

REPORT TO: WEST OF ENGLAND JOINT COMMITTEE

DATE: 29 January 2021

REPORT TITLE: WEST OF ENGLAND HOUSING DELIVERY STRATEGY

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Purpose of Report

- 1 This report is to seek approval of the draft West of England Housing Delivery Strategy – ‘*A Strategy for Homes*’.
- 2 The draft strategy sets out our ambition to increase and accelerate housing delivery of all tenures and the interventions that can be made at strategic, regional level to maximise the impact of collaborative effort. It explains that by taking a strategic approach we will deliver better value for the public purse and better outcomes for communities.

Recommendation

- It is recommended that Joint Committee approves the draft West of England Housing Delivery Strategy.

Impact of Covid-19 pandemic

3. The Combined Authority has actively reviewed its key activities and work programme to reflect changing priorities as a result of the Covid-19 pandemic. Specific issues relating to the Covid-19 situation that impact on or are addressed through this report are as follows:

- Increasing and accelerating provision of new homes will contribute positively to economic recovery by creating both direct and indirect jobs. Every £1 invested in construction of housing generates £2.84 in total economic activity.
- The proposals in the draft Delivery Strategy support the principles of clean and inclusive growth.
- Additional Affordable Homes delivered under the Strategy will provide high quality, affordable homes for people in housing need and will help towards alleviating homelessness.

What is the Housing Delivery Strategy?

4. Together, WECA and the West of England UAs are developing a long-term strategy to support priority locations where market failure either prevents housing coming forward quickly enough, or at all.
5. The Housing Delivery Strategy sets out our ambition to increase and accelerate delivery of new homes of all tenures, particularly Affordable Housing, and that by intervening at a strategic, regional level we intend to maximise the impact of aligning focus and resource.
6. It explains that by taking a strategic approach as a joined-up public sector we will deliver better outcomes for communities and better value for the public purse.
7. The strategy sets out a route map for sites from land acquisition and/or assembly through to delivery and explains how the process will be streamlined and de-risked by taking a partnership approach to the process and by pulling in and coalescing the available funding.
8. It is built around a funding package to 2023 of circa £40M from the WECA Investment Fund and a bid for £500K One Public Estate 8 funding (award in February 2021) and includes a suite of other interventions to be developed over time.

What does the Delivery Strategy do?

9. The strategy sets out our ambition, the role and remit of WECA in housing delivery and how we intend to deliver on this.
10. It is not intended to pull together what each UA is doing individually, set out a delivery plan for each UA or to impose inappropriate governance. Sovereignty and decision-making remain with the individual partners involved in each project. *See governance framework in section 6 of the draft strategy.*
11. The ambition is to create a process to take forward sites that have been identified and/or assembled by the West of England Joint Assets Board (JAB) to the West of England Housing Delivery Board (HDB), which will establish if strategic intervention is required to unblock progress and the most appropriate source of capital funding and delivery mechanism for each site. The focus is on public sector land, however private sites that deliver priority objectives may also be considered (details to be agreed).
12. Key to success is a strong focus on a partnership approach and working collaboratively to ensure that resources and focus are aligned on agreed, shared priorities.
13. The JAB is a partnership of public sector landowners with a remit to take a strategic and collaborative approach to use of public land, including releasing land to meet local and regional objectives.

14. The HDB was set up to align intel and resources to deliver agreed shared objectives while maximising the value for the public purse. Its members include Homes England and Registered Provider partners with strategic partnerships funding to acquire land, as well as WECA and the four UAs.
15. The partners are well-placed to focus on agreed sub-regional priorities for funding and delivery to unlock sites and maximise the value for the public purse in terms of placemaking and other added value outcomes that are likely to be absent on private-sector led development.

Funding package to 2023

16. The funding package from the WECA Investment Fund in place to support delivery to 2023 is set out in the table below. These numbers exclude any changes arising from recommendations being considered as part of the Investment Fund report on this agenda.

Funding stream	£ approved	purpose
Land Acquisition Fund (LAF)	£24.2M	To acquire sites for housing delivery where there is market failure (fully repayable)
Development Infrastructure Fund (DIF)	£21M	To unlock stalled development sites by removing the uncertainty and risk of the cost of facilitating infrastructure where by doing so, there is more certainty that the regional benefits of housing and employment will accrue (expectation that this fund is part repayable)
Housing and Regeneration Enabling Fund	£2M minimum, with additional OPE8 funding sought in excess of £500K (subject to award). If OPE8 bid successful, WECA will match fund up to £500K to provide a fund of £3m+.	To help unlock priority places by facilitating and accelerating the feasibility and pre-planning process. It is likely that a proportion of OPE8 funding will be repayable direct to OPE (tbc).
Strategic masterplanning	£2M	Strategic masterplanning of priority locations

17. The Housing and Regeneration Enabling Fund is the catalyser for the model. It is available to facilitate sites through feasibility stage and to enable projects that will deliver significant benefits over time. WECA and the UAs (and potentially other partners such as RPs – to be agreed) will be able to draw on the funding for enabling work such as site referencing (legal issues such as rights of way, wayleaves etc), survey work and other activities to take the site to planning approval. It can be used to understand viability and infrastructure requirements and to identify the capital shortfall on a project, but not for capital costs per se.

18. The funding package gives the region autonomy and enables WECA and the UAs to decide locally where to focus resources, working together with stakeholders and delivery partners.
19. The use of public sector funding and finance is timely given that private sector appetite for investment risk has reduced due to the economic impact of covid-19 on the wider economy and there is uncertainty in the real estate market about long term values and uses.
20. North Somerset are part of the OPE Partnership but are not eligible for the Investment Fund. The only funding that North Somerset can access from the initial funding package is a share of any OPE8 grant award.

What are the outcomes we want to achieve from the strategy?

21. The Housing Delivery Strategy is focused on increasing and accelerating delivery – delivering quality, affordable homes across all tenures at pace.
22. The strategy does not have formal, fixed targets but has been constructed to support the draft Spatial Development Strategy and Local Plans and sets the expectation that the funding delivers acceleration and additionality. It is recognised that the DIF and the Enabling Fund are available for employment sites as well as housing, and this is reflected in the indicative numerical targets.
23. It is also recognised that the funding has potential to deliver additional benefits such as carbon reduction or additional Affordable Homes, and that there is a balance to strike at this stage between setting higher quality targets and retaining the flexibility to be responsive to opportunities. The intention is that as the strategy develops, the quality requirements will be firmed up and the bar will be raised.
24. Housing and regeneration priorities are expressed as themes in the strategy with the intention that specific locations will be assessed against the themes as an initial checklist, and that over time, specific sites will come forward into an agreed pipeline.
25. The strategy includes hooks for a toolkit of interventions that can be developed over time as and when the UA partners wish to explore their potential further, particularly if specific projects emerge where an approach can be trialled. It also pulls together related strands such as Innovation and Modern Methods of Construction) MMC).

Consultation details

26. The four UAs and the Housing Delivery Board partners including Homes England have been consulted extensively on the draft strategy and the criteria for the funding streams and their comments fully considered.

Risk Management/Assessment

27. The key risk is that funding will be allocated under the various funding streams does not result in increased or accelerated delivery. A robust process is being developed to mitigate against this risk.

Public Sector Equality Duties

28. The public sector equality duty created under the Equality Act 2010 means that public authorities must have due regard to the need to:

Eliminate unlawful discrimination, harassment and victimization and other conduct prohibited by the Act.

Advance equality of opportunity between people who share a protected characteristic and those who do not.

Foster good relations between people who share a protected characteristic and those who do not.

29. The Act explains that having due regard for advancing equality involves:

Removing or minimizing disadvantages suffered by people due to their protected characteristics.

Taking steps to meet the needs of people from protected groups where these are different from the needs of other people.

Encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

30. The general equality duty therefore requires organisations to consider how they could positively contribute to the advancement of equality and good relations. It requires equality considerations to be reflected in the design of policies and the delivery of services, including policies, and for these issues to be kept under review.

Climate change implications

31 On 19 July 2019, the West of England Combined Authority declared a climate emergency, recognising the huge significance of climate change and its impact on the health, safety and wellbeing of the region's residents. The Combined Authority is committed to taking climate change considerations fully into account as an integral part of its governance and decision making process. Each report/proposal submitted for Combined Authority / Joint Committee approval is assessed in terms of the following:

Will the proposal impact positively or negatively on:

- * The emission of climate changing gases?
- * The region's resilience to the effects of climate change?
- * Consumption of non-renewable resources?
- * Pollution to land, water or air?

Particular projects will also be subject to more detailed environmental assessment/consideration as necessary as part of their detailed project-specific management arrangements

32 The Housing Delivery Strategy will contribute towards the ambition to achieve zero-carbon status by 2030.

Finance Implications

33 The funding package from the WECA Investment Fund set out in the table above has been approved by WECA Committee on the basis that £500K match funding for the One Public Estate (round 8) is subject to the bid being successful.

(Finance advice given by: Malcolm Coe, Director of Investment and Corporate Services)

Legal Implications

34 Part 6 of the West of England Combined Authority Order 2017 provides WECA with the power to exercise functions relating to Housing and Regeneration.

(Legal advice given by Shahzia Daya, Director of Legal)

Human Resources Implications

35 There are no HR implications on the basis that the administration of the fund can be managed within existing resources.

(HR advice given by Alex Holly, Head of People and Assets)

Appendices:

Appendix 1 – draft Housing Delivery Strategy

West of England Combined Authority Contact:

Any person seeking background information relating to this item should seek the assistance of the contact officer for the meeting who is Ian Hird on 07436 600313; or by email: democratic.services@westofengland-ca.gov.uk