

Item No.

Title

- 25. Apologies for Absence (if any)**
Apologies for absence had been received from Councillor Julie Jackson (Nuneaton and Bedworth Borough Council), Councillor Keith Allcock (Sandwell Metropolitan Borough Council) and Councillor Lisa Trickett (Chair – WMCA Overview and Scrutiny Committee).
- Apologies for absence had also been received from Gill Hamer (The Marches Local Enterprise Partnership), Simon Tranter (Walsall Metropolitan Borough Council), Mark Ryder and Geraint Stoneman (Warwickshire County Council) and Isha Bhatt (West Midlands Combined Authority).
- 26. Notification of Substitutes (if any)**
Councillor Ian Lloyd had been nominated as a substitute member for Councillor Julie Jackson (Nuneaton and Bedworth Borough Council).
- 27. Declarations of Interests (if any)**
No declarations of interest were made in relation to matters under consideration at the meeting.
- 28. Minutes of last meeting**
Councillor Jacqueline Sweetman commented that she had been unable to attend the last meeting and had nominated her colleague, Councillor Stephen Simkins, to attend as her substitute but he was not recorded as being in attendance at the meeting. She asked whether the attendance of substitute members was recorded or whether the attendance of Councillor Simkins had been omitted inadvertently. The Chair confirmed that such attendance was recorded and that the record could be amended.
- Carl Craney reported that no nomination of Councillor Simkins acting as a substitute had been received and, accordingly, an invitation to the meeting including the necessary link had not been provided. Councillor Simkins had not attended the meeting.
- Resolved:
- That the minutes of the meeting held on 2 November 2020 be confirmed as a correct record and signed by the Chair.
- 29. Affordable Housing Delivery Vehicle - Update and Next Steps**
Gareth Bradford reminded the Board that the report on the Affordable Housing Collaborative Delivery Vehicle, which had been noted at the last meeting had been 'Called in' by the WMCA Overview and Scrutiny Committee and at the meeting of that Committee held on 23 November 2020 the report had been referred back to this Board for further consideration. Tim Martin reported that, unfortunately, neither the Chair or Vice-Chair of the Overview and Scrutiny Committee were able to attend this meeting to outline the reasons for the decision of that Committee.

Rob Lamond read out to the Board a letter from Councillor Lisa Trickett, Chair of the Overview and Scrutiny Committee to the Chair of this Board as follows:

Dear Cllr Bird,

Re: Affordable Housing Collaborative Delivery Vehicle: Progress Update

As you know the Overview & Scrutiny Committee called-in the decision of the Housing & Land Delivery Board held on 2 November 2020 relating to the proposals for an affordable housing collaborative vehicle. The reason for the call-in was stated as:

The panel was not made aware of the extent of need and possibility of specifying a purpose to deliver on social housing requirements. Our concern is that members have not been given the information required to make an informed decision and that this report unduly fetters the opportunity to use such a vehicle to deliver on housing need in the region.

Thank you for attending Overview & Scrutiny Committee on 23 November to discuss and answer questions in relation to the above. The committee concluded that:

“The Affordable Housing Collaborative Delivery Vehicle: Progress Update report be referred back to the Housing & Land Delivery Board for further consideration in order that the members of that board can be assured that the proposals and the full business case provided sufficient evidence that the proposals would deliver on the intended objectives as stated at this committee by the Chair of the Housing & Land Delivery Board and the Director of Housing & Regeneration”

I understand that you will be re-considering the Affordable Housing Delivery Vehicle report at the next meeting of the Housing & Land Delivery Board on 13 January which, in accordance with the provisions of the WMCA's constitution, I am able to attend and report on the findings of the Overview & Scrutiny Committee. Unfortunately I am not able to attend due to a clash of meetings but would welcome a summary of the conversation from your reconsideration of this item.

Thank you.

The Chair reminded the Board that work on the preparation of a Full Business Case for the Affordable Housing Delivery Vehicle was on-going and that, in his opinion, the 'Call In' had been premature.

Gareth Bradford reported that the report presented to this meeting was more detailed than that submitted previously and included information on the history and context of the proposal and addressed the issues raised by the Overview and Scrutiny Committee insofar as it explained the position with 'affordability' with it being measured against the regional definition. He emphasised that, at this stage, the WMCA was not being asked to commit any resources in terms of finance or land and (any such decisions would be made by the Investment Board) that any concerns raised at this meeting could be included within the Heads of Terms. He assured the Board that work on the governance arrangements for the Delivery Vehicle were progressing to ensure that they were sufficiently robust.

He advised that any allocation of resources to the Delivery Vehicle would be subject to the WMCA's governance requirements and that the intention was to achieve 'additionality' i.e. the provision of affordable housing over and above what could be delivered normally on difficult to develop sites. He also reminded the Board that in respect of 'Housing Needs', this was a matter for each local authority, in their role as Local Planning Authorities, to determine through the Local Plan process albeit that the WMCA worked in collaboration local authorities worked in collaboration with the WMCA with local authorities to support the delivery of such proposals particularly those on brownfield land.

Councillor Angus Lees concurred with the views now expressed as no decision was required at this stage with the Full Business Case still in the development stage. He suggested that this be presented to the Overview and Scrutiny Committee in the first instance for consideration. He queried how the Management Board of the Delivery Vehicle, once established, would be held to account. The Chair commented that the Delivery Vehicle would be comprised of and operated by a number of Housing Associations, all of which would be subject to their normal governance arrangements and contracts with Homes England.

Councillor Jacqueline Sweetman commented that the development of the Delivery Vehicle was still in an embryonic stage and that this Board had the opportunity to shape its form. She drew to the attention of the Board that many brownfield sites were often unviable for development and asked whether the WMCA would contribute to the remediation and development costs in order to off-set the negative value. She also asked, in the circumstance of loan funding, whether the WMCA would be providing guarantees for this finance. Gareth Bradford explained that the Delivery Vehicle would act as a project Sponsor and, in the same way as any other organisation, would be required to comply with the Single Commissioning Framework to access any funding. He explained that there were rules and restrictions imposed on those funds by Government and these would have to be complied with e.g. the amount of money that could be put into any one development. He gave the example of the Housing Deal Land Fund which required the WMCA to deliver 8,000 dwellings in return for £100 million. This required the average support per unit to be no greater than £12,500 across the programme as a whole (although there could be significant variations on the level of grants within individual projects).and this matter was the subject of regular reports to the Investment Board. Currently, the WMCA was on track to deliver on the target. Any applications for loans would need to be applied for in the normal way with funding only being accessed with the approval of the Investment Board. Any decisions made in respect of funding would be subject to reports to the appropriate Board in the usual way.

Neil Taylor asked why the vehicle was needed and what value it would add. Gareth Bradford explained that on some sites, the risk for the development industry were just too high. He explained that, if housing associations worked together and with the WMCA, they could achieve more than if working independently.

Councillor Sharon Thompson commented that given the housing need in the region the development of the Delivery Vehicle should be supported.

Kevin Rodgers explained that the intention had always been for the Housing Associations to work collaboratively with the WMCA with a view to providing more social housing units than defined in their respective business plans and contracts with Homes England. Subject to the approval of the Full Business Case, the Affordable Housing Delivery Vehicle would assist in fulfilling this aspiration. He explained that the majority of housing association homes were provided as social or affordable rent, or as shared ownership. Sites that could not readily be undertaken by individual housing associations could be developed by housing associations provided that the risk was shared. The available expertise of the 26 members of the Partnership, anchored across the West Midlands, would allow more affordable homes to be provided across the region as a whole. By working with the WMCA, the Partnership would be able to deliver new homes on sites that the private sector would not be prepared to develop or on which they would provide only private sector housing. He concluded by saying that the WMCA would be a member of the partnership and the delivery vehicle would be owned 50% by the WMCA.

Councillor Ian Courts commented that if the Delivery Vehicle could deliver more homes and sites it should be supported although a strong risk assessment process would be required to be in place.

Rob Lamond drew particular attention to elements of the report which addressed the concerns of the Overview and Scrutiny Committee in relation to the definition of affordable housing and the role of Housing Associations. He highlighted that social rented housing was an important offer of the affordable housing delivery vehicle and that the partnership very much reflected the shared values and objectives of both the WMCA and the housing associations.

Resolved:

1. That the background, strategic context and rationale for developing a proposal between the WMCA and the West Midlands Housing Association Partnership for a collaborative Affordable Housing Delivery Vehicle to address the pressing housing affordability challenge of the West Midlands be endorsed;
2. That the development of a Full Business Case to be prepared for the March 2021 Housing and Land Delivery Board be agreed;
3. That it be noted 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.

30. Zero Carbon Homes: Charter and Routemap

Rachel-Ann Atterbury presented a report which updated the Board on the excellent progress being made under the Zero Carbon Homes Work Programme of the Board.

Councillor Ian Courts advised that he supported fully the proposals although there was a need to examine the cost parameters to ensure they were realistic. He also asked whether developers could make alternative provisions (allowable offsets) if they could not deliver zero carbon homes on a site. Rachel-Ann Atterbury assured the Board that both matters were built into the Routemap and acknowledged particularly the need to attempt to drive down costs and what the WMCA could do in this area. She commented that the issue of 'off-setting' and the need for consideration to be given to retro-fitting some measures at existing properties were also being addressed. She commented that as offsetting could sometimes reduce any adverse impacts rather than deliver zero carbon homes further work was being undertaken on this matter.

Councillor Peter Butlin challenged whether it was possible to deliver both affordable housing and zero carbon homes in view of the additional costs in fitting, for example, an air source heat pump or a ground source heat pump compared to a traditional gas boiler heating system. He suggested that the affordable technology required was not yet available and that concentrating on delivering affordable housing should be the priority of this Board. Councillor Ian Courts suggested that the additional costs could be met by driving down the purchase price of the land required for development. He commented that it was for the WMCA to set the standards and act as 'Champion' on such matters. Rachel-Ann Atterbury acknowledged the comments on the additional costs involved and explained that further work was being carried out but advised that developments at scale brought the average price down. It was possible for some developers to include such measures at cost and that implications other than cost needed to be considered e.g. zero carbon measures could lead to the running costs of the building being reduced.

Councillor Daren Pemberton commented that, ultimately, developers would deliver the product that the market demanded and was of the view that there was no choice but to persevere with the delivery of zero carbon homes. He reported that on 14 January 2021 Stratford on Avon District Council and Warwick District Council would begin the development of a new Joint Strategic Plan and invited Rachel-Ann Atterbury to work with colleagues in those authorities to ensure that the provision and delivery of zero carbon homes was embedded in that Strategy. Rachel-Ann Atterbury advised that both authorities played an active part in the work of the Zero Carbon Homes Working Group.

Gareth Bradford reminded the Board that its Terms of Reference included a requirement to improve the quality of housing provided and to be pro-active in promoting new forms of development. He commented that whilst initially the requirement to provide a 20% affordable element on schemes before WMCA financial assistance could be provided had received resistance, this was now accepted by developers. Adopting a similar line on zero carbon homes would deliver additional benefits for local people. He commented that progress on delivery would be monitored closely and would be reported regularly to this Board.

Resolved:

1. That the principles and format of the Zero Carbon Homes Charter as set out in Appendix A to the report be agreed in readiness for publication;
2. That the contents of the Zero Carbon Homes Routemap as set out in Appendix B to the report be agreed in readiness for publication;
3. That the proposal to launch formally the Zero Carbon Homes Charter and Routemap in early 2021 (date to be confirmed) be agreed;
4. That the excellent support from local authority officers on the Zero Carbon Homes Working Group and industry experts on the Zero Carbon Homes Taskforce in formulating the charter and Routemap be noted;

5. That delegated powers be granted to the Director of Housing and Regeneration in consultation with the Portfolio Holder for Housing and Land to agree the final versions of the charter and Routemap (ready for publication).

31. Brownfield Land Funding

Gareth Bradford reported that the WMCA had been awarded a sum of £24 million out of a national allocation of £40 million for brownfield land remediation and that this should be viewed as a credit to the work of this Board.

The meeting ended at 10.49 am.