



West Midlands
Combined Authority

Housing & Land Delivery Board

Date	10 July 2023
Report title	Quarterly Report on 2023/24 Housing and Land Portfolio Deliverables, and Progress on Housing and Land Annual Business Plan
Portfolio Lead	Housing and Land - Councillor Ian Courts
Accountable Employees	Gareth Bradford, Executive Director of Housing, Property & Regeneration (Accountable Director) Rob Lamond, Head of Strategy & Analysis, Housing Property & Regeneration (Senior Reporting Officer) Hannah Worth, Programme Support Officer, Housing, Property & Regeneration (Report Author)
Previous reports	Quarterly monitoring and performance reports have been considered since 2018 by both the Housing & Land Delivery Board and Delivery Steering Group

Recommendation(s) for action or decision:

The Housing & Land Delivery Board is recommended to:

- a) **Note the positive achievement against each of** the Housing and Land Portfolio's approved Annual Deliverables in Q1 2023/24;
- b) **Note** the key performance highlights set out in Section 3.0; and
- c) **Note the positive performance and effective deployment of WMCA's Devolved Housing & Land funds** illustrated by the schemes summarised in the confidential annex to this report. Many of these schemes are now in delivery phase, having progressed through to the end of the process which shows the role of WMCA in unlocking, accelerating and problem solving on '*difficult to deliver*' schemes.

1.0 Purpose

- 1.1 The purpose of this paper is to **provide a quarterly update** on progress in delivering the High-Level Deliverables for the Housing and Land Portfolio as co-developed with the Housing & Land Delivery Steering Group and Delivery Board throughout 2023 and agreed by WMCA Board in February 2023. As with previous years, the portfolio's annual deliverables were co-developed with local authorities, industry taskforces and other partners in the region. They are fully informed by, and aligned with, the WMCA Business Plan and the WMCA Aims and Objectives.
- 1.2 In Q1 2023, early progress has been made against each of these deliverables. The report provides an executive summary of the progress made.

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 2023/2024 were agreed by WMCA Board on 10 February 2023.
- 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 schemes.
 - **Aim 4:** To reduce carbon emissions to net zero, enhance the environment and boost carbon resilience.
- 2.3 The Housing and Land Portfolio deliverables work to achieve the following objectives under these Aims:
- **Objective 3.3:** We will invest in and support housing and regeneration schemes across the region, working closely with the private sector and local authorities to unlock and accelerate sustainable delivery
 - **Objective 3.4:** We will support and deliver co-ordinated investment packages with our partners across key corridors and local, town and city centres.
 - **Objective 4.2:** We will be national pioneers in advanced methods of construction, zero carbon housing and brownfield regeneration and delivery, informed by research at the National Brownfield Institute
- 2.4 The table below sets out each of the 2023/2024 approved Housing and Land High Level Deliverables alongside a summary of progress to date and, where appropriate, information on next steps.
- 2.5 In response to feedback from the Delivery Steering Group and the Housing & Land Delivery Board, and to provide both forums with an update on the delivery of the first High Level Deliverable in the table ("*Deliver our nationally leading brownfield regeneration and housing delivery programmes*"), the appended confidential document provides a synopsis of the schemes which have been approved for investment to date or which are in the system and on the path to approval. Due to commercial confidentiality, we are unable to provide exact details of schemes which are yet to be approved.

3.0 Key Highlights during Q1 2023/24

3.1 During the 2022/2023, good progress has been made on all of the High Level Deliverables (HLDs) for the year. The summary table in section 4.0 gives an update against each HLD; this section highlights particularly notable advancements that have been made.

Housing, Property & Regeneration Pipeline

3.2 The WMCA Housing, Property & Regeneration Directorate has been working with colleagues across the region for several years to establish shared priority sites and forthcoming opportunities for delivery. Building from the Plan for Growth, the Deeper Devolution Deal and the Investment Prospectus 2023 – and the associated spatial and sectoral focus - WMCA and local authority partners are developing an increasingly comprehensive pipeline.

3.3 The pipeline has assisted and been further bolstered by ongoing collaborative work on detail proposals for Levelling Up Zones alongside those for the Investment Zone which were announced in the March Budget, along with other geographically focused programmes such as the existing Enterprise Zones, regeneration programmes and transport corridors. With the DDD inclusion of the Affordable Homes Programme and additional regeneration funding for the region, local authorities and other partners are identifying a broader range of schemes for future investment. Through regular joint meetings with the WMCA team, these opportunities are being assessed and progressed, leading to an over-programmed pipeline that helps to deliver schemes faster and provide alternatives for schemes that do not come forward as expected.

Deeper Devolution Deal Implementation

3.4 The Deeper Devolution Deal was announced in the Chancellor's Spring Budget on 15 March 2023. The powers devolved to the Combined Authority signify the third transfer of powers since the organisation's inception in 2016.

3.5 The Deeper Devolution Deal responds to our four headline Housing and Land Portfolio proposals to Government:

- A West Midlands Regeneration Fund
- A West Midlands Land Reform Programme
- Affordable Housing
- Levelling Up Zones.

3.6 All of these proposals were included in the agreed Devolution Deal and will be underpinned by a new Strategic Place Partnership between the region and HM Government.

3.7 During the first quarter of 2023/24, mobilization and implementation planning for the Housing and Land Devolution Deal elements have made considerable progress, including:

- **Affordable Housing Programme:** A joint project team and pipeline development has been established with Homes England colleagues, seeking to maximise investment of AHP funds into the region. A joint engagement programme is underway, with local authorities, housing associations and other sector partners being engaged in the new approach and future opportunities arising from the £200-400m regional funding and more flexible criteria.
- **Land Reform and Public Land Programme:** Work is ongoing with the Cabinet Office, the Department of Levelling Up, Homes & Communities (DLUHC) and other partners to progress the Public Land elements of the Deal, including the Partnership agreement and joint pipeline/disposals plan for government land assets in the region. The emphasis in the Devolution Deal text on land assembly – including development orders and Compulsory Purchase Order opportunities – will form part of the Place Partnership being developed by DLUHC and WMCA.
- **Levelling Up Zones:** The Devolution Deal agreed with HM Government identifies Levelling Up Zones as locally designated sites with the potential for growth and levelling up and where the government envisages that the following tools made available through the Deeper Devolution Deal could assist that endeavour:
 - 100% of business rates growth above an agreed baseline will be retained for 25 years
 - Fiscal Devolution
 - Single Financial Settlement
 - Regeneration Funding
 - Affordable Housing
 - Post-19 Skills and Transport funding

3.8 Local authorities, working alongside WMCA and the private sector, have identified several sites within their proposed Levelling Up Zones; some of these are commercial, others mixed-use or residential. Weekly progress meetings are being held with officers to maintain the momentum of this process and further develop proposals.

3.9 **Single Regeneration Fund:** WMCA officers are working with DLUHC officials to agree Heads of Terms for the £100m funding programme established to deliver 4,000 homes alongside more commercial, mixed-use and estate regeneration schemes. Work to establish a comprehensive programme of locally identified priority sites is ongoing through the established regular engagement sessions.

Strategic Partner Programme

3.10 WMCA continue positive work across its Strategic Partner Programme to manage and monitor existing MoU Agreements and ensure schemes come forward by these partners and there is clear delivery against key milestones, indicators and targets committed to when the agreements were launched. We are also continuing to seek new collaborative MoU agreements with the private and public sector where there is a strong commitment to go above and beyond WMCA Policies and Plans and make clear commitments around delivery of outputs and outcomes.

- 3.11 As reported previously, an MoU agreement is being negotiated with Keepmoat Homes and is expected to be launched in early July, subject to final sign offs. This will see Keepmoat commit to the region’s key policy objectives and increasing their housing delivery across the WMCA area.
- 3.12 Since the last Board in May 2023, SEGRO was announced as a Strategic Partner of WMCA, committing £2bn worth of investment into the West Midlands, delivering the next generation of commercial logistics sites, committing to being a thought leader in net zero buildings and unlocking up to 14,000 jobs across the region. WMCA is working with SEGRO to ensure these bold ambitions turn into investment and delivery on the ground.

4.0 Progress and current activity: Summary table

- 4.1 Table 1 summarises the key activities on housing and land deliverables in 2023/24.

Table 1: Progress update on Housing and Land Portfolio High Level Deliverables 2023/24

High Level Deliverable	Annual Update
<p>Housing Deals: Delivery of prescribed requirements, measures and output targets of the 2018 Housing Deal & subsequent funding deals and agreements with HMG</p>	<p>Regular performance updates on the delivery of the Land Fund (£100m), Brownfield Housing Fund (£130m in total, comprising £84m awarded in November 2020 and £45m awarded February 2022) and National Competitive Fund (£24m) are programmed on a quarterly basis with the Department of Levelling Up, Housing & Communities (DLUHC) alongside meetings with key civil servants in line with the successful approach taken during the Land Fund monitoring.</p> <p>As per the entry below, we also continue to support local authorities with local plan progress and evidence, as part of the Local Plan monitoring requirement of the 2018 Housing Deal.</p> <p>The region continues to progress the wider requirements of the Housing Deal including the establishment of the National Brownfield Institute in Wolverhampton, the partnership working with housing associations through West Midlands Housing Association Partnership and leveraging £millions of private sector leverage through the investments made from the WMCA’s devolved Housing & Land funds.</p>
<p>Local Planning: Supporting Local Planning Authorities with evidence for Local Plans and policy requirements</p>	<p>As part of the 2018 Housing Deal, the Housing, Property & Regeneration Team is required to report on a monthly basis to DLUHC on the progress of Local Plans in the West Midlands region and progress towards meeting the target of 215,000 dwellings by 2030.</p>

	<p>Housing supply figures remain on track to exceed this target although the proposed changes to the planning system are causing increased uncertainty for local authorities and, subsequently an increasing number of local plans are subject to delay.</p> <p>Consultants have been commissioned by the Combined Authority to provide specialist advice in relation to the progress of local plans. WMCA continues to work co-operatively with our constituent and non-constituent Local Authorities to support Local Plans progress and evidence.</p>
<p>Deeper Devolution Deal: Lead the implementation of the H&L Portfolio elements agreed to in the Trailblazer Devolution Deal</p>	<p>Significant progress is being made with implementation of the key areas of the DDD for Housing & Land:</p> <ul style="list-style-type: none"> - Affordable Homes Programme: as below, a joint team, pipeline and project plan have been established with Homes England to take this work forward - Land Reform and Public Land: Work is ongoing with the Cabinet Office, DLUHC and other partners to progress the Public Land elements of the Deal, including the Partnership agreement and joint pipeline/ disposals plan - Single Regeneration Fund: Heads of Terms for the additional £100m capital are being negotiated with DLUHC. Extensive pipeline development work with local authorities and private sector partners is ongoing (see below) - Levelling Up Zones: a considerable amount of development work, co-developed by local authorities and the WMCA, has been undertaken as the LUZ proposals are taken forward in parallel with the Investment Zone proposition to HM Government
<p>Affordable Homes Programme (AHP): Establish the trailblazer approach to the AHP in the West Midlands</p>	<p>A joint HPR/Homes England AHP team has been established, focused initially on the implementation of the first phase of the Deal (2023-26) and development of an affordable housing supply strategy. Very positive initial sessions have been held throughout with wider teams at Homes England (HE), housing associations, local authorities and wider partners, all welcoming the devolution of the programme to the region. We are also working closely with local authorities to identify schemes not currently meeting Local Plan affordable targets, and engaging with wider providers/landholders (for example, the Almshouse Association and Church of England) to maximise the pipeline of opportunities coming through.</p> <p>An implementation plan to resource and take this programme forward is in development, including the development of the Affordable Housing Strategy (see below), joint pipeline and direction of travel to 2026 and beyond, into full devolution of the programme from that date.</p>

<p>Affordable Housing: Support and enable Affordable Housing Delivery across the West Midlands including new partnerships and pilot approaches</p>	<p>Work remains ongoing with housing association partners to establish a new partnership approach for affordable housing delivery. This work will inform and provide additional context for the development of the AHP deliverable above.</p>
<p>Policy Development: Develop and collaborate on Board approved policy development work</p>	<p>WMCA maintains frequent engagement with DLUHC and Whitehall more broadly on emerging policy issues and priorities including employment land, Advanced Manufacturing in Construction and affordable homes.</p> <p>WMCA's industry led taskforces (town centres, commercial property, Future Homes, public land) act as critical friends and sounding boards for policy development.</p> <p>Working groups set up through the Delivery Steering Group on specific policy areas (e.g. Investment Zones, Levelling Up Zones, Future Homes and Public Land) have been established with local authority representation.</p> <p>The Housing, Property & Regeneration team is working closely with colleagues in TfWM to address shared priorities and establish joint approaches to investment in the region.</p> <p>Work continues internally to develop and refine a number of strategies and to provide support on masterplans for key development areas.</p>
<p>Brownfield Regeneration: Deliver our nationally leading brownfield regeneration, housing and land delivery programmes</p>	<p>This is an ongoing, extensive programme of investments, interventions and disposals. An increasing number of projects are now on site or in the delivery phase and many schemes are continuing through due diligence processes ahead of Investment Board decisions (summarised in confidential Dashboard). We have also continued to build our pipeline of schemes with new, exciting projects entering the system every week – with a particular focus on the Single Regeneration Fund agreed in the Deeper Devolution Deal, that provides wider opportunities for commercial, mixed-use and estate regeneration schemes.</p> <p>Delivery of the 2018 Housing Deal Land Fund programme remains ahead of trajectory to exceed the delivery target of 8,000 new homes, and the programme for the new Brownfield Housing Fund (BHF) and National Competitive Fund (NCF) forecasts both performing ahead of schedule too.</p>

<p>Regeneration Pipeline: Work closely with all local authorities across the WMCA and developers/ investors/ HMG agencies to develop a strong regeneration and development project and investment pipeline</p>	<p>Monthly bilateral meetings between WMCA and local authority teams are held to focus on local priority projects coming forward for the pipeline, including those for commercial, mixed-use and affordable housing investment.</p> <p>Work to establish the potential sites for Investment Zone and Levelling Up Zones in the region has informed an even more comprehensive and detailed understanding of key priority sites in Constituent and Non-Constituent local authorities. This collaborative and co-developed exercise will continue to inform pipeline development in future.</p>
<p>Housing Sector Insights: Run a series of industry led taskforces to provide critical insight, challenge, advocacy and support</p>	<p>The Housing, Property & Regeneration Team runs a number of industry-led expert advisory taskforces to shape, challenge, lobby for and influence WMCA policy.</p> <p>The Commercial Property, Public Land, Town Centre and Future Homes Taskforces continue to operate and act as a vital resource and advisor to WMCA. The Taskforces remain key sounding boards for the emerging Deeper Devolution Deal mobilisation and implementation plans, and in securing support for the West Midlands approach to Housing and Land matters.</p>
<p>Partnership Ventures: Establish new and strengthen existing partnerships, ventures and joint ventures with public and private sector partners</p>	<p>In May 2023, WMCA announced a new partnership with SEGRO. This included a commitment of £2bn worth of investment into the West Midlands, delivery of commercial logistics sites, being a thought leader around next generation logistics and zero carbon buildings, their ambition to become Net Zero by 2030 and extensive skills provisions. The team are now working with SEGRO to ensure regular reporting, monitoring and pipeline development. Sites currently in their pipeline include SEGRO Park (Coventry) and Walsgrave (Coventry).</p> <p>WMCA continues to work with developers, investors and other potential partners to establish strategic partner approaches Strategic Partnerships. Good progress is being made and new approaches partnerships are planned to be launched in 2023/24, unlocking further private sector investment, regeneration schemes and wider policy commitments across the West Midlands.</p> <p>WMCA is continuing discussions with public and private sector partners to create new joint ventures and delivery vehicles building on current joint ventures including Help to Own and the Friar Park Joint Venture.</p>

<p>Funding Opportunities: Deliver and submit compelling business cases for additional funding from HMG</p>	<p>The agreement of the Deeper Devolution Deal, following extensive co-development with local partners and negotiation with HM Government, has secured a further £100m for regeneration in the region alongside a £200-400m Affordable Housing settlement.</p> <p>Business cases for further funding opportunities will continue to be developed throughout 2023/24 as necessary/required to achieve Portfolio deliverables.</p>
<p>Asset Management: Lead WMCA Strategic Acquisitions, Disposals and Asset Management Programmes</p>	<p>In order to support the WMCA Acquisitions programme, an Acquisition Plan and Strategy is in development. The strategy will take the form of a high-level overarching document containing a set of guiding principles for the acquisition of any land, assets or buildings by WMCA, ensuring acquisitions across the organisation are consistent at a high level, follows best practice and will lead to a programme of acquisitions that satisfy our funding regime, internal policies, and corporate objectives.</p> <p>Good progress continues to be made in developing comprehensive delivery focussed disposal plans for land acquired for development purposes.</p> <p>Please see 'Property & Estates Strategy: Develop and deliver a Single Property & Estates Strategy and WMCA Asset register' above for more information.</p>
<p>Public Land Charter: Deliver a comprehensive programme supporting the effective implementation of the Public Land Charter, working collaboratively with the Cabinet Office, LGA, taskforces and local partners</p>	<p>OPE Board continues to be updated on progress and successes to date; since the start of the programme £19m capital receipts and £5m reduced running costs have been successfully secured.</p> <p>The Place Pilots programme continues to be delivered at pace, with a further workshop held on 25 May around Depots, Fleet & Industrial and WMCA officers undertaking further engagement with Local Authorities and Central Government bodies around the high level and specific opportunities identified through the workshops to form the basis of a pipeline of opportunities.</p> <p>WMCA continue to work with the Cabinet Office and LGA to establish a 'Place Board' which will have oversight and scrutiny of the Place Pilots programme.</p>
<p>Investment Prospectus: Produce the annual West Midlands Investment Prospectus and deliver associated partner engagement</p>	<p>The 2023 West Midlands Investment Prospectus was launched at the UKREIIF event in Leeds, in May 2023. The prospectus highlights a diverse portfolio of major investment opportunities in the West Midlands, that have been identified and grouped into four broad areas of investment: Levelling Up Zones, projects around growth corridors and strategic transport hubs, a range of strategically important development sites and town centre</p>

	<p>regeneration schemes and opportunities focused on key themes and clusters (such as station zones or zero carbon).</p> <p>Work on the 2024 Investment Prospectus will commence in Quarter 3 of 2023/24.</p>
<p>Town Centres: Support LAs and partners on policy projects, funding bids and investment plans in town centres</p>	<p>Engagement with Delivery Steering Group and the Town Centres Taskforce has identified a series of key opportunity areas for WMCA to focus its time, effort and investment in relation to town centres. These include identifying value-add in light of deeper devolution, evidence and research relating to successful projects and current activity and accelerating delivery of existing town centre projects in WMCA's pipeline.</p> <p>The current intention is to produce documentation that captures these activities and opportunities, for further exploration.</p>
<p>Property & Estates Strategy: Develop and deliver a Single Property & Estates Strategy and WMCA Asset register</p>	<p>Development of the WMCA Single Property & Estates Strategy is progressing well against the programme, with a second draft reflecting feedback and comments received during an extensive engagement period now produced. This draft is under review by the Executive and Sponsoring Directors and will be submitted to Executive Board for views and steers w/c 3 July. Approval is on track for August-September 2023.</p> <p>The Strategy will be a cross-cutting document that provides WMCA with a single integrated approach to property management that is consistent, aligned and forward-looking. The strategy will be central to the delivery of objectives and policy across the organisation's portfolio, enable WMCA to better collaborate with and contribute to the wider public sector agenda, and deliver efficient and effective management of WMCA's portfolio through the provision of guiding principles for decision-making and framework for the assessment of asset performance at a strategic level.</p>
<p>Future Housebuilding: Develop and deliver a WM Future Housebuilding Strategy</p>	<p>The HPR team has been working, with the support of the Future Homes Taskforce and Cast Consultancy, on a suite of documents to guide and underpin our ambitious work on 'future homes'. The suite of documents comprises a draft strategy, technical standard and guidance for developers and investors.</p> <p>Extensive engagement will take place over Summer 2023 to secure wide-ranging sector support for WMCA's approach, ahead of a potential launch in Autumn 2023. A comms strategy to support the launch is in development.</p>

5.0 Financial Implications

- 5.1 There are no un-budgeted financial implications as a result of the recommendations within this report. The majority of the work to achieve the Deliverables will be undertaken through in-house resource and any external support requirement will be funded from the existing Housing, Property & Regeneration budget.
- 5.2 Any WMCA investment to meet the Housing and Land Portfolio Deliverables will 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 10.1 and schedule 3 of The West Midlands Combined Authority Order 2016 No. 653 (the Order) confers economic development and regeneration functions to the WMCA in the Combined Authority area. Schedule 3 sets out a duty under section 69 of the 2009 Act for the Combined Authority to prepare an assessment of economic conditions.
- 6.2 By virtue of section 113A of The Local Democracy, Economic Development and Construction Act 2009 as amended by section 13 The Localism Act 2011 the WMCA may do anything it considers appropriate for the purposes of the carrying-out of any of its functions.
- 6.3 Section 22 (i) of the West Midlands Combined Authority (Functions and Amendment) Order 2017 expressly states that the power to pay grant is a function exercisable only by the Mayor with Section 22 (2) requiring the Mayor to seek the assistance of members and officers in the exercise of this function.
- 6.4 There are no direct legal implications identified as a result of this report. However, the proposals set out in this report will have legal implications and risks in the future which will be considered at the appropriate time through future reports as necessary.

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 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 High-level Deliverables have been developed in close consideration of Inclusive Growth principles and are themselves neutral when it comes to inclusive growth. However, implications will arise as investments are made and strategies are devised, in terms of who benefits from those investments and in who is involved in shaping and contributing to them. As such, any programmes should be devised with the responsibility to deliver inclusive growth.

9.0 Geographical Area of Report's Implications

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

10.0 Other implications

10.1 None.

11.0. Schedule of Background Papers

11.1 None.