

**Meeting date:** 27 MARCH 2019  
**Report to:** CABINET MEMBER FOR ENVIRONMENT & HOUSING



**Subject/report title:** STRENGTHENING THE DELIVERY OF AND ACCESS TO HOUSING

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**Wards affected:**

- All Wards |  Bickenhill |  Blythe |  Castle Bromwich |  Chelmsley Wood |  
 Dorridge/Hockley Heath |  Elmdon |  Kingshurst/Fordbridge |  Knowle |  
 Lyndon |  Meriden |  Olton |  Shirley East |  Shirley South |  
 Shirley West |  Silhill |  Smith's Wood |  St Alphege

**Public/private report:** Public

**Exempt by virtue of paragraph:** Select an Exemption paragraph from the Quick Parts drop-down list

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**1. Purpose of Report**

- 1.1 To review progress against the approved Action Plan for strengthening the delivery of and access to housing and consider any comments on the Plan made by the Cabinet Portfolio Holder for Managed Growth.

**2. Decision(s) recommended**

- 2.1 To review progress against the agreed Action Plan
- 2.2 To consider any comments on the Plan made by the Cabinet Portfolio Holder for Managed Growth.

**3. What is the issue?**

- 3.1 An Action Plan for strengthening the delivery of and access to housing was approved by the Cabinet Member for Environment and Housing in March 2017. It was also agreed to provide monitoring reports on progress against the targets in the Plan. Progress reports have subsequently been made to Scrutiny Board and Cabinet Portfolio sessions in January and September 2018.

- 3.2 The Managed Growth portfolio has responsibilities relating to the Action Plan. These relate to housing strategy, regeneration and major development including town

centres, HS2 and UK Central. Progress reports have also been made to the Cabinet Portfolio Holder for Managed Growth in March and September 2018.

- 3.3 The Action Plan covers the three year period April 2017- March 2020 and it is therefore moving into its final year.
- 3.4 The Council is developing a 'strategic housing framework', which reports to the Health and Wellbeing Board. Two of the priority areas are 'accelerating housing delivery' and 'meeting local needs'. The work of this Action Plan is an important component of developing these priorities.
- 3.5 Previous progress reports have summarised the key points about housing delivery in Solihull. These are important and are re-stated here,
- Housing delivery is determined by the Solihull Local Plan. This sets the overall level of housing development, allocates sites for housing and sets specific policies
  - Sites coming forward for residential development are usually privately owned and most housing delivery in the borough is by developers building for sale on the open market. Land for residential development in Solihull is expensive and this makes it very difficult for Solihull Community Housing (SCH) or a housing association to purchase land. The Council and other public bodies do not have significant amounts of land that is available for residential development
  - Housing delivery in itself is not a problem because Solihull is an attractive area for development; the challenge for the Council is that the right type of housing is developed to help meet local needs.
- 3.6 The key points relating to access to housing are that,
- Affordability in terms of the relationship between earnings and house prices is a major challenge. Official statistics show that Solihull has a high house price to earnings ratio of 7.77.
  - There is a shortage of affordable rented homes to meet homelessness and housing waiting list pressures and specialist needs.

#### Action Plan Update

- 3.7 The updated Action Plan is set out at Appendix A. The final column provides a short update against each action. The following commentary highlights points of particular current significance.
- 3.8 Action 1. The final affordable housing delivery numbers will be confirmed in early April but the provisional figure for the year is 249. This compares to 195 in 2017/18.
- 3.9 Action 2 (ii). Planning Policy. In July the Ministry of Housing, Communities and Local Government (MHCLG) published a revised National Planning Policy Framework (NPPF). This sets out the Government's planning policies for England and how they should be applied.

- 3.10 NPPF sets out a revised definition of affordable housing. A significant change is the inclusion of 'Build to Rent' as a type of affordable housing. The revised NPPF also sets out the affordable routes to home ownership in terms of 'Starter Homes', 'Discounted market sale', 'equity loans' and 'shared ownership'.
- 3.11 The Council's approach to affordable housing policy will be defined and agreed through the development of the new Local Plan for Solihull.
- 3.12 The draft Local Plan Supplementary Consultation which ended on 15 March invited comments on a proposal to change the basis of affordable housing contribution from 40% of dwellings to 40% of habitable development area. Such a change has the potential to incentivise developers to build more smaller open market homes and strengthen affordable housing delivery. Consultation responses will be considered and assessed with recommendations taken forward to the Submission draft of the Plan.
- 3.13 Actions 4 and 5. UK Central Hub and Solihull Town Centre. The revised NPPF defines 'Build to Rent' as purpose-built housing provided at least 20% below local market rents which will typically be professionally managed in single ownership and management control. Build to Rent is becoming more established in major cities and some developers are looking at its potential in Solihull. The Action Plan notes that this might be of particular relevance as a form of housing delivery in these areas. The below market rent provision may help support the local economy and services by assisting care, retail and other workers.
- 3.14 Actions 3 and 7. New Delivery Approaches and Council Housing Stock Growth. Since the last report in September 2018 a significant development has been the Prime Minister's announcement to abolish the Housing Revenue Account borrowing cap, with this then confirmed in the Autumn Budget at the end of October.
- 3.15 This was a significant announcement that allows council's to borrow prudentially against their housing stock. This came on top of announcements of greater rent certainty for social landlords (rent increases of CPI plus 1% post 2020), confirmation that local authorities will not be required to make a payment in respect of 'vacant higher value' social housing and an additional £2bn for the development of additional social rented homes in Homes England's national grant programme.
- 3.16 SCH, on behalf of the Council, are taking forward a number of small sites to provide more rented and shared ownership homes. It is intended that the work referenced in action 3 will result in the Council making decisions on methods of housing delivery during quarter one of the 2019/20 year.
- 3.17 This is likely to be important in taking forward the Council's approach to larger site development.
- 3.18 To help take this forward, the Council has bid successfully to the Local Government Association 'Housing Advisors Programme' to look further into the detail of joint ventures and development in the Council's HRA.
- 3.19 The intention of this is that by March 2019 the Council will have a recommended housing delivery approach on land in its ownership that is informed by detailed legal,

financial and market advice.

- 3.20 Action 8. With regard to this Action Plan, the theme to promote pathways to home ownership is important. The two shared ownership developments at 8(ii) have progressed well and have all been sold.
- 3.21 To build on the success of new build shared ownership developments a report elsewhere on your agenda proposes the introduction of a pilot 'Do It Yourself Shared Ownership Scheme' (DIYSO). This uses the existing housing market to promote shared ownership. In summary, once a person has been assessed against approved eligibility criteria they can choose a property for sale on the open market. Once the Council has approved the valuation, it purchases the property and sells a share back to person on a shared ownership lease .
- 3.22 Action 10. West Midlands Combined Authority (WMCA). The Council is working closely with WMCA, both to secure funding and to contribute to regional policy development through the 'Housing and Land Steering Group'.
- 3.23 The Council has supported the WMCA to make a submission to the Housing Infrastructure Fund for £250m to support the £100m Land Remediation fund to bring forward a pipeline of new housing across the region.
- 3.24 As part of the WMCA Devolution Agreement the Council secured investment of £288m for a UK Central Infrastructure Growth and Development Investment Plan alongside investment for the UKC HS2 Interchange Station package.
- 3.25 To access funds from WMCA the Council must progress projects through its Assurance Framework. The first stage is to submit a Strategic Outline Case (SOC) which then enables projects to draw down on resources and progress to subsequent assessment stages.
- 3.26 The Council submitted 12 projects as 'SOC, Phase 1' in July 2017. Phase 2 sets out a programme of a further 11 projects, which coordinate with Phase 1 projects to ensure that the full economic growth potential of UK Central is realised. A detailed progress report was provided to Cabinet on 12 July 2018 in respect of the Council's Growth and Development Plan and the 11 projects. SOC Phase 2 is now approved.
- 3.27 With regard to this Action Plan the two significant approved projects are,
- Solihull Town Centre Development and Investment. This aims to maximise redevelopment opportunities to deliver mixed tenure housing opportunities, new Grade A office space and help improve and safeguard the retail and leisure offer
  - Accelerating Housing Delivery Utilising Solihull Assets. This application aims to maximise the residential development opportunities in Solihull to deliver mixed tenure housing schemes utilising Council land. This is in two parts; bringing forward housing sites that are not dependent on the draft Local Plan adoption and – the larger part - those that are.

#### **4. What options have been considered and what is the evidence telling us about them?**

4.1 The Action Plan is wide ranging. The third action in the approved Plan will make recommendations about alternative options for delivery.

#### **5. Reasons for recommending preferred option**

5.1 The Action Plan is realistic and ambitious. It covers direct delivery (actions 1, 3 and 7), policy (actions 2 and 10), location specific considerations (actions 4, 5 and 6) and promotion of home ownership (actions 8 and 9).

5.2 The Action Plan is guided by the following objectives,

- Ensuring the delivery of a wide range of affordable homes for rent and shared ownership across the borough through a range of providers.
- Contribution to, and consistency with, major Council projects – such as the Local Plan and UKC (actions 2, 4 and 5)
- Delivering the right housing to meet local housing needs – where the Council has a land interest, there is the potential to deliver more affordable homes than the standard planning policy approach requiring 40% of homes to be affordable (action 3)
- Promoting home ownership opportunities by a variety of routes (actions 8 and 9). This includes promoting shared ownership and other initiatives
- The role of housing in contributing to economic growth – at Solihull Town Centre and the UKC Hub area, for example (actions 4 and 5)
- Growing the Council's housing stock through social/affordable rent and shared ownership (action 7)
- Diversifying housing and maximising inward investment to promote housing delivery – in particular the potential to attract long-term institutional capital into local housing delivery to deliver 'Build to Rent' (actions 4, 5 and 9).

#### **6. Implications and Considerations**

6.1 Delivery of key themes in the Council Plan:

- Improve Health and Wellbeing -
- Managed Growth -
- Build Stronger Communities -
- Deliver Value -

6.2 One of the Key Programmes supporting the implementation of the Council Plan 2018-

2020 is the development and initial delivery of a 'strategic housing framework'. Delivery of this Action Plan is an important component of this work.

- 6.3 More broadly, the proposed Action Plan is relevant to the emerging Local Plan and to the development of thinking on residential development at Solihull Town Centre and the UKC Hub area.
- 6.4 Implications for children and young people, vulnerable groups and particular communities:
  - 6.4.1 No immediate implications as a result of this report but the proposed developments will help meet housing need for local people and have a positive impact.
- 6.5 Consultation and Scrutiny:
  - 6.5.1 Before the Action Plan was devised, Scrutiny Board received reports on strengthening the delivery of and access to housing at their meetings on 9 November 2016 and 11 January 2017.
  - 6.5.2 The Action Plan at Appendix A was approved by Cabinet Member Environment and Housing in March 2017 having previously been circulated to members of the Scrutiny Board for comment.
  - 6.5.3 In November 2017 Scrutiny Board were invited to review progress made on the Affordable Housing Delivery Action Plan.
  - 6.5.4 Potential changes to the Local Plan affordable housing policy have been consulted upon through the Supplementary Consultation.
- 6.6 Financial implications:
  - 6.6.1 There are no financial implications as a direct result of this report. It is important to note however that one of the challenges in delivering affordable housing is that it requires capital subsidy. This can come from Homes England, Solihull Council or a reduction in the land value.
  - 6.6.2 The consultancy provided through the LGA 'Housing Advisors Programme' is at nil cost to the Council.
- 6.7 Legal implications:
  - 6.7.1 None as a direct result of this report.
- 6.8 Risk implications:
  - 6.8.1 The main implications relate to land and funding availability. The performance of the local and national economy is also important with regard to private investment confidence.
  - 6.8.2 With regard to specific schemes done by SCH on behalf of the Council, a risk register is maintained for all new build housing schemes.

## 6.9 Statutory Equality Duty:

### 6.9.1 None as a direct result of this report but,

- There are equality benefits in providing good quality, affordable homes for local people
- Social and affordable rented homes are let through the Council's approved Housing Allocation Scheme. This Scheme was approved in 2014 and had an equalities impact assessment
- Specialist and supported housing helps older people and those with disabilities. Generally It is important that housing delivery works with care commissioning services so that suitable housing is provided to people with support needs.

## 7. List of appendices referred to

### 7.1 Action Plan – Appendix A.

## 8. Background papers used to compile this report

### 8.1 None.

## 9. List of other relevant documents

### 9.1 None