

PLACE, REGENERATION AND HOUSING COMMITTEE

**MEETING TO BE HELD AT 11.00 AM ON THURSDAY, 3 NOVEMBER
2022 IN WELLINGTON HOUSE, LEEDS LS1 2DE**

A G E N D A

Please note that this meeting will be filmed for live or subsequent broadcast via the Combined Authority's internet site. At the start of the meeting the Chair will confirm if all or part of the meeting is being filmed. Generally, the public seating areas will not be filmed; however, by entering the meeting room and using the public seating area, you are consenting to being filmed and to the possible use of those images and sound recordings for webcasting. If you have any queries regarding this, please contact Governance Services on 0113 251 7220.

- 1. APOLOGIES FOR ABSENCE**
- 2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS**
- 3. EXEMPT INFORMATION - POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC**
- 4. MINUTES OF THE MEETING HELD ON 1 SEPTEMBER 2022**
(Pages 1 - 4)
- 5. ECONOMIC UPDATE**
Thomas Newton
(Pages 5 - 26)
- 6. HOUSING PLEDGE AND POLICY**
Judith Furlonger
(Pages 27 - 42)
- 7. PROJECT APPROVALS**
(Pages 43 - 70)
- 8. STRATEGIC PARTNERSHIP WITH HOMES ENGLAND**
(Pages 71 - 76)

9. INVESTMENT ZONES

Michael Long
(Pages 77 - 80)

Signed:

A handwritten signature in black ink, appearing to read 'M Long', with a horizontal line extending from the bottom of the signature.

**Chief Executive
West Yorkshire Combined Authority**



**MINUTES OF THE MEETING OF THE
PLACE, REGENERATION AND HOUSING COMMITTEE
HELD ON THURSDAY, 1 SEPTEMBER 2022 AT WELLINGTON HOUSE,
WELLINGTON STREET, LEEDS LS1 2DE**

Present:

Councillor Denise Jeffery (Chair)
Amir Hussain (Deputy Chair)
Councillor Darren Byford
Ben Aspinall
Sam Keighley
Lisa Littlefair
Stephen Moore

Wakefield Council
Architect / Professional services
Wakefield Council
Private Sector Representative
Private Sector Representative
Private Sector Representative
Private Sector Representative

In attendance:

Melanie Corcoran
Liz Hunter
Thomas Newton
Kate Thompson

West Yorkshire Combined Authority
West Yorkshire Combined Authority
West Yorkshire Combined Authority
West Yorkshire Combined Authority
West Yorkshire Combined Authority

11. Apologies for Absence

Apologies for absence received from Councillor Denise Craghill. Councillor Helen Haydon, Councillor Alex Ross-Shaw, Councillor Cathy Scott, Councillor Jane Scullion, Tamsin Hart-Jones, Sam Keighley and Helen Lennon.

12. Declaration of Disposable Pecuniary Interests

There were no declarations of disclosable pecuniary interests.

13. Exempt Information - Possible exemption of the Press and Public

There was no exempt information requiring the exclusion of the press and public.

14. Minutes of the Meeting held on 7 July 2022

That the minutes of the meeting held on 7 July 2022 be approved.

15. Evidence Report

The Committee considered a report and verbal update on the relevant monitoring indicators and performance to support the work of the Place, Regeneration and Housing Committee and was asked to note the latest updates to these indicators, and consider any decision within the context of the indicators

At the Place, Regeneration and Housing Committee meeting on 20 April 2022, it was agreed that the Research and Intelligence team would provide ongoing updates on the relevant indicators from the State of the Region report.

State of the Region 2022, due to be published in September 2022, will examine the full range of equality, diversity, and inclusion implications, building on the Women and Girls report published in 2021. The main report will be supplemented by a series of interactive dashboards, which will allow users to drill down into the available data for each indicator.

The report will assess performance against around 40 indicators linked to the seven corporate objectives of the Combined Authority. The key indicators for this committee are:

- Healthy life expectancy – healthy life expectancy at birth in West Yorkshire is below the national average
- Net additional dwellings – 2020/21 saw the lowest growth in net additional dwellings since 2014/15
- Housing affordability – house prices are more affordable in all areas of West Yorkshire, relative to the England average
- Rented housing costs – median rents for two-bed dwellings in Leeds are higher than the England average
- Gigabit capable internet coverage¹ - West Yorkshire outperforms the average with regard to gigabit capable internet coverage
- Take-up of superfast (or above) broadband services – Take up levels are greater in West Yorkshire than the UK average
- Mobile coverage (4G and 5G) – West Yorkshire's 4G coverage is above the national average
- Building energy efficiency² - West Yorkshire homes with an energy performance certificate are less likely to have an efficiency rating of C or above compared to the national average
- Households in fuel poverty – Households in West Yorkshire are more likely to be exposed to fuel poverty than the England average

Members requested that Healthy life expectancy in West Yorkshire data be shared with them.

Members expressed concerns about the escalating cost of living crisis and what can be done to raise the sense of urgency in a very clear way as this needs to be on the radar as a crisis.

The Chair said this was a serious situation and asked that the Place,

Regeneration and Housing Committee be informed of the outcome of the Combined Authority meeting and what realistically can be done as people are struggling and that for many households there is no money left after bills have been paid.

The Chair also asked that comments and discussion from the Place, Regeneration Committee be fed back to the mayor's office and Combined Authority as an urgent item.

Officers responded to say that a report to provide information about the latest economic and business intelligence within West Yorkshire, focussing primarily on the issues relating to the cost-of-living crisis across the economy and the upcoming increase in energy crisis is to be discussed at the Combined Authority meeting scheduled for 9 September 2022. The report will set out the current and upcoming work at the regional and local levels to address the crisis and will outline key asks of the government. The Combined Authority will be asked to note the latest intelligence around the West Yorkshire Economy and the current proposed activity taking place locally and nationally and the proposed next steps for action and to approve in principal proposals to help people through the cost-of-living crisis.

The mayor is to launch a public transport scheme which will set the maximum single day bus fare to £2.00 to apply from 4 September 2022 to help with the cost of travel and assist with the cost-of-living crisis. Members commented that this was good but that in rural areas of West Yorkshire there are no buses and that a lot of work to be done.

It was questioned if the focus on energy efficiency has now risen to the top of the agenda and if more can be done on green economy. Officers confirmed that as European funding has now come to an end the ReBiz (Resource Efficiency & Circular Economy) programme is being redesigned to offer businesses free efficiency audits and consultancy advice, business-support and up to 40% capital grant funding. The programme will help businesses reduce energy consumption, increase environmental performance, realise carbon savings, and increase recycling and reuse activities

Resolved:

- (i) That the contents of the report be noted.
- (ii) That the comments of the Committee and feedback be noted.

16. Project Approvals

The committee considered a report and verbal update on proposals for the progression of, and funding for three West Yorkshire Combined Authority supported projects that have been considered at stages 1, 2 and 3 of the Combined Authority's assurance process.

This report presented proposals for the progression of schemes through the Combined Authority's assurance process in line with the Combined Authority's Assurance Framework. These schemes have an indicative funding value of

£186,00,000 when fully approved, of which £10,636,000 may be funded by the Combined Authority. No expenditure recommendation was sought as part of this report for the development and delivery of these schemes. Further details on the schemes summarised below can be found as part of this report.

The assurance process is a three-stage approach with the requirement that all projects subject to minor exceptions as detailed in the Assurance Framework, will as a minimum, need to formally pass decision point 2 (strategic outline case) and 4 (full business case), with the requirement to meet the intervening activities deemed on a project-by-project basis.

Resolved:

That the Place, Regeneration and Housing Committee approves that

BHF Cow Green

(i) The BHF Cow Green scheme proceeds through decision point 3 (outline business case) and work commences on activity 4 (full business case).

(ii) An indicative approval to the Combined Authority's contribution of £2,100,000 is given. The indicative total scheme value is £17,000,000.

(iii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report. This will be subject to the scheme remaining within the tolerances outlined in this report.

BHF South Huddersfield

(i) The BHF South Huddersfield scheme proceeds through decision point 3 (Outline business case) and work commences on activity 4 (full business case).

(ii) An indicative approval to the Combined Authority's contribution of £869,000 is given. The indicative total scheme value is £15,000,000.

(iii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report. This will be subject to the scheme remaining within the tolerances outlined in this report.

BHF Leeds Village

(i) The BHF Leeds Village scheme proceeds through decision point 3 (Outline business case) and work commences on activity 4 (full business case).

(ii) An indicative approval to the Combined Authority's contribution of £7,667,000 is given. The indicative total scheme value is £154,000,000.

(iii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report. This will be subject to the



Report to: Place, Regeneration and Housing Committee

Date: 03 November 2022

Subject: Economic Update

Director: Alan Reiss, Director of Strategy, Communications and Policing

Author: Thomas Newton, Economic Analysis Team Leader

Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	
Are there implications for equality and diversity?	<input type="checkbox"/> Yes <input type="checkbox"/> No

1. Purpose of this Report

- 1.1. To provide an update on the relevant economic indicators and report on their performance to support the work of the Committee.

2. Information

State of the Region

- 2.1. At the Place, Regeneration and Housing Committee meeting on 20 April 2022, it was agreed that the Research and Intelligence team would provide ongoing updates to the Committee on the relevant indicators from the State of the Region report. State of the Region 2022 will assess performance against around 40 indicators linked to the Mayor's seven strategic priorities. However, since the last update to the Committee in September, none of the indicators have been updated. This report instead draws attention to the current cost of living and doing business crisis, the Leeds City Region Business Survey conducted by the Combined Authority, and the Index of Multiple Deprivation.

Cost of Living and Doing Business

- 2.2. Fuel poverty in West Yorkshire was greater than the national average prior to the pandemic (18% of West Yorkshire households, compared with 13% nationally). The Energy Price Guarantee, which caps average energy bills at

£2,500 still represents a doubling of household energy bills since Winter 2021. With standing charges in Yorkshire among the highest in the UK, simply using less power will not solve the problem for many. West Yorkshire households are in a worse position to deal with these increased costs for two reasons. Firstly, dwellings with an EPC rating of C or above are lower in West Yorkshire than nationwide (46.9% compared with 53.8%). Secondly, around 33% of the West Yorkshire population fall within the poorest 20% of neighbourhoods in England.

- 2.3. Forecasts from the End Fuel Poverty Coalition estimate that the fuel poverty rate in West Yorkshire is currently 30% and will rise to 33% in April 2023 unless the £400 Energy Bill Support Scheme is renewed from March onwards.
- 2.4. Businesses also face similarly uncertain futures. Current policy caps the unit cost of energy for businesses at the same rate as that for households, but that is currently set to end in March 2023, with only the most vulnerable sectors to be supported thereafter. Analysis shows that West Yorkshire has a greater proportion of energy intensive firms than England, meaning that West Yorkshire businesses are more likely to be exposed to higher energy bills from April 2023.

LCR Business Survey

- 2.5. The Research and Intelligence Team has recently surveyed 1,000 West Yorkshire-based businesses with BMG Research to understand business sentiment in the current economic climate. The key results are:
 - 41% of businesses believe that their performance has improved over the past 12 months.
 - 43% of businesses expect the business climate to remain as it currently is, whilst 30% expect it to worsen. This outlook is more negative than the sentiment expressed during the pandemic.
 - The two main barriers to growth cited by businesses were decline in demand (17%) and availability of skilled labour (16%).
 - **30% expect to increase employment levels**, whilst only 5% expect employment levels to decrease. This expectation aligns with job vacancy data, with strong vacancy growth across all local authorities and key occupations within West Yorkshire over the previous months.
 - **30% of respondents expect their wage bill to remain the same over the next 12 months.** Of the 66% that expect their wage bill to increase, over half anticipate wage increases of less than 10%.
 - **69% expect the prices they charge to customers to increase over the next 12 months.** Over half (51%) expect that price increase to be between 5 and 10%.

Footfall Data

- 2.6. The Combined Authority have commissioned Citi Logik to provide data on footfall across the region. The key findings are as follows:
- The average number of daily visits in West Yorkshire has not recovered to March 2019 levels on any day of the week. Fridays in June 2022 saw just 62% of the visits, whilst Tuesdays received 80% of the previous visits.
 - The proportion of visits to West Yorkshire that are from Home to Work has fallen from 17% in March 2019 to 11% in June 2022. Current Home to Work levels are the lowest that the Combined Authority has data for

3. Tackling the Climate Emergency Implications

- 3.1. There are no climate emergency implications directly arising from this report.

4. Inclusive Growth Implications

- 4.1. Analysis from the Bank of England showed that those in the lowest earnings decile in the UK were, in July, spending over 90% of their gross income on essential goods and services such as food and energy. As these items are among the key drivers of inflation, it is likely that the 'real' inflation rate for those towards the bottom of the income distribution is higher than the CPI inflation rate, as a greater proportion of their income is spent on goods with above-average rates of inflation.
- 4.2. This issue becomes even more pronounced when observing data on the Indices of Multiple Deprivation, which shows that 18.0% of West Yorkshire residents fall within the 10% lowest income group. This means that almost one in five West Yorkshire residents are spending over 90% of their gross income on essential goods and services before the October price cap comes into force. On top of this, another 14.6% of West Yorkshire residents fall into the second-lowest decile, and face being squeezed further by rising fuel costs. As West Yorkshire has a greater share of people living in the most income-deprived neighbourhoods, **the cost of living crisis is likely to have a greater impact locally.**

5. Equality and Diversity Implications

- 5.1. As the Energy Price Guarantee caps unit costs of energy rather than household bills, those who spend a greater proportion of their time in their homes are likely to feel the greatest impact this winter. This could either be in the form of annual energy bills greater than the average £2,500 or being unable to afford to heat their home. The elderly and those with disabilities are likely to be disproportionately affected.

6. Financial Implications

- 6.1. There are no financial implications directly arising from this report.

7. Legal Implications

- 7.1. There are no legal implications directly arising from this report.

8. Staffing Implications

- 8.1. There are no staffing implications directly arising from this report.

9. External Consultees

- 9.1. No external consultations have been undertaken.

10. Recommendations

- 10.1. That the Place, Regeneration and Housing Committee notes the evidence presented within this report and considers it as part of the decision making process.

11. Background Documents

There are no background documents referenced in this report.

12. Appendices

APPENDIX 1 – Economic Update PowerPoint Slides

Economic Update

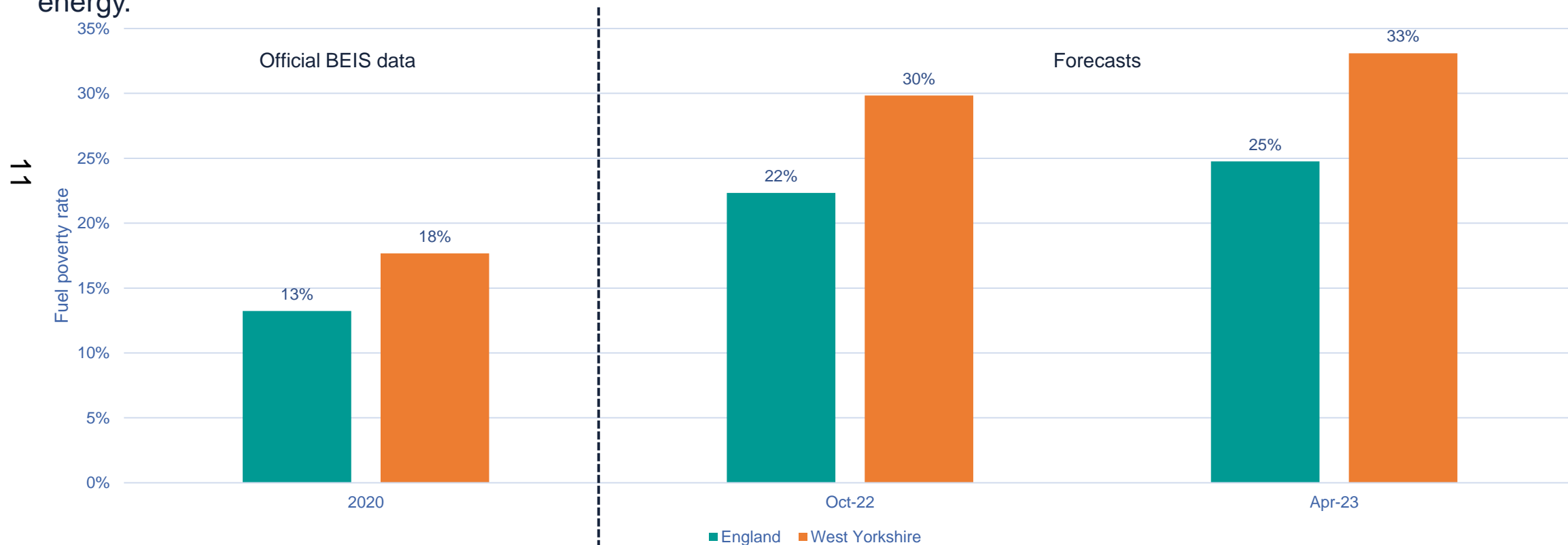
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Thomas Newton, 3 November 2022

Cost of Living and Doing Business

Fuel poverty was more prominent in West Yorkshire before the current crisis, and forecasts show the issue will get worse

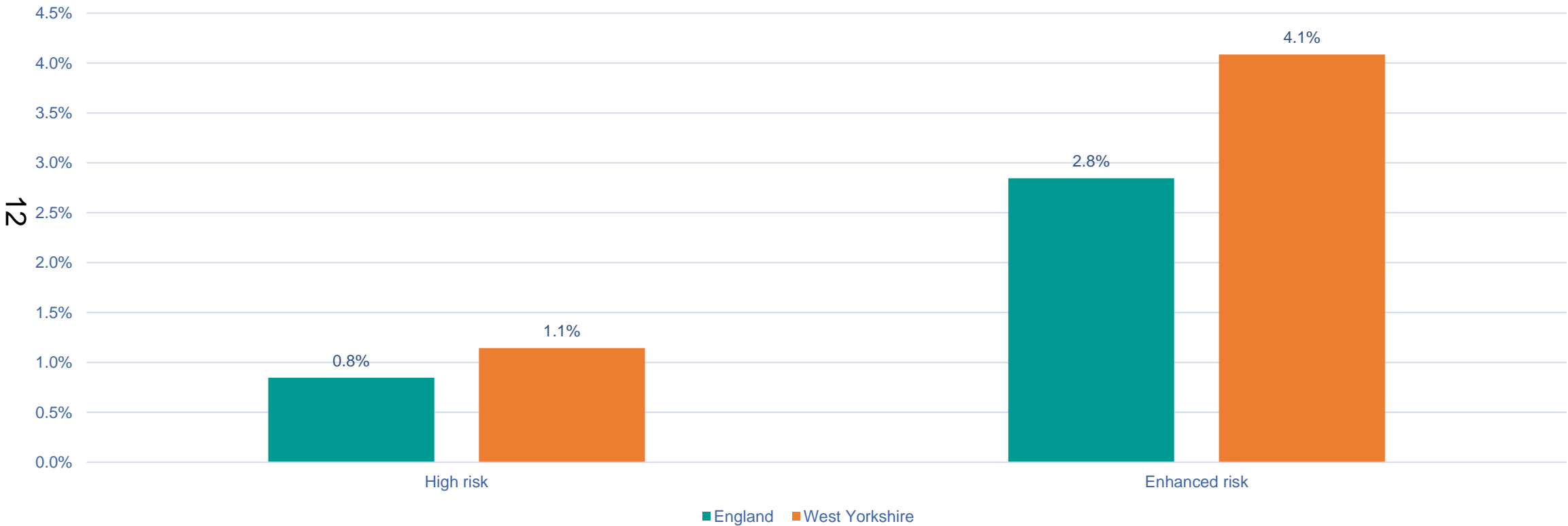
The Energy Price Guarantee still represents a doubling of average energy bills compared with last winter. When the Energy Bill Support Scheme ends in March 2023, one in three West Yorkshire households will be in fuel poverty without further support for households. This is different to the Energy Price Guarantee, which sets a cap on the unit cost of energy.



Source: [End Fuel Poverty Coalition](#), 2022

Energy intensive businesses make up a greater proportion of West Yorkshire firms, as do those at an enhanced risk of rising energy bills

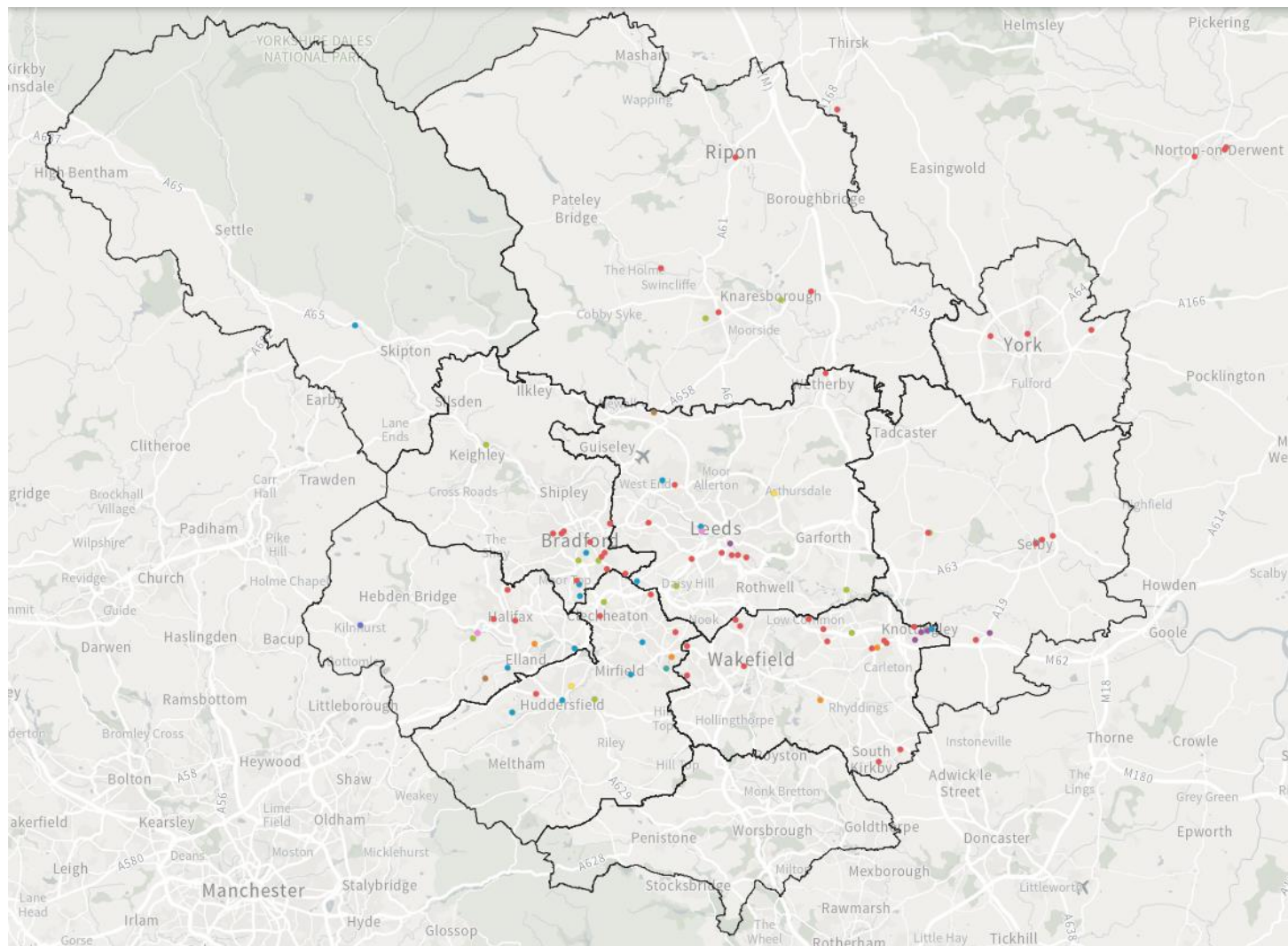
High risk firms are those who are both highly energy intensive, and operate within internationally competitive markets, exposing them to competition from countries where energy prices may be relatively lower. Those at an enhanced risk include those who do not meet the energy intensity threshold, but face the risk from international competitors.



Source: Bureau van Dijk, 2022

Distribution of energy intensive firms

13



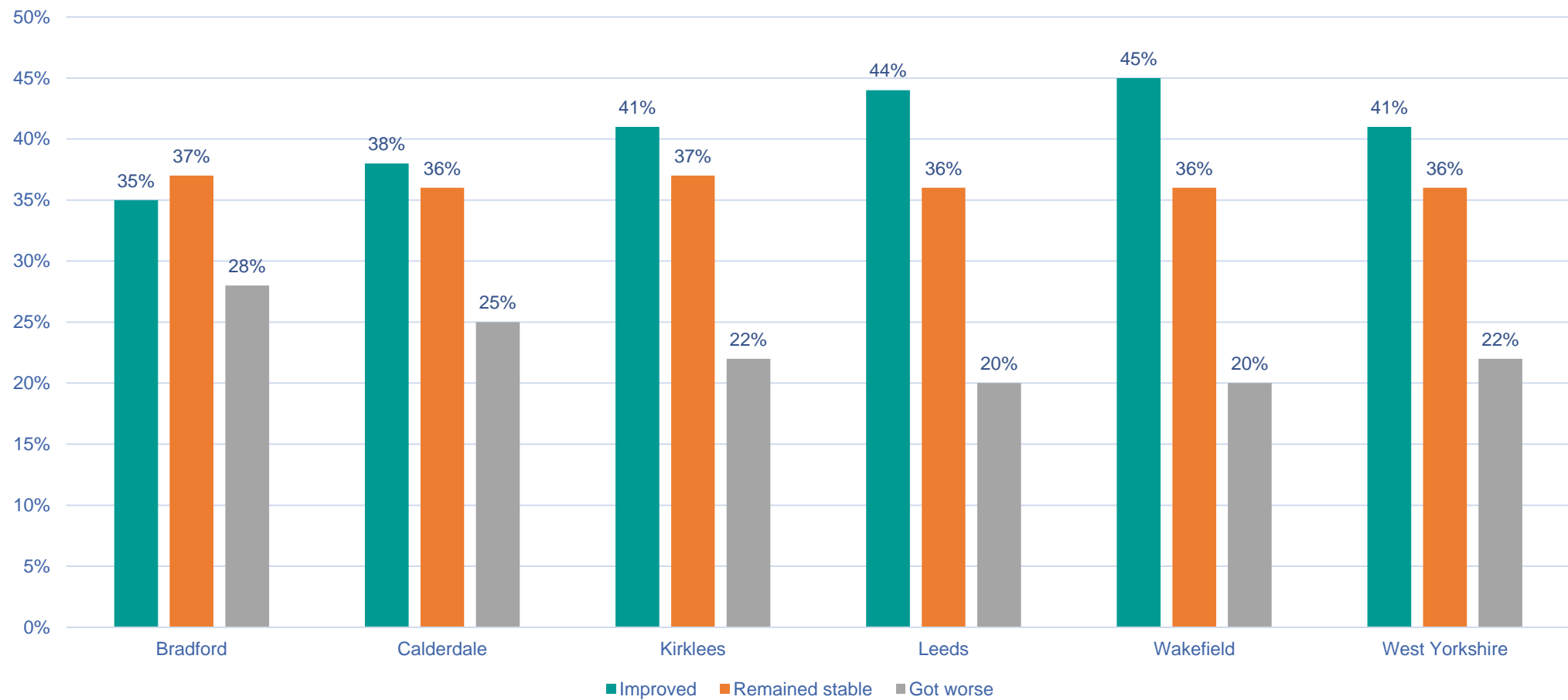
Source: Bureau van Dijk, 2022

LCR Business Survey

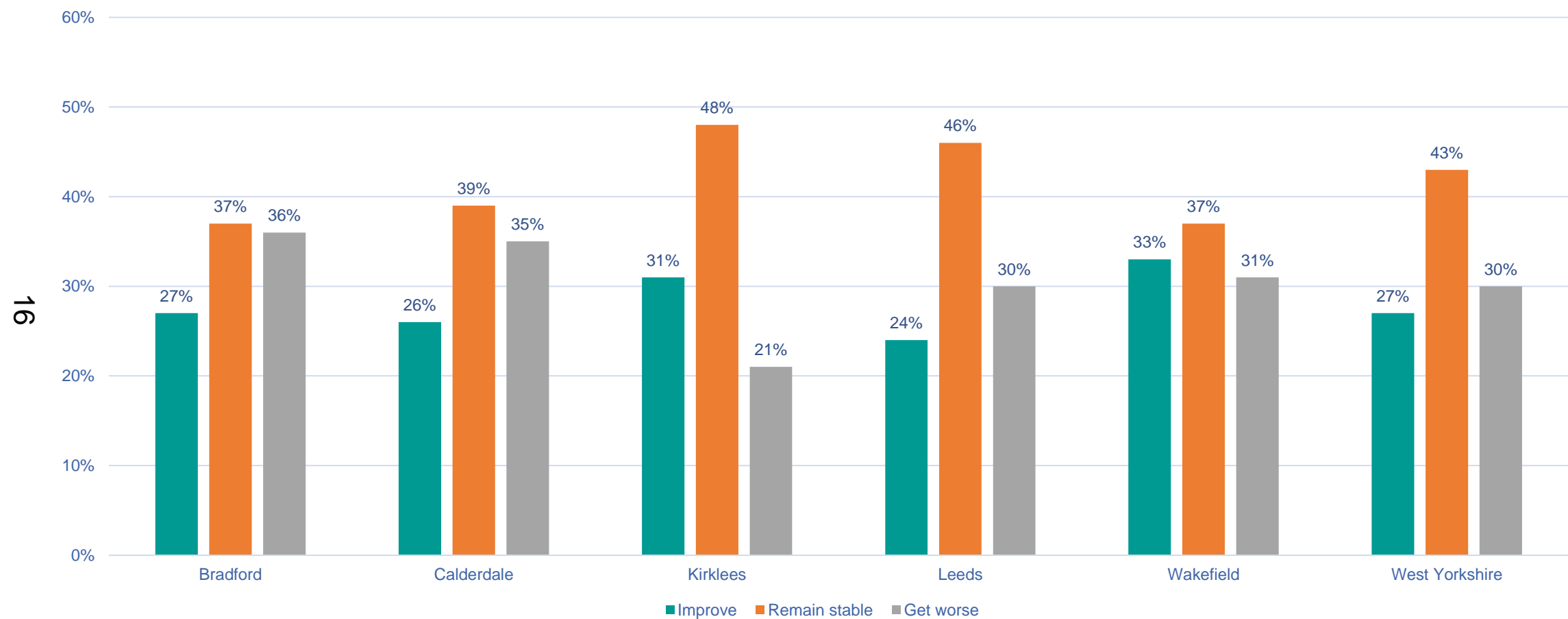


More businesses in Leeds and West Yorkshire saw improvements in their business in the past 12 months than the West Yorkshire average

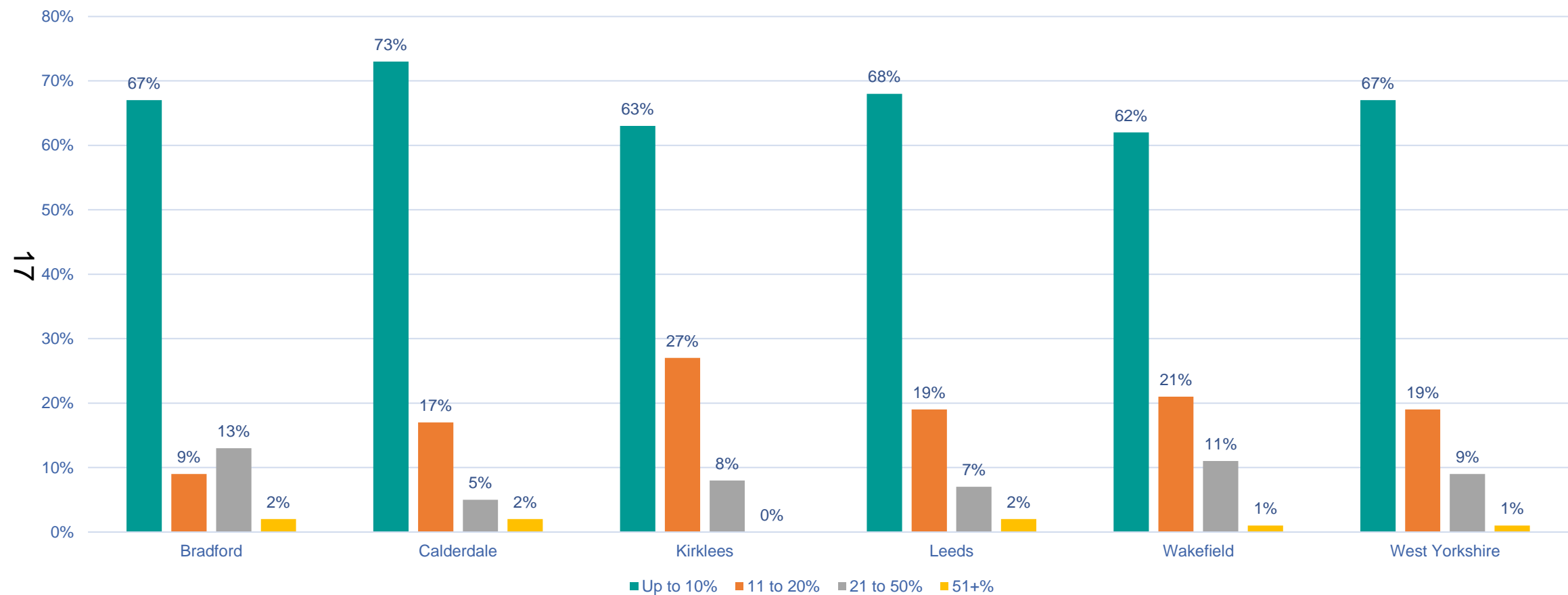
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Businesses in West Yorkshire have a generally neutral expectation of business performance in the next 12 months

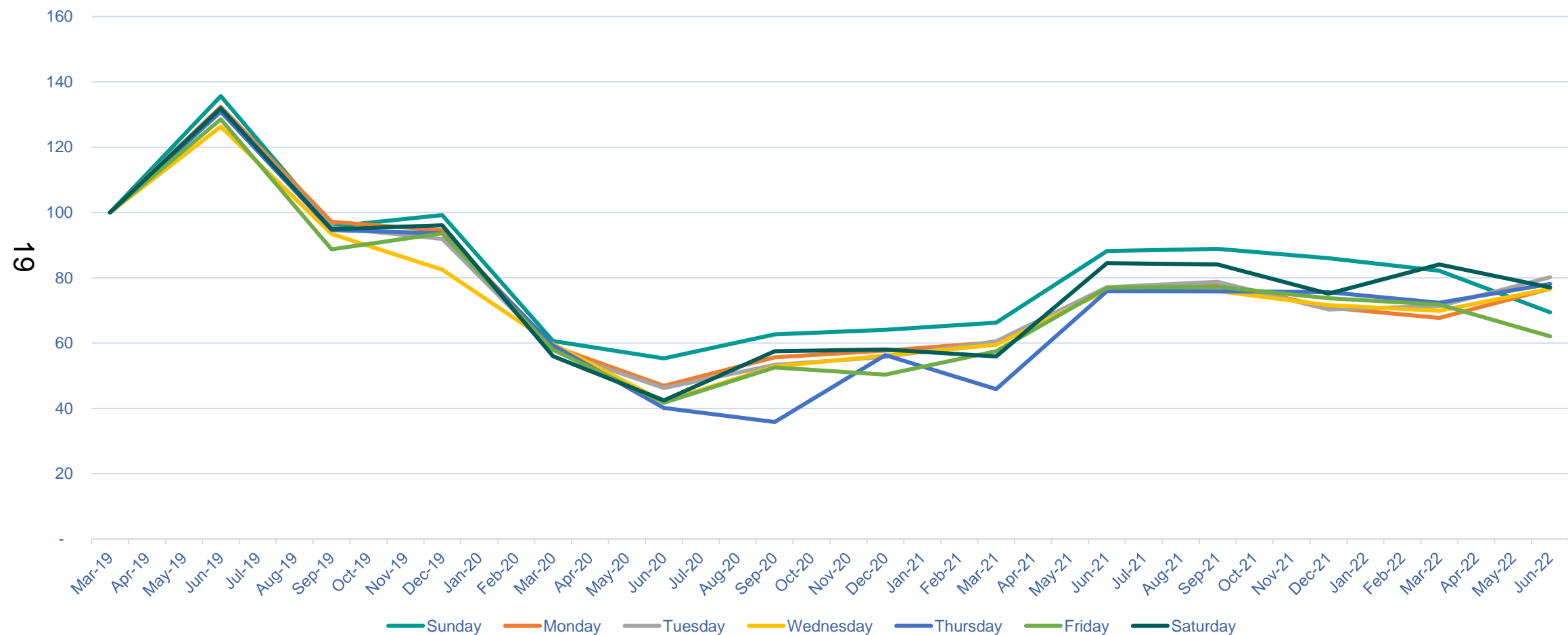


63% of West Yorkshire businesses are expecting to increase wages, but it is unlikely that these rises will be enough to combat inflation

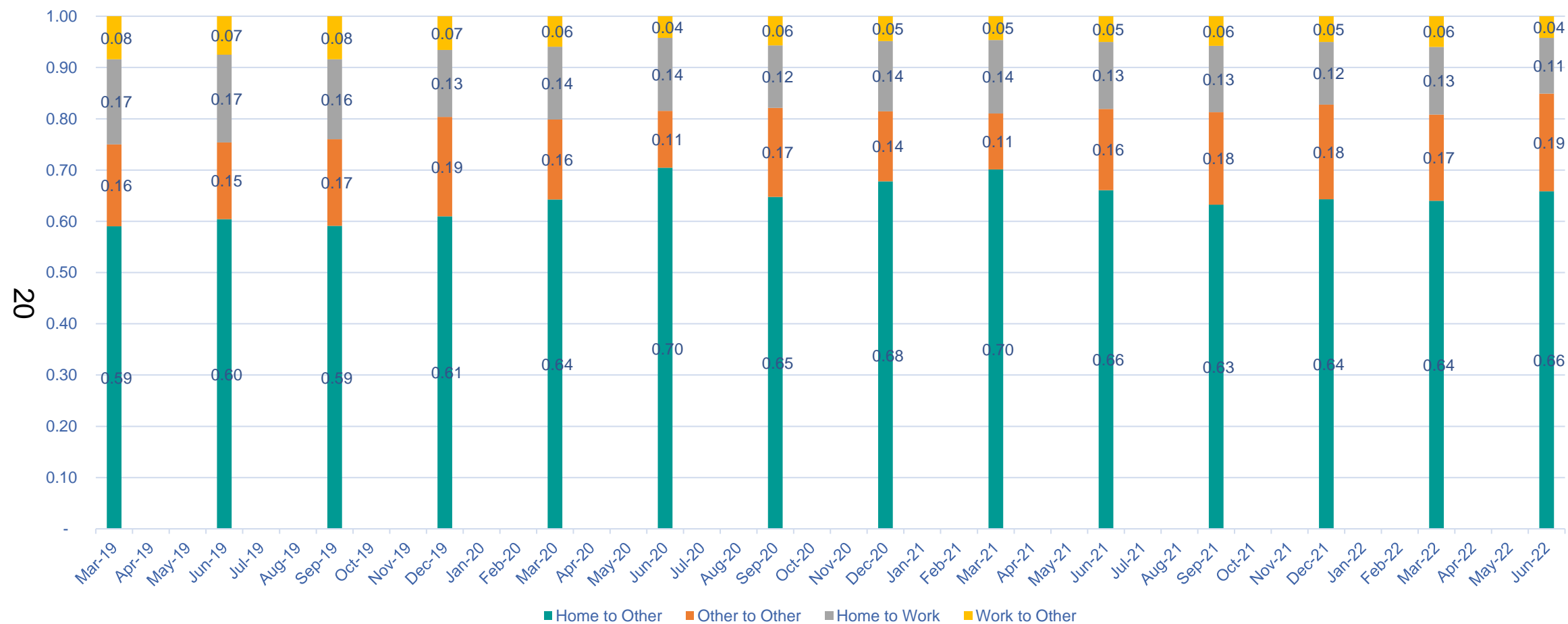


Citi Logik Footfall Data

West Yorkshire receives fewer visits on every day of the week now than it did pre-Covid-19



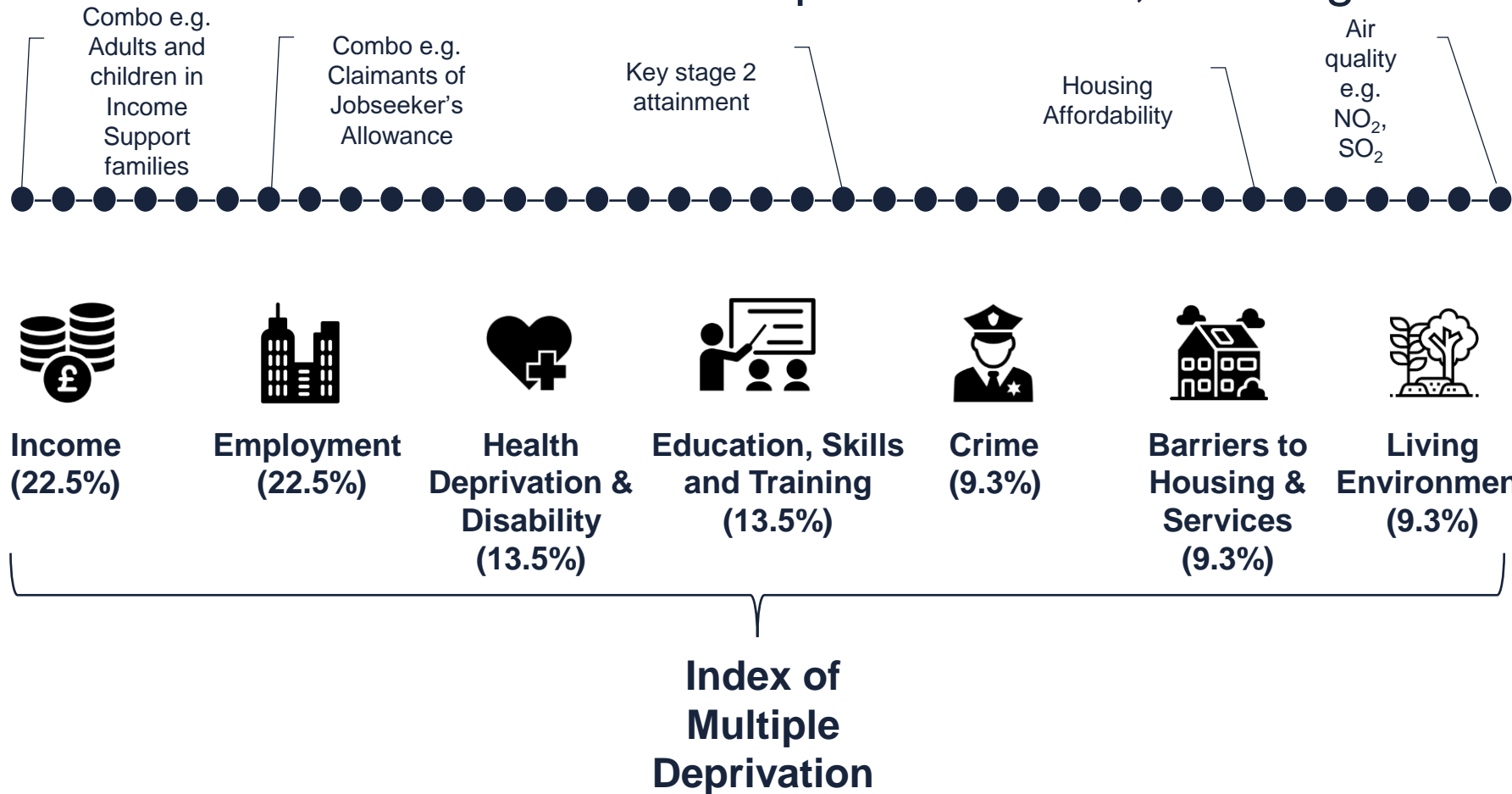
Home to Work journeys were at their lowest levels in June 2022



21 Index of Multiple Deprivation (2019)

What is the Index of Multiple Deprivation?

The IMD measures relative levels of deprivation in 32,844 neighbourhoods



How can it be used?

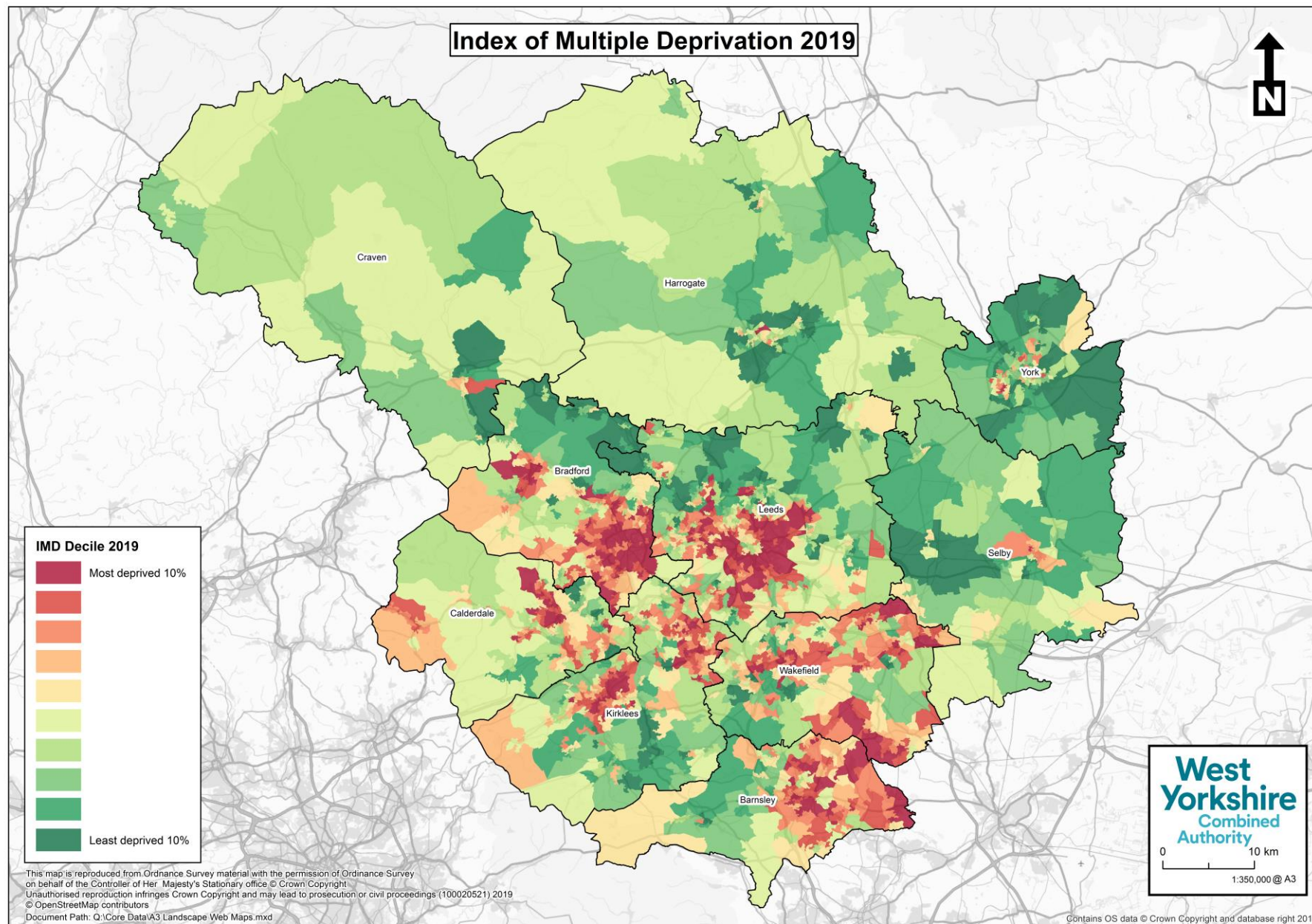
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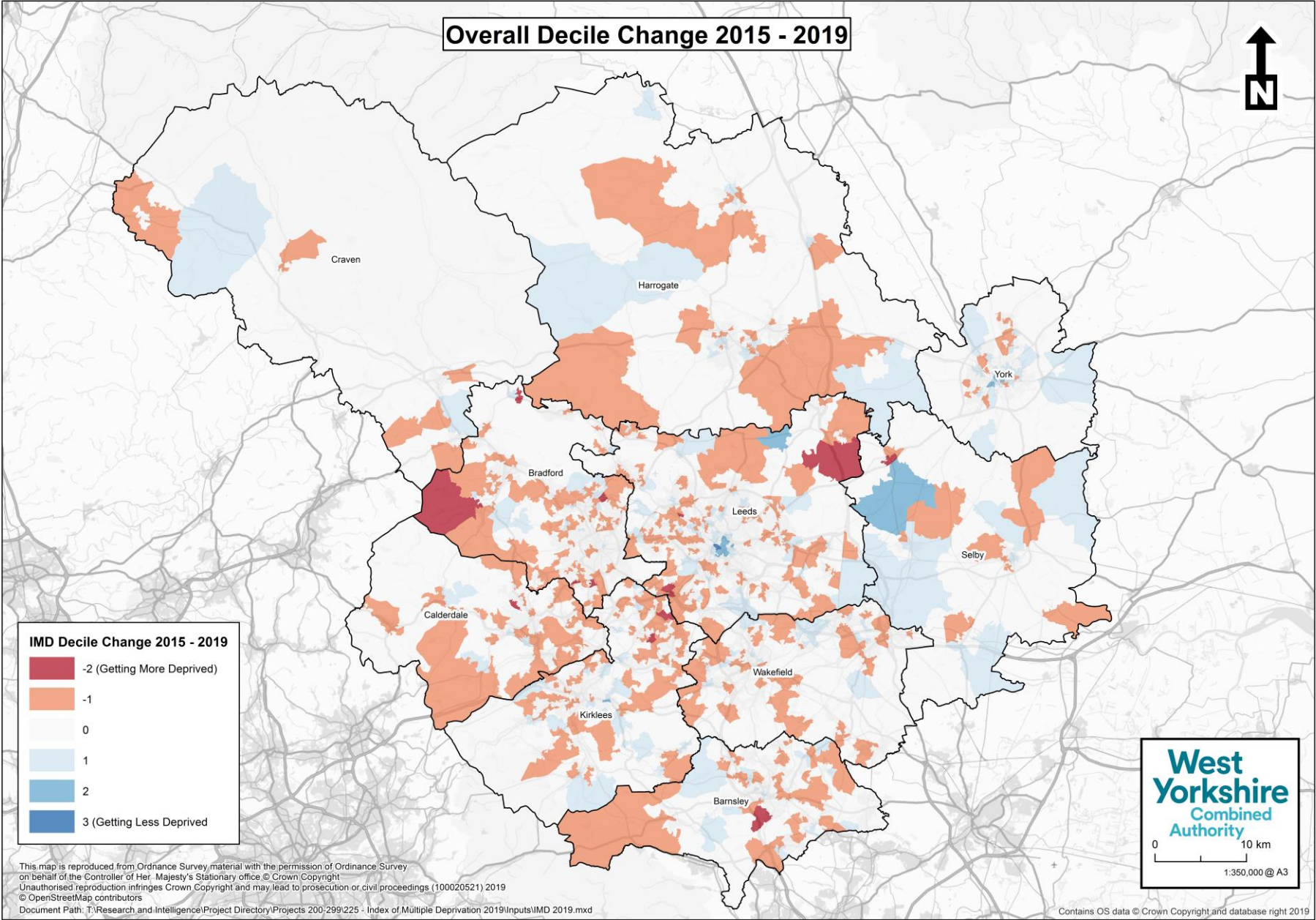


- Comparing small areas
- Exploring domains
- Comparing larger administrative areas
- Examining changes in **relative** deprivation over time



- Identifying deprived people
- Measuring affluence
- Comparing with other UK countries
- Measuring **absolute** changes in deprivation over time





In what ways has West Yorkshire become more deprived?

26

2019 Top 10 Worst	= Income	= Employment	= Education	↓ Health	↑ Crime	↑ Barriers	= Living
1	Liverpool City Region	Liverpool City Region	Sheffield City Region	Liverpool City Region	Greater Manchester	London	Cornwall and Isles of Scilly
2	Tees Valley	Tees Valley	Tees Valley	Tees Valley	Leeds City Region	The Marches	Greater Birmingham and Solihull
3	Black Country	North East	Humber	Greater Manchester	Tees Valley	Worcestershire	Lancashire
4	Greater Birmingham	Greater Manchester	Black Country	Lancashire	Humber	Greater Cambridge	Cumbria
5	Greater Manchester	Greater Birmingham	Leeds City Region	North East	Sheffield City Region	New Anglia	The Marches
6	Humber	Sheffield City Region	Liverpool City Region	Sheffield City Region	North East	Cornwall and Isles of Scilly	Liverpool City Region
7	North East	Humber	Greater Birmingham	Cumbria	Solent	Coast to Capital	Heart of the South West
8	Lancashire	Black Country	Greater Lincolnshire	Humber	Lancashire	Thames Valley Berkshire	Leeds City Region
9	Sheffield City Region	Lancashire	D2N2	Leeds City Region	Liverpool City Region	YNYER	Solent
10	Leeds City Region	Leeds City Region	Greater Manchester	Greater Birmingham	West of England	Greater Birmingham	Humber

32 Leeds City Region

2015 Top 10 Worst	Income	Employment	Education	Health	Crime	Barriers	Living
1	Liverpool City Region	Liverpool City Region	Sheffield City Region	Liverpool City Region	London	The Marches	Cornwall and Isles of Scilly
2	Tees Valley	Tees Valley	Tees Valley	Tees Valley	Humber	Greater Birmingham and So	Cumbria
3	Black Country	North Eastern	Humber	Greater Manchester	Lancashire	London	The Marches
4	Greater Birmingham	Humber	Black Country	North Eastern	Greater Manchester	Cornwall and Isles of Scilly	Lancashire
5	Humber	Greater Manchester	Leeds City Region	Lancashire	Tees Valley	Worcestershire	Heart of the South West
6	Greater Manchester	Black Country	Liverpool City Region	Sheffield City Region	Leeds City Region	New Anglia	Greater Birmingham and Solihull
7	North Eastern	Greater Birmingham	Greater Birmingham	Cumbria	Liverpool City Region	Greater Cambridge and Gre	London
8	Sheffield City Region	Sheffield City Region	D2N2	Leeds City Region	Northamptonshire	York, North Yorkshire and E	Leeds City Region
9	Lancashire	Lancashire	Stoke-on-Trent and St	Humber	Sheffield City Region	Swindon and Wiltshire	Liverpool City Region
10	Leeds City Region	Leeds City Region	Greater Manchester	Stoke-on-Trent and St	Greater Lincolnshire	Cumbria	Solent

34 Leeds City Region



Report to: Place, Regeneration and Housing Committee

Date: 03 November 2022

Subject: **Housing Pledge Update and West Yorkshire Housing Partnership Presentation**

Director: Liz Hunter, Interim Director of Policy and Development

Author: Rebecca Greenwood, Programme Development Lead

Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	
Are there implications for equality and diversity?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

1. Purpose of this Report

- 1.1. The purpose of this report is to provide Committee members with an update on progress towards delivery of the Mayoral pledge to deliver 5000 affordable and sustainable homes in West Yorkshire.
- 1.2. As a key partner in delivery of the pledge, the West Yorkshire Housing Partnership will provide the Committee with a presentation on their collective contribution towards delivering the Mayoral pledge. The presentation is attached as appendix 1 of this report.

2. Information

- 2.1. The Mayor has set a headline pledge to deliver 5000 affordable and sustainable homes. The pledge is delivered across several workstreams, and programmes led by the Combined Authority, Local Authorities and our partners. Based on information received from the West Yorkshire Housing Partnership and supply figures supplied by Homes England, across West Yorkshire, it is currently forecast that 5,205 affordable homes will commence construction by the end of March 2024. There are challenging risks to delivery which are discussed in section 2.8 of this report.
- 2.2. There is currently no accurate national measure of the number of low carbon homes that are forecast to commence construction as developers are only

required to build homes to building regulation standards. While some developers may build homes to higher standards, this can only be collected retrospectively (after construction) in the form of energy efficiency ratings. The most recent data published by DLUHC shows that from March 2021 to March 2022 74% of new dwellings in West Yorkshire have energy efficiency ratings of A or B.

- 2.3. This paper will provide the Committee with update on each of the programmes the Combined Authority is delivering to continue support to deliver the Mayoral pledge.

Affordable Housing Delivery

Overview

- 2.4. Working with Local Authority partners, the West Yorkshire Housing Partnership (WYHP) and Homes England, the Combined Authority is monitoring the delivery of affordable housing across West Yorkshire. This includes projecting the affordable housing supply pipeline where possible, however it is noted that pipeline supply is challenging to predict, particularly in terms of S106 affordable housing delivery that is subject to planning conditions.
- 2.5. The Combined Authority is considering the tools and resources that could add value at a regional level to increase and support the delivery of affordable homes. This includes exploring opportunities to maximise affordable housing delivery through Combined Authority funded housing programmes.

Progress to date

- 2.6. The West Yorkshire Housing Partnership provide quarterly updates on affordable housing supply and delivery. At the most recent update, the total number of affordable housing project to be delivered in the WYHP supply stood at 4,314 homes in delivery by 2024. This includes homes directly delivered by Local Authorities or Registered Providers and homes that WYHP members expect to take up through S106 agreements. A further request for an update has been issued to WYHP members with returns expected by 31st October.
- 2.7. In addition, Homes England provide the Combined Authority with a biannual update on affordable housing supply expected to come forward through its Affordable Housing Programme and Strategic Partnerships, with the last figures supplied in May 2022. After deducting the number of homes that WYHP members expect to deliver using Homes England funding, a further 892 homes could be delivered by other providers (not in WYHP) supported by Homes England bringing a composite affordable housing supply figure to over 5000. This does not include S106 homes or homes delivered using Local Authority HRAs or Right to Buy Receipts.

- 2.8. As set of actions are being considered at a regional level to support the delivery of affordable homes. This included building evidence on the viability gap associated with affordable housing and developing a shared viability framework, commitment to maximising S106 opportunities, holding a developer forum to raise awareness of affordable housing contributions and exploring way to increase Development Management capacity in West Yorkshire.
- 2.9. Affordable housing contributions through section 106 are being maximised across the region and where homes are supported through Combined Authority programmes (such as the Brownfield Housing Fund and Housing Revenue Fund), affordable housing is a key deliverable. Leeds City Council Executive Board endorsed the Leeds Affordable Housing Growth Partnership Action Plan in September 2022 which sets the framework in Leeds for the affordable housing sector to work together to meet housing needs and boost affordable housing growth. The Combined Authority is working with colleagues at Leeds City Council to apply best practice from this Action Plan across the region.

Delivery Risks

- 2.10. The pipeline indicates that the Mayoral pledge to deliver 5000 homes is achievable, however it is worth noting that there are significant delivery risks, particularly in the current economic climate and market volatility. The key risks for the Committee to take note of include;
- Construction costs are rising both due to continuing supply issues and inflation leading some schemes, where viability was already a concern becoming increasingly challenging and unviable for developers to take forward.
 - Construction companies are unable to hold tender prices due to volatility in prices impacting on tendering processes and certainty of costs.
 - Rising interest rates impacting the cost of development borrowing.
 - Appetite and ability of public to purchase/secure mortgages.
 - Some evidence is beginning to show some developers/landowners are marketing sites for sale rather than developing.
 - Planning authorities are under-resourced which leads to some delays in decision making delaying decision making subsequently having an impact upon starts on site.
 - Potential government rent cap to Housing Association sector annual rent increases – impact on ability to raise finance to deliver current projected numbers and capital available to fund development and decarbonisation programmes.

- 2.11. Whilst the risks highlighted are out of the Combined Authorities direct control, work is ongoing to mitigate risks where possible through continuous engagement with Local Authority partners as well as with private partners such as the WYHP. In addition, the Housing Revenue Fund, described in more detail at 2.8 is providing technical advice across a range of pipeline sites to estimate costs and viability whilst this is ever changing in a turbulent market, this is helping to provide up to date figures where possible.

Housing Revenue Fund

Overview

- 2.12. The Combined Authority secured £3.2m of revenue funding through the West Yorkshire Devolution Deal. The funding is to develop projects within the housing pipeline from concept to feasibility, preparing projects for investment and delivery. The programme was endorsed by the Investment Committee on 8th June 2021 and approved by the Combined Authority on 29th July 2022.
- 2.13. There are four broad areas of work that are supported by the funding as follows; regional resource and capacity, technical advice and support, local resource building and programme management.

Progress to date

- 2.14. At the time of writing, the programme spend is £1.27m with £1.93m remaining to be spent by March 2023. The programme allocation currently stands at £3.24m with an overprogramming position of £0.04m. The funding is on track to be spent and the programme to be delivered by March 2023. The programme has supported sites within the housing pipeline to progress which will enable approximately 20,000 homes (including 3,000 affordable homes) to come forward into delivery.
- 2.15. The funding has supported projects to be taken forward to the market and accelerate delivery through work to de-risk sites and support local authorities with capacity to develop investment proposals. Where suitable, sites have been supported to enter the Brownfield Housing Fund and other external funding agencies have been engaged in project development. In addition, the programme has funded capacity gaps across Local Authorities including in planning teams, project management, housing growth teams and specialist skills (such as drainage and highways technicalities where needed).
- 2.16. The success of the programme has contributed to a much closer working relationship with district teams and Homes England moving the pipeline forward with greater delivery certainty across the West Yorkshire housing pipeline. This has led to the commitment from Homes England Chair and Chief Executive to establish a Strategic Place Partnership for West Yorkshire which will be discussed at Item 9 of the agenda.

- 2.17. The current Housing Revenue Fund programme will come to an end in March 2023. An impact assessment and evaluation of the current programme is currently being developed. This will inform the development of a future business case to continue the programme as part of the Creating Great Places and Accelerated Infrastructure Programme discussed at Item 6 on the agenda.

Brownfield Housing Fund

Overview

- 2.18. The Brownfield Housing Fund (BHF) is a £89m capital fund to support the development of new homes on Brownfield sites in West Yorkshire, with homes to be started on site by March 2025. The aim of the BHF programme is to boost the delivery of homes by bringing more brownfield land into development through easing the viability issues that many brownfield land projects face often due to high remediation and abnormal costs.
- 2.19. The Department for Levelling Up, Housing and Communities (DLUHC) set the high level objectives of the fund including ensuring that all projects represent good value for money are Green Book compliant with a benefit cost ratio of 1. Schemes also need to demonstrate market failure (i.e. they could not deliver without public sector intervention). Viability gaps, security and overage relating to each scheme are being developed as part of the potential agreements with private sector developers delivering the schemes. Due diligence is also being carried out on each potential recipient of Combined Authority funding, as well as establishing the schemes' sustainable, inclusive and/or affordable housing credentials.

Progress to date

- 2.20. An initial sift of the strategic housing pipeline was undertaken to identify projects that could demonstrate the ability meet the criteria set by the Government and that projects are investment ready. In addition, projects have been identified through two calls for projects which stimulated the market and developers to bring forward project proposals. Alongside meeting the requirements set by Government, the BHF programme seeks to maximise affordable housing contributions and project contributions to the regions net zero carbon ambitions wherever possible.
- 2.21. The BHF programme is a live pipeline where project priority and ability to deliver is continuously reviewed. Current economic pressures and rising inflation costs are leading to some project delays and delivery uncertainty as promoters are revisiting cost estimates to revise business cases. The risks outlined in section 2.7 of this report are also relevant to delivery of the BHF programme. The BHF team are working closely with promoters across the projects to gain certainty and expect that the current programme will still meet the minimum target of delivering the start on site of 5400 homes by March 2025 subject to project approvals through the Combined Authorities assurance process.

- 2.22. Given the time-limited nature of the fund, priority is given to those projects that can demonstrate delivery of homes promptly and can successfully navigate the assurance process. Additional priority is given to those projects that are able to deliver affordable homes and several projects within the pipeline are being delivered by our Registered Provider partners. The Combined Authority is making representations to the new Housing Minister to highlight the constraints of the current BHF criteria, in particular the strict delivery criteria and benefit to cost ratio criteria which is leading to some key brownfield sites being unable to enter the programme. The Combined Authority is requesting that these criteria be relaxed to allow further sites to come forward for delivery and boost housing growth on brownfield land.

Social Housing Decarbonisation Fund (SHDF) and Community Renewal Fund (CRF) Retrofit Hub

Overview

- 2.23. The SHDF programme is targeting properties that have an EPC rating of D or lower (E, F, G) and deliver retrofit improvements to achieve an EPC-C rating. The priority are measures that insulate the property first to reduce energy consumption supported with the installation of renewable energy sources such as solar where appropriate.
- 2.24. Wave 1 of the SHDF was approved in January 2022 to deliver £10.38m of retrofit improvements to Social Housing across West Yorkshire. This would improve 1316 properties working with 9 Registered Social Housing Providers. Match funding by the Providers of 30% was a pre-requisite by BEIS however the Providers successfully raised 50% match funding for Wave 1.
- 2.25. The CRF Retrofit Hub is to deliver 100 whole house retrofit plans which also include providing residents with energy advice and support. This scheme will also result in the creation of an architectural toolkit of retrofit designs and streetscape plans demonstrating internal and external modifications that could be made to properties that have been surveyed. In addition to this, up to 40 adult learners will be supported through the offer of free training to provide them with the skills, technical knowledge and experience needed to work in the growing green sector.
- 2.26. The CRF Retrofit Hub project is focussed on the Manningham and Toller wards of Bradford and aims to understand the challenges there are in retrofitting traditional stone-built properties in conservation areas using the CRF funding of £0.46m in a very tight delivery window (originally from 1 December 2021 to 30 June 2022).

Progress to date

- 2.27. The SHDF Wave 1 programme has currently delivered 335 installations against a forecast at this point in the programme of 165. There is a time lag in getting the properties re-surveyed to confirm the EPC ratings and currently 60 properties have received the required EPC-C certificate against a forecast of

65. Trustmark - who process the assessment and award the certificates - are currently processing an outstanding 275 installations.
- 2.28. The CRF Retrofit Hub received a delivery extension approval to 31 October 2022 due to challenges of completing the community engagement during Ramadan and then purdah for the local elections. As part of the extension the number of whole house retrofit plans was increased to 150.
- 2.29. As of September 2022, 122 whole house surveys have been completed, and 75 decarbonisation plans posted to the householders. The final number of surveys and decarbonisation plans will be available following the completion of the project and the Committee will be updated at the January 2023 meeting on the lessons learned and success of the programme.
- 2.30. The progress for the CRF Retrofit Hub delivery of adult learners has been very challenging. Currently five learners have completed the course, with the final cohort of students expected to enrol onto the Retrofit module from w/c 26 September 2022 at Harrogate College.
- 2.31. A series of online assets to educate and encourage young learners to consider roles in the green economy, along with resources educating the community on the climate emergency declaration.

Dementia-ready housing task force

Overview

- 2.32. The Mayor's housing pledge included the statement, 'I will establish a Dementia Ready Housing Task Force to ensure all our older people's housing and related services are dementia friendly.'
- 2.33. The dementia-ready housing task force was formed in early 2022 and has met 5 times since then. It is made up of representatives from the 5 local authorities, housing providers, third sector organisations, OHID, NHS and Huddersfield University. The core aim of the group is to improve the experience of those with dementia in West Yorkshire and their carers, from before diagnosis to end of life, with housing as the central focus.
- 2.34. Using the 2021 Housing and Care for Older People All Party Parliamentary Group's report, 'Housing for people with dementia – are we ready?' it has identified 10 recommendations to take forward for the region – 5 of which are designed to be achieved before the end of the Mayor's term, with progress on the other 5.

Progress to date

- 2.35. Briefs have been drawn up and agreed by the group to take forward with housing providers on a dementia-friendly housing charter, sign up to the Alzheimer's Society dementia-friendly housing guide, the appointment of dementia champions and expansion of the 'dementia friends' network across

housing providers. The group has also collaborated with Huddersfield University to submit a bid for Nuffield Foundation funds to research the customer experience for those with dementia in West Yorkshire. It is also working on a brief for the dementia ready element of the West Yorkshire Housing Strategy.

West Yorkshire Housing Strategy

Overview

- 2.36. The Leeds City Region Housing Vision, published in 2019, set out the collective aims, ambitions and principles for creating good places to live across the region. Since the publication of the Vision, the Combined Authority has been through significant levels of change culminating in devolution deal and the election of the first Mayor of West Yorkshire in 2021. Given the new powers, funding and ambitions established through the MCA, the Combined Authority's Corporate Plan 22/23 has highlighted the need to develop a new West Yorkshire Housing Strategy.
- 2.37. A West Yorkshire Housing Strategy will complement the housing strategies of the five constituent Local Authorities. A West Yorkshire Strategy will be focussed on added value, setting out the principles through which the Combined Authority will invest, develop and work with partners to achieve place-based outcomes.

Progress to date

- 2.38. Building on the West Yorkshire Housing and Affordability Study (2020), the first phase of the strategy development will include establishing robust evidence, identifying any gaps and providing a policy baseline that will lead to the development of strategic objectives. A competitive tendering exercise has been completed to procure a consultant partner to undertake this first phase of work with North Housing Consulting and Sheffield Hallam University appointed as consultants. It is expected that this phase of work will be completed by Christmas 2022.
- 2.39. Following the completion of the first phase, the following phases will include the development of a strategic narrative and setting out the delivery mechanisms to achieve the objectives identified through phase one. This will then be followed by a period of consultation and engagement before the document is prepared and presented for approval. A full timeline of these later phases will be developed as part of the first phase of strategy development.

West Yorkshire Housing Partnership Update

- 2.40. The West Yorkshire Housing Partnership (WYHP) was established in October 2020. It was created to provide a single point of access for all social housing related policy and delivery in the devolved West Yorkshire region. WYHP has 14 members – 12 housing associations and two stock holding Local Authorities – Leeds and Kirklees. The Chair of WYHP is Helen Lennon (Chief

Executive, Connect Housing) and the Vice Chair is Nick Atkin (Chief Executive, Yorkshire Housing). Collectively, WYHP owns or manages over 250,000 homes, two-thirds of which are provided in West Yorkshire.

- 2.41. The WYHP is a key partner in supporting the delivery of the Mayoral pledge to deliver 5000 affordable and sustainable homes, as evidenced in section 2.3 of this report. The work of the WYHP is shared between its members and is delivered through four workstreams sponsored by a senior leader:

- **Investment and regeneration** – senior executive sponsor – Andy Wallhead (Chief Executive, WDH)
- **Climate emergency** - senior executive sponsor – Matthew Walker (Chief Executive, Leeds Federated Housing)
- **Health, housing and homelessness** - senior executive sponsors – Mark Pearson (Chief Executive, Leeds and Yorkshire Housing) and Naz Parkar (Service Director - Housing and Neighbourhoods, Kirklees Council)
- **Inclusive Growth** - senior executive sponsor – Cedric Boston (Chief Executive, Unity Housing)

- 2.42. The WYHP will provide a presentation at the meeting (slides attached as appendix 1) to update the Committee on progress across the work streams to support the Mayoral pledge. The Mayor is scheduled to attend the January 2023 meeting of the WYHP in Dewsbury.

3. Tackling the Climate Emergency Implications

- 3.1. The activity to support the housing pledge seeks to maximise opportunities to deliver net zero carbon housing wherever possible. In some circumstances that is directly through exploring retrofit solutions to existing stock and in other circumstances that is through our revenue and capital programmes which prioritise projects that will have a low carbon impact.

4. Inclusive Growth Implications

- 4.1. The focus on affordable housing will support inclusive growth across the region. Supporting pipeline development and delivery through capital programmes will enable faster delivery of much needed new homes including a proportion of affordable and higher quality, better insulated homes with subsequently lower running costs for residents. Particularly in the context of the current cost of living crisis, ensuring housing is affordable is a key priority across the region and for our Local Authority partners.

5. Equality and Diversity Implications

- 5.1. Many of the most challenging housing market areas in the region are within the most deprived locations. A focus on delivering affordable and sustainable homes in the right places means that our investment and strategies are

focussed on delivering outcomes to ensure good quality housing is available for all. To that extent, equality and diversity implications are embedded within the pledge delivery and integrated across the items outlined in this report to ensure fairer access to housing across the region.

6. Financial Implications

- 6.1. There are no direct financial implications arising from this report. However, it should be noted that funding streams for some of the work outlined above are limited. In particular, funding has not yet been secured to continue the HRF programme post March 2023 and consideration may need to be given to funding the development of the West Yorkshire Housing Strategy beyond the first phase of work that is commissioned.

7. Legal Implications

- 7.1. There are no direct legal implications arising from this report.

8. Staffing Implications

- 8.1. The pledge work is reliant on support from our Local Authority partners in particular the continued engagement support of the Strategic Place Officer Group and Heads of Planning. The HRF and BHF programmes are managed through programme manager/lead roles within the Combined Authority.

9. External Consultees

- 9.1. No external consultations have been undertaken.

10. Recommendations

- 10.1. That the Committee note the content of the report and provide any feedback regarding the progress towards pledge delivery.
- 10.2. That the Committee note the content of the presentation provided by the West Yorkshire Housing Partnership.

11. Background Documents

There are no background documents referenced in this report.

12. Appendices

Appendix 1 – West Yorkshire Housing Partnership Presentation.



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West Yorkshire Housing Partnership

Place, Regeneration and Housing Committee
Helen Lennon and Daniel Klemm

3 November 2022

Investment and regeneration



- Developed a shared 3- year development pipeline
- Predicted to deliver 4,314 homes by 2024
- 38 • Delivered 768 new affordable homes during 2021/22
- Shared best practice on managing cases of condensation, damp and mould
- Presented to the Chief Executive and Chair of Homes England - July 2022



Climate emergency



- Gained Wave 1 Social Housing Decarbonisation Fund funding.
- Invested in a solar and battery storage project
- Participated in the Mayor's Green Jobs Task Force and Green Jobs Pledge
- Agreed to support a Better Homes Hub for West Yorkshire to establish a ready-to-implement retrofit model in five identified West Yorkshire neighbourhoods



Health, housing and homelessness



- Carried out housing training with Public Health Registrars
- Taken an active role in the West Yorkshire Dementia Ready Housing Task Force
- Delivered training to 300 frontline housing staff on Trauma Informed Practice
- 40 • Progressed work to identify autism training for frontline housing staff
- Commissioned a market needs assessment on the demand for supported accommodation for people with learning disabilities, mental health and autism.
- Supported a regional right-sizing marketing campaign



Inclusive growth



- Identified opportunities through the link between inclusive growth and green skills and training that can be progressed
- ✦ Engaged with key stakeholders to understand where inclusive growth can be expanded
- Worked collaboratively to generate opportunities for funding through the UK Shared Prosperity Fund.
- Agreed to explore supporting the Retrofit Academy to provide training on retrofitting to staff



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Report to: Place, Regeneration and Housing Committee

Date: 03 November 2022

Subject: Project Approvals

Director: Melanie Corcoran, Director of Delivery

Author: Craig Taylor, Head of Portfolio Management and Appraisal

1. Purpose of this Report

- 1.1. To report on proposals for the progression of, and funding for, a number of West Yorkshire Combined Authority supported projects that have been considered at stages 1, 2 and 3 of the Combined Authority's assurance process.
- 1.2. The Place, Regeneration and Housing Committee has delegated decision making authority approved by the Combined Authority on 24 June 2021.
- 1.3. The recommendations can be found in Section 12 of this report.

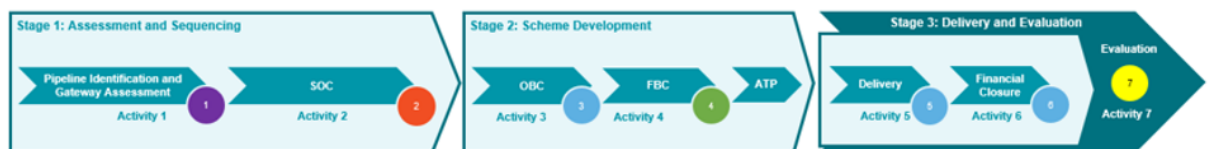
2. Tackling the Climate Emergency Implications

- 2.1. The West Yorkshire Combined Authority and the Leeds City Region Enterprise Partnership (the LEP) are working towards the challenging ambition of being a net zero carbon economy by 2038 and to have made significant progress by 2030, in its efforts to tackle the climate emergency. As a region, West Yorkshire currently emits 11 million tonnes of carbon dioxide equivalent (MtCO₂e) per year. Meeting the target, achieving emission reductions of over 11 MtCO₂e by 2038, will require urgent and collaborative action across all sectors of the region's economy in partnership with businesses and communities.
- 2.2. Transport is the largest emitting sector, dominated by road transport and private vehicle use. The majority of emissions from buildings and industry are due to heat generation, primarily as a result of the combustion of natural gas.
- 2.3. The Combined Authority has taken action to ensure all decisions we make include climate emergency considerations. The Combined Authority:
 - Has strengthened how clean growth and climate change impacts are considered as part of all schemes that come through the Combined Authority's Assurance Framework.

- Requires all Project Approvals reports to the Combined Authority and thematic committees to include the results of a carbon impact assessment and narrative on the clean growth / tackling the climate emergency implications.
- 2.4. To strengthen decision making across the whole of the Combined Authority's Assurance Framework a robust methodology for assessing the carbon impact of proposals has been developed. This includes a qualitative assessment of likely carbon impact at Stage 1 and a more detailed quantitative assessment of carbon impact at Stage 2.
- 2.5. The carbon impact assessment methodology has now been completed and is being implemented into the Assurance Framework. The work has involved the development of training, reporting requirements and other supporting material to ensure carbon assessment is properly embedded in the Assurance Framework. The Combined Authority will provide the necessary scrutiny of carbon impact assessments presented by promoters.

3. Report

- 3.1. This report presents proposals for the progression of two schemes through the Combined Authority's assurance process in line with the Combined Authority's Assurance Framework. Details on the schemes summarised below can be found as part of this report.
- 3.2. The assurance process is a three-stage approach with the requirement that all projects subject to minor exceptions as detailed in the Assurance Framework, will as a minimum, need to formally pass decision point 2 (strategic outline case) and 4 (full business case), with the requirement to meet the intervening activities deemed on a project by project basis.
- 3.3. For more detail on the Combined Authority's Assurance Framework through which each of the schemes outlined in this report are being approved is provided in **Appendix 1**.



Stage 1: Assessment and Sequencing

- 3.4. Programmes / schemes will start to be developed through an ongoing dialogue with the Region's businesses, third sector and public organisations, in line with the West Yorkshire Investment Strategy (WYIS). Schemes will access funding through either a commissioning process or through open calls. Programmes / schemes will be assessed through a Strategic Assessment (an early-stage gateway check and challenge review) to determine if they are eligible to proceed (decision point 1).

- 3.5. If approved the scheme will progress to strategic outline case (SOC), where schemes will be expected to demonstrate a strategic fit in terms of project outcomes and set out their proposed approach to establishing value for money (VfM). At this stage, a long list of options will be considered with a shortlist being presented in the SOC. Consultation at this stage will be limited, but will be a key to the next activity, outline business case (OBC) in Stage 2. At this stage, funding may be sought to enable work to progress on the OBC. Schemes will also be required to submit an Appraisal Specification Report (ASR). It is at the end of this stage where the Combined Authority approve the indicative funding, approval pathway and route and tolerance levels (decision point 2).

Stage 2: Scheme Development

- 3.6. If approved the scheme will progress to OBC unless the approval pathway set at decision point 2 does not require this. The OBC should revisit the options identified within the SOC to identify the option which optimises public value, confirm the affordability of the scheme, and put in place the arrangements to ensure successful delivery. The OBC should be prepared in accordance with the Green Book five-case model and should include a draft Monitoring and Evaluation Plan and a Benefit Realisation Plan. The economic case must be developed in consistency with the agreed ASR. Guidance will be provided to scheme promoters around the level of detail to be submitted at this stage with regards to proportionality of the business case. The scheme will be presented for approval by the decision-maker (decision point 3) as set out in the approval pathway and route approved at decision point 2.
- 3.7. If approved the scheme will progress to full business case (FBC) which will confirm the contractual arrangements for the preferred option. Affordability of the scheme is reiterated, and the scheme puts in place the final arrangements for delivery and monitoring and evaluation of the scheme. A Monitoring and Evaluation Plan and a Benefit Realisation Plan are mandatory products at this stage. The FBC should also be prepared in accordance with the five-case model and any conditions set at OBC should be resolved. The economic case must be developed in consistency with the agreed ASR. The scheme will be presented for approval by the decision-maker (decision point 4) as set out in the approval pathway and route approved at decision point 2.
- 3.8. The FBC approval will be granted with a condition that the scheme remains within set conditions. Where this condition has been met Approval to Proceed into Delivery (Activity 5) will be granted by the Chief Executive (or by an officer under sub-delegated authority from the Chief Executive). If the condition(s) is not met, the project will be required to re-submit the FBC.

Stage 3: Delivery and Evaluation

- 3.9. Once a scheme gains FBC approval and the conditions set have been met, the scheme can progress into Activity 5 (Delivery).
- 3.10. Upon scheme completion, a Delivery Closure Report is required that details how the scheme has performed. This includes whether delivery has remained within

the timeframes specified within the business case, has achieved the objectives of the scheme and associated outputs, documents what has been delivered and highlights the overall costs. The Delivery Closure Report will be presented for approval by the decision-maker (decision point 5) as set out in the approval pathway and route approved at decision point 2.

- 3.11. Following completion of Activity 6, the scheme will be required to submit a Financial Closure Report (Activity 6). The Financial Closure Report confirms the final costs for the scheme, ensuring all payments have been completed. The Financial Closure Report will be presented for approval by the decision-maker (decision point 6) as set out in the approval pathway and route approved at decision point 2.
- 3.12. The purpose of the Delivery and Financial Closure Reports is to assess the success of the scheme, identify best practice for future schemes, resolve all open issues and to capture feedback and lessons learnt to inform the development and delivery of future schemes.
- 3.13. Activity 7 (Evaluation) will be managed by the Combined Authority's Research & Intelligence team. This is a reporting point as opposed to the previous decision points in the process and will be undertaken when the scheme is completed for an evaluation of the benefits, outcomes and economic impact compared to the overall objectives set out in the SOC. Insights and learning intelligence from evaluation will also be fed back into policy and strategy in order to inform the design and development of future schemes. Interim evaluations may also be undertaken as required as set out in the Monitoring and Evaluation Plan.

Value for Money - Benefit Cost Ratios

- 3.14. The Benefit to Cost Ratio (BCR) for some of the schemes in this report potentially represent low value for money, when assessed using the Department for Transport's Transport Appraisal Guidance TAG on the appraisal of transport schemes.
- 3.15. This is because whilst calculating benefits to costs of a transport scheme there are many more journeys made by car than are made by bus, cycling, and walking and as a consequence the monetised benefits arising from improvements to bus, cycling and walking journeys may be outweighed by the monetised dis-benefits to car users.
- 3.16. However, a key strategic objective of investment is to encourage modal switch to more sustainable modes and therefore whilst the 'core' BCR (i.e. following Green Book guidance on total impact on the society as a whole) for some schemes may be low, discounting the dis-benefits to car users from the appraisal will result in a higher BCR and where possible this 'range of BCR' will be presented to support decision making. This is in line with HM Treasury guidance where appraisal should take account of all five cases (strategic, commercial, economic, financial and management) and the economic case be balanced with these.

- 3.17. Her Majesty's Treasury (HMT) have now completed the review of the Green Book. The Green Book is guidance issued by HM Treasury on how to appraise policies, programmes, and projects. This review has endorsed the Combined Authority's approach by clarifying that overall Value for Money judgement should not depend solely on the BCR but be informed by a balanced consideration of all relevant evidence, that is, appraisal should take account of all five cases (strategic, commercial, economic, financial and management) and the economic case be balanced with these.
- 3.18. In particular, HMT have clarified further that in assessing value for money, a stronger emphasis can now be placed on the strategic case and how the strategic objectives and priorities of the Combined Authority will be met through the delivery of a project. This might for example include, but not limited to, a greater focus on regional impacts to help deliver Levelling Up, ensuring transformational projects are given due consideration, supporting the climate change and good growth agenda (the Combined Authority aims to achieve net-zero by 2038), supporting an increase in active mode and public transport use, supporting / accelerating housing development and allowing a greater emphasis on the requirement to carry out equalities analysis as required by the Public Sector Equalities Duty. The specific approach will be determined on a programme-by-programme basis as funding and investment streams come forward.

Scheme Summaries

Kirkstall Road Residential Development Leeds	<p><u>Scheme description</u></p> <p>This scheme will deliver 618 built to rent apartments in Leeds. The scheme also includes the development of 356m2 of ground floor commercial (office/retail) space and the creation of 1.15 ha new open space, including a riverside park, community courtyards and riverside walk. In addition, there will be 231 car parking spaces developed and new walking/cycling provision along the River Aire</p> <p>The scheme is to be delivered through the Brownfield Housing Fund.</p> <p><u>Impact</u></p> <p>20% of the new homes delivered by this scheme will be affordable homes. The scheme will minimise carbon emissions during construction. The development includes the provision of new pedestrian and cycle paths, electric vehicle (EV) charging spaces and cycle storage spaces</p> <p>The value for money assessment reflects a benefit cost ratio (BCR) of 2.7:1 representing high value for money.</p> <p><u>Decision sought</u></p> <p>Approval to proceed through decision point 3 (outline business case) and work commences on activity 4 (full business case). Total value of the scheme - £141,078,196 Total value of Combined Authority funding - £7,159,715 Funding recommendation sought - £0 A decision by the Place, Regeneration and Housing Committee using the delegated authority from the Combined Authority is sought as part of this report</p>
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<p>West Yorkshire and York Superfast Broadband Contract 3 West Yorkshire and York</p>	<p><u>Scheme description</u> West Yorkshire and York superfast Broadband Contract 3 programme aims to deliver fast and reliable broadband infrastructure in some of the hardest to reach areas. Market failure has meant that these areas are not currently being served through a commercial roll out or were not included in the previous Contract 2 phase across West Yorkshire and York. The scheme will deliver superfast broadband connectivity of at least 30 megabits per second (mpbs) to eligible Small and Medium Sized Enterprise (SMEs) premises within eligible post code areas in West Yorkshire and York, facilitating growth and support in the wider city region. The scheme is funded from the Department for Environment, Food and Rural Affairs (DEFRA).</p> <p><u>Impact</u> The scheme will lead to a gross value added (GVA) over 15 years of around £100,000,000. The scheme's wider social benefits include improving the sustainability of local businesses and enabling expansion and increased access to employment.</p> <p><u>Decision sought</u> Approval to the change request to the West Yorkshire and York Superfast Broadband Contract 3 project to reduce the total project cost from £9,110,000 (£7,570,000 Combined Authority funding) to £4,539,304 (£3,841,558 Combined Authority funding), reduce the publicly funded outputs of the project to 3,530 premises and 746 businesses receiving the broadband service and increase the delivery timeframes for the remaining 2041 premises from July 2022 to June 2023. Total value of the scheme: £4,539,304 Total value of Combined Authority funding: £3,841,558 Funding recommendation sought: -£3,728,442 A decision by the Place, Regeneration and Housing Committee using the delegated authority from the Combined Authority is sought as part of this report</p>
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4. Information

4.1. The Combined Authority's assurance framework requires that formal approval is given to the following elements of a scheme as part of its development:

- The progression of a scheme through a decision point to the next activity.
- Indicative or full approval to the total value of the scheme funding requested.
- The Combined Authority's entry into a funding agreement with the scheme's promoter.
- The assurance pathway and approval route for future decision points.
- The scheme's approval tolerances.

4.2. This report provides information required to enable the Combined Authority to approve each of the above elements.

Projects in Stage 1: Assessment and Sequencing

4.3. There are no schemes to review at this stage.

Projects in Stage 2: Development

Project Title	Kirkstall Road Residential Development
Stage	2 (scheme development)
Decision Point	3 (outline business case)

Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:		
Are there implications for equality and diversity?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Background

- 4.4. This scheme will be funded from the Brownfield Housing Fund (BHF). This is an £89,000,000 fund from the Department for Levelling Up, Housing, & Communities. The BHF programme will support the development of new homes on brownfield sites across the West Yorkshire region to be started on site by March 2025. The programme aims to support the regeneration of neighbourhoods through the delivery of a mixture of housing types, including affordable housing, to boost productivity in surrounding areas and to support the delivery of carbon/energy saving homes.
- 4.5. One of the high-level objectives of the Brownfield Housing Fund as set by the Government is that all projects must represent good value for money and be Green Book compliant with a benefit cost ratio of at least 1. Schemes also need to demonstrate market failure (i.e., that without public sector funding the scheme could not progress) and the construction of homes to have started on site by 31 March 2025 when the funding stream will come to an end. Viability gaps, security and overage relating to each scheme are being developed as part of the potential agreements with private sector developers delivering the schemes. Due diligence is also being carried out on each potential recipient of Combined Authority funding, as well as establishing the schemes' sustainable, inclusive and / or affordable housing credentials.
- 4.6. The site currently comprises a three-storey office building facing Kirkstall Road. The scheme will demolish and remediate the brownfield land to build a new and vibrant residential-led development. The design of the scheme will maximise opportunities for walking and cycling along the riverside and meet increasing market demands for housing in a neighbourhood on the edge of the city centre.

- 4.7. This scheme will build 618 'build-to-rent' apartments in Leeds. The apartments developed are to be made up of 62 three-bedroomed, 248 two-bedroomed, 308 one-bedroomed homes. 20% (124) of the new housing will be affordable homes.
- 4.8. The scheme includes the development of 356m² of ground floor commercial (office/retail) space and the creation of 1.15 ha new open space, including a riverside park, community courtyards and riverside walk. In addition, there will be 231 car parking spaces developed and new walking/cycling provision along the River Aire.
- 4.9. The scheme contributes to the Mayoral Pledges to: "Build 5000 sustainable homes including affordable homes"; "Tackle the climate emergency"; "Support local businesses and be a champion for our regional economy" and aligns to the Strategic Economic Framework Priorities of: Boosting productivity; Enabling inclusive growth; Tackling the Climate Emergency.
- 4.10. A summary of the scheme's business case is included in **Appendix 2**.

Tackling the Climate Emergency Implications

- 4.11. The scheme tackles climate emergency implications by:
- The installation of renewable technologies to deliver carbon reductions of 20% over and above building regulations.
 - The provision of electric vehicle charging spaces.
 - Provision of new pedestrian and cycle infrastructure to encourage sustainable transport.
 - Providing new open green space.
- 4.12. A full Carbon Impact Assessment will be submitted at full business case stage.

Outputs and Benefits

- 4.13. The scheme outputs and benefits are:
- The regeneration 2.07 hectares of brownfield land in Leeds.
 - Meeting local housing need through contributing 618 new homes (20% of which will be affordable homes), that are designed to national housing space standards by December 2025.
 - The creation of 256sqm of new high quality office/retail space
 - The creation of 1.15 hectares of new public green space
- 4.14. The value for money assessment reflects a benefit cost ratio (BCR) of 2.7:1 representing high value for money.

Inclusive Growth Implications

- 4.15. The scheme inclusive growth implications are:

- The creation of high-quality affordable housing (20% of homes will be provided at affordable rent).
- The housing provided will be inclusive to all and will incorporate accessibility into designs.
- The extensive public space (1.15 ha) will benefit all residents of the wider local community and will incorporate inclusive design features and opportunities for play.
- The delivery of new housing in an area of the city that comprises a key regeneration area; the Kirkstall Road Corridor is key to strategic growth and expansion of Leeds City Centre.
- Encouraging market confidence in an area to encourage further investment and construction, adding vitality into the area, and creating new jobs.
- Accommodating high speed broadband throughout the development.
- Supporting and delivering an inclusive community through providing and encouraging the use of high-quality communal areas, as well as promoting health and wellbeing through social interaction, an in-house gym, and opportunities for collaboration in co-working spaces.

Equality and Diversity Implications

- 4.16. An Equality Impact Assessment (EqIA) has been undertaken for the scheme and equality and diversity impacts taken account of as part of the development of the scheme and the business case development.

Risks

- 4.17. The scheme risks include:

- Failure to secure detailed planning permission for the proposed development, and any potential impact on start dates. This is being mitigated by substantial pre-application and stakeholder engagement has been undertaken to mitigate this risk.
- Failure to obtain statutory consents/ approvals – including from the Environmental Agency for works on the site within proximity to the River Aire. This will be mitigated by ensuring that all consents are to be applied for within a minimum of 3 months prior to the works commencement date. All consents are required to complete the works.
- Design scheme changes required to reflect policy and building regulations considerations are cost prohibitive. To mitigate this the project has been designed to comply with new Building Regulations Part L which has introduced new requirements for energy efficiency and reductions in carbon emissions and allowance has been included in the cost plan for this. The project has been designed to comply with new electrical British

Standard. The responsibility for detailed design and compliance with project requirements will be transferred to the contractor via the building contract.

Costs

- 4.18. The total scheme cost is £141,078,196.
- 4.19. The Combined Authority's contribution is £7,159,715 from the Brownfield Housing Fund.
- 4.20. The remaining funding of £133,918,481 will be funded by the developer.

Assurance Pathway and Approval Route

Assurance pathway	Approval route	Forecast approval date
3 (Outline Business Case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Place, Regeneration and Housing Committee	03/11/2022
4 (full business case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Chief Executive	03/02/2023
Approval to Proceed	Recommendation: Combined Authority's Programme Appraisal Team Decision Combined Authority's Director of Delivery	31/03/2023
5 (delivery)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery	30/01/2026

Other Key Timescales

- 4.21. Remediation is due to be completed March 2023. Construction of the homes will then commence April 2023.
- 4.22. All homes are due to be completed January 2026.

Assurance Tolerances

Assurance tolerances
Cost: Combined Authority costs remain within +5% of those outlined in this report.
Programme: Delivery (DP5) timescales remain within +3 months of those outlined in this report.
Outputs: The number of housing units remain within -15% of those outlined in this report.

Appraisal Summary

- 4.23. There is a clear demand for the scheme in the proposed area, and a strong strategic case for intervention. The right housing development will be a catalyst for neighbourhood prosperity within the Kirkstall Road corridor and is fundamental to realising the ambitions for city-wide and regional wide growth.
- 4.24. Although it would appear the list of options for the site that have been considered by the developer are refinements of a pre-determined way forwards for the scheme, the scheme does respond to the results of a Housing Needs Assessment. This has been demonstrated in the Outline Business Case.
- 4.25. The developer has experience in delivering build-to-rent schemes of this nature and will be delivering the scheme through individual contracts for development works, and for demolition and enabling works.
- 4.26. Further work will be undertaken at full business case stage to provide details of procurement timeframes and to provide updated versions of the cost breakdowns and of the economic appraisal.

Recommendations

- 4.27. The Place, Regeneration and Housing Committee, subject to the conditions set by the Programme Appraisal Team, approves that:
- (i) The Kirkstall Road Residential Development scheme proceeds through decision point 3 (outline business case) and work commences on Activity 4 (full business case).
 - (ii) An indicative approval to the Combined Authority's contribution of £7,159,715, which will be funded from the Brownfield Housing Fund is given. The total scheme value is £141,078,196.
 - (iii) Future approvals are made in accordance with the assurance pathway and approval route outlined within this report. This will be subject to the scheme remaining within the tolerances outlined in this report.

Projects in Stage 3: Delivery and Evaluation

Project Title	West Yorkshire and York Superfast Broadband Contract 3
Stage	3 (delivery and evaluation)
Decision Point	Change request (activity 5)

Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:		
Are there implications for equality and diversity?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Background

- 4.28. This scheme was introduced under the City Region's Strategic Economic Plan (SEP), which laid out an ambition to achieve 99% superfast broadband of 30megabits per second connectivity across West Yorkshire and York. Funding of £6,898,000 was secured from the Department of Environment, Food and Rural Affairs (DEFRA) for Contract Three, the third of three planned stages.
- 4.29. An open market review (OMR) in 2017, commissioned by the Combined Authority and Council partners, outlined the extent of existing broadband infrastructure and areas where there is a market failure but no commercial investment plans for broadband infrastructure in the next three years. Furthermore, the OMR defined the need for public intervention and the areas that qualified for state aid across West Yorkshire and York region which were eligible to be included in the scope of the Superfast Broadband (SBWYY) Contract 3.
- 4.30. The scheme is delivering superfast broadband connectivity of at least 30 megabits per second (mbps) to eligible Small and Medium sized Enterprises (SMEs) premises within eligible post code areas in West Yorkshire and York, facilitating growth and support in the wider city region.
- 4.31. The Combined Authority entered into an agreement with a delivery partner to carry out the necessary infrastructure works. Whilst the work was in progress it became apparent that the partner would not be able to deliver connectivity to the anticipated number of properties within the timescales of the DEFRA funding. As such a pro-rata reduction in the number of properties that will be delivered through the DEFRA funding, as detailed below, and to the required public sector

funding is requested. The delivery partner will continue to deliver their contractual obligations up until June 2023 with private sector funding.

Tackling the Climate Emergency Implications

- 4.32. The provision of superfast broadband access has the potential to reduce travel-to-work patterns into urban centres and other employment locations and reduce pressures in morning peak time commuting due to increased opportunities for home and/or flexible working. This will in turn reduce regional carbon emissions by reducing the need to travel to work.

Outputs and Benefits

- 4.33. The publicly funded scheme outputs and benefits include:
- Delivering superfast broadband to 3,530 residential premises and 746 businesses.
 - Wider social benefits include improving the sustainability of local businesses, future mobility, independent living and enabling expansion and increased access to employment.
- 4.34. The value for money assessment reflects a benefit cost ratio (BCR) of 1.7:1 representing acceptable value for money.

Inclusive Growth Implications

- 4.35. The scheme inclusive growth implications include:
- The West Yorkshire and York Superfast Broadband programme supports digital inclusion through enhanced access to superfast broadband, in particular access to increasingly digitised public services by residents in deprived and/or digitally excluded communities.
 - 9% of the premises targeted by the Broadband Contract 3 programme are in areas that are classed as socially deprived. As part of the tendering process for the contract, the delivery partner has committed to a range of social value obligations focussed on training and employment opportunities, which are being monitored.

Equality and Diversity Implications

- 4.36. An Equality Impact Assessment (EqIA) has been undertaken for the scheme and equality and diversity impacts taken account of as part of the development of the scheme and the business case development.
- 4.37. The West Yorkshire and York Superfast Broadband programme promotes greater equality of opportunity for all citizens, with the desired outcome of achieving a fairer society. The programme:

- Supports enhanced digital inclusion through enhanced access to superfast broadband, in particular access to increasingly digitised public services by residents in deprived and/or digitally excluded communities.
- Addresses a lack of digital access in some of the hardest to reach urban, semi-urban and/or rural properties.
- Supports an increase in skilled people and better jobs, by allowing greater access to online courses and job searches.
- Digital infrastructure will contribute to wider and better access to further education and training including flexible and off-site learning opportunities

Risks

4.38. The scheme risks include:

- Delivery costs (per premises) may rise. This is mitigated by the cap per premise clause in the contract with the successful bidder.

Costs

- 4.39. In July 2022 the scheme received approval at full business case plus finalised costs (FBC+) for total scheme costs of £9,110,000. Of this £7,570,000 is Combined Authority funding including DEFRA funding of £6,898,000. A further £1,464,000 was to be provided by the delivery partner and £76,000 from the local authority partners.
- 4.40. As a result of this change request, the total project cost will be £4,539,304. Of this Combined Authority funding is £3,841,558 including DEFRA funding of £3,287,622. A further £697,746 will be provided by the delivery partner and £0 from the local authority partners.

Assurance Pathway and Approval Route

Assurance pathway	Approval route	Forecast approval date
Change request (activity 5)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Place, Regeneration and Housing Committee	08/11/2022
5 (delivery)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery	30/06/2023

Other Key Timescales

- 4.41. Delivery of this scheme is due to be completed by the end of June 2023.

Assurance Tolerances

Assurance tolerances
That Combined Authority costs remain within those set out in this report.
That the delivery timeframes remain within +3 months of those set out in this report.
That the number of premises remains within -5% of those set out in this report.

Appraisal Summary

- 4.42. This project is part of a programme to deliver superfast broadband service to areas in the city region that would not be offered a commercial deployment/service due to market conditions. The scheme has a clear strategic fit to the Strategic Economic Framework and local and regional policies and strategies. This scheme supports growth in the economic area and create increased economic output from existing businesses and lead to new job creation.
- 4.43. Due to the nature of this scheme, there have been several changes and reductions in scope and funds over the course of development and delivery. This change request is asking for further reductions in outputs and costs and an increase in the delivery timeframes for continued delivery of the service to 2041 premises.

Recommendations

- 4.44. The Place, Regeneration, and Housing Committee approves:
- (i) The change request to the West Yorkshire and York Superfast Broadband Contract 3 project to reduce the total project cost from £9,110,000 (£7,570,000 Combined Authority funding) to £4,539,304 (£3,841,558 Combined Authority funding), reduce the publicly funded outputs of the project to 3,530 premises and 746 businesses receiving the broadband service and increase the delivery timeframes for the remaining 2041 premises from July 2022 to June 2023.
 - (ii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report. This will be subject to the scheme remaining within the tolerances outlined in this report.

5. Tackling the Climate Emergency implications

- 5.1. The Climate Emergency implications have been considered on all projects included in this report as part of their business case development.

6. Inclusive Growth implications

- 6.1. The inclusive growth implications have been considered on all projects included in this report as part of their business case development.

7. Equality and Diversity implications

Equality Impact Assessments (EQIA) have been undertaken on all projects included in this report as part of their business case development.

8. Financial implications

- 8.1. The report seeks endorsement to expenditure from the available Combined Authority funding as set out in this report.

9. Legal implications

- 9.1. The payment of funding to any recipient will be subject to a funding agreement being in place between the Combined Authority and the organisation in question.

10. Staffing implications

- 10.1. A combination of Combined Authority and local partner council project, programme and portfolio management resources are or are in the process of being identified and costed for within the schemes in this report.

11. External consultees

- 11.1. Where applicable scheme promoters have been consulted on the content of this report.

12. Recommendations (Summary)

Kirkstall Road Residential Development

- 12.1. The Place, Regeneration and Housing Committee, subject to the conditions set by the Programme Appraisal Team, approves that:
- (i) The Kirkstall Road Residential Development scheme proceeds through decision point 3 (outline business case) and work commences on Activity 4 (full business case).
 - (ii) An indicative approval to the Combined Authority's contribution of £7,159,715, which will be funded from the Brownfield Housing Fund is given. The total scheme value is £141,078,196.
 - (iii) Future approvals are made in accordance with the assurance pathway and approval route outlined within this report. This will be subject to the scheme remaining within the tolerances outlined in this report.

West Yorkshire and York Superfast Broadband Contract 3

- 12.2. The Place, Regeneration, and Housing Committee approves:
- (i) The change request to the West Yorkshire and York Superfast Broadband Contract 3 project to reduce the total project cost from £9,110,000 (£7,570,000 Combined Authority funding) to £4,539,304 (£3,841,558

Combined Authority funding), reduce the publicly funded outputs of the project to 3,530 premises and 746 businesses receiving the broadband service and increase the delivery timeframes for the remaining 2041 premises from July 2022 to June 2023.

- (ii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report. This will be subject to the scheme remaining within the tolerances outlined in this report.

13. Background Documents

None as part of this report.

14. Appendices

Appendix 1 - Background to the Combined Authority's Assurance Framework

Appendix 2 - Kirkstall Road Residential Development

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Project Approvals

Appendix 1 - Assurance Framework

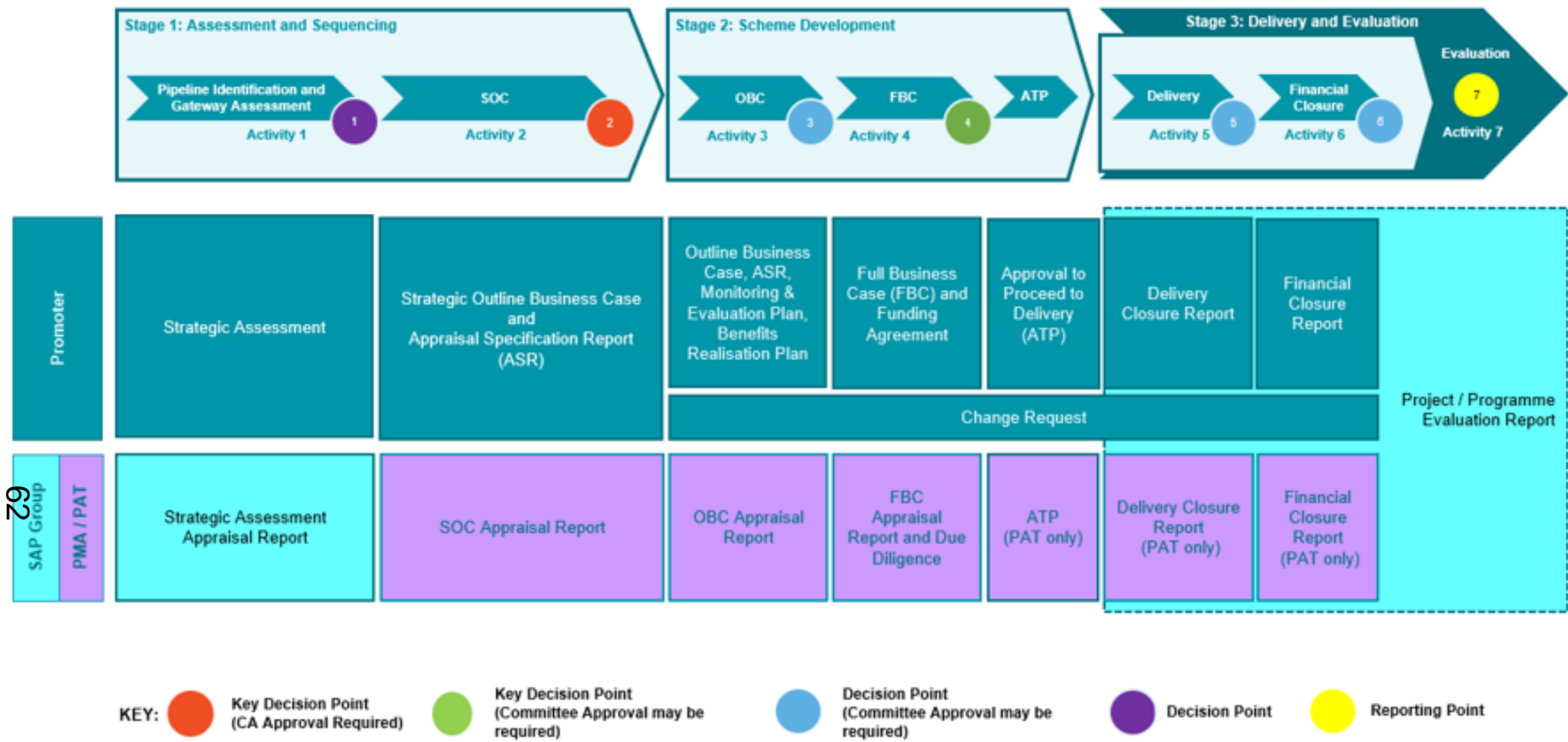
1 Assurance Framework

- 1.1 The Combined Authority's Assurance Framework was developed in 2015 as part of the Growth Deal with Government. Its purpose is to ensure that the necessary systems and processes are in place to manage funding effectively, and to ensure the successful delivery of the Strategic Economic Framework (SEF) ambitions and the West Yorkshire Investment Strategy (WYIS).
- 1.2 The Framework's focus is to ensure that necessary practices and standards are implemented to provide the Government, Combined Authority, the Leeds Enterprise Partnership (LEP) and local partners with assurance that decisions over funding (and the means by which these decisions are implemented) are proper, transparent and deliver value for money. It covers all projects and programmes funded from Government or local sources that flow through the LEP and Combined Authority and must be reviewed annually, as stipulated by Government.

Assurance Process

- 1.3 The process is flexible, in that each project or programme will be set a bespoke approval pathway and approval route to be followed. This may be to delegate decisions to a Committee, Managing Director (MD) etc. or it may be that certain decision point (activity) approvals are not required, or that bid documents to other government departments can be utilised. Furthermore, development costs can be funded at decision point 1 and beyond.
- 1.4 Approval is required at Combined Authority (CA) for all programmes and projects at least once in their lifetime and this is usually at decision point 2 (Strategic Outline Case). The Assurance Pathway and Approval Route is also set at this point.
- 1.5 At FBC (Decision Point 4), the Programme Appraisal Team (PAT) sets conditions that must be met before full approval of funding is given and the project has Approval to Proceed to Delivery (Activity 5).
- 1.6 In line with the revised Green Book, in assessing value for money, a stronger emphasis can now be placed on the strategic case and how the strategic objectives and priorities of the Combined Authority will be met through the delivery of the project. This might for example include, but not limited to, supporting the climate change and good growth agenda (the Combined Authority aims to achieve net-zero by 2038), supporting an increase in active mode and public transport use and / or supporting / accelerating housing development. The specific approach will be determined on a programme by programme basis as funding and investment streams come forward.
- 1.7 The Assurance Process is set out below:

Assurance Process



Stage 1: Assessment and Sequencing

- 1.8 Programmes / schemes will start to be developed through an ongoing dialogue with the Region's businesses, third sector and public organisations, in line with the West Yorkshire Investment Strategy (WYIS). Schemes will access funding through either a commissioning process or through open calls. Programmes / schemes will be assessed through a Strategic Assessment (an early-stage gateway check and challenge review) to determine if they are eligible to proceed (Decision Point 1).
- 1.9 If approved the scheme will progress to strategic outline case (SOC), where schemes will be expected to demonstrate a strategic fit in terms of project outcomes and set out their proposed approach to establishing value for money (VfM). At this stage, a long list of options will be considered with a shortlist being presented in the SOC. Consultation at this stage will be limited, but will be a key to the next activity, outline business case (OBC) in Stage 2. At this stage, funding may be sought to enable work to progress on the OBC. Schemes will also be required to submit an Appraisal Specification Report (ASR). It is at the end of this stage where the Combined Authority approve the indicative funding, approval pathway and route and tolerance levels (Decision Point 2).

Stage 2: Scheme Development

- 1.10 If approved the scheme will progress to OBC unless the approval pathway set at decision point 2 does not require this. The OBC should revisit the options identified within the SOC to identify the option which optimises public value, confirm the affordability of the scheme, and put in place the arrangements to ensure successful delivery. The OBC should be prepared in accordance with the Green Book five-case model and should include a draft Monitoring and Evaluation Plan and a Benefit Realisation Plan. The economic case must be developed in consistency with the agreed ASR. Guidance will be provided to scheme promoters around the level of detail to be submitted at this stage with regards to proportionality of the business case. The scheme will be presented for approval by the decision-maker (decision point 3) as set out in the approval pathway and route approved at decision point 2.
- 1.11 If approved the scheme will progress to full business case (FBC) which will confirm the contractual arrangements for the preferred option. Affordability of the scheme is reiterated, and the scheme puts in place the final arrangements for delivery and monitoring and evaluation of the scheme. A Monitoring and Evaluation Plan and a Benefit Realisation Plan are mandatory products at this stage. The FBC should also be prepared in accordance with the five-case model and any conditions set at OBC should be resolved. The economic case must be developed in consistency with the agreed ASR. The scheme will be presented for approval by the decision-maker (decision point 4) as set out in the approval pathway and route approved at decision point 2.
- 1.12 The FBC approval will be granted with a condition that the scheme remains within set conditions. Where this condition has been met Approval to Proceed into Delivery (Activity 5) will be granted by the Managing Director (or by an

officer under sub-delegated authority from the Managing Director). If the condition(s) is not met, the project will be required to re-submit the FBC.

- 1.13 A Single Stage Business Case, called Business Justification, has now been introduced for transport and non-transport projects that are either below £2,000,000, low complexity, low risk and / or not novel or contentious. Although this is a single stage approval, replacing decision point 2 (SOC), decision point 3 (OBC) and decision point 4 (FBC), the remainder of the assurance process must still be followed.

Stage 3: Delivery and Evaluation

- 1.14 Once a scheme gains FBC approval and the conditions set have been met, the scheme can progress into Activity 5 (Delivery).
- 1.15 Upon scheme completion, a Delivery Closure Report is required that details how the scheme has performed. This includes whether delivery has remained within the timeframes specified within the business case, has achieved the objectives of the scheme and associated outputs, documents what has been delivered and highlights the overall costs. The Delivery Closure Report will be presented for approval by the decision-maker (decision point 5) as set out in the approval pathway and route approved at decision point 2.
- 1.16 Following completion of Activity 6, the scheme will be required to submit a Financial Closure Report (Activity 6). The Financial Closure Report confirms the final costs for the scheme, ensuring all payments have been completed. The Financial Closure Report will be presented for approval by the decision-maker (decision point 6) as set out in the approval pathway and route approved at decision point 2.
- 1.17 The purpose of the Delivery and Financial Closure Reports is to assess the success of the scheme, identify best practice for future schemes, resolve all open issues and to capture feedback and lessons learnt to inform the development and delivery of future schemes.
- 1.18 Activity 7 (Evaluation) will be managed by the Combined Authority's Research & Intelligence team. This is a reporting point as opposed to the previous decision points in the process and will be undertaken when the scheme is completed for an evaluation of the benefits, outcomes and economic impact compared to the overall objectives set out in the SOC. Insights and learning intelligence from evaluation will also be fed back into policy and strategy in order to inform the design and development of future schemes. Interim evaluations may also be undertaken as required as set out in the Monitoring and Evaluation Plan.

2 Future assurance and approval route

- 2.1 The tables for each scheme in the main report outline the proposed assurance process and corresponding approval route for the scheme. The assurance pathway sets out the decision points which the scheme must progress through and will reflect the scale and complexity of the scheme. The approval route

indicates which committees or officers will make both a recommendation and approval of the scheme at each decision point. A delegated decision can only be made by the Managing Director if this has received prior approval from the Combined Authority.

3 Tolerances

- 3.1 In order for the scheme to follow the assurance pathway and approval route that is proposed in this report, it should remain within the tolerances outlined for each scheme. If these tolerances are exceeded the scheme needs to return to a Committee and/or the Combined Authority for further consideration.

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Project Title	BHF Kirkstall Road Residential Development
Main Funding Programme	Brownfield Housing Fund
Funding Applied for from the Combined Authority now	£7,159,715
Indicative total scheme costs	£141,078,196 (to be confirmed at full business case)

Scheme Description

The site currently comprises a three-storey office building facing Kirkstall Road. The scheme will demolish and remediate the brownfield land to build a new and vibrant residential-led development. The design of the scheme will maximise opportunities for walking and cycling along the riverside and meet increasing market demands for housing in a neighbourhood on the edge of the city centre.

This scheme will build 618 'build-to-rent' apartments in Leeds. The apartments developed are to be made up of 62 three-bedroomed, 248 two-bedroomed, 308 one-bedroomed homes. 20% (124) of the new housing will be affordable homes.

The scheme includes the development of 356m² of ground floor commercial (office/retail) space and the creation of 1.15 ha new open space, including a riverside park, community courtyards and riverside walk. In addition, there will be 231 car parking spaces developed and new walking/cycling provision along the River Aire.

Business Case Summary
Strategic Case
<p>This scheme aims to create a vibrant, residential-led 'Build to Rent' development which provides a series of attractive residential buildings anchored around a high-quality, pedestrian-focused public space.</p> <p>The scheme will create a new riverside path for the use of pedestrians and cyclists. Significant open space will be improved and made public. In addition to housing, the development will create flexible commercial space to be used for local amenities covered by for Planning Use Class E, including but not limited to shops, offices, cafes and restaurants, and Planning Use Class F, which includes usage for galleries, museums, halls and places of education.</p> <p>The population and economy of Leeds are forecast to continue growing and the city has the opportunity to build towards sustained economic benefits for residents and businesses. The Leeds City Region (LCR) Housing Affordability and Need Study (July 2020) provides an in-depth assessment on a range of housing affordability and need issues within the LCR. The right housing development will be a catalyst for neighbourhood prosperity within the Kirkstall Road area. In addition it will play a significant role in realising the ambitions for city-wide and regional wide growth as set out in the Leeds Inclusive Growth Strategy and LCR Strategic Economic Plan.</p> <p>The scheme will contribute directly towards the Strategic Economic Framework priorities: priority 1 – boosting productivity; priority 2 – enabling inclusive growth; and priority 3 - tackling the climate emergency. These will be delivered by providing affordable and suitable housing that is developed with a climate-conscious approach and is well connected to the city centre and existing public transport networks. This scheme will contribute to the Mayoral Pledge to provide sustainable and affordable housing.</p>
Economic Case
<p>This scheme has been shaped and evolved through engagement with the Local Planning Authority as part of formal pre-application meetings to work towards a development that works for the local community.</p> <p>The scheme presents a 'high' value-for-money categorisation with a Benefit Cost Ratio of 2.7</p>
Commercial Case
<p>The private rented sector population mainly comprises people between 18-30 years of age. Within the LS3 postcode area, 74% of residents fall within this category, demonstrating a demand for new private rented sector housing stock.</p> <p>An assessment has been undertaken into to the household composition of private renting households in the LS3 postcode area. Of those local to the area, 60% are sharing their home with people they are not related to, 26% are single person households and a further 9% are couples without children. Only 6% of households privately renting are families with children.</p> <p>Based on this evidence of current demand the scheme proposes to provide approximately 50% 1-bedroom homes, 40 - 60% 2-bedroom homes and 6 - 10% 3-bedroom homes. Kirkstall Road falls within the 'Inner Area' submarket and there is a significant amount of social rented (affordable) homes in this area of the city. It is an area that will benefit from significant investment, with more privately owned and privately rented homes to ensure a more balanced and mixed community.</p>
Financial Case
<p>The total project cost for the scheme is £141,078,196. The developer will contribute £133,918,481. The remainder funding gap, to be funded by the Brownfield Housing Fund, is £7,159,715.</p>
Management Case

The developer has a track record of delivering Build to Rent schemes across the North West and Yorkshire.

Construction of homes is due to start January 2023. All 3 sections of housing are expected to be completed December 2025.

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Report to: Place, Regeneration and Housing Committee

Date: 03 November 2022

Subject: **Strategic Partnership with Homes England**

Director: Liz Hunter, Interim Director of Policy and Development

Author: Rebecca Greenwood, Programme Development Lead

Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	
Are there implications for equality and diversity?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

1. Purpose of this Report

- 1.1. The purpose of this report is to provide the Committee with an update on the development of the Strategic Place Partnership (SPP) with Homes England.
- 1.2. Committee members are asked to consider, provide and comments and endorse the proposed strategic objectives.

2. Information

Background

- 2.1. In recognition of the shared ambition to drive forward good quality housing growth, the West Yorkshire Devolution Deal set out a commitment to develop a Strategic Place Partnership (SPP) between the Combined Authority and Homes England to build and strengthen collaborative working across the region.
- 2.2. In advance of developing the SPP, Homes England and the Combined Authority have been working closely to establish the strategic priorities of both organisations which were captured within the Action Plan shared with the Committee in April 2022. Since this time, Homes England have formalised their approach to Strategic Place Partnerships and currently have pilots

underway with Greater Manchester and the Association of South Essex Local Authorities.

- 2.3. On 6 July 2022, Homes England's Chair and Chief Executive met with the Mayor and colleagues to visit key transformational projects in West Yorkshire and discuss the synergies and greater collaboration of both organisations. It was agreed that a Strategic Place Partnership for West Yorkshire would be prioritised. The SPP will build on the well-established relationships West Yorkshire has with Homes England and Government partners and will take learning from the pilots that are in place in other parts of the country

Progress to Date

- 2.4. District partners, Homes England and the Combined Authority are working together to draft the SPP. This will build on the action plan and the joint working already taking place across a number of large strategic housing projects in the region such as Dewsbury Riverside, Bradford City Village, Aire River Growth Corridor, Leeds City Centre periphery and South-East Calderdale. Formalising the collaboration with Homes England through the SPP, will set out a clear framework for partnership working across the region and on key strategic housing projects.
- 2.5. West Yorkshire has demonstrated that it meets the key criteria, agreed between Homes England and DLUHC, for establishing a Strategic Place Partnership which have been strengthened through the joint work the Combined Authority and Local Authorities have undertaken to develop the strategic housing pipeline, driven by the application of the Housing Revenue Fund.
- 2.6. The first step in developing the SPP is to begin drafting the Partnership Business Plan (PBP) which will then form the key annex of a Memorandum of Understanding between the Combined Authority and Homes England to formalise the commitment to partnership working. The PBP will set out the detail of the partnership including:
- The ambition of the partners and the partnership;
 - The place-based challenges and opportunities in West Yorkshire;
 - The strategic objectives for the SPP;
 - Delivery plan which sets out how the objectives will be achieved, accompanied by a Resource Plan, with a focus on outcomes and outputs achievable in Year 1 of the partnership;
 - The pipeline and place-based priorities (nearer term, medium term and long term);
 - Principles for working together and a governance plan.
- 2.7. Work has already commenced to draft the introductory and evidence-based sections of the PBP which outline the opportunities and challenges of achieving place-based growth in West Yorkshire. A core element of the SPP is ensuring the partnership brings added value to achieving place-based growth in West Yorkshire, demonstrating how a closer working relationship can

accelerate and deliver positive housing and regeneration outcomes for West Yorkshire.

Proposed Strategic Objectives

- 2.8. The PBP will set out three key strategic objectives that the Strategic Place Partnership will aim to achieve. In discussion with District Officers and Homes England and building on the key themes identified in the Action Plan, the three strategic objectives are proposed as follows;

SO1: Develop short-, medium- and long-term investment ready proposals to unlock and accelerate housing delivery and regeneration across West Yorkshire, supporting the region's levelling up, economic growth and inclusivity objectives

SO2: Realise opportunities to create and grow sustainable neighbourhoods contributing to the region's net zero carbon ambitions

SO3: Improve the supply of good quality and affordable homes providing greater choice and opportunity for people to access a home in West Yorkshire that meets their housing need.

- 2.9. The Committee are asked to consider and provide any comments on the proposed strategic objectives. Following endorsement from the Committee, the key deliverables to achieving each of these strategic objectives will be developed by the task and finish group. This will be focussed on how the SPP will act as the catalyst for achieving the proposed objectives and bring added value to housing growth across West Yorkshire.

Next Steps

- 2.10. The SPP is being developed to a tight timescale with a draft for discussion document brought to the Committee in January 2023. Following an initial discussion with the Committee, wider stakeholder engagement will take place with key partners in the first quarter of 2023. It is proposed that a final version of the document will be brought to the Committee for approval in March 2023.
- 2.11. Wider stakeholder engagement on the SPP will be required once a working draft is in place, particularly with key partners such as Housing Associations, proactive private developers and with wider Government departments among others. Therefore, it is important to include time for stakeholder engagement within the process before the SPP is formally approved and launched.
- 2.12. In parallel with the Combined Authority consultation and approval programme, Homes England will progress internal approvals which will be led by Homes England's Executive Leadership Team. Meetings are frequent and Homes England have advised this would not prevent approvals being taken forward through the Combined Authority.

3. Tackling the Climate Emergency Implications

- 3.1. The proposed Strategic Objectives for the SPP include an explicit reference to supporting the region's net zero carbon ambitions highlighting the continued focus on tackling the climate emergency.

4. Inclusive Growth Implications

- 4.1. The focus on supporting good quality housing growth as a key strategic outcome for the SPP will support the region's inclusive growth ambitions. Particularly in the context of the cost of living crisis, ensuring housing is affordable and equitable is a key priority across the region and for Local Authority partners.

5. Equality and Diversity Implications

- 5.1. The SPP development will take account of protected characteristics and EDI implications throughout its development and an EQIA will be carried out ahead of the SPP approval.

6. Financial Implications

- 6.1. There are no direct financial implications arising from this report.

7. Legal Implications

- 7.1. There are no legal implications directly arising from this report.

8. Staffing Implications

- 8.1. The development of the SPP is being led collectively between the Combined Authority, Homes England and District Partners. Local Authorities have each contributed officer time and commitment to developing the SPP alongside the CA and Homes England which is key to ensuring the strategic objectives and actions are embedded and supported across the region. Officer time and support is gratefully received.

9. External Consultees

- 9.1. Consultation with partners will take place following the production of a working draft in January 2023.

10. Recommendations

- 10.1. That the Committee endorses the proposed strategic objectives of the Strategic Place Partnership
- 10.2. That the Committee notes the progress made to date and the proposed timeline for a working draft and finalised SPP to be produced.

11. Background Documents

There are no background documents referenced in this report.

12. Appendices

None.

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Report to: Place, Regeneration and Housing Committee

Date: 03 November 2022

Subject: Investment Zones

Director: Liz Hunter, Interim Director of Policy and Development

Author: Michael Long, Programme Development Lead

Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	
Are there implications for equality and diversity?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

1. Purpose of this Report

- 1.1. The purpose of this report is to provide Committee members with an update on expression of interest submission for Investment Zones.

2. Information

- 2.1. On Friday 23 September, the Government announced an in-principle policy offer to introduce Investment Zones in England. All Mayoral Combined Authorities (MCA) and Upper Tier Local Authorities (UTLA) were offered the opportunity to work in partnership with their relevant constituent or district councils to introduce an Investment Zone in their area. West Yorkshire was named in this announcement.
- 2.2. Government is proposing to offer a range of time-limited tax incentives over 10 years in Investment Zones. The tax incentives currently under consideration include business rates, Stamp Duty Land Tax (SDLT) and Employer National Insurance Contributions (NICs) relief, as well as enhanced capital allowances and structures and buildings allowance.

Business Rates Relief

- 2.3. The Government is considering offering 100 percent relief from business rates on newly occupied business premises. Councils hosting Investment Zones

would receive 100 percent of the business rates growth in designated sites above an agreed baseline for 25 years.

Enhanced Capital Allowances

- 2.4. A 100 percent first year allowance is proposed for companies' qualifying expenditure on plant and machinery assets for use in tax sites.

Enhanced Structures And Buildings Allowance

- 2.5. This accelerated relief would allow businesses to reduce their taxable profits by 20 percent of their expenditure on qualifying non-residential buildings or structures per year, relieving 100 percent of their cost of investment over five years.

Employer National Insurance Contributions (Nics) Relief

- 2.6. The Government is considering offering businesses zero-rate Employer NICs on the salaries of new employees working in the tax site for at least 60 percent of their time, on earnings up to £50,270 per year, with Employer NICs being charged at the usual rate above this level.

Stamp Duty Land Tax (SDLT) Relief

- 2.7. Full SDLT relief is to be given for land and buildings bought for use or development for commercial purposes, and for purchases of land or buildings for residential development. This is a wider relief than that currently available for property acquired within a Freeport.

Other benefits

- 2.8. Investment Zones will benefit from a 'liberalised planning process' and the process to obtain planning permission will be streamlined. It remains unclear what this means in practice.
- 2.9. In addition to tax and planning benefits, the Government says that it will offer additional support to local leaders to 'ensure that their Zones can innovate and have the infrastructure and skilled workforce they need.' This is to be decided based on the requirements of each Investment Zone, but could include:
- Wider support for local growth, such as through greater control over local growth funding and, in the case of MCAs hosting Investment Zones, a single local growth settlement in the next Spending Review period;
 - Strategic direction over affordable housing funds; and
 - Prioritised access to infrastructure funding.

Expression of Interest (Eol) Submission

- 2.10. MCAs were given the opportunity to submit an Investment Zone Eol. The short timescale to complete the Eol. Guidance on the Eol was released on 2 October 2022 with submission required by noon on 14 October 2022.
- 2.11. The West Yorkshire Combined Authority has submitted the following locations to government to be considered as potential Investment Zones:
- Aire River Growth Corridor (Wheldale Farm / Stansfield Road, Wheldale North, and Former C6 Solutions Centre) (submitted as individual sites)
 - Bradford Southern Gateway
 - Calderdale Garden Communities Corridor (Clifton Business Park and Thornhills and Woodhouse Garden Communities)
 - Dewsbury Riverside
 - Bradford South Corridor
 - Trans Pennine Growth Corridor (Capitol Park and Chidswell)
- 2.12. Proposed next steps
- We will continue to work with government to clarify the detail of the Investment Zone incentives, particularly the 'liberalised planning process' and have requested West Yorkshire Heads of Planning support and advise as required on this matter.
 - Sites successful at the Eol stage will be required to develop delivery plans and conduct relevant legal assessments, including site assessments and equalities. Delivery plans will need to confirm that sites will represent value for money for taxpayers and deliver the housing and growth objectives of the Investment Zones programme.
 - Government have said that they will work quickly, fairly and accurately to process all applications received and will issue further information to areas at the earliest possible opportunity.

3. Tackling the Climate Emergency Implications

- 2.13. Development activity to support the Investment Zones will seek to maximise opportunities to deliver net zero development wherever possible.

4. Inclusive Growth Implications

- 2.14. A focus on affordable housing will support inclusive growth across the region. Investment Zones will enable faster delivery of much needed new homes. We will work with Local Authorities to encourage the delivery of a proportion of affordable and higher quality, better insulated homes with subsequently lower running costs for residents.

- 2.15. The faster delivery of employment sites will enable employment opportunities through the creation of better jobs and better access to those jobs.

5. Equality and Diversity Implications

- 5.1. Some of the Investment Zone locations in the region are within the most deprived locations. A focus on delivering growth in these locations will support these communities to access quality housing and employment opportunities. Decisions on Investment Zone sites will be subject to the Public Sector Equality Duty, necessary legislation and delivery planning.

6. Financial Implications

- 6.1. There are no direct financial implications arising from this report.

7. Legal Implications

- 7.1. There are no direct legal implications arising from this report.

8. Staffing Implications

- 8.1. There are no direct staffing implications arising from this report.

9. External Consultees

- 9.1. No external consultations have been undertaken.

10. Recommendations

- 10.1. That the Committee note the content of the report and provide any feedback regarding the Investment Zones.

11. Background Documents

There are no background documents referenced in this report.

12. Appendices

None.