



Overview & Scrutiny Committee

Date: Thursday 12 January 2023

Time: 10.00 am **Public meeting** Yes

Venue: Room 116, 16 Summer Lane, Birmingham, B19 3SD

Membership

Councillor Cathy Bayton (Chair)	Association of Black Country Authorities
Councillor Naeem Akhtar (Vice-Chair)	Coventry City Council
Councillor Andrew Burrow	Solihull Metropolitan Borough Council
Councillor Mike Chalk	Worcestershire Non-Constituent Local Authorities
Councillor Ellen Fenton	Association of Black Country Authorities
Councillor Ian Kettle	Dudley Metropolitan Borough Council
Councillor Nigel Lumby	Shropshire Non-Constituent Local Authorities
Councillor Martin McCarthy	Solihull Metropolitan Borough Council
Councillor Lauren Rainbow	Birmingham City Council
Councillor Karen Simms	Sandwell Metropolitan Borough Council
Councillor Mike Sutherland	Staffordshire Non-Constituent Local Authorities
Councillor Paul Sweet	City of Wolverhampton Council
Councillor Jamie Tennant	Birmingham City Council
Amanda Tomlinson	Black Country Local Enterprise Partnership
Councillor Vera Waters	Walsall Metropolitan Borough Council
Councillor Ken Wood	Birmingham City Council

Quorum for this meeting shall be 11 members

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

Contact Lyndsey Roberts, Scrutiny Officer
Telephone 07917 473824
Email lyndsey.roberts@wmca.org.uk

AGENDA

No.	Item	Presenting	Pages
Meeting Business Items			
1.	Apologies for Absence	Chair	None
2.	Declarations of Interests Members are reminded of the need to declare any disclosable prejudicial interests they have in any 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
3.	Chair's Remarks	Chair	None
4.	Minutes - 17 October, 20 October and 15 December 2022	Chair	1 - 12
5.	Matters Arising	Chair	None
6.	Mayoral Question Time: Policy - Response to Observations presented to the WMCA Board on 16 December 2022	Chair	13 - 18
7.	Future Homes Strategy	Rob Lamond	19 - 38
8.	Affordable Housing Supply Strategy	Rob Lamond	39 - 44
9.	Affordable Housing Delivery Pilot	Rob Lamond	45 - 52
10.	Grant Register	Kate Taylor	53 - 58
11.	Minutes - Transport Scrutiny Sub-Committee - 24 November 2022	Chair	59 - 62
12.	Work Programme (a) Overview & Scrutiny Committee (b) WMCA Board Forward Plan	Chair	63 - 68
13.	Exclusion of the Public and Press [In accordance with s100(A) of the Local Government Act 1972, the public and press be excluded from the meeting for the following items of business as they are likely to involve the disclosure of exempt information as specified in the paragraphs of the Act.]	Chair	None

Items of Private Business

14.	Pre-Decision Scrutiny: LEP Integration: Submission of West Midlands LEP Integration Plan	Julie Nugent	69 - 120
15.	Date of Next Meeting Monday 13 March 2023 at 10:00am	Chair	None

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West Midlands Combined Authority

Overview & Scrutiny Committee

Monday 17 October 2022 at 2.00 pm

Minutes

Present

Councillor Cathy Bayton (Chair)
Councillor Andrew Burrow
Councillor Mike Chalk

Councillor Ian Kettle
Councillor Nigel Lumby

Councillor Martin McCarthy
Councillor Lauren Rainbow
Councillor Jamie Tennant
Councillor Vera Waters

Association of Black Country Authorities
Solihull Metropolitan Borough Council
Worcestershire Non-Constituent Local
Authorities
Dudley Metropolitan Borough Council
Shropshire Non-Constituent Local
Authorities
Solihull Metropolitan Borough Council
Birmingham City Council
Birmingham City Council
Walsall Metropolitan Borough Council

In Attendance

Fiona Aldridge
Steve Bowyer

Julia Cleary

Dan Essex
Carl Pearson
Lyndsey Roberts
Laura Shoaf

Head of Insight & Intelligence
Partnerships & Engagement Strategic
Lead
Head of Corporate Support &
Governance
Governance Services Manager
Head of Major Funding
Scrutiny Officer
Chief Executive

Item Title No.

88. Inquorate Meeting

The meeting was inquorate and therefore decisions taken at the meeting would be submitted to the WMCA Board on 28 October 2022 for formal approval.

89. Apologies for Absence

Apologies for absence were received from Councillor Naeem Akhtar (Coventry), Councillor Ellen Fenton (Association of Black Country Authorities), Councillor Paul Sweet (Wolverhampton) and Amanda Tomlinson (Black Country LEP).

90. Minutes - 5 September 2022

The minutes of the meeting held on 5 September 2022 were agreed as a correct record.

91. UK Shared Prosperity Fund Investment Plan - Draft Report for WMCA Board

The committee considered a report of the Executive Director for Economic Delivery, Skills & Communities on the UK Shared Prosperity Fund Investment Plan, prior to its submission to the WMCA Board on 28 October 2022.

The UK Shared Prosperity Fund was a central pillar of the Government's Levelling Up agenda, providing funding for local areas to increase life chances across the UK and to build pride in place. The funding could be spent on three investment priorities relating to community and place, supporting local businesses and people and skills.

The committee discussed the allocation of Shared Prosperity Fund for non-constituent authorities and the potential opportunities to work in collaboration with them. In terms of the funding gap for 'people and skills', there were a number of challenges including the availability of the fund (not available until 2024/25) and that the overall value of the Shared Prosperity Fund was lower than previously available through the European Social Fund and European Regional Development Fund. However, each local authority had undertaken a risk assessment and had mitigation strategies in place.

The committee questioned the role of the business support advisors and their locality, the 4% administration allocation, the allocation of the Shared Prosperity Fund to each local authority and need and the ability to spend year 1 funds by 31 March 2023. In addition, members noted the importance of an integrated approach to the investment priorities.

With regards to the Adult Education Budget, the Head of Insight & Intelligence agreed to share the allocation of the fund to each local authority area through the forthcoming skills scrutiny review.

Recommended to the WMCA Board:

The Overview & Scrutiny Committee support the approval of the recommendations contained within the report and being considered by the WMCA Board at its meeting on 28 October 2022.

92. Trailblazer Devolution Deal Scrutiny Working Group - Summary Report

The committee considered a report of the Executive Director for Strategy, Integration & Net Zero on the findings of the Overview & Scrutiny Trailblazer Devolution Deal Working Groups that considered each of the trailblazer devolution proposals in detail.

At its meeting on 11 July, the Overview & Scrutiny Committee agreed to hold a series of working groups over the summer period to review each of the proposals in detail and to discuss the local benefits that could be delivered to each local authority area through the proposed Trailblazer Devolution Deal.

The Partnerships & Engagement Strategic Lead welcomed the valuable engagement with members of the committee, which had helped to develop the proposals and shape the impact of the devolution deal. In terms of the timetable, negotiations continued with Government, and it was envisaged that the draft deal would be considered by the WMCA Board on 18 November.

In response to a question raised regarding young people and breaking the cycle of criminality through the devolution deal, the WMCA was seeking a combination of responsibility and resource and it was recognised that there was a need for a regional perspective through early years and prevention.

The committee highlighted the possibility of future initiatives to generate energy through the utilisation of roof-based solar panels and shared comments regarding retrofitting and sustainable funding, market shaping, affordable housing and the work of the homelessness taskforce, fiscal challenges and the impact on the trailblazer devolution deal.

In terms of next steps, the Governance Services Manager confirmed that the conclusions of the Overview & Scrutiny Committee would form part of the Trailblazer Devolution Deal report that was to be considered by the WMCA Board on 18 November.

Recommended to the WMCA Board:

- (1) The conclusions of the working groups, as set out within the report, that would help to support and shape the Trailblazer Devolution Deal submission to Government being considered by the WMCA Board be endorsed; and
- (2) Further updates and briefings be submitted to future meetings of the committee on developments following the submission of the devolution proposition to the Government.

93. Minutes: Transport Scrutiny Sub-Committee - 8 September 2022

The committee received the minutes of the Transport Scrutiny Sub-Committee held on 8 September 2022.

In relation to the delivery of the Wednesbury to Brierley Hill Metro extension, the committee referred to the recent press releases and sought clarification as to whether the funding was available to deliver the extension. The Chief Executive confirmed that whilst there was a funding challenge, earlier this year the WMCA Board had reiterated its commitment to deliver the Wednesbury to Brierley Hill Metro scheme in full and funding solutions were being explored. During a visit to Birmingham, the Prime Minister had reiterated her personal commitment to deliver the scheme in full.

Recommended to the WMCA Board:

The minutes of the meeting held on 8 September 2022 be agreed.

94. Work Programme

The committee noted a work programme of items that were to be reported to future meetings.

Recommended to the WMCA Board:

The work programme of items to be reported to future meetings be noted.

95. Date of Next Meeting

Thursday 20 October 2022 at 10.00am (Mayoral Q&A on WMCA policy)

The meeting ended at 3:40pm



Overview & Scrutiny Committee

Thursday 20 October 2022 at 10.00 am

Minutes

Present

Councillor Cathy Bayton (Chair)	Association of Black Country Authorities
Councillor Andrew Burrow	Solihull Metropolitan Borough Council
Councillor Ian Kettle	Dudley Metropolitan Borough Council
Councillor Nigel Lumby	Shropshire Non-Constituent Local Authorities
Councillor Martin McCarthy	Solihull Metropolitan Borough Council
Councillor Lauren Rainbow	Birmingham City Council
Councillor Mike Sutherland	Staffordshire Non-Constituent Local Authorities
Councillor Jamie Tennant	Birmingham City Council
Amanda Tomlinson	Black Country Local Enterprise Partnership
Councillor Vera Waters	Walsall Metropolitan Borough Council

In Attendance

Councillor Naeem Akhtar (joined via teams)	Coventry City Council
Dan Essex	Governance Services Manager
Lyndsey Roberts	Scrutiny Officer
Laura Shoaf	Chief Executive
Andy Street	Mayor of the West Midlands

Item Title
No.

97. Welcome and Introductions

The Chair welcomed the Mayor and members of the committee to the first mayoral question time of 2022/23 that would be focussing on WMCA policy-related matters.

98. Apologies for Absence

Apologies for absence were received from Councillor Mike Chalk (Worcestershire Non-Constituent Local Authorities), Councillor Ellen Fenton (Association of Black Country Authorities), Councillor Paul Sweet (City of Wolverhampton Council) and Amanda Tomlinson (Black Country LEP).

99. Questions to the Mayor from Members of the Committee

The committee pursued a number of general lines of enquiry with the Mayor, including the cost of living pressures, economy, local enterprise partnerships, environment, skills and transport.

The committee questioned the Mayor on the impact of the Government's economic policies on businesses, individuals and families within the region. The Government's action to help address the cost of living pressures by providing energy support to individuals and small businesses was welcomed by the Mayor, but he expressed his disappointment at the wider impacts of the uncertainty caused within financial markets. In addition, he highlighted the WMCA's activity to help support the region through negotiations with transport operators on the cost of fares and the decision not to impose a precept. The WMCA also continued to lobby the Government for sustainable local funding.

In terms of the WMCA's 'ambitions versus resource', the impact on the capital programme due to inflationary pressures was recognised and with regards to the Trailblazer Devolution Deal, the WMCA had made it clear to Government that resources would be required in order to achieve successful outcomes.

The committee commended the WMCA on the work undertaken to help address rough sleeping within the region. It was recognised that, as a region, further improvement needed to be made to the sufficient supply of affordable and social homes, and as part of the Trailblazer Devolution Deal the WMCA would be seeking the devolution of further funding for this.

Members explored questions regarding the economy, including the introduction of the West Midlands Investment Zones and the future of a Gigafactory facility at Coventry Airport. The Mayor emphasised the Government's commitment for this proposal and the search for a private operator continued. In addition, he shared his thoughts on planning and environmental regulations and the potential funding mechanism for future Investment Zones.

In response to a question raised regarding the Levelling Up & Regeneration Bill and future plans for the Police & Crime Commissioner and the West Midlands Fire Authority, the Mayor shared his personal view on the benefits of a combined role, although he had previously indicated to the WMCA Board that he did not consider that this issue would arise during his current term of office.

In terms of the region's local enterprise partnerships, there were many ways in which the business community could influence and input into the WMCA's decision making processes through its membership on the Economic Impact Group, Regional Business Council and on other WMCA boards and committees. The committee noted the collaboration work currently ongoing to ensure that the business voice continued to be heard within the WMCA's decision making processes.

The committee enquired about the withdrawal of bus services, in particular school services in Coventry, which was believed to be because of driver shortages. The Mayor explained that public consultation on changes to services on 1 January 2023 was currently underway that may lead to potential changes on routes, however this was due to the financial sustainability of services and not driver shortages. In terms of subsidised services, social issues were also taken into consideration.

In relation to the delivery of the Wednesbury - Brierley Hill metro extension, the committee sought clarification as to whether the funding was available to deliver the extension. Whilst there was a funding challenge, earlier in the year the WMCA Board had reiterated its commitment to deliver the Wednesbury - Brierley Hill metro scheme in full, and funding solutions to achieve this were currently being explored. Members explored questions around other funding options, including the use of transport levies. A report would be submitted to the WMCA Board in January 2023 regarding a funding solution.

The committee sought the views of the Mayor on the effectiveness of the current schemes in holding bus operators to account and the use of shares in order to improve bus driver retention. The Mayor supported the principle of employee share ownership schemes and considered that the Enhanced Bus Partnership Scheme to be effective, but expressed some disappointment with the operational performance of National Express West Midlands.

The committee emphasised the importance of achieving modal-shift for the West Midlands to achieve its target of becoming net-zero by 2041 and noted the number of schemes that were being trialled or delivered throughout the West Midlands that contributed towards meeting this net-zero target.

Members discussed the pace at which funding was allocated to deliver improvements to help alleviate congestion that had an impact on the mobility of labour.

Members explored the views of the Mayor with regard to building on Greenbelt or brownfield land. The Mayor supported a 'brownfield first' approach and reflected on previous builds within the region in which a majority of homes had been built on brownfield sites. However, the challenges on future locations and builds was recognised.

In terms of retrofitting and energy efficiency solutions, the Mayor reported on the introduction of the Smart Hub that was a community based scheme. In addition, members explored questions and discussed the processes to match the needs of employers with students' aspirations and ensuring colleges met the demands, place shaping, the creation of predictable demand, sustainable good quality employment and building confidence in young people.

Recommended:

The following observation be shared with the WMCA Board for consideration and response as appropriate:

(1) Adult Education Budget, Skills and Job Opportunities

The overall impact of higher education spend and the likelihood that any sub-regional disparity in this would affect the future of the region as individuals would seek employment and training opportunities outside of their boroughs.

Access to learning and employment and how to change the mind set of individuals to take up the opportunities that were on offer was vitally important.

(2) Investment and pace of delivery

Investment into the reliability and speed of investment to deliver the infrastructure and services needed to enable individuals to travel to work seamlessly and for businesses to operate effectively was highly important and remained a key challenge. The 2041 net zero target was also reliant on getting public transport right.

(3) Resource vs Ambition

Overview & Scrutiny Committee recognise that resource vs ambition had become a common theme and would be keeping a close eye on this throughout the year.

Risk of shared failure and the consequences of this was highlighted as an ongoing concern for members. Whilst the breadth and diversity of the WMCA's ambitions was welcomed along with the recognition of the challenges within the region, it was thought that focussing on those areas (housing, skills, transport and climate change) which caused the greatest concern for residents of the region should be the priority focus for the WMCA.

(4) Investment Zones

Overview & Scrutiny members to be kept abreast on the development of these Investment Zones.

(5) Communication

Members stressed the importance of a strong communications strategy to counteract negative stories.

100. Date of Next Meeting

Monday 7 November 2022 at 10.00am

The meeting ended at 12:00pm



Overview & Scrutiny Committee

Thursday 15 December 2022 at 10.00 am

Minutes

Present

Councillor Cathy Bayton (Chair)	Association of Black Country Authorities
Councillor Ian Kettle	Dudley Metropolitan Borough Council
Councillor Martin McCarthy	Solihull Metropolitan Borough Council
Councillor Lauren Rainbow	Birmingham City Council
Councillor Paul Sweet	City of Wolverhampton Council
Councillor Jamie Tennant	Birmingham City Council
Amanda Tomlinson	Black Country Local Enterprise Partnership
Councillor Vera Waters	Walsall Metropolitan Borough Council

In Attendance

Dan Essex	Governance Services Manager
Linda Horne	Executive Director of Finance and Business Hub
Lyndsey Roberts	Scrutiny Officer
Laura Shoaf	Chief Executive
Andy Street	Mayor of the West Midlands
Councillor Bob Sleigh	Portfolio Lead for Finance

**Item Title
No.**

101. Welcome and Introductions

The Chair welcomed the Mayor, Portfolio Lead for Finance and members of the committee to the second mayoral question time for 2022/23 that would be focussing on the proposed draft 2023/24 budget.

102. Apologies for Absence

Apologies for absence were received from Councillor Akhtar (Coventry), Councillor Burrow (Solihull), Councillor Chalk (Worcestershire), Councillor Fenton (Sandwell), Councillor Lumby (Shropshire) and Councillor Sutherland (Staffordshire).

103. Questions to the Mayor and the Portfolio Lead for Finance from Members of the Committee

The committee pursued a number of general lines of enquiry with the Mayor and the Portfolio Lead for Finance, including the sustainability of the budget, the investment programme, the trailblazer devolution deal and transport.

With regards to a mayoral precept, whilst the reasons for choosing not to set a precept during the mayoral term was recognised, the committee considered that the collective decision made not to support the introduction of a precept had had an impact on the sustainability of the WMCA's budget. In terms of the trailblazer devolution deal, it was acknowledged that the decision not to set a precept could affect negotiations with Government, however this decision had been weighed against the economic pressures on individuals paying taxation.

The Mayor and Portfolio Lead for Finance answered questions in relation to the Government's financial support packages for bus and light rail, redistribution of taxes, capital investment for longer term transport strategies to improve connectivity, reliability and public transport times, financial challenges for existing and future supported transport policies, patronage levels, subsidised routes and criteria, value for money and the West Midlands Growth Company.

In terms of train services, in particular the Aldridge route, the Mayor explained that this route would be funded through the City Region Sustainable Transport Settlement and its business case had yet to be approved. In addition, the latest position with regards to the delivery of HS2 and the benefits of the introduction of the car park located in Solihull was also noted.

The committee questioned whether there were any constraints within the budget that might have an impact on the WMCA's net zero targets. Whilst the WMCA continued to make good progress in terms of the reduction in transport emissions, addressing the energy efficiency of homes was a challenge in terms of resource. In addition, members explored the potential for new builds to be carbon neutral and how the WMCA could influence this.

To enable scrutiny members to hold those responsible to account, members sought assurances that 'accountability' was embedded within the WMCA's Single Assurance Framework. There were a number of areas where accountability was built in, and members were assured that public dashboards were available that demonstrated the outputs achieved.

In terms of the work undertaken on the proposed investment zones, the Mayor explained how this work would be utilised for future 'levelling up zones' and would be of value for future projects for the region.

Recommended:

The following observations be shared with the Mayor and WMCA Board for consideration and response:

(1) Regional Role in Energy Efficiency

Members expressed their concerns on the cost of energy and the impact that this had on the economy. There was a need to seek the introduction of alternative solutions, for example energy turbines.

(2) Investment Portfolio

The committee questioned whether the WMCA was generating economic growth in specific areas, especially given the disparity of investment

(3) Greater Scrutiny - Arms' Length Companies and the Delivery of Outputs

The committee considered that there needed to be a greater focus on the outputs generated through investments and a greater scrutiny focus on arms' length companies and the outputs delivered for the region.

(4) Carbon Neutrality

The committee stressed the importance of the work being undertaken to achieve carbon neutrality on projects that the WMCA was supporting.

104. Date of Next Meeting

Thursday 12 January 2023 at 10.00am

The meeting ended at 12.00 pm.

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Overview and Scrutiny

Topic 1: Adult Education Budget, Skills and Job Opportunities

The overall impact of higher education spend and the likelihood that any sub-regional disparity in this would affect the future of the region as individuals would seek employment and training opportunities outside of their boroughs.

Access to learning and employment and how to change the mind set of individuals to take up the opportunities that were on offer was vitally important.

Response from Productivity and Skills Directorate:

In response to the first point, it's important to recognise that people do not exclusively train or work in the areas they reside. Where they choose to learn is influenced strongly by travel and by word of mouth recommendation from friends and family as well as by aspiration, identification with a provider. Across the breadth of our provision we therefore strive to achieve two things:

1. Firstly, to provide a baseline entitlement offer in each locality comprising basic skills – English, maths, digital and language – as well as level 2 and level 3. This offer is provided by our FE Colleges and our local authority adult education providers who ensure there is a good local offer.
2. Secondly, to deliver a higher level specialist training offer. It is not possible or viable to replicate every specialist training in every locality because of the costs of equipment, staffing, premises etc. however we work to ensure that this offer is accessible across a broader geographical area, for example through use of learner support funds.

When AEB was first devolved, WMCA Board stipulated that each LA area should receive the same level of funding as they had had under the national system, so as not to destabilise. This distribution was based on historic delivery patterns and not a needs based formula. Furthermore it should be noted that demand is not equal to need and patterns of participation emerge based on more personal factors.

Since devolution, we have worked closely with LAs, colleges and training providers to ensure that the training offer in each LA is better aligned to local need than was the case pre-devo. This includes proactively investing and shaping in areas where the offer is weaker. We have worked closely with our Local Authority Officers Group to ensure that funding is used to shape programmes that reflect local priorities and complement other local activities. As a result, skills training is now more strategically aligned to local economic need and Local Authorities are better placed to influence provision in their local areas.

Across the region, we now are spending more in each area on better quality training linked to better outcomes, with a more appropriate mix and balance of provision on offer. Since devolution, each Local Authority has seen an increase in AEB funding spent in their area, as well as an increase in learner numbers between 2017/18 and 2021/22. On top of this there has been an additional £24m per annum invested through new funds that the WMCA has secured – Free Courses for Jobs and bootcamps.

In the case of more specialist provision, we recognise that learners may need to travel further. Where this is the case, our learner support funds can assist with costs such as travel, childcare etc so that these potential barriers can be reduced. Research over a number of years shows that travel to learn patterns increase in distance with the higher the level of qualification – hence the commitment to a baseline offer in each area.

We recognise that there is more to do to engage a broader range of residents in learning and training – although this has to be done within a fixed quantum of funding. In 2023, we will be launching a new behaviour-led comms campaign to attract learners. We will also be reviewing our learner support offer, to better help residents with the costs of learning, such as transport and childcare. We will also be exploring where additional support, such as mentoring, can improve residents chances of finding work or progressing in employment as a result of their training.

Topic 2: Investment and pace of delivery

Investment into the reliability and speed of investment to deliver the infrastructure and services needed to enable individuals to travel to work seamlessly and for businesses to operate effectively was highly important and remained a key challenge. The 2041 net zero target was also reliant on getting public transport right.

Response from TfWM:

There are a number of challenges that the capital delivery programme is facing, as reported to the December Board. These include issues with the impact of inflation and other global events on the supply chain, which are increasing costs and imposing delays to delivery. TfWM is mitigating these by working closely with delivery partners and restructuring its teams to give a focus on more robust portfolio management of projects and resources. The statutory transport plan will be consulted on during 2023 and set further ambitious targets to meet the 2041 net zero challenge. This will also include behaviour change with a requirement for improved operational performance of all public transport and active travel options. Revenue funding to support and subsidise services where needed and improved reliability and punctuality will be key to deliver this target.

Topic 3: Resource vs Ambition

Overview & Scrutiny Committee recognise that resource vs ambition had become a common theme and would be keeping a close eye on this throughout the year.

Risk of shared failure and the consequences of this was highlighted as an ongoing concern for members. Whilst the breadth and diversity of the WMCA's ambitions was welcomed along with the recognition of the challenges within the region, it was thought that focussing on those areas (housing, skills, transport and climate change) which caused the greatest concern for residents of the region should be the priority focus for the WMCA.

Cross-Directorate Response:

As with other bodies in the public sector, the WMCA faces considerable resourcing constraints at present, in the wake of the pandemic and the ongoing period of inflation. All Directorates are keenly focused on mitigating these pressures and ensuring that they can continue delivering across the breadth of the WMCA's commitments and ambitions.

Topic 4: Investment Zones

Overview & Scrutiny members to be kept abreast on the development of these Investment Zones.

Housing, Property, and Regeneration Directorate Response:

A note on terminology: our devolution deal proposal encompasses our locally-developed “Levelling Up Zones” concept. This is conceptually distinct from “Investment Zones”, which will be applied for as part of a separate, national scheme managed by Government – for which we are still currently awaiting the revised criteria.

The “Levelling Up Zone” (LUZ) concept remains a core element of the region’s asks for further devolution to the West Midlands. It is important to note that the efficient, productive and timely collaboration between local authorities, the WMCA and wider partners, which resulted in the Investment Zone proposals to Government during October 2022 (under the original and since withdrawn criteria for that scheme), has put the region in a strong position for ongoing development of the LUZ agenda. The strong pipeline of commercial and residential schemes this work has evidenced will inform the Trailblazer Devolution Deal proposals and supporting evidence base, the pipeline for devolved Housing and Land funds and the development of the next iteration of the West Midlands Investment Prospectus and other business cases to Government.

The WMCA is committed to the principle that the West Midlands needs defined Levelling Up Zones along our key transport corridors to drive economic growth and wider Levelling Up (as set out by the Housing and Land Board, Investment Prospectus and in the original IZ submissions) that would benefit from new infrastructure funding, new approaches to public land and enhanced and discretionary tax retention and reliefs in LUZs.

Topic 5: Communication

Members stressed the importance of a strong communications strategy to counteract negative stories.

Comms Response:

The communications team is in agreement with this comment and has developed a strategy for promoting clear, positive and proactive stories throughout 2023. The media and digital teams review outlets daily to monitor sentiment and handle negative or inaccurate stories as appropriate.



**West Midlands
Combined Authority**

Overview & Scrutiny Committee

Date	12 January 2023
Report title	Future Homes Strategy
Portfolio Lead	Cllr Mike Bird, WMCA Portfolio Lead for Housing and Land
Accountable Chief Executive	Laura Shoaf, West Midlands Combined Authority email: laura.shoaf@wmca.org.uk
Accountable Employee	Rob Lamond, Head of Strategy & Analysis email: rob.lamond@wmca.org.uk Gareth Bradford, Executive Director for Housing Property & Regeneration WMCA email: gareth.bradford@wmca.org.uk

Recommendation(s) for decision:

Overview & Scrutiny Committee is recommended to:

- a) **Note** the work to date to develop a Future Homes Strategy, as commissioned by the Housing & Land Delivery Board, including specialist support and input from the Future Homes Taskforce and local authority partners across the region.
- b) **Note** the next steps and basis for future performance measurement set out under section 6 of the report.

1.0 Purpose

- 1.1 The purpose of this report is to update the Overview & Scrutiny Committee on progress in developing a Future Homes Strategy and an aligned technical standard.
- 1.2 It is proposed that, when approved, the technical standard is embedded as an investment criterion for the WMCA's devolved Housing & Land funds which will enable implementation of the Future Homes Strategy through WMCA's investment decisions, site acquisitions, disposals and strategic partnerships.

2.0 Background

- 2.1 There is wide ranging acknowledgement that the use of new technology and applying higher standards of design and energy efficiency impact not only on suppliers and housebuilders but also on occupiers who stand to benefit from better quality homes, reduced energy costs and improved health and wellbeing.
- 2.2 Prior to 2022/23, these matters have been taken forward as separate workstreams and initiatives. A 'Future Homes Strategy' was thus commissioned by the Housing & Land Delivery Board to bring together different initiatives in a coherent strategy that drives the delivery of, and investment in, Advanced Manufacturing in Construction, zero carbon homes and the accelerated roll-out of the Future Homes Standard across the region drive forward these areas of work as an integrated and holistic strategy which captures, comprehensively, the social, economic and environmental benefits.
- 2.3 In April 2022, the Housing & Land Delivery Board agreed a programme of work to develop a '*Future Homes Strategy*', a coherent strategy to accelerate delivery and investment in Advanced Manufacturing in Construction (AMC); zero carbon homes (ZCH); the accelerated roll-out across the region of changes to Building Regulations (Part L) set out in the Government's Future Homes Standard; and consequential reduced occupier costs in the new homes.
- 2.4 WMCA's proposed Future Homes Strategy is builds on the work to date around AMC and ZCH under the leadership of the Housing & Land Delivery Board. This new integrated strategy is directly linked to:
 - unlocking the potential of the '*Manufacture of Future Housing*' economic cluster in the West Midlands Plan for Growth (launched July 2022)
 - the investment opportunity into future homes set out in the West Midlands Investment Prospectus (launched March 2022), and
 - the high level deliverables of the Housing & Land Portfolio agreed by WMCA Board in February 2022.
- 2.5 The Housing & Land Delivery Board has received regular updates on the process to develop the Future Homes Strategy including the appointment of expert support the development of the strategy; the establishment of a Future Homes Taskforce with membership drawn from across the construction and residential development industry; and the launch of a series of research projects to create an evidence base to underpin the new strategy.

2.6 The Future Homes Taskforce met three times in 2022 (July, October, December) to review the evidence collected to date and provide critical steer on the emerging technical standard, contributing insights from the industry leadership groups which taskforce members attend, including those on the general direction of future national policy.

3.0 Sectoral Context

3.1 Two key research pieces have been undertaken to understand the regional and national sectoral context in relation to Future Homes as well as the technical capability and capacity of the region's supply chain of advanced construction solutions and enhanced performance.

3.2 The first of these focused on mapping the region's AMC/MMC supply chain capability and aligning this with the aspirations of the Future Homes Strategy. Appendix 1 (attached) sets out the accepted definitions of the seven categories of MMC and the impact that each has in increasing the pre-manufactured value of a new house. Suppliers have been described and categorised in line with the relevant categories of Modern Methods of Construction (MMC) set out in the Government's MMC Definition Framework. This shows a **significant capability** already operating in the region, across five of the seven MMC categories.

3.3 The second focused on mapping the emerging carbon and sustainability standards applied across the construction industry, considering both regulatory requirements and influential regional or industry initiatives in terms of:

- national legislation (with a specific focus on HM Government's on-going consultation on the Future Homes Standard to be applied from 2025 onwards)
- enhanced standards that are being advocated by industry leadership groups such as the Royal Institute of British Architects (RIBA) and the Low Energy Transformation Initiative (LETI) but are not yet required by legislation
- policy positions being developed by other combined or devolved authorities, especially Greater Manchester Combined Authority (GMCA) and the Greater London Authority (GLA).

3.4 The results of this research are being used to inform the approach taken in the Future Homes Strategy and its accompanying technical standard to deliver '*further and faster*' on 'future homes' in a way that is deliverable and viable for developers e.g. by identifying quick wins currently missing in national legislation.

4.0 The Scope of the Future Homes Strategy

4.1 There is consensus that delivering homes for the twenty-first century will require public sector support and a clear vision, objectives and principles to establish the route to success and how to respond to the opportunities presented. Our ambition is to establish the West Midlands as the centre of excellence for low carbon living and modular construction in the UK.

- 4.2 The proposed strategy is delivery-focused, identifying near term actions where WMCA and its partners' powers, leadership and influence will be most impactful. The aim will be continuing to encourage the growth of modern construction including skills, training and local supply chain growth. The work will take a pragmatic approach, building on what has been done before and securing clear change through incremental growth but ultimately achieving the end goals.
- 4.3 The Future Homes Strategy will establish the vision, objectives, principles and response through three constituent elements:
- A **strategic document** which will signal WMCA's intent and expectation and help to drive the development market and supply chain to be able to respond to those expectations.
 - A **technical standard document** which will translate the strategic objectives into real measurable standards that will apply to new schemes seeking funding through the SCF process and support easier assessment of performance in terms of MMC/Zero Carbon delivery by enabling 'yes/no' responses.
 - **Context and guidance information** that will explain the technical standard and place it into context for a developer and construction sector which we know, at present, is at an early stage of understanding and maturity in responding to the climate challenge.
- 4.4 The strategy document will be prepared in early 2023, following on from the technical standard document which is the key enabling content and current focus of this programme.

5.0 Future Homes Technical Standard

- 5.1 Both the AMC and Zero Carbon Homes Routemaps (which were agreed by Housing & Land Delivery Board in November 2020 and January 2021) set out performance targets for new residential developments seeking WMCA Housing and Land funding. The proposed Future Homes Technical Standard is intended to build on and operationalise these targets rather than creating a new strategic approach; by expanding the breadth of their application and moving away from prescribed solutions to performance-driven outcomes.¹ This approach will support more inclusive and diverse supply chain growth.
- 5.2 The key concepts driving the technical standard are:
- It should align to, and build on, emerging national standards and metrics of construction and sustainability performance, rather than creating new measures or areas of focus.
 - It should create a minimum expectation for developers in the West Midlands that is ahead of regulatory minimum performance and which signals a long-term direction towards exemplar performance, yet is also achievable.

¹ e.g. WMCA's existing AMC requirement applies only to sites over 200 units and prescribes specific MMC solutions.

- It should be based on clear definitions of required performance and, alongside setting expectations, should also explain the steps that developers can take to achieve the required standard and the evidence that would be available to test if that this is the case.
- Phased implementation will be important and it should test how implementation is happening before launching at scale.
- Performance measurement and monitoring against the standard is based on **quantitative criteria**, providing clarity for applicants on WMCA's funding requirements and enabling comprehensive and consistent reporting of WMCA's performance against the objectives set out in the strategy.

5.3 The details of the technical standards and supporting guidance documentation are currently being developed in consultation with the Future Homes Taskforce and Local Authorities

6.0 Next Steps

6.1 Drafts of both the standard and strategy documents are in the final stages of development and will be considered by Housing & Land Delivery Board in early 2023. Subject to approval, the Strategy and related criteria will provide the essential basis for performance measurement and reporting to the Board and Overview & Scrutiny Committee in future.

7.0 Financial Implications

7.1 At this stage, the direct financial implications of the work for the Future Homes Strategy, as noted in this progress report, relate to the costs of external advice to support the development of the strategy, the costs of research activity and other costs associated with commissioning activity to support the research and other planned activity noted within this report.

7.2 There may be, in future, other financial implications arising from decisions to progress projects in delivering a regional increase in homes built to higher standards using new technology but any such decisions would be subject to WMCA's approved governance and assurance processes.

7.3 Note that, at present, there is no dedicated funding for the higher standards implied by the use of new technology and application of higher standards; any investment in these matters through WMCA will come through the existing devolved funding. An investment case for an AMC Acceleration Fund was previously submitted to HM Government by WMCA but, to date, this additional funding has yet to be secured.

7.4 Any WMCA investment into future homes delivery would be governed and administered through the WMCA Single Assurance Framework and in line with the accounting and taxation policies of the WMCA and HMRC.

8.0 Legal Implications

- 8.1 It is noted that the purpose of this report is to update the Overview & Scrutiny Committee on progress in developing a Future Homes Strategy and an aligned technical standard. It is proposed that the technical standard is embedded in WMCA's Single Commissioning Framework as an investment criterion which will enable implementation of the Future Homes Strategy through WMCA's investment decisions, site acquisitions, disposals and strategic partnerships.
- 8.2 Legal advice should be sought at appropriate stages in the development and implementation of the Future Homes Strategy to ensure compliance with governance and legal requirements. Once established the requirements will need to be embedded into end to end processes and into the criteria for Housing & Land funds to ensure consistency of implementation throughout the various interventions.

9.0 Equalities Implications

- 9.1 There are no immediate equalities implications in relation to this report. However, individual strategies and delivery schemes will need to take into account local area needs and local stakeholder needs to ensure the schemes benefit local residents, including harder to reach groups. To that effect, equality impact assessments will need to be conducted to understand demographics, key inequality issues and how investment can help address key inequality gaps. Engagement and consultation with key equality stakeholders is also crucial.

10.0 Inclusive Growth Implications

- 10.1 The proposed Future Homes Strategy will be used to inform WMCA's approach to growing the AMC sector, zero carbon homes and new energy standards in an equitable way, maximising economic benefits, housing quality and job/skills opportunities across the region's communities.

11.0 Geographical Area of Report's Implications

- 11.1 The recommendations of this report apply to the whole of the WMCA area.

12.0 Other implications

- 12.1 None.

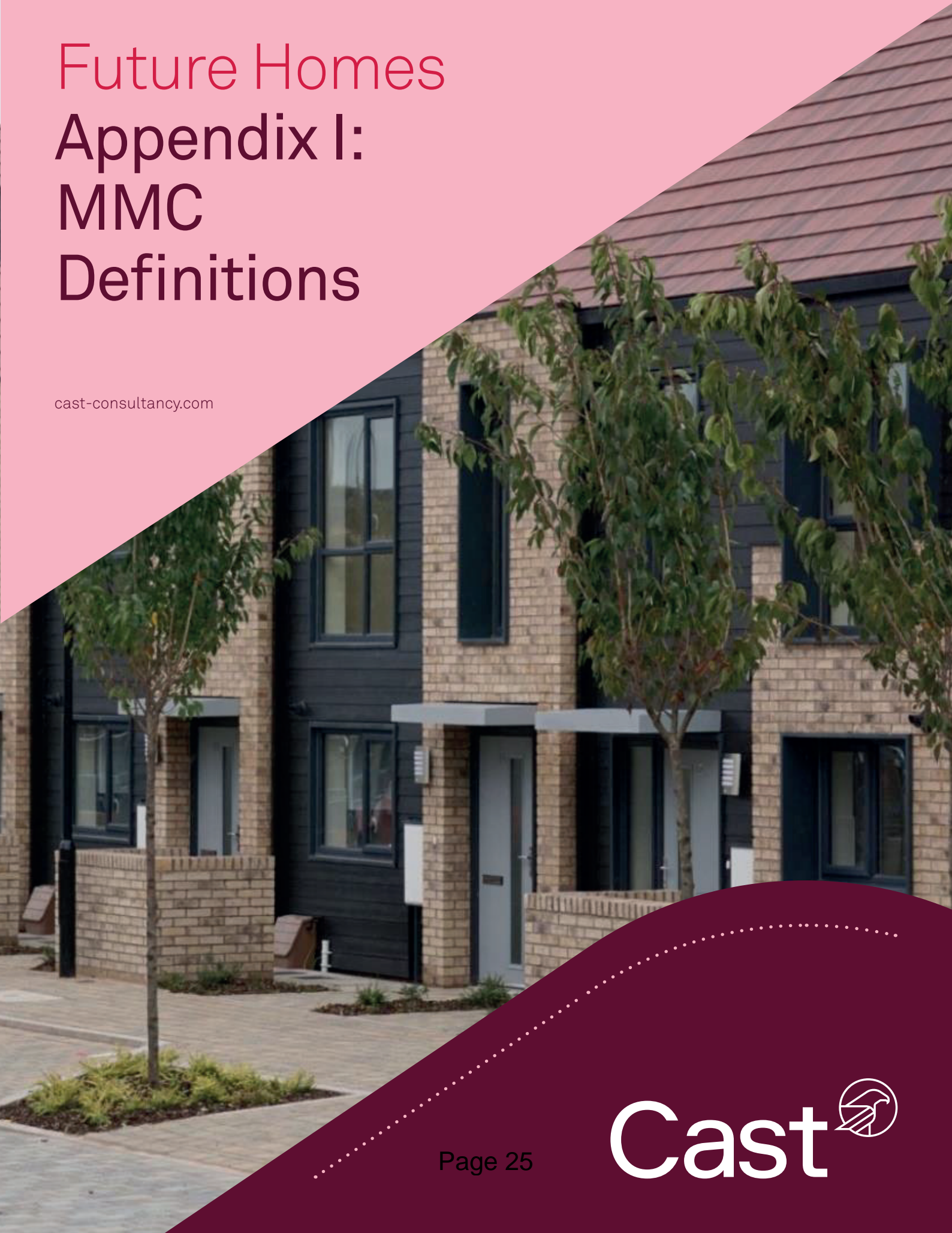
13.0. Schedule of Background Papers

- 13.1 Appendix 1: MMC Definitions & Supply Chain

OCTOBER 2022

Future Homes Appendix I: MMC Definitions

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Defining MMC and AMC

What is the MMC Framework?

The MMC definition framework is a seven category definition framework that enables a full and future-proofed range of 'Modern Methods of Construction' used in homebuilding to be better understood with regularised terminology.

The definition framework spans all types of pre-manufacturing, site-based materials and process innovation. This definition framework is an output of the MHCLG Joint Industry Working Group on MMC which is tasked with improving stakeholder education and understanding of MMC with particular reference to enabling better access to mortgage finance, insurance and assurance. Particular thanks go to the Working Group members, Buildoffsite, Homes England, NHBC and RICS who all provided input to this definition framework.



1
Pre-manufacturing
(3D primary structural systems)



2
Pre-manufacturing
(2D primary structural systems)



3
Pre-manufacturing components (non-systemised primary structure)



4
Additive manufacturing
(structural and non-structural)



5
Pre-manufacturing
(non structural assemblies & sub-assemblies)



6
Traditional building product led site labour reduction / productivity improvements



7
Site process led site labour reduction / productivity / assurance improvements

The term 'pre-manufacturing' encompasses processes executed away from final workforce, including in remote factories, near site or on-site 'pop up' factories. The pass test is the application of a manufactured led fabrication or consolidation process in controlled conditions prior to final assembly / install. On-site 'workforce factories' are included in Category 7).

Advanced Manufacture in Construction (AMC)

A term which covers a sub-set of the technologies described as MMC. AMC techniques are typified by the fundamental use of digital technology throughout the process, from design through to component manufacture and assembly, and the use of automation and high-performance materials where appropriate to drive quality, performance and mass-customisation through standardised processes. AMC techniques will also learn from, adopt and evolve manufacturing processes already established in other sectors.

Pre-Manufactured Value (PMV)

What is PMV?

Pre-Manufactured Value (PMV %) is the financial proportion of a construction project's Gross Construction Cost derived through pre-manufacturing.

Pre-manufacturing includes all costs incurred prior to the final installation at the construction workforce, including all materials, the total labour applied in pre-manufacturing processes, fixed and variable manufacturing overheads and associated plant, logistics and transportation costs.

Gross Construction Costs include all pre-manufactured costs, on-site labour costs, all preliminaries costs, overhead, profit and risk.

The PMV formula is a simple equation, it translates the **Pre-Manufactured Value** of a project into a percentage of the overall **Gross Construction Cost**.



Pre-manufactured value (£)



Gross Construction Cost (£)

x 100

Benefits for optimised PMV

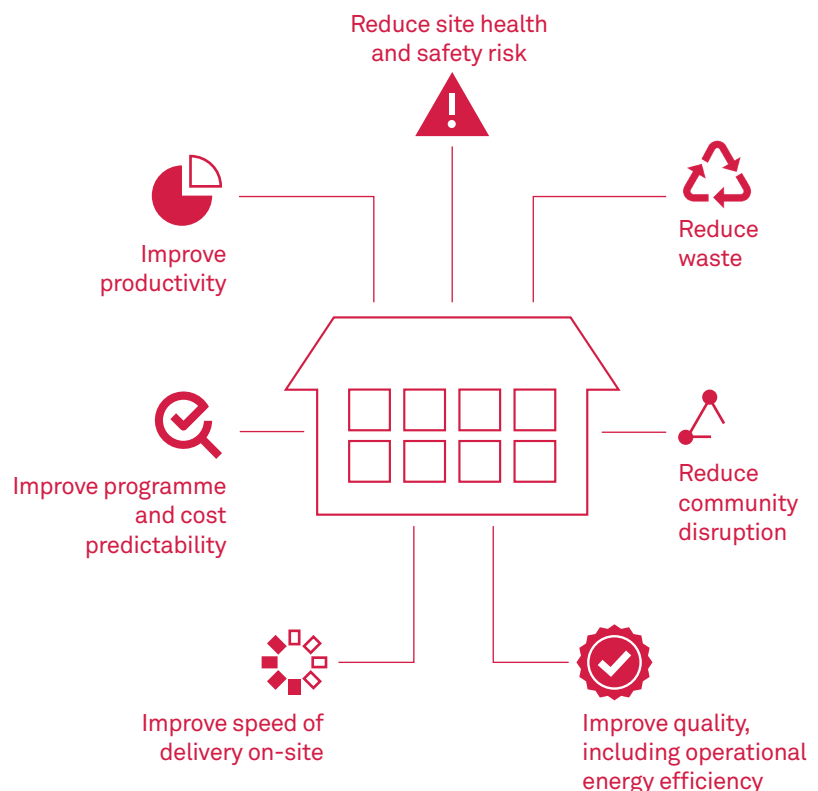
Targeting an optimised PMV will ensure that a higher proportion of project building materials, components and consolidated assemblies or modules are produced within a controlled factory environment.

A factory based approach of all building elements will help:

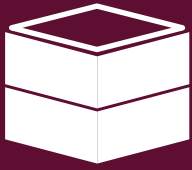
- Reduce site and factory waste with controls in place to use less material
- Improve quality with construction taking place in controlled environments and quality control through checks
- Improve predictability with more certain outcomes.

Moving away from traditional construction techniques and implementing a more componentised construction will further provide on-site benefits including:

- Improved speed of construction across all building elements
- Increased productivity with the on-site labour force working across more houses over the same man days
- Reducing community disruption with fewer transport movements and less construction duration.



MMC assessment by category



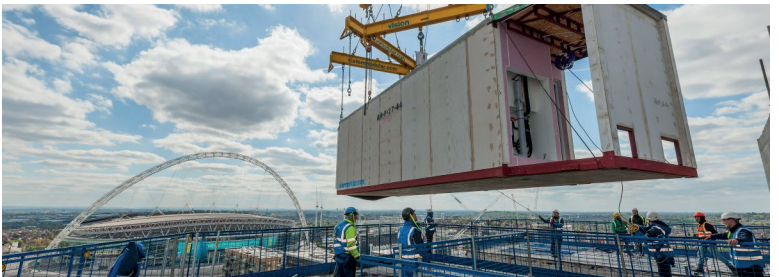
Category 1

PRE-MANUFACTURING
(3D PRIMARY STRUCTURAL SYSTEMS)

- a. Structural chassis only – not fitted out
- b. Structural chassis and internal fit out
- c. Structural chassis, fit out and external cladding / roofing complete
- d. Structural chassis and internal fit out – ‘podded’ room assemblies – bathrooms / kitchens etc

Any of the above variants can be used in the following 3 configurations:

- i. Whole building systemised
- ii. Hybrid construction – part systemised, part traditional (ie traditional core / ground floor podium)
- iii. Hybrid construction – secondary structure to enhance system performance (ie build at height)



Product options	Examples of in the market
A: Structural chassis fitted out	Tempo Housing
B: Structural chassis fitted out with cladding	Boutique Modern
i: Whole building systemised	TopHat
ii: Hybrid traditional core with volumetric modules	Tide/Vision, Elements Europe, Caledonian

Category 1: Impact on PMV

Traditionally constructed house

PMV = c40%

PMV uplift
→
UPTO
40%

House utilising Cat 1 MMC

PMV = c70-80%

Note: Cat 1 MMC can also be combined with elements of categories 3 and 7 to drive further PMV improvement

WMCA MMC Supply Chain: Category 1

Supplier	Location	Description
 Actavo	Birmingham	Strategic operations partner offering multiple services, including the design, construction, manufacture and maintenance of modular buildings for multiple sectors
 Algeco	Branches in Cannock, Nuneaton and Wolverhampton	Supplier of turnkey portable and modular, permanent or temporary, buildings
 Elements Europe	Telford	Manufacturer of volumetric modular, bathroom pod, and lightweight steel frame solutions
 ModPods International Limited	Kenilworth	Designer and builder of modular housing for the private and public sector

MMC assessment by category



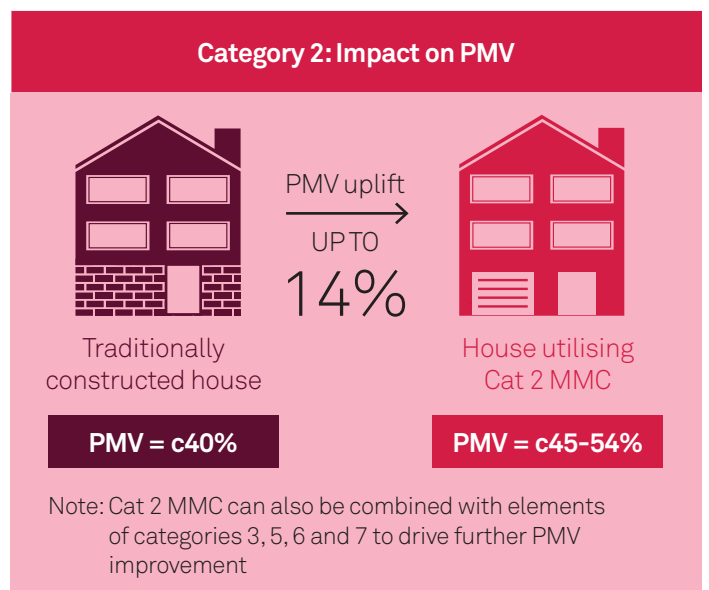
Category 2

PRE-MANUFACTURING
(2D PRIMARY STRUCTURAL SYSTEMS)

- a. Basic framing only including walls, floors, stairs & roof
- b. Enhanced consolidation – insulation, internal linings etc
- c. Further enhanced consolidation – insulation, linings, external cladding, roofing, doors, windows



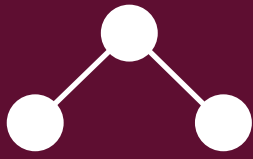
Product options	Suppliers in the market
Cross Laminated Timber	
Light-gauge Steel Frame	Fusion, Metsec, Orca, Parabuild
Pre-Cast	FP McCann, Laing O'Rourke, MACE Tech
Structurally Insulated Panels	SIP Build, SIP Co



WMCA MMC Supply Chain: Category 2

Supplier	Location	Description
 Accord / LoCal Homes	West Bromwich	Not-for-profit advanced housing manufacturer, offering high performance, low carbon housing solutions across the UK, providing both traditional and closed panel timber-frame systems
 Albion Section	West Bromwich	Manufacturer of cold rolled steel sections, producing bespoke kit-form roof and floor cassettes
 Ayrshire Metals Limited	Smethwick	Manufacturer of cold rolled steel
 FrameClad	Dudley	Designer, manufacturer of steel frame solutions for traditional and MMC construction
 Hadley Group	Smethwick	Manufacturer of volumetric modular builds, panels and cassettes, and pods
 Innovare Systems	Coventry	Specialist manufacturer of high performance SIPs
 Metstructure	Halesowen	Offsite construction contractor - light gauge steel frame, design, manufacture and installation
 Midland Structures	Brierley Hill	Structural steel contractor
 Roofspace Solutions	Alcester	Award winning offsite manufacturer of roof and frame solutions
 Skyline Timber Systems	Cannock	Supplier of timber frames and structures, panels and roof trusses
 Space4 (persimmon)	Birmingham	Manufacturing subsidiary of Persimmon producing timber frames, insulated wall panels and roof cassettes
 TG Escapes	Coventry	Construction company specialising in timber frame
 WB Timber Innovations Ltd / Timber Innovations	Solihull	Specialist Timber Frame design, manufacture and installation
 Wyckham Blackwell (Group)	Solihull	Specialist manufacturer of timber products including roof and floor cassettes

MMC assessment by category



Category 3

PRE-MANUFACTURING COMPONENTS
(NON-SYSTEMISED PRIMARY STRUCTURE)

- a. Driven / screw piling
- b. Pre-fabricated pile caps / ring beams
- c. Columns / shear walls / beams
- d. Floor slabs
- e. Integrated columns, beams and floor slabs
- f. Staircases
- g. Pre-assembled roof structure – trusses / spandrels



Building elements	Specific systems
Substructure - Pile - Pile Caps	Roger Bullivan, FP McCann Laing O'Rourke
Frame - Beams - Columns - Slab - Twin Wall	Expanded Byldis O'Reilly Bison
Stairs	Stairmaster, Precast stairs by various suppliers. Selection to be contractor led
Roof	Ruukki or MODURoof systems

Category 3: Impact on PMV

Traditionally constructed house

PMV = c40%

PMV uplift
→
UP TO
5%





House utilising Cat 3 MMC

PMV = c41-45%

Note: Cat 3 MMC can also be combined with elements of all other categories to drive further PMV improvement

Increases efficiency given the volume of repetitive components, reduces reliance on on-site labour and increases quality.

WMCA MMC Supply Chain: Category 3

Supplier	Location	Description
 <p>FP McCann</p>	Nuneaton	Precast concrete manufacturer and supplier
 <p>FrameClad</p>	Dudley	Designer, manufacturer of steel frame solutions for traditional and MMC construction
 <p>Metstructures</p>	Halesowen	Offsite construction contractor - light gauge steel frame, design, manufacture and installation
 <p>WB Timber Innovations Ltd / Timber Innovations</p>	Solihull	Specialist Timber Frame design, manufacture and installation

MMC assessment by category



Category 5

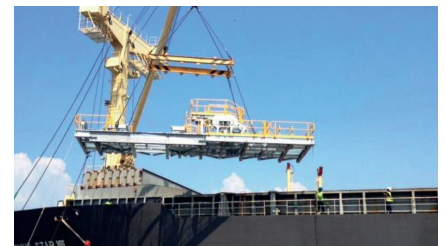
PRE-MANUFACTURING
(NON STRUCTURAL ASSEMBLIES AND SUB-ASSEMBLIES)

Volumetric podded assemblies

- a. Whole bathroom assemblies (including enclosing structure)
- b. Kitchen assemblies (including enclosing / supporting structure)
- c. Bathroom / kitchen combined assemblies (including enclosing / supporting structure)
- d. In unit M&E central equipment assemblies (utility cupboards etc)

Panelised / linear assemblies

- e. Façade assemblies (non structural) including glazing, solid cladding, metalwork
- f. Roof assemblies / cassettes – pre-finished roof sections (including structure to support own weight)
- g. In unit M&E distribution assemblies
- h. Infrastructure M&E assemblies – vertical risers / main distribution
- i. Infrastructure M&E assemblies – central plant & equipment
- j. Floor cassettes with horizontal services / finishes added
- k. Partition cassettes – with horizontal & vertical services / finishes added
- l. Doorsets (pre-hung, finished with ironmongery)



Product options	Suppliers
Bathroom pods	Deba, Elements Europe, Forta, Off Site Solutions, Walkers
Utility pods	Borough Engineering Services, Modular Engineering, Alternative Heating, YGHP, Rhico
Kitchen pods	Elements Europa, B&B Italia, MaceTech
Doorsets	UK Door Sets, Shadbolts, Door Concept
Risers	Pipetech, Modular Engineering, Balfour Beatty, DST Group
Wall Cassettes	Kingspan, Fasthouse, Stewart Milne Timber systems
Floor Cassettes	Fusion, Monarfloor

Category 5: Impact on PMV

Traditionally constructed house

PMV = c40%







PMV uplift
→
UP TO
5%

House utilising Cat 5 MMC

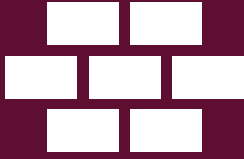
PMV = c42-45%

Note: Cat 5 MMC can also be combined with elements of categories 2, 3, 6 and 7 to drive further PMV improvement. i.e. Cat 2c frame and Cat 5a bathroom pod creates an 18% uplift to 58% PMV

WMCA MMC Supply Chain: Category 5

Supplier	Location	Description
 Elements Europe	Telford	Manufacturer of volumetric modular, bathroom pod, and lightweight steel frame solutions
 FrameClad	Dudley	Designer, manufacturer of steel frame solutions for traditional and MMC construction
 Hadley Group	Smethwick	Manufacturer of volumetric modular builds, panels and cassettes, and pods
 Prism	Coventry	Specialist manufacturer of utility pods, service and prefabricated risers and multiservice modules
 Roofspace Solutions	Alcester	Award winning offsite manufacturer of roof and frame solutions
 Superior Insulated Panels Ltd	Coventry	Supplier of of insulated aluminium architectural panels for facade glazing and cladding

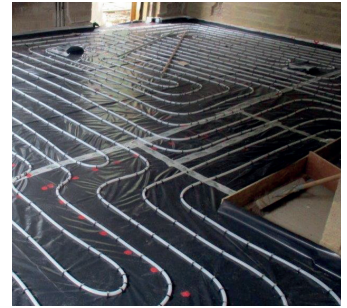
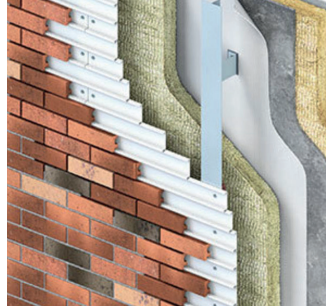
MMC assessment by category



Category 6

TRADITIONAL BUILDING PRODUCT SITE LED
LABOUR REDUCTION / PRODUCTIVITY IMPROVEMENTS

- a. Large format walling products – external walls
- b. Large format walling products – internal walls
- c. Large format roofing finishes
- d. Pre-sized and cut to measure traditional materials – component level systemisation
- e. Easy site install / jointing / interfacing features – brick slips, modular wiring, flexible pipework



Product options	Suppliers
Large format blockwork	Masonry Frame Systems,
Large format brick slips	Wetherby
Unitized systems	Rehau
Modular Wiring	Wetherby

Category 6: Impact on PMV

Traditionally constructed house

PMV = c40%


PMV uplift
→
of
1-2%
For every Cat 6 system used

House utilising 3 x Cat 6 solutions

PMV = c43-46%

Note: Cat 6 MMC can also be combined with elements of every other category to drive further PMV improvement

WMCA MMC Supply Chain: Category 6

Supplier	Location	Description
 <p>Ash and Lacy</p>	West Bromwich	Manufacturer of engineered façade and roofing systems. Specialists in cold rolled steel frame systems and brick cladding
 <p>Just Walls UK</p>	Warwick	Supplier of brick, brick slips, and stone
 <p>Kettle Brick Company</p>	Brierley Hill	Manufacturer of bricks and brick slips

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Overview & Scrutiny Committee

Date	12 January 2023
Report title	Affordable Housing Supply Strategy: Update
Portfolio Lead	Cllr Mike Bird, WMCA Portfolio Lead for Housing and Land
Accountable Chief Executive	Laura Shoaf, West Midlands Combined Authority email: laura.shoaf@wmca.org.uk
Accountable Employee	Rob Lamond, Head of Strategy & Analysis email: rob.lamond@wmca.org.uk Gareth Bradford, Executive Director for Housing Property & Regeneration, WMCA email: gareth.bradford@wmca.org.uk

Recommendation(s) for decision:

Overview & Scrutiny Committee is recommended to:

- a) **Note** progress with developing an '*Affordable Homes Supply Strategy*', as commissioned by the WMCA Housing & Land Delivery Board, to help drive the increased provision of a range of affordable homes within the region to meet local needs and establish the West Midlands as the leading UK region in terms of affordable homes policy and delivery;
- b) **Note** that the product of this work will be an integrated strategy, **co-developed with partners**, that directly supports key policy agendas of **WMCA and local authorities** through enabling affordable housing delivery and driving delivery of Future Homes and design quality and the Trailblazer Devolution Deal proposals to HM Government;
- c) **Discuss and consider** the further potential contents and remit of an Affordable Homes Supply Strategy as set out in the report.
- d) **Support and endorse** the next steps as set out in this report.

1.0 Purpose

- 1.1 The purpose of this report and slide pack is to set out the work to date on the preparation of an Affordable Homes Supply Strategy following the steers of the Housing & Land Delivery Board; to invite discussion on these matters and the proposed approach to preparing the document; the indicative content (to be co-developed with partners); and the next steps.
- 1.2 The Strategy will contribute directly to WMCA policy objectives including enabling affordable housing delivery in line with the approved Housing and Land Deliverables of the WMCA including:
- **Aim 3:** *To connect our communities by delivering transport, and unlocking housing and regeneration of the WMCA Annual Business Plan*
 - **Aim 4:** *To reduce carbon emissions to net zero, enhance the environment and boost climate resilience by encouraging the use of Advanced Methods of Construction, Zero Carbon Homes and design quality.*
- 1.3 The Strategy will also be informed by and aligned with the recommendations of the Overview & Scrutiny Committee's 2021/22 "Helping to Deliver Affordable and Social Housing" review, in particular the recommendation of the Review Panel:

"That the WMCA, housing associations, Homes England and local authorities continue to work together to address the contradictions and challenges of the current system for delivery of affordable and social housing – recognising that the challenge cannot be addressed in isolation and it is a multi-faceted systemic issue where all agencies need to work together with a clear strategy for change."

2.0 Background

- 2.1 Housing is both a facilitator (through attracting and retaining workers) and direct driver (through construction sector and supply chain activity) of social and economic growth. It is also a key contributor to other policy objectives including health, educational attainment, life chances, and wellbeing – all of which are key to enhancing productivity, opportunity and growth. Housing can also be an important land use in delivering transformational change in areas such as town centres and those in need of regeneration. Affordable homes that reflect local circumstances are critical to meeting local needs and supporting growth.
- 2.2 There are significant global and national trends including rapidly rising inflation, declining real income, increasing fuel poverty and interest rates. These trends are expected to further increase demand for affordable housing in the West Midlands.
- 2.3 Research for the National Housing Federation and Crisis estimates the level of housing need nationally at 145,000 affordable homes a year compared to 52,000 delivered in 2020/21 in England. In addition, investment is required in the existing stock including for fire safety, wellbeing and retrofitting for decarbonisation. A key issue in terms of increasing supply is assembling/securing suitable sites and ensuring sufficient funding is available. Increasing the annual supply of affordable housing will require an increase in capital funding for the sector. Analysis by Legal & General estimates that increasing annual supply nationally to 145,000 homes will require £34 billion of additional capital funding per annum.
- 2.4 Affordable housing is a cross-cutting regional issue and WMCA is working with local authorities, Homes England, housing associations, developers and investors to ensure that the barriers to delivery are addressed.

2.5 The vision underlying the anticipated Strategy is to ensure that local people can afford to live in decent homes in locations that meet their needs and thereby also support economic growth, increased productivity and Levelling Up.

2.6 The Strategy will demonstrate WMCA's partnership-based approach to delivery on the ground.

3.0 Our approach

3.1 The key principles which will underpin our approach to developing this strategy are:

- **WMCA working with local authorities and other partners** to ensure the supply of affordable homes meets local demand and need in terms of cost (property and running costs including fuel), tenure, quality, location, type and size
- incorporate and align with WMCA and local authority strategies, policies, charters and frameworks including those related to net zero, brownfield first and digital connectivity
- support WMCA asks on deeper devolution through the Trailblazer Devolution Deal process
- WMCA will act in its capacity as a facilitator, enabler, co-investor, researcher and innovator to deliver more affordable homes for the region.

3.2 The success of the Strategy will depend on the WMCA continuing to prioritise close and effective partnership working with:

- Local authorities – who lead locally, and Arms Length Management Organisations (ALMOs)
- Homes England – national lead and key funder of Affordable Housing in England
- Housing Associations – delivery partners with strategic links through the West Midlands Housing Association Partnership and the National Housing Federation
- For-profit Registered Providers – including Strategic Partners
- Other providers/organisations – working with potential partners including the Almshouse Association, Community Land Trusts, housing co-operatives, Shelter, the WMCA Homelessness Taskforce and others where WMCA can add regional value
- Developers – including through SCF schemes and Section 106 requirements
- HM Government – to influence policy and resource allocation

3.3 The key will be working with partners to combine assets and resources in bespoke approaches to ensure that land, funding and delivery is aligned.

4.0 Next steps

4.1 The next steps in preparing the strategy are for WMCA to:

- Take forward the work, with partners, to co-develop an Affordable Homes Supply Strategy for endorsement in draft and final form
- Form a dedicated officer working group with representatives from local authorities to inform the thinking and delivery of the strategy
- Engage key industry bodies and representatives, including the WMCA Homelessness Taskforce and others, to assess and grip the latest research and ideas across the sector to shape the strategy
- Continue to engage in discussions with WMCA strategic partners to secure commitments to and views on the emerging strategy

- Monitor and evaluate the effectiveness of the Strategy against delivery on the ground.

4.2 The further potential contents and remit of an Affordable Homes Supply Strategy are set out in the supporting slides (attached in Annex A).

5.0 Financial Implications

5.1 There are no direct financial implications arising from the Affordable Homes Supply Strategy paper. There may be, in future, financial implications arising from decisions to progress projects in delivering against the Strategy but any such decisions would be subject to WMCA's approved governance and assurance processes.

5.2 Any WMCA investment into affordable homes delivery would be governed and administered through the WMCA Single Assurance Framework and in line with the accounting and taxation policies of the WMCA and HMRC.

6.0 Legal Implications

6.1 Section 113A(1)(a) of the Local Democracy, Economic Development and Construction Act 2009 gives WMCA 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 WMCA. Part 3 of The West Midlands Combined Authority (Functions and Amendment) Order 2017 confers functions corresponding to the functions of the Homes and Communities Agency has in relation to the combined area. Paragraph 10 (2) (a) of the 2017 Order confers the function of improving the supply and quality of housing to the Combined Authority, 10 (2) (b) to secure the regeneration or development of land or infrastructure in the combined area, 10 (2)(c) to support in other ways the creation, regeneration or development of communities in the combined area or their continued well-being and 10 (2)(d) confers the function of contributing to the achievement of sustainable development and good design.

6.2 It is noted that the purpose of this paper is to highlight the decision by the Housing & Land Delivery Board to commission an Affordable Homes Supply Strategy to drive affordability in the region, as a scope of work for discussion. It follows the work on affordability in the region, including the regional definition of affordability and the aim to attract further partnership working in the West Midlands and enhance and create opportunities for delivery on the ground.

6.3 Legal advice should be sought at appropriate stages in the development and implementation of the Affordable Homes Supply Strategy to ensure compliance with governance and legal requirements and the Single Commissioning Framework should be strengthened to ensure consistency of implementation of affordability requirements into the funding agreements on a case by case basis.

7.0 Equalities Implications

7.1 There are no immediate equalities implications in relation to this report. However, individual strategies and delivery schemes will need to take into account local area needs and local stakeholder needs to ensure the schemes developed through the charter benefit local residents, including harder to reach groups. To that effect equality impact assessments will need to be conducted to understand demographics, key inequality

issues and how investment can help address key inequality gaps. Engagement and consultation with key equality stakeholders is also crucial.

8.0 Inclusive Growth Implications

8.1 The proposed Affordable Homes Supply Strategy will be used to inform WMCA's approach to growing the AMC sector, zero carbon homes and future homes standard to maximise economic benefits, housing quality and job/skills opportunities across the region's communities. Promotion of zero carbon homes and advanced manufacturing in construction have the potential to reduce household energy bills which should have a positive impact on occupier costs.

9.0 Geographical Area of Report's Implications

9.1 The recommendations of this report apply to the whole of WMCA's geographical area.

10.0 Other implications

10.1 None.

11.0. Schedule of Background Papers

11.1 None.

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Overview & Scrutiny Committee

Date	12 January 2023
Report title	Affordable Housing Delivery Pilot
Portfolio Lead	Cllr Mike Bird, WMCA Portfolio Lead for Housing and Land
Accountable Chief Executive	Laura Shoaf, West Midlands Combined Authority email: laura.shoaf@wmca.org.uk
Accountable Employee	Rob Lamond, Head of Strategy & Analysis email: rob.lamond@wmca.org.uk Gareth Bradford, Executive Director of Housing Property & Regeneration, WMCA email: gareth.bradford@wmca.org.uk
Previous reports:	Affordable Housing Delivery with Housing Associations: Progress update to Overview & Scrutiny Committee 07.03.22

The Overview & Scrutiny Committee is recommended to:

- a) **Welcome and endorse** the progress with the work taking place under the Housing & Land Delivery Board to improve the **collaboration and co-investment in the region between housing associations, public sector bodies, and WMCA** to secure more social and affordable housing – a key recommendation of the O&S Scrutiny Review and a key deliverable for the Housing and Land Board
- b) **Welcome and note** the progress of work on a pilot (the second affordable housing pilot – the first being Help to Own) which is an **innovative joint approach with a group of housing associations in the region** to deliver additional affordable housing and wider socio-economic outcomes on specific WMCA owned sites.

1.0 Purpose

- 1.1 The purpose of this report is to provide the Overview & Scrutiny Committee with a progress update and clear direction of travel on the ongoing work of WMCA and housing association partners to establish a more comprehensive joined up and collective approach to the delivery of additional affordable housing across the region - a key deliverable for the Housing & Land Delivery Board.
- 1.2 The report also provides an update on the approach previously endorsed by Overview & Scrutiny Committee in its 2021/22 “Affordable and Social Housing Scrutiny Review” regarding the work underway to develop an **innovative pilot** with a group of Housing Associations – building on the success of the first affordable housing pilot under the Housing and Land Board in Wolverhampton (Help to Own).
- 1.3 To note, any new affordable housing pilot to come forward (following robust appraisal and due diligence) would follow on and build from the successful Help to Own affordable housing pilot which was successfully delivered and supported by the Housing & Land Delivery Board. The piloting of innovative new approaches to housing, land and regeneration matters in the region by WMCA is a key role of the Housing & Land Delivery Board.

2.0 Background

- 2.1 As part of the formal process to determine WMCA’s budget, levy and precept levels, the WMCA Board approves each portfolio’s annual deliverables. The Deliverables for the Housing and Land Portfolio for the financial year 2022/2023 were agreed by WMCA Board on 11th February 2022.
- 2.2 The annual deliverables of all portfolios directly contribute to the WMCA Aims & Objectives (the Corporate Strategy). The Housing and Land Portfolio deliverables work to achieve the following Aims of the Corporate Strategy:
 - **Aim 3:** To connect our communities by delivering transport, and unlocking housing and regeneration
 - **Aim 4:** To reduce carbon emissions to net zero, enhance the environment and boost climate resilience.
- 2.2 The High Level Deliverables for 2022/23 include the following items as part of the Housing & Land portfolio’s contribution to delivering WMCA’s Aims and Objectives:
 - Establish a series of new partnerships, ventures and joint ventures with public and private sector partners
 - Support and enable Affordable Housing Delivery including new joint venture and Registered Provider (RP) / Homes England partnerships

- 2.3 In order to deliver the significant additional affordable homes required in the region, WMCA, under the governance of the Housing & Land Delivery Board, is focusing on providing added value to affordable housing supply in the following key areas:
- Working with Registered Providers to maximise investment into affordable homes in the West Midlands
 - Securing more private sector investment into affordable homes in the region
 - Leveraging WMCA's brownfield funds to maximise increased delivery of affordable housing, supply of new products and wider benefits to the region
 - Working with Homes England to align funding programmes and systems for delivery of affordable housing
 - Maximising the impact of public sector land disposals to address housing needs and deliver the homes local areas need
- 2.4 These Aims, Objectives and High Level Deliverables form the basis on which WMCA has been working with partners to develop an "Affordable Housing Strategy" as outlined in a separate agenda item for this meeting.
- 2.5 As part of this approach, the WMCA has been engaging with Housing Associations, with a view to finding collaborative methods that can support the provision of additional social housing in the region. The "Affordable Housing Pilot" proposes a **collaborative partnership** with a Limited Liability Partnership (LLP), involving five regional RPs:
- Bromford
 - Citizen
 - Green Square Accord
 - Midland Heart
 - WHG
- 2.6 All 5 RPs are West Midlands Housing Association Partnership (WMHAP) members and have strategic partnerships with Homes England. The collaborative partnership proposes a Pilot approach to potentially dispose of WMCA-owned sites through a land disposal agreement. The Housing & Land Delivery Board has welcomed and endorsed the progress towards the delivery of additional affordable housing working with Housing Association partners as part of a broader package of measures and as a **potential second affordable homes pilot** (following Help to Own).

- 2.6 The creation of a new innovative pilot between WMCA and housing association partners to deliver more affordable housing in the region has been, and will continue to be, the subject of detailed feasibility, assurance and due diligence work. Several reports and progress updates have already been shared with Housing & Land Delivery Board and Overview & Scrutiny Committee during 2021 and 2022.
- 2.7 In 2021, the Housing & Land Delivery Board approved the strategic context and rationale for developing a new joint affordable housing scheme between WMCA and a small group of housing associations as the next pilot project. The Board was clear that the focus was to be on a proposition that could demonstrably help address regional need, support brownfield regeneration and provide true additionality.
- 2.8 As set out in previous reports, a joint approach has the potential to deliver multiple benefits to the West Midlands, for example:
- It can help to influence the quality, delivery and community benefits of new development
 - It can secure further investment into affordable housing in the region and deliver genuine additionality above the existing delivery plans of providers; and
 - It can implement policy objectives centred on additional affordable housing and Future Homes, design, construction, brownfield development and promoting inclusive growth.
 - Leveraging land for the development of affordable housing provision
- 2.9 The pilot approach being explored brings together the combined expertise and resources of several of the largest housing associations within the region, who are themselves creating a dedicated Limited Liability Partnership for this purpose. **Other Housing Associations can join the group**, and the affordable homes developed by the partnership will be available for 'offtake' by other RPs (subject to the necessary agreements).
- 2.10 The pilot approach will utilise the resources and expertise of WMCA and the Housing Associations to directly deliver new, **additional** affordable homes in the West Midlands. As set out in the report to the January 2022 meeting of the Housing & Land Delivery Board, WMCA is also expanding its work with all Registered Providers in the region in a range of ways to deliver more affordable homes to meet the needs of the region and local areas.

3.0 Current position

3.1 Significant progress has been made in recent months regarding the joint approach and its potential to deliver additional affordable homes beyond those already being delivered in the region and in a way that is complementary to local authorities and Homes England.

3.2 In line with the clear steers provided by the Housing & Land Delivery Board and WMCA's Overview & Scrutiny Committee, the proposed pilot is focused on the key principle of maximising affordable housing delivery on all potential schemes, alongside commitments to low carbon, and wider inclusive growth requirements including social returns and benefits. The housing association partners are developing delivery proposals for example schemes and central to these proposals will be the potential to deliver significantly more affordable housing on WMCA sites than the conventional market would achieve.

3.3 The proposed pilot would:

- Deliver 100% affordable housing i.e. more than would be delivered by private developers
- Deliver and demonstrate ALL of the WMCA's aims and objectives being delivered on the ground
- Support new delivery models that maximise investment in the region
- Enable additional affordable housing and key worker homes
- Drive wider benefits and corporate objectives – including Future Homes, AMC, Housing Affordability

3.4 Further detailed analysis of schemes for the potential pilot is ongoing. Once this is complete any potential pilot project will be brought forward for approval to Housing & Land Delivery Board and Investment Board, in a similar way to the Help to Own project. The pilot would then be evaluated and the lessons learned used to inform future schemes.

3.5 It is important to note that that there is no commitment or decision to dispose of sites to the Registered Providers at this initial stage, with any decision to do so subject to robust appraisal and relevant **WMCA approval processes and governance.**

4.0 Financial Implications

4.1 This purpose of this report is to endorse the new innovative pilot approach to dispose of a package of WMCA sites, delivering additional Affordable Housing through working with housing association partners. This is not the approval of the disposal of any WMCA land or any investment into a partnership of any kind.

- 4.2 As part of this pilot WMCA have commissioned independent external advisors to value the land, assess the costs and benefits and ensure risks and implications are fully understood before any decision can be made to progress.
- 4.3 There are no un-budgeted financial implications as a result of the recommendations within this report. There will be, in future, financial implications arising from disposing of Land and investment in into a partnership, both of which will require approval at Investment Board.
- 4.4 Any WMCA investment to deploy the funding or submit further business cases would be governed and administered through WMCA's Single Assurance Framework, Single Commissioning Framework, the Commissions Pathway and in line with the accounting and taxation policies of WMCA and HMRC.

5.0 Legal Implications

- 5.1 Section 113A(1)(a) of the Local Democracy, Economic Development and Construction Act 2009 gives WMCA 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 WMCA. Part 3 of The West Midlands Combined Authority (Functions and Amendment) Order 2017 confers functions corresponding to the functions of the Homes and Communities Agency has in relation to the combined area. Paragraph 10 (2) (a) of the 2017 Order confers the function of improving the supply and quality of housing to the Combined Authority, 10 (2) (b) to secure the regeneration or development of land or infrastructure in the combined area, 10 (2)(c) to support in other ways the creation, regeneration or development of communities in the combined area or their continued well-being and 10 (2)(d) confers the function of contributing to the achievement of sustainable development and good design.
- 5.2 It is noted that the purpose of this report is to: i) provide Overview & Scrutiny Committee with an update on the progress of the ongoing work of the WMCA and Housing Association partners to establish a more comprehensive joined up approach to the delivery of additional affordable housing across the region; and ii) to endorse the work being undertaken to develop an innovative pilot approach with a small group of Housing Associations based on a packaged land disposal.
- 5.3 Legal input should be sought as and when required and any co-investments including grant/and or loan funding from WMCA will be subject to necessary approvals and will need to comply with the criteria and governance systems set out in the WMCA Single Commissioning Framework. Each scheme will be considered on a case by case basis.

6.0 Equalities Implications

- 6.1 A full Equalities Impact Assessment will be completed in parallel with the development of an investment case for the pilot project. This will assess the potential impacts of the proposed pilot and any mitigations required.

7.0 Inclusive Growth Implications

- 7.1 The proposed pilot project would operate via the WMCA's Single Commissioning Framework which includes Inclusive Growth outcomes including affordable housing, use of local labour and suppliers, and quality of design and placemaking as part of the key criteria for investment by the WMCA.

8.0 Geographical Area of Report's Implications

- 8.1 The pilot proposal covers the whole geography of the WMCA region.

9.0 Other Implications

- 9.1 None

10.0 Schedule of Background Papers

- 10.1 None.

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Overview & Scrutiny Committee

Date	12 January 2023
Report title	Grant Register
Accountable Chief Executive	Laura Shoaf, West Midlands Combined Authority email: laura.shoaf@wmca.org.uk
Accountable Employee	Linda Horne, Executive Director of Finance and Business Hub email: linda.horne@wmca.org.uk

Recommendation(s) for action or decision:

The Overview & Scrutiny Committee is recommended to:

- (1) Note and comment on the grant register.

1. Purpose

This paper provides an update on the grant register. This contains all current 'live' grants where the WMCA is the accountable body and captures a comprehensive total of grants, awarding body, time period for delivery and a description of what the grant delivers.

2. Grant Register Update

2.1 The grant registers are attached as an appendix to this report.

2.2 The following new grants and amendments to existing grants have been added to the register since the last update to the Committee in March. The most significant grants are:

- Bus Service Improvement Plan (BSIP) 2022/23 allocation of £18.3m following agreement of the Enhanced Partnership in the last quarter of 2022.
- 2022/23 allocations for Multiply (£5.1m) and UKSPF (£10.7m) following approval of investment plans by HMG.
- Social Housing Decarbonisation Fund Wave 1 – Grant end date has been extended from 31 March to 31 August 2023 to allow funds to be fully utilised.

3. Legal Implications

There are no legal implications as a direct consequence of this report.

4. Impact on Delivery of Strategic Transport Plan

None

5. Equalities Implications

None

6. Inclusive Growth Implications

None

7. Geographical Area of Report's Implications

None

8. Other Implications

None

9. Schedule of Background Papers

Appendix – grant register.

Capital Grants Register

Grant Name	Provider	Date of grant Award Letter	Total Grant Awarded in full £	Notes
DfT - Major Scheme (Eastside / Edgbaston)	DfT	Apr-19	£ 187,559,779.00	Midland Metro Extensions
ITB WMCA	DfT	Apr-21	£ 17,755,000.00	Annual rolling settlement from DfT, rolled into CRSTS from 22/23. Funding is distributed to WMCA and all & LAs on a formula basis which is agreed locally. The 21/22 annual value only is shown here.
Road National Productivity Investment Fund (NPIFF)	DfT	Sep-17	£ 17,055,000.00	National Productivity Investment Fund including projects in Birmingham (Growth Point Public Transport Package), Walsall (Economic Growth and Infrastructure Project) and Solihull (Strategic Cycle Network)
Clean Bus Technology	DfT	Feb-18	£ 5,987,750.00	Projects that work with bus operators or technology providers to retrofit buses to reduce emissions
Transforming Cities Fund	DfT	Annually	£ 250,000,000.00	The purpose of the Transforming Cities Fund is to boost productivity, transform intra-city connectivity and reduce congestion through investment in public and sustainable transport in the West Midlands. No detailed constraints as to what it can be spent on, but the WMCA should have regard to the national objectives of the Fund. Programme agreed Nov 2018. Additional £17.5m TCF2 now funded through CRSTS)
Joint Air Quality	DfT	Jan-19	£ 3,456,520.00	Fund retrofit buses with kits that tackle exhaust emission in Birmingham
Association of Directors Environment Economy, Place & Travel (ADEPT) Live Labs	DfT	Jul-19	£ 2,650,000.00	Network Resilience Live Lab funding covering the transport network to build up a detailed picture of traffic and transport movements around the region through collection of data
Opening LA Transport Data Competition	DfT	Pre 18/19	£ 100,000	Data / Technology
Future mobility Zones	DfT	Jun-19	£ 20,000,000.00	The purpose of the Future Mobility Zones is to: trial new transport services modes and models, creating a functioning marketplace for mobility that combines new and traditional modes of transport; improve integration of services; increase the availability of real-time data; and provide access to digital planning and payment options. The fund also aims to explore options for: providing mobility credits, or other low-cost options, for lower income households; and delivering efficiencies through shared (dynamic) demand responsive transport.
TfWM Bus Priority	DfT	Jul-20	£ 24,225,000.00	Funding bus priority measures in Birmingham City Centre and between Dudley and Druids Heath.
Emergency Active Travel Fund	DfT	Nov-20	£ 13,182,667.00	Phase 2 of Active Travel Fund to support longer term walking and cycling schemes (Phase 1 classed as revenue grant)
Active Travel Fund (Tranche 3)	DfT	Mar-22	£ 17,250,000.00	Phase 3 of Active Travel Fund to support longer term walking and cycling schemes
All Electric Bus Town Competition (Coventry) (AEBT)	DfT	Mar-21	£ 50,000,000.00	Coventry All Electric Bus City project
Zero Emissions Bus Regional Areas (ZEBRA)	DfT	Mar-22	£ 30,383,250.00	Grant to deliver 124 hydrogen buses plus associated infrastructure in the region
City Region Sustainable Transport Summary (CRSTS)	DfT	Apr-22	£ 1,050,000,000.00	Supporting inclusive economic growth, provide better connections between places and encourage more people to use sustainable and zero-carbon transport
West Midlands Land Fund	MHCLG	Apr-18	£ 100,000,000.00	Quarterly reporting to MHCLG as part of the grant. This is against the outputs specific to Housing of 8,000 homes and the wider West Midlands target of 215,000 homes by 2031, which includes outputs from the Local Authorities
Brownfield Housing Fund	MHCLG	Apr-20	£ 125,381,582.00	Quarterly reporting to MHCLG on the outputs of this grant. Deliver between 7,714 and 9,773 homes.
Brownfield Housing Fund Extension	MHCLG	Mar-22	£ 17,350,000.00	Extension agreed to the Brownfield Housing Fund March 2022.
Sustainable Warmth Competition	BEIS	Mar-22	£ 2,600,000.00	Upgrade homes to a target energy efficiency rating
BEIS Social Decarbonisation Fund	BEIS	Feb-22	£ 6,174,205.00	Improve the energy performance of social rented homes
Metro Birmingham Eastside Extension	EZ	n/a	£ 18,000.00	Enterprise Zone funding
University Hospital Birmingham - University Station	3rd Party	Aug-20	£ 5,000,000.00	Delivery of University Station build.
Rail Network Enhancement Pipeline (RNEP) Funding	DfT	Oct-21	£ 39,650,000.00	Rail Station Development-Package 1 Walsall - Wolverhampton
Rail Network Enhancement Pipeline (RNEP) Funding	DfT	Oct-21	£ 19,350,000.00	Rail Station Development-Package 2 Camp Hill
PB - Highways England	Highways England	n/a	£ 86,400.00	Relates to HS2 Modelling Framework
Public Realm Schemes	BCC	Jun-22	£ 606,543.00	Enhance public realms for Commonwealth Games
A435 Alcester Rd Bus Priority Revitalisation	BCC	21/22	£ 154,000.00	A435 Alcester Rd Bus Priority Revitalisation
Clear Air Zone	BCC	Mar-22	£ 5,218,000.00	Rail Station Development-Package 2 Camp Hill
Rail Development	Walsall MBC	21/22	£ 68,000.00	Rail Station Development-Package 1 Walsall - Wolverhampton
Air Quality	Defra	Mar-22	£ 990,000.00	Develop and/or implement measures that deliver air quality benefits in the near future (one to two years), projects which develop solutions over the longer term by increasing awareness to encourage behavioural changes, and new, innovative ideas if they will successfully and as closely as possible meet the needs and objectives of the Applicant's local area.
LA - Birmingham	LA	n/a	£ 14,279,629.00	Rail funding = £8.983m: BCC funding for Perry Barr = £5.083m BCC funding for University = £3.9m BCC funding for Package 2 = £5.2m
UK Shared Prosperity Fund - capital element	DLUHC	Dec-22	£ 3,593,755.00	Capital allocation for 22/23 of UKSPF Fund

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Revenue Grant Register

Grant Name	Provider	Start Date	End Date	Total Grant Awarded in Full	Notes
21/22 Adult Education Budget (Devolution)	DfE	Annual		131,678,142	Devolved budget from DfE for delivery of adult education (19+) in West Midlands region
BSOG	DfT	Annual		1,792,259	A discretionary grant paid to operators of eligible local bus services to help them recover some of their fuel costs.
Emergency Active Travel Fund	DfT	Aug-20	Mar-23	3,765,980	Phase 1 of Active Travel Fund to support temporary walking and cycling schemes in response to Covid 19 pandemic
Intra-City Transport Settlements	DfT			8,900,000	Intracity Prep Fund (now CRSTS)
Cycling for Everyone	DfT	Nov-21	Nov-22	2,000,000	Cycling for Everyone
LA Capability Fund	DfT	Oct-21	Oct-22	1,911,316	This revenue grant enables local transport authorities to promote cycling and walking in their areas by the development of infrastructure plans, including drawing up bids for capital funding that are compliant with local transport note (LTN) 1/20 and carrying out behaviour change activities, such as training and promotion
Tourism, Trade & Investment	DCMS			13,200,000	An integrated programme of tourism, trade and investment jointly developed and to be jointly delivered by the West Midlands Growth Company, DCMS, DfT and Visit Britain. It will leverage the 2022 Commonwealth Games in Birmingham to deliver a legacy of economic benefits across the region.
British Film Institute	BFI	Apr-20	Mar-23	1,000,000	Activity delivered by Create Central. Delivery a programme of activities to support the continued growth of the region's screen sector heavily focused on the 'future of media', with innovation, digital infrastructure, immersive storytelling and digital employability programmes taking place amongst more traditional elements such as attracting film and TV production to the region and promoting the West Midlands screen sector on a global stage.
DWP - ESF Find Your Future	DWP	Nov-21	Dec-23	2,620,730	Tailored engagement and support project for residents that will enable those less likely to benefit from the opportunities provided by the Commonwealth Games and City of Culture to do so.
Digital Skills Retraining Pilot	DfE	Jun-19	Mar-23	5,000,000	Funding to support entitlement to digital skills training across the region.
Social Housing Decarbonisation Fund Wave 1	BEIS	Apr-22	Aug-23	1,337,142	Overall grant award of £7.51m
Sustainable Warmth	BEIS	Apr-22	Mar-23	260,000	Overall grant award of £2.86m
Future mobility Zones	DfT	Jun-19	Mar-23	2,000,000	The purpose of the Future Mobility Zones is to: trial new transport services modes and models, creating a functioning marketplace for mobility that combines new and traditional modes of transport; improve integration of services; increase the availability of real-time data; and provide access to digital planning and payment options. The fund also aims to explore options for: providing mobility credits, or other low-cost options, for lower income households; and delivering efficiencies through shared (dynamic) demand responsive transport.
Supported Bus Services	DfT	Apr-20		879,836	Provided to as revenue support to help provide more bus services in areas by improving current services, restoring lost services or supporting new services
Bus Capacity Grant	DfT	Apr-20		100,000	Funding to support LTAs in developing local bus proposals as outlined in the National Bus Strategy (NBS), in particular, it is being offered to help LTAs towards the development of their Enhanced Partnership Schemes (EPS) or franchising scheme, and Bus Service Improvement Plans (BSIP) work, and to meet the timescales that go alongside that work.
22/23 AEB Devolution	DfE	Annual		131,875,523	Devolved budget from DfE for delivery of adult education (19+) in West Midlands region
22/23 Adult Education Budget Level 3	DfE	Annual		10,954,673	Devolved budget from DfE for delivery of level 3 education offer open to adults without an existing L3 qualification in West Midlands
National Lottery	National Lottery	May-21	Dec-22	834,669	The project is to support disadvantaged young people to access the Commonwealth Games Volunteering Programme delivered through the Jobs and Skills Academy. To use the Commonwealth Games brand and leverage to create more employment, training, and volunteering opportunities to support young people who have been hardest hit as a result of COVID-19.
LIS Energy Support	BEIS	Apr-22		163,900	To engage with a minimum of 800 young people on JSA To support a minimum of 280 young people into jobs To support a minimum of 320 individuals to volunteer To support a minimum of 64 individuals into specialist support Other positive outcomes for the young people will include accessing further training; access to Kickstart and Apprenticeships; personal development, the development and monitoring of soft skills. The outcome for each young person will be dependent on their bespoke plan. Walsall Heat Network
Technical Bootcamps	DfE	Apr-22	Mar-23	11,250,000	Technical bootcamps 22-23 allocation of £11.25m in priority sectors of digital, technical, construction, green and HGV – with 10% to be used flexibly in other areas: Health and Social Care (inc Life Sciences); Creative Industries; Hospitality; Leadership and Management; Professional Services (inc Finance).
Tackling Loneliness through Transport Fund	DfT	May-22	May-23	460,469	The TLwT Fund offers grant funding to the public and charity sectors to run pilot transport schemes that aim to reduce loneliness. The pilots will be measured and evaluated rigorously, enabling DfT to understand more about how transport can be used to help reduce loneliness and to share these findings with organisations within and outside government.
Black Country Cultural Capital Development	Arts Council England	Apr-22	Mar-25	725,000	This grant is specifically marked to be spent in the Black Country, with the aim to support development of future cultural sector capital projects within Sandwell, Walsall, Wolverhampton and Dudley. The grant activity will specifically focus on developing capital project feasibility studies and business cases, together with some support resources for cultural organisation.
DLUHC - Rough Sleeping Initiative	DLUHC	Apr-22	Mar-25	1,491,707	3 year settlement to allow Authorities to build on the progress of previous funding interventions, moving increasingly from a focus on intervention to supporting long term recovery and preventing rough sleeping.
Multiply	DfE	Apr-22	Mar-23	5,069,133	Multi year grant allocation of 16.7m total funding over 3 years. Amount shown here is for year 1 only. Grant supports literacy and numeracy skills development activities in line with investment plan submitted to HMG
Bus Service Improvement Plan	DfT	Apr-22	Mar-23	18,352,626	Multi year grant allocation of £87.8m total funding over 3 years. Amount shown here is for year 1 only. Grant supports transformation activities to support bus service improvement in line with investment plan submitted to DfT.
UK Shared Prosperity Fund	DLUHC	Apr-22	Mar-23	7,175,415	UKSPF is a central pillar of this government's levelling up agenda, and replacement funding for the European Union Structural Funding. Funds will be spent in line with the investment plan submitted to government.
Specific Revenue/Devo Grants					
Devo Deal Grant	MHCLG	Annual		36,500,000	Devolution Grant Deal (Investment Programme)
MHCLG - Office for Data Analytics	MHCLG	Apr-18	No end date	800,000	Devolution funding to support operational activities of ODA
Devo Housing Package	MHCLG	Apr-17		6,000,000	Revenue grants to support capital housing grant activity delivery
Brownfield Housing Fund	MHCLG	Apr-20		2,826,498	Revenue grants to support capital housing grant activity delivery
One Public Estate	LGA		Apr-22	1,246,141	Support OPE activity - drawn down by partners delivering OPE activity as required.
Other Revenue Contributions					
MHCLG - Brexit	MHCLG	Apr-18	No end date	1,375,059	
IPS Programme	DWP	Mar-17	Jun-22	2,059,911	

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West Midlands
Combined Authority

Transport Scrutiny Sub-Committee

Thursday 24 November 2022 at 10.00 am

Minutes

Present

Councillor Cathy Bayton (Chair)	Association of Black Country Authorities
Councillor Chaman Lal (Vice-Chair)	Birmingham City Council
Councillor Karen Simms	Sandwell Metropolitan Borough Council
Councillor Vera Waters	Walsall Metropolitan Borough Council

In Attendance

Pete Bond	Director of Integrated Transport Services
Dan Essex	Governance Services Manager
Graham Jones	Director of Delivery – Transport
Lyndsey Roberts	Scrutiny Officer

Item No.

81. Apologies for Absence

An apology was received from Councillor Rupinder Singh (Coventry City Council).

82. Inquorate Meeting

The meeting was inquorate and therefore decisions taken at the meeting would be submitted to the Overview & Scrutiny Committee for formal approval.

83. Minutes - 8 September and 13 October 2022

The minutes of the meetings held on 8 September and 13 October 2022 were agreed as a correct record.

84. Bus Network Scrutiny Update

The sub-committee received a presentation from the Director for Integrated Transport Services that provided an update on the bus network review. The presentation was supported by a suite of information including, an update on the delivery of the West Midlands Bus Service Improvement Plan in the context of wider challenges faced in the bus market and the latest performance of bus services in the West Midlands.

The Transport Delivery Committee had approved submission of the West Midlands Bus Services Improvement Plan that all Transport Authorities were required to submit to Government in response to the National Bus Strategy. During covid, there had been a series of funds provided from Government including, the Bus Recovery Grant. As part of this funding, the Government

requested all bus operators and local transport authorities to undertake a review of their bus networks as patronage nationwide had not recovered to pre-pandemic levels.

The sub-committee discussed and shared comments on the review of the commercial network, resource challenges, bus service changes within the region and mitigations, changes with regards to school services and communication, opportunities to encourage concessionary travel, travel surveys, potential business efficiency reviews, driver shortages and the work being undertaken to address this issue. Members also expressed concern at the lack of competition in the market and the challenges associated with this.

In terms of delivery, quality and encouraging behaviour change, the sub-committee questioned whether the current commercial model delivered what was needed for the West Midlands. The Director of Integrated Transport Services explained that the implications of covid had been a challenge for the West Midlands and the introduction of the enhanced partnership scheme was a mechanism in which operators would be held to account for delivery and improvements.

Recommended to Overview & Scrutiny Committee:

That the update be noted.

85. Commonwealth Games 2022 - Lesson Learned in Transport

The sub-committee considered a report of the Executive Director for Transport for West Midlands that summarised the lessons learnt throughout the planning and delivery of a successful Regional Area Spectator and Transport Operation in support of the objectives set in the Games Transport Plan.

Between 28 July and 8 August, Birmingham hosted the 22nd Commonwealth Games, the largest multi-sport event held in England for the last 10 years. The Games brought over 1.5m spectators and visitors to the region and transport had to answer to a complex set of challenges including, a complex and congested transport network, a compressed timescale for planning, impacts of COVID-19 and navigating the realities of strike action on the Rail network.

The success of the Games was measured against five core principles including, clean and green; safe, secure, reliable and efficient transport; minimising disruption; valuable long-term benefits of sustainable transport options and improved public spaces, and access for all. The sub-committee enquired as to whether the Games was the 'greenest and cleanest'. The Commonwealth Games Director explained that the organising committee had produced a report that set out a view on the greenest credentials of the Games and agreed to share the report with the sub-committee.

Recommended to Overview & Scrutiny Committee:

TfWM be commended for the success of the Commonwealth Games in terms of the transport.

86. Work Programme

The sub-committee discussed its work programme of business for consideration at its future meetings and at the WMCA Board.

Recommended to Overview & Scrutiny Committee:

The work programme be noted.

87. Date of Next Meeting

Thursday 12 January 2023 at 2:00pm.

The meeting ended at 12.00 pm.

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WMCA Overview & Scrutiny Committee – Work Programme 2022/2023

Title of Report	Description of Purpose	Date of Meeting	Lead Officer/Member
Mayoral Q&A (Proposed Budget): Mayor's response to the observations and/or recommendations presented to the WMCA Board	To receive a formal response to the recommendations and/or considerations presented to the WMCA Board on 13 January 2023	13 March 2023	Lyndsey Roberts
#WM2041 'Our Action to Meet the Climate Challenge	To receive an overview of the progress being made with the delivery of #WM2041	13 March 2023	Jackie Homan Cheryl Hiles
Grant Register	To receive and review the Grant Register	13 March 2023	Kate Taylor

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WEST MIDLANDS COMBINED AUTHORITY FORWARD PLAN: JANUARY 2023 - JULY 2023

Title of Report	Summary of purpose and recommendations	Lead Portfolio Holder	Lead Officer	Confidential	Category
Meeting 13 January 2023					
Regional Activity & Delivery Update	Purpose: To provide an update on the activity and delivery across the region since the last meeting.	n/a	Laura Shoaf	No	n/a
Trailblazer Devolution Deal Update	Purpose: To approve the submission to Government of the WMCA's Trailblazer Devolution Deal.	Cllr Brigid Jones	Ed Cox	No	Levelling Up
Draft WMCA Budget 2023/234	Purpose: To approve the WMCA's draft 2023/24 budget for consultation.	Cllr Bob Sleigh	Linda Horne	No	Finance
Financial Monitoring 2022/23	Purpose: To outline the latest financial position of WMCA and provide an update on any current financial matters affecting WMCA.	Cllr Bob Sleigh	Linda Horne	No	Finance
LEP Integration Plan	Purpose: To approve the proposed integration plan for LEPs.	Cllr Ian Brookfield	Julie Nugent	No	Economy & Innovation
Innovation Accelerator	Purpose: To approve funding bids.	Cllr Ian Brookfield	Julie Nugent	Yes	Economy & Innovation



Title of Report	Summary of purpose and recommendations	Lead Portfolio Holder	Lead Officer	Confidential	Category
City Region Sustainable Transport Settlement - Metro Line 1 Business Case	Purpose: To consider the business case for essential renewal work to core elements of the existing line, including sections of key systems to ensure they continued to function correctly and avoided interruption to the service on the current routes.	Cllr Ian Ward	Anne Shaw	No	Transport
Very Light Rail Regional Package Strategy	Purpose: To consider the outline business case and approve funding of £36.8m from the City Region Sustainable Transport Settlement for a Very Light Rail Regional Programme.	Cllr Ian Ward	Anne Shaw	No	Transport
Meeting 10 February 2023					
Regional Activity & Delivery Update	Purpose: To provide an update on the activity and delivery across the region since the last meeting.	n/a	Laura Shoaf	No	n/a
Review of the West Midlands Growth Company	Purpose: To review the West Midlands Growth Company.	n/a	Julie Nugent	No	Governance
WMCA Budget 2023/234	Purpose: To approve the WMCA's 2023/24 budget.	Cllr Bob Sleigh	Linda Horne	No	Finance
Race Equalities Taskforce Action Plan	Purpose: To approve the action plan.	Cllr Kerrie Carmichael	Ed Cox	No	Inclusive Communities

Title of Report	Summary of purpose and recommendations	Lead Portfolio Holder	Lead Officer	Confidential	Category
Local Transport Plan	Purpose:	Cllr Ian Ward	Anne Shaw	No	Transport
Wednesbury - Brierley Hill Metro Extension Funding Mitigation Measures	Purpose: To consider the latest progress in securing the mitigation measures for addressing the funding gap identified for phase 1 of the project and to close the funding gap for the full scheme.	Cllr Ian Ward	Linda Horne	Yes	Transport
Meeting 24 March 2023					
Regional Activity & Delivery Update	Purpose: To provide an update on the activity and delivery across the region since the last meeting.	n/a	Laura Shoaf	No	n/a
Financial Monitoring 2022/23	Purpose: To outline the latest financial position of WMCA and provide an update on any current financial matters affecting WMCA.	Cllr Bob Sleigh	Linda Horne	No	Finance
Inclusive Communities Strategy	Purpose: To agree the scope and design of a programme.	Cllr Kerrie Carmichael	Ed Cox	No	Inclusive Communities
Meeting 9 June 2023					
Regional Activity & Delivery Update	Purpose: To provide an update on the activity and delivery across the region since the last meeting.	n/a	Laura Shoaf	No	n/a



Title of Report	Summary of purpose and recommendations	Lead Portfolio Holder	Lead Officer	Confidential	Category
Appointment of WMCA Boards and Committees 2023/24	Purpose: To approve consider the appointments to boards, chairs and meetings dates for 2023/24.	n/a	Satish Mistry	No	Governance
Overview & Scrutiny Committee Annual Report	Purpose: To consider a report setting out the activity of overview & scrutiny during 2022/23.	n/a	Satish Mistry	No	Governance
Financial Monitoring 2022/23	Purpose: To outline the latest financial position of WMCA and provide an update on any current financial matters affecting WMCA.	Cllr Bob Sleigh	Linda Horne	No	Finance
Meeting July 2023					
Regional Activity & Delivery Update	Purpose: To provide an update on the activity and delivery across the region since the last meeting.	n/a	Laura Shoaf	No	n/a
Financial Monitoring 2022/23	Purpose: To outline the latest financial position of WMCA and provide an update on any current financial matters affecting WMCA.	Cllr Bob Sleigh	Linda Horne	No	Finance

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of the Local Government Act 1972.

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