

PLACE, REGENERATION AND HOUSING COMMITTEE

**MEETING TO BE HELD AT 11.00 AM ON THURSDAY, 1 JUNE 2023
IN WELLINGTON HOUSE. WELLINGTON STREET, 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. DECLARATION OF DISCLOSABLE PECUNIARY INTERESTS**
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Signed:



**Chief Executive
West Yorkshire Combined Authority**



**MINUTES OF THE MEETING OF THE
PLACE, REGENERATION AND HOUSING COMMITTEE
HELD ON THURSDAY, 2 MARCH 2023 AT WELLINGTON HOUSE,
WELLINGTON STREET, LEEDS, LS1 2DE**

Present:

Amir Hussain (Deputy Chair)	Private Sector (LEP Board)
Councillor Alex Ross-Shaw	Bradford Council
Councillor Jane Scullion	Calderdale Council
Councillor Michael Graham	Wakefield Council
Ben Aspinall	Private Sector Representative
Lisa Littlefair	Private Sector Representative
Tamsin Hart Jones	Advisory Representative (Homes England)

In Attendance:

Councillor Kayleigh Brooks	Leeds City Council
Yvonne Castle	Dementia Taskforce
Hannah Andrew	West Yorkshire Combined Authority
Patricia Davey	West Yorkshire Combined Authority
Helen Forman	West Yorkshire Combined Authority
Alison Gillespie	West Yorkshire Combined Authority
Rebecca Greenwood	West Yorkshire Combined Authority
Liz Hunter	West Yorkshire Combined Authority
Thomas Newton	West Yorkshire Combined Authority
Justin Wilson	West Yorkshire Combined Authority
Janette Woodcock	West Yorkshire Combined Authority

37. Apologies for Absence

Apologies for absence were received from Councillors Denise Jeffrey (Chair), Cathy Scott (Kirklees) Helen Hayden (Leeds) Denise Craghill (York), Stephen Moore (Private Sector Representative) and Helen Lennon (Advisory Representative for the West Yorkshire Housing Partnership).

In the absence of the Chair, the meeting was chaired by the Deputy Chair, Amir Hussain.

38. Declaration of Disclosable Pecuniary Interests

The Chair asked members to declare an interest if their organisation is involved in supporting other organisations to bid for funding, or if the organisation might benefit from any of the new programmes coming forward.

It was noted that Amir Hussain (Deputy Chair), Cllr Jane Scullion (Calderdale Council), Cllr Alex Ross Shaw (Bradford Council), Cllr Michael Graham (Wakefield Council), Ben Aspinall (Private Sector Representative), Lisa Littlefair (Private Sector Representative) and Tamsin Hart-Jones (Advisory Representative) declared an interest in the Dementia Ready Housing and Brownfield Housing Fund (BHF).

39. Exempt Information - Possible Exclusion of the Press and Public

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

40. Minutes of the Meeting held on 3 November 2022

It was noted that the meeting of the Place, Regeneration and Housing Committee held on 5 January 2023 was inquorate, therefore, the minutes of the meeting held on 3 November 2022 required approval.

Resolved: That the minutes of the meeting held on 3 November 2022 be approved.

41. Chair's Update

In the absence of the Chair, Cllr Jeffrey, the Director of Policing, Environment and Place updated the committee on the following two items.

Members were advised that there had been a consultation for the National Planning Policy Framework - working in partnership with district colleagues. It was noted that Councillor Jeffrey had agreed the response for the 2 March 2023 deadline.

The second item, which had been discussed with the Chair and Deputy Chair, was to thank Private Sector and Advisory Representatives for their contribution to the work of the Committee. The rich conversations and knowledge about items on the meeting agenda was greatly appreciated. In addition to this, members were invited to submit items on wider topics to the table for discussion.

42. Monitoring Indicators

The Committee considered a report and verbal update from the Economic Analysis Team Leader on the state of the region indicators and the Combined Authority's Spring Budget submission that had been updated since the last meeting in January 2023.

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. It was noted that the State of the Region 2022

assessed performance against around 40 indicators linked to the Combined Authority's key strategic priorities. The indicators most relevant to the committee had been updated since the last meeting in January and were outlined in the submitted report. It was reported that each indicator would be updated on their own schedules, meaning that updates to the committee would be provided on an ongoing basis throughout the year.

Resolved:

- (i) That the contents of the report be noted.
- (ii) That the Place, Regeneration and Housing Committee note the latest evidence on the region's performance regarding digital connectivity and the economic context that West Yorkshire was currently operating in and consider it as part of the decision-making process.

43. Strategic Place Partnership

The Committee considered a report from the Head of Housing at the West Yorkshire Combined Authority on the Strategic Place Partnership (SPP) Business Plan, which included the following.

- An update on the development of the SPP, which included the final draft (subject to the inclusion of case studies), attached at appendix 1 of the submitted report.
- An update on the Terms of Reference for the SPP Board, attached as appendix 2 to the submitted report, which had been developed in consultation with senior officers in partner councils and followed SPP approval.

The Strategic Place Partnership in West Yorkshire will be governed by the SPP board comprised of Homes England, Local Authority and Combined Authority partners alongside other key stakeholders from Government departments and the West Yorkshire Housing Partnership. The SPP Board will be responsible for setting the strategic direction of the Partnership and providing a forum for liaison between the parties involved in the SPP. SPP Board meetings will take place twice per year and will be supported by the Strategic Place Officer Group comprised on local authority housing growth and regeneration teams, Homes England and West Yorkshire Combined Authority officers as the operational group responsible for overseeing the SPP Delivery Plan. The Mayor will chair the SPP Board for the first year. The meetings will take place in private to allow for discussion of commercially sensitive projects to take place openly. The SPP Board will not be decision making in terms of investments as both the Combined Authority and Homes England have current governance structures in place to ensure transparency of investment decisions. The SPP Board will act in an advisory capacity giving oversight to the strategic objectives and focus area activity of the SPP.

It was noted that members felt the report was the very essence of what the Place, Regeneration and Housing Committee is all about. They welcomed

the invitation to stakeholders, but wanted to reiterate it is essential to involve the private sector to be investment ready and is critical that the Business Plan is now in place. It was felt that there are challenges in some areas and opportunities in others. There needs to be a broader view taken and there is an enormous appetite from the private sector to be involved.

Resolved:

- (i) That the contents of the report be noted.
- (ii) That the Strategic Place Partnership Business Plan be endorsed and recommended to the Combined Authority for approval.
- (iii) That the Terms of Reference for the Strategic Place Partnership (SPP) Board be endorsed and recommended to the Combined Authority for approval.

44. Programme Development - Creating Places and Accelerating Infrastructure

Members of the Committee considered an update report from the Head of Strategic Networks on the programme development for Investment Priority 3 (IP3) Creating Great Places and Accelerated Infrastructure and the proposed Employment Accelerator Programme Methodology.

Members were advised that it had been a long journey to get to this stage as the funding landscape from Government is bidding into different pots.

The Committee noted the programme development work and investment priority and considered the next steps for each programme, as outlined in the submitted report.

Members discussed the proposed Employment Accelerator Methodology and said it was about getting the pipeline into reality.

Resolved:

- (i) That the contents of the report be noted.
- (ii) That the programme development work Investment Priority 3 and next stages for each programme be noted.
- (iii) That the comments of the Committee on the proposed Accelerator Methodology be noted.

45. Dementia Taskforce Update

The Committee considered an update report on the Dementia-Ready Housing Task Force, its progress to date and proposed next steps.

The West Yorkshire Mayor's housing pledge in May 2021 included the commitment to establish a Dementia Ready Housing Task Force with the

ambition of ensuring that all older people's housing and related services were dementia friendly. The Dementia-ready Housing Task Force was established in March 2022 to deliver this commitment.

Members welcomed Ms Yvonne Castle from Johnnie Johnson Housing and a member of the Dementia Taskforce, who had been invited to provide a verbal update and presentation to the Committee on the work to date of the Dementia Taskforce.

Members discussed the contents of the submitted report and it was noted that anyone having experience of living with a family member with dementia recognises the shortcomings of houses, for example, negotiating steps and the layout of bathrooms. There is a market for dementia friendly care homes where amenities are on site, a hairdressers and café for example. The isolation of older people has become a chronic problem.

Resolved:

- (i) That the contents of the report and feedback from Committee members be noted.
- (ii) That Ms Yvonne Castle from Johnnie Johnson Housing and a member of the Dementia Taskforce be thanked for her presentation.

46. West Yorkshire Digital Blueprint and Local Digital Partnership

The Committee considered a report and verbal update on proposals to refresh the 2019 Digital Framework, which will be renamed Digital Blueprint, and the Creation of a Local Digital Partnership.

At the September 2022 LEP Board Meeting, members discussed the importance of a renewed focus on digital tech to support the region's ambitions.

It was noted that digital was a cross-cutting issue and that it had the potential to enable every person, every business and every place in the region. People required digital skills and good quality/affordable internet access to help them get the most out of their lives. All businesses needed to consider, invest in and develop their approach in a way that utilised the latest advancements and innovations. It was hoped that by doing so, all of the region's business community could be enabled to be more productive and, therefore, more likely to survive and thrive. Members were advised that our region also wanted to be the key location for high growth digital businesses to grow and invest in, as well as being recognised as a digitally connected place that could utilise the most of technology.

It was noted that these issues spanned social inclusion, place making, business support, skills, and inward investment. It was recognised, therefore, that responsibility did not fall under the remit of just one committee. How the organisation developed all of our digital work using the expertise, knowledge and connections of all committee members was a key consideration.

The scope of the new document was discussed, and it was felt the document was refreshing, highlighting quite significant changes in digital adoption. Members felt the ability of business and individuals to take advantage of Broadband was a critical determining factor.

Resolved: That the contents of the report and that feedback provided by members on the potential scope of the new Digital Blueprint be noted.

47. Project Approvals

Members considered a report and verbal update on proposals for the progression of schemes through the Combined Authority's assurance process in line with the organisation's Assurance Framework. Further details on the schemes were included in the submitted report.

In addition to the full scheme approval for this report which members discussed and because of the time lapse between this meeting and the next on 1 June, it was noted that in order to maintain programme delivery and spend targets, it was agreed that delegation would be given to the Combined Authority's Chief Executive to approve where full scheme approval was required before 30 June 2023. Included in such were the following Brownfield Housing Programme schemes.

- St Cecilia Street, Leeds
- Canal 30, Bradford
- Rushton Avenue, Bradford
- Sky Gardens/Midlands Mills, Leeds
- Parkwood Mills, Kirklees

The Committee was provided with a verbal update on the Brownfield Housing Fund Railway Street scheme. The Committee was asked to approve the scheme outlined in the submitted report, subject to the conditions set by the Programme Appraisal Team which members discussed and approved.

Resolved:

- (i) It was agreed that where full scheme approval was required before 30 June 2023, delegation to the Chief Executive would be awarded due to expedience of delivery.
- (iii) That, subject to the conditions set by the Programme Appraisal Team, the Place, Regeneration and Housing Committee approve the following:-
 - (a) The BHF Railway Street scheme proceed through to decision point 4 (full business case) and work to commence on activity 5 (delivery).
 - (b) Approval given to the Combined Authority's contribution of £1,500,000. The total scheme value is £11,842,757.

- (c) The Combined Authority enter into a funding agreement with 54North Homes for expenditure of up to £1,500,000.
- (d) Future approvals be made in accordance with the assurance pathway and approval route outlined in the submitted report. This would be subject to the scheme remaining within the tolerances outlined in the report.

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Report to: Place, Regeneration and Housing Committee

Date: 01 June 2023

Subject: **Monitoring Indicators**

Director: Alan Reiss, Chief Operating Officer

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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No

1. Purpose of this Report

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

2. Information

State of the Region Indicators

- 2.1. This paper provides the Committee with an ongoing update of the most relevant indicators used within the Combined Authority’s State of the Region report. The full report covers more than 40 indicators mapped across seven key priorities formulated by the Combined Authority and its partners.
- 2.2. Of these indicators, seven have been identified as relevant to the work of this Committee. Figure 2.1 below outlines the relevant indicators and their timetables for updates.

Figure 2.1 – Place, Regeneration and Housing Committee - Key Indicators

Indicator	Description	Update Frequency	Next Update
Net additional dwellings	Data from the Department for Levelling Up, Housing and Communities on the supply of housing by local authority.	Annually	November 2023
Private sector rents	Data from the Valuation Office Agency and the Office for National Statistics on the median monthly rental price by local authority.	Six-monthly	June 2023
Household energy efficiency	Data from the Department for Levelling Up, Housing and Communities on the Energy Performance Certificate rating of dwellings by local authority.	Six-monthly	July 2023
Households in fuel poverty	Projections from the End Fuel Poverty Coalition on the number of households spending >10% of income on household energy costs.	Periodically	TBC
Healthy life expectancy, and life expectancy	Data from the Office for National Statistics on healthy life expectancy and life expectancy by local authority.	Annually	TBC (expected May-June 2023)
Housing affordability	Data from the Office for National Statistics comparing median incomes with median house prices by local authority.	Annually	March 2024
Gigabit capable internet coverage	Real-time data from Thinkbroadband, showing access to gigabit-capable connectivity by local authority.	Real time	Real time
Take-up of superfast (or above) broadband services	Evidence from OfCom’s Connected Nations report, showing the number of households in each local authority connected to superfast broadband.	Annually	February 2024
Mobile coverage (4G)	Evidence from OfCom’s Connected Nations report, showing mobile data coverage by local authority.	Annually	February 2024

- 2.3. Since the last meeting of the Committee on 2 March 2023, new data has become available on housing affordability.

Housing Affordability

- 2.4. Data on housing affordability is published annually by the Office for National Statistics (ONS). The data is constructed as a ratio of house prices to earnings within each district, and is provided at the median and lower quartile levels for existing dwellings, newly built dwellings and all dwellings. This allows for disaggregation by the age of the dwelling, and across the income spectrum.
- 2.5. The way that the affordability ratios are calculated means that the data allows us to comment on how median or lower quartile house prices are changing alongside median or lower quartile earnings. The data does not reflect the relationship between the income of homeowners and the housing costs they face, it is merely a comparison of means (or lower quartiles).
- 2.6. Housing affordability ratios can therefore improve for one of two reasons: either earnings can increase faster than the rate of house price rises, or house prices may fall at a faster rate than wages. A falling affordability ratio means that housing is becoming more affordable relative to annual earnings, and an increasing affordability ratio means that housing is becoming less affordable relative to annual earnings.
- 2.7. Distinction should also be drawn between the definitions of affordability used when measuring housing affordability data discussed here and the definition of affordable housing as set out in the National Planning Policy Framework (NPPF) and used to monitor the Mayor's pledge to delivery 5000 affordable and sustainable homes. The NPPF defines affordable housing as 'housing for sale or rent, for those whose needs are not met by the market'. This definition refers to the tenure of housing when defining affordability. For the purposes of this report, affordability is defined by the ratio of house price to income. This does not necessarily mean that housing is "affordable" but it simply reflects house-prices in relation to average annual earnings, the higher the ratio, the less affordable the homes.

All Dwellings

- 2.8. Considering the total housing stock, the housing affordability ratio has improved in all districts of West Yorkshire between 2021 and 2022. Leeds remains the most expensive West Yorkshire district to live in, relative to residents' earnings at the median, with house prices being 6.8 times annual earnings. In this instance, the change is due to both median wages rising and house prices stagnating, leading to a lower ratio of house prices to earnings. The largest change came in Kirklees, where median wages rose by 12% and median house prices fell by 3%, meaning that the median housing affordability ratio fell from 6.47 to 5.60. Median housing affordability ratios in the region range from 5.13 in Bradford to 6.79 in Leeds.

- 2.9. At the lower quartile, similar levels and trends are observed. Lower quartile housing affordability ratios range from 4.83 in Bradford to 6.64 in Leeds, and all districts saw an improvement in the affordability ratio. However, within this banding, the improvement is due to wage rise. House prices have remained the same across the region, with only modest increases observed in Kirklees (+0.4%) and Wakefield (+1.5%). This is against a backdrop of wage rises of between 5.2% in Bradford and 10.2% in Calderdale, which has improved lower quartile housing affordability across the region. However, whilst this may seem positive on the surface, the wage increases are likely to represent cost of living support to help with rising costs in other sectors, such as utilities and food.

Newly Built Dwellings

- 2.10. The data for newly built dwellings is more volatile due to changes in the numbers of newly built dwellings year-on-year. Data is also not provided by the ONS in this release for Calderdale.
- 2.11. The first thing to acknowledge is that earnings at the median and lower quartile remain unchanged from the analysis conducted on all properties. The difference in the affordability ratio relative to all dwellings is therefore solely due to differences in newly built house prices.
- 2.12. At the median, newly built dwellings are considerably less affordable than the average dwelling within the region. The median newly built dwelling is between £69,000 (Wakefield) and £115,000 (Kirklees) more expensive than the average dwelling in their respective district within the region, demonstrating that the newly built housing stock within the region is significantly less affordable than the existing housing stock. Median new build house prices in the region range between 8.1 (Bradford) and 9.3 times (Kirklees) median earnings in West Yorkshire.
- 2.13. At the lower quartile level, affordability of newly built dwellings is worse still. The lower quartile newly built dwelling is between £80,000 (Leeds) and £113,000 (Kirklees) more expensive than the lower quartile property in their respective districts. As a result, newly built house prices range from 8.6 (Bradford) to 10.2 (Kirklees) times the lower quartile salary, making them significantly less affordable than the average dwelling at this level.

National Comparisons

- 2.14. At the median level, the affordability ratio for all houses at the West Yorkshire level has fallen between 2021 and 2022 by about the same percentage as at the national level (9%). However, West Yorkshire houses remain significantly more affordable than the national average, relative to earnings. The affordability ratio for the median property in England is 8.3 times median income, whilst the highest ratio in West Yorkshire is 6.8 times median earnings (Leeds).

- 2.15. Lower quartile properties also tell a similar story. The annual change in the affordability ratio at the West Yorkshire level is broadly in line with the national average, but lower quartile houses remain significantly more affordable in West Yorkshire than in the rest of the country. The national lower quartile affordability ratio for all properties is 7.4 times annual earnings, whilst the highest ratio in West Yorkshire is 6.6 times annual earnings.

Combined Authority Actions

- 2.16. This report highlights the challenges in using the housing affordability ratio alone as a measure of affordability as it does not take into account wider pressures on household incomes, as described in section 2.9. The Mayor has pledged to support the delivery of 5,000 affordable and sustainable homes in the region which recognises this challenge.
- 2.17. The Combined Authority is working with Local Authorities, the West Yorkshire Housing Partnership, Homes England and private developers to support the delivery of affordable housing in the region and has set this as a key objective of the Strategic Place Partnership with Homes England that was launched at UKREiiF on 16 May. Agenda item 6 provides a more detailed update on the workstreams being led by the Combined Authority, working with our partners to address issues of housing affordability and increase the supply of good quality and affordable homes in the region.

3. Tackling the Climate Emergency Implications

- 3.1. One of the reasons for the higher cost of newly built dwellings relative to the average property is due to the new housing stock being typically better insulated and more energy efficient. This enables people living in newly built dwellings to save money by using less energy to heat and power their homes.

4. Inclusive Growth Implications

- 4.1. The improvement in the affordability of dwellings within the region is driven largely by increased earnings compared with last year. However, these increases in earnings are below the rate of inflation, which means that in real terms, people are still worse off, and that is likely to make home ownership more difficult relative to last year.
- 4.2. The improvement in housing affordability does not consider the rental sector, where we have evidence of rents rising by more than 10% in the region.
- 4.3. In considering the price of houses, the data also does not consider the impact of rising interest rates on the ability of people to make mortgage payments. Evidence from the Bank of England indicates that, by 2025, around 75% of mortgagors will have experienced a monthly mortgage cost increase of £100 or more compared with 2021.

5. Equality and Diversity Implications

- 5.1. Whilst the data shows improvements in affordability for those in the lower quartile of earnings, it is important to consider this evidence within the context of the wider economy. Prices for essential items such as household energy and food prices have increased dramatically since March 2022, and the data shows that 'budget' food items have risen by more than the average food price. The real rise in the cost of living is therefore higher for households towards the bottom of the income distribution.

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 Committee notes the latest evidence on the region's performance regarding housing affordability, and considers it as part of the decision making process.

11. Background Documents

There are no background documents referenced in this report.

12. Appendices

None.



Report to: Place, Regeneration and Housing Committee

Date: 01 June 2023

Subject: **Housing Update**

Director: Liz Hunter, Director of Policing, Environment and Place

Author: Rebecca Greenwood, Head of Housing

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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No

1. Purpose of this Report

- 1.1. To provide the Committee with an update on the workstreams relating to the Combined Authority's activity to support the housing growth activity across the region, including an update on the Mayoral pledge to deliver 5000 affordable and sustainable homes and a summary of our revenue and capital programmes supporting delivery of housing in the region.

2. Information

Background

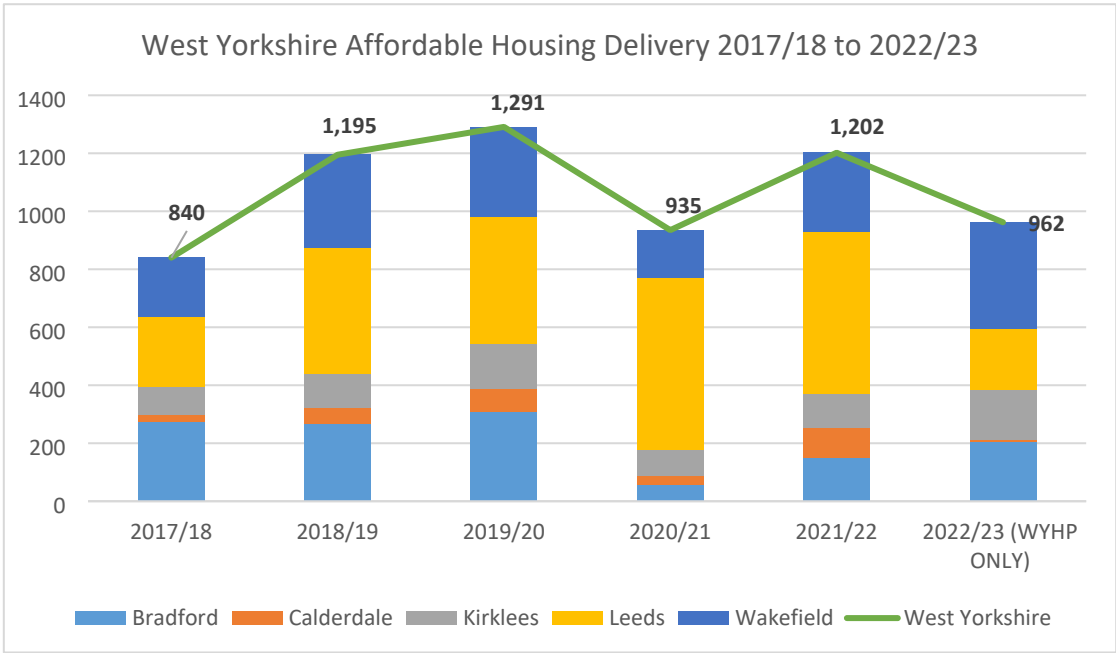
Housing Pledge Update

- 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. It is important to note that the statutory duties regarding housing provision are the responsibility of Local Planning Authorities. Therefore the Combined Authority's role is to support our Local Authority partners in delivering housing that meets the needs of people and communities in the region.

2.2. The Combined Authority monitors the delivery of affordable housing on a biannual basis. As well as monitoring past delivery, this includes projecting the affordable housing supply pipeline where possible, however it is noted that pipeline supply is challenging to forecast, particularly in terms of S106 affordable housing delivery that is subject to planning conditions and windfall affordable homes that are bought by Registered Providers (for example where a housebuilder is struggling to sell properties).

Delivery Trends

2.3. The Combined Authority publishes the Leeds City Region Housing Annual Monitoring report in December each year which includes collecting data from each of the Local Authorities on the gross number of affordable homes delivered. The most recent report was published in December 2022. The chart below shows the delivery of affordable housing in West Yorkshire over the last six years. It should be noted that the figures for 2022/23 are only partial (representing only those homes delivered by West Yorkshire Housing Partnership members) and the national figures for 2022/23 will not be released until November 2023. Therefore, the total number of affordable homes delivered in 2022/23 will increase as data becomes available.



2.4. West Yorkshire has experienced a gradual increase in the delivery of affordable homes in the region, with the exception of 2020/21 as a direct result of the Covid-19 pandemic and subsequent lockdown periods leading to significant construction delays. Whilst delivery in 2021/22 shows affordable housing completions returning towards pre-pandemic levels, it also highlights that further work is required to increase affordable housing supply. Delivery from West Yorkshire Housing Partnership members is increasing with 2022/23 so far representing the largest number of affordable homes being delivered for the partnership since the monitoring began in 2020.

- 2.5. The data available to date (from March 2021 to March 2023) shows that so far, during the Mayor's term in office, 2164 affordable homes have been delivered in West Yorkshire.

Forecast Affordable Housing Supply May 2024

- 2.6. Alongside the delivery trends, West Yorkshire Housing Partnership (WYHP) provide biannual forecast to their affordable housing supply pipelines and highlight the risks to delivery. The forecasts take into consideration homes directly delivered by Local Authorities or Registered Providers and homes that WYHP members expect to take up through S106 agreements.
- 2.7. It is important to highlight that it is not possible to obtain an accurate forecast of the total number of affordable homes that could be delivered in West Yorkshire for several reasons:
- We are only able to obtain forecasts from WYHP members as we have Non-Disclosure Agreements in place with each member to share pipeline site details with the Combined Authority.
 - We do not have access to the supply pipelines of Registered Providers who are not members of WYHP and therefore we are unable to forecast their pipelines.
 - It is not possible to forecast additional affordable homes which private housebuilders may choose to market to Registered Providers outside of the S106 requirements. Under uncertain economic conditions and in the event of a market slowdown, housebuilders may start to 'flip' the tenure of homes to affordable to aide revenues and to speed up site exits (e.g. where there are only a small number of units remaining for sale on a site preventing the housebuilder from exiting swiftly).

Risks to Delivery

- 2.8. The delivery trends and forecast highlight the challenges associated with delivering the Mayoral pledge and the difficulty in providing accurate forecasts. This is perpetuated by significant delivery risks, particularly the current economic climate and predicated slow down of the housing market. The key risks to the delivery of the pledge have been highlighted to the Committee at previous meetings these include:-
- Inflation leading to rising construction costs and companies being unable to hold tender prices. Despite some stabilisation in inflation rises, this continues to impact the viability of schemes.
 - Rising interest rates impacting the cost of development borrowing and market appetite to purchase/secure mortgages.
 - Lack of resource in planning and housing growth teams delaying start on site in some areas.

- Registered Providers have an increasing focus on investment in existing stock in response to recent media regarding property conditions alongside the need to decarbonise existing homes, leading to financial pressures within organisations.
 - The 7% rent cap on social housing rental increases, significantly below current inflation levels, meaning providers are reviewing growth plans and impacting their ability to raise private finance.
- 2.9. Whilst the risks highlighted are out of the Combined Authority's direct control, work is ongoing through continuous engagement with Local Authorities, Registered Providers and Homes England to explore mitigation options and monitor pipeline slippage. Combined Authority programmes are seeking to maximise affordable housing provision where possible and provide technical advice to estimate costs and impact on viability.

Measuring the Supply of Sustainable Homes

- 2.10. Monitoring of the delivery of sustainable homes has been undertaken using Energy Performance Certificates and by considering whether the homes are built on brownfield land. It is noted that there are flaws in using Energy Performance Certificates to measure sustainability as this measures the energy cost of running a home rather than the carbon emissions. However, there is currently no other available measure of how energy efficient or 'sustainable' a home is that is used by all developers and accepted by the industry.
- 2.11. The Brownfield Housing Fund is currently supporting at least 1377 homes to come forward that have an expected EPC rating of A or B (of which 382 are also expected to be affordable homes). We are continuing to gather data on the expected EPC rating of Brownfield Housing Fund schemes as they submit business cases for the programme.

West Yorkshire / Homes England Strategic Place Partnership

- 2.12. 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.
- 2.13. Collectively, West Yorkshire Combined Authority and the Local Authority partners have demonstrated that West Yorkshire meets the criteria for establishing a Strategic Place Partnership with Homes England. This has been strengthened through our joint work including the development of the West Yorkshire Strategic Housing Pipeline, driven by the application of the Housing Revenue Fund demonstrating the scale of opportunity for housing growth and regeneration across the region.

- 2.14. The Committee have been actively engaged in the development of the Strategic Place Partnership and shaping the direction of travel. The Partnership Business Plan was approved by the Combined Authority on 16 March 2023 and the inception meeting of the SPP Board took place on 25 April.
- 2.15. The Board is chaired by the Mayor of West Yorkshire and is attended by a cross-section of senior representatives from the Combined Authority, Local Authorities and Homes England. At the inception meeting the Board considered the strategic objectives of the partnership and the agreed focus areas for the SPP which have previously been discussed with the Committee.
- 2.16. The Strategic Place Partnership was formally launched at UKREiiF on 16th March where the Memorandum of Understanding between the Combined Authority and Homes England was signed by the Mayor of West Yorkshire and Chief Executive of Homes England. The partnership will help to deliver more good quality and affordable homes in West Yorkshire with a focus on transformational place making.
- 2.17. Officers are now developing the delivery and action plan for the Partnership and a further update will be brought to the Committee on progress at the next meeting.

Housing Pipeline Revenue Fund Programme

- 2.18. As of 31st March 2023, the Housing Pipeline Revenue Fund Programme (HPRF) came to a close with no further projects being accepted onto the programme. The Programme has been fully allocated within the timescales and funds committed across 68 projects in the region.
- 2.19. At the outset of the programme, four objectives of the HPRF were agreed with Local Authority officers and subsequently approved through the Combined Authority's assurance process in Summer 2020. The objectives of the programme are to:-
 - Test the deliverability of projects across the strategic housing pipeline, to a point where projects are ready to enter an investment/capital programme.
 - Boost capacity and resource at local levels to work up Strategic Housing Pipeline Projects.
 - Support projects that aim to maximise economic development and encourage projects that contribute to the regions net-zero carbon objectives in an inclusive way and encourage alignment with other investment and intervention where possible.
 - Develop the Combined Authority's capacity to take a more proactive development role across strategically significant housing sites (including developing the skills and exploring options for more direct delivery where appropriate).

2.20. The Strategic Outline Case for the HPRF programme recognised that the Combined Authority's approach to the development of housing sites had been limited due a lack of funding and resource to manage the pipeline of sites, therefore limiting our ability to develop sites to an investment ready position. In summary, the HPRF programme has:-

- Supported 68 projects helping to progress sites that could enable the delivery of 20,000 new homes (subject to planning approvals).
- Part funded additional capacity and resource in Local Authority teams either via Local Authority direct recruitment or consultancy (for example x3 posts directly in Calderdale Council's housing growth team, x1 highways expert and x1 drainage consultancy support in Kirklees Council).
- Tested the deliverability of schemes by providing technical and feasibility work to identify barriers to delivery and identify indicative costs followed by initial viability analysis (e.g. Gomersal Primary School in Kirklees, x6 council owned sites in Bradford, Pontefract Dispensary in Wakefield).
- Supported the development of business cases for 5 schemes which have submitted bids for the One Public Estate Brownfield Land Release Fund (outcome of bids expected in Summer 2023).
- Funded direct marketing of sites which have resulted in attracting high levels of interest from local and national developers (e.g. Cock Hill Lane in Calderdale and Meadow Lane in Leeds).
- Engagement and procurement of developer partners at key projects (linked to the spatial priority areas) such as Bradford City Village and North Halifax.
- Demonstrated the Combined Authority and the constituent Local Authorities' ability to provide confidence to key stakeholders in commitment to housing delivery across the pipeline. Crucially this has directly led to the development of West Yorkshire Combined Authority as Strategic Place Partner with Homes England.

2.21. Many of the projects that have been supported through the HRF are being taken forward in partnership with the private sector and our local authority partners. Some require capital funding due to the scale of the viability gap and we continue to explore funding solutions on these schemes (through our own programmes and interventions as well as other routes such as Homes England programmes and the One Public Estate Programme).

2.22. Projects such as Dewsbury Riverside, Bradford City Village, North Halifax, Castleford Housing Zone and areas of the Leeds City Rim have been supported through the Housing Pipeline Revenue Fund demonstrating a strong need for joined up capital public and private sector intervention. This

has helped to develop the platform for the focus areas included in the Strategic Place Partnership with Homes England which will drive forward setting out the case for intervention across each of the areas identified.

- 2.23. Following the closure of the programme, the Combined Authority is currently commissioning an independent evaluation of the programme to support the development of the Housing Accelerator Fund business case and to demonstrate the lessons learned and added value of the programme. A summary of the evaluation findings will be presented to the Committee upon its completion, expected in early Summer 2023.

Housing Accelerator Fund

- 2.24. The Housing Accelerator Fund (HAF) is promoted by the Combined Authority and is included in the West Yorkshire Investment Strategy (WYIS) under the Investment Priority 3 - Creating Great Places and Accelerated Infrastructure programme. The programme of activity was subject to the approval of the Strategic Assessment by the Combined Authority at their meeting on 16 March 2023.
- 2.25. The focus of HAF is in direct response to the Investment Priority 3 identified in the WYIS to '*develop a long-term future proofed housing pipeline, supporting site remediation and development within Spatial Priority Areas*'. The project will address several of the headline challenges by:-
- Facilitating and enabling housing development opportunities to progress in strategic locations;
 - Levelling up West Yorkshire by supporting affordable housing provision;
 - Building resilient communities ensuring that we have post-Covid ready places.
- 2.26. The proposed Housing Accelerator Fund would build on the established Housing Pipeline Revenue Fund mentioned above. The Housing Accelerator Fund will support projects across the strategic housing pipeline to get to an investment ready position to access suitable capital funding programmes and/or secure private sector investment.
- 2.27. Whilst HPRF has shown that the majority of the funding is required to undertake site based pre-development work, it has also demonstrated that the fund needs to be used to boost Local Authority capacity to develop strategic site proposals and ensure teams have the right resource to work proactively with the private sector.
- 2.28. As was the case for the HPRF Programme, the West Yorkshire Strategic Housing Pipeline will form the basis of sites that may be supported using the Housing Accelerator Fund. This pre-development pipeline is a dynamic tool that consists of the most strategic opportunities for housing development in the

region that demonstrate a market failure and are likely to require some public sector intervention to move forward. As the pipeline is a live tool, the number of projects is subject to change as new opportunities arise (as was noted in the lessons learned for the HPRF programme), the addition of new sites to the pipeline is driven by expressions of interest for new sites to be added coming forward from Local Authority teams. These are then assessed against their strategic fit with the Combined Authority's objectives and are predominantly linked to the regions' identified Spatial Priority Areas (SPAs) and the focus areas identified in the West Yorkshire/Homes England Strategic Place Partnership, although not exclusively.

- 2.29. Following the approval of the Strategic Place Partnership with Homes England, we are undergoing a pipeline review with each of the Local Authority teams and Homes England. Following the review, a refreshed pipeline will be shared with the Committee at a future meeting.
- 2.30. Initial work with Local Authority teams to identify projects for the HAF programme is ongoing with work underway to identify the funding requirements for the Combined Authority and Local Authority teams. Discussions with Local Authority teams and with Homes England building on the Strategic Place Partnership are required to refine the asks and develop this into the initial programme.
- 2.31. In order to access revenue funding, the pipeline sites were prioritised using a scorecard methodology for the HPRF programme. A similar approach is proposed to be undertaken for the Housing Accelerator Fund, however, the learnings from HPRF mean that some of the scorecard categories will change or be given a greater weighting for the Housing Accelerator Fund. The scoring categories will broadly include:
 - **Strategic fit:** alignment with the Combined Authority's Strategic Economic Framework and Mayoral priorities (e.g. net zero, affordable housing).
 - **Location:** Sites identified within SPAs or as part of the Homes England Strategic Place Partnership focus areas will score more highly.
 - **Land:** Brownfield sites will rank more highly and sites or projects with a greater level of public sector control or influence will score more highly.
- 2.32. Consideration will also be given to broader categories such as deliverability and market interest, however as the nature of the Housing Accelerator Fund is to test this and provide local capacity and resource to accelerate delivery, this will be weighted less than the other proposed categories. There is also a need to be flexible across the programme so the scoring approach may be revisited as new opportunities arise across the life of the programme.
- 2.33. In order to develop a continued programme, consideration will also be given to providing recoverable revenue grant on each of the projects. This would be agreed on a site-by-site basis the terms for grant to be recovered for example

upon sale of the land whereby a positive capital receipt is generated. The intention being that any recovered grant would be returned to the HAF pot to be used on accelerating future projects. It is recognised that this may not be possible or feasible for all projects (e.g. capacity funding, early stage masterplanning etc) but will be a pre-requisite conversation ahead of funding and terms being agreed.

- 2.34. Views from the Committee are sought on the proposed approach to the Housing Accelerator Fund set out above. The intention is to submit the business case for the Housing Accelerator Fund in July 2023 and seek approval from the Combined Authority in September 2023.

Brownfield Housing Fund (BHF)

- 2.35. The Brownfield Housing Fund is an £89 million allocation of funding from Government to bring forward new housing developments on brownfield sites where a market failure has prevented development from taking place. The Fund is currently the only capital funding programme managed by the Combined Authority to support the delivery of new homes. The identification of projects suitable for the Fund has been facilitated through two 'Calls for Projects' managed by the BHF team, and the approval of individual projects is subject to their successful progression through the Assurance Framework and related legal and commercial due diligence.

- 2.36. The key Government criteria for the fund is as follows:-

- Projects must be Green Book compliant with a Benefit Cost Ratio (BCR) floor of 1;
- Projects must have evidenced market failure and demonstrate that they cannot proceed without public sector financial support; and
- Homes brought forward will start on site in this Parliament (i.e. before 31 March 2025).

- 2.37. In addition, and in recognition of the Mayor's wider housing and climate aspirations for the region, projects which include affordable housing and/or building designs with low carbon characteristics have been prioritised where possible. This aligns with the approach taken to identify projects across the wider Strategic Housing Pipeline and the focus areas of the Strategic Place Partnership.

Current Position of the BHF

- 2.38. The Fund has been in operation since September 2020 and since that time the BHF team has made significant progress. The Wakefield District Housing scheme on the site of the former Pontefract Fire Station completed earlier this year, providing 37 affordable homes. 8 schemes are currently in contract and on site and a further 4 projects have received Full Business Case approval and are finalising due diligence checks at the time of writing of this report.

Together these 13 projects equate to over 2100 new homes, including over 900 affordable homes.

- 2.39. In addition, 6 further projects have secured Outline Business Case approval and 1 is preparing for appraisal. A further 5 projects were accepted onto the programme in April 2023, under existing delegation to the Chair of Place Committee and Director of Policing, Environment & Place, to enable detailed discussion and analysis of the proposed schemes to commence.
- 2.40. Since the last Committee, one project (Canal 30) has received Full Business Case approval under delegation to the Combined Authority's Chief Executive for up to £1.6m of BHF grant funding to assist with conversion of a historic stone industrial building in the heart of Bradford city centre and returning to productive use as 70 new apartment homes. The housing units comprise of 59 one bedroom and 11 studio apartments. Bradford is one of the UK's youngest cities and there is a need for homes for single people and couples.
- 2.41. The development is in a priority regeneration area and is close to public transport links and amenities to encourage sustainable transport. Cycle storage spaces will be provided in the basement of the building. The value for money assessment reflects an adjusted benefit cost ratio (BCR) of 1.3:1, which meets the criteria for the programme.
- 2.42. As the Committee is aware, the programme has and continues to experience a number of challenges, including:-
- Stretching annual spend and output targets set by Government;
 - Private sector ownership - whilst owners and agents are engaging with the programme, many are not familiar with public funding processes including HMT Green Book appraisal, which can cause delays;
 - Low land values - Some geographic areas experience very low land values in addition to constraints and significant viability gaps makes it unviable for developers to build, yet BHF cannot fund all the viability gap.
 - Current and fluctuating market conditions, including cost inflation of materials, supply chain constraints and rising interest rates - during Year 3 some projects have experienced an increased viability gap, which pushes project BCRs below 1, and therefore projects become ineligible for BHF.
 - Capacity constraints within planning departments, which also can cause delays in programme timescales.
- 2.43. As such a number of projects have either withdrawn from the programme, or paused development of business cases whilst developers review the continued uncertainty and volatility in the market. This has resulted in the BHF Team managing a pipeline which fluctuates monthly.

- 2.44. Whilst the BHF team has identified sufficient projects to achieve the Government's housing output and spend targets by March 2025, there remains a risk that this is not achieved as the success of the programme rests on ability of third parties meeting delivery dates. The Combined Authority continues to work and raise the challenges with Government Officials and Ministers regarding programme delivery highlighting that increased flexibility would allow us to boost delivery across the region.

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.
- 3.2. As part of the business case development for the Brownfield Housing Fund each project is required to undertake a carbon impact assessment and demonstrate how the project is making best endeavours to minimise 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 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. The housing workstreams are led collectively between the Combined Authority, Homes England and District Partners. Local Authorities have each contributed officer time and commitment to developing the workstreams alongside the Combined Authority and Homes England which is key to ensuring the strategic outcomes and actions are embedded and supported across the region. Officer time and support is gratefully received.

9. External Consultees

- 9.1. No external consultations have been undertaken.

10. Recommendations

- 10.1. That the Committee provides any views and feedback on the content of the report particularly in relation to:-
- Progress towards the delivery of the Mayor's housing pledge.
 - The proposed Housing Accelerator Fund.
 - The progress made and challenges facing the Brownfield Housing Fund programme.

11. Background Documents

There are no background documents referenced in this report.

12. Appendices

None.



Report to: Place, Regeneration and Housing Committee

Date: 01 June 2023

Subject: **Strategic Sites**

Director: Liz Hunter, Director of Policing, Environment and Place

Author: Hannah Andrew, Policy Manager

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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No

1. Purpose of this Report

1.1. The purpose of this report is to update on activity related to Strategic Sites. The projects and programmes referenced in the report are being managed concurrently by the West Yorkshire Combined Authority, ensuring that links are drawn between them, to add value and to make sure that they collectively support our organisational objectives and those of our partners. There is also an interface with housing activity (Agenda Item 6).

1.2. The report covers activity including:

- Work on delivery models for Spatial Priority Areas;
- Work to bring forward the Langthwaite employment site in Wakefield district;
- Work to shape the West Yorkshire Investment Zone;
- A new revenue programme 'Employment Land Accelerator Fund'.

2. Information

Spatial Priority Area Delivery Models

1.3. Spatial Priority Areas (SPAs) represent the most strategic development locations across West Yorkshire and are a focus for investment and regeneration activity. SPAs are of regional significance and / or are cross-

boundary locations. SPAs have been identified in partnership with West Yorkshire Local Authorities.

- 1.4. The SPA's range in scale and use, including single and mixed-use areas. There are a range of tools available to the West Yorkshire Combined Authority and Local Authority partners to drive forward development in these locations for example a number of the housing led SPA's are the focus areas being targeted through the Strategic Place Partnership with Homes England and wider housing activity.
- 1.5. Devolved funding has also provided the opportunity for the West Yorkshire Combined Authority to fund activity to explore the possible delivery models for a number of the SPAs. The Spatial Priority Areas Delivery Model programme was identified as one of the themes under Investment Priority 3 (IP3) Creating Great Places and Accelerated Infrastructure agreed at Place Committee in July 2022 with the Strategic Assessment (SA) endorsed in March 2023. The indicative programme budget was £1.5million.
- 1.6. As part of the approval of the SA through the Assurance Process and by the Combined Authority in March 2023, £500,000 development funding was released to procure a partner to provide consultancy support in developing bespoke delivery models for a number of Spatial Priority Areas. The £500,000 reflects the need for evidence and options in advance of developing a business case to release further funding for targeted intervention in SPAs. The proposals will allow flexible application of consultancy support, working in partnership with each of our 5 local authority partners on one or more of the allocated SPAs. Work is ongoing with Procurement and in consultation with the 5 Partners to shape the scope of services required.
- 1.7. The work of the West Yorkshire Combined Authority on Spatial Priority Areas applies to all sites and development (housing, employment and mixed use) the remainder of this report is focused on the work of the Combined Authority and partners on strategic employment sites.

Langthwaite (Strategic Employment Site in Wakefield District)

- 1.8. Langthwaite Business Park Extension is an Enterprise Zone (EZ). The site amounts to 9.45 hectares and is located to the north of Broad Lane and south of Langthwaite Grange Industrial Park in South Kirkby, Pontefract, West Yorkshire. The freehold is owned by the Combined Authority and sits within the Langthwaite Grange Extension and South Kirkby Urban Extension SPA.
- 1.9. The Combined Authority had been working closely with Wakefield Council in 2019/2020 to bring the site forward via two phases: Phase 1 - the access road – was to be delivered by Wakefield Council; and Phase 2 - onsite remediation and infrastructure works - was to be delivered by the Combined Authority with funding support from Growth Deal and Getting Building Fund. Following Outline Business Case approval in 2018, a Full Business Case was submitted in July 2021 but due to site constraints delivery was slower than projected impacting on the use and availability of funding.

- 1.10. Design and delivery works were paused until a long-term funding solution could be secured to bring the commercial development opportunity forward to ensure the delivery of the scheme.
- 1.11. As part of this early phase activity, a hybrid planning application was submitted by the Combined Authority to secure full planning consent for the access road, and outline consent for the proposed commercial masterplan development. Proactive conversations have continued on this matter throughout, to ensure pre-planning conditions and Section 106 obligations were agreed.

Next Steps

- 1.12. On 4th May 2, a comprehensive Full Business Case was submitted for appraisal through the Combined Authority's Assurance Framework to unlock the site for future development. The scheme will now be taken forward wholly by the Combined Authority who will deliver all works required, combining the two previous phases together. The project is seeking £11.677m (including £2.31m Quantified Risk Assessment) in funding support which is proposed to be secured from various funding pots including, residual and returned Growing Places Fund, land receipts and overage from other EZ sites, as well as the consideration to allocate Gainshare or utilise borrowing as appropriate.
- 1.13. The project will deliver:
 - Creation of an access road to the site through an extension of Onward Way.
 - Remediation of the site only (no buildings to be provided) carrying out levelling across the site (earthworks), provision of development platforms; access to services; and balancing ponds
- 1.14. Once prepared it is envisaged that the development plots will be sold (in whole or part) to the private sector to develop, ultimately generating a capital receipt for the Combined Authority.
- 1.15. As the landowner and scheme promoter, the Combined Authority continue to regularly engage with Wakefield Council who are a key partner in the site coming forward. Wakefield Council have exercised their option over the access land which will provide the new access to the site. This demonstrates partnership working and there remains a mutual interest in seeing the site come forward to meet respective objectives. the Combined Authority and Wakefield Council will continue to work together through this process.

CoSTAR Bid

- 1.16. The CoSTAR bid is aligned to the unlocking of the Langthwaite site for development. In February 2023, the Combined Authority approved the approach to join a bid for the national competition headed by UKRI to fund (a) a national centre for the Convergent Screen Technologies and performance in Realtime (CoSTAR) and (b) production technologies. This opportunity is to bid for up to £51 million UK Research and Innovation (UKRI) funding to create a national innovation centre in the creative industries. Our bid is for the centre to

be located at the Langthwaite Enterprise Zone, South Kirkby, which is owned by the Combined Authority.

- 1.17. A successful bid will bring a national centre of innovation excellence in the creative sector to our region. This would lead to increased opportunity for people across West Yorkshire to pursue careers and skills development in the culture sector and creative businesses. It is expected that the innovation hub would further attract other creative industry participants to occupy this site and ultimately lead to increased inclusive economic growth in West Yorkshire. It would also act as a catalyst to the delivery of the wider SPA location, and there is therefore potential for the SPA Delivery Model work to interface with this bid.
- 1.18. The bid for an initial expression was submitted to UKRI on 2nd February 2023 and a decision is expected by August 2023 following a period of due diligence. The potential to secure CoSTAR at Langthwaite and the scale of investment and economic growth this will provide to the region is considerable. However, regardless of the outcome of the CoSTAR bid, the Combined Authority are committed to bringing forward the development opportunity at Langthwaite and to unlocking the growth potential for the site. Should the Langthwaite CoSTAR bid ultimately be successful, then the funding does require the site to be accessible and a development platform provided by October 2024. This presents a challenging time scale and requires an effective, solution-based approach.

West Yorkshire Investment Zone

- 1.19. The committee will be aware that West Yorkshire was awarded an Investment Zone in the Spring Budget. The Investment Zone programme seeks to harness local sector strengths to drive productivity and leverage the bottom-up energy of local talent, knowledge and networks to deliver sustainable growth that benefits local communities. They will require a holistic approach and must be rooted in partnership between central government, local government, research institutions and the private sector.
- 1.20. A sectoral approach is being taken, with the Government identifying 5 priority sectors: Digital and Tech, Green Industries, Life Sciences, Advanced Manufacturing and Creative Industries. All Investment Zones should be based on growing an existing cluster and there is a focus on leveraging strength to increase opportunities for local communities.
- 1.21. The total funding available is £80million which can be across a variety of fiscal incentives, tax breaks and revenue and capital spend.
- 1.22. The Combined Authority is leading on developing the West Yorkshire Investment Zone in partnership with the 5 Local Authorities, our Universities and private sector businesses. This process includes agreeing the sectoral focus and geography for the Investment Zone as well as the most appropriate package of incentives to achieve maximum outcomes.

- 1.23. The programme is extremely tight with Government seeking to have proposals agreed in draft by the autumn with a view to rolling out the Investment Zones at the start of the 24/25 financial year.

Employment Land Accelerator Fund

- 1.24. The Employment Land Accelerator Fund (ELAF) is a new revenue fund in development to support accelerated delivery of employment sites. It was identified as one of the themes under Investment Priority 3 (IP3) Creating Great Places and Accelerated Infrastructure agreed at Place Committee in July 2022 with the Strategic Assessment endorsed in March 2023. Following approval of the SA through Assurance and by the Combined Authority in March 2023, work has been progressing on the Business Justification Case which was submitted 4th May. The indicative programme budget was £2million.
- 1.25. The Employment Land Accelerator Fund programme aims to:
- Develop a targeted approach to employment land and development acceleration, working with Partner Authorities and other programmes to identify new opportunities to maximise employment investment and bring job growth to the region.
 - Create a dedicated and spatial approach to site development aligned to climate, skills and infrastructure investment to drive better employment investment outcomes.
 - Improve our understanding of, and the ability to, overcome barriers to delivery of employment land.
 - Improve the Combined Authority's ability to respond to funding opportunities, investment queries and to leverage future funding and powers related to employment land delivery.
- 1.26. In addition to Partner Authorities, engagement will be progressed with landowners/developers and businesses to support our understanding of opportunities and constraints across the region.

Next Steps

- 1.27. Subject to approval of the business case through assurance, the programme will be progressed.
- 1.28. To focus the available revenue funding appropriately to achieve best outcomes, a list of employment sites (pipeline) will be identified through engagement with the five Local Authority Partners. These will then be shortlisted for further investigation or specific support. This process will be based on an agreed methodology for prioritising sites.
- 1.29. Officers have been inputting into a draft methodology, with discussions to date identifying a need for flexibility, recognising that different sectors will have

different requirements in terms of employment land and that across the region the challenges to employment land delivery vary. On this basis, scale is not solely determinative of strategic importance. Whilst not limited to employment sites within the SPA's, the prioritisation process will also include consideration of impact on SPA's within the overall scoring.

1.30. The draft methodology is appended to this report for comment or feedback.

1.31. In addition to pipeline development, work will also commence on procurement of consultancy support to be used on a call-off basis to be applied to sites to explore constraints and opportunities.

3. Tackling the Climate Emergency Implications

3.1. The SPAs have been developed and are to be actively managed to ensure that we are prioritising development in locations served by sustainable transport networks or can incorporate schemes to ensure that active travel and public transport can be delivered in these locations.

3.2. In addition, the Langthwaite site Full Business Case and the Employment Land Accelerator Fund Business Justification Case include Carbon Impact Assessments.

4. Inclusive Growth Implications

4.1. Inclusive growth principles are embedded in the aims and criteria of the SPAs. The Core City and Main Urban Centre, and Future Growth Location categories of SPAs aim to support inclusive growth and renewal through the delivery of key infrastructure, commercial and residential development opportunities. The Investment Location category along with the Environmental Opportunity category of SPAs aim to promote urban renewal and to protect vulnerable places from economic and environmental threats.

4.2. The proposed Langthwaite investment and ELAF programme will unlock employment opportunities and support Inclusive Growth.

5. Equality and Diversity Implications

5.1. A fundamental part of the Combined Authority strategic sites work is to support inclusive growth and sustainable development. The delivery of the region's SPAs supports inclusive growth by enabling development and investment in some of the most deprived areas in our region, by encouraging regeneration, growth and renewal of our urban centres and through the delivery of key infrastructure to enable commercial and residential opportunities for all.

5.2. In addition, the Langthwaite site Full Business Case and the Employment Land Accelerator Fund Business Justification Case include Equality Impact Assessments.

6. Financial Implications

- 6.1. The report refers to programmes and projects which are being funded by the Combined Authority, however, this funding has or is being sought through the formal assurance process and therefore there are no financial implications directly arising from this report.

7. Legal Implications

- 7.1. Legal support has been sought where appropriate in relation to the programmes and projects referenced in this report. 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. It is requested that the Committee:-

- Note the update and approach to SPA Delivery Models.
- Note that a Full Business Case has been submitted to proceed with site and access works required to unlock the Langthwaite Enterprise Zone site and the Combined Authority's ongoing commitment to the CoSTAR bid.
- Note the update on the West Yorkshire Investment Zone.
- Note that the Employment Land Accelerator Fund business case has been submitted to internal assurance and provides comments / feedback on the proposed prioritisation methodology.

11. Background Documents

- 11.1. There are no background documents referenced in this report.

12. Appendices

- 12.1. Appendix 1 – Draft Prioritisation Methodology (Employment Land Accelerator Fund)

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Employment Land Accelerator Proposed Methodology

A 3-stage methodology is proposed.

Output 1: *Site selection and intelligence gathering - The development of an Employment Accelerator Fund Sites Pipeline.*

This includes the development of an Employment Accelerator Fund Sites Pipeline. We have developed the following criteria for identification of sites. This is based on the definition of strategic employment sites defined in the Leeds City Region Strategic Employment Evidence - Land and Property report (2021)¹ produced by Hatch and discussion with key stake holders

The proposed criteria for the long list are:

- **Strategic Sites:** Sites (of any size) that provide a strategic importance to a specific sector or would support specific sectoral growth or sites with strategic importance linked to the Local Authority evidence / targets.
- **Spatial Priority Areas:** Sites falling entirely or partly within a Spatial Priority Areas
- **Scale and size:** large sites over 15 Ha are generally regarded as strategic as they offer the scale needed to attract large scale inward investment
- **Location:** Sites located close to key transport infrastructure such as mass transit corridors, motorway junctions, major rail infrastructure, wharfs or airports can usually be considered to be strategic.

The initial pipeline will be based on land that is allocated for employment uses or brownfield employment land but will not be limited to this. We are keen to work with local authorities to identify where there may be opportunities for new employment sites that reflect emerging thinking on new local plan preparation and other opportunities that may be presented because of other infrastructure investment such as Mass Transit, for example.

As part of this initial intelligence gathering process, we will undertake a desk top review of sites, including planning history and planning policy review, previous known land uses, site constraints (i.e. flood zones, power cables, listed buildings etc), site access, ownership and known site delivery issues. This will be completed in consultation with LA Partners.

¹ [Regeneris Report \(westyorks-ca.gov.uk\)](https://www.westyorks-ca.gov.uk/regeneris-report)

Output 2: Site prioritisation - The development and application of a prioritisation framework.

Once the pipeline sites are identified, a score card approach will be used to prioritise sites for use of revenue funding, this mirrors the tested approach used in the Housing Pipeline. This criteria-based approach will prioritise sites aligned to the Combined Authority priorities and local growth strategies.

Prioritisation factors in the pipeline include:

- **Job Growth Potential:** sites which can deliver employment growth in sustainable locations, supporting skills development and particularly in areas where there is a need for regeneration and higher levels of deprivation as identified through the Index of Multiple Deprivation.
- **Sectors:** sites can be prioritised where they have the potential to meet the needs of high growth or priority sectors², support the expansion of key clusters, building on the region's existing strengths, or have the ability to provide a range of flexible units, including growth space, within a high quality and well-planned environment.
- **Strategic Alignment:** strength of alignment to the Combined Authorities Strategic Economic Framework / West Yorkshire Investment Plan / Mayoral Priorities and to Local Plan Policy and Local Authority economic growth and regeneration strategies.
- **Delivery:** schemes that offer the greatest prospects of delivery or highest value outcomes within reasonable timescales.

Please note that we intend to refine the examples above. It is not our intention at this stage to rule out sites from the pipeline as we are keen to retain an element of flexibility to the prioritisation of sites to allow our approach to be agile and reactive. The above approach means that we will be able to prioritise different sites to respond to opportunities for funding as those opportunities come forward. For instance, if a new opportunity for capital funding comes forward focused on advanced manufacturing, we want to have sufficient flexibility to adapt the prioritisation of the pipeline to select those relevant sites.

Output 3 - Site acceleration activity

We intend to develop a programme of works to accelerate employment site delivery through site promotion and de-risking development locations. Activities would include, but not be limited to:

- securing feasibility studies and detailed site assessments,
- master planning,
- development and option appraisal and market analysis.

² Priority Sectors will be agreed in consultation with Local Authority Partners and based on Combined Authority and Local Authority Policy and Strategies.

Aligned to this, we would work with LA Partners to explore opportunities to attract investment through positive promotion and partnership working alongside the potential use of restrictive planning policy to target key sectors on some sites. As with the Housing Pipeline, there is potential to utilise revenue funding to support LA Partners with addressing resource gaps if this is appropriate and to test the deliverability of projects across the employment pipeline, to a point where projects are ready to enter investment/capital programmes.

These activities will support follow on commercial investment by developers (with the opportunity to claw back revenue funding) and / or allow the CA the agility required to successfully bid for and deliver schemes aligned to national funding streams as they come online (e.g Investment Zones).

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