



# **Report of the Assistant Director to the meeting of Regeneration and Environment Overview & Scrutiny Committee to be held on 9<sup>th</sup> January 2019**

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## **Subject:**

**Stimulating and accelerating housing and economic growth.**

## **Summary statement:**

**This is a report provided for information to provide an update on progress made and plans for stimulating and accelerating housing and economic growth.**

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**Portfolio:**  
**Regeneration, Planning and Transport**

**Overview & Scrutiny Area:**  
**Regeneration and Environment**

## **1. SUMMARY**

- 1.1 Housing growth is central to the economic wellbeing and prosperity of the District. A housing offer which meets the needs and aspirations of our residents but is also attractive to investors and employers in making their investment decisions is pivotal to achieving our economic growth ambitions.
- 1.2 In the 2018-19 budget, £500,000 per annum was allocated for three financial years towards stimulating housing and economic growth activity by maximising council assets and drawing on existing skills and leadership to develop a range of activities and interventions. In recognition of the need to take a strategic and planned approach to growth, delivery and spend, approval was received that any unspent monies would roll over year on year.
- 1.3 At the meeting of the Corporate Overview and Scrutiny Committee on 18 July 2018, the Committee resolved that an update on the parameters of the budget allocation be considered by the Regeneration and Environment Overview Scrutiny Committee. This report provides an update policy changes, progress made to date, and future plans for stimulating and accelerating housing and economic growth as well as identifying priority areas for spending the budget allocation.

## **2. BACKGROUND**

- 2.1 The Council is committed to ensuring the supply of homes is the right type and location to meet demand.
- 2.2 The Local Plan Core Strategy for the District (adopted 18 July 2017) sets out plans to ensure sufficient land is identified to meet the district-wide requirement for at least 42,100 new homes in the period up to 2030. This global figure is translated into an annual target of 2,476 net new homes, of which 587 are to be new affordable homes.
- 2.3 The updated National Planning Policy Framework (NPPF) issued in July 2018 brought in significant changes in relation to housing, in particular a new national standardised method for calculating housing need. The Government confirmed following consultation that in the 'short-term' the 2014-based household projections will be used to standardise the method for assessing local housing need. In the longer term the approach will be reviewed. The standardised approach would result in a reduced minimum annual housing need for the District. Using the new standardised method, the annual housing need is estimated to be 1,703 per year with an Affordable Housing Component of 411.
- 2.4 Over this last year, the Council has been consulting with partners and stakeholders to develop a new Housing Strategy for the District; 'A Place to Call Home, A Place to Thrive, Housing Strategy for Bradford District, 2020-2030'. The strategy sets out the vision, priorities, challenges and approach for meeting the housing needs of the residents of the district. It is a high-level strategic document for the Council and its partners to follow when developing and delivering housing policies, plans, and delivery programmes. The housing strategy is partnership-led and jointly owned by the Council and the multi-agency Housing Partnership reflecting that to deliver the objectives requires input and collaboration from a range of partners and

stakeholders to implement successfully. The strategy encourages developers, architects and other partners to sign up to the Council's new design guide, Homes & Neighbourhoods, a guide to designing in Bradford which sets out high quality design and build standards for new and existing homes so partners can create 'green, safe, inclusive and distinct neighbourhoods that create healthy and sustainable communities for all'. It is important that future developments help to contribute to lower carbon emission and that housing growth is well planned and aligned to infrastructure as access to public transport is vital in connecting communities, providing access to jobs and skills opportunities and helping to contribute to a and climate resilient future.

- 2.5 The Government's Housing White Paper, 'Fixing Our Broken Housing Market' was published in February 2017. It recognised the role of local authorities as a deliverer but also an enabler in supporting and accelerating the delivery of housing growth. The White Paper focused on four main areas:
- Building the right homes in the right places;
  - Building them faster;
  - Widening the range of builders and construction methods; and
  - 'Helping people now' including investing in new affordable housing and preventing homelessness.

It envisages that the majority of new building will be carried out by the private sector. The Government is also seeking to diversify the housing market by encouraging development by smaller builders and those interested in embracing innovative and efficient methods of construction.

- 2.6 In the 2017 Autumn Budget the Government announced £15.3 billion new financial support for house building over the next five years in order to deliver 300,000 new homes per annum. House building on this scale has not been delivered in almost 50 years. Since 1939, delivery exceeding 200,000 homes per year in England has only occurred due to local authority house building programmes. Delivery at this pace is a real challenge as the construction industry suffers from poor productivity, an ageing workforce and rising construction costs; all factors that will hamper an increase in scale and pace of delivery.
- 2.7 In October 2019, the Government launched a consultation setting out plans for a Future Homes Standard which will:
- Increase the energy efficiency requirements for new homes in 2020; and
  - Require new build homes to be future-proofed with low carbon heating and world-leading level of energy efficiency by 2025.

### **3. COMMENTARY ON POLICY DEVELOPMENTS, DELIVERY AND SPEND**

#### **Changes to Planning Policy and Implications**

- 3.1 As referenced above, the updated National Planning Policy Framework (NPPF) published in July 2018, brought a range of policy changes.
- 3.2 The adopted Core Strategy sets out an overall housing requirement for the period

2013 - 2030 of 2,476 dwelling per annum or circa 42,100 homes. As a result of the update NPPF, the Council agreed to commence a review of its adopted Core Strategy in 2018 and has produced a Preferred Options document (Regulation 18, July 2019). This sets out updated policy positions with supporting evidence on strategic policies including housing and employment need. The Council's Core Strategy Partial Review (CSPR) Preferred Options sets out a revised minimum housing need of 1703 dwellings per annum over a revised plan period of 2020-37 (28,951 units in total). The housing figure has been calculated using the Government's Standard Methodology. This sets the minimum starting point for assessing the homes needed though Government guidance suggests that Council's should also consider whether there is a need and justification to plan for a higher figure for example relating to economic uplift or strategic infrastructure. At present the Council does not consider that there is a justification for a figure higher than this minimum.

- 3.3 The CSPR contains a number of headline themes, which are partially reflective of the changing wider policy and environmental context to plan-making. These include:
- Balancing growth while protecting local assets – reduced but ambitious minimum housing target and a lower level of Green Belt release – reflective partially of Government's heightened emphasis on the protection of Green Belt;
  - Investing in regeneration opportunities – maximising opportunities for major transport investment and making the best use of neighbourhood renewal opportunities;
  - A greener and healthier place – reducing air pollution and our carbon footprint – investing in green infrastructure, biodiversity, walking, cycling and cleaner public transport to help deliver more liveable and healthy places;
  - Supporting jobs, training and skills development – growth of at least 1600 jobs per year plus support for skills, development and training and the delivery of the right high-quality employment spaces in the right locations; and
  - Driving high quality housing and place-making – making a step change in the quality of housing and place-making.
- 3.4 Another key aspect of the policy changes is the Housing Delivery Test (HDT) which was introduced by the updated National Planning Policy Framework (NPPF) in July 2018. The test assesses the number of homes built in local authority areas over the previous three years and compares these against the local housing requirements for the same period.
- 3.5 The first set of results of the HDT were published in February 2019<sup>1</sup>. The Bradford District scored 76%<sup>2</sup> with an under delivery of 1,268 homes over the last three years (this represents the gap between the number of homes required (5,305) and the number of homes delivered (4,037)). The results as published are set out in the table below:

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<sup>1</sup> Housing Delivery Test: Measurement MHCLG, 19<sup>th</sup> February 2019

<sup>2</sup> It is noted that the office MHCLG 'net additional dwellings' live tables for year 2015/16 has an inaccurate net completion figure of 907. Although the Council has tried to have this changed to the correct figure of 1,338 net completions the figure of 907 remains on public record and has therefore been included for the purposes of the Housing Delivery Test Action Plan.

Number of homes required			Number of homes delivered		
2015 -2016	2016 -2017	2017 -2018	2015 -2016	2016 -2017	2017 -2018
1,862	1,870	1,573	907	1,488	1,642
<b>5,305</b>			<b>4,037</b>		

- 3.6 As a consequence, there was a requirement for the Local Planning Authority to prepare a Housing Delivery Test Action Plan (HDTAP) to set out actions to improve housing delivery within the District in light of the HDT results.
- 3.7 In August 2019, the council published its Housing Delivery Test Action Plan. This identified potential barriers to housing delivery in the District and actions / proactive steps to address obstacles and promote delivery. Research undertaken in preparing the action plan involved engagement with volume housebuilders, Registered Providers, SMEs and intermediaries who contribute to our housing supply in order to gain an understanding of the key factors influencing delivery across the District. The feedback received, combined with our internal knowledge of local sites, land and development activity and housing context has aided identification of the issues and barriers to delivery and the actions required to overcome them. This represents an important piece of work in taking a more proactive and collaborative approach to delivery and growth. The actions will help to ensure that our future housing needs can be met, and that our economic growth ambitions will be supported through the provision of new, quality housing.
- 3.8 A link to the published document is below:  
<https://www.bradford.gov.uk/planning-and-building-control/planning-policy/evidence-base/?Folder=Housing\Housing+Delivery+Test+Action+Plan>

### Performance against housing delivery targets

- 3.9 The table below sets out the District's net housing delivery over recent years against the adopted Core Strategy and the proposed target captured within the CSPR Preferred Options:

Financial Year	2015-16	2016-17	2017-18	2018-19
<b>Net New Homes Delivery</b>	907	1488	1642	1614
<b>Target (Adopted Core Strategy)</b>		2,476		
<b>Proposed Target (CSPR Preferred Options)</b>		1,703		
<b>Affordable Homes Delivery</b>	121	229	334	290
<b>Target (Adopted Core Strategy)</b>		587		
<b>Proposed Target (CSPR Preferred Options)</b>		411		

- 3.10 In particular, it is notable that the affordable housing delivery is significantly lower than current and proposed target. There are a range of factors influencing affordable housing delivery. Most notably, the [Welfare Reform and Work Act 2016](#) required registered providers of social housing in England to reduce social housing rents by 1% a year for 4 years from April 2016. This comes to an end in April 2020 but has impacted social landlords' finance and income streams thereby affecting

their ability to develop new homes over the last 4-5 years.

- 3.11 An undersupply of new affordable housing is not unique to Bradford. Comparisons to other West Yorkshire Local Authorities demonstrate that the delivery of affordable housing falls some way short of the target regionally.
- 3.12 One of the key challenges is tackling housing growth in areas where standard volume house builders have not been active – primarily brownfield urban areas, often requiring more regeneration related interventions.
- 3.13 Further, the Council's most recent 5 Year Housing land Supply Statement published in March 2019 covering the period 2018-23 indicates that the 5-year deliverable supply stood at 2.06 years or 7,421 dwellings.

### **Growth monies – Spend and Future Plans**

- 3.14 Housing plays a critical role in contributing to the sustainable growth of the district. A housing offer which meets the needs and aspirations of our residents but is also attractive to investors and employers in making their investment decisions is pivotal to achieving our economic growth ambitions which were set out in the District's Economic Strategy, 'Pioneering, Confident and Connected', which was launched in Bradford and London in March 2018.
- 3.15 In the 2018-19 budget, £500,000 per annum was allocated for 3 financial years towards stimulating housing and economic growth activity by maximising council assets and drawing on existing skills and leadership to develop a range of activities and interventions. In recognition of the need to take a strategic and planned approach to growth, delivery and spend, approval was received that any unspent monies would roll over year on year.
- 3.16 The Principal Housing Development Manager role was recruited to in April 2018 to drive the growth agenda forward. The appointment coincided with significant challenges and delays on the Council new build programme resulting in short term reduced capacity to drive this agenda forward. Some key areas of progress have however been made over the last year, which will set the foundations for future activity and intervention to ensure the best use of the funds in terms of delivery outputs.
- 3.17 Housing Pipeline using Council Surplus Sites  
The Council can play an important role in supporting and enabling new development delivery and economic growth by using its land supply and at the same time support a range of policy priorities such as the need for affordable housing, housing to meet the needs of a particular client group or providing new, suitable accommodation for business use.
- 3.18 To this end, a comprehensive review of sites in council ownership that have been declared surplus to requirements is underway. This will be utilised to develop a pipeline of sites suitable for housing to enable us to take a strategic approach to land and assets; one that ensures best use of land to meet our strategic objectives and prioritises and maximises housing outputs.

- 3.19 This will include assessing the merits of packaging sites for disposal and development i.e. where some sites are deemed to attract higher risk in terms of demand, values or ground conditions to be packaged with less challenging sites. This will also include activity to de-risk sites by undertaking more intrusive ground investigations or site enabling works in order to accelerate delivery and/or maximise the capital receipt.
- 3.20 Housing Delivery Test Action Plan (HDTAP)  
As set out earlier in the report, the council published its HDTAP. This was a significant piece of work which involved engagement with volume housebuilders, Registered Providers, SMEs and intermediaries who contribute to our housing supply in order to gain an understanding of the key factors influencing delivery across the District. This research combined with our internal knowledge of local sites, land and development activity and housing context has helped us to identify potential barriers to housing delivery in the District and actions / proactive steps to address obstacles and promote delivery. This represents an important and pivotal piece of work in taking a more proactive and collaborative approach to delivery and growth. The actions will help to ensure that our future housing needs can be met, and that our economic growth ambitions will be supported through the provision of new, quality housing.
- 3.21 Business Development Zones  
Under the adopted Core Strategy the Council has a requirement to identify 60 Ha of employment land across the district to satisfy the jobs growth anticipated over the next 15 year plan period. Recognising this is a significant amount for a district with very few large sites suitable for employment we have commissioned area assessments of four principal traditional employment areas of the district; one in Bradford, one in Shipley and two in Keighley to assess existing employment areas and reuse land which is underperforming and make the areas attractive for further investment.
- 3.22 The purpose of the studies is to identify opportunities within each of the study areas where early intervention could bring forward redevelopment of existing, but underutilised or poor quality sites and consider redevelopment / expansion of existing premises to maximise site utilisation. The sites and premises could be redeveloped to meet current demand and reduce pressure on potential green belt allocations.
- 3.23 The studies will also look at how wider improvements across the zones such as to transport links, parking, streetlighting and general environmental improvements could be undertaken to make the areas attractive for business and lead to an increase in investment from the business community. These studies / masterplans will help us to engage with business throughout the district to ensure their future needs for additional business accommodation are satisfied.
- 3.24 Future spend will relate principally to addressing the actions set out in the HDTAP and the implementation of a multi-disciplinary team; bringing together knowledge and expertise of housing delivery from a range of disciplines, acting as a single point of contact for developers, providers and investors and funders.
- 3.25 Initial consultation has taken place with unions and services who will be contributing

staff resource. The team will fulfil facilitation and enabling role in the delivery of housing; promoting a more agile approach and identifying opportunities for intervention and collaboration. It will also provide an opportunity to wrap a team around key priorities and drive forward strategic schemes. Key priorities moving forward will be:

- Implementing, monitoring and reviewing the actions set out in the HDTAP published summer 2019;
- Proactive management of the council's surplus land bank under the Surplus Sites Strategy, including packaging and de-risking sites where appropriate;
- Identifying stalled sites of strategic significance and engaging with land owners, developers and applicants to unlock or accelerate delivery by developing bespoke solutions with a view to bringing forward construction (signposting to funding opportunities or brokering dialogue between the landowner/developer and funding bodies);
- Identifying joint venture opportunities with private development partners;
- Maintaining accurate and current intelligence on land availability and development activity across the district; and
- Maintaining effective and collaborative relationships with key strategic partners, in particular Homes England and WYCA (West Yorkshire Combined Authority) and maximising funding streams.

3.26 In addition to the above, the team are working up a proposals to:

- Masterplan future housing development capacity focussed on the District's key train stations / transport hubs in order to maximise the recognised economic and social benefits for communities positioned within close proximity to such strategic public transport networks. Great connectivity is paramount to housing; connecting communities and aligning housing to transport hubs gives access to jobs and skills opportunities across the City Region and beyond enables an agile and mobile workforce, not to mention contributing to a lower carbon, climate resilient future.
- Work closely with land owners and developers of a short list of key heritage properties in the District (particularly those that align with key strategic regeneration priorities) to enable their future remediation and redevelopment for appropriate economically viable uses.
- Assist and enable the continued delivery of key strategic regeneration schemes including the City Village, New Bolton Woods, Business Development Zones and Crag Road. As an example, Bradford City Centre is a priority regeneration area as identified in the City Centre Area Action Plan and has been identified as an area for significant economic and housing growth as identified in the Local Plan. In particular, The City Village has been identified as a strategic priority with the opportunity to deliver up to 1,000 new homes; providing a unique opportunity to diversify the residential offer in Bradford's city centre and act as a catalyst for change and regeneration through a residential-led whole life development. The City Village provides an opportunity to repurpose the urban centre; creating a new residential neighbourhood that will be a mix of conversions, new build and living above the shop. Establishing a city centre community in this area will not only provide much need evening footfall within the traditional day time retail area, but also a customer base for the businesses in the area. A master delivery plan has been developed to revitalise the area and improve its connectivity to the rest of the city centre through the creation of a vibrant and attractive urban village environment with green healthy streets and public spaces, homes,

- independent shops, cafes, bars and business spaces built on high quality and sustainable principles.
- Commission localised housing market assessments to complement and supplement the Strategic Housing Market Assessment, providing a robust evidence base on which to make informed decisions about future housing provision in terms of both market and affordable housing delivery, number of bedrooms required and affordable housing tenure.
- A revitalised approach to Section 106 obligations and the use of commuted sums in the sense of playing a more pro-active role in ensuring the delivery of affordable housing meets the District's needs and the deployment of commuted sums. Section 106 obligations can be used to:
  - restrict the development or use of the land in any specified way,
  - require specified operations or activities to be carried out in, on, under or over the land,
  - require the land to be used in any specified way; or
  - require a sum or sums to be paid to the authority on a specified date or dates or periodically.

#### **4 FINANCIAL & RESOURCE APPRAISAL**

- 4.1 In the 2018-19 budget, £500,000 per annum was allocated for 3 financial years towards stimulating housing and economic growth activity. In recognition of the need to take a strategic and planned approach to growth, delivery and spend, approval was received that any unspent monies would roll over year on year.
- 4.2 Whilst to a large extent, the skills and resources for the multi-disciplinary team already exist across the Council, an opportunity has been identified to participate in an Apprenticeship Programme with the Leeds College of Building and the University of Salford. This would bring some vital additional technical resource by way of an Apprentice Technician and an Apprentice Development Surveyor, releasing some existing professional capacity, helping to ensure appropriate succession planning arrangements are in place and at the same time contributing to the Council's apprenticeship targets. To date, a suitable candidate has not been identified so alternative apprenticeship options are being considered.
- 4.3 Other areas of expenditure include work to review the council's land holdings in order to identify a pipeline of sites suitable for housing development as well as maximising their value in terms of housing outputs and capital receipts by de-risking sites through more detailed ground investigations thereby providing more certainty to the market during the disposal process.

#### **5. RISK MANAGEMENT AND GOVERNANCE ISSUES**

- 5.1 There are no significant risks or governance issues arising from this report.

#### **6. LEGAL APPRAISAL**

- 6.1 There are no significant legal issues arising from this report.

#### **7. OTHER IMPLICATIONS**

## **7.1 EQUALITY & DIVERSITY**

The provision of new and good quality affordable housing in the District has a positive impact on those groups and individuals who suffer multiple disadvantages associated with inadequate housing. All housing will be designed to meet the Council's 'Homes and Neighbourhoods - A Guide to Designing in Bradford' which provides for enhanced accessibility standards meaning they are suitable for people with a disability and more flexible and adaptable to meet the needs of current and future generations.

## **7.2 SUSTAINABILITY IMPLICATIONS**

All new housing developments will be constructed to meet the Building Regulations. All housing will be designed to meet the Council's 'Homes and Neighbourhoods - A Guide to Designing in Bradford' which aims to make new homes and neighbourhoods more sustainable and healthier places to live. Most of the properties delivered through the Council's new build programme have been designed and constructed with a 'fabric first' approach to the building envelope. This involves maximising the performance of the components and materials that make up the building fabric itself before considering the use of mechanical or electrical building services. Through good design, effective construction and aftercare we seek to make homes healthier and more enjoyable to live in - socially sustainable - and cheaper to run - economically sustainable. Further, providing homes that are climate-proof and energy efficient will help to minimise greenhouse gas emissions, reduce the running costs for our customers and mitigate against the impact of fuel poverty on our communities. We are also designing for adaptation to extreme weather and considering flood-risk, heat-waves and other risks to homes and the built environment. When disposing of Council land for housing delivery, the Council can elect to stipulate standards (energy efficiency / sustainability) to be achieved in respect of the development.

## **7.3 GREENHOUSE GAS EMISSIONS IMPACTS**

All new housing developments are constructed to meet the Building Regulations. All housing will be designed to meet the Council's 'Homes and Neighbourhoods - A Guide to Designing in Bradford' which aims to make new homes and neighbourhoods more sustainable and healthier places to live. Most of the properties delivered through the Council's new build programme have been designed and constructed using 'Fabric First' principles; concentrating on improving the airtightness of the building fabric and the thermal performance of the structure results in reduced heat loss, carbon emissions and ultimately, savings on energy consumption thereby helping to minimise running costs to tenants. Electrical vehicle charging points have been included within all our recent developments. Further, many of the properties benefit from a Mechanical Ventilation Heat Recovery (MVHR) system. It provides a constant supply of fresh filtered air for a healthier indoor air quality environment but also contributes to a reduced carbon footprint. The MVHR is designed to recover and re-use up to 95% of the waste heat within the property and filters the incoming fresh air. This is reputed to result in improvements for asthma sufferers but also benefits those with bronchitis, hay fever and chronic obstructive pulmonary disease (COPD). Further, it is reported that an MVHR helps to control moisture and condensation reducing instances of damp and

mould growth, known to affect health and wellbeing.

#### **7.4 COMMUNITY SAFETY IMPLICATIONS**

There are no direct community safety implications; however the delivery of housing growth and regeneration does seek to support the creation of safe, welcoming and sustainable neighbourhoods.

#### **7.5 HUMAN RIGHTS ACT**

The Human Rights dimension of housing is recognised in the United Nations Covenant on Economic, Social and Cultural Rights, which includes the right of everyone to an adequate standard of living for them and their family, including adequate housing. The United Kingdom is legally bound by this treaty. The Council also has regard to good practice in housing particularly those that adhere to guidance contained in: 'Deciding Rights - Applying the Human Rights Act to Good Practice in Local Authority Decision-Making' (LGA).

#### **7.6 TRADE UNION**

There are no issues regarding Trades Unions.

#### **7.7 WARD IMPLICATIONS**

There are no specific ward implications as delivering housing growth is district-wide in its focus and will be led by land availability and intelligence on sites. Increasing housing supply that meets the needs and aspirations of the district will however generate social and economic benefits across all wards and localities.

#### **7.8 IMPLICATIONS FOR CORPORATE PARENTING**

There are no specific implications for corporate parenting arising from this report.

#### **7.9 ISSUES ARISING FROM PRIVACY IMPACT ASSESSMENT**

No specific issues arising from this report.

### **8. NOT FOR PUBLICATION DOCUMENTS**

Not applicable.

### **9. OPTIONS**

There are no options being presented in this report.

### **10. RECOMMENDATIONS**

- 10.1 That Members consider the content of the report, progress made to date and plans for stimulating and accelerating housing and economic growth.

### **11 APPENDICES**

None.

**12. BACKGROUND DOCUMENTS**

None.