



## Housing & Land Delivery Board

<b>Date</b>	27 <sup>th</sup> April 2022
<b>Report title</b>	WMCA Housing Deal 2018: Local Plans Progress Update
<b>Portfolio Lead</b>	Housing & Land - Councillor Mike Bird
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<b>Previous reports</b>	<ul style="list-style-type: none"><li>• April 2022: Housing &amp; Land Delivery Steering Group</li></ul>

### **Recommendation(s) for action or decision:**

Housing & Land Delivery Board is recommended to:

- a) **Note** WMCA's responsibilities relating to the monitoring of local plans and required assurance reports to Government, how this relates to the 2018 Housing Deal and Brownfield Land funding packages, progress towards achievement of the 215,000 new homes target in the Housing Deal and progress towards the delivery of local plans; and
- b) **Consider and discuss** the types of additional support and advice, that could be provided by WMCA, which would be beneficial to local authorities seeking to progress local plans, development delivery and related policy development.

### **1.0 Purpose**

- 1.1 The purpose of this report is to update the Housing & Land Delivery Board on the monitoring of local plans in the region which is a formal requirement in WMCA's 2018

Housing Deal with Government; summarise progress against the milestones; highlight some of the risks associated with non-delivery; and consider the types of support from WMCA for local plans, development delivery and policy development that might be helpful to local authorities in future.

## **2.0 Background**

### *WMCA's Housing Deal with HMG*

- 2.1 The Housing Deal between Government and WMCA, announced in March 2018, included a £100m Land Fund to acquire and remediate land around priority sites to deliver at least 8,000 new homes, plus additional support of up to £250m for infrastructure provision to enable housing and economic growth.
- 2.2 The terms of the 2018 Housing Deal commit WMCA, as a condition of receiving the monies to ensure that the region: a) plans for and delivers 215,000 homes by 2030/1; and b) updates local plans, as necessary, to achieve this target. The agreement accordingly stipulates additional, specific interim targets and milestones to be achieved; a monthly and quarterly reporting process on local plans; and an escalation and resolution process to be used if there are delays beyond the agreed target dates.

### *Brownfield Housing Fund*

- 2.3 During 2020, in recognition of the region's successful delivery record to date, WMCA secured £84 million from the Government's Brownfield Housing Fund. This comes with a housing target of at least 6,000-7,500 dwellings alongside full compliance with the requirements set out in WMCA's Single Commissioning Framework and previous funding agreements with Government (e.g. funder of last resort, test of market failure, agreed benefit-cost ratios, etc).
- 2.4 Similar to the Housing Deal, the Brownfield Housing Fund requires WMCA to ensure effective local plans delivery stating: '*Councils must either have an up to date Local Plan in place, or an agreed plan with MHCLG [DLUHC] for getting a Local Plan in place, to receive funding*'. This becomes even more pertinent with the announcements of an additional £28 million and £17.4 million Brownfield Housing funding in recent months. Local plans progress is also a condition of the £24m National Competitive Funding (also for brownfield land) announced in 2020.

## **3.0 Monitoring Progress against the Funding Agreements**

### *The Monitoring Process*

- 3.1 WMCA has established a monitoring process to assist reporting on local plans to the Department of Levelling Up, Housing & Communities. Local authorities are contacted on a monthly basis to summarise progress on their local plans in relation to the target dates of each authority's Local Development Scheme, the target dates having been set by the published Local Development Schemes in March 2021. Progress is reported to, and discussed with, the Department at a monthly meeting. On an annual basis, housing supply figures are collated by the Housing Market Area (HMA) Group and these are used by Government to measure progress against the 215,000 new homes target.
- 3.2 A more formal quarterly report on the Housing Deal performance is supplied to the Department in April, July, October and January each year and more recent funding packages (e.g. the Brownfield Housing Fund). This report must provide monitoring information on local plans milestones; progress against the 215,000 homes target; delivery of pipeline projects against the housing output targets and other related matters (e.g. private sector leverage).

#### *Progress on Housing Land Supply*

- 3.3 WMCA and local authority progress towards the 215,000 homes target by 2030/1 was clearly very strong in the early part of the Housing Deal period but Covid-19 has affected performance in the development industry generally and will have had an impact on supply in 2020 and 2021.
- 3.4 Current risks to the achievement of the 215,000 new homes target include:
- The impact on housing completions and supply through the Covid-19 period (2020/21 to 2021/22), the full impact of which will not be known until updated monitoring figures are released later this year.
  - Completion figures for 2020/21 which indicate a fall from the previous year; a 'bounce back' is expected for 2021/22 and is under constant review.
  - Delays to local plans, particularly those that are behind timetable because they have had an extended examination period, are awaiting an Inspector's report or an examination date. This is because local plan allocations only reach 'planning certainty' (and can, therefore, be counted towards the 215,000 target) once the plan has been adopted.

#### *Progress on local plans*

- 3.5 To date, it has been possible to demonstrate to Government that most local plans have achieved good progress: one local plan was successfully adopted in September 2021 and others are emerging from the examination process with positive reports from inspectors. However, some plans are at risk of missing critical milestones.

- 3.6 The ability to manage delays efficiently and effectively is a consideration consistently applied by the Department so, in those circumstances where delays appear to be unavoidable, mitigation measures need to be identified rapidly and put in place. The Department maintains its focus on the adoption of out of date local plans by the end of 2023, the target date specified in National Planning Policy Guidance.
- 3.7 Should there be a need to escalate a local plan beyond normal monitoring procedures, potentially, this gives rise to funding and reputational risks, both to WMCA and to local authorities. We must, therefore, continue to maintain dialogue, positive working relationships and to identify appropriate mitigation measures at the earliest possible stage.

#### **4.0 WMCA support going forward**

- 4.1 Maintaining effective progress against the Housing Deal targets is critical to existing and future funding streams. It is important to maintain a strong housing supply, and both positive and timely progress on local plans against agreed milestones. To date, WMCA has been able to support work on development delivery e.g. studies forming part of a local plan's evidence base, policy development which requires a regional perspective, master planning activity in agreed strategic locations or regeneration corridors, infrastructure provision, remediation and/or other activity related to the deliverables of the Housing and Land Portfolio.
- 4.2 The Housing & Land Delivery Board is asked to consider areas of work or matters on which WMCA might usefully provide additional support to local authorities. In line with previous activity, and based on the agreed deliverables for the Housing & Land Portfolio 2022/23, this might include:
- delivery of key requirements, and output targets of Housing Deal and subsequent deals with Government
  - supporting Local Planning Authorities with evidence for Local Plans and policy requirements
  - developing and collaborating on Board approved policy development work and master planning
  - supporting Local Planning Authorities with other funding bids to Government.

- 4.3 WMCA welcomes the opportunity to participate in the regular meetings of the Housing Market Area Group and some matters which require a regional perspective have been raised in that forum e.g. a further strategic employment sites study linked to the ambitions of the Regional Growth Strategy and wider WMCA policy ambitions. We welcome the opportunity to consider supporting some of the workstreams arising here.

#### **5.0 Financial Implications**

- 5.1 There are no direct finance implications as a result of the recommendations within this paper. There will be, in future, financial implications associated with the continued work on Local Plans, which will be funded from existing Housing and Regeneration budgets. It is worth noting a potential financial risk from some local plan milestones being delayed by more than a three-month period from the agreed targets.
- 5.2 Any WMCA investment into Local Plans would be governed and administered through the WMCA Single Assurance Framework and in line with the accounting and taxation policies of the WMCA and HMRC.

## **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 Homes England has in relation to the combined area. Paragraph 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 purpose of this paper is to provide an update on the local plans workstream in relation to the Housing Deal including progress against milestones set out in the 2021 Housing Deal Monitoring Agreement and an outline of the support offered from the Combined Authority to achieve the region's wider strategic objectives on housing and employment land. Progress in the development of local plans will encourage delivery of new schemes which may qualify for funding from WMCA through the application of the criteria and governance systems set out in the WMCA Single Commissioning Framework and legal should be sought as and when required.

## **7.0 Equalities Implications**

- 7.1 There is no equality impact in relation to this report.

## **8.0 Inclusive Growth Implications**

- 8.1 This report is for information and discussion only but the functions included support the principles of inclusive growth. The transformation of urban areas through the

workstreams noted in the report will have a positive economic impact on all residents and sectors of society in the West Midlands.

## **9.0 Geographical Area of Report's Implications**

9.1 The recommendations of this report apply to the whole of WMCA area.

## **10.0 Other Implications**

10.1 None.

## **11.0 Schedule of Background Papers**

11.1 None.