

Overview & Scrutiny Committee

Date	5 September 2022
Report title	Helping to Deliver Affordable and Social Housing Scrutiny Review Recommendations - Update on progress
Accountable Chief Executive	Laura Shoaf, West Midlands Combined Authority email: laura.shoaf@wmca.org.uk
Accountable Employee	Gareth Bradford, Executive Director for Housing Property & Regeneration email: GarethBradford@wmca.org.uk Rob Lamond, Head of Strategy & Analysis, Housing Property & Regeneration email: Rob.Lamond@wmca.org.uk

Recommendation(s) for decision:

The Overview & Scrutiny Committee is recommended to:

- (1) Note the progress that has been made in implementation of the recommendations of the 2021/22 Overview and Scrutiny review undertaken to examine the role and remit of the WMCA to deliver affordable and social housing within the West Midlands.

Purpose

1. This paper provides an update on the work of the WMCA and its partners in implementing and responding to recommendations from the WMCA Overview and Scrutiny Committee's review of Affordable and Social Housing.

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 devolved Housing and Land funds.
3. The Overview and Scrutiny Review reported back to the Committee its conclusions that a number of recommendations should be considered by the WMCA Board that would help to address the housing need within the region and help to deliver more social and affordable housing within the West Midlands.
4. Following the recommendations of the Overview & Scrutiny review being reported to and supported by the WMCA Board on 18 March 2022, WMCA have continued to drive the delivery of affordable housing in partnership with Local Authorities and Registered Providers, taking into account and working to address the recommendations set out by Overview and Scrutiny Committee.

Progress to Date

5. An update on the progress made under each individual recommendation made by the Overview & Scrutiny Review is outlined below:

6. 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

The Trailblazer Devolution Deal (TDD) that WMCA and its partners is negotiating with central government has set out clear ambitions for an increase in funding and levers to deliver the tailored affordable homes that are needed in the region as part of the wider levelling up priorities. WMCA have proposed that the West Midlands receive similar affordable housing powers to those available in London, which would enable the region to provide a step change in affordable housing provision and housing supply that better meets the needs of local people across our diverse region. As a main component of this, it is proposed that a dedicated Affordable Housing Funding Settlement between WMCA and HM Government will provide the regional accountability, investment and leadership required to maximise leverage and private investment into affordable homes required in the region, working alongside and complementing the programmes administered by Homes England and local authorities. This would reflect local needs and local markets to ensure that more genuinely affordable homes are available for residents across the region.

7. 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

WMCA works closely with local authority partners to align housing and regeneration projects funded through the Single Commissioning Framework (SCF) and policy priorities with local plans including affordable housing policies and priorities for local areas. Meetings with local authorities and WMCA take place every six weeks, which among other areas of collaboration, allow parties to ensure affordable housing priorities are aligned and SCF funding is identified where appropriate to deliver homes that reflect the needs of local people. All schemes progressing through the SCF process require explicit support from the relevant Local Planning Authority. Throughout negotiation with SCF applicants, WMCA work to ensure that the affordable housing element of each scheme reflects the priorities of the Local Planning Authority, with the 20% target being the **minimum requirement** (current data indicates an average of 26%+ is being achieved on SCF schemes). The forthcoming review of SCF requirements (to be completed during 2022/23) will seek to incorporate this recommendation of the Overview & Scrutiny review to align with the affordable housing requirements in Local Plans, with the WMCA Housing Property & Regeneration team engaging closely with local authority officers and Planning Committees in the region.

8. 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

In May 2022, WMCA launched the [West Midlands Public Land Charter](#) under the leadership of the Housing and Land Delivery Board and supported by a Public Land Taskforce. The charter aims to bring forward public land and opportunities for development and regeneration in the West Midlands at scale, unlocking wider benefits and outcomes that will be an essential consideration for public land disposal. The charter, which sets out to utilise public and private sector partnership working to maximise the potential for public land disposal, take a long-term view and strategic approach to best value, and consider the regeneration of land against local needs and ambitions, was co-developed with the Cabinet Office and stakeholders from major public agencies in the region. Since the launch, many member organisations have taken the opportunity to endorse the charter through their own governance processes and commit to delivering wider benefits such as affordable housing through developments on public land.

In addition, the Trailblazer Devolution Deal proposals to Government include a “WM Public Land Programme” approach, setting out “a bold approach to assembling land and tackling fragmented land ownership to support Levelling Up, new powers over CPO, work with the Cabinet Office as a testbed for reimagining use of public buildings which are under-occupied, becoming a testbed for a new approach to best value and a more effective regime for disposal of public land sites including more localised control and influence over decisions around the disposal of HMG land in our region”. This proposal

seeks to further embed local approaches and priorities to the ways in which public land is developed, including the provision of additional affordable housing.

9. 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.

The WMCA Housing & Land Delivery Board, which includes representatives from Homes England and the West Midlands Housing Association Partnership, receives regular updates on affordable housing delivery and strategy at each meeting. Work is ongoing to further embed and align work with partners, including: The WMCA and West Midlands Housing Association Partnership (the umbrella association for HAs that work in the region) have established a new “Partnership Board” to:

- Offer insight into the barriers, risks and opportunities in delivering affordable housing in the West Midlands, using the latest development research and trends
- Advise and agree collaborative and innovative ways of working together to ensure the successful delivery of affordable homes and wider priorities in the West Midlands, including but not limited to net zero and skills provision
- Enable the alignment of objectives across the Board to support joint working towards achieving the delivery of affordable and future proof developments, which provide good jobs for local people
- Influence national policy and investment case work, and secure decision-making around affordable housing
- Support and champion new ways of working between registered providers, WMCA and local authority partners

The Partnership Board meets twice per annum and reports on progress will be received by the WMCA Housing & Land Delivery Board.

Work is also ongoing on the proposed pilot affordable housing project with housing associations in the region, with update reports to Overview & Scrutiny Committee to be provided in due course. The proposal in development is seeking to deliver 100% affordable delivery on pilot schemes in the region alongside other wider policy ambitions such as zero carbon modular constructed homes.

WMCA have fortnightly meetings with the regional Homes England team to align funding and priorities for the delivery of more affordable homes in the West Midlands. Delivering a joint approach to tackling affordable housing demand in the region means that local authorities and registered providers can work closely with both WMCA and Homes England to ensure that they can access the advice and funding available to unlock affordable housing schemes. Further opportunities continue to be explored with Homes England to maximise the region’s capacity to deliver homes that are affordable for the local people.

All of these elements above form part of the emerging “Affordable Housing Strategy” commissioned by the Housing & Land Delivery Board following the Overview & Scrutiny review. The draft Strategy is due to be discussed at the Housing and Land Board in

November and will be provided to the O&S Committee for review and comments in due course.

10. 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.

The principle of localized approaches to tackling affordability is included within the TDD proposals to Government for Affordable Housing which would help address this issue highlighted by the review. The current restrictions around social housing grant are included in the National Affordable Housing Programme administered by Homes England, which would require national policy change to come about. The requirement for more social rent homes has been recognized by the previous Secretary of State for Levelling Up ^[1], however there are no current indications of changes in national policy.

11. 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.

Ending or amending the viability clause in the National Planning Policy Framework, which can be applied by developers to justify diverging from national and local planning policies and to limit their contributions to infrastructure and affordable housing, requires changes to Government policy and legislation. Negotiations during the TDD process have to date focused on opportunities to secure more funding and flexibilities to secure additional affordable homes and brownfield regeneration, however longer-term ambitions to seek amendments to national policy on this issue remain in WMCA thinking subject to the support of local planning authorities.

12. 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

WMCA continues to prioritise working in partnership with the private and public sector to maximise the delivery and outcomes for the region. Alongside working across the public and private sector WMCA have also established industry-led taskforces and roundtables to bring together expertise to deliver priorities such as unlocking public land and delivering affordable housing, alongside six-weekly meetings with local authorities and ongoing fortnightly meetings with Homes England. As noted above, WMCA have launched a joint West Midlands Housing Association Partnership (WMHAP) Board which has set out to work in partnership to champion new ways of working between WMCA, registered providers and local authorities. This has seen a positive response from affordable housing providers and has allowed WMCA to utilise the insight and expertise for affordable

housing strategy work and devolution proposals, alongside continuing discussions with Homes England to align the CPO options, powers and capabilities available in the region.

As part of the TDD WMCA have also proposed support from Government for the West Midlands to be a testbed for greater application and ease of use of Compulsory Purchase Orders, which are critical for local authorities to facilitate and accelerate interventions in land assembly for development. This proposal has strong support from Housing and Land Delivery Board and our Commercial Property Taskforce in recognition of the need to unlock significant schemes. We will continue to use our expertise to navigate land deals without CPO use where possible, but this may be necessary to overcome unreasonable landowner expectations on critical strategic sites.

13. 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.

Through the Trailblazing Devolution Deal, WMCA have proposed a review of the Local Housing Allowance system and its implications for regional housing needs and demand, as per the recommendations of WMCA Overview and Scrutiny Committee and the long-term implications for the public purse and public wellbeing from reducing the numbers of families in temporary accommodation. This is included in the current TDD proposals under review by the Overview and Scrutiny Committee.

Conclusions

14. WMCA, through the lead of the Housing and Land Delivery Board, continues to maximise its impact and influence on the delivery of affordable homes for the West Midlands and recognises the importance of partnership working across the public and private sectors to ensure that investment and delivery strategies reflects the needs of local people and communities.
15. The emerging Affordable Housing Strategy and Trailblazing Devolution Deal set out to explore new opportunities and secure further funding for the region to maximise the delivery of affordable homes, allowing more flexibility in the region's approach to providing residents with good quality and affordable places to live.
16. WMCA will continue to provide regular updates to Overview and Scrutiny Committee on progress with delivering affordable homes, providing Members with the opportunity to inform and provide recommendations to guide the ongoing work in this area.

Financial Implications

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

Legal Implications

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

Equalities Implications

19. There are no immediate direct equalities implications arising out of the recommendations contained within the report., however the provision of affordable housing has implications for all protected characteristics.

Inclusive Growth Implications

20. There are no immediate direct inclusive growth implications arising out of the recommendations contained within the report, however the provision of affordable housing has implications for inclusive growth and these are set out in relation to investment decisions made by WMCA.

Geographical Area of Report's Implications

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

Other Implications

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

Background Documents

23. West Midlands Public Land Charter

[WMCA Public Land Charter](#)