other partners including housing associations such as EMH and Orbit who can undertake the developments.

They will deliver schemes with landowner partners and parish, district and county councils. The organisation will manage the development process from needs identification, site finding and planning prior to completion of the buildings. They have a development team which can progress dozens of schemes at varying stages across a pipeline of sites.

3.5.3 EMH Group

EMH Group (formerly East Midlands Housing Association) is a profit-for-purpose organisation providing high quality, affordable homes for rent and shared ownership, and support services. EMH Homes is the Registered Provider with 20,000 homes in the region.

The organisation is committed to building 400 new homes every year to meet the demand for affordable homes. It is a landlord for 18,000 homes and specialises in rural housing and providing housing, care and support services to people with learning disabilities. They operate across 40 local authority areas in the East Midlands and with other partners and are also committed to invest in the communities in which they work, through social enterprise and community projects.

3.5.4 Midland Heart

Midland Heart is an independent charitable Registered Provider of social housing including the provision of care and support services across the Midlands. They own and manage 33,000 homes and a range of services for 70,000 customers. The organisation builds new homes for social and affordable rent in addition to shared ownership.

The organisation has experience of developing modular homes for affordable rent following a pilot on behalf of Coventry City Council involving the development four modular mews in 2016/17. These were built off-site at a factory in Nuneaton and construction of the mews was completed within six weeks. The contract value was £538,546 and the contractor was Central Site Accommodation.

4 Local Residential Market Average Sales Values

In order to inform the potential sales values which may be achievable at each stalled site for different types and tenure of property, a review of the local housing market has been undertaken to understand prevailing market sales values within Northamptonshire and the local authorities and new build sales values quoted and achieved for different house types.

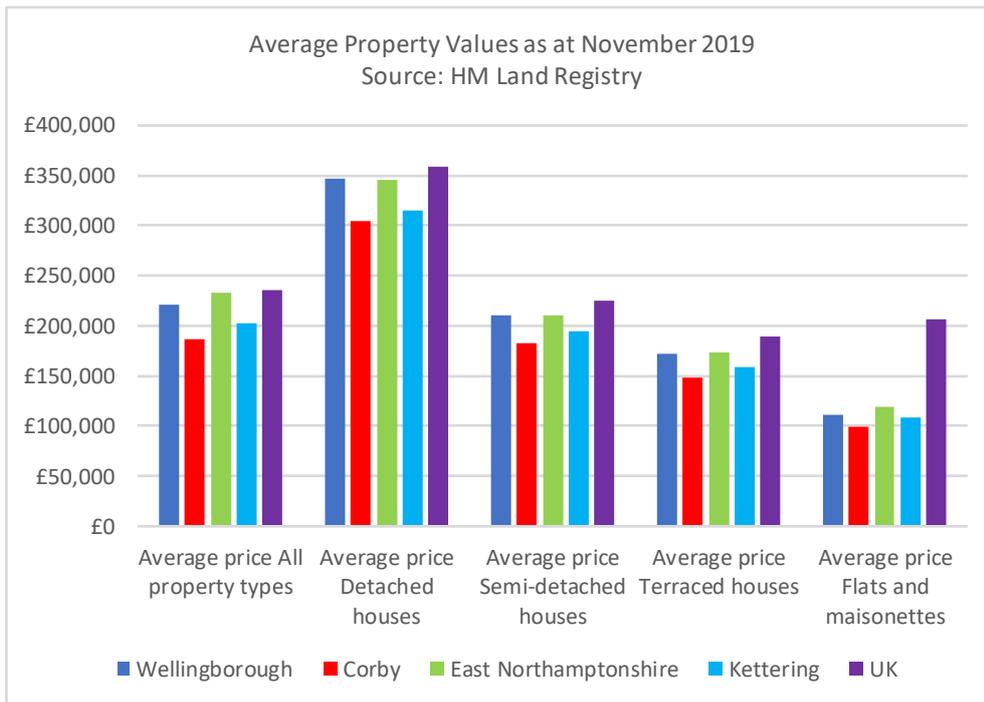
UK House Price Index publishes average prices for all property types which have been reviewed for Wellingborough, East Northamptonshire, Corby and Kettering local authority areas, for the period October 2018 to August 2019. The data summarised below shows the comparative difference in average property values with the County.

As at August 2019 across the area, East Northamptonshire district had the highest comparative average property values, with an average price of £236,059. For the same period average values in Wellingborough were £213,579, greater than both Kettering and Corby, with average values of £205,604 and £194,052, respectively.

Table 1.1 Comparison Average Price for all Property Types in Wellingborough, East Northamptonshire, Kettering and Corby Local Authorities compared with the County Average (October 2018 – August 2019)					
Average price for all property types, Oct 2018 to Oct 2019 for 5 locations					
Date	Wellingborough	East Northamptonshire	Kettering	Corby	Northamptonshire
Oct 2018	£218,691	£238,371	£205,278	£183,777	£230,265
Nov 2018	£213,756	£236,965	£204,084	£181,789	£228,629
Dec 2018	£210,024	£240,439	£204,355	£181,194	£227,278
Jan 2019	£211,728	£242,130	£207,086	£179,176	£228,358
Feb 2019	£216,193	£243,923	£205,814	£180,023	£229,277
Mar 2019	£214,314	£243,068	£203,723	£181,350	£228,489
Apr 2019	£212,076	£241,334	£203,627	£180,775	£227,692
May 2019	£209,019	£238,984	£203,177	£180,019	£226,614
Jun 2019	£212,859	£237,538	£203,372	£182,885	£227,168
Jul 2019	£212,825	£239,607	£200,253	£187,543	£228,220
Aug 2019	£213,579	£236,059	£205,604	£194,052	£230,237
UK House Price Index (HM Land Registry)					

The chart below highlights average property values by house type across the different local authority areas compared with the UK average as at November 2019. Average values were below the UK average across all types of property but the values of flats were significantly below the UK average.

It should be noted that these values include older re-sale properties in addition to new build, which would typically command a premium. This may account for the low values in relation to flats where there have been very few sales of flatted developments overall.



5 Wellingborough Sales and Rental Values

A review of quoted sales values and prices paid for new build homes within Wellingborough has been undertaken which provides a useful indication of the range of sales values being achieved for new build homes. Quoted prices, in addition to prices paid data, is summarised below for each location.

5.1 Wellingborough New Build Housing Developments

Stanton Cross, Irthlingborough Road, Wellingborough, NN8 1RF

Stanton Cross is a strategic urban extension which will deliver in excess of 3,500 new homes and associated infrastructure, creating a new community on the eastern edge of Wellingborough. The residential areas of Stanton Cross will deliver five distinct phases within their own neighbourhoods. Ise Valley View is Bovis Homes' Wendelburie Rise location, the first new homes in this community.

The previous and current phases will deliver in excess of 300 homes. The development is located at the eastern edge of Wellingborough, just over 1 mile from Midland Road in the town centre. Properties currently being offered for sale and quoted prices are summarised below.

Wendelburie Rise, Stanton Cross, Source: Bovis Homes		
2 bed house Types		
The Holly	2 bed semi-detached or terrace	£239,995
The Hawthorne	2 bed semi-detached or terrace	£219,995
The Wendelburie	2 bed apartment	£164,995
3 bed house Types		
The Cypress	Detached or Semi-detached	£294,995
The Spruce	Detached or Semi-detached	£284,995
The Beech	Semi-detached or Terraced	£269,995
The Winchcombe	Town House	£269,995
4 bed house Types		
The Juniper	Detached	From £344,995
The Chestnut	Detached	From £359,995
The Willow	Semi-detached	From £309,995
The Salisbury	Detached or Semi-detached	From £274,995
5 bed house Types		
The Warwick	Detached	From £364,995

Elsewhere, new build homes are offered at Castle View, Brook Street East. These are located ten-minutes' walk east of the town centre. A 4 bed end terraced is available at a quoted price of £275,000 (equating to £213.50 per sq.ft.) and a 3-bed end terrace at a quoted price of £240,000 (equating to £260 per sq.ft.).

Also, just a short ten minute walk from the town centre on Hardwick Road, a 3 bed link-detached is for sale at a quoted price of £279,995.

5.2 Wellingborough New Build Price Paid Data

A review of price paid data for new build residential properties within Wellingborough for the period October 2018 – October 2019 shows that there was a total of 173 sales of new build properties within postcode areas NN8 and NN9 over the 12-month period. These comprised predominantly sales of detached properties (69), followed by semi-detached (63). New build terraced houses accounted for 40 sales. There is only one flatted sale recorded at a price of £184,995 which is located at Kirtley Road, Wellingborough.

The prices achieved and values per sq.ft. (based on the highest and lowest price achieved for each property type) are tabulated below:

Price Paid Data for New Build Properties in Wellingborough Transactions October 2018-October 2019		
Type	Achieved Price Range (£)	
	Sales Range	Price achieved £ psf (£psm) based on highest to lowest sale price achieved.
Detached	£210,000-£414,995	£240 psf - £260 psf
Semi-detached	£180,000 - £283,600	£223 psf - £246 psf
Terraced	£160,995-£274,995	£232 psf - £282 psf
Flats	£184,995	£318 psf
Source :HM Land Registry		

5.2.1 Prices Paid – Re-sales on Leys Road & Albert Road, Wellingborough

Close to Reddens Scrapyard, a review of Land Registry data highlights a small number of re-sale homes which have sold on Leys Road. The most recently recorded sale was of a semi-detached property which achieved a price of £168,000 in April 2019 located at 51 Leys Road. A review of Energy Performance Certificate (EPC) data indicates that this property was 76 sq.m (818 sq.ft.).

Prices Paid for Re-Sale Properties, Leys Road, Wellingborough					
deed_date	House No.	street	postcode	property_type	price_paid
26/04/2019	51	LEYS ROAD	NN8 1PN	S	£168,000
19/07/2019	25	LEYS ROAD	NN8 1PN	T	£135,000
04/07/2019	37	LEYS ROAD	NN8 1PN	T	£141,000
20/08/2019	45	LEYS ROAD	NN8 1PN	T	£145,000
07/12/2018	10	LEYS ROAD	NN8 1PN	S	£150,000
29/11/2017	35	LEYS ROAD	NN8 1PN	T	£132,000

The most recently recorded re-sale close to the property was a terraced house which sold in April 2019 for £119,000 at 31 Albert Road. As illustrated below, the most recently recorded sale of a semi-detached property was recorded in June 2018 on Albert Road, achieving a price of £153,000. This property extends to 95 sq.m. (1,022 sq.ft.).



Prices Paid for Re-Sale Properties, Albert Road, Wellingborough					
deed_date	House No.	street	postcode	Property type	price_paid
01/06/2018	18	ALBERT ROAD	NN8 1EJ	S	£153,000
27/03/2018	38	ALBERT ROAD	NN8 1EJ	T	£121,000
05/04/2018	42	ALBERT ROAD	NN8 1EJ	T	£145,000
26/04/2019	31	ALBERT ROAD	NN8 1EL	T	£119,000
28/03/2018	77	ALBERT ROAD	NN8 1EL	T	£170,500
27/04/2018	83	ALBERT ROAD	NN8 1EL	S	£169,950
30/11/2018	89A	ALBERT ROAD	NN8 1EN	T	£144,500
24/11/2017	122	ALBERT ROAD	NN8 1EW		£90,000

5.2.2 Barratt Homes Development

The Barratt Homes development in Wellingborough also provides a useful indicator of potential sales values which may be achievable. This development is immediately to the south of the Midland Business Units site i.e. East of Eastfield Road and a short distance from Reddens Scrapyard on Leys Road. This development is over 3-4 years old now but recent re-sales values in 2019 on Talbot Road indicate the price for a terraced property which achieved £172,000 in June 2019. A review of the (Energy Performance Certificate) EPC register indicates that the small terraced property extended to 53 sq.m. (570 sq.ft.).

A second hand semi-detached sold achieving £190,000 in May 2019 which extends to 68 sq.m (732 sq.ft.). A further semi-detached property at 4 Mercury Road, which sold in June 2018 for £225,000 also extends to 89 sq.m. (958 sq.ft.).

A premium would be expected for the new build properties at Leys Road and East of Eastfield for the larger housing units.

Recent Prices Paid for Re-Sale Properties at the Barratt Homes Development, Wellingborough						
deed_date	House Number	street	postcode	property_type/siz e	price_paid	Price Paid £psm (£psf)
28/06/2019	2C	TALBOT ROAD NORTH	NN8 1SF	Terraced/ 53 sq.m.	£172,000	£3,245/sq.m . (£302/psf)
28/02/2019	27	TALBOT ROAD NORTH	NN8 1SG	Terraced/77 sq.m	£200,000	£2,597/ sq.m (£241/psf)
31/05/2019	14	TALBOT ROAD NORTH	NN8 1SF	Semi / 69 sq.m.	£190,000	£2,794/sq.m (£260/psf)
18/12/2018	20	TALBOT ROAD NORTH	NN8 1SF	Detached / 89 sq.m.	£240,000	£2,697/sq.m (£251/psf)
04/10/2019	3	MARS DRIVE	NN8 1RE	Terraced / 75 sq.m	£210,000	£2,800/sq.m (£260/psf)
10/05/2019	60	MARS DRIVE	NN8 1RJ	Semi -/77 sq.m	£180,000	£2,338/sq.m (£217/psf)
02/11/2018	11	COMET CRESCENT	NN8 1SH	Terraced / 68 sq.m.	£185,000	£2,721 (£253 psf)
29/06/2018	4	MERCURY ROAD	NN8 1SJ	Semi / 89 sq.m	£225,000	£2,528 (£235 psf)

*property sizes based on EPC Register information



5.3 Wellingborough Apartments Market

A review of the market indicates there are only a limited number of apartments available to purchase within Wellingborough. Located on Arthur Street, 1 mile to the west of the Midland Road site close to Dale End Park, is a new build mid floor flat which sold for £188,000 in May 2019 and extends to 80 sq.m. (861 sq.ft.).

An eight-minute walk to the north of Midland Road, located on Grant Road, a 2 bed flat sold (Apartment 4A) in December 2019 for £166,000. This apartment is within a converted shoe factory, Cobblers Lofts and one of fourteen apartments. The factory was originally converted by Lifestyle Conversions and is well located for both the station and the town. A review of EPC data shows that the apartment extends to 52 sq.m (560 sq.ft.). This was a re-sale and a new build apartment would expect to hold a premium.

5.4 Wellingborough Rental Levels

5.4.1 Apartments to Rent in Wellingborough

There are a limited number of modern rented apartments available on the market within Wellingborough. Not all these however are new build. Refurbished 1-bed apartments are available at Finedon Road at Midland Business Units at quoted rents of £525 pcm and £600 pcm just 0.7 miles from Wellingborough station. Close to the town centre a 2-bed apartment is available at a rental of £600 pcm at Grant Road, whilst overlooking Castle Fields on the Fields View development 2 bed apartments are available at £675 pcm and £697 pcm. Available apartments and quoted rents are summarised below.

Quoted Rents in Wellingborough - Apartments		
Address	Description	Quoted Rent £pcm
1 Bed Apartments		
Midland Business Units, Finedon Road, Wellingborough	1 bed , first floor apartment. 0.7 miles from Wellingborough train station.	£525 pcm
Midland Business Units, Finedon Road, Wellingborough	1 bed , apartment recently refurbished to a high specification.. 0.7 miles from Wellingborough train station.	£600 pcm
2 Bed Apartments		
Grant Road Wellingborough	2 bed , ground floor apartment. Close to town centre and 0.4 miles from Wellingborough train station.	£600 pcm
Spencer Road, NN8	Modern, well presented 2 bed , 2 nd floor apartment in the John Lea residential area of Wellingborough. 1.4 miles from Wellingborough train station.	£675 pcm
Fields View, Wellingborough	2 bed luxurious, modern flat. 0.4 miles from Wellingborough train station.	£675 pcm

Quoted Rents in Wellingborough - Apartments		
Address	Description	Quoted Rent £pcm
Fields View, Wellingborough	2 bed luxury flat with balcony overlooking Castle Fields on sought after Fields View development. 0.4 miles from Wellingborough train station.	£695 pcm
The Warehouse, Mill Road, Wellingborough	2 bed, designer apartment. 0.4 miles from Wellingborough station.	£700 pcm
3 Bed Apartments		
Arthur Street, Wellingborough.	Spacious and well presented 3 bed top floor apartment overlooking Dale End Park, close to town centre amenities. 1.3 miles from Wellingborough train station.	£725 pcm
Source: Zoopla.co.uk		

5.4.2 Houses to Rent in Wellingborough

There are 55 houses available to rent located within Wellingborough. There are eleven, 2 bed houses available to rent with quoted rents ranging from £625 pcm for a 2-bed end terrace to £775 pcm with respect to a 2-bed semi-detached house.

In terms of newly built houses to rent, located on Longlands Close, Wellingborough, approximately 1.7 miles from the train station are four, 2-bed terraced houses which are available from March 2020 with quoted rents of £750 pcm.

There are twenty-five, 3-bed houses available to rent at quoted rents ranging from £650 pcm to £900 pcm. Whilst not new build, a well presented 3 bed detached property is available on Gisburne Road in close proximity to the town centre at a quoted rent of £825 pcm

Just 0.5 miles from the train station, a modern and well-presented three bed, three storey semi town house is available at a rent of £795 pcm, located on Burywell Road. Similarly, on The Crescent, approximately 1.9 miles to the station is a three-storey town house available for a quoted rent of £775 pcm.

5.5 Analysis of Findings – Wellingborough

The locational differences of the three sites within Wellingborough need to be considered when assessing the range of sales values which might be achieved.

Taking each site in turn, the site located at Reddens Scrapyard, Leys Road, Wellingborough is located in a predominantly residential area, close to a school and the town centre and within easy walking distance of the train station. The main property type in the area is traditional terraced with older, semi-detached homes and a low-rise apartment block opposite the site to the south, on Highfield Road.

Given the site's location and proximity to local amenities it is likely to prove attractive to first time buyers, elderly downsizers and young families. There are no new build developments in the immediate vicinity of the site which would provide useful comparable evidence. In terms of re-sale values, HM Land Registry data indicates that a semi-detached property sold on Leys Road in April 2019 for £168,000.

The site sales analysis shows that, at the Barratt site, a terraced property sold in February 2019 for £200,000 and extended to 77 sq.m. Slightly more historic, a semi-detached extending to 89 sq.m. sold at the site for £225,000 in November 2018 and a detached of the same size sold for £240,000 in December 2018.



Based on the evidence, both in the vicinity of the site for re-sale properties and the Barratts site further east which comprises slightly smaller dwellings, the values applied to the semi-detached houses are as follows:

Assumed Sales Values, Reddens Scrapyard, Wellingborough			
House Type	Size sq.m. (sq.ft.)	Indicative Values	Sales
2B/4P semi-detached	80 sq.m (861 sq.ft.)	£205,000	
3B/5P semi-detached	93 sq.m (1,001 sq.ft.)	£225,000	

With respect to the proposed new house types at East of Eastfield Road, the anticipated sales values would expect to be broadly similar to the values achieved for resale properties at the Barratt Homes site located to the south, with a premium for new build. Accordingly, the following sales values have been assumed.

Assumed Sales Values, East of Eastfield Road, Wellingborough			
House Type	Size sq.m. (sq.ft.)	Indicative Values	Sales
2B/4P terraced	80 sq.m	£200,000	
2B/4P semi-detached	80 sq.m	£210,000	
2B/4P detached	80 sq.m	£215,000	
3B/5P semi-detached	93 sq.m	£225,000	
3B/5P detached	93 sq.m	£240,000	
3B/6P semi-detached	103 sq.m	£245,000	
3B/6P detached	103 sq.m	£252,000	

In terms of sales values which may be achieved at Midland Road in the town centre, consideration is given to the comparable sales values gathered. The apartments built by Bovis at Stanton Cross approximately 1 mile from the town centre, include a 2-bed apartment which is for sale at a quoted price of £164,995. Regard is also paid to the converted factory apartment at Grant Road where a 2-bed apartment achieved £166,000 when sold. In addition, an 80 sq.m new build apartment on Arthur Street, sold in May 2019 for £188,000. Taking account of these sales values quoted and achieved, the following indicative sales values may be appropriate at the Midland Road site.

Assumed Sales Values, Former Post Office Wellingborough		
House Type	Size sq.m. (sq.ft.)	Indicative Sales Values
1B/2P Flat	48 sq.m (517 sq.ft)	£155,000
2B/3P Flat	65 sq.m (700 sq.ft.)	£165,000
2B/4P Flat	75 sq.m.(807 sq.ft.)	£178,000



5.6 Retail Sector, Wellingborough

With respect to Wellingborough town centre, the Swansgate Shopping Centre is the main shopping centre which is located opposite the former Post Office site and includes a range of national multiples and independent retailers, plus car parking. In the context of the current retail offering and vacancies, the potential to introduce retail fronting onto Midland Road in Wellingborough is likely to prove challenging, particularly in the current economic climate and in the face of competition.

Rushden Lakes is just 5 miles from the town centre and this is a draw for mobile shoppers, offering both a retail and leisure offer with a large number of national multiple retailers and leisure operators present.

Within the town centre, there are several vacancies and retail units are available to rent. Quoted rents vary depending on unit size and location within the town and range from £11.35 per sq.ft. to £23.42 per sq.ft., the latter being a 427 sqft. unit on Sheep Street, opposite the Swansgate Shopping Centre. Other available units include a retail unit located on Midland Road, providing 820 sq.ft. quoted at a rent of £16.76 per sq.ft.. This is also close to the subject site, next to All Saint's Church.

Elsewhere, located at 3 Market Street, a prime retail pitch, a unit is available at a quoted rent of £11.35 per sq.ft., providing 3,964 sq.ft. of space. A rental of £14.39 per sq.ft. is quoted for a unit at Central Hall Buildings on the High Street, which is in a prominent location. In addition, a 493 sq.ft. retail unit is available at a quoted rent of £563 pcm, located at 3-4 High Street, Wellingborough. This equates to a rental of £13.69 per sq.ft.

6 Rushden Sales and Rental Values

A review of quoted sales values and prices paid for new build homes within Rushden has been undertaken which provides a useful indication of the range of sales values being achieved for new build homes. Quoted prices, in addition to prices paid data, is summarised below.

6.1 Rushden New Build Residential Developments

Freemans Court, Rushden

Launched in February 2020 by Sell New Group estate agents is a brand-new residential apartment scheme located on Station Road in the town centre. The development is by local family building company GPS Estates and is split across two blocks providing 31, 1 and 2 bed leasehold apartments. The 1-bed apartments range from 438 sq.ft to 489 sq.ft. The 2-bed apartments range from 462 sq.ft. to 728 sq.ft. There is one parking space per apartment, plus a communal garden and bike store.

Quoted prices range from £160,000 (equating to £284 per sq.ft.) to £186,995 (equating to £258 per sq.ft.) with respect to 2 bed apartments. A one bed apartment is available at a quoted price of £141,500 (equating to £289 per sq.ft.).

Sartoris Road, Rushden

A short 3-minute walk from Oakley Road in Rushden within a small development of houses a remaining property has been reduced to £214,950 (£319 per sq.ft.). The property comprises a 3 bed end terraced house with en-suite to the master bedroom. This has been developed by regional builders Tophaven Sustainable Construction Ltd who construct low maintenance and energy efficient housing.

6.2 Re-sale Modern Properties in Rushden

Due to the limited number of sales of new build properties a review of modern, re-sale properties has been carried out within NN10 6 postcode area and summarised below.

Glassbrook Road, Rushden

Located on Glassbrook Road, a short distance from Oakley Road, Mike Neville estates are marketing a 2-bed terraced house inviting offers over £160,000. The property extends to 86 sq.m. (888 sq.ft.).

Tees Avenue, Rushden

Richard James is marketing a 2-bed mid terraced house on Tees Avenue, close to the A6. The property includes a garage and off- street parking. The property is on the market for offers over £190,000 and extends to 62 sq.m. (664 sq.ft.).

Regency Court, Rushden NN10

Purple bricks is marketing a modern, 3-bed end terraced house for sale with garage and off road car parking for a quoted price of £220,000. It includes an en-suite master bedroom and downstairs cloakroom situated in a popular location. Regency Court is situated approximately 0.8 miles from Oakley Road near the High Street.



Melloway Road, Rushden NN10

Located on Melloway Road, and close to Melloway Park approximately 0.8 miles to the west of Oakley Road, estate agent Richard James has recently sold a 3-bed semi-detached property with garage and driveway. The quoted price was £220,000.

Swallow Drive Rushden NN10

Approximately 1 mile to the north of Oakley Road and well positioned off Northampton Road, Richard James estate agents are marketing a modern, 4-bed detached house on Swallow Drive at a quoted price of £375,000.

College Street, Rushden NN10

Off College Street approximately 0.5 miles to the east of Oakley Road is a second hand, ground floor 2-bed flat for sale being offered as an investment opportunity for a quoted price of £92,500 (£191/sqft.). The agent is Mike Neville Estate Agents.

With respect to new build, one would expect a premium over and above the quoted prices above.

6.3 Rushden New Build Price Data

A review of price paid data for new build residential properties within Rushden for the period October 2018 – October 2019 has been undertaken. There was a total of 12 sales of new build properties over the 12-month period. These were all detached houses mainly located at Tower Close and Parsonage Way, situated 1 mile to the east of Oakley Road, close to the A6.

Price Paid Data for New Build Detached Properties in Rushden (October 2018-October 2019)				
Date	Detached (sq.m.)	Address	Postcode	Price Paid
22/03/2019	132 sq.m	30 Parsonage Way	NN10 0GQ	£325,000
08/02/2019	111 sq.m	32 Parsonage Way	NN10 0GQ	£310,000
26/02/2019	84 sq.m	1 Tower Close	NN10 0UY	£259,950
19/07/2019	156 sq.m.	7 Tower Close	NN10 0UY	£365,000
30/04/2019	132 sq.m	8 Tower Close	NN10 0UY	£328,500
22/02/2019	143 sq.m	9 Tower Close	NN10 0UY	£340,000
12/12/2018	111 sq.m	10 Tower Close	NN10 0UY	£307,000
22/10/2018	143 sq.m	11 Tower Close	NN10 0UY	£330,000
31/07/2019	93 sq.m	Stanley Hunt Court, Midland Road	NN10 9UJ	£250,000
01/08/2019	108 sq.m	45 Steeple Way	NN10 0UT	£270,000
Source :HM Land Registry/EPC Register				

Parsonage Way is a popular modern development built by Connelly Homes approximately eight years ago situated close to the town centre. Tower Close is approximately 20 minutes' walk from Oakley Road to the north-east.

6.4 Rushden Rental Levels

6.4.1 Apartments to Rent in Rushden

There are thirteen apartments available to rent in Rushden, comprising predominantly 1 and 2-bed apartments. Modern 1 bed apartments are available to rent at quoted rents ranging from £495 pcm to £650 pcm, the latter located on Station Road. With respect to 2-bed apartments, quoted rents range from £595 pcm to £675 pcm. There is only one 3-bed flat at a quoted rent of £695 pcm.

Quoted Rents in Rushden - Apartments		
Address	Description	Quoted Rent £pcm
1 Bed Apartments		
Station Road, Rushden	1 bed, luxury first floor apartment.	£650 pcm
Washbrook Road, Rushden	Modern, 1 bed, top floor apartment. Available from April 2020.	£550 pcm
Spencer Court, Rushden	1 bed first floor apartment, close to town centre amenities.	£525 pcm
Chichele Court, North Street, Rushden	1 double bed flat with parking.	£495 pcm
2 Bed Apartments		
Highgrove House, Rectory Road	Spacious 2 bed ground floor flat with modern re-fitted kitchen and modern bathroom.	£675 pcm
Harborough Way, Rushden	2 bed maisonette (67 sq.m.). Located in quiet location to south of town centre.	£650 pcm
Wellingborough Road, Rushden	2 bed flat, 2 storey flat. Refurbished.	£600 pcm
Harborough Place, Harborough Road, Rushden	2 bed, modern ground floor apartment with dedicated off-road parking furnished to high specification.	£595 pcm
3 Bed Apartments		
Station Road, Rushden	Spacious 3 bed flat conversion. 3.2 miles from Wellingborough Station.	£695 pcm
Source: Zoopla.co.uk		

6.4.2 Houses to Rent in Rushden

There are 29 houses available to rent in Rushden with quoted rents ranging from £495 pcm for an older 2 bed detached to £1,000 pcm with respect to a 4-bed terraced house to rent on Dee Close 3.8 miles from Wellingborough station. Many of the rental properties available are older terraced



and semi-detached houses, as opposed to modern or new build. A modern 2 bed terraced house situated on Alnwick Close is being marketed at a rental of £750 pcm.

There are a few modern, 3 bed rental properties available. A semi-detached is available at Jubilee Gardens Rushden, approximately 4 miles from Wellingborough train station, at a quoted rent of £825 pcm. Other quoted rents are £750 pcm for a property on Batsmans Drive, approximately 3 miles from Wellingborough station and £725 pcm with respect to a 3-bed semi-detached located on Willow Herb Close.

6.5 Analysis of Findings – Rushden

There is nothing directly comparable with the 2 and 3-bed semi-detached housing proposed at the former factory site in Rushden.

The second hand, 2-bed terraced property in the area on Glassbrook Road (£160,000) is an older property and not directly comparable. Similarly, the 2-bed mid terrace on Tees Avenue (£190,000) which extends to 62 sqm., is much smaller than what is proposed at the site, although this does benefit from a garage.

Having regard for the area and the sales values for re-sale 3 bed terraced and semi-detached properties of £220,000 we would anticipate a premium for the larger, new build semi-detached would be appropriate. These assumed prices have regard for the sale prices achieved further afield at Tower Close, where a detached property extending to 84 sq.m sold in February 2019 for an achieved price of £259,950.

Assumed Sales Values, Former Shoe Factory, Rushden			
House Type	Size sq.m. (sq.ft.)	Indicative Values	Sales
2B/4P semi-detached	80 sq.m	£210,000	
3B/5P semi detached	93 sqm	£235,000	

7 Development Assessment

Concept layouts for each of the sites have been prepared by ID Partnerships to establish massing, potential capacity and housing mix. The architects report is attached and should be read in conjunction with this report.

The architects report includes a SWOT analysis of each site which illustrates the varied nature of the sites in terms of individual characteristics, size, existing uses and constraints.

The indicative development options considered are informed by planning policies whilst having regard for site specific and locality characteristics in addition to market considerations. **It is important to note that these concept layouts are not definitive layouts or schemes and instead are sketch layout plans to inform the preparation of financial appraisals and to inform financial viability. Consequently, they should not be regarded to be final schemes and are independent of any sketch layouts which may have been submitted as part of pre-application discussions.**

Budget cost estimates have been prepared based on the concept layouts, by the quantity surveyors, Elliott Partnerships. These estimates are provided separately and should be considered in conjunction with this report as they contain a range of assumptions and high-level allowances and exclusions.

We have applied certain cost and value assumptions in appraising each site which are summarised at Appendix 1 along with an explanation.

It is important to highlight that several costs are not yet known and are excluded from the appraisals. These include the following, although additional costs may also be identified as developments are progressed through planning:

- Site remediation – no information currently available with respect to the extent of required site preparations in all instances. Some allowances have been made where appropriate.
- No allowance for works to existing roads outside of the site boundary.
- Land Acquisitions – sites are within private ownerships and require acquisition and/or assembly.
- Business Relocations – business affected as a result of proposed developments will need to be acquired or require assistance with relocation and compensation.

Indicative financial appraisals have been prepared in order to examine the potential viability of the illustrative development layouts. In undertaking the financial appraisal, it should be noted that no performance-related or contingent fees have been agreed and no conflicts of interest exist in relation to the sites. The financial appraisals have been undertaken using Argus Developer software which is a construction industry financial model widely used by property professionals and recognised by local authorities. The appraisals are indicative only and their purpose is to inform decision making. Accordingly, they should not be relied upon for any other purpose.

The Residual Land Value (RLV) approach has been adopted whereby all the estimated costs of the development including the construction costs, professional fees, marketing, agent and legal fees plus the target level of developer profit are deducted from the anticipated revenues to arrive at a Residual Land Value (RLV). The derived RLV is the amount that a prospective developer could afford to pay for the land.

Furthermore, our baseline approach has been to adopt a policy compliant approach that reflects the planning system i.e. allowances have been made for on-site affordable housing (with the exception of the former shoe factory at Oakley Road, Rushden where a development capacity has been identified as below the affordable housing threshold of 15 dwellings). Oakley Road includes an allowance for S.106 contributions which have been supplied by the council. All S106 contributions will need to be verified site by site in due course by developers.

It should be recognised that where viability is challenging, a flexible approach to planning policy requirements will need to be taken. Consequently, on unviable and marginal sites, we have



demonstrated how a reduction in affordable housing will impact on development viability. Certain concessions may need to be made in respect of affordable housing, contributions to open space, education etc. This will be a process of negotiation and carried out within the parameters of each Local Authority's own planning policies.

The options appraised and the results of the viability of each site are shown below based on the concept schemes and area schedules prepared by ID Partnership. Further details can be found via the development appraisals for each site, which are provided at Appendix 2.

7.1 Reddens Scrap Yard Leys Road, Wellingborough

Reddens Scrap Yard is located on Leys Road/Highfield Road, close to the town centre. The site remains in active use as a scrapyard although is an allocated site within a residential area. Redevelopment for housing would improve residential amenity for neighbours.

The proposed layout and scheme appraised has regard to Local Plan Policy Site 7 which requires a new street connecting Leys Road and Finedon Road; the retention of as many trees as possible and the safeguarding of a suitable access for the maintenance of foul drainage infrastructure.

In addition to the mature trees which should seek to be retained on site, we are advised that there are several TPO's on the adjacent Highfield Primary school site to the east, which need to be protected and a buffer will be required. The site is likely to be heavily contaminated, although discussions with the landowner confirm that site investigations would be necessary in order to establish the likely remediation costs which are currently unknown.

7.1.1 Potential Housing Capacity Assumptions – Reddens Scrap Yard, Wellingborough

The proposed housing and layout for this site will take advantage of this linear site and seeks to diversify the housing offer within the area, which comprises predominantly Victorian Terraced housing.

The layout option examined provides 42 homes comprising semi-detached properties. This type of family housing will provide an alternative housing offer in the locality. This is consistent with Policy 30 of the JCS which states the mix of housing types within a development should reflect the existing housing stock and "address any gaps in provision to avoid an over-concentration of a single type of housing". There is also flexibility to introduce two, three storey houses at the site to provide larger homes, if needed, further diversifying the housing offer. Terraced housing would result in the need for on-street parking and this would prove challenging due to only having a single entrance.

7.1.2 Viability Results – Reddens Scrap Yard, Wellingborough

The results of the financial viability appraisal, assuming 30% affordable housing provision on site, is summarised below.

Results of Financial Appraisals – Policy Compliant				
30% Affordable Housing				
(Developments over 15 dwellings)				
Option	Description	Residual Land Value (RLV)	Gross Development Value	Total No. of Units
1	42 semi-detached houses	£652,441 £572,316/ha	£7,988,950	42

Based on the scheme appraised and the sales and value assumptions applied, the development is viable realising a RLV of £652,441 equating to £572,316/ ha.



7.1.3 Impact of Reduced Affordable Housing on Viability

Reducing the affordable housing contribution to 20% results in an improved RLV of £954,370 (£837,167 /ha).

7.1.4 Impact of Increased Sales Values on Viability

We have examined the impact of increased sales values by testing 5% and 10% increases in sales values. A 5% increase in sales values realises an improved RLV of £939,356 whilst a 10% increase in sales values realises a RLV of £1.23m. Consequently, the viability of the scheme appraised, could improve over time as sales values increase. However, it should be noted that whilst sales values may increase over time, so may construction costs.

Illustrative Development 1 Sensitivity Analysis (30% Affordable)		
% Increase (Sales Value)	Derived RLV	Gross Development Value
0%	£652,441	£7.99m
5%	£939,356	£8.4m
10%	£1.23m	£8.79m
15%	£1.51m	£9.19m

7.1.5 Delivery Considerations – Reddens Scrapyard, Wellingborough

Whilst the site remains in active use, the owner is likely to bring the site to the market in the medium term (2-4 years) and accordingly, is considering the option of submitting an outline planning application when the time is right. Once an outline permission has been secured, this will reduce planning risk for prospective developers, but concurrently may increase the landowner’s aspirations with respect to land value, which may be in excess of the derived RLV above.

In our opinion this is a good residential site in an existing residential area which should attract interest. We are advised by the landowner that the site has generated some active developer interest in the past and we consider is likely to prove attractive to both private sector developers and Registered Providers. The site is likely to come forward in the short to medium term, although this will be subject to the landowner’s expectations in terms of land receipt and site investigations and the extent of remediation works necessary and associated costs required at the site. An allowance of £200,000 has been factored into the build costs for removal of contaminated material on site.

7.2 Former Post Office Sorting Office, Midland Road, Wellingborough

The former Post Office site is in a sustainable location in the centre of Wellingborough close to amenities which is a key strength of the site, situated opposite the Swansgate Shopping Centre. The site however, does suffer a number of challenges for which we have had regard. Being located in a built up, town centre location it is constrained and also it is close to the telephone exchange which is an unattractive building which will need to remain. In addition, the outlook to the Matalan store to the rear of the site and car parking detract from the site whilst the outlook onto Swansgate Shopping Centre on Midland Road is poor.

The proposed scheme has had regard to Local Plan Policy TC 8 which seeks comprehensive, mixed use development and the possible retention of the Post Office Sorting office façade if feasible. Whilst Policy TC 8 indicates the potential for 23 dwellings, the site analysis considers that there is potential for a higher density residential development which could provide accommodation for the over 55’s. Redeveloping the site with a high-quality scheme, perhaps with a courtyard type layout,

would serve to regenerate this redundant site and could potentially link to proposals for a town centre gateway as part of the Future Place programme.

7.2.1 Potential Housing Capacity Assumptions – Former Post Office site, Wellingborough

The indicative layout option examined seeks to ensure access to the existing foul drainage which runs through the site. The layout has been kept simple to avoid increasing costs on what is already a challenging site for the reasons highlighted above. The sketch layout therefore assumes two new building blocks of apartments arranged around a courtyard with car parking to serve the apartments. The following illustrative options have been appraised:

Illustrative Development 1 – comprises 50, 1 and 2 bed apartments. An alternative arrangement on this includes an apartment block with 48 apartments and an active retail unit at ground floor, fronting onto Midland Road.

Alternative illustrative development with the Post Office Sorting Office façade retained provides another option, although floorplans have not been prepared. It is estimated that this could accommodate 8-10 apartments within a single new build apartment to the rear of the site.

7.2.2 Viability Results – Former Post Office site, Wellingborough

The results of the financial viability appraisals for each Option, assuming 30% affordable housing provision on site, is summarised below.

Results of Financial Appraisals – Policy Compliant				
30% Affordable Housing				
(Developments over 15 dwellings)				
Option	Description	Residual Land Value (RLV)	Gross Development Value	Total No. of Units
1	1 and 2 bed apartments	-£1.6m	£7,414,450	50
1 (with retail)	1 and 2 bed apartments and 150 sq.m retail	-£1.53m	£7,141,220	48
Façade Retention	1 and 2 bed apartments with existing façade retained	-£1.7m	£7,414,450	50

7.2.3 Summary on viability – Former Post Office site, Wellingborough

Based on the cost and value assumptions applied within the appraisals, the apartment schemes are not viable. This is due to the costs of constructing the apartments relative to the sales values which may be achieved. Retaining the façade results in greater costs and adversely impacts further on viability. It is important to note that all the appraisals include the full quota of affordable housing of 30%.

7.2.4 Impact of No Affordable Housing on Viability

We have tested the impact on Option 1 with the retail unit included, of reducing the affordable housing contribution to nil. Even with no affordable housing on site, the development remains unviable with a negative RLV of -£767,033.

7.2.5 Impact of No Affordable Housing and Increased Sales Values on Viability

The impact of increased sales values on the scheme with zero affordable housing has also been examined and the results summarised below.



Impact of Nil Affordable Housing Provision and Increased Sales Values		
% Increase in Sales Values	RLV £	GDV £
0%	-£767,033	£8.4m
5%	-£456,537	£8.8m
10%	-£148,004	£9.2m
15%	£145,036	£9.6m
20%	£428,081	£10m

The above sensitivity table indicates that for the scheme appraised and assumed tenure mix, viability improves with no affordable housing provision and as one would expect, increased sales values. The site is marginally viable with an increase of 20% in sales values, however cannot support any affordable housing.

There is no allowance for demolition works although an allowance for removal of contaminated material and existing fuel tanks of £150,000 is included within the base build costs.

7.2.6 Delivery Considerations – Former Post Office site, Wellingborough

This site has several challenges which need to be overcome. The existing telecoms building and outlook towards Matalan are key detractors which will adversely impact on rental and sales values achievable. It will be important to create an attractive and sustainable environment combining quality finishes with landscaped parking spaces and potential green walls and roofs.

Greatwell Homes is already interested in developing a scheme at the site and has worked up a scheme proposal which they wish to submit for planning for an affordable housing rental product. They are aware that due to the low residential sales values in the town, in order to deliver a scheme, they need to rely on rental income which will become sustainable over a longer period of time.

It is also important to recognise the key impediment to bringing this site forward is the current landowners' unrealistically high expectations of land value.

Consequently, in the current circumstances, no scheme is likely to come forward in the absence of some form of public sector intervention, e.g. the use and/or threat of compulsory purchase, as a last resort and possible joint venture working with Greatwell Homes and Homes England. We are advised by Wellingborough Council, that Homes England has previously expressed support in principle, which serve to speed up delivery and discussions in this regard should be progressed.

7.3 East of Eastfield Road, Wellingborough

This site is located to the eastern edge of Wellingborough and is adjacent to a railway line and comprises relatively modern warehouses and allotments. The site was previously part of a larger allocated area in the Borough of Wellingborough Local Plan and also a development brief was prepared and adopted as Supplementary Planning Guidance in 2006 for the site. Part of the site to the south has since been developed for family housing by Barratt Homes, whilst the remainder of the site remains in active use for businesses and allotment use.

The proposals for the site have considered the Local Plan Policy Site 6 which seek a mix of house types and tenures which can meet a variety of needs.

The main physical constraints to the site are changes in site levels and contamination from previous employment uses. A previous geo-environmental assessment was undertaken in 2004⁵ for the wider area. This identified various contaminants above generic guideline levels within the area. Contamination at the site will need to be investigated further prior to development and the site remediated. There are also ground abnormals due to historical quarrying activities on the site and there may be a need therefore for piling. Standard strip foundations have been assumed for the purpose of the appraisals at this stage.

7.3.1 Potential Housing Capacity Assumptions – East of Eastfield Road, Wellingborough

The layout option examined provides family housing which will cater for a variety of needs and complement the Barratt Homes scheme to the south of the site and create a larger, sustainable neighbourhood.

The following indicative developments have been appraised.

Illustrative Development 1: 65 semi-detached and detached houses. This is based on a retaining wall running through the middle of the site.

Illustrative Development 2: utilises an earth embankment as opposed to a retaining wall and provides 60-family homes comprising detached, semi-detached and terraced housing.

Illustrative Development 3: 141 family semi-detached and detached houses including opportunities for self-build.

7.3.2 Viability Results – East of Eastfield Road, Wellingborough

The results of the financial viability appraisals for each Option, assuming 30% affordable housing provision on site, are summarised below.

Results of Financial Appraisals – Policy Compliant				
30% Affordable Housing				
(Developments over 15 dwellings)				
Option	Description	Residual Land Value (RLV)	Gross Development Value	Total No. of Units
1	65, 2 and 3 bed detached and semi-detached homes	£1.134m (£561,612/ha)	£12.5m	65
2	60, 2 and 3 bed detached and semi-detached homes and terraced houses.	£1.19m (£590,913/ha)	£11.84m	60
Wider Site Option	141, 2 and 3 bed semi-detached and detached houses	£3.45m (£497,684/ha)	£27.65m	141

Based on the cost and sales values applied, the developments are seen to be viable. However, there a number of costs which require further investigation:

- An allowance has been factored into the construction costs for abnormals (ie £280,000 for Options 1 and 2 and £500,000 for the wider site option) and these would need to be refined following completion of site investigations.

⁵ Land East of Eastfield Road, Wellingborough Ground Engineering and Geo-environmental Report, July 2004

- The appraisals assume standard piling which is subject to geo-environmental investigations at the subsequent stage.
- No costs have been factored into the appraisals for the demolition of existing buildings.
- No costs included for site assembly/business relocations.

7.3.3 Impact of 10% Affordable Housing on Viability

We have tested the impact on each illustrative development option of a 10% affordable housing contribution and the results are illustrated below.

Results of Financial Appraisals – Policy Compliant				
10% Affordable Housing				
Option	Description	Residual Land Value (RLV)/Ha	Gross Development Value	Total No. of Units
1	65, 2 and 3 bed detached and semi-detached homes	£1.99m (£984,938/ha)	£13.74m	65
2	60, 2 and 3 bed detached and semi-detached homes and terraced houses.	£1.68m (£829,553/ha)	£12.54m	60
3	Wider scheme Option	£5.34m (£770,985/ha)	£30.3m	141

7.3.4 Impact of Increased Sales Values on Viability

We have examined the impact of increased sales values on each option of 5% increases in sales values. The results are summarised below

Impact of Increased Sales Values		
5% Increase in Sales Values	RLV £	GDV £
Illustrative Option 1	£1.59m	£13.1m
Illustrative Option 2	£1.67m	£12.43m
Illustrative Option wider option	£4.43m	£29m
10% Increase in Sales Values	RLV £	GDV £
Illustrative Option 1	£2m	£13.75m
Illustrative Option 2	£2m	£13.0m
Illustrative Option wider option	£5.4m	£30.42m

7.3.5 Delivery Considerations – East of Eastfield Road, Wellingborough

This is a brownfield site allocated for residential development. There is an opportunity to seek to build on the success of the Barratt scheme to the southern part of the site and create homes which



can complete the wider site area for a mix of homes. However, a key impediment facing residential development is the need and likely costs associated with site assembly. These costs are unknown and not factored into the above financial analysis.

The allotments to the west of the site would need to be re-provided elsewhere unless it can be shown that these are no longer in demand/surplus. Their development/disposal will be subject to Secretary of State consent. Engagement would need to be undertaken with the allotment holders.

At the next stage, the Council should seek to engage with the stakeholders, businesses and landowners to understand their ambitions and expectations for the interests and the wider area. A relocation strategy will be necessary to retain displaced businesses within the locality.

The extent of the abnormal ground conditions and associated costs will need to be informed by further site investigations and the financial appraisals refined accordingly. The associated costs are currently unknown and could increase beyond what is currently allowed for within the appraisals.

7.4 Former Factory Site, Oakley Road, Rushden

The former factory site is located close to the town centre of Rushden and within a predominantly residential area. The site is positioned on the Washbrook Road which is a principal route into the town. Occupied by a former factory which is now abandoned and derelict, if redeveloped, the site could help to provide a different housing offer and improved environment for local residents.

The site would provide smaller homes which reflect the aspirations set out within Rushden Neighbourhood Plan.

7.4.1 Potential Housing Capacity Assumptions – Former Factory Site, Oakley Road, Rushden

The layout option examined provides 10, 2 and 3-bed semi-detached homes which will complement the surrounding terraced and semi-detached Victorian homes in the immediate area. Access is via Oakley Road with parking to the side of the dwellings. Pairs of semi-detached homes with parking enable the development to address the level changes and mitigate against any adverse impacts of the site’s development on Washbrook Road.

7.4.2 Viability Results – Former Factory Site, Oakley Road, Rushden

The results are summarised below:

Results of Financial Appraisals – Policy Compliant				
Option	Description	Residual Land Value (RLV)	Gross Development Value	Total No. of Units
1	10 2b and 3b semi-detached	£179,525 (£579,111/ha)	£2,250,000	10

Based on the scheme appraised and the assumed costs and values, the site realises a positive RLV of £179,525 which equates to a derived land value of £579,111/ha. The site is below the affordable housing threshold of 15 dwellings however, there are a number of allowances built in for S106 planning gain as follows:

- SPA Contribution - £269.44 per dwelling
- Libraries - £2,138
- 1x fire hydrant - £892.



No other S106 costs have been applied however, we are advised that the following additional contributions will be sought:

- Contribution to play equipment at Spencer Park
- Possible education contribution to be confirmed at Outline Planning Stage following an assessment of capacity in the local education infrastructure.
- Contribution towards the access proposed to be made to the Greenway on the opposite side of Washbrook Road to this site. This is in accordance with Criterion d) of the emerging Part 2 Local Plan Policy EN35 which asks for ‘direct pedestrian and cycle connections to Washbrook Road and the Greenway’. These costs would need to be confirmed at planning application stage.

Clearly, if the S106 costs continue to rise, then these will adversely impact upon development viability and consequently, flexibility is likely to be necessary in this regard.

7.4.3 Impact of Increased Sales Values on Viability

We have examined the impact of 5% and 10% increases in the assumed sales values on the derived RLV. This sensitivity analysis demonstrates that a 5% increase realises a slightly improved RLV of £263,366. A 10% increase realises a RLV of £347,206.

Impact of Nil Affordable Housing Provision and Increased Sales Values		
% Increase in Sales Values	RLV £	GDV £
0%	£179,525	£2.25m
5%	£263,366	£2.36m
10%	£347,206	£2.48m

7.4.4 Delivery Considerations – Former Factory Site, Oakley Road, Rushden

The viability appraisal indicates that the scheme does yield a positive land value and is, in principle therefore viable. However, a key issue is whether the landowner would be willing to sell their site, and their aspirations with respect to land receipt.

We have met with the landowner’s architect, who has worked up proposals which are for a higher density apartment scheme at the site. The proposals in our opinion, however, do not meet with planning policies and are not reflective of the adopted Neighbourhood Plan aspirations for houses, not apartments.

In terms of delivery, we have suggested that the architect engages with Planning Officers and takes advantage of the Council’s pre-application process to see if they can collaborate with the Council in designing a workable scheme.

In the meantime, the preparation of a development brief for the site would prove beneficial in terms of guiding any future development at the site.

The site is a current blight on the neighbourhood and attracts anti-social behaviour. There is no reason why the landowner would not wish to work with the Council in developing an implementable scheme. However, landowner aspirations to land value is an important consideration. Should over the medium term, the landowner be unable to work with the Council in arriving at a development which is likely to prove implementable and feasible in planning policy, the Council may wish to consider acquiring the site, either via private treaty or, as a last resort, using CPO powers to enable a development to progress.

8 Delivery Options

The town centre sites are varied in terms of their individual characteristics, size, existing uses and constraints. However, we have been able to identify the issues and barriers which are preventing them from coming forward for housing. **In most instances, a combination of factors are present and consequently, council led intervention is required to enable development to take place.** If that approach is not adopted, then in our opinion the housing outputs are likely to remain at risk.

A workshop was held at Kettering Borough Council on 12th March 2020 which was attended by the North Northamptonshire Joint Planning and Delivery Unit (NNJPDU) and each of the districts. This provided an opportunity to discuss the range of housing supply delivery interventions which may be applicable on stalled sites across North Northamptonshire and which are worthy of further consideration moving forwards.

The primary motivation for undertaking the site-specific analysis outlined in the previous sections, is to draw out common problems encountered in the supply of new homes on infill brownfield sites. Having identified these barriers to investment, it is then possible to set out a range of ways in which the new unitary council could chose to intervene. The sample sites cover two council areas and it is reasonable to assume that they are broadly representative of the sorts of sites than can stall in coming forward for construction. In other words, a land resource that could remain untapped.

The site capacity and appraisal review has identified these drag factors:

- Landowners with high and/or unrealistic value aspirations
- Sites in multiple ownerships
- Low value areas where project viability is under threat
- Land remediation costs associated with previous uses.

Councils in many regions would readily recognise these barriers to delivery. The sector has devised a wide range of responses and Local Partnerships is able to provide a broad perspective on what may work best in North Northamptonshire. Resources in council planning, housing, regeneration and property teams are always limited so it will be necessary to agree how best to prioritise any fresh interventions.

8.1 Partnership between the new Unitary Council and a Registered Provider (RP)

It is unlikely that S106 provisions will result in all North Northamptonshire's affordable homes needs being met from new supply provided by commercial house builders. RPs vary in nature and some are actively engaged in direct development of mixed tenure homes on land they buy. They have established development management expertise and access to funding. The larger RPs have now secured multi-year funding packages from Homes England (HE) which means that they can plan their development programme over 3 years.

RPs will buy land off market. Indeed, many prefer not to compete for land against the house builders. As bodies that are not for profit (or not for profit maximisation) councils can and often do, enter into agreements to work with RPs on council owned sites (based on open book). This has many advantages:

- RPs start from an assumption that the amount of affordable homes on a site should be maximised (as opposed to a house builder who starts from an assumption that a minimum profit margin must be protected)
- RP development teams have established skills in land acquisition and housing project development management, end to end
- Access to HE grants
- Space standards that often exceed commercial house builder typologies



- Capacity to engage with and provide support to local communities
- They will pro-actively source potential change of use land, provided dialogue with councils is positive
- They can enter into CPO Indemnity Agreements which utilise council powers but protect councils from cost risks
- They can take a longer-term view on their investment.

A new RP partnership in North Northamptonshire should ideally be based on an initial pipeline of housing development sites (both council-owned and privately owned) listed in the partnership agreement. Establishment costs need not be excessive but to make this endeavour worthwhile, it would be advisable to identify a potential pipeline or at least 200-300 units. Early phase sites should be owned by the council in order to kick start the programme.

The mechanism that binds the partnership together will most often be a contractual joint venture Development Agreement. Whilst it will be necessary for the council to obtain specialist legal advice, Local Partnerships can provide support on how best to frame the roles and responsibilities of both the RP and the council in such a contract. Some of the features that could be considered include:

- A multi-site pipeline: include both council, public sector and privately-owned sites. A blended pipeline of sites taken as a package can mean that individual sites that are marginal in viability terms (due to low values and/or high remediation costs and other abnormal costs) can be offset by others in the package
- Provides a minimum of 2-3 years continuous construction activity for the RP – enables local employment benefits to be realised
- On public land, payment by the RP of land value could be deferred in order to protect project viability; utilising phased trigger mechanisms linked to unit completions, or on a plot by plot basis ie Build Now, Pay Later. This reduces project finance costs and can help deliver sites that are only marginally viable
- Early (pre-application) engagement with residents can identify localised unmet need. e.g. adapted homes for the disabled and elderly. Early well managed engagement, which RPs are practiced at deploying, is especially appropriate where infill development may be controversial, as it helps to build a groundswell of support
- Active capacity building within those communities to enable access to construction skills training, shaping of scheme designs, understanding the role of RPs and newsletter production
- RP agrees a pledged budget for land buying to help assemble the pipeline
- RP accesses Homes England grants across the whole pipeline.

In the run up to the establishment of the new unitary council, the following actions could be taken to begin to test this potential intervention:

1. Across the 4 councils, map the relationships and contacts with RPs and bring this information together in one place. Gather facts on which RPs are most active in house building across North Northamptonshire. Draw up a list of key contacts
2. Prepare an event that invites all active RPs. At that event, outline the idea of a pipeline partnership and gather views. Get each RP to fill out a questionnaire that defines which scale of new homes development they target over the next 2-3 years: size of sites, typologies, tenure mix
3. Bring together a unitary council sites pipeline arranged by size of site/unit capacity. Blend this with council's land territories and the OPE pipelines

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4. Begin to match the RPs with sites by size category. This will help to gauge whether more than one RP partnership might be justified
 5. Arrange one on one sessions with say two or three RPs to review the long list of sites and outline Heads of Terms for a Development Agreement. Seek informal views of Members.

8.2 Community Land Trusts

Community Land Trusts (CLTs) can be initiated by a community, RP or council. They are a form of community-led housing, set up and run by local people to develop and manage homes. All new homes are protected as affordable in perpetuity. CLTs rely on local self-help resources. Government is very keen to encourage councils to support the establishment of new CLTs in their areas. This will help to diversify the way in which new homes are supplied in this country, as well as to help ensure that schemes are locally supported rather than resisted. HE currently administers the Small Sites Fund launched in 2018 with £630m. The fund targets delivery of 27,000 new homes, a measure of the scale of government's ambition for this type of delivery mechanism.

There are currently around 257 CLTs in England and Wales, with 935 new homes built to date. There is a further 5000 homes in CLT pipelines. There are long established, well-resourced and reputable organisations that support the establishment of new CLTs, as well as providing on-going capacity help. First amongst these is the CLT Network, the membership body of all CLTs <http://www.communitylandtrusts.org.uk/> Additional capacity building support can also be secured from Locality <https://locality.org.uk/about/> This means that the "heavy lifting" that will be required to set up a series of CLTs across the new unitary area can potentially be sourced outside the council.

In reviewing the map of CLTs set up to date, none appear to be in Northamptonshire. Given that across all districts there is unmet affordable homes needs in urban, market towns and rural areas, this is perhaps a missed opportunity.

Key features of CLTs are:

- Council/public land would need to be gifted to the CLT or offered on preferential terms. CLT projects are sometimes applicable to land with little or no market value
- There are examples of owners of large landed estates gifting land to CLTs
- CLTs can raise funds to buy the land (crowd funding)
- The projects are typically 100% affordable and the community group will take a long-term formal role in the ownership, stewardship or management of the homes
- In most cases, CLTs appoint SME builders on a fixed price Design & Build basis & oversee the development. When complete, the CLT remains a steward
- CLT schemes can include plots for self-builders.

Over the coming 12 months, the councils could begin to explore this idea by:

- Meeting representatives of the CLT Network and Locality (preferably together)
- Researching any extensive landed estates
- Hold a sounding board type workshop with elected Members
- Draw up a communications campaign designed to be a call out to parish councils and communities to express interest in CLTs.

Within East Northamptonshire, the residents of Rushden have prepared the Rushden Neighbourhood Plan which is now adopted. Communities with adopted Neighbourhood Plans can



often prove a good starting point as this indicates that there is a degree of community capacity which may be capitalised on when considering the establishment of a CLT or Co-op as a means of delivering small numbers of homes on stalled small sites.

8.3 Local Housing Company

In excess of 160 councils have set up wholly owned trading companies, termed Local Housing Companies (LHCs). They are dedicated to the direct development of mixed tenure homes by the council on council land using Public Works Loan Board (PWLB) borrowing. This is an investment-based delivery model. The predominant motivation is to build and retain new affordable and social rented units which will not only meet need, but also generate income to pay down the borrowing required to meet the cost of construction.

Further background on this delivery model and case studies across local government can be found <http://www.smith-institute.org.uk/book/delivering-renaissance-council-built-homes-rise-local-housing-companies/>

Councils delivering market value homes (for rent and/ or for sale) as a commercial venture need to do so via a wholly owned corporate entity. LHCs need to be set up as limited companies with 100% of the shares being owned, in this case, by the new unitary. However, this is only the first part of a legal entity structure that is required if mixed tenure homes are to be developed, retained and managed in such a way as to protect investment value and respect the law. LP has worked with specialist legal and finance advisors who have put in place these structures for councils that are state aid compliant. We know that the establishment costs are high and a period of at least 6-9 months is needed to complete this process. Such an outlay is only justified where there is:

- A clear political appetite for borrowing
- A multi-site pipeline of council owned sites, which would provide a minimum of 3 years continuous construction activity
- A Development Manager (DM) is appointed to manage the appraisal, feasibility, planning and construction stages. There is a sector-wide shortage of house building skills inside councils and the procurement of a DM can often be a pre-requisite.

Some LHCs are assembling a portfolio of rented homes by buying street properties, so this delivery model is not only suited to new homes development. If this intervention is to be considered over the next few months, officers could:

- Make use of the LP LHC Toolkit <https://localpartnerships.org.uk/news/housing-delivery-toolkit/>
- Sift sites to define a forward pipeline
- Consider whether setting up a LHC could be a candidate for the MHCLG Development Corporation Competition which is for innovative models. A successful bid would give the council access to capacity funds toward set up/business case/mobilisation. We understand that the competition is not limited to Development Corporation proposals.

8.4 In-house Service Response

Preparatory work is well underway to shape the service areas to be incorporated within the new unitary council. It is therefore timely to suggest ways in which delivery focussed actions arising from this review might be dovetailed into this programme of work.

8.4.1 Planning and Development Briefs:

The preparation of Planning and Development Briefs would be appropriate for stalled sites which can guide future development. For example, sites such as the former shoe factory at Oakley Road, Reddens scrapyards and East of Eastfield Road. The Development Briefs will raise the profile and guide the future development of these sites providing detailed site analysis, establishing the development principles for housing, linkages and an urban design framework. They will be instrumental in providing landowners, developers and wider stakeholders clear guidance for future developments within the Development Brief area and encourage viable schemes to come forward.

In summary, the purpose of these will be as follows:

- to provide a consistent and concise template – no more than say 3 sides of A4
- enable a rapid turnaround
- be time limited engagement with landowners and community
- pre-empt pre-applications; takes the initiative to offset unrealistic land value aspirations and inappropriate schemes that waste planner's time
- stimulate a response from inactive sites.

This approach is one of many successfully adopted by the award-winning Plymouth Plan for Homes <https://www.plymouth.gov.uk/planforhomes>

Taking this idea forward could involve:

- design a common template with a branded look
- prepare say 2 examples and use them as pilots – learn lessons, improve/refine
- investigate what time, skills and resources are needed to rapidly produce the Planning & Development Briefs.

8.4.2 Compulsory Purchase Powers

The use of the Council's or Homes England's Compulsory Purchase (CPO) powers (as a last resort) can be exploited to facilitate development on stalled sites where necessary in order to unlock development.

Acquisition via private treaty is the preferred route however, in certain instances e.g. the former Post Office site, it is likely that stalled sites will be reliant on the Council using its CPO powers to assemble land. To expedite development on larger stalled sites in various ownerships (which are subject to Development Briefs recommended earlier), for example East of Eastfield Road in Wellingborough, any acquisition work should be undertaken by a preferred developer, which will have the backing of the Council's CPO powers, following a developer competition.

8.4.3 Place Making Activities

The Councils should continue to progress with implementing place making and market making interventions to improve the image and perceptions of the town centres as places to live and invest. Achieving a step change in town centre perceptions and enhancing sales values in response to increased levels of demand for town centre living relies on the linking of public realm between sites and the creation of attractive quality spaces and amenities.



8.4.4 Technical Due Diligence

There are additional costs to be assessed relating to land assembly and the potential for abnormal ground conditions which are currently unknown at the stalled sites. Further technical due diligence work is necessary to fully establish these costs. On public land, this work would provide additional information for prospective developers. Informed by this, more detailed work is necessary in order to explore the options for varying the mix of housing, scale, design and parking requirements etc. to establish the optimum schemes.

8.4.5 Commercial dialogue with landowners

Initiating commercial dialogue with owners and/or developers to understand their aspirations and how sites may be unlocked for development will be necessary. This is particularly relevant at sites which are stalled and where, no dialogue has previously been entered into with landowner interests. For example, we are not aware that there has been any recent engagement with landowners and businesses located East of Eastfield Road.

8.4.6 Business Relocations

Where appropriate some stalled sites may require assembly and as a result require businesses to be relocated in order to enable schemes to come forward. East of Eastfield Road is an example of this but other stalled sites within the sub-region may also be identified in the fullness of time. Consequently, the Council will need to put in place a relocation strategy. The location and accommodation requirements will often be unique to individual businesses and their needs would need to be established and suitable alternative premises identified. If required, the appointment of a firm of Chartered Surveyors specialising in commercial agency work who can assist with business relocations and sourcing of alternative premises could be considered.

8.4.7 Access to Funding Support

The council has already approached Homes England in relation to the potential for support in relation to the former Post Office Site in Wellingborough following failed attempts by a Registered Provider to acquire the site. This is a challenging site at a key gateway into the town centre which is unlikely to come forward in the absence of such intervention. There may be other priority stalled sites identified over time which may require Homes England or other public sector co-investment support to enable sites to be unlocked and accelerate the pace of new homes delivery.

8.4.8 Establish a Stalled Sites Delivery Team/Resource:

Establishing a Stalled Sites Delivery Team which will have the requisite skills and expertise to drive stalled sites forward across the sub-region would accelerate housing delivery.

In summary the role of the unitary level Stalled Sites Delivery Team could encompass many of the above interventions. Their role could also include the following:

- Mix of technical skills to investigate, test and monitor stalled brownfield sites across the new unitary area (surveyor, planner, architect, QS) – as a standing resource
- Shaping/Influencing – Improving the quality and deliverability of emerging scheme ideas
- Viability appraisals – identifying schemes that are co-investment opportunities and/or where public funds can be deployed and/or land buying
- Making use of CPO powers as a last resort



- Setting up a Developer Forum to meet quarterly and include all those active on the supply side: house builders of all sizes (including SMEs), RPs, key intermediaries, landowners and advisors. Develop relationship management
- Map all potential change of use sites i.e. those in employment use that are surrounded or adjacent to residential neighbourhoods and where premises are no longer fit for purpose
- Build and monitor a database of all housing land with extant permissions. Establish contact with all of these sites to test alternative interventions the council could consider.

The merits or otherwise of such a team needs to be seen in the context of the service development planning already underway.

8.5 Local Partnerships Support

LP is mandated by our owners (HMT, the LGA and the Government of Wales) to provide hands-on, independent support to councils to help them get more homes built (the right homes in the right places). We can distil lessons learned across the local government family which helps to save time and money. We are pleased to have been able to devote some of our grant funds to provide this review in North Northamptonshire. We hope that this is the beginning of a productive relationship that can be taken forward into the new unitary council.

At the next stage, we consider we can add most value in the following ways:

- Share our knowledge and ideas with officer groups on housing delivery interventions that are most suited to North Northamptonshire
- Support any early activity with additional capacity (people and skills)
- Use our data analytics capability to bring together 4 council's housing site information into one place, with the functionality to absorb One Public Estate public land pipelines.



9 Summary and Conclusions

North Northamptonshire Joint Planning and Delivery Unit (NNJPDU) and its partner councils instructed Local Partnerships to undertake an analysis of a sample of stalled housing sites to understand the reasons why they are stalled and the range of interventions which could serve to unlock them.

This study has tested a sample of four infill brownfield sites in different settings and with varied characteristics, which have the potential to make an important contribution towards housing supply and help to enhance their immediate areas.

The assessment has highlighted a range of common issues and challenges to delivery which are typical of many stalled sites in different regions. It should be noted that all the sites assessed are within private ownership and, with the exception of the use of planning powers, are outside each council's ownership and control. Landownership can prove an impediment to delivery if the landowner is unwilling to bring a scheme forward or dispose of their landholding to a housebuilder.

The sites are varied and will require different approaches to bringing them forward as described earlier, whether that be the use of planning and development briefs or more direct intervention including the use of CPO with the council leading or assisting the private sector or an RP in site assembly.

The financial appraisals highlight that financial viability is challenging and when combined with landowner aspirations, housing delivery at these sites remains at risk. Should the market improve over time, this may have a positive impact on viability and enable sites to come forward.

The report sets out a range of housing supply delivery interventions which may be applicable on stalled sites across North Northamptonshire and which the new unitary council could consider further in order scale up housing delivery on similar infill sites elsewhere.

Appendix 1 Development Appraisal Assumptions

Cost	Source	Notes	
Affordable Housing	Affordable Housing Policy in accordance with NNJPDU Joint Core Strategy 2011—2031 re Tenure Mix. Transfer/Sales values informed by Registered Provider.	Triggered on sites over 15 dwellings Assumed Split: 85% :15% Affordable Rent / Social Rent : Shared ownership (Broad split informed by Affordable Housing Policy in accordance with NNJPDU Joint Core Strategy 2011-2031:Tenure Mix)	% of Open Market Value Affordable/Social Rented – blended rate of 53% of OMV Shared Ownership – 75% of OMV
Build Costs	Elliott Associates	Build Cost from Budget Cost Estimate Schedules (inclusive of preliminaries, services, contamination and external works) and other allowances.	Oakley Rd, Rushden Option 1: £1,553.63/m2 Reddens Scrapyard Option 1: £1,339.92/m2 Former Post Office Option 1: £1,607.53/m2 Option 2: £1,632.33/m2 East of Eastfield Road Option 1: £1,304.76/m2 Option 2: £1,325.48/m2 Option 3: £1,237.67/m2
External Works & Services and utilities	Elliott Associates	Budget Estimate Schedules and included in Build Cost	
Professional Fees	Industry standard	Professional fees are based upon accepted industry standards and has been calculated as a percentage of build cost at 8%.	
Contingency	Industry standards	Contingency is based upon the risk associated with each site and has been calculated as a percentage of build costs at 5%.	
S106 Contributions	Local Plan Policy	An allowance of £2,500 per dwelling has been applied to East of Eastfield Road development.	Shoe Factory – applied as advised Reddens Scrapyard – None applied Former Post Office - None applied
CIL	Local Plan Policy	None applicable	



Cost	Source	Notes
S278 Highways		No Allowance
Contamination/Remediation	Elliott Cost Plan HCA Remediation Cost Guidance Remediation, Dereliction and Demolitions (March 2015)/ Included in build cost	Post Office Site, Wellingborough – £150,000 allowance for remediation and fuel tank removal (Elliott cost plan) Land East of Eastfield Road – Options 1 & 2 £280,000 allowance for remediation and fuel tank removal. (Elliott cost plan) Option 3 £500,000 allowance. (Elliott cost plan) Reddens Scrapyard, Wellingborough – £200,000 (Elliott cost plan) Former Shoe Factory, Rushden – Site Cat A say £75,000 / ha allowance @ 0.3 ha x 75,000 = £22,500. (HCA guidance)
Sale Costs (marketing, sales, legals)	Industry standards	These rates are based on industry accepted scales at the following rates: Legals 0.75% of private sale value Sales agent fees 1.25% of private sale value Marketing costs £1,000 per unit
Demolitions		Not included.
Finance Costs	Industry standards	Based upon the likely cost of development finance we have used current market rates of interest which will vary depending upon lenders but are competitive at 5.75%
Stamp Duty on Land Purchase	HMRC	Percentage of Land Cost 5% (varies depending upon actual acquisition costs)
Professional fees on land purchase	Industry standards	Fees associated with the land purchase are based upon the following industry standards Surveyor – 1% Legals – 0.75%
Profit	Industry standards	Developers Profit has been calculated as follows: Private & Affordable housing - 17% of GDV

Appendix 2 Development Appraisals



DRAFT



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