

Cabinet

10 December 2020

Warwickshire County Council and Homes England Land Development Scheme(s) Pilot Working Arrangement

Recommendations

That Cabinet:

- 1) Approves Warwickshire County Council entering into a pilot arrangement on the basis set out in this paper ahead of a potential future collaboration agreement with Homes England.
- 2) Authorises the Strategic Director for Resources to enter into the pilot arrangement on terms and conditions considered acceptable to him.

1. Key Issues and Background

- 1.1. This report is about considering entering into a Homes England pilot working arrangement ahead of a potential future wider collaboration agreement. By entering into this pilot arrangement with Homes England, Warwickshire County Council will benefit from the expertise, influence and resources that Homes England bring to house building and regeneration. Homes England have land, skills, and national experience of delivering at a regional and local level, across a range of funded programmes that Warwickshire can access from an improved position of understanding as part of this pilot, which is the first of its type by Homes England with a council in England.
- 1.2. We anticipate that Warwickshire County Council will be able to deliver more houses faster as a result of this pilot, and if successful for both sides the pilot could develop into a future collaboration agreement between Warwickshire County Council and Homes England which Homes England will also consider for national roll out.
- 1.3. If this report is approved, Warwickshire County Council will be the first council in the country to test the potential for a Homes England land development

collaborative working scheme. If successful, Homes England could be a significant partner in delivering the regeneration plans across Warwickshire.

- 1.4. At its meeting in June, Cabinet considered the scope of the Warwickshire place-shaping programme. Place shaping priorities are part of the Warwickshire County Council Covid – 19 Recovery Plan. This report builds on the two underpinning policy initiatives of the Warwickshire Property and Development Company and the Warwickshire Recovery and Investment Fund (both considered at the October Cabinet as policy delivery vehicles) in making things happen for the benefit of Warwickshire residents and business.
- 1.5. In October Cabinet agreed the business case, including the economic and financial case, for Warwickshire County Council to set up a Warwickshire Property and Development Company. The pilot with Homes England proposed in this paper forms part of the strategic policy delivery answers in the economic recovery plan of Warwickshire.
- 1.6. The place shaping programme is intended to support the Place, Economy and Climate objectives of the Council's Recovery Plan. This agreement pushes forward again in preparing for our housebuilding programme that will be considered as part of the WPDC Business Plan at Cabinet in January 2021.
- 1.7. There are many benefits in this pilot arrangement and some significant example benefits of this scheme are:
 - Homes England free **assessment and advice** on the options and most appropriate way to progress regeneration schemes
 - Homes England **dedicated specialist resources** (paid for) if needed to progress schemes within the pilot
 - Early **engagement on funding options** for Warwickshire's regeneration plans including those where Homes England investment and grants could be part of funding these schemes
 - **Additional credibility** in engaging with the house building market
 - Advice in considering **modern methods of construction** (MMC) and **environmental** housebuilding (Homes England design guide 2020)
 - Delivering **more homes faster** for our residents

1.8. Homes England have the specialist resources that the Council could utilise directly or through the Warwickshire Property and Development Company (WPDC) to help deliver some, or indeed a significant number of our developments, if this pilot is successful. It is probable that the pilot schemes (s) will be chosen from the WPDC Business Plan that will be subject to Cabinet approval in January. This early engagement with HE will help ensure that the Warwickshire County Council and the WPDC has regional advice from a national perspective on some of the possible range and number of pilot development(s) it is required to deliver for Warwickshire County Council.

2. Strategic drivers for place shaping

2.1 At the September meeting Cabinet approved the Warwickshire County Council Covid -19 Recovery Plan. This report directly relates to two of these priorities, namely:

- (i) **Invest in regeneration and a sustainable future:**
Invest in the regeneration of local areas, support housing growth, a fit for the future digital infrastructure and sustainable transport.
- (ii) **Support business and grow the economy:**
Build confidence in local businesses. Re-purpose town centres and create the conditions for business innovation and investment to drive economic growth.

2.2 The Council is laying the foundations for the future work included the following initiatives:

- (i) To support the recovery of our local economy and the recovery of our town centres we will propose the creation of a Warwickshire Property Company.
- (ii) We will develop a proposal for a Warwickshire Recovery Investment Fund and progress other capital investment to support the recovery of our local economy.

Working on this pilot with Homes England, will help remove the blocks that have prevented some sites in Warwickshire from being developed. It will help provide more market and affordable housing through area regeneration schemes to deliver on the housing needs of Warwickshire, and support the recovery of our local economy.

2.3 The main strategic drivers for place shaping were set out in the previous June Cabinet report and are below.

- Economic recovery
- Rural growth and town centres
- Sustainability
- Sustainable transport
- Housing
- Area regeneration
- Commercial and investment
- Digital and 5G
- Health and well-being

2.4 It remains imperative for organisations to work together to deliver better outcomes for residents and business. Collaboration on place shaping will need to combine local place shaping responsibilities and activity by district and borough councils, and the strategic, county-wide focus of Warwickshire County Council, all within the context of the regional economic priorities of the West Midlands Combined Authority, the Coventry & Warwickshire Local Enterprise Partnership and the One Public Estate Connecting Warwickshire partners programme.

2.5 The County Council recognises that it cannot deliver on this place shaping activity alone. As set out above, to deliver maximum outcomes for Warwickshire, it needs to work with partners across the breadth of public sector delivery from a local level, involving district and borough councils and health partners, through to a national level, leveraging the scale, regeneration experience and resources that a national body such as Homes England can bring. In the light of this, Council officers engaged with Homes England to explore whether a pilot test arrangement ahead of a potential form of collaboration was viable and would allow us to test how such collaboration agreements may help Homes England achieve its objectives whilst at the same time supporting the council's wider place shaping ambitions.

2.6 This proposed new pilot ahead of a potential countywide collaboration with Homes England will have the objective to unlock major regeneration scheme(s) to ensure that homes are designed and delivered in an environmentally friendly way. This will deliver new housing, jobs and help us contribute to the objective of a carbon net zero economy by 2050.

2.7 The intention is to work together to speed up and unlock stalled sites to deliver homes in Warwickshire, including looking at modern methods of construction. This agreement will bring forward developments across the County and deliver much needed homes for residents and those who decide

to relocate and/or begin their adult careers and lives here. Affordable, quality homes will be key considerations as we progress schemes.

3. Homes England Agreement

- 3.1 Homes England is the Government's 'housing accelerator' (the national organisation established to build more homes more quickly). It is a non-departmental public body, sponsored by the Ministry of Housing, Communities and Local Government.
- 3.2 Its role is to drive positive change in the delivery of housing numbers. Homes England run things such as the 'Help to Buy' scheme and the affordable housing programme. It also looks after surplus government land and prepares this land for development in addition to running a government bank. There are many funding programmes operated by Homes England that could benefit Warwickshire.
- 3.3 Homes England has already commenced work informally with Warwickshire on the Transforming Nuneaton project ahead of agreeing this pilot in anticipation of the pilot being signed off at their Land Committee. That agreement for Warwickshire to be a pilot has been agreed at HE's Land Project Committee on 2nd December. Warwickshire are the first local authority in the country to pilot this type of land development arrangement with Homes England. Homes England will then consider further roll out across the country subject to success and resources. This agreement has come about because Warwickshire County Council and Homes England welcome partners who have a shared ambition to challenge traditional norms and build better homes faster for the benefit of our residents and their families.

It will be helpful in attracting potential joint venture partners should the Council decide to progress this option.

- 3.4 The purpose of this pilot with Homes England is to work jointly to promote, develop, and implement the delivery of project (s) involving land and assets in the ownership or control of the Council. This will support the Council's wider strategic objectives to make Warwickshire the best it can be, and to support the Council and its strategic partners achieving their individual and collective objectives. So over time this could be developed to help other public bodies. WCC is the pilot. That comes with benefits and also means we will encounter the issues for others to learn from.

- 3.5 Homes England have an ambition, working with the County Council to:
- Deliver developments which attract positive UK wide attention for their quality of design and sustainability
 - Develop each opportunity to increase the standard provision for energy, water conservation, recycling and reduced carbon outputs.
 - Strive to establish an environmental and renewable energy strategy which helps to define each scheme.
 - Ensure that housing is supported by suitable employment opportunities and that community infrastructure is provided at the appropriate time to ensure that the community can grow.
- 3.6 The work being undertaken to set up a Warwickshire Property and Development Company (WPDC) will mean that those sites identified in the business plan for the WPDC to progress, have the additional option of utilising this Homes England pilot where both parties agree to do so, to accelerate the delivery of homes for our residents and people who move to Warwickshire. This would bring significant economic benefits to Warwickshire particularly if the pilot is successful and then builds to a full collaboration agreement.
- 3.7 If successful and extended across the whole County, it is intended that this agreement will bring forward developments and unlock existing developments at a faster pace and deliver much needed homes for the residents of Warwickshire and those who decide to relocate and/or begin their adult careers and lives in Warwickshire. Affordable, quality homes will be key considerations as the Council progresses schemes with Homes England. The Council will also look at ways to help enable our residents to afford homes in Warwickshire.
- 3.8 The signing up to this pilot agreement is a statement of intent by the County on the importance it attributes to delivering homes for its residents. The Council values the views and feedback of its residents and will engage with residents from our local communities as well as partners, such as the district and borough councils and other public bodies, on how we devise and progress schemes.
- 3.9 The County Council will work within the requirements of local plans, including any changes that result from the planning reforms and potential planning white paper.
- 3.10 WCC and HE are working to finalise the pilot arrangement which will be a non-binding agreement between the two organisations aimed at cementing a

relationship of mutual cooperation that will provide benefits for Warwickshire and help HE achieve its goal of increasing and improving affordable and market housing stock across the country. This is testing ahead of any potential wider Warwickshire County wide collaboration agreement and further roll out nationally.

- 3.11 Whilst both sides will work to make this successful the pilot will not bind either party to liaison over every scheme within Warwickshire but is intended to provide a mechanism for closer working and the leveraging of mutual benefits where sensible. It is important that this relationship does not fetter either organisation in the carrying out of its wider statutory duties.
- 3.12 Sites and projects identified for closer working between the organisations will have governance arrangements created to facilitate this working and it is intended that project development arrangements will involve communities, district and borough colleagues and Warwickshire members alongside our wider partner agencies in health, LEPs etc. Those arrangements will by their nature need to be relevant and specific to each project.
- 3.13 Should a wider collaboration agreement be the outcome or not, WCC will still bring forward schemes approved through Cabinet for regeneration and test a number of delivery options including help from HE but there will be other ways to progress each scheme and the Council will consider the range of options ahead of any commitment, taking on board the partner resources available to deliver our schemes.

4 Financial Implications

- 4.1 There are no direct financial implications from this report.
- 4.2 The financial arrangements of any additional help, after initial assessment advice, provided by HE will be agreed on a scheme by scheme basis and form part of the scheme financials. Alternative options and value for money in delivering schemes will be part of this consideration. Examples of additional help could be in the form of dedicated resource time or land.

5 Environmental Implications

- 5.1 The environmental case for more sustainable homes is clear. Part of the agreement will be to help deliver designs that build in healthier lifestyles. Designs will consider active travel, carbon reduction and mixed tenure into our developments. We will look at ways to build homes with an emphasis on

walking, cycling and better public transport in line with Homes England's design guidance for new developments.

- 5.2 This proposed new pilot with Homes England to unlock ten major regeneration schemes will help ensure these homes are designed and delivered in an environmentally friendly way. This will deliver new housing, jobs and help us contribute to the objective of a carbon net zero economy by 2050.
- 5.3 There are direct environmental implications as a result of the decisions set out in this report through both organisations strong commitment to the environment, and the detail of these will be worked up in detail within the work on the pilot schemes. For each project taken forward the business case will include an assessment of the environmental implications and these will be considered explicitly as part of the relevant decision-making processes.
- 5.4 The Warwickshire Property and Development Company could also be used in investigating the potential of installing solar panels on small holding farms to increase the use of low and zero carbon
- 5.5 There will be opportunities to drive climate change benefits and look at carbon neutral and low carbon initiatives as part of this work. These will form part of each initiative in more detail.

6 Risk, Interdependencies and Constraints

- 6.1 It is important for all parties to development activity to appreciate the risks that come with the rewards. WCC is mindful of those risks and has a robust process in place to consider and mitigate risk in its project development, consideration and delivery. This approach will be mirrored in the relationship with HE and risk will also be a key consideration for the schemes that utilise this pilot arrangement. Programme and individual project risks will be identified and managed throughout the development of the schemes.

7. Background Papers

None

8. Supporting Papers

Warwickshire Property and Development Company and Warwickshire Recovery and Investment Fund May and October 2020 Cabinet papers; September 2020 Warwickshire County Council Covid – 19 Recovery Plan.

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The report was circulated to the following members prior to publication:

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