



West Midlands  
Combined Authority

## Housing and Land Delivery Board

<b>Date</b>	18 October 2023
<b>Report title</b>	West Midlands Strategic Place Partnership Update
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**Recommendation(s) for action or decision:**

The Housing & Land Delivery Board is recommended to:

- a) **Note and endorse** the significant progress made in developing a West Midlands Strategic Place Partnership with Homes England.
- b) **Note** the 2023-24 revenue funding opportunity available for housing and housing-led mixed-used development schemes, where Local Authorities can submit applications for priority projects.
- c) **Note** the intent for consultation on the work to date and how best the Strategic Place Partnership (SPP) business plan can support delivery across the region.

## **1.0 Purpose**

- 1.1 The purpose of this report is to update Housing & Land Delivery Board on the significant progress being made with the development of a West Midlands SPP, following the Trailblazing Deeper Devolution Deal announcement in March 2023. The details provided below outline the work and engagement undertaken to-date, the strategic direction of the partnership and the next steps to formally launching the SPP with Homes England.
- 1.2 The report also provides details on the Resource Departmental Expenditure Limit (RDEL) revenue funding opportunity from Homes England, which is now open for applications from local authorities to support the delivery of priority housing-led sites.

## **2.0 Context and Background**

- 2.1 The West Midlands Trailblazing Deeper Devolution Deal outlined a commitment from DLUHC and their agency, that they will work with both parties to establish an SPP between WMCA and Homes England which supports the region's ambitious regeneration plans, formalised through a non-legally binding Memorandum of Understanding (MoU), and supported by a Delivery Plan.
- 2.2 The intention of the SPP is to outline how best the two bodies can work together with Local Authorities and create a more united approach to delivery, optimising expertise, funding and pipeline building which should encourage the delivery of priority developments.
- 2.3 Prior to the Trailblazing Deeper Devolution Deal announcement, WMCA had been working with Homes England to scope the purpose and rationale of an SPP, with various updates shared at Housing and Land Delivery Steering Group and Housing and Land Delivery Board.
- 2.4 Both parties have been working together to develop an MoU agreement which outlines shared ambitions, formalising the SPP ahead of a Delivery Plan.
- 2.5 In 2022-23, the ongoing partnership development unlocked Homes England revenue funding opportunities for the region, enabling Local Authorities to apply for an allocation of the £150,000 budget, supporting delivery of their priority housing-led developments.
- 2.6 The success and demand for revenue funding from 2022-23 has strengthened Homes England's commitment for 2023-24, with £400,000 allocated to Local Authority schemes in the West Midlands. Applications have now been received across constituent and non-constituent authorities and allocation of funding is underway by Home England.

### 3.0 SPP Programme

3.1 The programme of work started with discussions with Homes England about how the SPP should be developed. Between WMCA and Homes England various draft MoUs have been worked up which will go through both governance structures before being signed by both parties. Alongside this work on the Business Plan and RDEL funding will continue. An indicative timeline of completed and scheduled work is outlined below:

3.2 This programme incorporates an opportunity for extensive engagement across local authority partners, both ahead of the MoU launch and throughout the development of a supporting Business Plan.



### 4.0 SPP Strategic Direction and Priorities

4.1 Whilst the SPP Business Plan will provide greater detail on the delivery outputs of the SPP, the MoU formalises the shared regional priorities and sits as an overarching document. Following the signing of an MoU, the Business Plan will be developed and finalised, bringing together strategic priorities from across local authority areas. These outcomes include:

- Maximise the quality, pace, and number of new homes in the West Midlands through the creation and maintenance of a robust pipeline of opportunities for new homes
- Promote and stimulate quality placemaking, inclusive economic growth, and levelling up in the West Midlands
- Enhance the environment and reduce carbon emissions to net zero
- Improve and develop the WMCA area's infrastructure, including transportation, utilities, public spaces, and amenities
- Develop the West Midlands Affordable Homes Strategy, formulate the Affordable Housing Programme in the West Midlands, and maximise the delivery of

affordable homes through jointly funded delivery models and projects that meet the housing needs of West Midlands residents

- Use the leverage of the partnership to bring in additional investment (public and private) and other skills and expertise
- Work together to influence the regional and national policy agenda (within organisational remits) and utilising existing policies to deliver regeneration that meets the local need and priorities for the West Midlands
- Engage communities, businesses, and organizations in activities and initiatives that improve the quality of life for all stakeholders.

## **5.0 SPP Deeper Devolution Priorities**

5.1 The SPP will enhance various elements of the region's devolution programme, bringing together expertise, resources and existing funding streams from WMCA and Homes England to unlock strategically important regeneration in partnership with local authorities, Registered Providers and the private sector. This includes:

- Joining-up available funds to create a more flexible and innovative regime to maximise outcomes for local people.
- Ensuring housing schemes consistently meet their potential in delivering genuinely affordable homes at pace, bringing together knowledge, funding and resources from across partners.
- Coordinating investment into Levelling Up Zones by working closely with private and public sector partners to deliver a joint pipeline that meets the needs of communities.
- Utilising the WMCA Land Reform Programme to work with local authorities to tackle land ownership issues, exploring the possibility of acquiring and disposing of land to unlock key sites for delivery.

## **6.0 Homes England RDEL Funding Opportunity**

6.1 After the successful use of the RDEL funding during 2022-23, Homes England have been awarded an additional £400,000 to the West Midlands to be spent this financial year (2023-24).

6.2 This revenue funding will be used to accelerate priority housing-led projects across the WMCA area, supporting a number of individual commissions to fund activity such as technical due diligence, research, legal and planning documents or to support land assembly.

6.3 Local Authority partners were invited to submit an Expression of Interest (EoI) form for their priority projects, detailing their alignment with funding criteria and the strategic outcomes unlocked by this investment. These have been received by Homes England and are being evaluated and shortlisted using the criteria outlined in Appendix A. Local authorities will be notified of the outcome for their projects throughout October and November 2023.

6.4 Homes England will place those projects that are not allocated any RDEL funding for this financial year into a pipeline for consideration if future funding is secured for the region.

## **7.0 Next Steps**

7.1 To progress the development of the SPP and in preparation for the formal signing of an MoU, the following steps will be followed by WMCA and Homes England:

- Continuing engagement and collaboration with local authorities throughout the programme of works and using Housing & Land Delivery Steering Group (September and December) and Housing & Land Delivery Board (October) to formally update members.
- WMCA and Homes England will review the draft MoU and agree final documentation.
- Continue Business Plan development alongside the finalisation of the MoU, bringing together the detail of the partnership strategy and intended outcomes.
- Build a Project Pipeline with support from local authorities to develop a longer-term strategy and priority areas for joint working.

7.2 Next steps for progressing the RDEL funding:

- Review RDEL EoI applications and notify local authorities of their outcomes throughout October and November 2023.
- RDEL funding spend deadline is 15<sup>th</sup> March 2024.

## **8.0 Legal Implications**

### ***Strategic Place Partnership***

8.1 WMCA has the power to enter into a non-legally binding memorandum of understanding with Homes England under Section 113(1)(a) of the Local Democracy, Economic Development and Construction Act 2009. This statute gives WMCA a power of competence appropriate for the purposes of carrying out any of its functions.

### ***RDEL Funding***

8.2 WMCA has the power to accept grant funding from Homes England under Section 113(1)(a) of the Local Democracy, Economic Development and Construction Act 2009. This statute gives WMCA a power of competence appropriate for the purposes of carrying out any of its functions.

8.3 WMCA has the power to give grants to local authority partners for the purpose of accelerating housing-led projects under Section 113(1)(a) of the Local Democracy, Economic Development and construction Act 2009. This statute

gives WMCA a power of competence appropriate for the purpose of carrying out any of its functions.

- 8.4 Both the acceptance of the grant funding and the making of awards of funding and the appointment and the entering into of the memorandum of understanding will be made as part of the WMCA strategy under both its economic development and regeneration function and its housing land and infrastructure function to principally promote and further the achievement/fulfilment of the following key WMCA objectives within the West Midlands Region.

## **9.0 Financial Implications**

- 9.1 It is noted that the purpose of this report is to provide an update on progress made on the West Midlands SPP and the proposed next steps to formally launch the SPP with Homes England.
- 9.2 The report, also, advises on the additional £400k Homes England R-DEL funding available for Local Authorities, to accelerate priority housing-led projects across the WMCA area, and to be spent in the 2023-24 Financial Year.
- 9.3 Work to be undertaken to agree the Business Plan; to build a Project Pipeline; and related activities as noted within this report will be funded from existing resources. Any further Financial Implications will be brought to a future H&LDB Meeting.

## **10.0 Equalities Implications**

- 10.1 Both Parties are committed to discharging the public sector equality duty in their decision making under the SPP.

## **11.0 Inclusive Growth Implications**

- 11.1 Homes England and WMCA both aim to achieve levels of affordable housing to ensure that the development around the West Midlands is accessible for all to benefit from.

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

- 12.1 This work is focused on the whole West Midlands Combined Authority area.

## Appendix A – RDEL EOI Form

Homes England is making available revenue funding to support housing and housing-led, mixed-use regeneration schemes in the West Midlands Combined Authority (WMCA) area<sup>1</sup>. During 2023/24, revenue funding totalling up to £400,000 is being provided.

Local Authorities in the WMCA area are eligible to apply for revenue funding support (indicatively, this is expected to be between £50,000 - £70,000 per project) for projects that contribute to the following strategic outcomes:

- maximise the quality, pace, and number of new homes in the West Midlands through the creation and maintenance of a robust pipeline of opportunities for new homes
- promote and stimulate quality placemaking, inclusive economic growth, and levelling up in the West Midlands
- enhance the environment and reduce carbon emissions to net zero
- improve and develop the WMCA area's infrastructure, including transportation, utilities, public spaces, and amenities
- develop the West Midlands Affordable Homes Strategy, re-align the Affordable Housing Programme in the West Midlands, and maximise the delivery of affordable homes through jointly funded delivery models and projects that meet housing demands of the region

If you have any queries, please contact [Name, email address]

Please send your completed forms to [Email address]

1. Applicant Details	
Local Authority	
Name of Local Authority key Contact	
Email	
2. Project Details	
Project Name	
Site Address	
Postcode	
What are the indicative outputs associated with this project?  <i>(i.e., number of units, commercial floor space, land remediated)</i>	
What is the indicative value of this revenue funding bid?  <i>The indicative value for bids is between £50,000 and £70,000. Projects requiring a larger contribution need to be of a demonstrable strategic nature. Projects requiring a smaller contribution will be considered but will need to demonstrate exceptional</i>	

<sup>1</sup> Note: this includes constituent and non-constituent local authority districts



<i>strategic fit and deliverability.</i>	
<b>3. Rationale</b>	
<p>Please outline the type of activity funding is sought for.</p> <p><i>All works funded must actively contribute to the preparation of, and evidence base for, a HMT-style Green Book business case including:</i></p> <ul style="list-style-type: none"> <li>• <i>economic case (value for money, benefit cost ratio (BCR), additionality)</i></li> <li>• <i>commercial case (procurement and legal structures)</i></li> <li>• <i>financial case (financial modelling)</i></li> <li>• <i>management case</i></li> <li>• <i>technical due diligence (specialist surveys)</i></li> </ul>	
<p>Please outline how this project meets the strategic outcomes for RDEL Funding</p> <p><i>Maximum 250 words</i> <i>Further details provided in Annex 1</i></p>	
Does this project represent the strategic priorities of your LA?	
<b>4. Financing Details</b>	
Can the RDEL funding be spent by 15 March 2024?	
Please outline how the estimated profile of funding expenditure is within the 15 March 2024 envelope.	
Are you able to accept any funding by Grant Funding Agreement (GFA) unless in extraordinary circumstances?	
Please briefly outline any approvals processes that will be needed to accept any funding via GFA.	
If no, what the extraordinary circumstances preventing this?	

## **Annex One – Strategic Objectives of the Strategic Place Partnership (SPP)**

- Maximise the quality, pace and number of new, sustainable homes and communities in the West Midlands
- Deploy both Homes England and WMCA owned land and investment to deliver new homes and key policy objectives for the region
- Maximise the supply of affordable homes through jointly funded delivery models and projects that deliver housing for West Midlands residents
- Develop and maintain a robust database of opportunities for new homes
- Deliver an infrastructure led approach to place making
- Work together to bring the priority sites forward for development, finding solutions to remove barriers where the market will not
- Explore new investment and delivery models
- Collaborate with other public land owners, Local Authorities and stakeholders to achieve the Strategic Outcomes
- Maximise the strengths and skill sets of each Party to combine and strengthen delivery capacity
- Use the leverage of the partnership to bring in investment (public and private) and other skills and expertise;
- Work together to influence the regional and national policy agenda and utilising existing policies to deliver regeneration that meets the local need and priorities for the West Midlands

## Appendix B – RDEL Funding Criteria

### EOI - Scoring Criteria

<p>1. Can the RDEL funding be spent by 15 March 2024?</p>	<p><i>Yes (1)</i> <i>No (0)</i></p>
<p>2. If yes, please outline the procurement or commissioning status of the proposed activity, outlining the status of the professional services contract or procurement route where a third-party provider is being used.</p>	
<p>3. Please outline the added value of this RDEL funding, where receipt of this funding will be supplementing existing budgets, will this enable your organisation to redirect revenue funding to another pipeline project?</p>	<p><i>Demonstrable added value evidenced (3)</i></p> <p><i>Some added value evidenced (2)</i></p> <p><i>No added value evidenced (1)</i></p>
<p>4. Are you able to accept any funding by Grant Funding Agreement (GFA) unless in extraordinary circumstances?</p>	<p><i>Yes (1)</i> <i>No (0)</i></p>
<p>5. Please briefly outline any approvals processes that will be needed to accept any funding via GFA.</p>	<p><i>Funding approvals are straightforward e.g. a nominated officer can accept GFAs on behalf of the authority (3)</i></p> <p><i>Funding approvals may be delayed e.g. an officer needs the approval of a more senior officer (2)</i></p> <p><i>Funding approvals are complex e.g. requires Cabinet or Senior Leadership team sign off with board papers etc. (1)</i></p>
<p>6. If no, what the extraordinary circumstances preventing this?</p>	<p><i>If no at question 2, where extraordinary circumstances outlined are permissible, the score will be 1.</i></p>
<p>7. Please outline the type of activity funding is sought for. All works funded must actively contribute to the preparation of, and evidence base for, a HMT Green Book business case including:</p> <ul style="list-style-type: none"> <li>• economic case (value for money, BCR, additionality)</li> <li>• commercial case (procurement and legal structures)</li> <li>• financial case (financial modelling)</li> <li>• management case</li> </ul>	<p><i>Work proposed is straightforward and low risk (3)</i></p> <p><i>Work proposed is challenging and medium risk (2)</i></p> <p><i>Work proposed is complex and high risk (1)</i></p>

<ul style="list-style-type: none"> <li>technical due diligence (specialist surveys)</li> </ul>															
<p>8. What are the indicative outputs associated with the project i.e. number of units, commercial floor space, land remediated.</p>	<p><i>As this is a 'blind' exercise (e.g. we have no indication of the type and scale of the projects that may come forward), this question will be assessed holistically by the panel with a presumption that the higher the number of units, commercial floor space and land remediated will result in a higher score.</i></p> <p><i>This will be balanced with considerations as part of question 7 so as not to exclude smaller, catalytic sites from the process.</i></p>														
<p>9. Please outline how this project meets the stated strategic objectives of the Strategic Place Partnership (included at annex one) [250 words max].</p>	<p><i>As this is a qualitative question, each submission will be assessed using the strategic objectives. Those showing exceptional adherence to the objectives will score a 5, those showing no relation to the strategic objective will score a 1, with a sliding scale of relationality between them.</i></p>														
<p>10. The indicative value for bids is between £50,000 and £70,000. Projects requiring a larger contribution need to be of a demonstrable strategic nature to the WMCA. Projects requiring a smaller contribution will be considered but will need to demonstrate exceptional strategic fit and deliverability.</p> <p>What is the indicative value of the bid?</p>	<table border="1" data-bbox="799 1048 1369 1308"> <tr> <td><i>£90,000 and over</i></td> <td><i>Red (1)</i></td> </tr> <tr> <td><i>£80,000</i></td> <td><i>Amber (2)</i></td> </tr> <tr> <td><i>£70,000</i></td> <td><i>Green (3)</i></td> </tr> <tr> <td><i>£60,000</i></td> <td><i>Green (3)</i></td> </tr> <tr> <td><i>£50,000</i></td> <td><i>Green (3)</i></td> </tr> <tr> <td><i>£40,000</i></td> <td><i>Amber (2)</i></td> </tr> <tr> <td><i>£30,000 and under</i></td> <td><i>Red (1)</i></td> </tr> </table>	<i>£90,000 and over</i>	<i>Red (1)</i>	<i>£80,000</i>	<i>Amber (2)</i>	<i>£70,000</i>	<i>Green (3)</i>	<i>£60,000</i>	<i>Green (3)</i>	<i>£50,000</i>	<i>Green (3)</i>	<i>£40,000</i>	<i>Amber (2)</i>	<i>£30,000 and under</i>	<i>Red (1)</i>
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<p>11. Please outline how the estimated profile of funding expenditure is within the 15 March 2024 envelope.</p>	<p><i>Low risk (3)</i> <i>Medium risk (2)</i> <i>High risk (1)</i></p>														
<p>12. Do the sites identified represent the strategic priorities of your LA?</p> <p><i>Where possible please include a Cabinet resolution, adopted plan, approved strategy, masterplan etc.</i></p>	<p><i>Yes, good evidence provided (1)</i> <i>No, no evidence provided (0)</i></p>														