

Housing and Infrastructure Board 07 December 2021

Strategic Housing Issues

Is the paper exempt from the press and public?	No
<i>Reason why exempt:</i>	Not applicable
Purpose of this report:	Discussion
Is this a Key Decision?	No
Has it been included on the Forward Plan?	Not a Key Decision

Director Approving Submission of the Report:

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Executive Summary

To provide an update on strategic housing issues in South Yorkshire and discuss potential future collaborative priority actions.

What does this mean for businesses, people and places in South Yorkshire?

Setting out the current position and actions being taken by the SYMCA and the 4 LA members on strategic housing issues will give the Board an opportunity to comment and guide the future activity on these issues.

Recommendations

The Board is asked to:

- Note and comment on the strategic housing issues in South Yorkshire and ongoing and emerging collaborative work in these areas.

Consideration by any other Board, Committee, Assurance or Advisory Panel

N/A

1. Background

- 1.1 A Housing Review was undertaken by the consultant ResPublica in 2020, and the draft recommendations were considered by the Housing and Infrastructure Board in October 2020. The review identified a range of strategic housing issues in South Yorkshire, which still remain relevant today and can be captured broadly under six key headings:
- **Place-making** – creating great places to live with more socially and economically integrated communities to build
 - **Densification** – making the growth of urban centres and ‘growth nodes’ a clear strategic focus
 - **Affordability** – building at scale and achieving affordable housing targets to address current and future needs
 - **Quality of Homes** – addressing the issue of quality and energy efficiency in the housing stock, including enhancing urban design
 - **Housing Retrofit** – delivering housing decarbonisation to achieve net zero and address fuel poverty.
 - **Innovative Finance Mechanisms** – developing new ways to fund new homes and the upgrading of homes at scale
- 1.2 Although the pandemic has impacted on delivery over the previous 18 months, progress has been made in several areas, and there are opportunities to explore further collaboration on key strategic housing issues. The views of the Board are invited on priorities for potential future collaborative action.

2. Key Issues

- 2.1 **Place-making**
‘Economic Blueprints’ are being developed with local authorities and other bodies for each of the eight SEP ‘Growth Areas,’ and include details of the package of housing and infrastructure schemes required to deliver growth and regeneration over the next ten years and beyond. The Growth Areas comprise the four urban centres of Barnsley, Doncaster, Rotherham and Sheffield, as well as Goldthorpe, Unity, Advanced Manufacturing Innovation District, and Gateway East at the Doncaster Sheffield Airport. The Blueprints are informing the MCA Investment Strategy and are being informed by Town Deals in several areas.

Master planning of other urban centres is also being undertaken by local authorities that will similarly inform future local and strategic policy and investment.

- 2.2 **Densification**
Local Authorities in South Yorkshire have set out their development priorities in Core Strategies and Local Plans. In all cases the intention is to concentrate housing development in existing urban areas with a particular focus on town and city centres. Densification is therefore embedded in Local Plan policy across South Yorkshire to help promote regeneration and protect sensitive areas from development.

Densification in urban areas largely means the development on brownfield sites or through building conversions. The MCAs £40m Brownfield Housing Programme therefore is focussed on supporting the development of brownfield sites and buildings within the key urban centres. Work continues with local authorities and other bodies to identify further brownfield housing schemes that support new urban housing.

2.3 **Affordability**

Work is currently underway with Homes England and regional groups to increase engagement and support Housing Associations in delivering more affordable housing across South Yorkshire:

- A South Yorkshire Housing Prospectus is being prepared to present an offer, particularly from Housing Associations, for consideration by the Board in the new year. It has been prepared by the South Yorkshire Housing Providers Forum and aims to set out long term commitments for joint working to increase affordable housing delivery.
- Homes England is also preparing a South Yorkshire Affordable Housing Questionnaire to consult local authorities, housing providers and other housing delivery bodies to gather updated intelligence about barriers to housing development being experienced through the pandemic and proposals to address these. The results will be reported to the Board.

2.4 **Quality of Homes**

The existing South Yorkshire Residential Design Guide from 2011 is now out of date but is still regularly used by Local Planning Authorities. There has been widespread support to update the Guide and scoping work to refresh the Guide is being led jointly by the Heads of Planning and Housing Directors.

Modern Methods of Construction (MMC) has the potential to contribute to the future quality and affordability of homes. The 'MMC Ecosystem and Opportunity Report' commissioned in 2020 looked at the estimated size of the future MMC market, particularly on its increasing potential contribution to housing growth, as well as its impact on the regional economy and job creation. Developing a South Yorkshire MMC approach by implementing the report recommendations was paused due to the pandemic and capacity limitations but could be relooked at as part of collaborative action.

Selective landlord licensing is currently being implemented by Local Authorities to address local needs. Housing Directors are currently considering whether there could be opportunities for landlord licensing to help address net zero / housing quality challenges.

2.5 **Housing Retrofit**

There is widespread recognition that housing retrofit is not only essential to achieve net zero targets (existing homes are responsible for a third of total carbon emissions), but also can protect vulnerable households from fuel poverty; as well as supporting economic growth, local SME supply chains, and providing skilled well-paying 'green sector' jobs.

£6.4m funding has been secured from the Government's Local Authority Delivery (LAD) domestic retrofit programme to deliver housing retrofit schemes to vulnerable households in three of the four South Yorkshire districts, and there will be further funding opportunities in expected future rounds. The MCA has also allocated £2.7m for a domestic retrofit and housing decarbonisation project in Doncaster.

MCA Executive and Local Authority Energy leads are collaborating to share knowledge and learning from these programmes. There may be further opportunities to more closely align programmes to scale up delivery over a longer period of time.

2.6 Innovative Funding Mechanisms

Building on the existing devolved housing funding to MCA for brownfield housing, early discussions are taking place with Homes England regarding potential future new co-investment funding models. This will include exploring reinvestment funding models as well as potentially ways in which private investment can be better leveraged at scale.

3. Options Considered and Recommended Proposal

3.1 Option 1

Continue to develop projects in response to opportunities as they arise.

3.2 Option 1 Risks and Mitigations

The key risk of this approach is that there is no coherent strategic approach being considered for identifying and developing collaborative opportunities for delivering the housing and related place priorities and ambitions of the SEP. This could therefore lead to duplicated work and resources in different parts of South Yorkshire; missed opportunities for collaboration where it benefits all parties; under developed housing propositions which do not take advantage of shared knowledge and experience, and economies of scale; and also lead to less funding and investment in housing and related infrastructure regionally.

3.3 Option 2

Promote greater collaboration on the range of strategic housing issues set out in this report, where additionality and greater benefits can be demonstrated.

3.4 Option 2 Risks and Mitigations

The key risk of this approach is securing commitment by all relevant partners to exploring collaborative options, and also identifying sufficient funding and resources to take forward new ideas and approaches to deliver on strategic housing opportunities.

3.5 Recommended Option

Option 2 as a more progressive way to address significant housing challenges and maximising collective resources to deliver greater overall benefits.

4. Consultation on Proposal

4.1 The housing issues and propositions for collaborative working set out in the report have been identified in liaison with South Yorkshire Local Authority Housing Directors and Heads of Planning.

5. Timetable and Accountability for Implementing this Decision

5.1 No specific timescales are included in this report.

6. Financial and Procurement Implications and Advice

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

7. Legal Implications and Advice

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

8. Human Resources Implications and Advice

8.1 There are no human resources implications arising directly arising from this report.

9. Equality and Diversity Implications and Advice

9.1 There are no equality and diversity implications arising directly arising from this report

10. Climate Change Implications and Advice

10.1 There are no climate change implications arising directly arising from this report, however positive impacts from a number of the strategic options would be significant.

11. Information and Communication Technology Implications and Advice

11.1 None as a direct result of this report.

12. Communications and Marketing Implications and Advice

12.1 None as a direct result of this report.

List of Appendices Included

None

Background Documents

None