



## Housing & Land Delivery Board

**Date:** Thursday 25 October 2018

**Time:** 10.00 am                      **Public meeting**                      Yes

**Venue:** 16, Summer Lane, Birmingham, B19 3SD

### Membership

|                              |   |
|------------------------------|---|
| Councillor Mike Bird (Chair) | Walsall Metropolitan Borough Council          |
| Sarah Middleton              | Black Country Local Enterprise Partnership    |
| Councillor Sharon Thompson   | Birmingham City Council                       |
| Councillor George Adamson    | Cannock Chase District Council                |
| Councillor Peter Bilson      | City of Wolverhampton Council                 |
| David Cockroft               | Coventry City Council                         |
| Bill Blincoe                 | Coventry and Warwickshire LEP                 |
| Councillor Gaye Partridge    | Dudley Metropolitan Borough Council           |
| Roy Stokes                   | Environment Agency                            |
| Simon Marks                  | Greater Birmingham and Solihull LEP           |
| Karl Tupling                 | Homes England                                 |
| Councillor David Humphreys   | North Warwickshire Borough Council            |
| Councillor Julie Jackson     | Nuneaton & Bedworth Borough Council           |
| Councillor Matthew Dormer    | Redditch Borough Council                      |
| Councillor Paul Moore        | Sandwell Metropolitan Borough Council         |
| Councillor Nic Laurens       | Shropshire Council                            |
| Councillor Ian Courts        | Solihull Metropolitan Borough Council         |
| Councillor Daren Pemberton   | Stratford on Avon District Council            |
| Councillor Steven Claymore   | Tamworth Borough Council                      |
| Councillor Richard Overton   | Telford and Wrekin Council                    |
| Councillor Peter Butlin      | Warwickshire County Council                   |
| Kevin Rodgers                | West Midlands Housing Association Partnership |

Quorum for this meeting shall be at least one member from five separate constituent councils

If you have any queries about this meeting, please contact:

**Contact** Carl Craney Governance Services Officer  
**Telephone** 0121 214 7965  
**Email** Carl.Craney@wmca.org.uk

# AGENDA

| No. | Item   | Presenting     | Pages   |
|-----|--|----------------|---------|
| 1.  | Apologies for Absence (if any)   | Chair          | None    |
| 2.  | Nominations of Substitutes (if any)  | Carl Craney    | None    |
| 3.  | Declarations of Interests (if any)<br>Members are reminded of the need to declare any disclosable pecuniary interests they have in an item being discussed during the course of the meeting. In addition, the receipt of any gift or hospitality should be declared where the value of it was thought to have exceeded £25 (gifts) or £40 (hospitality). | Chair          | None    |
| 4.  | Minutes of the last meeting  | Chair          | 1 - 10  |
| 5.  | Town Centres Programme   | Tom Podd       | 11 - 16 |
| 6.  | Affordable and Social Housing Supply Proposition   | Rob Lamond     | 17 - 24 |
| 7.  | Housing and Land Funding   | Jacob Bonehill | 25 - 32 |



West Midlands  
Combined Authority

## Housing & Land Delivery Board

Thursday 6 September 2018 at 10.00 am

### Minutes

#### Present

|                              |                                       |
|------------------------------|---------------------------------------|
| Councillor Mike Bird (Chair) | Walsall Metropolitan Borough Council  |
| Councillor Sharon Thompson   | Birmingham City Council               |
| Councillor Peter Bilson      | City of Wolverhampton Council         |
| Bill Blincoe                 | Coventry and Warwickshire LEP         |
| Councillor Shaun Keasey      | Dudley Metropolitan Borough Council   |
| Roy Stokes                   | Environment Agency                    |
| Councillor David Humphreys   | North Warwickshire Borough Council    |
| Councillor Ian Courts        | Solihull Metropolitan Borough Council |
| Councillor Daren Pemberton   | Stratford on Avon District Council    |
| Councillor Peter Butlin      | Warwickshire County Council           |
| Councillor Bill Gavan        | Sandwell Metropolitan Borough Council |

#### In Attendance

|                 |                                      |
|-----------------|--------------------------------------|
| Nick Glover     | Greater Birmingham & Solihull LEP    |
| Simon Tranter   | Walsall Metropolitan Borough Council |
| Jacob Bonehill  | West Midlands Combined Authority     |
| Gareth Bradford | West Midlands Combined Authority     |
| Rob Lamond      | West Midlands Combined Authority     |
| Carl Craney     | West Midlands Combined Authority     |

#### Item Title No.

##### 10. Apologies for Absence (if any)

Apologies for absence had been received from David Cockroft (Coventry City Council), Simon Marks (Greater Birmingham & Solihull Local Enterprise Partnership), Councillor Paul Moore (Sandwell Metropolitan Borough Council), Councillor Nic Laurens (Shropshire Council), Councillor Steven Claymore (Tamworth Borough Council) Richard Overton (Telford and Wrekin Council).

##### 11. Nomination of Substitutes (if any)

Nick Glover had been nominated as a substitute member for Simon Marks (Greater Birmingham and Solihull LEP) and Councillor Bill Gavin nominated as a substitute member for Councillor Paul Moore (Sandwell Metropolitan Borough Council).

##### 12. Declarations of Interests (if any)

No declarations of interests were made into items under consideration at the meeting.

**13. Minutes of last meeting**

Resolved:

That the minutes of the meeting held on 16 July 2018 be confirmed as a correct record and signed by the Chair.

**14. Matters Arising**

With reference to Minute No. 10 (Matters Arising) and with particular reference to the award of £3.690 million to Telford and Wrekin Council to assist in bringing forward approximately 540 housing units across that area, Gareth Bradford reported that this matter had been considered and approved at the meeting of the Investment Board held on 30 October 2017 having received a positive recommendation from the Investment Advisory Group. He outlined the membership of the Investment Advisory Group which included Officers from respective local authorities and Local Enterprise Partnerships. He reminded the Board that the decision had been made prior to the formation of the WMCA housing and Regeneration Directorate. He explained that Telford and Wrekin Council role in meeting the housing shortfall in the Greater Birmingham Housing Market Area had not been referenced in the report to the Investment Board.

Going forward, he suggested that all reports considered by the Investment Board which included a housing provision element should first be considered by the Housing and Regeneration Directorate and that a discussion be commenced with Telford and Wrekin Council on its ability to draw down the allocated funding if it was not prepared to play an active and supporting role in the delivery of the housing shortfall in the Greater Birmingham Housing Market Area, the Housing Deal and the Housing Delivery Plan. He advised that all housing units provided should be included in both the Housing Deal, Strategic Economic Plan and the Industrial Strategy and that it was imperative that all partners receiving financial support should play their respective roles.

The Chair advised that in his view if Telford and Wrekin Council was not willing to co-operate in achieving the targets of this Board (and the WMCA) the decision of the Investment Board should be revisited. A further discussion on this matter could be required in the event that Telford and Wrekin Council was not willing to co-operate the decision would be revisited with the grant being reclaimed and rewarded elsewhere as deemed appropriate. Gareth Bradford advised that this could require the Commissioning Framework to be revisited. The Chair requested that a report be submitted to a future meeting on the drawdown of the funding allocated to Telford and Wrekin Council.

Councillor David Humphrey commented that the North Warwickshire Borough Council did not have a large number of brownfield sites but a number of small sites and enquired as to the possibility of a contribution towards funding of development of such sites. He had been advised previously that this issue had been raised with Homes England (formerly the Housing Communities Agency) but had not progressed. The Chair suggested that the details of any such sites be forwarded to Gareth Bradford for consideration. He commented that the recent revisions to the National

Planning Policy Framework (NPPF) had done little to assist the development of such sites but that asking developers to offer commuted sums in lieu of the provision of affordable and/or social housing would have been preferable.

Gareth Bradford suggested that he bring forward a report on the development of a 'Small Sites Fund' targeted at assisting small builders to develop such sites. He stressed the need to maintain and increase the pace of housing supply and that the development of small sites could play a significant contribution in such an aim. He reminded the Board that the NPPF was a policy statement and not a statutory requirement with the WMCA being able to advocate an alternative approach to fulfilling the aims.

Councillor Ian Courts counselled caution inasmuch as small sites were often more difficult and expensive to develop. He suggested that there was also a need to consider existing or former retail sites in town centres. He supported the views expressed earlier in the meeting with regard to the award of funding to Telford and Wrekin Council and the role of this Board in determining future allocations. He stressed that outcomes and delivery were pre-requisites.

Councillor Peter Bilson commented that it was the role of this Board to deliver additional housing units across the region and that any decisions regarding provision of additional housing units should be considered by this Board. He advised that whilst he supported the concept of the development of a 'Small Sites Fund' that this should not be to the prejudice of existing commitments.

Councillor David Humphrey commented that a number of his constituents questioned the purpose and benefits of North Warwickshire being a Non-Constituent member of the WMCA on the basis of the benefits the Borough derived through such membership and financial contributions. On that basis he was of the opinion that if Telford and Wrekin Council was unwilling to support the aims of the WMCA it should be required to refund any grants received. The Chair emphasised the important role the Non-Constituent Authorities had in the work of the WMCA.

Gareth Bradford stressed the need for the maximum utilisation of the available resources provided by HM Government, the importance of an expeditious process and the need for a clear and understandable policy for the deployment of resources. He commented that if this could be achieved the WMCA would be in a good position to lever in additional resources from HM Government. He undertook to submit a report to the next meeting on this issue.

Councillor Bill Gavin asked as to the opportunity to package a number of small sites together for small developers to consider. The Chair commented that this was possible if the sites were in the same ownership but, if not, could be problematic to deliver. He outlined the use of the 'New Homes Bonus' at Walsall MBC to provide loans to small developers to acquire small sites. He requested that a report be submitted to the next meeting of this Board on the establishment of a 'Small Sites Fund' with the report being circulated in advance for comments. Councillor Ian Courts supported the

concept of packaging small sites together especially if this be made of sites which were a mix of easy and difficult to develop sites. The Chair commented that a small developer could manage such a proposal with some assistance.

Gareth Bradford reported that the Housing and Land Team had focussed on the concept of packaging sites and assured the Board that this was a fundamental part of the work of the Team. He advised that to assist small developers there was a need to cut through the bureaucracy associated with seeking planning permission with one planning application being submitted for several sites. He emphasised the need to make optimum use of all sites including those which were contaminated and required remediation measures. He stressed the need for local authorities to identify sites and for the WMCA to respond quickly. Roy Stokes commented on the need to include and address difficult sites.

Councillor David Humphreys referred to the delays associated with the redevelopment of certain redundant premises and gave the example of former public houses being listed as 'Assets of Community Value' which could lead to a delay of 12 months in development commencing. The Chair commented that it was for this Board to respond to such challenges and to expedite development whenever possible. Gareth Bradford suggested that it was part of his role to seek HM Government assistance in addressing problems associated with empty former public houses and redundant petrol stations in the Green Belt and/or countryside and that some form of dispensation from planning guidelines was required. Councillor Ian Courts commented that the National Planning Policy Framework (NPPF) contained several references to the use of derelict land and buildings and there was a need for the rules to be complied consistently across the region.

Gareth Bradford reported that the Housing Deal would not have been achieved without negotiation on various points and stressed the need to improve delivery in order to encourage HM Government to change the principles and rules to assist in further delivery. A definition of 'social housing' and 'affordable housing' was required. He challenged the Board to identify three or four matters which required the assistance from HM Government to aid delivery by the WMCA. He commented that changes to national guidelines was not necessary but that the interpretation of those guidelines could be flexibly applied. He undertook to submit a report on this matter to the next meeting of the Board.

Councillor Ian Courts reminded the Board that planning was an issue for which the local authorities were responsible. He advised that Solihull MBC was about to commence a refresh of its 'Brownfield Register' and the need to identify ownership details at an early stage. He suggested that a simple sifting process was required to identify developable land.

Councillor Peter Bilson commented that the delivery of the implementation phase of both the Housing Deal and the Housing Investment Fund (HIF) was crucial but that addressing issues on the corridors were equally important. He requested that details of the funding regime and timelines be reported to a future meeting of the Board.

Gareth Bradford advised that HM Government had identified 'up to £100 million' of funding but that payments against the Housing Deal were phased against delivery. He reported that he was negotiating for payment through a Section 31 grant which was non-refundable. He aimed for payment of 25% of the money in October 2018 for delivery of 25% of the housing units. Once these units were delivered a claim could be made for the second 25% and so on. Allocation of funding would be at the discretion of the WMCA. Previously, monies allocated in the Devolution Deal had not been spent and this was damaging to the reputation of the region. If allocated funds were used it was likely to realise the allocation of additional funds. He emphasised that it was not practical for the allocation of the £100 million to be agreed in advance of receipt. This view was supported by Councillor Ian Courts who commented that the funding could not be attached to specific sites at this point. Gareth Bradford advised that some sites would be identified especially those with the benefit of planning permission but once the funds were released it would be for this Board to determine on how it was allocated.

Roy Stokes encouraged the Board to consider building in a sustainable manner with due consideration being given to those sites where 'Sustainable Drainage Systems' could be used and/or which were carbon friendly. These developments could be used to demonstrate the work of the Board. Gareth Bradford reminded the Board that these issues were part of its founding principles.

Councillor David Humphreys commented that the developers controlled the release of developable land without recourse to the five year supply. Gareth Bradford responded that the five year supply position could be addressed through building out small sites quickly and that the powers of the WMCA and local authorities could be used to increase build out rates.

Councillor Peter Butlin suggested that the approach needed to be 'process light' and that there was no need to consider sites which were moderately difficult to develop at this point and with very difficult to develop sites being left until much later in the exercise. He advised that he supported the creation of a 'Small Sites Fund' and that monies currently held for remediation purposes could be used for its establishment. Additionally, HM Government should be approached for assistance in removing blockages to development.

Councillor Ian Courts acknowledged the difficulties with developers 'land banking' but commented that the creation of the 'Help to Buy' scheme had slowed down development in the Solihull area. Gareth Bradford commented on the need to commence a dialogue at Chief Executive level with those builders operating across the WMCA area and that the dialogue refer to issues such as build out rates, affordability and quality of design and construction.

Councillor Daren Pemberton reported on an exercise which was underway at Stratford on Avon District Council to attempt to understand the commonalities and differences between builders operating in the area. Once an understanding of their methods of operation had been established a

working relationship and understanding was easier to build. Gareth Bradford commented that those who did not share the aims and ambitions of the WMCA would not benefit from funding. Councillor Daren Pemberton suggested that a regional view was required with regard to viability and housing mix. A corporate view was also required rather than a local view and information sharing between partners would be paramount.

Resolved:

1. That all reports to the Investment Board including reference to provision of housing units be considered by the Housing and Land Team in the first instance;
2. That the funds allocated to Telford and Wrekin Council towards the provision of housing units be subject to such units being included in the numbers required by the Housing Deal/Strategic Economic Plan/Industrial Strategy as appropriate and contributing to the shortfall in the Birmingham Housing Market Area;
3. That a report be submitted to the next meeting of this Board on the details of drawdown of funds to date by Telford and Wrekin Council as referred to above and on proposals for the use of remaining funds;
4. That a report be submitted to the next meeting of this Board on the establishment of a 'Small Sites Fund' targeted at small builders with the report being circulated in advance for comments;
5. That a report be submitted to the next meeting of this Board on a clear criteria for deployment of resources in order to lever in further investment from HM Government to assist in the delivery of additional units;
6. That a report be submitted to the next meeting of this Board on opportunities to interpret guidelines and rules in such a way as to assist in the delivery of additional units;
7. That a report be submitted to the next meeting of this Board detailing the funding regimes and timelines for the various workstreams.

## **15. Town Centres**

Gareth Bradford reported that a piece of work had commenced on the future opportunities within town centres and a report would be submitted to the next meeting on possible interventions to assist local authorities in developing Town Centre Plans to regenerate High Streets. The Chair commented that, in his opinion, the demise of High Streets could be attributed to the introduction of pedestrianisation schemes.

Councillor Peter Bilson opined that it would be unwise to attempt to introduce a 'one size fits all' solution and reported that the City of Wolverhampton Council had commissioned a piece of work on the drivers that might be required to stimulate High streets. He commented that the common factor for local authorities was the reliance of a retail presence on High Streets. Councillor Ian Courts supported the comments now made and enquired as to the source of funding for further initiatives without prejudicing those already underway. Nick Glover advised that the Greater Birmingham and Solihull Local Enterprise Partnership had some policy papers on these matters which

he was happy to share.

Gareth Bradford offered to include within his report to the next meeting details of a range of initiatives on town centre regeneration which would assist in accelerating housing delivery and regeneration.

Councillor Peter Butlin advised that there were a mix of town centres within Warwickshire with each one created its own unique economic viability. He suggested that if residents did not live near to town centres then High streets would suffer as would the local economy. The Chair commented that with new ways of shopping becoming ever more popular there was a need to encourage more use of town centre properties for residential use with associated integrated transport opportunities.

Councillor Daren Pemberton commented that residential use of town centre properties was not the only solution and that consideration needed to be given to making the retail offer more sophisticated. He suggested that the element which was currently missing was increased employment opportunities.

Nick Glover remarked on the need for dialogue with the various Business Improvement Districts. Gareth Bradford referred to research which had been carried out on the opportunities for and challenges faced by town centres. He queried the investment proposition for individual town centres and on the need to make it easier to build units of accommodation and to create employment opportunities in such town centres. He commented that there was a need to understand the challenges faced and to encourage investment in these areas.

Resolved:

That a report be submitted to the next meeting of this Board on possible interventions to assist local authorities in developing Town Centre Plans to regenerate High Streets.

## **16. Social Housing Green Paper Update and Response**

Gareth Bradford presented a report and gave a PowerPoint presentation which provided the Board with an update on progress in the development of Social Housing proposals and the evidence base. The presentation outlined the challenge presented by the 'affordability challenge' which varied across the region. He commented that no region had yet been able to meaningfully articulate 'affordability, economic growth and productivity'. He advised the Board that this issue was addressed in the Industrial Strategy and the Strategic Economic Plan and commented on the need to attempt to unlock 'Affordable Housing Investment Fund' monies. He outlined the following issues which could be defined as the Board's 'red lines':

- Housing Revenue Account Borrowing Gap;
- Right to Buy;
- Quality

and invited the Board to let him have views which could be incorporated into a further report to the next meeting.

He suggested that supply of housing and land needed to be increased as did

the quality of affordable and social housing. He commented on the need to assist the Ministry of Housing, Communities and Local Government to prompt HM Treasury to understand the integral role of affordability and social housing provision in achieving economic growth. He advised that the problems associated with affordability were likely to increase in the region. Rob Lamond commented that rental levels in the private rental sector were also increasing.

Gareth Bradford reminded the Board that the Housing Infrastructure Fund (HIF) bid had been agreed by the respective Leaders, the Local Enterprise Partnerships and major businesses in the area. He advised that the latter group had expressed concern on their ability to recruit staff due to affordability of housing options which had a consequential effect on their ability to expand. Councillor Peter Bilson suggested that this point be drawn to the attention of HM Government. Gareth Bradford requested that in the event of similar concerns being raised by local major employers that they be encouraged to submit such concerns in writing to him as this could be used as evidence and was worth more than anecdotal evidence.

He also commented on the costs incurred by employees who were forced to live a considerable distance from their place of employment due to the affordability of housing. He stressed that these comments should not be interpreted as employers not being willing to invest in the West Midlands but that it formed a consideration as to whether or not to invest given potential recruitment difficulties likely to be experienced.

Councillor Peter Butlin commented that a major employer had raised such concerns with him and colleagues. He reminded the Board that employees commuting long distances increased demand for car parking provision and also added to the highway maintenance requirements. Councillor Daren Pemberton supported these views and added that long distance commuters contributed very little to the local economy.

Gareth Bradford commented on the need to collate an evidence pack in connection with these issues with a view to its use in seeking additional investment and identifying the costs to local authorities. It was possible that money could be obtained to assist in the regeneration of town centres. A possibility existed that the region could be the first to model town centre redevelopment based on residential and employment opportunities.

Resolved:

1. That any views on the 'red lines' outlined above be forwarded to the Director of Housing and Land with a view to a report on this matter being submitted to the next meeting of this Board;
2. That any local major employers expressing concern with regard to the effect of 'affordability' on their ability to recruit staff and/or expand their businesses be requested to submit their concerns in writing to the Director of Housing and Land;
3. That an 'evidence pack' be collated on the various issues now raised to be used to assist in seeking additional funds to regenerate town centres.

**17. DemoDev Update**

Gareth Bradford reported on the outcome of the WMCA Mayor's Urban Challenge Innovation Fund and the award to DemoDev which had formulated an algorithm to identify small sites with links to new types of development. He advised on the links to the 'Small Sites Strategy' which would form part of a report to the next meeting of this Board. He suggested that a small group be established to consider such small sites.

He sought the views of the Board on 'Right to Build' and custom and self-build options which were popular currently with HM Government. Councillor Ian Courts registered his concern as to the finite resources of the Board being diverted into this type of initiative.

Resolved:

1. That a report on 'Small Sites Strategy' form part of a report to the next meeting of this Board including a definition of what comprised a 'small site';
2. That no action be taken at the present time on 'Right to Build' and/or custom and self-build options.

**18. Exclusion of the Public and Press**

Resolved:

That in accordance with Section 100A4 of the Local Government Act 1972, the press and public be excluded from the meeting during the consideration of the following items of business as they involve the likely disclosure of exempt information relating to the business affairs of any particular person (Including the authority holding that information).

**19. Housing Investment Fund (HIF) - Update**

Gareth Bradford reported that the Housing Investment Fund (HIF) Business Case had been submitted against a contracted timescale and was an excellent example of collaborative working amongst the local authorities. He suggested that the experience could be used as an experience to maximise the opportunities of obtaining further funding from HM Government. The Chair commented on the need to demonstrate to HM Government that the authorities were able to work collaboratively.

Resolved:

That the report be received and noted.

The meeting ended at 12.02 pm.

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**West Midlands  
Combined Authority**

## WMCA Housing and Land Delivery Board

|                                      |   |
|--------------------------------------|---|
| <b>Date</b>                          | 25 October 2018                                     |
| <b>Report title</b>                  | Town Centres Programme                              |
| <b>Portfolio Lead</b>                | Councillor Mike Bird – Housing and Land             |
| <b>Accountable Chief Executive</b>   | Deborah Cadman – Chief Executive, WMCA              |
| <b>Accountable Employee</b>          | Gareth Bradford – Director Housing and Regeneration |
| <b>Report has been considered by</b> |   |

### Recommendation(s) for action or decision:

#### The WMCA Housing and Land Delivery Board is recommended to:

1. **Agree** that the first wave of the town centre programme should consist of five centres; supplementary analysis will be provided at the Board meeting to inform the selection of the five centres;
2. **Delegate** authority to the Director of Housing and Regeneration in consultation with the Portfolio Lead for Housing and Land to agree the membership of the Regional Town Centre Task Force. The types of expertise and sectors proposed to be represented on the Task Force and its role are set out at paragraph 2.12.

## **1. Purpose**

### **1.1 This report:**

- Updates the Board on the emerging regional town centre programme;
- Seeks Board agreement that five town centres should be selected to act as a vanguard and test bed for the programme in a first wave - with future waves following on from that experience and learning. Supplementary analysis will be provided at the Board meeting to inform the selection of the five centres; and
- Seeks Board agreement that authority be delegated to the Director of Housing and Regeneration in consultation with the Portfolio Lead for Housing and Land to agree the membership of the Regional Town Centre Task Force whose role will be to champion and support the town centre programme.

## **2. Background**

2.1 There is no shortage of studies, assessments and reports identifying the deep seated structural and cyclical problems affecting the UK's town centres and high streets: from the Portas Review to Town Centre Investment Management to two Grimsey Reviews and high profile announcements of closures or re-structuring at BHS, House of Fraser, and M&S.

2.2 Existing centres are often based around their retail offer making them vulnerable to changes such as the increase in online shopping, out of town retail and changing consumer habits. This in turn manifests itself as vacant units, low end retail occupiers and areas of decline making town centres less attractive as an investable proposition.

2.3 The effects are particularly significant in small and medium sized centres, and secondary areas of larger strategic centres, that are less resilient to change.

2.4 A number of key themes apply to most centres:

- Too many centres rely too heavily on retail. Changing consumer habits and the internet are changing shopping habits along with out of town retail and leisure sites. Centres need to diversify their role to become community hubs incorporating residential, cultural, educational, leisure, business and health uses, as well as retail.
- Many centres suffer from a poor quality built environment, often dominated by cars and HGVs, too focussed on allowing people to travel through efficiently. Centres need to create people focussed environments, safe, walkable, spaces to exchange ideas and places to dwell, whilst enhancing accessibility by a range of transport modes.
- Consumers increasingly expect data and technology to be integrated into their day to day experience and make life easier, including, broadband, Wi-Fi, Artificial

Reality, Smart technology and future innovations. Centres need to embrace changing technology.

- Many centres have land ownership issues, either with multiple ownership of land, making interventions and land assembly difficult or with investment priorities not always in the interests of local communities. Strong local governance is required, with full engagement with people and business

2.5 Town centres will need to re-invent themselves as modern centres that function to meet these challenges head on and provide a centre that meets the needs of residents if they are to remain viable as centres and improve the wellbeing of residents that would otherwise suffer in failing town centres.

#### The Town Centre Programme

2.6 The town centre programme will support local councils to accelerate their plans to regenerate and renew their town and district centres, bringing Combined Authority resource, support and expertise as required to help turn those plans into reality and accelerate them. This is an opportunity to approach town centres in a new and exciting way in a limited number of pilot centres, developing the programme collaboratively with local authorities, residents and other stakeholders and testing a range of available tools and approaches such as evidence gathering, stakeholder mapping and engagement, asset management and planning tools/powers etc. First wave centres will benefit from combined authority resources in terms of funding and staff resource and act as a test bed for interventions but all centres will benefit from transferable interventions and lessons learned whether they form part of the programme or not.

2.7 The programme is not seeking to duplicate the work already being undertaken by local authorities and other stakeholders in the region; rather the programme will compliment and build on existing plans, strategies and frameworks already prepared or under preparation and be developed in collaboration with the LEPs and local authorities.

#### Actions to date

2.8 Following strong interest expressed at the Housing and Land Delivery Board in July, the WMCA wrote to the seven constituent authorities seeking expressions of interest for identified centres to form part of the first wave of the town centre programme. Since then a discussion has taken place at the Housing and Land Delivery Steering Group on the programme, key criteria and approach and there has been collaborative working with a dedicated sub group of officers from each of the seven constituent authorities. Their focus has been to consider the identification of, and rationale behind, the centres which would form the first wave.

2.9 A desk top analysis of potential sites has been undertaken by the sub group. The analysis provided an initial qualitative assessment of each town centre, based on information provided by local authorities in response to a series of questions posed on defined characteristics, qualities, etc. Supplementary analysis will be provided to the Board to inform the selection of five centres for the first wave of the programme

- 2.10 It is proposed to assess the programme over the coming months with a second wave commencing in approximately six months' time. This would be open to all constituent and non-constituent members where they would like support.

#### The Regional Town Centres Task Force

- 2.11 Strong, vibrant, healthy and inclusive town centres are an essential part of the West Midlands' economy and social fabric. WMCA is proposing to establish a Regional Town Centres Task Force to champion our town and city centres locally and nationally, explore and influence the national agenda and help support local partners in deploying targeted interventions in our centres.

- 2.12 Given this remit, membership of the Task Force will need to include a variety of public and private sector organisations whose representatives can deliver theory, best practice and practical support. Governance arrangements will need to be put in place to ensure that the knowledge and innovation can be shared with commercial organisations, local communities and others so that they can be quickly turned into action. The types of organisations who could make a difference are listed below; their knowledge and expertise, translated into local action, could make the West Midlands an exemplar of good practice on a matter of national interest.

- Academia
- Advisory
- Commercial property
- Finance
- Government
- Housing
- Local Government
- Public Services
- Retail, leisure and other town centre uses

#### Next Steps

- 2.13 Once a decision has been made by the Housing and Land Delivery Board on the town centres to form the first wave of the programme, each will be the subject of further, more detailed analysis with local partners under a number of headings. This needs to be proportionate but needs to provide the evidence to demonstrate that interventions are deployed to tackle problems, not symptoms, maximise opportunities and address challenges. This will help ensure that each town centre can deliver effective and meaningful change in the timescale required. Arrangements for monitoring progress on delivery will also be put in place.

### **3. Financial Implications**

- 3.1 There are no direct financial implications as a result of approving the recommendations within this report. Any investment into the chosen sites by WMCA will require appropriate funding to be identified and the budget approved in line with WMCA governance processes.

#### **4. Legal Implications**

- 4.1 Section 113A(1)(a) of the Local Democracy, Economic Development and Construction Act 2009 gives the CA a power of competence appropriate for the purposes of carrying-out any of its functions. Part 4 of The West Midlands Combined Authority Order 2016 (2016 No 653) confers that the functions relating to any Economic development and regeneration in the constituent councils are exercisable by the CA. Part 3 of The West Midlands Combined Authority (Functions and Amendment) Order 2017 confers the functions corresponding to the functions of the Housing Community Agency has in relation to the combined area.
- 4.2 Part 7 of the Mayoral of The West Midlands Combined Authority (Functions and Amendment) Order 2017 confers the power to pay Grant (pursuant to s31 of the Local Government Act 2003) to the Mayor with assistance of members and officers of the Combined Authority.
- 4.3 There are no direct legal implications arising as a result of this report. However, the proposals set out in this report may have legal implications in the future which will be considered at the appropriate time through future reports as necessary

#### **5. Equalities Implications**

- 5.1 An Equality Impact Assessment will be conducted to identify key equality implications and engagement needs for the overall programme.

#### **6. Inclusive Growth Implications**

- 6.1 An important success factor for the programme will be the extent to which it promotes inclusive growth. Individual interventions have the opportunity to address this through the programme.

#### **7. Geographical Area of Report's Implications**

- 7.1 First wave centres will demonstrate a reasonable spread of activity across the conurbation. Future waves of the programme will be open to all constituent and non-constituent members so the spread of activity could be widened, cascading benefits to other areas. In addition, sharing learning from the pilot centres is a crucial part of the programme and lessons learned will apply across the region.

#### **8. Other Implications**

None

#### **9. Schedule of Background Papers**

None

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**West Midlands  
Combined Authority**

## WMCA Housing and Land Board

|                                      |   |
|--------------------------------------|---|
| <b>Date</b>                          | 25 October 2018   |
| <b>Report title</b>                  | Affordable and Social Housing Supply Proposition  |
| <b>Portfolio Lead</b>                | Councillor Mike Bird  |
| <b>Accountable Chief Executive</b>   | Deborah Cadman  |
| <b>Accountable Employee</b>          | Gareth Bradford<br>Director of Housing and Regeneration<br><a href="mailto:Gareth.bradford@wmca.org.uk">Gareth.bradford@wmca.org.uk</a> |
| <b>Report has been considered by</b> |   |

### Recommendation(s) for action or decision:

The WMCA Housing and Land Board is recommended to:

- Note the emerging draft supply proposition, and
- Agree the approach as detailed in the report and Annex.

### 1. Purpose

- 1.1 The purpose of this report is to update the Board on the development of an Affordable and Social Housing Supply Proposition which will address the growing challenge of housing affordability in the region. A considerable increase in the supply and delivery of affordable homes, in terms of absolute numbers and as a proportion of overall supply, is needed to support the region's ambitions for economic and inclusive growth.

### 2. Background

- 2.1 Recent months have seen several significant national policy announcements in relation to housing. The Social Housing Green Paper "A new deal for social housing", published in August 2018, set out the Government's ambitions to transform safety, perceptions and

delivery of social housing. Subsequent announcements from the Prime Minister setting out a £2bn social housing fund available from 2022, and the lifting of the Housing Revenue Account cap for local authorities announced at the Conservative Party Conference, indicate a dynamic housing policy environment.

2.2 The Housing Deal, agreed by the West Midlands Combined Authority (WMCA) and Government in March 2018, set out a range of measures to support the delivery of new homes. It included ambitious targets to deliver 215,000 new homes by 2031, increasing the annual rate from 10,000 to 16,500. In return, Government agreed to “work with Housing Associations on new ways to finance and build affordable housing to rent or buy in the West Midlands”. Increasing the supply of affordable and social housing is critical to delivering these overall targets. Whilst specific commitments to affordable housing policy and investment were not detailed in the deal, WMCA made it clear, during negotiations, that this would be a matter to which the Authority would return in due course.



Figure 1: Housing completions trend against plan targets and population growth. Data from ONS and MHCLG

2.3 Figure 1 above illustrates that annual housing completions are improving, and this is on course to continue. However, the volume of housing delivered by housing associations and local authorities (as shown in the table below), whilst showing a small year on year increase, remains relatively low as a proportion of the overall supply.

|                 |   | Private Enterprise | Housing Associations | Local Authorities | All  | % affordable |
|-----------------|---|--------------------|----------------------|-------------------|------|--------------|
| WM LEPs 2016/17 | 3 | 7810               | 1700                 | 100               | 9630 | <b>18.7%</b> |
| WM LEPs 2017/18 | 3 | 7620               | 1870                 | 170               | 9680 | <b>21.1%</b> |

Table 1: Housebuilding: permanent dwellings by tenure and LEP, source MHCLG.

2.4 The challenge of affordability remains, therefore, and is particularly intense in the West Midlands where rapid growth in employment, large scale investment and the inherent

attractiveness of the region are fueling market pressures. While the number of overall new homes being delivered is growing year on year, demand continues to outstrip current supply and prices continue to rise.

2.5 With house price growth outpacing the rest of the country, analysis indicates that based on current trends that the WMCA's affordability ratio is on course to exceed the national average by 2020. By 2030 all groups, other than the very highest earners, could be struggling to meet the average house price to earnings ratio. The private rented sector is also seeing significant price increases above the national average. The West Midlands is now one of only three regions where average private rented costs are higher than average mortgage repayments and therefore officially unaffordable in the Government's eyes. This has implications for the region's economic growth (labour market, productivity, competitiveness, 'key workers') and has wider consequences for social mobility, health and wellbeing, homelessness, community cohesion and attractiveness. The situation is likely to be exacerbated by demand arising from HS2, the Commonwealth Games 2022 and Coventry City of Culture 2021.

## 2.6 Work to date

On September 6<sup>th</sup> 2018 the Housing and Land Board were briefed on:

- the current levels of affordable provision in the region (currently under 20% of overall supply)
- worsening affordability
- the need for the region to be more successful in accessing national affordable housing funds and
- the potential to encourage national scale providers to deliver a large proportion of their housing in the region.

2.7 As a result, the Board requested that the WMCA Housing and Regeneration Team develop:

- a clear delivery plan for increasing affordable and social housing and attracting new providers
- a strong evidence base linked to the Industrial Strategy and Strategic Economic Plan, and
- a robust proposal to government to deliver significant new supply and quality in return for new investment.

The focus for the programme would be on accelerated delivery rather than policy changes.

2.8 Progress is already being made: there was a detailed conversation at the Delivery Steering Group on 25<sup>th</sup> September; officers have formed a sub group to drive the work and positive conversations have taken place with major new providers. Importantly, these actions support our collective work on site preparation and funding, help to accelerate the delivery of allocated sites local plans and form a key component of the emerging Spatial Investment and Delivery Plan. Part of the investment being sought from Government will include resourcing expert affordable housing capacity in the region to complement existing council and WMCA teams in order to specifically support delivery of the affordable housing delivery plan.

## 2.9 An emerging deal/proposition: Key elements

The key elements of the emerging deal/proposition are included in the box below.

### Key elements of the emerging deal/proposition

***Our Goal: A new housing offer that enables people to come to the West Midlands, live in a decent home, grow up here, thrive and make their mark in an environment that gives people what they need.***

The proposed approach is based on principles of quantum, pace and quality, to deliver the Nation's most ambitious social housing delivery plan and to radically improve:

- Supply
- Choice
- Mix (including new products)
- Build Out
- Scale
- Quality
- Brownfield focus

The key to success is to use new monies to increase affordable offer on sites which are currently stalled due to viability problems.

Proposed elements of the package include:

- Securing a devolved Affordable Housing Accelerator Investment Pot for the region
- Trebling supply of affordable and social housing in the region (2,000 in 2016) to 6,000+ per annum by 2026
- Delivering an additional 1500 new homes every year from 'new providers'
- Delivering an additional 1500 new homes every year from 'existing providers', agreed through the WM Housing Association Partnership
- Creating and unlocking a pipeline of site opportunities across a range of sites, packaged into portfolios, creating certainty for providers across many years
- Creating expert capacity deployed into the region to support delivery, resourced by WMCA, local authority officers and secondments from Registered Providers, and financed from the allocation secured
- Across the region, a majority of all new affordable and social housing to be delivered on brownfield land, an ambition to be set in the new regional Spatial Investment and Delivery Plan
- A new affordable housing delivery approach from WMCA and registered providers to bring forward sites identified in the pipeline, at pace, using new expertise in WMCA, funding, land assembly, CPO, infrastructure development.
- An extensive and tailored programme to support local councils, where requested, to increase the delivery of council housing by exploring flexibility on borrowing, recycling of right to buy receipts and creation of new local housing companies.
- A new refurbishment programme to enhance existing social housing stock to improve standards and increase density of development.
- All new housing under this plan to meet the highest standards of design and, wherever appropriate, to be built using advanced methods of construction.

A summary of the emerging delivery plan is included as Annex 1 to this report.

The proposal was also included in the WMCA's budget submission to the Chancellor of the Exchequer to demonstrate the region's commitment to deliver on housing, and identifying an investment proposition from the National Affordable Homes Programme<sup>1</sup>.

## **2.10 Next steps**

- Confirming representation on the Working Group from those authorities with significant experience in delivering affordable and social housing
- The senior officer group to meet or convene fortnightly, to maintain pace on the work
- Active engagement with Whitehall officials to assess approaches and test thinking
- Continuing development of the evidence base with councils, employers and LEPs
- Reporting emerging deal/proposition to future meetings of the Housing and Land Board.

## **3. Financial Implications**

- 3.1 There are no financial implications identified as a result of this report. However, the proposals set out in this report may have financial implications in the future which will be considered at the appropriate time through future reports as necessary

## **4. Legal Implications**

- 4.1 Section 113A(1)(a) of the Local Democracy, Economic Development and Construction Act 2009 gives the CA a power of competence appropriate for the purposes of carrying-out any of its functions. Part 4 of The West Midlands Combined Authority Order 2016 (2016 No 653) confers that the functions relating to any Economic development and regeneration in the constituent councils are exercisable by the CA. Part 3 of The West Midlands Combined Authority (Functions and Amendment) Order 2017 confers the functions corresponding to the functions of the Housing Community Agency has in relation to the combined area.

Part 7 of the Mayoral of The West Midlands Combined Authority (Functions and Amendment) Order 2017 confers the power to pay Grant (pursuant to s31 of the Local Government Act 2003) to the Mayor with assistance of members and officers of the Combined Authority.

- 4.2 There are no direct legal implications identified as a result of this report. However, the proposals set out in this report may have legal implications in the future which will be considered at the appropriate time through future reports as necessary.

## **5. Equalities Implications**

- 5.1 The proposals within the report are likely to have a positive impact on equalities. An equality impact assessment will be conducted to ensure that key equality principles and considerations are incorporated within any affordably housing strategy to help address inequalities and promote inclusion and equality for a wide range of groups.

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<sup>1</sup> NB It is important to note that this is not a bid to a competitive fund such as HIF, or a fund controlled by HM Treasury. The National Affordable Homes Programme is a MHCLG fund administered by Homes England.

## **6. Inclusive Growth Implications**

- 6.1 The proposals for an Affordable and Social Housing Agreement are focused on improving accessibility to and affordability of housing, factors which have considerable bearing on inclusivity. Failure to ensure that prosperity benefits communities across the region will contribute to the challenges continuing in the future.

## **7. Geographical Area of Report's Implications**

- 7.1 The proposed Affordable and Social Housing supply agreement is intended to encompass the whole geography of the WMCA area, including the 3 LEPs and non-constituent Member authorities.

## **8. Other Implications**

## **9. Schedule of Background Papers**

## Annex 1

### WMCA Affordable and Social Housing Agreement/Proposition Plan: Summary

***Our Goal: A new housing offer that enables people to come to the West Midlands, live in a decent home, grow up here, thrive and make their mark in an environment that gives people what they need.***

|                          | What   | How   |
|--------------------------|--|---|
| <b>Land</b>              | Bringing forward new land in public and private ownership increasing availability and opportunities for development            | <p>A plentiful pipeline of development sites across the region has been identified and prioritised (described by Homes England as being well on the way to establishing one of the most advanced site pipeline databases in the country at the Housing and Land Board)</p> <p>An ambition that 80% of all new affordable and social housing will be delivered on brownfield land to be set in the new regional Spatial Investment &amp; Delivery Plan</p> <p>A new affordable housing delivery approach from WMCA and registered providers to bring forward sites identified in the pipeline, at pace, using new expertise in WMCA, funding, land assembly, CPO, infrastructure development. A detailed proposition has been worked up by WMCA and partnership of providers to turn land into homes at an unprecedented pace.</p> |
| <b>Increasing Supply</b> | <p>Trebling the number of affordable and social homes in the region by late 2020s.</p> <p>Increased council house building</p> | <p>A coherent attraction strategy for new suppliers looking to invest in the region, to deliver an additional 1500 new homes every year. We are currently negotiating regional supply agreements/joint ventures with national providers to ensure we deliver this number.</p> <p>Delivering an additional 1500 new homes every year from 'existing providers' through a supply agreement with the West Midlands Housing Association Partnership.</p> <p>An extensive programme to support local councils to increase the delivery of council housing by exploring flexibility on borrowing, recycling of right to buy receipts and creation of new local housing companies where appropriate.</p>   |

|                                | What   | How   |
|--------------------------------|--|---|
| <b>Quality</b>                 | Consistent Regional Design Principles  | <p>A refurbishment programme to enhance existing social housing stock, improve standards, increase density of development, where appropriate, and increase overall quantum on an identified range of sites.</p> <p>Where appropriate, new housing to be built using advanced methods of construction and meeting the highest principles of design.</p>  |
| <b>Investment and capacity</b> | <p>Securing the funding from Government and private sector to enable new and existing providers to deliver.</p> <p>Securing the funding to support an expert team who can implement this delivery plan</p> | <p>Securing devolved Affordable Housing Accelerator Investment for the region from the National Affordable Housing Programme.</p> <p>Attracting private finance from global companies, pension funds and investors to the region through an updated West Midlands Investment Prospectus (launch March 2019) identifying investable propositions from the comprehensive site pipeline.</p> <p>Mapping key assets in the public sector; for disposal, purchase etc. to leverage private investment</p> <p>Creating an expert Affordable and Social Housing resource, using staff from WMCA, local authorities and registered providers, so that Government and industry can rely on outputs</p> |



## WMCA Housing and Land Delivery Board

|                                      |   |
|--------------------------------------|---|
| <b>Date</b>                          | 25 October 2018   |
| <b>Report title</b>                  | Housing and Land Funding                                    |
| <b>Portfolio Lead</b>                | Councillor Mike Bird  |
| <b>Accountable Chief Executive</b>   | Deborah Cadman, Chief Executive, WMCA                       |
| <b>Accountable Employee</b>          | Gareth Bradford, Director of Housing and Regeneration, WMCA |
| <b>Report has been considered by</b> | N/A   |

### Recommendation(s) for action or decision:

#### The WMCA Housing and Land Delivery Board is recommended to:

- 1 **Note** the positive progress in deploying devolved funds to deliver significant housing and employment outputs
- 2 **Note** the feedback from developers, councils and investors on opportunities to improve further access to the different housing and land funds in the region
- 3 **Endorse** the proposal to develop a **simpler, efficient and more transparent process** that is market leading in the UK for developers, investors and local councils to **access devolved housing and land funds** to unlock a step change in housing and employment delivery on brownfield land
- 4 Subject to agreement to above, **agree** to WMCA working with partners to develop within 6 months a single clear commissioning framework for all devolved housing and land funds
- 5 Subject to agreement to above, **agree** to WMCA developing a more consistent approach for deploying all devolved housing and land funds

- 6 **Endorse** the proposal to create a **clear set of criteria** that enables the Housing and Land Board to deploy funding in a manner which is consistent and more closely aligns deployment of land funds with delivering the strategic housing and regeneration goals of the WMCA and wider goals of the WMCA (e.g. inclusive growth toolkit).
- 7 Subject to agreement to above, **note** that a working draft proposal for a single clear commissioning framework built around a clear set of criteria will be presented to the December meeting of the Housing and Land Board.

## 1.0 Purpose

- 1.1 The purpose of this report is to review the existing processes for the utilisation of devolved housing and land funds and to specifically identify opportunities to enhance the operation of these funds. This is to ensure that the targets associated with such funding on housing delivery and job creation are achieved and exceeded. The report explicitly does not consider or make proposals in relation to the operation of other WMCA funds.
- 1.2 Getting this process right is critical - tranches of payment of funds from Government are now dependent on housing and employment outputs and spend being achieved from funds that have already been secured. Our bids for future funding will be more successful if we can show funding turns into outputs in the region and that we have exemplary delivery capability, capacity and assurance processes. A track record of proactive delivery and clear assurance is also required to attract essential private investment.
- 1.3 We have worked with councils, investors and developers to develop proposals that will maximise our ability to deliver the ambitious targets agreed by the Board and draw down tranches of HMG money. The report recommends preparing new WMCA assurance and commissioning frameworks which will ensure that the Housing and Land Board has clear oversight of delivery. This means we can all ensure timely and effective decision making, whilst allowing for administration of funds to be undertaken in various ways and by different bodies within that framework.

## 2.0 Background

- 2.1 First, all Leaders of the West Midlands have signed up to an ambitious target on supply of new homes (215,000 homes by 2031), on quality, on type (increasing utilisation of modular construction) and location (80%+ on brownfield land). Ambitious targets on employment have also been set by the WMCA Strategic Economic Plan including 500,000 new jobs and 1,600 ha of employment land by 2030. It is clear that those ambitious goals can only be achieved with significant new investment and a 'best in class' process for our key customers to access the funding they need when they need it.
- 2.2 Second, under the Housing Deal submitted by this Board to Government earlier this year and recent bids for HMG money for the region (e.g. HIF), the WMCA has been made increasingly responsible by Government for securing the delivery of the housing, employment and land remediation outputs associated with devolved housing and regeneration funds, so we must show clear delivery assurance and governance.
- 2.3 Third, and in light of feedback at the September Housing and Land Board, it is vital that funding decisions relating to the £610m of devolved housing and land funds, including the Housing Deal, are closely aligned to the strategic housing and regeneration goals of WMCA and link more closely to the wider goal of inclusive growth.

### 3.0 Success to date

3.1 The WMCA has a number of devolved funds which are to be utilised towards housing, employment and land remediation. These currently include:

| Fund           | Collective Investment Fund (CIF)   | Land Remediation Fund (£200m total)                   |  |
|----------------|--|---|--|
|                |  | Brownfield Land and Property Development Fund (BLPDF) | Land and Property Investment Fund (LPIF)   |
| Value          | £70m   | £50m  | £53m (further £97m provisionally identified subject to performance of first tranche) |
| Managed by     | West Midlands Development Capital  | West Midlands Development Capital                     | Black Country LEP  |
| Final decision | WMCA Leadership Team (up to £5m), Investment Board (£5m to £20m) or WMCA Board (£20m+) | Investment Board (£5m to £20m) or WMCA Board (£20m+)  | Black Country Joint Committee  |

3.2 The various funds are making important contributions to securing the housing and regeneration goals of the WMCA set out in the WMCA Business Plan, Strategic Economic Plan and Housing Deal. Of the whole £270m devolved to date, £103.3m of funding has received final approval. The anticipated direct outputs associated with the approved funding are:

- 3,000 jobs created
- 80 hectares of remediated brownfield land
- 140,000 sqm of commercial floorspace
- 2,000 new homes

### 4.0 The Need for a More Consistent and Efficient System

4.1 The September 2018 meeting of the Housing and Land Delivery Board requested that the WMCA investigate whether there are opportunities to enhance the operation of the various funds detailed above to enable an even greater degree of consistency and more timely deployment. This will support the aspiration for the West Midlands to become the most frictionless region for investment in the country and gives the region the best possible chance for achieving its ambitious housing and employment goals.

4.2 **To address the question of greater consistency**, officers in councils and LEPs across the region have worked together to develop different options for improving consistency. *The clear consensus is that we should start to develop a single commissioning framework for all devolved housing and land funds. We understand from the private sector this would*

be greatly welcomed, significantly improving the opportunity to secure new and additional private sector interest and investment.

- 4.3 **To address the question of efficiency**, we have explored the processes for decisions to be made on funding having taken into account the differences in circumstances across the region. We have compared the funds being run in the region with those of land and investment funds elsewhere (e.g. Gloucestershire, Oxfordshire). The WMCA operated CIF and BLPDF currently use the WMCA commissioning processes. However, the LPIF currently operates a separate, and significantly different, commissioning process.
- 4.4 Different approaches respond to different local situations but, with an overarching funding package being made available across the region there is now the opportunity for a greater degree of consistency of approach to secure wider strategic objectives.
- 4.5 Our conclusion is to build on best practice, from both within the region and beyond, so that as far as possible we move all our systems for deciding on housing, employment and land remediation funds to a more efficient, consistent and appropriately flexible approach. It is suggested that this should include 3 steps of scrutiny (expert pre-scrutiny, senior officer scrutiny and recommendation, leaders decide). The system, including the governance and monitoring processes, will need to be developed in partnership over the coming months. As agreed at the September Housing and Land Board, the system should be founded on a clearly articulated set of principles and defined criteria.

## **5.0 Overarching principles**

- 5.1 It is proposed the following overarching principles are used as the basis of developing the new approach:
- a) Funding as a whole must be prioritised to maximise overall financial and policy benefits. Working in partnership and a focus on delivery are key requirements to ensure that the process is as efficient and effective as possible to enable speedy decision making.
  - b) The process should ensure that the Housing and Land Delivery Board, who are responsible for the outputs that the funding seeks to achieve, are empowered to determine how such funding is utilised to ensure that it is used in the most appropriate manner.
- 5.2 A clear set of criteria need to be developed that encapsulate the strategic aims of the WMCA and how they relate to the utilisation of housing and land funding.

## **6.0 Developing the Criteria**

- 6.1 It is suggested that the starting point for developing the necessary criteria are the key tenets of the housing deal (e.g. focus on brownfield land). These principles were developed further for the operation of the proposed Land Fund as considered by Housing and Land Delivery Board in July as part of the review of the draft Spatial Investment and Delivery Plan. Appendix 1 summarises these criteria and suggests some further areas for consideration in response to recent announcements and emerging proposals such as 5G and the affordable and social housing supply proposition being considered at this meeting.

6.2 The WMCA has a wider remit, notably inclusive growth and there is a need to develop criteria for other land uses. The criteria need to relate to the full range of WMCA housing and regeneration strategies and the types of schemes that are anticipated to seek funding. An agreed mechanism should also be in place for truly novel and unique proposals that fit the strategic goals of the WMCA, but have not been foreseen.

## **7.0 Financial implications**

7.1 There are no financial implications identified as a result of this report. However, the proposals set out in this report may have financial implications in the future which will be considered at the appropriate time through future reports as necessary.

## **8.0 Legal implications**

8.1 Section 113A(1)(a) of the Local Democracy, Economic Development and Construction Act 2009 gives the CA a power of competence appropriate for the purposes of carrying-out any of its functions. Part 4 of The West Midlands Combined Authority Order 2016 (2016 No 653) confers that the functions relating to any Economic development and regeneration in the constituent councils are exercisable by the CA. Part 3 of The West Midlands Combined Authority (Functions and Amendment) Order 2017 confers the functions corresponding to the functions of the Housing Community Agency has in relation to the combined area. Part 7 of the Mayoral of The West Midlands Combined Authority (Functions and Amendment) Order 2017 confers the power to pay Grant (pursuant to s31 of the Local Government Act 2003) to the Mayor with assistance of members and officers of the Combined Authority.

8.2 There are no direct legal implications identified as a result of this report. However, the proposals set out in this report may have legal implications in the future which will be considered at the appropriate time through future reports as necessary.

## **9.0 Equalities implications**

9.1 There are no equalities implications identified as a result of this report. However, equality needs to form an integral element of the aims to be incorporated within the assessment process to ensure some of the key housing and other inequality issues are addressed.

## **10.0 Inclusive growth implications**

10.1 There are no inclusive growth implications identified as a result of this report. However, the proposals set out in this report may have inclusive growth implications in the future which will be considered at the appropriate time through future reports as necessary.

## **11.0 Geographical Area of Report's Implications**

11.1 In implementing the recommendations of this report regard will be given to the wider West Midlands Geography.

## **12.0 Schedule of background papers**

9.1 Item 6 Housing and Land Delivery Report 17th July 2018 - Spatial Investment and Delivery Plan Update

- 9.2 Item 8 Investment Board 17th September 2018 – WMCA Collective Investment Fund (CIF) – Dashboard
- 9.3 Item 9 Investment Board 17th September 2018 – Brownfield Land and Property Development Fund (BLPDF) – Dashboard

## APPENDIX 1 – Developing the criteria

Summary of key criteria in the draft SIDP considered by HLDB in July:

- More homes, with continuous improvement in the quality of homes and values while achieving excellence in placemaking
- Aspirational homes at multiple price-points with a range of unit sizes and types.
- More affordable homes
- Advanced methods of construction as the default, preferably using technology developed in the West Midlands
- Higher density development, particularly in central locations and along transport corridors and nodes
- Encourage new tenures and innovative approaches to existing tenures
- Brownfield first
- Employ apprentices and graduates resident in the West Midland in designing and delivering development

Recent announcements and emerging proposals for incorporation into the criteria

- 5G Testbed
- Affordable and social housing supply proposition
- Town Centres Programme
- Local Industrial Strategy

Other areas for consideration:

- Inclusive growth
- Sustainability
- Health and wellbeing
- Employment land (industrial, logistics, offices etc.)
- WMCA as funder of last resort and opportunities for redeployment
- Prioritisation and exceptions

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