



Housing & Land Delivery Board

Date	23 January 2023
Report title	Future Homes Strategy: Update on Progress
Portfolio Lead	Housing and Land: Councillor Mike Bird
Accountable Employees	Gareth Bradford, Executive Director of Housing, Property & Regeneration (Accountable Director) Patricia Willoughby, Head of Policy & Planning (Senior Reporting Officer) Rachel Atterbury, Projects Officer (Report Author)
Previous reports:	<ul style="list-style-type: none">• September, November and December 2022: Housing & Land Delivery Steering Group• October and November 2022: Housing & Land Delivery Board

Recommendation(s) for action or decision:

Housing & Land Delivery Board is recommended to:

- Note** progress with the work to date to develop a Future Homes Strategy (one of the Housing and Land Portfolio Deliverables) including support from local authorities, specialist consultancy and input from the members of the Future Homes Taskforce;
- Consider, discuss and endorse** the proposed direction of travel for the Future Homes Strategy and the work taking place to prepare supporting materials;
- Note** the intention that, when approved, the technical standard will be an investment criterion for WMCA's devolved Housing and Land funds; and
- Note** the intention to incorporate the standard and aspirations of the strategy into existing and future strategic partnerships and joint ventures.

1.0 Purpose

- 1.1 The purpose of this report is to provide a short update for the Housing & Land Delivery Board on progress on one of the key approved deliverables - the development of a Future Homes Strategy.
- 1.2 It is proposed that, when approved, the technical standard that supports the strategy will be embedded as an investment criterion for WMCA's Housing and Land funds which will enable implementation of the Future Homes Strategy through WMCA's investment decisions, site acquisitions, disposals and strategic partnerships.

2.0 Background

- 2.1 This report builds on the previous reports to the Housing & Land Delivery Board by exploring in more detail the latest thinking on the structure and content of the emerging strategy and the basis for a proposed Future Homes Technical Standard. Detailed discussions with Delivery Steering Group and the Future Homes Taskforce are continuing on both matters.
- 2.2 This detailed work is underpinned by two research pieces which were reported to the last meeting of the Board (November 2022). This research has provided essential information on the regional supply chain capability and an understanding of the the emerging carbon and sustainability standards applied across the construction industry, both of which are critical considerations in ensuring that the strategy can be implemented without detrimental impact on development delivery.
- 2.3 The Future Homes Strategy will support WMCA in its goal to position itself as a national leader in both zero carbon and construction innovation. In addition, by specifically bringing the two streams of activity together, there is even greater potential to realise better performance, industry growth, economic clusters and carbon reduction. Future Homes delivery sits front and centre of WMCA's future funding and public land proposals and is an important element of the housing 'ask' of Government in ongoing discussions on the Trailblazer Devolution Deal.

3.0 Developing a Future Homes Strategy

- 3.1 The overall objective of the Future Homes Strategy is to enable WMCA and partners to take a meaningful leadership position on supporting the development of homes that outperform Government minimum standards on decarbonisation and enhance the extent to which MMC and AMC are utilised to support that aim.
- 3.2 The proposed strategy will be delivery-focused, identifying near term actions where WMCA and its partners' powers, leadership and influence will be most impactful. The aim will be continuing to encourage the growth of modern construction including skills, training and local supply chain growth. The work will take a pragmatic approach, building on what has been done before and securing clear change through incremental growth but ultimately achieving the end goals.
- 3.4 To achieve regional objectives, the Future Homes Strategy will seek to establish the vision, objectives, principles and response through three constituent elements:
 - **An overarching strategy document** which will signal our collective regional intent, aims, vision and expectation and help to drive the development market and supply chain to be able to respond.

- **A technical standard** document which will translate the strategic objectives into real measurable standards – supporting easier assessment of performance in terms of MMC/Zero Carbon delivery by enabling ‘yes/no’ responses.
- **Context and guidance information** that will explain the technical standard and place it into context for the developer and construction sector.

3.5 In terms of context and guidance, two documents are being considered for discussion with Delivery Steering Group and the Future Homes Taskforce as part of this work:

- **A broad set of design and placemaking principles**, aligned to WMCA’s Design Charter, which will support the achievement of the technical standard.
- **A process guidance note** which will provide technical advice for developers on the processes that will need to be in place to deliver the required standard and unlock the enhanced performance.

3.6 Following the steers provided at Delivery Steering Group in December 2022, we are also doing additional work on the potential costs and benefits arising as a result of any agreed standards.

3.7 **The full suite of documents will be prepared in 2023 for consideration by the Housing & Land Delivery Board, following on from the technical standard document.**

4.0 Future Homes Technical Standard

4.1 Both the AMC and Zero Carbon Homes Routemaps (which were agreed by Housing & Land Delivery Board in November 2020 and January 2021) set out performance targets for new residential developments seeking WMCA devolved Housing and Land funds. The proposed Future Homes Technical Standard is intended to build on, and operationalise, these targets.

4.2 The key considerations informing the development of the emerging technical standard are:

- **It should align to, and build on, emerging national standards and metrics of construction and sustainability performance**, rather than creating new measures or areas of focus.
- **It should create a minimum expectation for developers in the West Midlands that is ahead of regulatory minimum performance**, and which signals a long-term direction towards exemplary performance, yet is also achievable.
- **It should be based on clear definitions of required performance** and, alongside setting expectations, should also explain the steps that developers can take to achieve the required standard and the evidence that would be available to test if that this is the case.
- **Phased implementation will be important** and it should test how implementation is happening before launching at scale.

- **Performance measurement and monitoring against the standard is based on quantitative criteria**, providing clarity for applicants on WMCA's funding requirements and enabling comprehensive and consistent reporting of WMCA's performance against the objectives set out in the strategy.

- 4.3 The details of the technical standard and supporting guidance documentation are currently being developed in consultation with the Future Homes Taskforce and Local Authorities.
- 4.4 To support implementation of both this strategy and the actions identified in the Plan for Growth, a series of workshops will take place in early 2023. These will look to identify supply chain interventions and opportunities to support the 'Manufacture for Future Homes' cluster defined in WMCA's approved *Plan for Growth* launched in summer 2022.

5.0 Next Steps

- 5.1 The emerging Technical Standard and Future Homes Strategy will be reviewed at the next meeting of the Future Homes Taskforce and meetings being set up with local authorities and other key WMCA strategic partners – prior to coming to Housing and Land Board later in the year.
- 5.2 The final versions of the Future Homes Strategy and Technical Standard will be taken to Housing and Land Board in Summer 2023.
- 5.3 Subject to endorsement of the strategy and standard by the Housing & Land Delivery Board, WMCA will incorporate the standard and aspirations of the strategy into all current and future agreements with strategic partners. The expectation is that all WMCA strategic partners demonstrate leadership through delivery of WMCA's Future Homes strategy on the ground.

6.0 Financial Implications

- 6.1 At this stage, the direct financial implications of the work for the Future Homes Strategy, as noted in this progress report, relate to the costs of external advice to support the development of the strategy, the costs of research activity and other costs associated with commissioning activity to support the research and other planned activity noted within this report.
- 6.2 There may be, in future, other financial implications arising from decisions to progress projects in delivering a regional increase in homes built to higher standards using new technology but any such decisions would be subject to WMCA's approved governance and assurance processes.
- 6.3 Note that, at present, there is no dedicated funding for the higher standards implied by the use of new technology and application of higher standards; any investment in these matters through WMCA will come through the existing devolved funding. An investment case for an AMC Acceleration Fund was previously submitted to HM Government by WMCA but, to date, this additional funding has yet to be secured.
- 6.4 Any WMCA investment into future homes delivery 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.

7.0 Legal Implications

- 7.1 It is noted that the purpose of this report is to update the Housing & Land Delivery Board on progress in developing a Future Homes Strategy and an aligned technical standard. It is proposed that the technical standard is embedded in WMCA's Single Commissioning Framework as an investment criterion which will enable implementation of the Future Homes Strategy through WMCA's investment decisions, site acquisitions, disposals and strategic partnerships.
- 7.2 Legal advice should be sought at appropriate stages in the development and implementation of the Future Homes Strategy to ensure compliance with governance and legal requirements. Once established the requirements will need to be embedded into 'end to end' processes and into the Single Commissioning Framework to ensure consistency of implementation throughout the various interventions.

8.0 Equalities Implications

- 8.1 There are no immediate equalities implications in relation to this report. However, individual strategies and delivery schemes will need to take into account local area needs and local stakeholder needs to ensure the schemes benefit local residents, including harder to reach groups. To that effect, equality impact assessments will need to be conducted to understand demographics, key inequality issues and how investment can help address key inequality gaps. Engagement and consultation with key equality stakeholders is also crucial.

9.0 Inclusive Growth Implications

- 9.1 The proposed Future Homes Strategy will be used to inform WMCA's approach to growing the AMC sector, zero carbon homes and new energy standards in an equitable way, maximising economic benefits, housing quality and job/skills opportunities across the region's communities.

10.0 Geographical Area of Report's Implications

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

11.0 Other implications

- 11.1 None.

12.0. Schedule of Background Papers

- 12.1 None