

AGENDA

No.	Item	Presenting	Pages
1.	Apologies for Absence (if any)	Chair	None
2.	Notification of Substitutes (if any)	Carl Craney	None
3.	Declarations of Interests (if any) Members are reminded of the need to declare any disclosable pecuniary interests they have in an item being discussed during the course of the meeting. In addition, the receipt of any gift or hospitality should be declared where the value of it was thought to have exceeded £25 (gifts) or £40 (hospitality).	Chair	None
4.	Minutes of last meeting [For approval]	Chair	1 - 8
Business Items for Consideration			
5.	Affordable Housing Policy	Gareth Bradford	9 - 22
6.	Inclusive Growth Corridors - Update on Delivery and Investment Plans a) Walsall to Wolverhampton Corridor; and b) West Bromwich to Dudley Corridor.	Gareth Bradford	23 - 28
7.	Town Centres - Update on Delivery and Investment Plans a) Bilston; b) Bordesley Green; c) Dudley; d) Walsall; and e) West Bromwich.	Gareth Bradford	29 - 34
8.	Advanced Methods of Construction (AMC) Strategy	Gareth Bradford	35 - 70
9.	Housing Delivery Numbers - Update	Gareth Bradford	71 - 74



West Midlands
Combined Authority

Housing & Land Delivery Board

Monday 4 November 2019 at 10.00 am

Minutes

Present

Councillor Mike Bird (Chair)
Councillor Peter Bilson
Councillor Angus Lees
Marc Lidderth
Councillor Joanne Hadley
Councillor Andy Mackiewicz
Councillor David Wright
Councillor Peter Butlin
Kevin Rodgers

Walsall Metropolitan Borough Council
City of Wolverhampton Council
Dudley Metropolitan Borough Council
Environment Agency
Sandwell Metropolitan Borough Council
Solihull Metropolitan Borough Council
Telford and Wrekin Council
Warwickshire County Council
West Midlands Housing Association
Partnership

In Attendance

Simon Cooper
Tammy Stokes
Simon Tranter
Janet Neale
Gareth Bradford
Carl Craney
Patricia Willoughby

Sandwell Metropolitan Borough Council
Walsall Metropolitan Borough Council
Warwickshire County Council
West Midlands Combined Authority
West Midlands Combined Authority
West Midlands Combined Authority

Item Title No.

19. Apologies for Absence (if any)

Apologies for absence had been received from Sarah Middleton (Black Country Local Enterprise Partnership), Councillor George Adamson (Cannock Chase District Council), Bill Blincoe (Coventry and Warwickshire Local Enterprise Partnership), Simon Marks (Greater Birmingham and Solihull Local Enterprise Partnership), Karl Tupling (Homes England), Councillor David Humphreys (North Warwickshire Borough Council), Councillor Matthew Dormer (Redditch Borough Council), Councillor Sebastian Lowe (Rugby Borough Council), councillor Ian Courts (Solihull Metropolitan Borough Council) and Councillor Daren Pemberton (Stratford on Avon District Council).

20. Notification of Substitutes (if any)

Paul Gascoine had been nominated as a substitute for Karl Tupling (Homes England) and Councillor Andy Mackiewicz had been nominated as a substitute for Councillor Ian Courts (Solihull Metropolitan Borough Council).

21. Chair's Remarks

The Chair referred to the low number of reports to be considered at the meeting and commented that members attended meetings in good faith and expected that the contents to be considered should be worthwhile if complacency with regard to the need to attend meetings was to be avoided. He commented that meetings of the WMCA Overview and Scrutiny Committee failed regularly to reach a quorum albeit that a higher level of quorum applied to that Committee and was, in his opinion, was overly prescriptive. He asked the Officers to note his comments and that future meetings should be meaningful. Councillor Angus Lees supported the comments of the Chair on this matter.

Gareth Bradford reminded the Board that at the last meeting a number of major issues had been considered and was likely to be the case for the December 2019 meeting subject to the rules on 'Purdah' not preventing some matters being presented. This purpose of this meeting was to update the Board on progress made on various issues.

The Chair welcomed Councillor Peter Bilson to the meeting after his recent illness.

22. Declarations of Interests (if any)

Kevin Rodgers declared a personal interest as an employee of the West Midlands Housing Association Partnership.

23. Minutes of last meeting

Resolved:

That the minutes of the meeting held on 30 September 2019 be confirmed as a correct record and signed by the Chair.

24. Housing and Land Portfolio: Quarterly Update

Pat Willoughby presented a report which provided a quarterly update on progress with the various workstreams and deliverables agreed previously and as detailed in the 2019/20 WMCA Annual Plan. As referred to earlier in the meeting she advised that a number of reports were scheduled to be considered at the next meeting on 9 December 2019 but that as this fell within the 'Purdah' period this could be subject to change.

She reported that since the report had been prepared requests had been received for the Town Centres Programme to be revised to include the whole of the Dudley, Walsall and West Bromwich Town Centres rather than the specific areas agreed previously. Similarly, a request had been received from Dudley and Sandwell MBC's for the Sandwell to Dudley Corridor to be re-defined as the 'West Bromwich to Dudley Corridor'. Gareth Bradford reported that the purpose of the report was to inform the Board of the progress being made in taking forward the various work areas, on the joint work with respective local authorities and on reports which had been considered by the WMCA Investment Board in relation to matters under the purview of this Board. He reminded the Board that at its last meeting consideration had been given to, inter alia, the following issues:

- Modern Methods of Construction;
- Design Charter; and

- Single Commissioning Framework – Amendments.

He also drew to the attention of the Board the on-going work on Monitoring and Evaluation to ensure an impact on the delivery of housing numbers, land remediation, affordable housing units delivered and value for money from the investments supported.

The Chair commented on the need for a standard definition on the term of 'Affordable Housing' which was sufficiently flexible to acknowledge the differences across the geographical area. Gareth Bradford reminded the Board that such a definition had been agreed previously and was being trialled currently with a report to be submitted to the next meeting with a view to confirming the definition, with amendments, if appropriate. He advised that the definition would also seeking to address the provision of 'Key Worker' accommodation and those seeking employment in the 'Knowledge' economy.

Councillor Angus Lees referred to the £20 million allocated for the Town Centres Programme and whether this funding had been secured and on the extension of the Programme in Dudley to the wider Town Centre and whether £9 million was available for highway improvement works associated with the Town Centre Re-Development proposals. Gareth Bradford explained that any schemes which met the agreed criteria for the Single Commissioning Framework (SCF) could be eligible for funding and that a number of such cases would be considered by the WMCA investment Board at the meeting to be held on 11 November 2019. He confirmed that a sum of £20 million had been earmarked already for the Town Centres Programme by the Investment Board and the proposition before the Housing and Land Delivery Board was that from this some £5 million should be made available for early impact interventions.

Councillor Peter Bilson advised that he supported the recommendations set out in the report but that more specific information was needed on expenditure to date and the remaining funding available. He requested that this be included within the report to the next meeting. Gareth Bradford advised that the report could include details pertaining to expenditure and available resources relevant to the Housing and Land Portfolio but not to the wider Investment Programme.

Councillor Andy Mackiewicz referred to the issue of 'Key Worker' accommodation and asked whether this would only apply to new developments or whether it would include 'Shared Ownership' schemes. Gareth Bradford explained that this issue would be addressed in the report to the next meeting.

Councillor Peter Butlin referred to the issues surrounding the 'Right to Buy' scheme, its effect on the provision of social housing units and the current stance of the Board on this matter. The Chair informed the Board on a 'Right to Own' initiative which was being worked upon by the Housing and Regeneration Team and which could be adopted nationally. This would assess disposable income and staged purchase. He also alluded to an initiative between Sigma Capital and Walsall MBC working with Countrywide on an equity partnership scheme, where the property developer would

continue to maintain the garden and Public Open Space areas of developments.

Councillor Andy Mackiewicz commented that any properties developed outside the Housing Revenue Account were not eligible for 'Right to Buy' and that this allowed the development of shared ownership schemes. Gareth Bradford reported that conditions imposed on grants and loans could also preclude 'Right to Buy'. He confirmed the on-going work with Sigma Capital and on the 'Right to Own' initiative.

Councillor Joanne Hadley reported that Officers at Sandwell MBC were looking at options where a tenant expressing an interest in exercising 'Right to Buy' could be offered a sum equivalent to the discount available on their property to enable an alternative property to be purchased on the open market, thus retaining the social unit in the Council's ownership. Gareth Bradford advised that such 'portable discounts' had been explored previously by HM Government. He undertook to include reference to this element in the Affordable Housing Delivery Vehicle report to be submitted to the next meeting.

Councillor Andy Mackiewicz enquired whether the regional affordable and social housing deal referred to in paragraph 3.21 of the report had been circulated to the Board. He also enquired as to the support which would be provided to Local Planning Authorities on Local Plan preparation. Gareth Bradford advised that the Housing and Land Steering Group had considered the regional and affordable social housing deal but agreed to circulate it to the Board. With regard to support on Local Plan preparation he explained that this would be through support in site assessments and that a number of requests for such support had been received to date.

Councillor Joanne Hadley asked if there was any financial support available for progressing work on Modern Methods of Construction (MMC). Pat Willoughby reported on a piece of work which had been commissioned on MMC which would be tested through the Single Commissioning Framework. The Chair counselled caution on being overly prescriptive in relation to MMC in light of the number of alternative methods available currently. Paul Gascoine advised on the initiatives being taken by Homes England on MMC including supporting such developments on land in its ownership. He advised that a flexible approach was required in order to respond to the demands of the market. He reminded the Board that Homes England had provided financial assistance in the past to local authorities for MMC schemes and referred to an example in the local area.

Resolved:

1. That the following items be considered at the next meeting of the Board subject to the issues relating to 'Purdah' being addressed:
 - The progress on acquisitions and investments under the Single Commissioning Framework (SCF);
 - Modern Methods of Construction (MMC) Strategy;
 - Proposal for an Affordable Housing Delivery Vehicle (Heads of Terms);
 - Delivery and Investment Plans for the five 'first wave' town

- centres;
 - Delivery and Investment Plans for the Walsall to Wolverhampton and West Bromwich to Dudley Inclusive Growth Corridors;
 - Town Centre Toolkit; and
 - Progress on 'early impact' town centre interventions agreed at the September 2019 meeting;
2. That the Sandwell to Dudley Corridor be re-defined as the West Bromwich to Dudley Corridor as requested by Dudley and Sandwell MBC's respectively;
 3. That the remit of the Town Centres Programme be expanded to include the whole of Dudley, Walsall and West Bromwich Town Centres as requested by Dudley, Walsall and Sandwell MBC's respectively;
 4. That the positive progress in work under the Housing and Land Portfolio in Q4 of 2019 and some of the key programmes being progressed during the remainder of 2019/20 be noted;
 5. That it be noted that discussions were continuing with the Housing and Land Steering Group and supported Working Groups on how existing arrangements on engagement, project-based governance and working arrangements could be enhanced further;
 6. That a copy of the regional affordable and social housing deal to HM Government be circulated to the Board.

25. Affordable Delivery Vehicle: Update

Gareth Bradford and Rob Lamond presented a report which updated the Board on progress in the work agreed previously to work up in principle development of an Affordable Housing Delivery Vehicle with West Midlands Housing Association Partnership and the National Housing Federation to unlock challenging brownfield opportunities in the region and thus providing added value to the work of the WMCA under the SCF. The report recommended agreement of the broad criteria for the Vehicle to help guide the development of a detailed business case.

Councillor Peter Bilson advised that he supported the principle but asked which Housing Associations would be involved, which areas they were active currently in and which sites were under consideration. He expressed concern that there appeared to be no involvement from Homes England or the respective local authorities in this concept. Given that a Limited Liability Partnership was to be established he was also interested to learn of the relationship with the LLP, Homes England and the local authorities.

Councillor David Wright advised that he also supported the principle but queried which Housing Associations would be involved, how the level of public subsidy would be agreed and whether partner Housing Associations would only be allowed to operate in those areas where they had a presence currently.

Gareth Bradford welcomed the questions now posed and assured the Board that similar questions were being raised. He explained that the purpose of the report was to agree the principle of the creation of the Delivery Vehicle and the development of the Business Case. Kevin Rodgers advised that a

number of housing associations were interested in participating all of which operated locally. Where a Large Scale Voluntary Transfer had taken place in a local authority area the selection of the preferred Social Housing Provider would be to that organisation. He reminded the Board of the intention to recycle funding for future re-investment.

Councillor Andy Mackiewicz asked as to the opportunity for Arms Length Management Organisations to be involved in the Delivery Vehicle. Gareth Bradford explained that such organisations could seek funding for developments through the SCF subject to such proposals having the support of the respective local authority. He commented that in order to achieve the desired number of housing units at affordable levels there was a need to unlock difficult to develop brownfield sites. He advised that the Delivery Vehicle could be expanded in the future if it was successful.

Councillor Angus Lees asked whether WMCA Officers were in contact with colleagues at Dudley MBC where three difficult to develop brownfield sites had been identified. Gareth Bradford confirmed this to be the case.

Councillor Joanne Hadley commented that given the role of the Black Country area as the heart of the Industrial Revolution many sites were likely to be subject to contamination and the associated remediation costs. Mark Liddeth reminded the Board that grant aid was available from the Environment Agency to deal with remediation of contaminated land. Paul Gascoine assured the Board that Homes England was involved in the development of this initiative and would continue to be. He reported that a similar Vehicle existed in the Greater Manchester Combined Authority and that there were lessons to be learnt from its experiences.

Resolved:

1. That the following be noted:
 - a) That progress between the WMCA and West Midlands Housing Association Partnership / National Housing Federation in developing the Heads of Terms and key criteria for a new regional affordable housing delivery vehicle focussed on increasing the supply of new homes, particularly affordable housing, on some of the most challenging sites in the region;
 - b) The proposed Delivery Vehicle's fundamental principles of reduced risk; shared knowledge and expertise of the vehicle's partners; and developing a range of sites including intervening in instances of market failure to develop brownfield sites in the region;
2. That the draft criteria / principles for the Delivery Vehicle from the WMCA perspective as detailed in section 3.2 of the report be agreed;
3. That subject to the above, the Housing and Regeneration Team work with partners and a focussed working group of experienced local council housing officers to bring forward a Business Case for a pilot phase of the Delivery Vehicle to forthcoming meetings of this Board and the WMCA investment Board. (the aim being to submit the Business Case to the December 2019 meeting of the WMCA Investment Board if possible and appropriate).

26. Investments and Acquisitions

Gareth Bradford reported that over £10 million of grants and loans had been agreed at the October 2019 meeting of the WMCA Investment Board for matters under the Housing and Land Portfolio. The funding was from various sources including the Collective Investment Fund (CIF), Brownfield Land and Property Development Fund (BLPDF) and the Land Fund. He referred to the benefits of the clear criteria contained in the Single Commissioning Framework and on the due diligence process which sought to ensure that value for money was achieved. He explained that while some of the Funds worked on a revolving nature with loans being repaid this was not possible in every case but in such cases additional social value was obtained.

Resolved:

That the report be received and noted.

The meeting ended at 11.10 am.

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WMCA Housing & Land Delivery Board

Date	15 th January 2020
Report title	Affordable Housing Supply that meets local needs
Portfolio Lead	Councillor Mike Bird, Leader, Walsall MBC
Accountable Chief Executive	Deborah Cadman, Chief Executive, WMCA
Accountable Employee	Gareth Bradford, Director of Housing & Regeneration Pat Willoughby, Head of Policy (Housing & Regeneration) Rob Lamond – Report Author
Report has been considered by	Housing and Land Delivery Steering Group Homelessness Taskforce

Recommendation(s) for action or decision:

The Housing & Land Delivery Board is recommended:

- To endorse the proposed regional definition of housing affordability to secure an increase in the delivery and accessibility of genuinely affordable homes in the region that meet local needs
- To agree the application of the proposed regional approach through the Single Commissioning Framework process, in order for the Combined Authority's housing and land investments and acquisitions to drive a more bespoke and locally informed approach that enables increased supply of affordable homes
- To note the excellent support and engagement we have received from a number of local authorities across the region in developing this approach

1. Purpose

- 1.1 The purpose of this report is to provide Housing and Land Delivery Board with an update on the implementation of the regional approach to housing affordability, and to seek agreement on the principles of the proposed definition set out in Section 5 and its application through the WMCA's Single Commissioning Framework.
- 1.2 The intent to define a regional approach to affordability was to secure an increase in genuinely affordable housing on developments across the West Midlands, and in particular to increase the accessibility of affordable housing to those residents most in

need. The proposed definition is expected to address the issues of affordability from both a supply and a demand basis. Through broadening the range of products, types of schemes and criteria used to establish what constitutes affordability *at a precise local level*, the definition seeks to tackle issues regarding access to genuinely affordable accommodation for local residents of the region and establish criteria more relevant to the specific locations and markets across the region.

- 1.3 The definition is a central element of the affordable housing programme managed by the Housing and Land Board that is seeking to address several key affordability challenges, including:
- The requirement to broaden the range and accessibility of affordable housing in the region as set out by the Homelessness Taskforce, to reflect local household incomes
 - The generic definition of affordable housing set out by the National Planning Policy Framework is failing to recognise local needs and conditions and secure an increased supply of affordable housing
 - The impact of housing unaffordability on employment, productivity and investment in the West Midlands, as evidenced by key employers and service providers in the region.

2. Background

- 2.1 Delivery of new dwellings for the West Midlands Combined Authority area in 2018/19 was 16,938, a 15.8% increase on the previous yearly total (14,628) and the highest total ever recorded in the region. Alongside this overall increase there has been a rise in the delivery of affordable housing in the West Midlands in recent years (3,801 units during 2019/19); however, the region continues to experience a considerable under supply of affordable housing which is particularly concentrated in certain pockets of the region. Housing affordability is getting worse (house prices increasing at twice the national average), the issue is not equally distributed across the region (e.g. Coventry's house prices are increasing at some of the fastest in the country), and the house price to income ratios of, for example, Stratford-upon-Avon are very different to those of parts of Birmingham. Affordability has significant consequences for issues such as the cost of living, productivity, social mobility, and access to employment. The context for this situation is complex and multi-layered and requires a multi-faceted approach.
- 2.2 A comprehensive affordable housing programme has been operated by WMCA under the leadership of the Housing and Land Board throughout 2019. A regional definition is a key element of this programme. The programme includes:
- Targeted conversations with existing and new major Registered Providers to the region to increase their supply ambitions
 - Creation of a new affordable housing delivery vehicle with West Midlands Housing Association Partnership and the National Housing Federation
 - An overall pipeline of priority sites for WMCA intervention with positive planning conditions has been identified by local councils where there is clear market failure and where WMCA can accelerate and unlock sites to support the 215,000 homes ambitions.

- WMCA management of the West Midlands One Public Estate Programme and WMCA's own strategic asset review – this is identifying a number of public owned sites where WMCA can secure greater affordable housing provision.
- A comprehensive set of devolved affordable housing policy and investment asks to HMG (submitted in Q3 2019) including more investment in affordable housing in the region, greater control and oversight of national affordable housing funds at a regional level, whilst maintaining local councils' responsibility for affordable housing policy.

2.2 In addition, the WMCA, through the convening power of the Mayor, has established a cross-sector **Homelessness Taskforce**. The focus of the Homelessness Taskforce has been to contribute through joint working to the wider systemic issues which can support Local Authorities to achieve systemic and structural prevention. By engaging across sectors, the Taskforce is seeking to spread the commitment to collaborate to prevent and relieve homelessness and where possible to inform the WMCA's emerging strategies and development programmes to '**design in prevention and design out homelessness.**' One of the key priorities identified by the Taskforce is "Access to affordable housing supply which relates to people's incomes", with a regional approach to affordability being a central element of this approach to increase delivery of affordable homes and to reflect local conditions.

2.3 Following a report to the Homelessness Taskforce, in July 2019 the Housing & Land Delivery Board agreed to:

- The broad approach to a new regional definition of housing affordability through a pilot programme, based on application of the new definition through the Combined Authority's Single Commissioning Framework (SCF) for its funding and investments. All investments made through this process will be subject to approval by the WMCA Investment Board and its governance process to ensure alignment with local plans and policy.
- For schemes not in the scope of the SCF where the WMCA has a brokering or influencing role, we encourage councils and other partners to adopt Option B in this report, with local criteria being applied in a flexible, non-prescribed way to compliment local plan policy and build confidence in the approach and evidence success for further development.

2.4 It is widely acknowledged by the industry and local councils that the existing NPPF definition does not reflect local needs and circumstances and in the West Midlands is not adequately securing an increased supply of affordable housing. Analysis has shown that 80% of market rates for both home ownership and rental markets remains beyond the reach of a considerable proportion of the population.

2.5 To assist in developing a bespoke regional approach, further independent research was commissioned to assess market conditions and how a new definition may be applied. This report sets out a summary of this further evidence of the variation of incomes and affordability across the region, both for home ownership and rental markets, and the proposed elements of a definition to be applied as a trial through the Single

Commissioning Framework, to demonstrate the region's ambitious approach at the forefront of the housing affordability agenda.

- 2.6 In addition, a collaborative working group of officers from local authorities and other partners has been established to ensure the continued development, co-design and implementation of a regional definition reflects local conditions and planning policies. In parallel, the Homelessness Taskforce remains a key partner in developing this approach and subsequent evaluation.
- 2.7 The existing National definition from the National Planning Policy Framework is set out below:

“Housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers)”, under four sub-headings: affordable housing for rent, starter homes, discounted market sales housing, and other affordable routes to home ownership (e.g. shared ownership).”

For both affordable rent **and** discounted market sales, the NPPF sets out a margin of 20% below market value as the minimum discount that should be applied.
(National Planning Policy Framework, Affordable Housing Definition)¹

3.0 Regional evidence: housing sales

- 3.1 The most commonly used metric for housing affordability is the “House price to earnings” ratio, adopted by HM Government as their official measure of this issue. Published annually, this data compares the median average salary in a local authority area with the median average house price. Figure 1 below illustrates the ratio for each of the CA authorities, and the WMCA region as a whole, alongside the national average.

¹ <https://www.gov.uk/government/publications/national-planning-policy-framework--2>

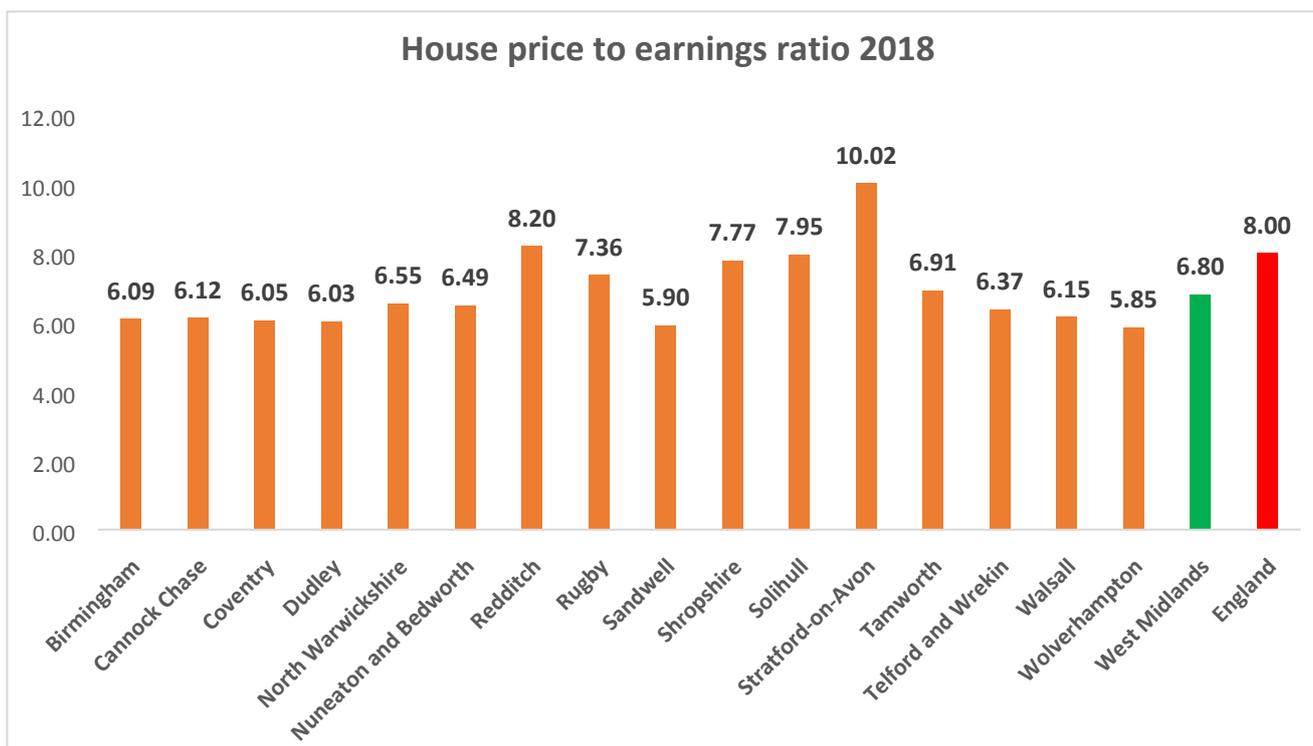


Figure 1: WMCA local authorities house price to income ratio, source

<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoresidencebasedearningslowerquartileandmedian>

3.2 Whilst broadly demonstrating the differences at a local authority level, this measure is not sufficiently granular and takes insufficient account or weighting of local affordability considerations and problems. It means two very different communities across one local authority area will be measured by the same definition of ‘affordable’, regardless of considerable local variation in housing affordability. It should also be noted that this data refers to full-time employees only, and therefore does not reflect the full range of incomes, whether through part-time work, benefits or other means.

3.3 Loan to value ratio

The “Loan to value” ratio is calculated by applying a “mortgage cap”, as applied by most lenders, of 4.5 times gross earnings as the maximum amount to be borrowed by home purchasers. Figures 2 and 3 below show that, for both median and low-income households, the average house price is considerably beyond the amount available to borrow. This means that the average homebuyer would require a considerable deposit to purchase a typical home, adding to the unaffordability cycle of requiring to save a significant sum whilst renting or in other accommodation.

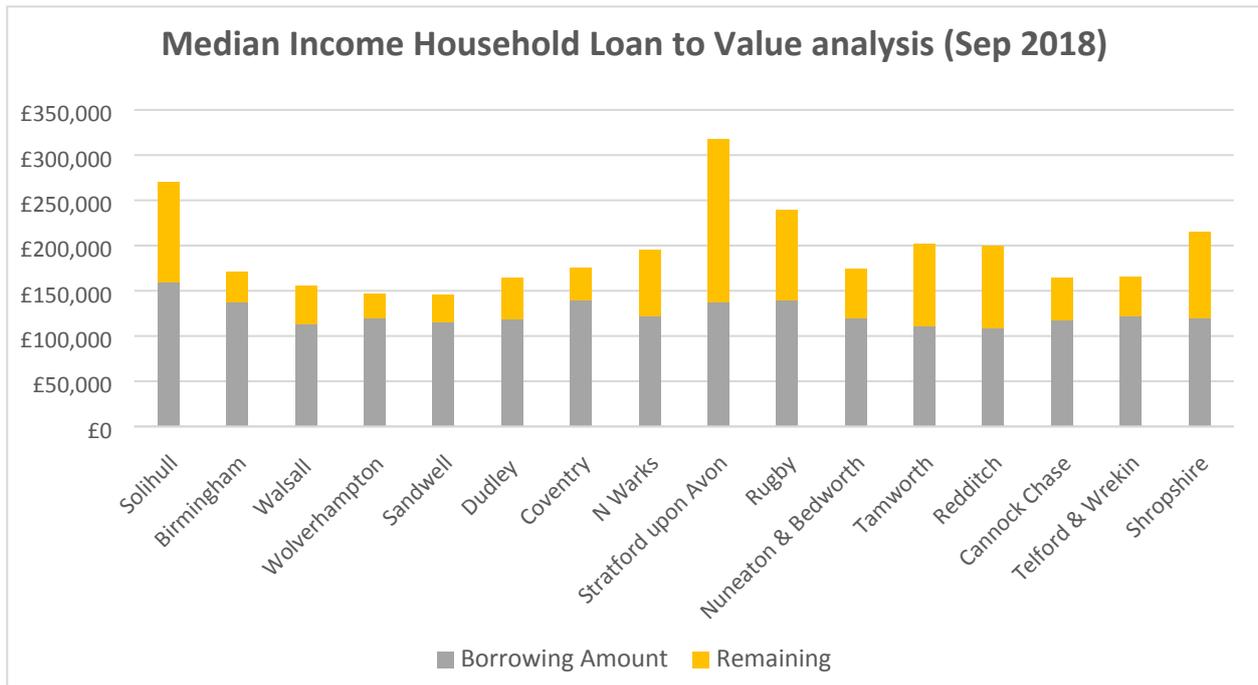


Figure 2: WMCA local authorities Median Income Loan to Value analysis, source Avison Young.

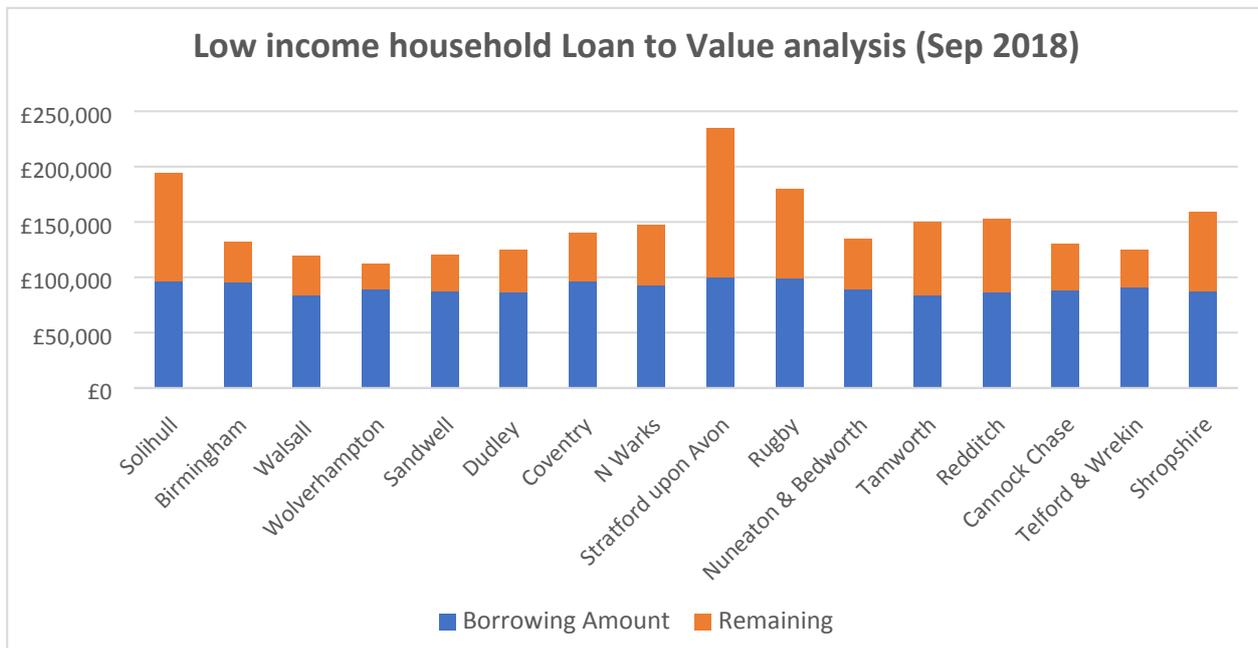


Figure 3: WMCA local authorities Low Income Loan to Value analysis, source Avison Young.

3.4 The housing market therefore remains out of reach for many residents of our region, hindering the region’s continued economic prosperity and productivity. This is further demonstrated when assessing the impact on “key workers”, i.e. those working in roles that are recognised as vital to the infrastructure of the community in the health service, education or community safety. Figure 4 below shows the local analysis of how attainable first-time mortgages are for four such roles, using income and housing data from 2018.

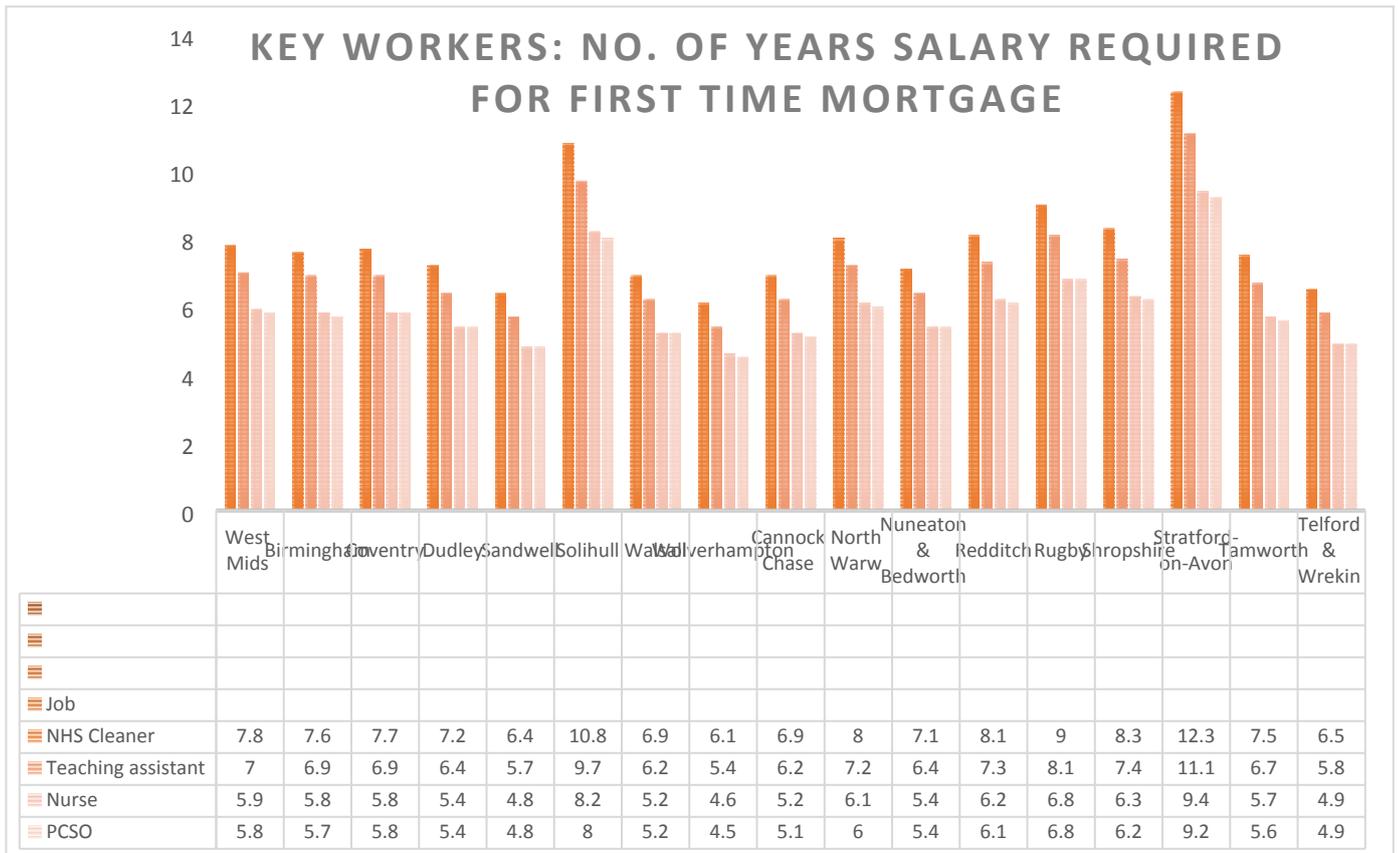


Figure 4: Key worker salary/mortgage analysis, source Unison

4.0 Rental market

- 4.1 The data and analysis in Section 3 above demonstrates some of the issues in the housing sales market. However, the national measure of affordability takes no account of the complex issues we see within the housing rental market.
- 4.2 The rented sector has seen considerable change and growth in recent years, as homeownership has become increasingly unattainable to a large proportion of the population. This has resulted in a growing number of households, including a large increase of families with dependants, living in the Private Rented Sector.
- 4.3 Alongside this growth in the private sector, the number of affordable and social homes being completed in the region has not kept pace with the overall increase in housing. The total of affordable homes completed in the WMCA area was 3,801 – of which 1,793 were within the 7 Met area. This shortfall of affordable supply is adding to the demand in the private rented sector.
- 4.4 The data illustrated in Figure 5 below shows the range of private rented prices across the seven metropolitan council areas of the WMCA, based on Valuation Office Agency data. This indicates the variation of local values and demand within the market, in particular highlighting the strong demand for small urban homes.

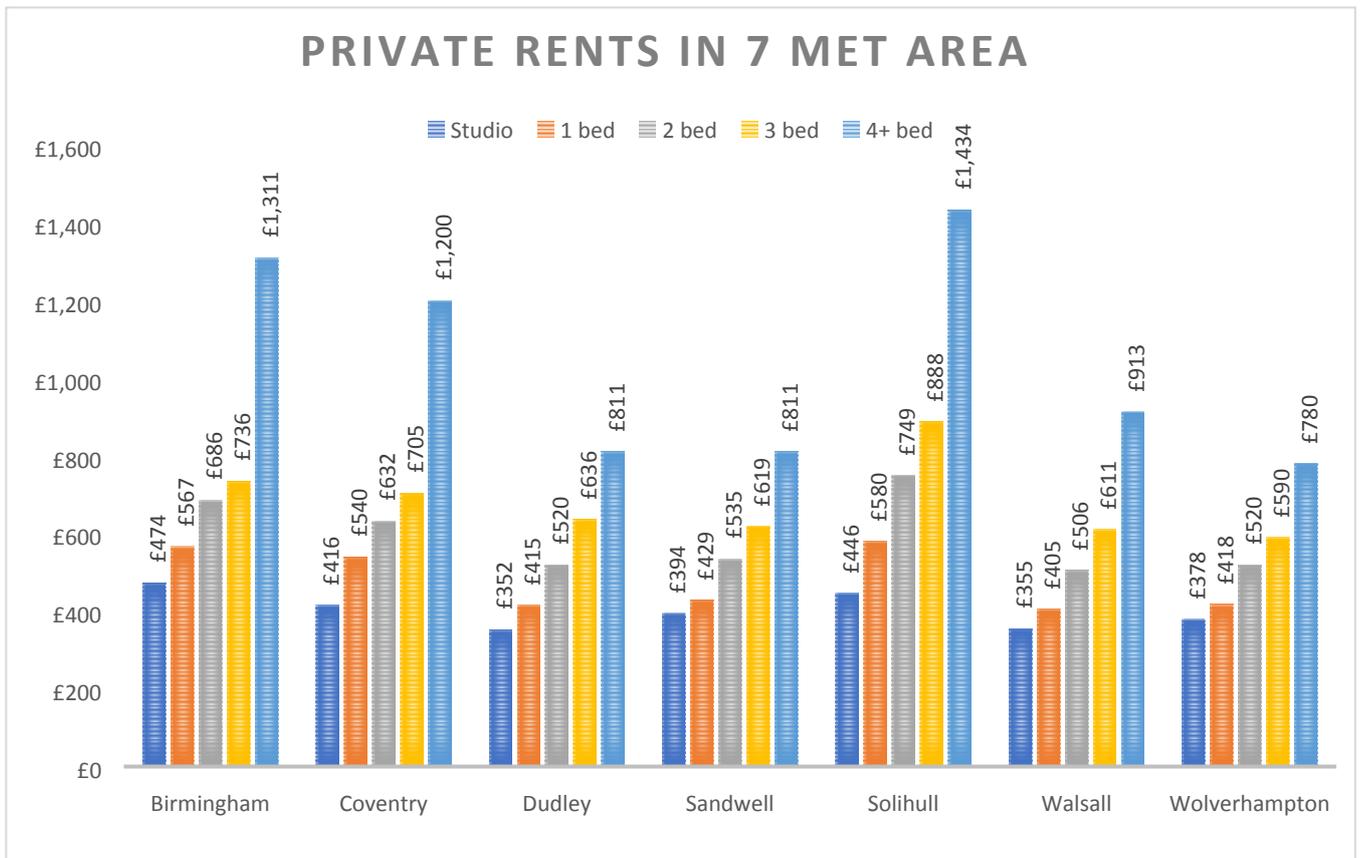


Figure 5: Private rental property prices for WM Metropolitan Council areas, source VAO analysis by Cushman & Wakefield.

4.5 Affordable housing provided by housing associations is a significant element of the regional market, with rents often set at considerably lower levels than other options. Figure 6 shows the average price variation between private rented sector and homes managed by registered providers, alongside the benchmark of 30% of household income, illustrating the broad picture across the 7 Met area. It should be noted that this data is available at overall average level only and therefore does not indicate size of property, household composition etc.

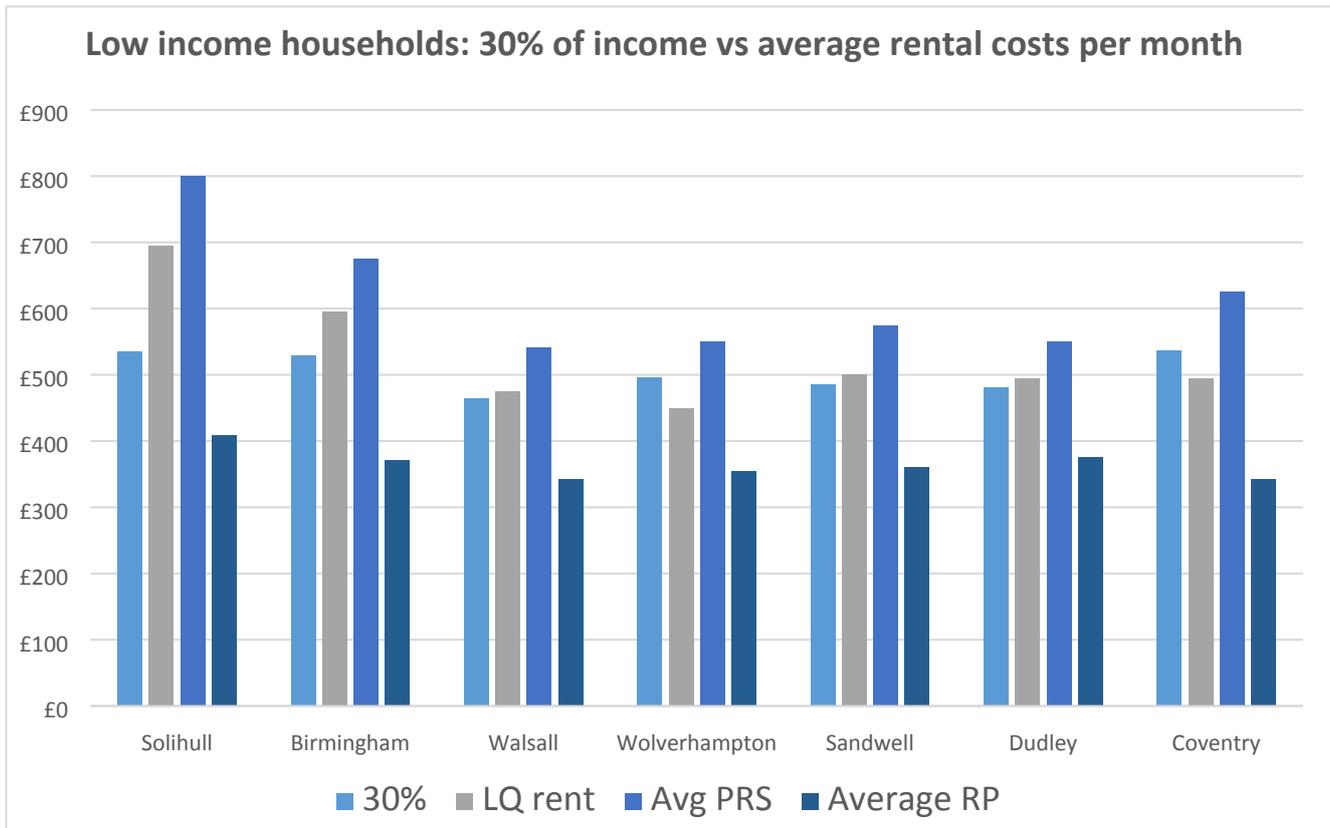


Figure 6: Low Income households and rental options, source data ONS.

- 4.6 In summary, the evidence above shows that the “one size fits all” approach of the National policy definition of affordability does not reflect the multi-dimensional factors that influence the costs of housing in the West Midlands for local people. In order to address the inaccessibility of both genuinely affordable rental properties and the growing gap between income levels and house prices, a regional approach needs to reflect a whole range of factors influencing affordability and housing market demand.
- 4.7 It is important to note that a proposed definition will be the first of its kind for a region in the UK and therefore, as with any trailblazing approach, there may be impacts and consequences that will need to be evaluated and reflected in due course. The research and engagement undertaken by the CA has identified a number of issues that will need to be closely monitored and mitigated for, including:
- Developer interest and stakeholder buy-in in the region
 - Potential displacement or substitution of existing supply
 - Existing affordable and social housing supply and pricing
 - Demand for specific products or types of affordable housing
 - Current and future housing mix and demand

5.0 Applying a local definition

- 5.1 The approach being proposed today to the Housing and Land Board learns from the beta testing since March 2019, the Board's steers in July 2019, the independent report we commissioned and feedback from practitioners, project sponsors, local councils, Homes England and the Homelessness Task Force. It focuses on broadening the definition of affordable housing on sites acquired or invested in by West Midlands Combined Authority, to include:
- a) A greater range of products available in the market, tailored for local demand and needs. For example, in areas local to major healthcare facilities, homes are to be provided which are affordable to defined groups of healthcare workers; or in areas with an education and learning focus, homes are affordable to those employed in the knowledge economy
 - b) A measure of local affordability related to lower quartile household income, to reflect the local market issues and incomes of residents.
- 5.2 This approach reflects both supply and demand in the affordable housing market, in order to address both the types of product available and the existing market factors influencing what is affordable at a local level. The table below sets out **some** of these elements to be factored into the appraisal process.

Supply "products"	Demand factors
"Key worker" housing	Local median income
Knowledge economy/ graduate housing	Local lower quartile income
Shared ownership	Tenure mix
Help to Own	Current social housing provision
Co-living	Market conditions/values
Social rent	Local employment
Affordable rent	Connectivity and proximity to assets

- 5.3 Alongside the criteria above, the importance of local income levels and tackling wide ranging concerns about the cost of living should be reflected by a measure of local income that reflects local circumstances. It is proposed that we set a target of 30-35% of lower quartile income levels in the local area, as set out in Table 1 below. This measure should remain flexible in order to reflect local market conditions and viability of schemes to ensure development is not hindered. However, the intent of the local income-based measure is fundamental to the distinctly localist approach of this definition.

	Low Income			
	Gross Earnings	30% Cap	35% Cap	Monthly equivalent rate
Solihull	£21,403	£6,420.90	£7,491.05	£535/624
Birmingham	£21,156	£6,346.80	£7,404.60	£529/617
Walsall	£18,571	£5,571.30	£6,499.85	£464/542
Wolverhampton	£19,847	£5,954.10	£6,946.45	£496/579
Sandwell	£19,415	£5,824.50	£6,795.25	£485/566
Dudley	£19,232	£5,769.60	£6,731.20	£481/561
Coventry	£21,473	£6,441.90	£7,515.55	£537/626
North Warwickshire	£20,768	£6,230.40	£7,268.80	£519/606
Stratford upon Avon	£22,253	£6,675.90	£7,788.55	£556/649
Rugby	£22,040	£6,612.00	£7,714.00	£551/643
Nuneaton & Bedworth	£19,796	£5,938.80	£6,928.60	£495/577
Tamworth	£18,581	£5,574.30	£6,503.35	£465/542
Redditch	£19,165	£5,749.50	£6,707.75	£479/559
Cannock Chase	£19,649	£5,894.70	£6,877.15	£491/573
Telford and Wrekin	£20,204	£6,061.20	£7,071.40	£505/589
Shropshire	£19,500	£5,850.00	£6,825.00	£488/569

Table 1: Low income quartile households monthly housing cost threshold, source Avison Young

How the definition will be implemented

- 5.4 The definition is intended to sit within the SCF funding programme to avoid direct competition with other affordable products and programmes (e.g. Homes England National Affordable Homes Programme) or affordable housing which is secured on a scheme by local planning authorities by way of the existing planning application process (Section 106).
- 5.5 Through the current SCF process, all schemes receiving WMCA funding that “include residential uses and involve 10 dwellings or more, or involve sites of 0.5 hectares or more” are required to meet a minimum provision of 20% affordable housing. As current schemes progress through negotiation and viability assessment, the proposed regional definition is being “soft tested” to assess market acceptance and take-up. Thus far, feedback from the real estate industry coming through the SCF has been positive about this requirement and the flexibility given by the proposed definition has been welcomed as a more bespoke and locally informed approach that enables increased supply of affordable homes.

- 5.6 The application of a regional definition informed by local context will require the consistent application of analysis at scheme assessment and viability appraisal stages (e.g. what constitutes “Key Worker” housing). This process will become a formalised element of scheme appraisals via the SCF and the Framework documentation will require amendments to reflect the adopted criteria, as agreed by Housing & Land Delivery Board in September 2019.
- 5.7 The WMCA will have responsibility for monitoring the implementation of the definition through the contractual obligations of agreements agreed via the Single Commissioning Framework, to ensure compliance with minimum thresholds and other criteria. As part of the monitoring and evaluation of the WMCAs Housing and Regeneration programmes, the impact and outcomes arising from the regional affordable housing definition would be reported on a regular basis to the Housing & Land Delivery Board to demonstrate effectiveness and value for money of the SCF investments. The criteria will be reviewed at regular intervals to ensure information is as current as possible in order to reflect local circumstances. This evidence will then be used to amend and refine the process as required and to encourage wider uptake of the definition subject to proof of concept.

6. Financial Implications

There are no direct financial implications for any work arising as a result of approving the recommendations within this report. Incorporating enhanced standards into proposals which WMCA are developing through the Single Commissioning Framework may result in a higher level of subsidy being required by the Combined Authority where the initial proposal refers to a lower standard. Investment decisions will, however, continue to be evaluated on a case by case basis to ensure the adequacy of outputs and verify affordability.

7. Legal Implications

Section 113A(1)(a) of the Local Democracy, Economic Development and Construction Act 2009 gives the CA a power of competence appropriate for the purposes of carrying-out any of its functions. Part 4 of The West Midlands Combined Authority Order 2016 (2016 No 653) confers that the functions relating to any Economic development and regeneration in the constituent councils are exercisable by the CA. Part 3 of The West Midlands Combined Authority (Functions and Amendment) Order 2017 confers functions corresponding to the functions of the Homes and Communities Agency has in relation to the combined area.

There are no direct legal implications identified as a result of this report. However, the proposals set out in this report will have legal implications and risks in the future which will be considered at the appropriate time through future reports as necessary.

8. Equalities Implications

The proposals within the report are likely to have a positive impact on equalities. An equality impact assessment will be conducted to ensure that key equality principles and

considerations are incorporated within any affordable housing definition to help address inequalities and promote inclusion and equality for a wide range of groups.

9. Inclusive Growth Implications

The proposals for a regional affordable definition applied to the Single Commissioning Framework are focused on improving accessibility to and affordability of housing, factors which have considerable bearing on inclusivity. Failure to ensure that prosperity benefits communities across the region will contribute to the challenges continuing in the future.

10. Geographical Area of Report's Implications

The proposed approach to housing affordability is intended to encompass the whole geography of the WMCA area, including the 3 LEPs and non-constituent Member authorities.

11. Other Implications

N/A

12. Schedule of Background Papers

"Housing Affordability: Regional Definition" Report to Housing & Land Delivery Board, July 2019.

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Housing & Land Delivery Board

Date	15 January 2020
Report title	Inclusive Growth Corridors: Update on Delivery & Investment Plans for: <ul style="list-style-type: none"> • Walsall to Wolverhampton • West Bromwich to Dudley
Portfolio Lead	Councillor Mike Bird, Leader, Walsall MBC
Accountable Employees	Gareth Bradford, Director of Housing & Regeneration Patricia Willoughby, Head of Policy (Housing & Regeneration) (report author)
Report has been considered by	Housing & Land Delivery Steering Group Previous Housing & Land Delivery Boards since inception of the programme.

Recommendation(s):

The Housing & Land Delivery Board is asked to:

- Note current progress on the emerging Delivery & Investment Plans being prepared for the two inclusive growth corridors
- Note the programme for Delivery & Investment Plans in 2020 – namely key milestones and timescales to ensure that the plans are approved and published, in final form, before the end of Q1 2020.
- Provide comments and feedback on the emerging Delivery & Investment Plans so that they can be incorporated, as appropriate, prior to the Housing & Land Delivery Board meeting on 24 February 2020.

1.0 Purpose

- 1.1 WMCA, working in collaboration with its local authority partners, has embarked upon a programme of development and investment opportunities focused on a number of

inclusive growth corridors across the West Midlands. For two of these corridors, the Housing & Land Delivery Board is managing a programme of preparing a Delivery & Investment Plan. Each plan is anticipated to be finalised during Q1 2020. The Board also agreed that external specialist resources should be procured, where necessary, to assist WMCA and local councils in the production of the plans in the timescale required. The two corridors are:

- Walsall to Wolverhampton, and
- West Bromwich to Dudley

1.2 The purpose of this paper is to explain the background to, and progress on, the preparation of the Delivery & Investment Plans and to invite comments. As with the approach used successfully with the Single Commissioning Framework and Investment Prospectus, a short presentation with the very latest information on each Delivery & Investment Plan will be provided at the Board meeting.

2.0 Background

Growth Corridors and Strategic Opportunity Areas in Local Plans

2.1 There is a long history of bringing together infrastructure investment and new development opportunities in a positive way across the West Midlands. WMCA's Spatial Investment & Delivery Plan (SIDP), approved by the Housing & Land Delivery Board in February 2019, takes its lead from the adopted and emerging Local Plans of the constituent and non-constituent authorities of WMCA. On that basis, a number of 'Growth Corridors' and 'Strategic Opportunity Areas', identified in the SIDP, reflect those documents. In many cases, these major development opportunity areas cross the administrative boundaries of two or more local authorities.

The rationale for area-based programmes

2.2 The underlying rationale for a specific focus on these types of development opportunity areas is that they have the potential to bring together a concentration of public and private sector investment across a broad geography (i.e. beyond the boundaries of an individual site) often maximising the opportunities presented by major planned or committed transport investment.

2.3 The establishment of WMCA provided the opportunity to build on previous work by the local authorities and LEPs to deliver on their long-standing aspirations: delivering inclusive growth by means of a concentrated programme of activity across organisations has the potential to create truly transformational change. The principles of corridor-based working, higher design quality and unlocking new investment lies at the heart of the programme. In the inclusive growth corridors, transport investment, development opportunity (frequently on brownfield land) and untapped potential come together to provide the opportunity to create a critical mass of activity, present new opportunities for strategic investment and strengthen local communities in a holistic way.

2.4 Importantly, the corridor programme takes as its starting point accelerating and securing the delivery of development opportunities, and the land and infrastructure proposals identified in the local plans of constituent and non-constituent members. Adding to that process, it seeks to join up areas of opportunity which extend across local authority

boundaries and provide a comprehensive plan for delivery and investment to guide investment by WMCA, Homes England and the private sector.

The Walsall to Wolverhampton Corridor (W2W)

- 2.5 The Walsall to Wolverhampton Corridor (W2W) has existed in a variety of forms since the development of the West Midlands Regional Spatial Strategy (2008) and the subsequent Black Country Core Strategy (2011). The corridor has achieved welcome momentum as a result of major transport investment i.e. the re-opening of the railway line for passenger services between the two centres with proposed new stations at Willenhall and Darlaston. The Housing Deal agreed with Government in March 2018 also included a new Land Fund which would specifically target the provision of new housing in the Black Country and this too will provide additional support for the project.
- 2.6 The Black Country Core Strategy is supported by more detailed Area Action Plans and Site Allocations Documents. A review of the Plan is underway and current work is focused on the accelerated delivery of sites and opportunities, the relationship to enabling infrastructure and establishing a strong baseline of information. This has included the acquisition by WMCA of land required for the new railway station at Darlaston and work on preparing key sites for development and investment by WMCA and others within the corridor.

The West Bromwich to Dudley Corridor (WB2D)

- 2.7 The West Bromwich to Dudley Corridor is described in the SIDP as the Sandwell to Dudley Corridor. It is focused on how to maximise a range of housing and employment opportunities that will be unlocked by the Metro extension from Wednesbury to Brierley Hill, commitments to funding having been secured through the Transforming Cities Fund. An action plan sets out ways in which the economic benefits of the extended Metro route could be maximised and the corridor group is keen to see this implemented in a manner which secures genuine inclusive growth for the citizens and business of the area. In the light of this information, and wider considerations, it is appropriate to extend the area covered by the Delivery & Investment Plan to include the full length of the Metro route between West Bromwich and Dudley town via Wednesbury.
- 2.8 The Housing Deal agreed with Government in March 2018 also included a new Land Fund which would specifically target the provision of new housing in the Black Country and this too will provide additional support for the corridor.
- 2.9 The key planning work (site identification, etc.) is contained in the Black Country Plan and a review of this Plan is in progress. Current work is focused on the accelerated delivery of sites and opportunities, and establishing a strong baseline of information. This has included work on preparing key sites for development and investment by WMCA and others within the corridor.

3.0 Current work

- 3.1 By working together, WCA and local authorities have proved in recent years that they can collectively secure new public and private investment, especially to unlock challenging brownfield development sites. A key aim for the Delivery & Investment Plans is to help continue this work and as such the intended audience has been potential investors (public and private) which can provide the funding to transform each

town centre and deliver inclusive growth. Officials worked closely together to agree the purpose, format and content of each document at the start of the detailed work and subsequent revisions throughout the production process.

- 3.2 It was agreed that typical ingredients for the plans will include:
- Clear and succinct synthesis of evidence on infrastructure, investment, housing, skills, employment, business, etc.
 - An investment framework which articulates the vision; the investment opportunities and challenges; the alignment, ownership, phasing and prioritisation of public sector interventions to realise those opportunities; and presentation of an investment friendly proposition
 - Focus on unlocking housing and employment sites in local plans supported by local councils
 - An approach which embeds complete collaboration with the local authorities, the LEP and WMCA with no reinvention of the wheel.
 - A prospectus which sets out what already exists (i.e. local assets) packaging it appropriately together and presenting it in new ways for an investment audience
 - Clarity on delivery and planning approaches necessary to ensure timely implementation of the framework.
- 3.3 It was further agreed that the Delivery & Investment Plans would need to provide added value to the work of the local authorities and fulfil the specific purposes required. The focus of the external support, agreed with all of the local authorities, and in various Member and officer meetings of WMCA, was agreed as being the production of a framework which supports the delivery of key sites and projects, and both attracts and maximises public and private sector investment.
- 3.4 Officials agreed that external resources should be appointed to act as lead writer and editor, pulling together and analysing the work of the local authorities and WMCA, taking soundings from other consultancies who can act as critical friends and who can support and challenge status quo.
- 3.5 In its final form, the document is intended to be highly visual and comparable in quality to WMCA's Investment Prospectus. The focus between now and February is on producing a Word document and agreeing the content. This can then inform future investment documentation and portfolios for the market.
- 3.6 The audience for the document is primarily investors, developers and public sector investment boards but should also engage the wider community in terms of giving confidence that things are changing.

4.0 Next Steps

- 4.1 We have a comprehensive work programme for each Delivery & Investment Plan. Below are highlighted some critical events and milestones relevant to both plans in the next couple of months.

Month	Milestone
Throughout January	Work by officers of each council and WMCA, with external support, on revised drafting of the Delivery & Investment Plans.
15 January	Housing & Land Delivery Board – update on progress
24 February	Final version of Delivery & Investment Plans to be agreed by the Housing & Land Delivery Board (publication date TBC shortly after)

5.0 Financial Implications

5.1 There are no direct financial implications from the information contained in the report. Funding for future programmes will be analysed on a case by case basis and projects on which funding is sought will need to demonstrate a clear relationship with the direct outputs required by the single commissioning framework, namely:

- brownfield land remediation
- new homes delivered
- new commercial, retail or employment floorspace delivered.

6.0 Legal Implications

- 6.1 Section 113A(1)(a) of the Local Democracy, Economic Development and Construction Act 2009 gives WMCA a power of competence appropriate for the purposes of carrying-out any of its functions. Part 4 of The West Midlands Combined Authority Order 2016 (2016 No 653) confers that the functions relating to any economic development and regeneration in the constituent councils are exercisable by WMCA. Part 3 of The West Midlands Combined Authority (Functions and Amendment) Order 2017 confers functions corresponding to the functions of the Homes and Communities Agency has in relation to the combined area. Paragraph 10 (2) (a) of the 2017 Order confers the function of improving the supply and quality of housing to the Combined Authority, 10 (2) (b) to secure the regeneration or development of land or infrastructure in the combined area, 10 (2)(c) to support in other ways the creation, regeneration or development of communities in the combined area or their continued well-being and 10 (2)(d) confers the function of contributing to the achievement of sustainable development and good design.
- 6.2 The purpose of the Delivery and Investment Plans to be prepared for each of the two growth corridors is to bring wider access to funds and to assist in acquiring assembling and disposing of land. It is to be tailored to an investor audience which will secure the funding to deliver inclusive growth in the corridors.
- 6.3 It is envisaged that external support will be sought and the focus will be on the production of a framework which supports the delivery of key sites and projects and attract and maximise public and private sector investment.
- 6.4 If the Plans are to be relied upon by third parties it is important that any representations in the Plans are accurate and may require legal input at the relevant stages and

governance structures to ensure that any co-investments including grant and/or loan funding complies with the criteria and governance systems set out in the WMCA Single Commissioning Framework or otherwise.

7.0 Equalities Implications

- 7.1 There are no immediate equalities implications in relation to this report. However, individual strategies and delivery schemes will need to take into account local area needs and local stakeholder needs to ensure the schemes benefit local residents, including harder to reach groups. To that effect equality impact assessments will need to be conducted to understand demographics, key inequality issues and how investment can help address key inequality gaps.
- 7.2 Engagement and consultation with key equality stakeholders is also crucial to ensure that the programme takes into account diverse community needs. Overall, regeneration in some of the most deprived and diverse West Midlands town centres is likely to have a positive impact on equalities but it needs to be done in a way that enables a wide range of residents (including the harder to reach groups) to benefit.

8.0 Inclusive Growth Implications

- 8.1 The proposals themselves are neutral when it comes to inclusive growth. However, implications will arise as investments are made and strategies are devised – in terms of who benefits from those investments and in who is involved in shaping and contributing to them. As such, any programmes should be devised with the responsibility to deliver inclusive growth. The Inclusive Growth Framework and burgeoning Investment Toolkit can be as a guide to shape this process.
- 8.2 Current governance arrangements are satisfactory for building a strategic picture, but the shaping and delivery of specific programmes will need to involve a wider variety of stakeholders in order to be inclusive.

9.0 Geographical Area of Report's Implications

- 9.1 This paper relates to two inclusive growth corridors: Walsall to Wolverhampton, and West Bromwich to Dudley. Neither are formally defined with hard and fast boundaries so that development opportunities can be maximised.

10.0 Other implications

- 10.1 None.

11.0. Schedule of Background Papers

- 11.1 There have been regular updates on matters relating to these two inclusive growth corridors which are being progressed in collaboration with the relevant local authorities. These reports have been considered by WMCA's Housing & Land Delivery Board and/or Investment Board.



West Midlands
Combined Authority

Housing & Land Delivery Board

Date	15 January 2020
Report title	Town Centres Programme: Update on Delivery & Investment Plans for: <ul style="list-style-type: none"> • Bilston • Bordesley Green • Dudley • Walsall • West Bromwich
Portfolio Lead	Councillor Mike Bird, Leader, Walsall MBC
Accountable Employees	Gareth Bradford, Director of Housing & Regeneration Patricia Willoughby, Head of Policy (Housing & Regeneration) (report author)
Report has been considered by:	Housing & Land Delivery Steering Group Previous Housing & Land Delivery Boards since inception of the Programme

Recommendation(s):

The Housing & Land Delivery Board is asked to:

- Note current progress on the emerging Delivery & Investment Plans being prepared for the five 'first wave' town centres
- Note the programme for Delivery & Investment Plans in 2020 – namely the key milestones and timescales to ensure that the plans are approved in final form, before the end of Q1 2020

- Provide comments and feedback on the emerging Delivery & Investment Plans so that they can be incorporated, as appropriate, prior to the Housing & Land Delivery Board meeting on 24 February 2020.

1.0 Purpose

- 1.1 WMCA, working in collaboration with its local authority and business partners, has embarked upon a programme of town centre regeneration and revitalisation. For an identified set of pilot town centres (wave 1), the Housing & Land Delivery Board is managing a programme of preparing Delivery & Investment Plans. Each plan is anticipated to be finalised during Q1 2020. The Board also agreed that external specialist resources should be procured, where necessary, to assist the production of the plans in the timescale required.
- 1.2 The purpose of this paper is to explain the background to, and progress on, the preparation of the Delivery & Investment Plans and to invite comments. As with the approach used successfully with the Single Commissioning Framework and Investment Prospectus, a short presentation with the very latest on each Delivery & Investment Plan will be provided at the Board meeting.

2.0 Background

- 2.1 WMCA's Town Centres Programme was launched in October 2018 and is now proceeding at pace. Five town centres were chosen as a 'first wave' of centres and to act as pilots for the future:
- Bilston (City of Wolverhampton Council)
 - Bordesley Green (Birmingham City Council)
 - St Matthew's Quarter, Walsall (Walsall Council)
 - St Thomas' Quarter, Dudley (Dudley Council)
 - West Bromwich East (Sandwell Council)
- 2.2 Although the focus was initially on those parts of the town centres listed above, it was agreed at the meeting of the Housing & Land Delivery Board on 4 November 2019 that future work on Dudley, Walsall and West Bromwich should cover the whole of these town centres not just part. As a result, the Delivery & Investment Plans are being prepared in this way.
- 2.3 Delivery & Investment Plans are part of the overall Town Centres Programme managed by the Housing & Land Delivery Board. This programme includes:
- The work of the Regional Town Centres Task Force who have helped shape Delivery & Investment Plans and the interventions planned for each centre (see below) bringing their expert thoughts, expertise and ideas to the table.
 - Delivering a series of 'major interventions' which are critical to the transformation of each centre and form key pillars of the Delivery & Investment Plans (e.g. land acquisition, demolition, site preparation works – essentially major capital investment projects). Good progress is being made across the centres on these major acquisitions and investments (e.g. Bull Street, Sandwell).
 - Delivering a programme of 'early impact/soft interventions' - essentially projects which can be delivered more quickly which will help to increase footfall, support the overall regeneration process and demonstrate that change is starting to happen. An indicative list of projects was agreed by the Housing & Land Delivery Board in September 2019 together with a process for working jointly between WMCA and

local councils (and project sponsors) on necessary due diligence, delivery timetables and project definition. Projects are being developed with guidance from the Regional Town Centres Task Force and the town centre working group with delivery planned throughout 2020

- A Town Centres Toolkit is being developed to support the overall programme of interventions.

2.4 As part of the Town Centres Programme, each local authority produced a draft 'Delivery & Investment Plan' for its town centre at an early stage in the process. These plans have provided the basis for the current plans and enabled shared approaches and learning across the five centres.

2.5 A strong recommendation from the Regional Town Centres Task Force was that the Delivery & Investment Plans needed to excite investor interest by setting out a compelling vision and supporting evidence to justify public and private sector investment decisions. The Task Force recommended that the Plans should be capable of justifying public and private sector investment decisions, especially where there are challenging project Budget-Cost Ratios.

2.6 Housing & Land Delivery Board agreed that the Delivery & Investment Plans must bring additionality to what already exists in terms of local plans, master plans, area action plans, the regional investment prospectus, etc. In particular, they should helpfully support schemes (especially those identified by each council as local regeneration priorities) to progress successfully through WMCA's Single Commissioning Framework/private sector investment boards.

3.0 Current work

3.1 By working together WMCA and local authorities have proved in recent years they can collectively secure new public and private investment, especially to unlock challenging brownfield development sites. A key aim for the Delivery and Investment Plans is to help continue this work and as such the intended audience has been potential investors (public and private) which can provide the funding to transform each town centre and deliver inclusive growth. Officials worked closely together to agree the purpose, format and content of each document at the start of the detailed work and subsequent revisions throughout the production process.

3.2 It was agreed that the Delivery & Investment Plans would:

- Provide a framework for delivery and funding interventions in town centres that can showcase tangible, visible change
- Set out the components that each town centre needs to survive and thrive
- Explain who is going to deliver each of the components and why
- Highlight the quick and efficient process that the private sector can access should they wish to develop or invest in the town centre (e.g. planning, procurement)
- Ensure a holistic approach is taken with community engagement, and
- Present compelling and exciting investment propositions on which investors can focus, appreciating the risk and reward equation and public sector enablement in action.

3.3 It was also agreed that typical ingredients of each plan would include:

- Clear and succinct synthesis of evidence on infrastructure, investment, housing, skills, employment, business, etc.

- An investment framework which articulates the vision; the investment opportunities and challenges; the alignment and prioritisation of public sector interventions to realise those opportunities; and presentation of an investment friendly proposition
- A focus on unlocking housing and employment sites in local plans supported by local councils
- An approach which embeds complete collaboration with the local authorities, the LEP and WMCA
- A prospectus which sets out what already exists (i.e. local assets) packaging it appropriately together and presenting it in new ways for an investment audience
- Clarity on delivery and planning approaches necessary to ensure timely implementation of the framework.

3.4 Officials agreed that external resources should be appointed to act as lead writer and editor, pulling together and analysing the work of the local authorities and WMCA, taking soundings from other consultancies acting as critical friends to support and challenge status quo.

3.5 In its final form, the document is intended to be highly visual and comparable in quality to WMCA's Investment Prospectus. The focus between now and February is on producing a Word document and agreeing the content. This can then inform future investment documentation and portfolios for the market.

4.0 Next Steps

4.1 We have a comprehensive work programme for each Delivery & Investment Plan. Below are highlighted some critical events and milestones relevant to all the plans in the next couple of months.

Month	Milestone
Throughout January	Work by officers of each council and WMCA, with external support, on revised drafting for the Delivery & Investment Plans
15 th January	Housing and Land Board update on progress
4 February	Meeting of Regional Town Centres Task Force at which draft Delivery & Investment Plans will be considered.
24 February	Final version of Delivery and Investment Plans to be agreed by the Housing & Land Delivery Board (publication date TBC shortly after)

4.2 Other work which is currently being progressed at this stage includes:

- A review of the membership of the Regional Town Centres Task Force to ensure that it has sufficient capacity and a full range of skills to address the issues that are being highlighted as a result of work to date.
- Provision of a dedicated secretariat for the Task Force
- Programme management support for the Town Centres programme to ensure that the ambition of the Delivery & Investment Plans is translated into delivery on the ground

- Review of procedural arrangements for funding of projects so that decisions can be made quickly in full compliance with all statutory requirements.

5.0 Financial Implications

5.1 There are no direct financial implications from the information contained in the report. Funding for future programmes will be analysed on a case by case basis and projects on which funding is sought will need to demonstrate a clear relationship with the direct outputs required by the single commissioning framework, namely:

- brownfield land remediation
- new homes delivered
- new commercial, retail or employment floorspace delivered.

6.0 Legal Implications

6.1 Section 113A(1)(a) of the Local Democracy, Economic Development and Construction Act 2009 gives WMCA a power of competence appropriate for the purposes of carrying-out any of its functions. Part 4 of The West Midlands Combined Authority Order 2016 (2016 No 653) confers that the functions relating to any economic development and regeneration in the constituent councils are exercisable by WMCA. Part 3 of The West Midlands Combined Authority (Functions and Amendment) Order 2017 confers functions corresponding to the functions of the Homes and Communities Agency has in relation to the combined area. Paragraph 10 (2) (a) of the 2017 Order confers the function of improving the supply and quality of housing to the Combined Authority, 10 (2) (b) to secure the regeneration or development of land or infrastructure in the combined area, 10 (2)(c) to support in other ways the creation, regeneration or development of communities in the combined area or their continued well-being and 10 (2)(d) confers the function of contributing to the achievement of sustainable development and good design.

6.2 The paper sets out the background to and progress on the preparation of the Delivery & Investment Plans. It is stated that work on the Plans is linked to other streams of work in the Town Centres Programme and that the purpose of the Plans is to excite investor interest and provide a framework for the delivery and funding of interventions in the town centres that can show tangible visible change in the town centre.

6.3 The paper envisages procurement of external specialist resources to assist WMCA and local Councils in the production of the Plans in the timescales required. If the Plans are to be relied upon by third parties it is important that any representations in the Plans are accurate and may require legal input at the relevant stages

7.0 Equalities Implications

7.1 There are no immediate equalities implications in relation to this report. However, individual strategies and delivery schemes will need to take into account local area needs and local stakeholder needs to ensure the schemes benefit local residents, including harder to reach groups. To that effect equality impact assessments will need to be conducted to understand demographics, key inequality issues and how investment can help address key inequality gaps.

7.2 Engagement and consultation with key equality stakeholders is also crucial to ensure that the programme takes into account diverse community needs. Overall, regeneration in some of the most deprived and diverse West Midlands town centres is likely to have a positive impact on equalities but it needs to be done in a way that enables a wide range of residents (including the harder to reach groups) to benefit.

8.0 Inclusive Growth Implications

8.1 The proposals themselves are neutral when it comes to inclusive growth. However, implications will arise as investments are made and strategies are devised – in terms of who benefits from those investments and in who is involved in shaping and contributing to them. As such, any programmes should be devised with the responsibility to deliver inclusive growth. The Inclusive Growth Framework and burgeoning Investment Toolkit can be as a guide to shape this process.

8.2 Current governance arrangements are satisfactory for building a strategic picture, but the shaping and delivery of specific programmes will need to involve a wider variety of stakeholders in order to be inclusive

9.0 Geographical Area of Report's Implications

9.1 This paper relates to the five 'first wave' town centres of Bilston (City of Wolverhampton Council), Bordesley Green (Birmingham City Council), Dudley (Dudley Council), Walsall (Walsall Council) and West Bromwich (Sandwell Council).

10.0 Other implications

10.1 None.

11.0. Schedule of Background Papers

11.1 There have been regular reports and updates on matters relating to WMCA's Town Centres Programme, which is being progressed in collaboration with the relevant local authorities, since the inception of the Programme in October 2018. These reports have been considered by WMCA's Housing & Land Delivery Board and Investment Board.



Housing & Land Delivery Board

Date	15 January 2020
Report title	Modern Methods of Construction: Strategy Update and Proposed Principles
Portfolio Lead	Councillor Mike Bird
Accountable Chief Executive	Deborah Cadman, Chief Executive, WMCA
Accountable Employee	Gareth Bradford, Director of Housing & Regeneration, WMCA Patricia Willoughby, Senior Reporting Officer, WMCA Rachel-Ann Atterbury, Report Author
Report has been considered by	Housing & Land Delivery Steering Group

Recommendation(s) for action or decision:

The Housing & Land Delivery Board is asked to:

- 1) Note the progress to date on delivering WMCA's vision, route map and strategy for a Modern Methods of Construction Programme (MMC), to be implemented across the region, including key milestones and decision points;
- 2) Note the proposed incremental approach to developing the MMC Strategy, to be prepared using a process of wide-ranging engagement with industry experts and practitioners so that the final strategy benefits from this input;
- 3) Agree to the adoption of '*Advanced Manufacturing in Construction*' (AMC) as the term used to describe WMCA's MMC strategy and desired products;
- 4) Consider and agree the proposed principles set out in this report, which are intended to form the basis of WMCA's future AMC Strategy.



1.0 Purpose

1.1 The purpose of this paper is to update the Housing & Land Delivery Board on progress in implementing the decisions made by the Board, on 30 September 2019, to secure additional expert MMC resource and move towards mainstreaming MMC on sites coming through the Single Commissioning Framework. Additionally, this paper proposes a series of principles intended to guide the development of a future MMC strategy.

2.0 Background

2.1 WMCA committed to increasing the uptake of advanced construction technologies in WMCA's 2019/2020 Annual Plan, in response to the findings of the Land Commission and Farmer Review which highlighted the role that advanced construction technologies could play in accelerating housing delivery.

2.2 Past reports on this subject have set out a rationale for the strategic use of advanced construction techniques, often referred to as Modern Methods of Construction (MMC), by WMCA and its partners. Further information on the rationale behind WMCA's MMC Programme and work to date is included in Appendix 1 and Table 1.

2.3 At the 30 September meeting, the Housing & Land Delivery Board agreed that WMCA should identify MMC as a pre-qualification requirement in the Single Commissioning Framework. It was further agreed, however, that this should be progressed on a phased basis so that the impact of any requirements could be tested against real schemes. The Board agreed that this pre-qualification requirement would be applied only on sites of 200 homes or more where funding was being requested through the Single Commissioning Framework. Developers would be required to provide at least 20 per cent of homes using MMC techniques. In addition, to provide further clarity, 'MMC' would be defined as either:

- Category One (volumetric modular), or
- Category Two (panelised) forms.

(Both of these are defined in MHCLG's MMC Definition Framework (attached Annex 1) which is widely recognised in industry).

2.4 The Board further agreed that implementation of the strategy in this way was to be supported by:

- the appointment of industry-specialist resources,
- the co-ordination of a wider package of work including the convening of an MMC Expert Advisory Panel, and
- the development of an MMC Strategy.



- 2.5 At a national level, there continues to be growing support for the use of MMC to drive quality, scale and sustainable product design in housing development. By way of example, in the period since the last Board, the Housing Minister has announced plans for a national “*centre of excellence*” for MMC to be located in the north of England. Mark Farmer, CEO of Cast Consultancy, has also been appointed as ‘*Champion for MMC in housebuilding*’. While detailed announcements about the nature of the Centre of Excellence have not yet been made, it is understood that the concept is that of an “*advanced construction corridor*” in housebuilding across a range of locations with industry applications ranging from R&D and product development to manufacture.
- 2.6 With such growing national support for MMC, there is, therefore, a clear opportunity for WMCA to continue to develop its own ambitious strategy for advanced manufacture in the construction industry in the West Midlands. By linking this ambition to our landmark Local Industrial Strategy, we can also seek to develop the necessary skills in the region. In this way, there is clear scope for differentiating the region’s focus from the emerging national policy agenda. We would still maintain links with, and collaborating with, other regions but, by prioritising advanced manufacturing and drawing on our own rich heritage and future plans for manufacturing in the region, we could significantly develop the national agenda. This approach has the potential to benefit both residents (by providing high-quality new homes in the region) and local manufacturers and supply chain members (by increasing the quality, range and demand for their products).

3.0 Current Work

- 3.1 Following decisions at the previous Board, officers have appointed Cast Consultancy to support the development and delivery of WMCA’s workplan, programme and activities to drive MMC use and growth across the region and ensure key milestones are met. Cast is engaged across the UK to drive up the use of MMC in housing delivery, working with manufacturers, R&D and skills specialists and the commissioners of new homes at local and regional levels. In this way, they bring the necessary expertise to specific projects, facilitate collaboration and bridge the gap between commissioners and manufacturers of MMC homes. Additionally, as noted above, the CEO of Cast has recently been appointed as the Government’s MMC Champion in housebuilding. The expertise which the company can offer, therefore, is highly relevant to WMCA’s ambitions.
- 3.3 This paper sets out for the Board the recommended approach to developing an MMC strategy and route map. The guiding principles for this work are that:
- it should balance the imperative to proceed quickly and operationalise the commitment to using advanced manufacturing in construction with
 - the need to ensure that this commitment achieves the maximum possible strategic benefit for WMCA and the regional economy.



3.4 With this in mind, a number of steps will be taken in the coming months to support the phased development of a strategic approach to drive MMC in the region. The first step is to create a clear and concise strategy for MMC. This will guide the development of all other steps and support WMCA in its aspirations to assume a leadership position in an emerging growth market. To shape this strategy, the Housing & Land Delivery Board is asked to consider and agree the principles set out below. Subject to the Board's approval, these principles will form the basis of a concise MMC strategy to be considered at the next Board meeting.

4.0 Terminology

4.1 The intention of the proposed strategy is two-fold:

- a) to develop further the focus on advanced manufacturing established in the WMCA Local Industrial Strategy, and
- b) to enable a wider programme of activity in support of modern construction, including skills, training, links to local R&D specialisms and local supply chain growth, all within a single concept of modern construction.

4.2 'Modern Methods of Construction' or MMC is an umbrella term used to describe a number of different modern construction methods and techniques in off-site locations. Already, a number of MMC technologies and techniques are frequently used by traditional housebuilders but the extent to which these deliver cost, quality and consistency control varies. To date, WMCA has used the term 'MMC' to describe its ambitions for future construction activity in the West Midlands but this does not necessarily reflect its aspirations for local residents or the supply chain.

4.3 The West Midlands has a rich heritage of manufacturing and innovation and WMCA's work to support MMC should be placed in this context. There is clear opportunity to connect WMCA's focus on advanced manufacture as a driver for regional specialisation and growth with its investment in high quality new homes. For this reason, it is proposed that the term "*Advanced Manufacture in Construction*", or AMC, is adopted by the WMCA as the term used to define the programme and its products. Additionally, this term more precisely defines the type of off-site manufacturing WMCA wishes to promote.

5.0 Proposed AMC Principles

5.1 The following principles are proposed as a basis for WMCA's AMC strategy:

Principle/Theme	Principle	Supporting Information
Leadership	It is proposed that WMCA adopts a leadership position, in prioritising the development of genuinely advanced manufacture, and seeking opportunities for the regional supply chain to benefit from that.	Currently the UK manufacturing market for homes is in its infancy, with a wide variation in the extent to which new homes genuinely utilise advanced manufacturing, with some manufacturers deploying broadly traditional approaches, albeit in factory settings.
Consumer Choice	It is proposed that the WMCA actively prioritises AMC models that maximise consumer choice and customisation.	One clear potential benefit of AMC is the opportunity for a product-led mindset to deliver high-quality, design flexibility and opportunities for mass customisation in new homes in a manner that is beyond what is possible in traditional construction.
Design Quality	It is proposed that WMCA actively prioritises AMC models that achieve a high standard of design and enable a varied response to the local context.	New AMC homes should balance the efficiencies of standardised manufacturing processes with good quality architectural design, opportunities for variation in form and to respond to the local context.
Achieving Zero Carbon	It is proposed that WMCA prioritises AMC models that offer the zero-carbon homes now, or the potential to achieve that in the future.	Advanced manufacture in construction, in controlled conditions, offers great potential to move towards carbon neutral homes. AMC processes minimise construction waste, achieve very high standards of in-use



		energy performance, and can minimise construction vehicle movements, with follow-on air quality benefits.
Skills and Employment	It is proposed that the AMC strategy has a specific and detailed focus on construction work and skills opportunities.	AMC has the potential to support fundamentally different roles compared to traditional construction. The AMC workforce will have specialisms in, for instance, complex logistics, digital product design and manufacture and robotics. Equally, as current MMC providers move towards AMC models, they can offer a different work experience for construction workers, and opportunities to transition and upskill for some of the current workforce
Modernisation	It is recommended that the AMC strategy should also consider how modernisation might be achieved on all homes on all sites, and opportunities for the WM supply chain and workforce to benefit from this.	The MMC definition framework includes seven categories (the latter of which are effectively process and technology improvements that can be deployed on traditional sites). It is important to recognise that there will be a transition from traditional to AMC that will incorporate the entire spectrum of the framework, over a number of years and in various ways; and that this process is likely to provide additional opportunities to improve quality, process and outcomes for residents and the supply chain.

6.0 Embedding AMC requirements in the Single Commissioning Framework

- 6.1 As agreed at September's Housing & Land Delivery Board WMCA is now applying pre-qualification criteria for AMC on large sites (>200 units). This reflects the approach which has been adopted when applying pre-qualification requirements on other policy matters e.g. on design quality and affordable housing.
- 6.2 In applying pre-qualification criteria for MMC, however, we acknowledge that the use of manufacture in housing in the UK, whilst growing, is still in its infancy. Currently, there is an estimated annual delivery rate of approximately only 10,000 homes per year at most. As a natural consequence, there is a range of approaches to manufacture at present, from a small number of companies moving towards advanced digital manufacturing techniques, to a larger number using more analogue approaches. Both approaches nevertheless offer greater control and consistency than traditional site-based construction but any pre-qualification requirement must allow for this wide variation in capability at present.
- 6.3 On this basis, and as recognised in previous reports, the WMCA strategy for AMC should develop through a series of progressive short- and medium-term steps which recognise current circumstances and capabilities whilst still aiming for a true, digitally-led advanced manufacturing capability in the future. For instance, a sensible initial step towards advanced manufacture would be to assess in more detail which providers are able to achieve a high standard of advanced manufacturing capability now, and those which are planning to do so in the future. A progressive approach such as that proposed avoids the risk of unintended consequences e.g. eliminating some manufacturers from being able to supply sites, if the strategy moves too far too soon
- 6.4 For these reasons, it is proposed that the approach to implementing the SCF requirement for AMC on large sites should include:
- Beta-testing and refining the SCF approach by testing the criteria on a select number of sites in the first instance, rather than launching on all sites of more than 200 dwellings immediately because:
 - o A beta-testing stage manages risk to delivery, by not exposing all sites to a new process immediately;
 - o It enables the MMC market to develop locally over time, and to meet the WMCA requirements for design and quality as they develop.
 - Testing and developing the pre-qualification standard in partnership with the manufacturing market to:
 - o Balance the advantages of working with the most advanced MMC manufacturers today, with actively encouraging the growth of new entrants and products;



- o Keep open opportunities for Category 4 MMC (additive manufacturing) models to emerge. Additive manufacturing processes are similar to those used in the current automotive industry, whereby several smaller component manufactures develop in a wider supply chain that feeds a centralised assembly plant.
- o Enabling an on-going development of WMCA’s objectives for AMC and signalling at an early stage where the pre-qualification specification is expected to develop over time – in relation to zero-carbon for instance.
- Developing an AMC toolkit to support negotiations with developers as part of the SCF process, reflecting WMCA’s wider strategy for AMC and ensuring that any additional benefits secured from developers achieve maximum effect in line with that strategy.

7.0 Establishing an AMC Expert Advisory Panel

7.1 A WMCA AMC Expert Advisory Panel will be established in January 2020 to ensure industry-wide input into all stages of this project. It will be chaired by Mark Farmer, ensuring a direct link into the emerging national agenda for AMC growth. It will also provide a useful reference group for engaging with the manufacturing market, locally and nationally, and based on that, for advising the WMCA on the appropriate speed at which to drive towards true digital-led AMC. At an officer level, the AMC Strategy and toolkit will be developed in collaboration with West Midlands local authorities, the invitation to join a working group being open to all. This process replicates that used successfully to create the Regional Design Charter.

8.0 Next Steps and Programme

8.1 It is proposed that these objectives are delivered in line with the timeframe set out below:

Month	Milestone
December 2019	First meeting of officer-level working group
January 2020	Board considers principles for AMC strategy First meeting of AMC Expert Advisory Panel Draft AMC toolkit to support first SCF negotiations Beta-testing of SCF process commences.
February 2020	Board receives update on SCF beta testing Board approves AMC strategy and vision for WMCA
March 2020	Further assessment of projects with AMC component agreed through SCF

	Review of SCF process and supporting toolkit, and next steps agreed as necessary
Year End 2020	Development of full AMC strategy Pre-qualification requirement in SCF applies to all 200+home sites Collaboration with MHCLG on “AMC corridor” on-going

9.0 Conclusions

9.1 WMCA recognises the existing barriers to driving an uplift in the quantity and quality of AMC and will work with its local authority and industry partners to address these. This is an ambitious programme for a significant strand of work, which WMCA will undertake in a measured way to ensure it delivers the time and financial efficiencies, quality, new skills and employment as well as overall inclusive growth benefits that AMC has the potential to provide.

10.0 Financial Implications

10.1 There are no direct financial implications for any work arising as a result of approving the recommendations within this report. Incorporating enhanced standards into proposals which WMCA are developing through the Single Commissioning Framework may result in a higher level of subsidy being required by the Combined Authority where the initial proposal refers to a lower standard. Investment decisions will, however, continue to be evaluated on a case by case basis to ensure the adequacy of outputs and verify affordability.

11.0 Legal Implications

11.1 Section 113A(1)(a) of the Local Democracy, Economic Development and Construction Act 2009 gives the CA a power of competence appropriate for the purposes of carrying-out any of its functions. Part 4 of The West Midlands Combined Authority Order 2016 (2016 No 653) confers that the functions relating to any Economic development and regeneration in the constituent councils are exercisable by the CA. Part 3 of The West Midlands Combined Authority (Functions and Amendment) Order 2017 confers functions corresponding to the functions of the Homes and Communities Agency has in relation to the combined area. Paragraph 10 (2) (a) of the 2017 Order confers the function of improving the supply and quality of housing to the Combined Authority, 10 (2) (b) to secure the regeneration or development of land or infrastructure in the combined area 10 (2)(c) to support in other ways the creation, regeneration or development of communities in the combined area or their continued well-being and 10 (2)(d) confers the function of contributing to the achievement of sustainable development and good design.

11.2 The principles for the provision of Modern Methods of Construction will be incorporated and reflected into the relevant grant funding agreements and Legal will advise further when instructed on specific funding agreements.

12.0 Equalities Implications

12.1 There are no direct equalities implications as a result of this report.

13.0 Inclusive Growth Implications

13.1 The proposed AMC principles and strategy are intended to increase the availability of good quality housing for West Midland's residents and provide new employment and upskilling opportunities in the construction sector. As this is a relatively new area of innovation, implementing the strategy in a phased way will give WMCA time to sufficiently understand its inclusive growth impacts and who benefits from these.

14.0 Geographical Area of Report's Implications

14.1 The proposed MMC target, vision, route map and strategy would be used to guide WMCA investment decisions across the whole geography of the WMCA area, including the 3 LEPs and non-constituent Member authorities.

15.0 Other Implications

15.1 There are no other implications.

16.0 Schedule of Background Papers

16.1 There are no background papers.

Appendix 1

1.0 Rationale

1.1 WMCA recognises that its ambitious housing targets and Local Industrial Strategy goals cannot be met through traditional construction methods alone, and that MMC could support the delivery of high-quality housing at pace and scale and, in particular, expedite build out on development sites. The potential advantages of adopting MMC include:

- Accelerated delivery, achieved through faster build out
- Predictability of the build out programme and reduced weather-related delays
- Improved quality, delivered through a factory-controlled environment with consistent processes
- Certainty of cost, quality and timescale at programme start due to consistent processes
- ‘Cleaner’ construction careers, providing opportunities in multi-skilled disciplines with improved health and safety conditions.
- Improved whole life efficiency, user comfort and costs, enabling housing to make a sizeable contribution to wider energy and environment ambitions

1.2 Despite these advantages, a number of challenges to widespread adoption of MMC remain, including:

- Lack of discernible pipeline, limiting continuity of supply and adding risk to upfront investment in MMC technologies
- Lack of volume, continuity of demand and standardisation, across products and amongst buyers, make it difficult to achieve and benefit from economies of scale
- Lack of standardisation and limited supply leading to increased development risk
- Limited guidance applying directly to MMC and MMC qualifications
- Potential loss of demand for traditional construction skills and, simultaneously, the need to resource a new construction sector.

1.3 Addressing these barriers will be key to achieving WMCA’s target of 215,000 new homes by 2031 and the strategic goals of the Construction Sector Action Plan. However, MMC and advanced construction technologies should not be seen as a distinct approach to or replacement for traditional methods of construction. Rather, they provide an opportunity to bridge the gap between what the construction industry currently delivers and the output the West Midlands needs alongside maximising the benefits of the 5G construction cluster and cross-cutting digital agenda of the Local Industrial Strategy.

2.0 Understanding MMC in the region

2.1 WMCA have already taken steps to understand MMC uptake and the private sector position in the West Midlands. An Advanced Methods of Construction Advisory Panel was established in September 2018 to support a mapping of current and emerging capability in the West Midlands, to advise WMCA on emerging strategy and to provide

expert private sector input into the development of an agreed definition of current market-led terminology.

- 2.2 Additionally, work was undertaken to understand the unique opportunity presented in the West Midlands to embrace new construction technologies and skills, including the Skills Agreement and Construction Gateway, National Brownfield Institute and Springfield Campus, Dudley College and existing suppliers. Additionally, the Industrial Strategy identifies a number of areas to use construction as a key lever for economic growth, including encouraging diversity and new entrants into the market and accelerating the use of innovative processes.

3.0 Reviewing work undertaken elsewhere

- 3.1 MMC is not a new term but has existed in various forms for a number of years. Already, a significant amount of research has been undertaken by government and industry bodies. WMCA can learn from others' research and practice when designing a vision, plan and delivery programme. A number of key documents are summarised in Table 1 (Research Review).

Table 1

Document	Publisher	Identified Benefits	Identified Drawbacks	Barriers to uptake	Recommendations
Modern Methods of Construction (2006)	HBF	<ul style="list-style-type: none"> Greater business efficiency Enhanced design and quality Improved customer satisfaction Enhanced building performance Increased housing supply Enhanced environmental performance 	<ul style="list-style-type: none"> Difficult to achieve economies of scale due to uncertainties including changing planning policy, approval process and land supply Inadequate certification process that limits innovation 	<ul style="list-style-type: none"> Inflexibility – on site, in demand patterns, design requirements Regulatory complexity and change not suited to MMC Different training and certification needs Building regulations prescriptive, not performance-based 	<ul style="list-style-type: none"> Guidance and training to increase awareness of benefits, advantages and necessary skills across industry Develop testing methods for MMC and promote as best practice Develop an objective, industry-wide approach for assessing business cases Develop a mechanism for whole project costing that provides cost basis and performance benchmarking Develop a mechanism to assess and quantify risk with accompanying accredited standard
Farmer Review: 'Modernise or Die' (2016)	CLC	<ul style="list-style-type: none"> Faster build programme Time predictability Improved quality Reduced long-term cost Easier operation and maintenance (build to rent) 	<ul style="list-style-type: none"> Appetite for new approaches may wane if labour market improves and build costs reduce 	<ul style="list-style-type: none"> Funders continue to see MMC has carrying added risk Non-collaborative culture in industry (focus on lowering immediate cost rather than long term innovation and cost-reduction) Lack of scale and capacity in current market 	<ul style="list-style-type: none"> Implement a strategic level direct investment/building programme for MMC homes Work with Registered Providers to deliver/co-invest in an Affordable Housing programme more specifically linked to influencing innovation Investment in the private rented sector linked to influencing innovation
Modern Methods of Construction – Views from the Industry (2016)	NHBC	<ul style="list-style-type: none"> Faster build programme Improved build quality Improved health and safety Improved site efficiencies Reduced cost Reduced site waste Addresses construction skills shortage 	<ul style="list-style-type: none"> Reduced costs, improved cashflow and faster sales revenues only identified in strong sales markets Less flexibility for on-site design changes (early freeze) Supply chain capacity and choice of suppliers Need for more comprehensive procurement planning 	<ul style="list-style-type: none"> Unfamiliar methods Increased capital cost Lack of suppliers Buyer reactions Lack of sub-contractor skills Supplier's inability to meet delivery programme 	<ul style="list-style-type: none"> Share best practice case studies and cost/benefit models Encourage suppliers to enter market and improve their knowledge of house-building sector Grant or subsidy-funded development
Modern Methods of Construction – Who's doing what (2018)	NHBC	<ul style="list-style-type: none"> Better quality Improved efficiency Accelerated delivery Increased productivity Addresses labour/skills shortage Sustainability 	<ul style="list-style-type: none"> Supply-side constraints, particularly concerns about procurement and continuity of supply 	<ul style="list-style-type: none"> Procurement challenges Manufacturing capacity Unsuitable for planning system Lack of funders/lenders Mortgageability Skills shortage 	<ul style="list-style-type: none"> Note number of firms looking to make investment or co-investment in a factory (24%) Note impact of Brexit on labour supply as a likely driver of uptake.



West Midlands
Combined Authority

MODERN METHODS OF CONSTRUCTION

INTRODUCING THE MMC DEFINITION FRAMEWORK

WHAT IS THE MMC DEFINITION FRAMEWORK?

The MMC definition framework is a new seven category definition framework that enables a full and future-proofed range of 'Modern Methods of Construction' used in homebuilding to be better understood with regularised terminology.

The definition framework spans all types of pre-manufacturing, site based materials and process innovation.

This definition framework is an output of the MHCLG Joint Industry Working Group on MMC which is tasked with improving stakeholder education and understanding of MMC with particular reference to enabling better access to mortgage finance, insurance and assurance. Particular thanks go to the Working Group members, Buildoffsite, Homes England, NHBC and RICS who all provided input to this definition framework.

BUILDING TYPOLOGIES & MATERIAL GENRES

Before the categories can be examined and applied it is important to define the type of building and the material genre. The material genre is only applied to structural categories 1-4a.

BUILDING TYPOLOGY

- > Houses
- > Low rise apartments (<5 storeys)
- > Mid rise apartments (6-9 storeys)
- > High rise apartments 10 storeys and above

MATERIAL GENRE

- > Mass engineered timber (MET)
- > Timber framed (TF)
- > Light gauge steel framed (LGS)
- > Hot rolled fabricated steel (HRS)
- > Hot rolled / light gauge steel combination (SC)
- > Concrete & cement derived (C)
- > Timber framed / concrete combination (TFC)

Category

DEFINITIONS

The term 'pre-manufacturing' encompasses processes executed away from final workforce, including in remote factories, near site or on-site 'pop up' factories. The pass test is the application of a manufactured led fabrication or consolidation process in controlled conditions prior to final assembly / install. On-site 'workface factories' are included in Category 7).



CATEGORY
DEFINITION



1
Pre-manufacturing
(3D primary structural
systems)



2
Pre-manufacturing
(2D primary structural
systems)



3
Pre-manufacturing
components (non-systemised
primary structure)



MMC
SPECTRUM



4
Additive manufacturing
(structural and non-structural)



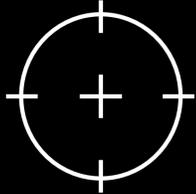
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Pre-manufacturing
(non structural assemblies
& sub-assemblies)



6
Traditional building product
led site labour reduction /
productivity improvements



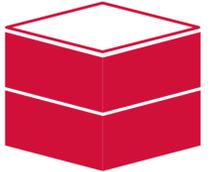
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Site process led site labour
reduction / productivity /
assurance improvements



PMV ANALYSIS

Category 1

Pre-manufacturing (3D primary structural systems)

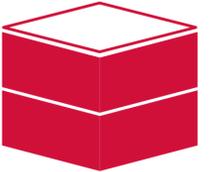


A systemised approach based on volumetric construction involving the production of three-dimensional units in controlled factory conditions prior to final installation. Volumetric units can be brought to final site in a variety of forms ranging from a basic structure only to one with all internal and external finishes and services installed, all ready for installation.

The system includes structural performance. Full volumetric units in apartment buildings can include apartment space and common area space. Mini volumetric structural units can include bathroom pods and the like which are structurally stacked and loaded.

Category 1

Pre-manufacturing (3D primary structural systems)



- a. Structural chassis only – not fitted out
- b. Structural chassis and internal fit out
- c. Structural chassis, fit out and external cladding / roofing complete
- d. Structural chassis and internal fit out
–‘podded’ room assemblies – bathrooms / kitchens etc

Any of the above variants can be used in the following 3 configurations:

- i. Whole building systemised
- ii. Hybrid construction –
part systemised, part traditional
(ie traditional core / ground floor podium)
- iii. Hybrid construction –
secondary structure to enhance system performance
(ie build at height)



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Category 2

Pre-manufacturing (2D primary structural systems)



A systemised approach using flat panel units used for basic floor, wall and roof structures of varying materials which are produced in a factory environment and assembled at the final workface to produce a final three-dimensional structure. The most common approach is to use open panels, or frames, which consist of a skeletal structure only, with services, insulation, external cladding and internal finishing being installed on-site.

More complex panels – typically referred to as closed panels – involve more factory-based fabrication and include lining materials and insulation. These may also include services, windows, doors, internal wall finishes and external claddings. The system includes structural performance for primary walls and all floors (note – this excludes unitised or composite external walling systems that are not load bearing included in Category 5).

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Category 2

Pre-manufacturing (2D primary structural systems)



- a. Basic framing only including walls, floors, stairs & roof
- b. Enhanced consolidation – insulation, internal linings etc
- c. Further enhanced consolidation – insulation, linings, external cladding, roofing, doors, windows



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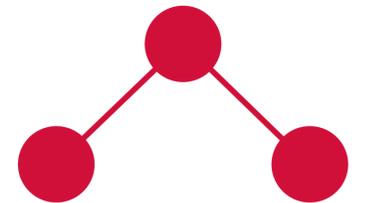
Page 56

MMC
SPECTRUM

PMV
ANALYSIS

Category 3

Pre-manufacturing components
(non-systemised primary structure)



Use of pre-manufactured structural members made of framed or mass engineered timber, cold rolled or hot rooled steel or pre-cast concrete. Members to include load bearing beams, columns, walls, core structures and slabs that are not substantially in-situ workface constructed and are not part of a systemised design.

This category, although focused on superstructure elements, would also include sub-structure elements such as pre-fabricated ring beams, pile caps, driven piles and screw piles.

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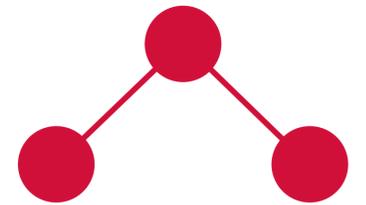
Page 57

MMC
SPECTRUM

PMV
ANALYSIS

Category 3

Pre-manufacturing components
(non-systemised primary structure)



- a. Driven / screw piling
- b. Pre-fabricated pile caps / ring beams
- c. Columns / shear walls / beams
- d. Floor slabs
- e. Integrated columns, beams and floor slabs
- f. Staircases
- g. Pre-assembled roof structure – trusses / spandrels



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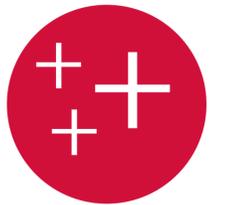
Page 58

MMC
SPECTRUM

PMV
ANALYSIS

Category 4

Additive manufacturing
(structural and non-structural)



The remote, site based or final workface based printing of parts of buildings through various materials based on digital design and manufacturing techniques.

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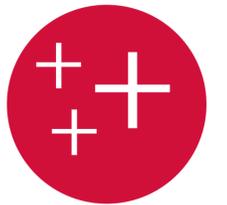
Page 59

MMC
SPECTRUM

PMV
ANALYSIS

Category 4

Additive manufacturing
(structural and non-structural)



- a. Substantive structural forms / components
- b. Non structural components



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Page 60

MMC
SPECTRUM

PMV
ANALYSIS

Category 5

Pre-manufacturing (Non structural assemblies and sub-assemblies)



A series of different pre-manufacturing approaches that includes unitised non-structural walling systems, roofing finish cassettes or assemblies (where not part of a wider structural building system), non-load bearing mini-volumetric units (sometimes referred to as 'pods') used for the highly serviced and more repeatable areas such as kitchens and bathrooms, utility cupboards, risers, plant rooms as well as pre-formed wiring looms, mechanical engineering composites, would fall into this category.

Conventional masonry site constructed schemes utilising conventional building products such as windows and door-sets – which might otherwise be part of the fabrication process in the other pre-manufacturing categories – should not be included as sub-assemblies or components in this category unless there is a further level of consolidation from traditional configurations. Also excludes any structural base elements that composite assemblies are fixed to and which are to be included in Cats 1-4. Any structure in this category is purely to support the sub-assembly in transit / install phase.

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MMC
SPECTRUM

PMV
ANALYSIS

Category 5

Pre-manufacturing (Non structural assemblies and sub-assemblies)

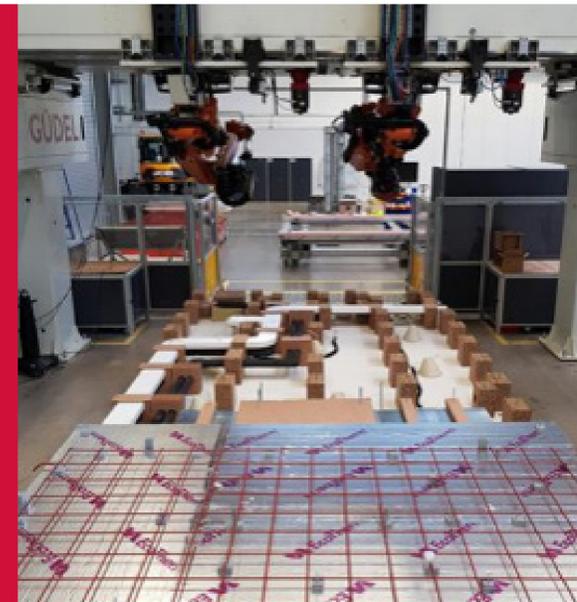
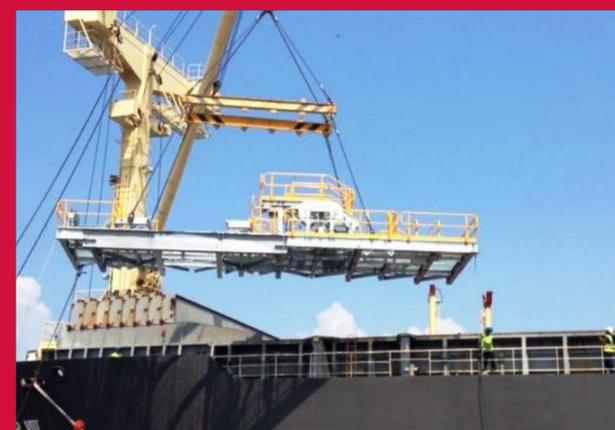


Volumetric podded assemblies

- a. Whole bathroom assemblies (including enclosing structure)
- b. Kitchen assemblies (including enclosing / supporting structure)
- c. Bathroom / kitchen combined assemblies (including enclosing / supporting structure)
- d. In unit M&E central equipment assemblies (utility cupboards etc)

Panelised / linear assemblies

- e. Façade assemblies (non structural) including glazing, solid cladding, metalwork
- f. Roof assemblies / cassettes – pre-finished roof sections (including structure to support own weight)
- g. In unit M&E distribution assemblies
- h. Infrastructure M&E assemblies – vertical risers / main distribution
- i. Infrastructure M&E assemblies – central plant & equipment
- j. Floor cassettes with horizontal services / finishes added
- k. Partition cassettes – with horizontal & vertical services / finishes added
- l. Doorsets (pre-hung, finished with ironmongery)



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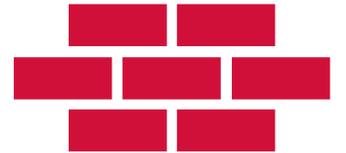
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MMC
SPECTRUM

PMV
ANALYSIS

Category 6

Traditional building product led site labour reduction / productivity improvements



Includes traditional single building products manufactured in large format, pre-cut configurations or with easy jointing features to reduce extent of site labour required to install.

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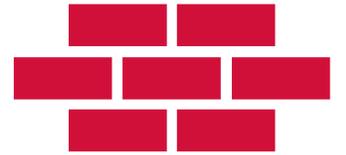
Page 63

MMC
SPECTRUM

PMV
ANALYSIS

Category 6

Traditional building product led site labour reduction / productivity improvements



- a. Large format walling products – external walls
- b. Large format walling products – internal walls
- c. Large format roofing finishes
- d. Pre-sized and cut to measure traditional materials – component level systemisation
- e. Easy site install / jointing / interfacing features – brick slips, modular wiring, flexible pipework



Category 7

Site process led site labour reduction / productivity / assurance improvements



This category is intended to encompass approaches utilising innovative site based construction techniques that harness site process improvements falling outside the five main pre-manufacturing categories 1-5 or materials innovation in Category 6. This category would also include factory standard workface encapsulation measures, lean construction techniques, physical and digital worker augmentation, workface robotics, exoskeletons and other wearables, drones, verification tools and adoption of new technology led plant and machinery.

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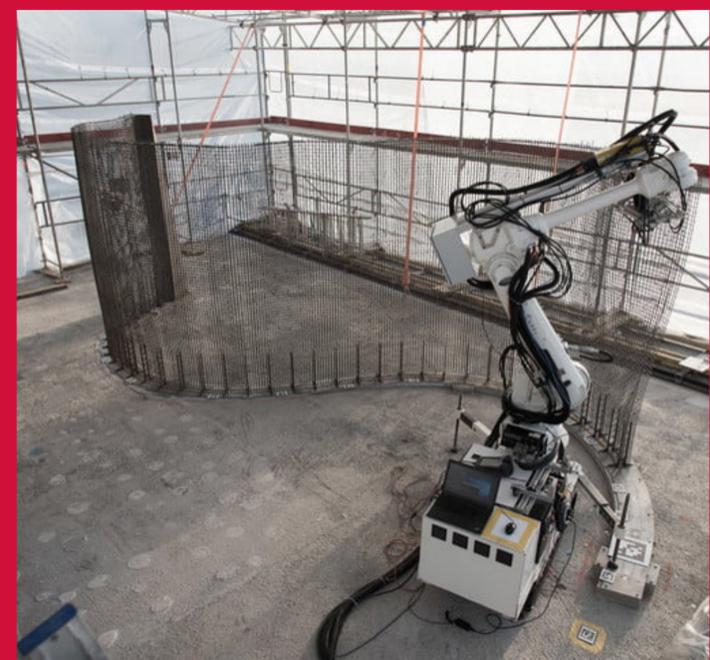
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Category 7

Site process led site labour reduction / productivity / assurance improvements



- a. Site encapsulation measures – weatherproof and environmentally controlled enclosures
- b. Use of standardised or sacrificial temporary works – modular scaffold, tunnel form in-situ concrete, insulated concrete formwork
- c. Use of BIM connected lean delivery framework – digitally enabled workflow planning
- d. Site worker augmentation – visual (ie AR/VR)
- e. Site worker augmentation – physical (ie exoskeletons, assisted materials distribution etc)
- f. Site worker productivity planning tools (GPS, wearables etc)
- g. Site process robotics and drones (rebar, masonry, plastering, decorating, surveying etc)
- h. Autonomous plant and equipment and drones (driverless cranes, diggers etc)
- i. Digital site verification tools (photogrammetry, site worker video, LIDAR scanning etc)



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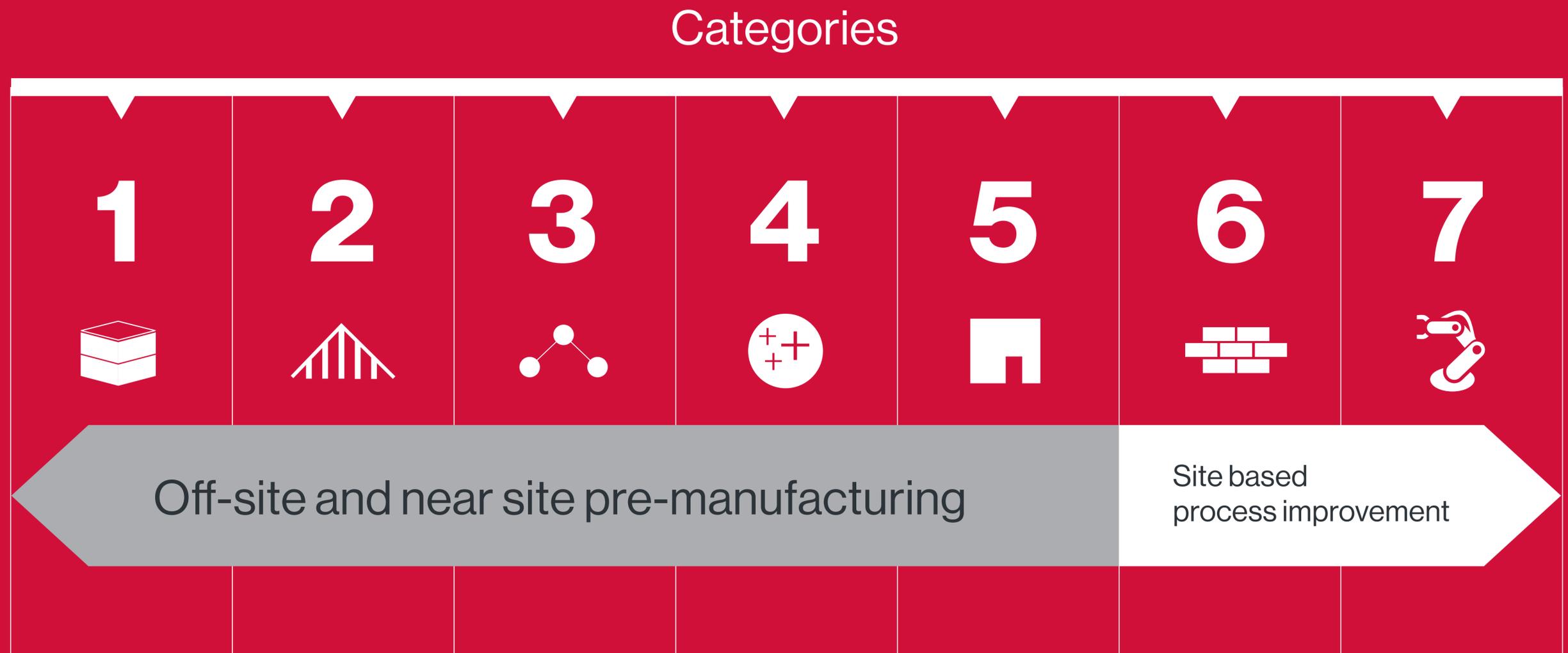
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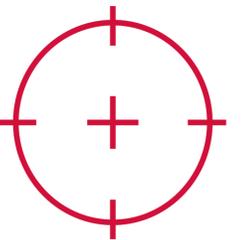
MMC Spectrum

A range of approaches which spans off-site, near site and on-site pre-manufacturing, process improvements and technology applications

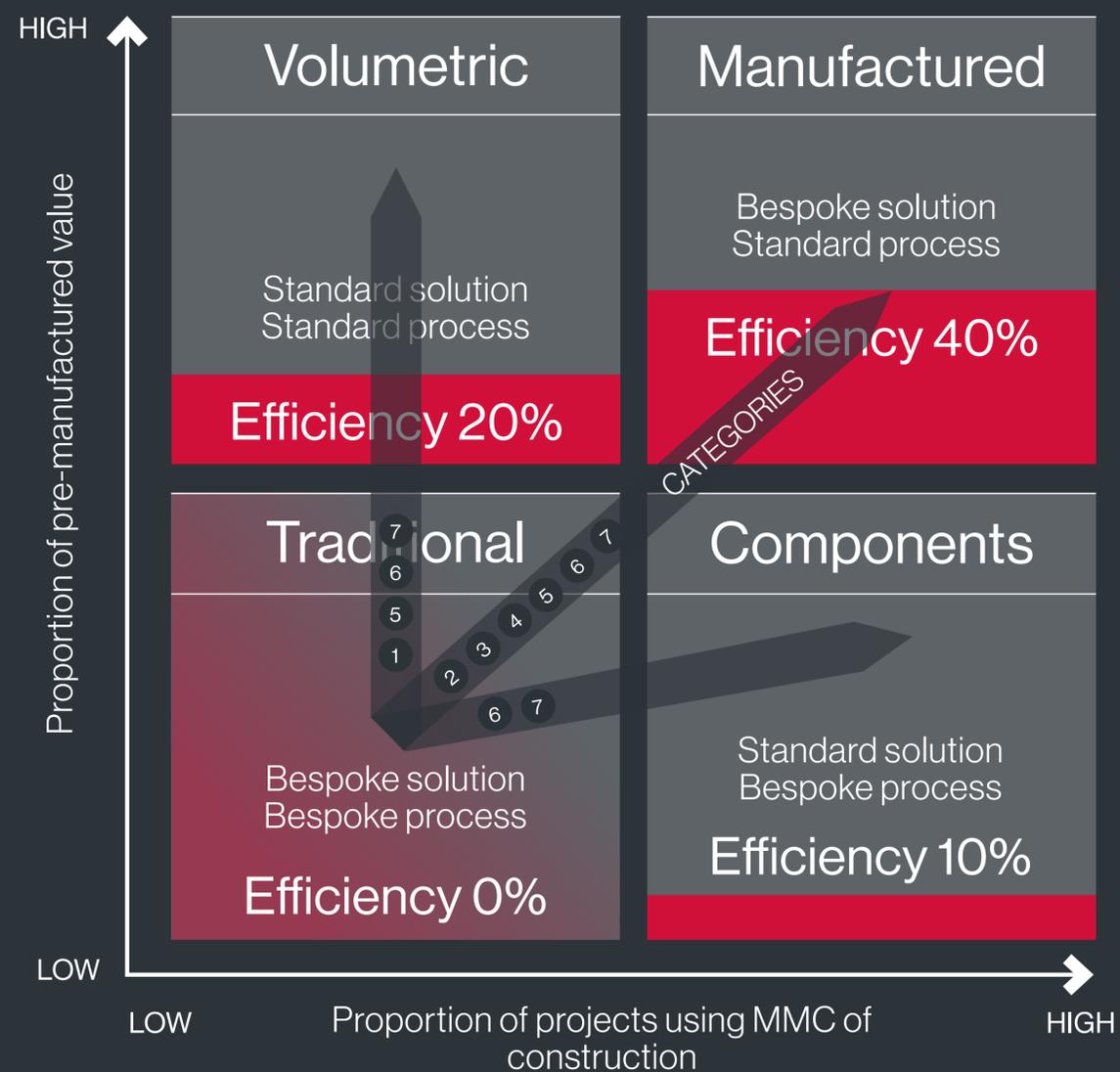


Pre-manufactured value (PMV)

Analysis of projects using MMC and their proportion of pre-manufactured value (PMV)



There are multiple routes to increasing the PMV of a project. The PMV is measuring the proportion of a project made up of on-site labour, supervision, plant and temporary works. Increasing manufacturing and/or reducing site labour can both be applied to improve PMV.



Based on diagram courtesy Bryden Wood

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Page 68

MMC SPECTRUM

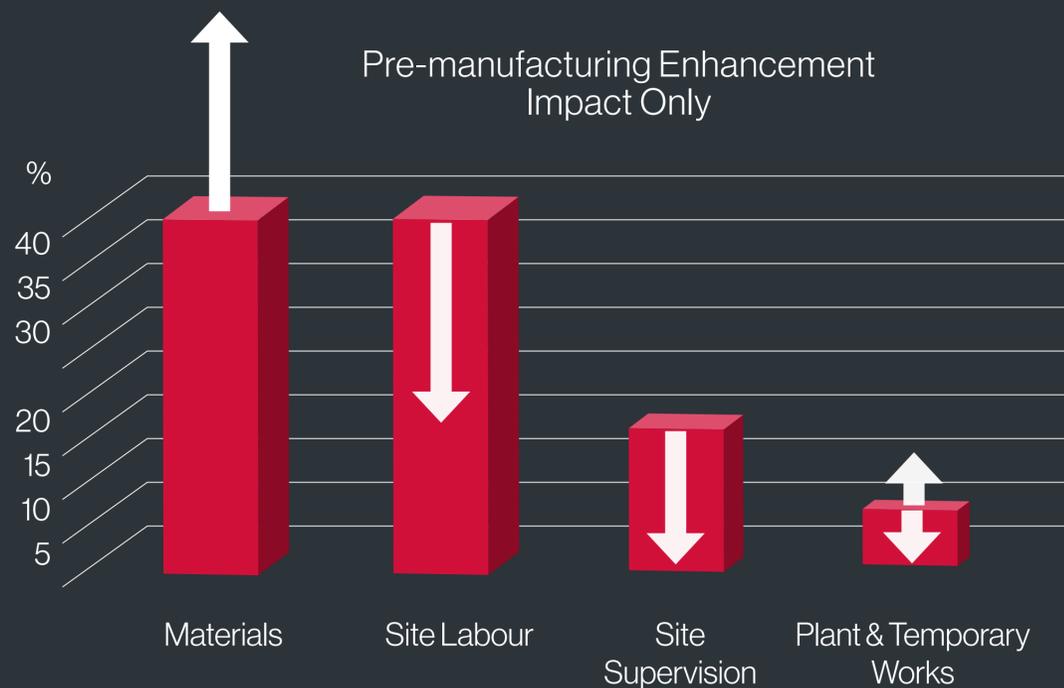
PMV ANALYSIS

Pre-manufactured value (PMV)

Analysis of projects using MMC and their proportion of pre-manufactured value (PMV)



CATEGORIES 1-5 PRE-MANUFACTURING LED APPROACHES



- General shift of site labour to controlled manufacturing processes
- Speed reduces site preliminaries including supervision
- Possible upward pressure on logistics / craneage

CATEGORIES 6-7 SITE PROCESS LED APPROACHES



- Low wastage reduces total manufactured material content
- Productivity improvements on-site reduces labour requirements
- Better planning & digital augmentation reduces supervisory needs
- Possible use of autonomous equipment and robotics could increase plant
- Can be used in conjunction with Categories 1-5 pre-manufacturing

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WMCA Housing & Land Delivery Board

Date	15 January 2020
Report title	Update on Housing Delivery Numbers
Portfolio Lead	Councillor Mike Bird, Leader, Walsall MBC
Accountable Chief Executive	Deborah Cadman, Chief Executive, WMCA
Accountable Employee	Gareth Bradford, Director of Housing & Regeneration Patricia Willoughby, Head of Policy (Housing & Regeneration) Rob Lamond – Report Author
Report has been considered by:	Housing & Land Delivery Steering Group

This paper is for information and noting only: no decision is required

1. Purpose

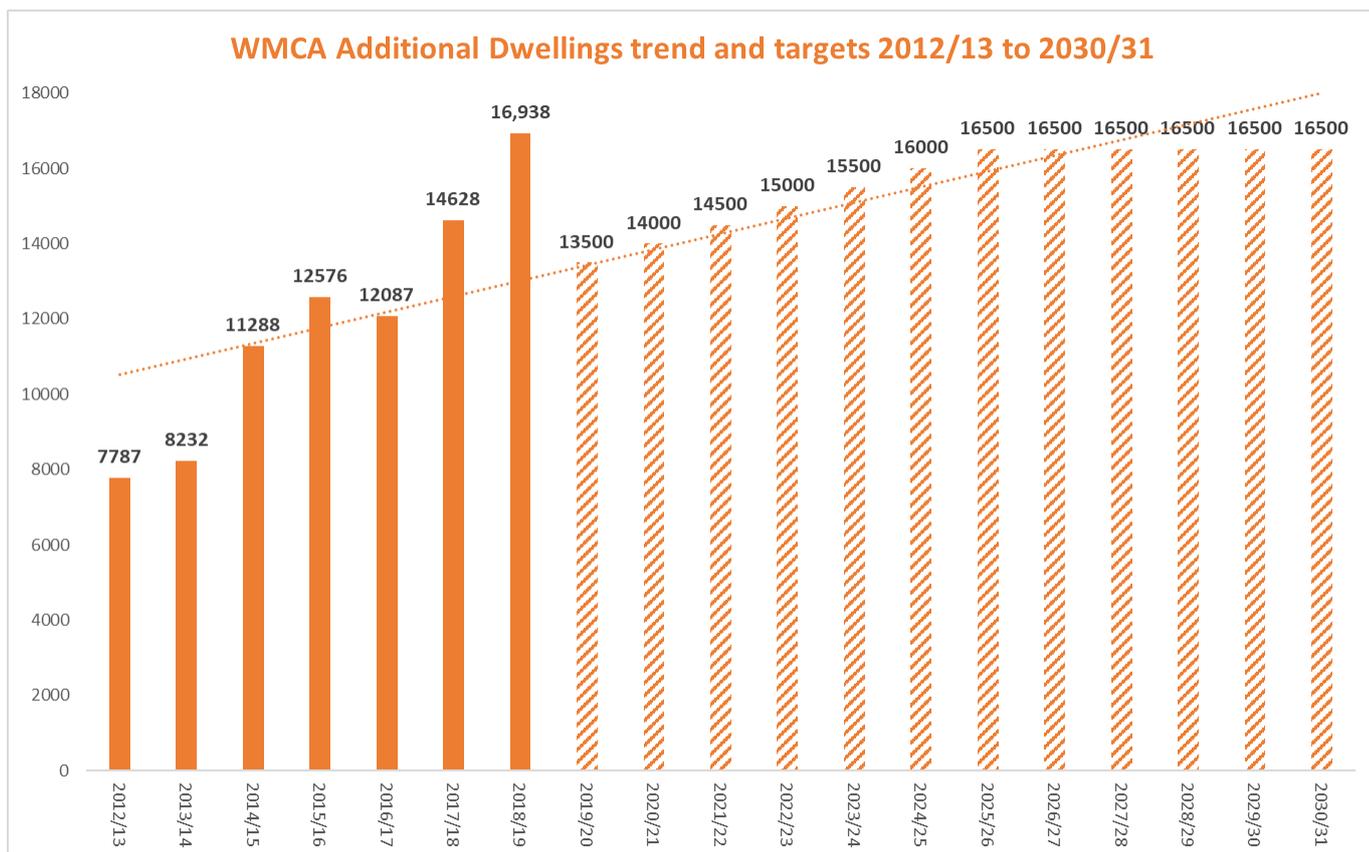
- 1.1 The purpose of this briefing note is to provide Housing and Land Delivery Board with an update on the latest housing delivery data, as published by the Ministry of Housing, Communities and Local Government.

2. Background

- 2.1 The Ministry for Housing, Communities and Local Government (MHCLG) publishes annual statistics for “net additional dwellings per annum” (the total number of new homes added to the overall housing stock) and “Affordable Housing Supply Statistics”, which provides an overall total of new affordable homes alongside a breakdown by type of product (affordable rent, shared ownership etc).
- 2.2 Both of these datasets are published at a local authority level, thereby providing a local overview of housing supply. This briefing note summarises this information and aggregates the figures for the Combined Authority geography.

2.3 Net Additional Dwellings

The total net additional dwellings for the Combined Authority area in 2018/19 was 16,938. This is a 15.8% increase on the previous yearly total (14,628), and exceeds the target trajectory included as part of the Combined Authority's Housing Deal to deliver 215,000 new homes by 2031. This trajectory is illustrated by Figure 1 below.



2.4 The table below sets out the breakdown of new dwellings by local authority.

Local Authority	Number of dwellings
Birmingham	4,187
Cannock Chase	234
Coventry	1,499
Dudley	753
North Warwickshire	337
Nuneaton & Bedworth	648
Redditch	390
Rugby	939
Sandwell	794
Shropshire	1,816
Solihull	798
Stratford-on-Avon	1,408
Tamworth	317
Telford & Wrekin	1,356
Walsall	770
Wolverhampton	692
TOTAL	16,938

2.5 Affordable Housing Supply

The Affordable Housing Supply Statistics for 2018/9 were published by MHCLG on 20th November 2019. Across the whole of the CA area, 3,801 new affordable homes were completed during the year. This represents an increase of 4.8% on the total for 2017/18 (3,626). The table below provides a breakdown at local authority level and types of housing that were delivered. “Affordable rent” properties made up the majority of the total, accounting for 56% of the total.

Local Authority	Social Rent	Affordable Rent	Intermediate Rent	Shared Ownership	Home ownership	Total Additional Affordable Dwellings
Birmingham	182	267	0	72	25	546
Cannock Chase	13	112	0	0	0	125
Coventry	27	246	27	36	0	336
Dudley	15	245	0	17	0	277
North Warwickshire	4	48	0	3	5	60
Nuneaton & Bedworth	0	179	0	42	33	254
Redditch	73	11	0	42	0	126
Rugby	4	30	0	8	6	48
Sandwell	9	24	28	0	0	61
Shropshire	78	207	10	75	13	383



Solihull	92	82	0	78	0	252
Stratford-on-Avon	170	135	0	101	16	422
Tamworth	0	48	0	40	0	88
Telford & Wrekin	207	242	5	48	0	502
Walsall	0	182	0	54	0	236
Wolverhampton	4	76	0	5	0	85
TOTALS	878	2134	70	621	98	3801

Source: <https://www.gov.uk/government/statistical-data-sets/live-tables-on-affordable-housing-supply>