



West Midlands
Combined Authority

WMCA Board

Date	18 March 2022
Report title	A Review of the WMCA's Housing & Land Policy: Helping to Deliver Affordable and Social Housing
Members Undertaking the Review	Councillor Lisa Trickett (Chair), Councillor Naeem Akhtar, Councillor Simon Peple and Councillor Vera Waters
Accountable Employee	Satish Mistry, Interim Director of Law & Governance email satish.mistry@wmca.org.uk

Recommendation(s) for decision:

WMCA Board is recommended to:

- (1) Support the conclusions and recommendations of the Overview & Scrutiny Committee as set out within the report.

Purpose

1. To consider the findings of a scrutiny review undertaken to examine the role and remit of the WMCA to deliver affordable and social housing within the West Midlands through the use of devolved Housing and Land funds and to consider how this supported and added value to the responsibilities of the constituent authorities in respect of affordable and social housing provision.

Background

2. At its meeting on 21 July 2021, the Overview & Scrutiny Committee identified the provision of affordable and social housing within the region as a key area of focus for 2021/22, and agreed to undertake a review to examine the role and remit of the WMCA to deliver affordable and social housing within the West Midlands through the use of the Brownfield Land & Property Investment Fund.

3. The committee agreed the key objectives for the review, being to:
 - (a) Understand how the region's affordable and social housing needs is determined and what account is taken for sub-regional socio-economic differences in the calculation of regional need?
 - (b) Understand what the role of the WMCA is in the supply of affordable and social housing in the West Midlands? How does the Brownfield Land Remediation Fund help support this role, and how clearly is this role understood across the region and amongst partners?
 - (c) Understand how does this role support and contribute to the constituent authority's responsibility for the delivery of affordable and social housing within their district?
 - (d) Understand the number of sites funded through the Brownfield Land Remediation Fund to date, the number of housing units delivered on these sites, and the percentage of these units that have been designated as affordable and social.
 - (e) Determine whether the Brownfield Land Remediation Fund adequately use its commissioning and contracting influence to maximise the delivery of affordable and social housing units within the individual schemes it funds?
 - (f) Understand the impacts and implications on the Brownfield Land Remediation Fund of the differential cost of Land Remediation across the region?
4. The review group was chaired by Councillor Lisa Trickett, Vice-Chair of the Overview & Scrutiny Committee and also comprised Councillor Naeem Akhtar, Councillor Simon Peale and Councillor Vera Waters. The review was undertaken during January and March and was supported by Rob Lamond (Strategic Planning Manager) and Lyndsey Roberts (Scrutiny Officer).

Evidence Gathering

5. The review group sought a range of written and verbal evidence to help inform its conclusions and recommendations. The Housing and Regeneration Team provided a briefing note that provided a response to each of the objectives identified by the review group. In addition, the panel requested further information regarding the WMCA's Affordable Housing Programme and the proposed joint venture with housing associations in the region. The purpose of the briefing note was to inform understanding on what was within the WMCA's control, what it could influence and advocate to government.
6. In addition to the written evidence submitted, the review group conducted face-to-face interviews with a range of key witnesses to gain their understanding on the current situation, relationships, challenges and any failures in the system. The review group were also keen to hear the experiences of people that have experienced and lived in temporary accommodation and the impact that this has had on them and their families.
7. To help build a better appreciation of the strengths and challenges of the current arrangements and to highlight areas of potential improvements, the review group interviewed the following key witnesses:

- Gareth Bradford, Director of Housing and Regeneration
- Ian McLeod, Director of Planning, Birmingham City Council
- Jo Nugent, Head of West Midlands- Markets, Partners and Places, Homes England
- Tom Hawley, Head of Affordable Housing Growth (Midlands), Homes England
- Musurut Dar, Senior Community Organiser, Shelter
- Members of Shelter
- Kevin Rodgers, Chair of the West Midlands Housing Association Partnership
- Steve Eaves, Director of Regeneration, Platform Housing Association
- David Soothill, Development Director, Sanctuary Housing Association

Emerging Themes and Considerations

8. During the consideration of the written and oral evidence gathered during the course of the review, a number of themes emerged for consideration:
- *The recent publication of the Government’s “Levelling Up White Paper”, the Levelling Up agenda and the opportunities it brings for tackling long-standing housing challenges in the region and the crucial role of housing and regeneration (funding, powers, activities) in delivering many of the missions and aims of the Levelling Up agenda.*
 - *The Local Planning system and application of local needs assessments when setting local targets for affordability to meet identified local needs and whether this sufficiently captures those genuinely in need.*
 - *Viability Assessments within the Planning system, the use of “viability” arguments to reduce housing supply on land, and the impact of planning and land negotiations on levels and types of affordable housing delivered on schemes.*
 - *Housing Mix and the range of housing products described as “affordable” within the national definition in relation to the specific needs of the region and local areas.*
 - *The impact of HM Government policy to restrict funding for new social rent properties to “areas of high affordability pressure” – in the WMCA region this includes only Birmingham, Coventry, Solihull, Stratford on Avon, and Tamworth local authorities.*
 - *The availability of Land for housing development within the region, the time and costs associated with brownfield development in comparison to greenfield schemes, and the increase in land values in the West Midlands in recent years.*
 - *Land owned by Public bodies and the potential to maximise these assets for delivery of wider outcomes for the region – including delivery of more social and affordable homes and addressing long term issues e.g. temporary accommodation – alongside securing capital receipts.*
 - *The role of local authorities, the WMCA, Homes England and housing associations in securing additional affordable homes in the West Midlands through combined resources, expertise and shared objectives and approaches.*
 - *Land Assembly and the public sector’s ability to resolve fragmented land ownerships to deliver comprehensive regeneration opportunities.*

- *Local capacity and capabilities and the potential to share expertise across local authorities, the WMCA and other public bodies (e.g. Homes England) to support housing and regeneration, especially in complex and resource intensive schemes require eg legal interventions such as Compulsory Purchase Orders.*
- *The Land market in the region and the impact of high prices on supply and demand, with resulting “Land Flipping” and reduced opportunities for affordable housing delivery.*

Recommendations

9. After considering the written and oral evidence it received, the review panel concluded that a number of recommendations should be considered by the WMCA Board that would help to truly address the housing need within the region and help to deliver more social housing within the West Midlands:
 - **Recommendation 1:**
That the WMCA Board writes to the Secretary of State for DLUHC, setting out the region’s ambitions to deliver a step change in the delivery of social and affordable homes in the region and its intent to pursue this and the associated powers/funding needed to achieve that as part of the Levelling Up agenda and “trailblazing Devolution Deal” negotiations
 - **Recommendation 2**
That WMCA should retain a “minimum” affordable housing target but that the affordable housing requirements for schemes funded by WMCA (currently set as a ***minimum of 20% affordable***), should seek to be aligned with the targets set by Local Planning Authorities in the relevant Local Plan including the alignment of type and tenure
 - **Recommendation 3**
That the WMCA and local authorities continue to work together through the Housing and Land Board, WMCA Public Land Taskforce and directly with the Cabinet Office to address issues around “best value” in disposal of public land and to identify actions and interventions that will maximise the wider social, economic and environmental benefits secured through the development and disposals of public land in the region
 - **Recommendation 4**
That the WMCA, housing associations, Homes England and local authorities continue to work together to address the contradictions and challenges of the current system for delivery of affordable and social housing – recognising that the challenge cannot be addressed in isolation and it is a multi-faceted systemic issue where all agencies need to work together with a clear strategy for change.
 - **Recommendation 5**
That the WMCA, local authorities and other regional stakeholders campaign for an end to the restriction sighted in the interviews of social housing grant being awarded to “areas of high affordability pressure”, noting that more investment in social housing across the region will address multiple needs and provide more secure, healthy and efficient homes for our communities
 - **Recommendation 6**
That through the Trailblazer Devolution Deal, the WMCA, local authorities and other regional stakeholders’ campaign for an end to or amendment of the “viability” clause in national planning policy which is impacting directly on land prices and affordable housing supply in the region.

- **Recommendation 7**
That the WMCA appropriately brings together local capacity, capabilities and expertise across local authorities, the WMCA and other public bodies (e.g. Homes England) to support housing and regeneration, especially in matters around land assembly and interventions such as Compulsory Purchase Orders
- **Recommendation 8**
That through the Trailblazer Devolution Deal, the WMCA, local authorities and other regional stakeholders' campaign for a review of the Local Housing Allowance system and the necessary local discretion in order to address issues affecting excluded residents and the subsequent impact on homelessness, temporary accommodation and the private rented sector.

Financial Implications

10. There are no immediate direct financial implications arising out of the recommendations contained within this report.

Legal Implications

11. There are no immediate direct legal implications arising out of the recommendations contained within the report.

Equalities Implications

12. There are no immediate direct equalities implications arising out of the recommendations contained within the report.

Inclusive Growth Implications

13. There are no immediate direct inclusive growth implications arising out of the recommendations contained within the report.

Geographical Area of Report's Implications

14. There are no immediate geographical implications arising out of the recommendations contained within the report.

Other Implications

15. There are no further specific implications arising out of the recommendations contained within the report.