

WMCA Housing & Land Delivery Board

Date	13 th January 2021
Report title	Affordable Housing Delivery Vehicle
Portfolio Lead	Councillor Mike Bird, Leader, Walsall MBC
Accountable Employee	Gareth Bradford, Director of Housing & Regeneration (Accountable Director) Pat Willoughby, Head of Policy (Housing & Regeneration) (Accountable SRO) Rob Lamond – Strategic Planning Manager (Report Author)
Report has been considered by	The Affordable Housing Delivery Vehicle has been the subject of several reports to WMCA Housing & Land Delivery Board– these are listed under Section 12 below, and Delivery Steering Group and the relevant meetings of the West Midlands Housing Association Partnership throughout its ongoing development

Recommendation(s) for action or decision:

The Housing & Land Delivery Board is recommended to:

- **Note and endorse** the background, strategic context and rationale for developing a proposal between WMCA and West Midlands Housing Association Partnership for a collaborative Affordable Housing Delivery Vehicle to address the pressing housing affordability challenge of the West Midlands
- **Agree** to the development of a Full Business Case to be prepared for the March 2021 Housing & Land Delivery Board
- **Note** that any WMCA investment into the proposed Affordable Housing Delivery Vehicle would be subject to Investment Board consideration and approval and the robust gateway approval and assurance processes for all investments made via the WMCA's Single Commissioning Framework

1. Purpose

- 1.1 The purpose of this report is to provide the Housing & Land Delivery Board with a comprehensive summary of matters relating to the development of a proposal for an Affordable Housing Delivery Vehicle to address the pressing housing affordability challenge of the West Midlands. This proposal, a proposed joint venture between the WMCA and housing association partners in the region, has been the subject of robust

and detailed assurance and due diligence work throughout its development and has been considered by the Housing & Land Delivery Board on many occasions over the previous two years. Following the update report to Housing & Land Delivery Board in November 2020 the WMCA Overview and Scrutiny Committee “called-in” this report and at its meeting of 23rd November 2020 requested that more information was required before the proposal could be progressed further.

- 1.2 To address these points and to provide the Housing & Land Delivery Board with an easily accessible summary of its previous decisions on the context, rationale and potential benefits of the proposed vehicle, this report sets out details of the proposal itself, the context for affordable housing in the region, the pressing housing affordability challenge the new vehicle seeks to address and proposed next steps
- 1.3 It is important to note that this report recommends the agreement of the Housing & Land Delivery Board only to the *strategic case for establishing* an Affordable Housing Delivery Vehicle (AHDV).
- 1.4 This report does not recommend or seek to recommend any investment by WMCA into the proposed vehicle. Investment into a proposed vehicle would be subject to the approval of a Full Business Case to WMCA Investment Board, in line with the established robust governance and approval process for consideration of all other investments of devolved housing and land funds made by WMCA via its Single Commissioning Framework.

2. Background and timeline

- 2.1 The Housing Deal, agreed by the West Midlands Combined Authority (WMCA) and Government in March 2018, set out a range of measures to support the delivery of new homes. It included ambitious targets to deliver 215,000 new homes by 2031, increasing the annual delivery rate from 10,000 to 16,500. In return, Government agreed to “*work with Housing Associations on new ways to finance and build affordable housing to rent or buy in the West Midlands*”.

WMCA stated that increasing the supply of affordable and social housing is critical to delivering these overall targets. Whilst specific commitments to affordable housing policy and investment were not detailed in the Deal, WMCA made it clear, during negotiations, that this would be a matter to which the Authority would return in due course.

- 2.2 Discussions have been ongoing with the West Midlands Housing Association Partnership (WMHAP) and the National Housing Federation (NHF) ever since the Housing Deal was signed in March 2018. WMHAP is a partnership of circa 30 housing associations across the West Midlands and has represented the sector as a member of the Housing & Land Delivery Board since its formation in 2017. The NHF is the trade body for the housing association sector; they influence, campaign and engage with Government and other organisations on behalf of their membership. Discussions between WMCA, WMHAP and the NHF have focused on developing proposals and ideas for a bespoke affordable housing delivery vehicle to help secure new additional affordable housing. Importantly, **a fundamental concept was that delivery of any new homes should be above and**

beyond those already contained within the committed and approved business plans of the housing associations. From the outset of these discussions, the focus was on a **regional** proposition to help address **regional** conditions and provide **additionality**.

2.3 On September 6th 2018 the Housing & Land Delivery Board was briefed on:

- the existing levels of affordable provision in the region
- the growing affordability challenges in the West Midlands
- the need for the region to be more successful in accessing national affordable housing funds, and
- the potential to encourage national scale providers to deliver a large proportion of their housing in the region.

2.4 As a result, the Board requested that WMCA's Housing & Regeneration Team develop:

- a clear delivery plan for increasing affordable and social housing and attracting new providers
- a strong evidence base linked to the Industrial Strategy and Strategic Economic Plan, and
- a robust proposal to government to deliver significant new supply and quality in return for new investment.

The clear focus for the programme, therefore, would be on accelerated delivery.

2.5 In light of the evidence presented to it and this strategic context, the Housing & Land Delivery Board agreed in **February 2019** that a key part of its cross-cutting affordable housing policy and delivery programme would be the creation of a new "*Affordable Housing Delivery Vehicle*". This decision was subsequently endorsed as a key deliverable for the 2020/21 Housing & Land portfolio by the WMCA Board.

2.6 At its meeting in **November 2019** the Housing & Land Delivery Board approved four underpinning criteria for the development of proposals for an Affordable Housing Delivery Vehicle between WMCA and WMHAP which have guided the work ever since. They were:

1. The vehicle must demonstrate full compliance with the criteria and governance systems set out in the WMCA Single Commissioning Framework (SCF) and all related assurance processes
2. The vehicle must explicitly deliver additional homes overall and especially affordable homes against the SCF affordable housing definition to meet local need on Brownfield land
3. The vehicle must be clearly and demonstrably addressing market failure and providing real added value – i.e. delivering sites that evidently cannot be brought forward by the private sector, public bodies or individual housing associations, as part of a blended pipeline of sites
4. The vehicle must provide an appropriate return on any WMCA investment.

NB Regarding point 4 above it is important to note that this includes social returns and benefits alongside financial returns to be reinvested into further affordable housing delivery.

Progress during 2020

- 2.7 The impact of the Covid-19 pandemic on the regional economy has seen significant consequences for the construction industry, and it is expected that there will be long-term effects on many people's ability to access employment and good quality, affordable homes. At its April 2020 meeting the Housing & Land Delivery Board reaffirmed its views that increasing affordable housing supply was a clear priority for the Board and that the WMCA establishing a collaborative joint venture vehicle with housing associations to deliver more affordable homes from early 2021 could play a significant role in the economic recovery of the region.
- 2.8 It was noted that development of the Affordable Housing Delivery Vehicle proposal had progressed significantly in the months prior to the pandemic, the Housing & Land Delivery Board also received an update at its meeting in April 2020 setting out the next steps. Recognising the significant progress that was being made, a memorandum of understanding (MoU) was subsequently agreed between members of WMHAP and WMCA and approved by the Housing and Land Board in July 2020. The MoU is not a legally binding document however it does demonstrate the parties' joint commitment to the project and shared commitment towards a full business case.
- 2.9 The Housing & Land Portfolio's Covid-19 Economic Recovery Plan, approved by this Board in September 2020, emphasised the crucial role the proposed Affordable Housing Delivery Vehicle between WMCA and WMHAP would play in the delivery of the region's response to the pandemic and the potential for even greater demand for accessible and affordable homes in the coming years.
- 2.10 At Housing & Land Delivery Board in November 2020 a summary paper updating on progress with the proposed Affordable Housing Delivery Vehicle was received, setting out next steps and annexing the Executive Summary of the Draft Outline Business Case as further context for the emerging proposal.
- 2.11 WMCA's Overview & Scrutiny Committee subsequently "*called-in*" this report and at its meeting of 23rd November 2020 requested that more information was required before the vehicle could be approved. Additional information was requested specifically in relation to the market needs the vehicle was addressing; the vehicle's governance and accountability; the impact on consumers; regional context; and the regeneration and reinvestment aims of the vehicle.
- 2.12 To address these points and to provide the Housing & Land Delivery Board with an easily accessible summary of its previous decisions on the context, rationale and potential benefits of the proposed vehicle, **this report sets out details of the proposal itself, the context for affordable housing in the region, the pressing housing affordability challenge the new vehicle seeks to address and proposed next steps.**
- 3.0 The Context for Affordable Housing and Meeting Regional Needs**

- 3.1 The definition of Affordable Housing used in the National Planning Policy Framework 2019, set out in the text box below, identifies the types of housing products and delivery mechanisms included as “affordable housing” in legislation. It is important to note that “social housing”, i.e. homes provided by housing associations (not-for-profit organisations that own, let, and manage rented housing) or a local council are included within Section (a) “Affordable housing for rent” of this definition – thus **the phrase “affordable housing” does expressly include housing provision which is more usually termed “social housing” in public policy.**

What is Affordable Housing?

The National Planning Policy Framework, updated by HM Government in February 2019, defines affordable housing as:

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); and which complies with one or more of the following definitions:

(a) Affordable housing for rent: meets all of the following conditions: (a) the rent is set **in accordance with the Government's rent policy for Social Rent or Affordable Rent**, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).

(b) Starter homes: is as specified in sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute and any such secondary legislation at the time of plan-preparation or decision-making. Where secondary legislation has the effect of limiting a household's eligibility to purchase a starter home to those with a particular maximum level of household income, those restrictions should be used.

(c) Discounted market sales housing: is that **sold at a discount of at least 20% below local market value**. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.

(d) Other affordable routes to home ownership: is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes **shared ownership, relevant equity loans, other low cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy** (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to government or the relevant authority specified in the funding agreement

- 3.2 When the WMCA’s Single Commissioning Framework was approved in March 2019, it included a specific minimum requirement for all schemes in which WMCA invests through devolved housing or land funds to achieve a **minimum of 20% affordable housing using the national definition of affordable housing**. This is a core component of all funding agreements between WMCA and developers under the SCF to ensure that public investment into housing delivery secures social value and community benefits. It is quite rare for a public body to set a “minimum” affordable housing requirement rather than just a target to seek to achieve.
- 3.3 The Housing and Land Board remained concerned that the national definition of affordable housing when applied through the SCF didn’t take sufficient account of the wide diversity of housing affordability levels across the region. At its meeting in July 2019 the Board commissioned the WMCA team to develop a more regionally bespoke definition to further increase the provision of affordable housing and the effectiveness of that provision in meeting specific local needs identified through the local plan process. This new definition would frame the work of the new Affordable Housing Delivery Vehicle.

In January 2020, the Housing & Land Delivery Board approved the adoption of a new landmark **Regional Affordable Housing Definition**¹. This definition (which is wider than that applied nationally and much more locally targeted) would be applied through the WMCA’s Single Commissioning Framework on all sites invested in or acquired by the Combined Authority. This regional approach to affordability was developed in collaboration with the WMCA Homelessness Taskforce and was identified as a key objective in the Housing & Land portfolio’s “*Affordable and Accessible Housing*” workstream of its 2019/20 Business Plan. The Regional Definition was intended to act as a trailblazer nationally for a bespoke regional approach to affordable housing provision, demonstrating the added value in practice of a definition linked directly to **local** incomes and market needs, rather than just market prices for housing (which are the basis of the national definition of affordable housing).

Current Delivery and Challenges: Affordable Housing Delivery across the Region 2019/20

- 3.4 The West Midlands has seen significantly increased delivery of total new homes in recent years, with the most recent data showing an annual total of over 16,500 in 2019/20 – equating to a doubling of supply in six years.² Increasing the supply of affordable homes in the region continues to be a considerable challenge for all actors in the sector. Table 1 below sets out the official HM Government data for totals of each type of affordable housing delivered in the WMCA geography during 2019/20, with an overall total of 3,272 affordable homes in the region during the year.

¹ See <https://www.wmca.org.uk/news/west-midlands-becomes-first-region-to-re-define-affordable-housing/>

² Source data: MHCLG <https://www.gov.uk/government/statistical-data-sets/live-tables-on-net-supply-of-housing>

Dwelling Completions 2019/20						
Local Authority	Social Rent	Affordable Rent	Intermediate Rent	Shared Ownership	Home Ownership	Total Additional Affordable Dwellings
Birmingham	163	170	0	96	28	457
Cannock Chase	46	46	0	16	0	108
Coventry	15	111	0	73	0	199
Dudley	43	195	0	26	0	264
North Warwickshire	0	6	0	42	0	48
Nuneaton and Bedworth	22	188	0	19	10	239
Redditch	11	39	0	27	0	77
Rugby	82	106	0	111	0	299
Sandwell	0	60	0	0	0	60
Shropshire	19	138	0	59	12	228
Solihull	62	38	49	58	0	207
Stratford-on-Avon	186	127	0	208	31	552
Tamworth	0	17	0	10	0	27
Telford and Wrekin	59	173	0	88	0	320
Walsall	0	0	0	11	0	11
Wolverhampton	2	150	0	24	0	176
TOTALS	710	1,564	49	868	81	3,272

Table 1: Source: <https://www.gov.uk/government/statistical-data-sets/live-tables-on-affordable-housing-supply>, Tables 1006-1009

Longer Term Delivery of Affordable Housing Delivery (2010/11-2019/20)

- 3.5 The annual total figures for affordable housing completions for 2019/20 shown in Table 1 above reflect a fairly consistent level of annual delivery in the region over recent years. As illustrated by Figure 1 below, the total new affordable homes in the region has remained at a fairly static level over the past decade, with an annual average of circa 3,400.

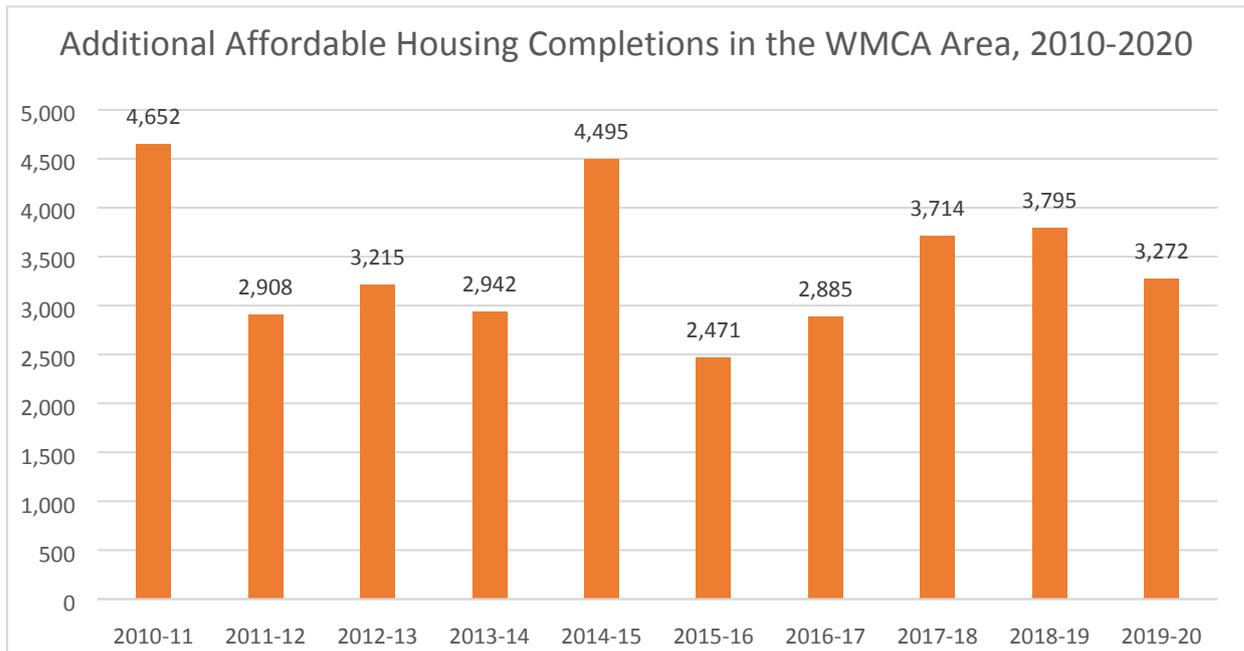


Figure 1: Source: <https://www.gov.uk/government/statistical-data-sets/live-tables-on-affordable-housing-supply>, Table 1008C

Affordable Housing Delivery Challenges

- 3.6 Across a region as diverse as the WMCA area there are clearly differing market conditions, housing needs and supply factors. There are a number of key constraints on increasing the supply of affordable housing that meets local needs in our region, including:
- Land supply constraints which hinder affordable housing delivery, especially on brownfield sites close to major new and existing transport corridors
 - Nationally imposed funding formulas and rules (e.g. the HM Treasury imposed 80/20 rule for Homes England funding for land acquisition and enabling infrastructure) that hinder ability for the region to attract the funding it needs and deploy bespoke solutions site by site
 - National Benefit Cost Ratio assessments in business cases which take minimal account of local factors or wider benefits of growth. This tends to favour lower cost greenfield/Green Belt land and brownfield supply in high value housing markets over former industrial sites in regions such as the West Midlands
 - Many organisations (Councils, Housing Associations, Homes England, Combined Authority) with differing roles and responsibilities for affordable housing policy and delivery
 - Viability challenges for affordable homes on shovel ready projects to which funding can quickly be directed
- 3.7 The complex reasons for this situation are multi-faceted and include remediation costs, access to appropriate land opportunities, viability, planning considerations and access to Government funding. **In addition, wide disparities in local incomes and market**

prices have been exacerbated and amplified by the impact of Covid19, and further bolster the need for the new and innovative responses to the challenges ahead.

Dwelling type and mix

- 3.8 The current make up of the regional housing stock is illustrated in Figure 2 below, with the majority of dwellings being owner-occupied. The private rented sector accounts for a further 17% of the total, followed by housing association stock (10%) and local authority housing (8%).

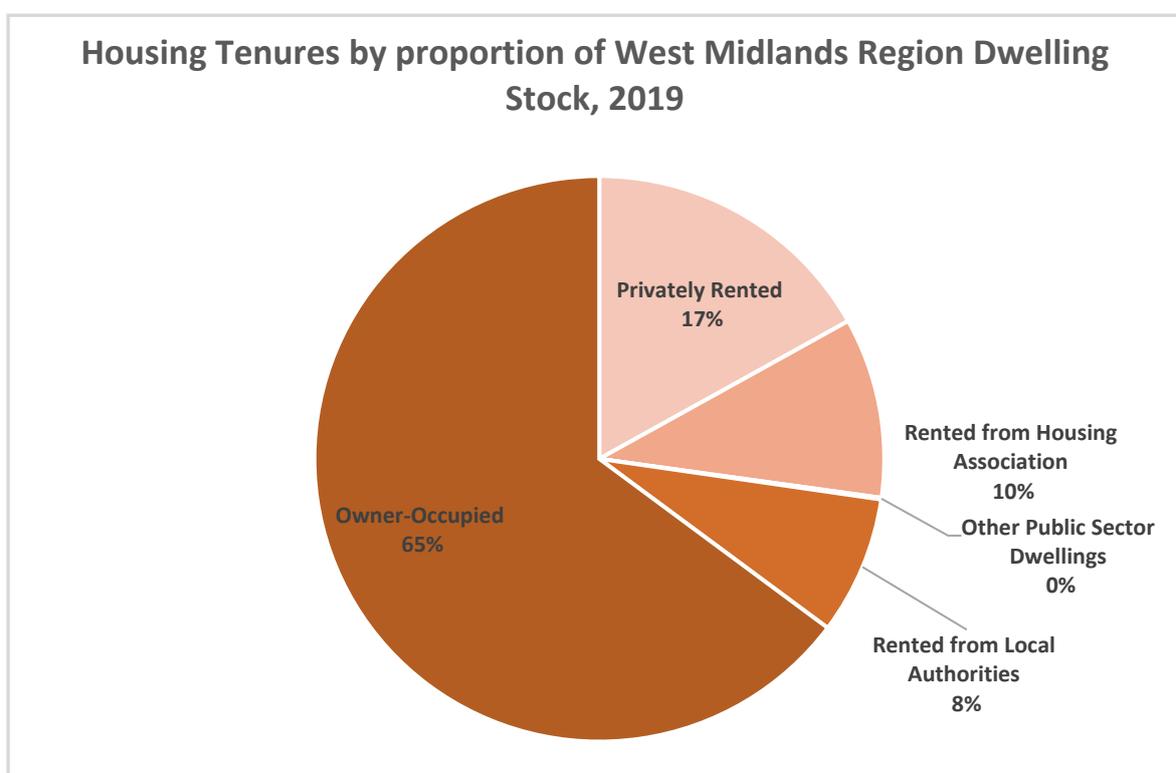


Figure 2:Source: - <https://www.gov.uk/government/statistical-data-sets/live-tables-on-dwelling-stock-including-vacants>, Table 109

- 3.9 During recent decades there has been a fundamental shift in housing tenures in the region, with the housing association proportion increasing from 2.7% in 1991 to 10% in 2019. Conversely the percentage of homes rented from local authorities has declined from over 23% to 8% in the same period.
- 3.10 The current delivery of affordable housing (including social housing) in the West Midlands is provided by a mixed market of local authorities, housing associations and the private sector. Through its National Affordable Homes Programme, administered by Homes England, HM Government provides grant funding to support the capital costs of developing affordable housing for rent or sale.

- 3.11 **The factors identified above set out a compelling rationale for adopting a bespoke approach towards the supply of affordable housing in the West Midlands.** The need and requirement for more affordable homes in the region remains absolutely clear. Housing affordability is getting worse (as measured by house price to income ratio), the issue is not equally distributed across the region (e.g. Coventry's house prices are increasing at some of the fastest rates 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 therefore requires a multi-faceted approach.
- 3.12 **It is precisely these types of challenges and issues which were the foundation to the work that has taken place under the Housing and Land Board in developing the case for the Affordable Housing Delivery Vehicle** and its co-development with a collective of housing associations (under the collective banner of WMHAP) to WMCA to explore the opportunities for a collaborative regional approach.

The Roles of Housing Associations

Housing associations provide homes and support for almost six million people around England. They offer **social homes, shared ownership homes, some market homes to rent and buy and essential supported and specialist housing.**

They also invest in community services and regeneration, provide support to vulnerable people and **reinvest all their income into delivering their social purpose.**

Social homes

The most common type of home housing associations provide is social rented and affordable rented housing, which are offered to people on lower incomes at a subsidised rent.

Social rented homes are usually rented at about 50% of the average local market rent and affordable rented homes are rented at around 80% of the local market rent.

Housing associations also provide quality homes to rent or buy at market rates.

They put all the proceeds from the rent and sale of these homes into delivering their social purpose, either by building more social and affordable homes or by investing in their local communities.

Building new homes

Housing associations build thousands of new homes for communities around the country. In 2018/19, they built more than 45,000 homes, nearly a third of all new homes in England.

This includes more than 5,000 homes for social rent, more than 19,000 homes for affordable rent, and more than 14,000 homes for shared ownership.

How housing associations invest their money

Housing associations are not-for-profit organisations set up to provide affordable homes and support local communities.

They do not make profits for shareholders. Instead, they invest all the income they make into delivering on their social purpose.

4.0 The Proposed Approach

- 4.1 As noted in Section 2 above, the development of a proposal for a joint delivery vehicle with housing associations has been the subject of many reports to the Housing & Land Delivery Board since 2018 and its grounded in the pressing need to address the well understood housing affordability challenges in our region. The concept of a joint venture

delivery vehicle was initiated in the context of the March 2018 Housing Deal and has been progressed substantially from the initial proposal from regional housing associations made to the WMCA. Importantly, it seeks to provide a mechanism to deliver additional affordable homes which will sit alongside (rather than replicate) those which are applied by housing associations individually – **providing genuine additional affordable homes.**

- 4.2 The current concept, agreed in principle by Housing & Land Delivery Board in November 2019, looks to bring together the combined expertise and resources of several of the largest housing associations within the region who are forming a dedicated Limited Liability Partnership known as West Midlands Housing Association Partnership Investments (WMHAPI). The affordable homes developed by the partnership will be available for “offtake” by any of the WMHAP members, not solely the investing partners.
- 4.3 This partnership will seek to harness the resources and expertise of the largest housing associations (which would be investing their own funds in the vehicle) to establish a direct delivery vehicle capable of intervening across the West Midlands and with the objective of creating new homes and communities to contribute towards the region’s social and economic growth.
- 4.4 The proposed vehicle provides a delivery mechanism whereby WMCA establishes multiple benefits including:
- it maintains influence over the quality, delivery and community benefits of developments through this vehicle
 - it recycles investment into further schemes, **and**
 - it implements policy objectives centred on design, construction, brownfield development, affordable housing and promoting inclusive growth.

In line with the direction of travel indicated by the Housing & Land Delivery Board in 2019 and April 2020, the proposed model ensures that WMCA is an **equal partner** in the joint venture and therefore shares equally in financial returns of the vehicle whilst also sharing the development risk. Accordingly the WMCA would nominate 50% of the Board members of the proposed vehicle and would have equal voting rights on decisions made. ***It is important to note that the proposed approach seeks to generate revenue for further investment into future housing schemes in our region, thus maximising and multiplying the public investment into any site.***

- 4.5 Through leveraging significant investment and expertise from the investor partners in the West Midlands Housing Association Partnership Investments, in combination with assets and/or investment from the WMCA, the proposed Affordable Housing Delivery Vehicle has the potential to play a significant role in the delivery of more affordable and high quality homes in the region, which will then be “off taken” by Registered Providers. ***It is important to note that the AHDV business model does not propose that the vehicle maintains or owns any housing stock itself.***

- 4.6 All properties developed will be disposed either on the open market to the general public or targeted households or to principal Registered Providers and other members of the West Midlands Housing Association Partnership to secure additional affordable housing. This will ensure that local housing associations with a relevant presence in the area are able to participate in, and benefit from, the outcomes of the proposal. The criterion of a minimum of 20% affordable homes (including social rent, affordable rent and shared ownership dependent on market conditions) included within the SCF will be applied to all schemes delivered by the vehicle, in accordance with local planning policies. **NB in areas where local planning conditions set a higher than 20% threshold for affordable homes, the vehicle will work within the local requirements.**
- 4.7 In order to test the concept and delivery model of the AHDV proposal, financial and development modelling work on real (but anonymised) site information has been undertaken in order to gain a much better understanding of the range of options for delivery, operating margins and recycling of investment from the proposed vehicle. This ensures that the very real challenges encountered in developing genuine, brownfield sites can be assessed and levels of risk and opportunity calculated and inform the detailed full business case and operating model for the vehicle.
- 4.8 Further work is now underway by WMHAP and WMCA to develop a Full Business Case (FBC) for inclusion on agenda for the March 2021 Housing & Land Delivery Board.

Next steps

- 4.9 **A Full Business Case (FBC) for the Affordable Housing Delivery Vehicle**, currently in development, is planned to be submitted to **WMCA Housing & Land Delivery Board in March 2021.**
- 4.10 **The proposed FBC will be based upon detailed strategic, economic, financial, commercial and management assessment and appraisal of the development model, in line with the due diligence and governance processes for all investment cases made to Investment Board. It will need to achieve all the “success criteria” set out by the Housing and Land Board and full compliance with the Single Commissioning Framework, and WMCA Single Assurance Framework as noted above in this report in order to progress further for any investment, subject to Investment Board governance processes.**

5 Financial Implications (*)

- 5.1 There are financial implications from the Affordable Housing Collaborative Delivery Vehicle. A detailed financial appraisal of the vehicle will need to be completed to fully understand all financial and tax implications to the WMCA. This appraisal will be completed in due course as part of the Full Business Case and any subsequent Investment Board process.
- 5.2 Any subsequent funding to set-up or fund the vehicle must follow The Single Commissioning Framework as it provides a single set of criteria and governance systems that will be applied to all applications for available devolved WMCA Housing, Land and Property Development funds, together with a consistent process and timelines for decision.
- 5.3 WMCA investment in any proposed Affordable Housing Collaborative Delivery Vehicle and subsequent projects, due diligence, feasibility or studies would be governed and administered through the Single Commissioning Framework, WMCA Single Assurance Framework, Commission Pathway and in line with the accounting and taxation policies of the WMCA and HMRC.

6. 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 It is noted that the development of the business case and the formation of a new Affordable Housing Delivery Vehicle is being supported through external legal support. Legal input will continue to be required at the relevant stages involving putting in place appropriate governance structures and legal processes and agreements. Any co-investments including grant and/or loan funding from WMCA will need to comply with the criteria and governance systems set out in the WMCA Single Commissioning Framework and will need to be considered on a case by case basis.

7. Impact on Delivery of Strategic Transport Plan

N/A

8. Equalities Implications (*)

- 8.1 A full Equalities Impact Assessment is being completed in parallel with the development of the Full Business Case for the AHDV. This will assess the potential impacts of the proposed AHDV and any mitigations required.

9. Inclusive Growth Implications

- 9.1 The proposed Delivery Vehicle would operate via the WMCA's Single Commissioning Framework which includes Inclusive Growth outcomes including affordable housing, use of local labour and suppliers, and quality of design and placemaking as part of the key criteria for investment of Combined Authority funds.
The proposed Vehicle will establish key outcomes and measures relating to Inclusive Growth as part of the business case.

10. Geographical Area of Report's Implications

The report covers the whole of the WMCA area.

11. Other Implications

12. Schedule of Background Papers

06.09.2018 Housing & Land Delivery Board - Social Housing Green Paper Update and Response

21.02.2019 Housing & Land Delivery Board – Housing Affordability: Update and Proposal to HM Government

04.11.2019 Housing & Land Delivery Board – Affordable Delivery Vehicle: Update

27.04.2020 Housing & Land Delivery Board – Affordable Housing Delivery Vehicle Update

06..07.2020 Housing & Land Delivery Board – Affordable Housing Delivery Vehicle Update

04.11.2020 Housing & Land Delivery Board - Affordable Housing Collaborative Delivery Vehicle: Progress Update

Note; (*) denotes mandatory field