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**Report to:** Economic Scrutiny Committee

**Date:** 19 January 2022

**Subject:** **Housing Pledge and Powers**

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## **1. Purpose of this report**

- 1.1 Scrutiny Committee has asked for a report outlining early work on fulfilling mayor's pledge on affordable housing.

Committee wants to understand:

- 1) The MCA's current housing powers in the absence of spatial strategy and other previously agreed planning powers in devo deal – and how CA's functions are expected to change in the future.
- 2) How the CA can enable housing development – and fulfil the Mayor's Pledge – within current powers while housing remains an LA function.
- 3) How any CA activity is linked with Local Plans.
- 4) What steps are being taken to ensure that affordable housing ambition can be met within the CA's current powers

## **2. Information**

### Combined Authority Role in Housing

- 2.1 Housing is a council responsibility, but the Combined Authority supports the delivery of new homes, including affordable homes, through investment programmes and partnership working with Local Authorities, Homes England and Registered Providers. As well as supporting delivery of new homes the Combined Authority has a role in driving quality and sustainability of homes including promoting green technologies and improving the quality and carbon footprint of existing homes through retrofit. The design of homes and neighbourhoods is also an important focus, playing a key role in the health and wellbeing of residents.

- 2.2 The Combined Authority was allocated £3.2m in revenue funding through devolution to develop a pipeline of housing sites to an investment ready position. Revenue is providing extra capacity and resource both at regional and local level.
- 2.3 The Combined Authority was also allocated £67m Brownfield Housing funding post devolution in line with other MCAs. It will support the delivery of 4500 homes by 2025 on sites requiring significant investment to unlock, as well as capacity to develop complex projects with marginal viability. An estimated 1900 affordable homes could be delivered through this programme.
- 2.4 In addition to the funding outlined about the Combined Authority through devolution now has powers (to be used in agreement with local authorities) to acquire land for housing including using Compulsory Purchase Orders (CPO) where assembling or acquiring strategic sites. These powers have not been used to date as capital investment would be required to support the CPO process. Districts and Homes England have similar powers.

#### Affordable Housing Pledge

- 2.5 The mayoral pledge on housing is to: Build 5000 sustainable homes including council houses and affordable homes. Affordable and sustainable homes are primarily delivered by three routes:
1. Direct delivery by Local Authorities (Council Houses)
  2. Section 106 Agreements on market sites (so through the planning system)
  3. Direct delivery by Registered Providers supported by Homes England affordable housing programmes
- 2.6 The pledge is a stretching regional target to drive innovation and partnership working to deliver more well-designed good quality affordable homes. Based on the work done so far with partners to look at projected delivery, 5000 affordable homes is possible. Looking at past delivery rates though we need at least an additional 1000 homes on top of past delivery rates.
- 2.7 The Combined Authority relies on strong partnership relationships to ensure delivery of the pledge. The pledge will be delivered through working closely with our district housing and planning colleagues, Housing Associations, Homes England and private sector developers. We are in the process of refining an action plan covering all 3 of the above listed routes to delivery.
- 2.8 Key areas of activity include:
1. Develop a WY Housing Strategy
  2. Pursue additional funding for developing the West Yorkshire Housing Pipeline and boosting delivery
  3. Apply the aspiration of the Pledge to all CA capital and revenue funds (deliver as many affordable units as possible within the restrictions of these funds).

4. Deepen the partnership with all WY Councils, Homes England and Registered Providers.
5. Consider ways in which collectively we can achieve higher levels of sustainable development.

2.9 More targeted activity for each delivery route includes:

Delivery of Council Houses:

- Explore and understand the stock position of each Local Authority to inform WY Housing Strategy.
- Apply any learning from the recently drafted Leeds Affordable Housing Challenge document to the wider WY partnership.
- Explore the use of Joint Venture vehicles to accelerate the delivery of Council Houses and Affordable Homes.
- Consider use of public assets to accelerate delivery of higher levels of sustainability through design and construction.

Delivery through Section 106:

- Explore a shared viability framework for use in planning by all WY authorities.
- Explore ways to increase capacity for Development Management.
- Build evidence on the viability gap specifically relating to affordable housing to pursue funding options (both internally and with government).
- Host a developer forum / summit event to raise awareness of WY expectations and build consistency in our approach.

Delivery by Registered Providers:

- Build on the partnership with Homes England to maximise delivery through Affordable Homes Programme.
- Development of a WY Action Plan and joint housing pipeline for West Yorkshire in partnership with Homes England.
- Greater collaboration with WY Housing Partnership to establish and unlock barriers to delivery – seek opportunities for innovation.
- Work with Leeds City Council to support actions from the emerging Leeds Affordable Housing Delivery Partnership Plan and seek to apply in other districts where suitable.

Combined Authority Role in Planning

- 2.10 The West Yorkshire Combined Authority is not a Planning Authority and currently has no powers relating to spatial planning. However, the West Yorkshire Combined Authority supports Local Authorities on strategic planning matters.
- 2.11 As a partnership we have mature arrangements in place to address strategic, cross boundary issues on plan-making and development management. These are set out in the [Planning Review Recommendations \(2021\)](#), our [Statement of Common Ground \(2020\)](#) and [Developer Advice Note \(2020\)](#).
- 2.12 Planning activity by the Combined Authority 2020/2021 has included:

- A joint response to the planning White Paper promoting local accountability, public engagement and a need for urgency with regard to tackling the climate emergency.
- Over 100 planning application responses last year (2021) with the potential to secure 8.4million in income through planning gain for delivery of transport infrastructure.
- Joint evidence has been prepared on employment land and property to help inform our approach to building an inclusive economy.
- Agreed a refreshed set of Spatial Priority Areas (SPAs) across West Yorkshire that now include Towns Fund locations as priority locations for regeneration.
- A response to Bradford's Draft Local Plan confirming strategic alignment and technical support to Wakefield Council throughout their Local Plan examination on economic growth forecasts.
- Maintaining the [Place Narrative](#) document. It provides a single narrative, and a consistent but flexible evidence base to underpin our plans and strategies, and those of our partners. It includes evidence on our spatial challenges and details of our infrastructure investment plans.

2.13 The national planning reforms will re-shape the next iteration of Development Plans at a local and strategic level. However, the purpose and shape of these Plans, especially at a strategic level has not yet been defined by Government. It is therefore not yet clear what Government's vision is for strategic planning and what role Combined Authorities will be expected to play in that.

2.14 Planning powers were included in the 'minded to' West Yorkshire devolution deal but due to the national reforms to the planning system these were not carried forward in the devolution Order. A letter from the Minister for Regional Growth and Local Government proposed that these powers (or equivalent) will be conferred 'when the position is clearer'. The functions not taken forward related to a Spatial Development Strategy (SDS) and a Strategic Infrastructure Tariff (SIT).

2.15 On the preparation of a strategic plan (or Spatial Development Strategy) the Combined Authority and Local Authority partners see merit in looking across West Yorkshire on strategic issues such as infrastructure and acknowledge that a strategic plan could add value in helping to tackle cross-boundary challenges such as the climate emergency and in delivering a mass transit system for West Yorkshire. However, it is essential that any approach to strategic planning is specific to our needs locally and compliment's rather than duplicates our Local Plans.

### 3. **Tackling the Climate Emergency Implications**

3.1 Our work on the housing pledge includes considering the sustainability of future homes and is linked to the ambitions set out in the [West Yorkshire Climate and Environment Plan](#). As noted in paragraph 2.15 a strategic plan for West Yorkshire could add value in helping to tackle the climate emergency by setting clear, consistent policies on spatial planning matters.

#### **4. Inclusive Growth Implications**

- 4.1 Ensuring residents of West Yorkshire have access to affordable housing options is integral to achieving our ambitions on inclusive growth.

#### **5. Equality and Diversity Implications**

- 5.1 Consideration of equality and diversity matters forms part of our evidence base on affordable housing and therefore is informing our policy response. Information on our current evidence is found in the [Leeds City Region Housing Affordability and Need Study \(2020\)](#). This report states long term economic shifts and processes of decentralisation and suburbanisation (both of population and jobs) have resulted in widening inequalities and in part explain the emergence of housing affordability issues, which are not characterised by very high housing costs – in other words, income and cost of living (including transport costs) contribute to housing unaffordability. This evidence is being used in the context of our work on housing and connectivity.

#### **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 report and provides any comments.

#### **11. Background Documents**

None.

#### **12. Appendices**

None.