

Housing & Land Delivery Board

Date	30 September 2019
Report title	Minor Clarifications and Revisions to the WMCA Single Commissioning Framework
Portfolio Lead	Councillor Mike Bird, Leader, Walsall MBC
Accountable Chief Executive	Deborah Cadman, Chief Executive, WMCA
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Report has been considered by	

Recommendation(s) for action or decision:

The Housing & Land Delivery Board is:

Requested to (i) **AGREE** to proposed minor amendments to the WMCA Single Commissioning Framework (SCF) set out in this Board Paper; (ii) **AGREE** the commissioning of work to identify how the SCF might be utilised to support the WMCA's efforts to address climate change.

1.0. Purpose

- 1.1 This paper seeks the approval of WMCA's Housing & Land Delivery Board to introduce a number of minor clarifications and revisions to WMCA's Single Commissioning Framework by way of amendments.
- 1.2 The Single Commissioning Framework was agreed in April 2019 by the WMCA Board and has since guided WMCA's investment in housing, land and regeneration using devolved funds. It is designed as a 'living document', capable of revision from time to time in response to the practical experience of utilising the Framework in appraising and deploying WMCA funds.

2.0. Background

WMCA Single Commissioning Framework

- 2.1 WMCA operates a number of grant and investment funds, including those which have been assembled through devolution and other 'deals' with Government. This includes very significant funding which WMCA has secured to help developers and investors tackle challenging brownfield sites and unlock these to deliver new homes and jobs and drive inclusive growth across the Region.
- 2.2 The WMCA Single Commissioning Framework (see public brochure in Appendix A) became operational in April 2019 and brings these funds together in one place and provides ready access to WMCA investment for those developers and investors who share WMCA's high ambitions for the Region and the core objective to deliver inclusive growth.
- 2.3 It provides a **single portal** for developers and investors to access WMCA grant and investment funds for housing, land and property development. It forms a **single set of criteria** and governance systems that are applied to all applications for available devolved WMCA Housing, Land and Property Development funds, together with a **consistent process and timelines for decision making**.
- 2.4 It allows WMCA to engage with the development industry and investor partners in a fair, accountable and transparent way to blend WMCA investment streams and provide bespoke funding solutions to unlock stalled sites and schemes.

Commissioned Partnerships under the Single Commissioning Framework

- 2.5 The Single Commissioning Framework includes the opportunity for developers and investors who share WMCA key objectives for inclusive growth, to work collaboratively with WMCA in Commissioned Partnerships.
- 2.6 This allows investment propositions which are brought to the Combined Authority by developers and investors and which involve multiple sites and schemes, to be considered by WMCA on a portfolio basis, using the single set of criteria, governance structure and transparent decision making process provided by the Single Commissioning Framework.
- 2.7 As we have operated the Single Commissioning Framework it has received excellent feedback by all partners – developers, investors, councils and other key interest groups. A few minor changes to wording etc. will further assist effective implementation of its intent and purpose.

3.0. Proposed Amendments to the Single Commissioning Framework

Existing SCF Pre-Qualification Criteria:

- 3.1 ***“For those schemes which include residential uses and involve 10 dwellings or more, or involve sites of 0.5 hectares or more, then a minimum of 20% affordable housing (as defined in Annex 2 of the National Planning Policy Framework) must be delivered as an integral part of the scheme.”***
- 3.2 This affordable housing criterion in the SCF is working well and ensuring that WMCA is supporting the delivery of additional affordable homes of a type which *complement* (and not supplant or substitute for) the affordable housing which is secured on a scheme by local planning authorities by way of the normal planning application process, or that provided with grant support from Homes England under the National Affordable Homes Programme.
- 3.3 WMCA is currently scoping a regional definition of affordable housing as agreed by the Housing & Land Delivery Board on 15 July 2019 which will ensure the affordable housing provided with WMCA support better represents the needs of local areas and communities and allows for greater range of affordable housing products
- 3.4 In the meantime our position is that affordable housing generated under the Single Commissioning Framework should demonstrate that it is either compliant with the National Planning Policy Framework definition; or is meeting a specific need in the relevant local area – for example, in areas local to major healthcare facilities, homes are being 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. We propose a footnote to the SCF which clarifies this position against the term ‘affordable housing’.
- 3.5 Once a final WMCA regional definition of affordable housing is confirmed, then a further minor amendment will be needed to clarify that any additional affordable housing generated by WMCA investment via the Single Commissioning Framework should be provided in accordance with the WMCA regional definition.
- 3.6 ***“At public transport nodes, along public transport corridors and in town and city centres, an appropriate density of development to support placemaking, particularly enhanced residential densities.”***
- 3.7 A regular feedback of councils and developers has been that the above criterion could be more supportive of the opportunities provided in city centre locations in line with the intent of protecting the green belt and maximising previously developed (brownfield) land. It is proposed that this criterion in the SCF is slightly amended so that it is more explicit that WMCA investment can be made available under the SCF to address the viability challenges of delivering *taller buildings in city centre locations*, where this maximises the beneficial use of previously developed (brownfield) land.

Planning Support

- 3.8 Investment under the Single Commissioning Framework is designed to significantly increase delivery, especially housing delivery whereby the rate of new homes is targeted to increase to 16,500 per annum. Feedback from local planning teams and a number of council leaders is that this will generate a significant number of additional and complex planning applications and significant additional caseload for local planning authorities.
- 3.9 As such, it is proposed to amend the Single Commissioning Framework to convey that for those schemes WMCA agrees to invest in by way of SCF then WMCA should consider (but not be required) to make a parallel investment to increase the capacity in local planning authorities to deal with such schemes. There are many similar models across the Region and the preferred route suggested to us by a number of councils would take the form of WMCA making available a dedicated, specialist planning resource on a specific SCF scheme(s) for a time limited basis. This resource would focus only on those specific schemes agreed as a priority by the relevant local authority and approved for WMCA investment under the SCF.

Specific Operational Requirements

- 3.10 ***“WMCA investment (can be) utilised for a maximum 50% of land/property purchase price.”***
- 3.11 It is proposed that this requirement in the SCF is amended to clarify that this does not apply to WMCA *loan investment*. It is not unusual for the full cost of the land to be included within an application to WMCA for development finance, and for a loan to be advanced on this basis.
- 3.12 ***“For those applications not invited to proceed (to full appraisal), applicants will be provided with a written statement explaining the reason for this.”***
- 3.13 It is reasonable to provide applicants with an explanation as to why their project is not to be progressed and, where appropriate, the Head of Governance will be consulted on any such communications to ensure transparency and consistency.

4.0 Addressing WMCA’s Climate Change Objectives

- 4.1 On 28 June 2019, the WMCA Board declared a climate emergency.
- 4.2 The WMCA Single Commissioning Framework contains a number of Pre-Qualification Criteria which ensure that WMCA investment is deployed in a way which supports the delivery of the Authority’s key objectives linked to inclusive growth; increasing levels of affordable housing; incentivising the use of local labour and local suppliers; optimising the re-use of brownfield land; and delivering enhanced design quality and placemaking. All of these factors have implications for tackling climate change.

4.3 Given the clear direction of the WMCA Board is proposed that work is commissioned from a cross-WMCA and local council joint team to explore how the Single Commissioning Framework, and specifically the WMCA investment in the built environment deployed via the Framework, can support the WMCA's approach to tackling climate change.

5.0 Financial Implications

5.1 There are no direct budgetary implications as a result of the recommendations within this report.

6.0 Legal Implications

6.1 There are no direct legal implications as a result of the recommendations within this report.

7.0 Equalities Implications

7.1 There are no direct equalities implications identified as a result of this particular report.

8.0 Inclusive Growth Implications

8.1 There are no direct inclusive growth implications identified as a result of this particular report. However, the future proposed amendments to the Single Commissioning Framework regarding the regional definition of housing affordability would further enable the targeted deployment of WMCA devolved housing and regeneration investment towards those schemes which support WMCA's inclusive growth principles.

9.0 Geographical Area of Report's Implications

9.1 There are no geographic implications as a result of the recommendations of this report. Funding remains available for schemes across the WMCA constituent and non-constituent local authority member areas.

10.0 Other Implications

10.1 N/A

11.0 Schedule of Background Papers



11.1 Appendix A - Building the Future: A Guide for Investors and Developers to the Combined Authority's Single Commissioning Framework.