



WMCA Housing & Land Delivery Board

Date	20 December 2018
Report title	Update on Housing and Land Portfolio
Portfolio Lead	Councillor Mike Bird, Walsall
Accountable Chief Executive	Deborah Cadman, Chief Executive, WMCA Jan Brittan, Chief Executive, Sandwell (Sponsor CEO)
Accountable Employees	Gareth Bradford, Director of Housing & Regeneration Pat Willoughby, Head of Policy (Housing & Regeneration)
Report has been considered by	Housing & Land Steering Group

Recommendation(s) for action or decision:

The Housing & Land Delivery Board is recommended to:

- 1) Note the positive progress in work under the Housing & Land portfolio in 2018 and some of the key work programmes coming to fruition in 2019;
- 2) Consider ways we ensure we are set up for success in terms of engagement, project-based governance and working arrangements between the WMCA, local authorities, the private sector and other organisations.

1.0 Purpose

- 1.1 The purpose of this paper is to bring together, in one place, the various strands of work which have been initiated under the Housing and Land Portfolio in 2018 led by WMCA Housing & Regeneration Team. Work has started on all of these strands of work and, with many of the foundations being laid, the expectation is that the pace of work will increase and evolve further over the next twelve months.

1.2 At its last meeting, the Housing & Land Steering Group opened a discussion about whether the current arrangements for engagement, governance and working arrangements are fit for purpose and will meet the challenge of 2019. There was agreement on matters of principle to the extent we decided to update the Housing & Land Delivery Board accordingly.

2.0 Looking back over 2018

2.1 The WMCA set itself some challenging goals (many of which were agreed with Government) e.g. at the meeting of the Housing & Land Delivery Board in February 2018 and in the landmark £350m Housing Deal which the region secured with Government in March 2018. These include:

- Increasing the supply of new homes to 16,500 new homes per annum (from 12,000 in 2017)
- Introducing a new quality of design through a regional design charter
- Development of a regional spatial investment and delivery plan (SIDP)
- Deployment of devolved housing and land funds to secure a step change in the quality, quantum and pace of housing and employment delivery (see Fig 1)
- An ambition for 80% of new housing supply on brownfield land
- Significant increase in diversity of housing types and tenures including the supply of new affordable and social housing
- Securing a nationally leading advanced methods of construction programme
- Unlocking stalled and complex sites through brokering and direct intervention
- Initiating a comprehensive town centre regeneration and renewal programme
- Developing genuine, attractive investment proposals to the market
- Securing new partnerships with developers and investors
- Taking on responsibility for the One Public Estate Programme, and
- Effective delivery of nationally significant projects and programmes.

Fig 1: Devolved WMCA Housing and Land Funding

Total Available	£620m
Land and Property Investment Fund	£150m
Brownfield Land and Property Development Fund	£50m
Collective Investment Fund	£70m
Housing Deal: Housing infrastructure Fund	£250m
Housing Deal: Land Fund	£100m

- 2.2 For the first 6 months of 2018, the work programme of WMCA's Housing & Regeneration Team was primarily focused on:
- Negotiating the landmark regional Housing Deal with government (the largest and most ambitious of any region)
 - Agreeing the terms of the £100m Land (Acquisition) Fund
 - Developing a Spatial Investment & Delivery Plan (SIDP), and
 - Submitting a full business case for £250m of Housing Infrastructure Funds.
- 2.3 Since Summer 2018 further work has progressed on:
- Development and launch of a high profile Town Centre Regeneration programme with 5 centres identified in a first wave of projects
 - Securing the first £165m of the HIF bid for Perry Barr and developing associated funding agreements with Birmingham City Council
 - Developing new supply proposals with new and existing housing associations
 - Production of a robust evidence base for new Government investment in the region's housing affordability challenge
 - Submitting a highly ambitious One Public Estate Bid to Government including proposals for a new regional public land disposals strategy and supporting database
 - Development of specification for a Single Commissioning Framework for all devolving housing and land funds for launch Spring 2019
 - Securing successful investment decisions by WMCA Board in housing and land (e.g. Phoenix 10, Walsall Waterfront, Chelmsley Wood, Coventry Telegraph site)
 - Unlocking a pipeline of stalled brownfield sites (e.g. Goscote Lane)
 - Development of a comprehensive programme of targeted investor and developer engagement and creation of robust investible propositions in growth corridors
 - Preparation of an investment prospectus for launch Spring 2019
 - Development of a WMCA Housing and Regeneration Business Plan to provide clarity on purpose, strategic goals, key milestones and deliverables
- 2.4 The role of WMCA which has evolved is centred on 4 key delivery-focused areas:
- Setting a strategic investment and delivery strategy to unlock housing and employment delivery on brownfield sites (e.g. SIDP, corridor investment frameworks, affordable housing delivery plan)
 - Attracting new and deploying existing public and private investment and expertise to support delivery (e.g. Investment Prospectus, investor engagement)
 - Building new and strengthening existing partnerships and relationships with investors, Government and other public sector organisations
 - Direct intervention and deal-making (e.g. joint ventures, site acquisition, site assembly, brownfield remediation).

3.0 Looking forward to 2019

- 3.1 A number of **strands of work are now in train and will reach critical moments in 2019**. A few highlights include:
- Launch of the single commissioning framework, consistent process and funding portal for all devolved housing and land funds
 - Targeted work to unlock a comprehensive pipeline of brownfield housing and employment opportunities on key transport corridors
 - Submission of an ambitious affordable housing deal to Government
 - Securing supply agreements with major registered providers

- Launch of the West Midlands Investment Prospectus at MIPIM Cannes
- Submissions to the Government's town centre fund and HIF fund
- Development of town centre delivery & investment plans for the 'Wave 1' centres
- Investment in strategic acquisitions and creation of corridor investment plans.

3.2 The various strands of work can be grouped under a number of generic headings:

- *Area based programmes*
 - WMCA Strategic Investment & Delivery Plan (SIDP)
 - Growth Corridors and Strategic Opportunities
 - Town Centres Programme
- *Sites based programmes*
 - Sites Delivery
 - Key Sites Pipeline
- *Topic based programmes*
 - Affordable and Social Housing Programme
- *Other policy work to support delivery*
 - Regional Design Charter
 - Strategy and route map for Advanced Methods of Construction
 - Communications Plan
- *Funding and Finance*
 - Public Investment Programme e.g. HIF, land funds, public land disposals
 - Private Investment Programme e.g. the creation of investible opportunities, investor engagement plans, creation of an investor prospectus, etc.
 - Single commissioning framework
- *Joint Programmes*
 - Public Land and Asset Disposal programme
 - The One Public Estate Bid (Phase 7 Funds)
 - WMCA/Homes England Joint Team
- *Arrangements for Monitoring and Review*

3.3 Project teams are being established around these strands of work with local authorities and other stakeholders to ensure co-development and that a consensus-based approach is embedded from the start. In response to the new role it has taken on following the Housing Deal (March 2018) and direct requests from local authorities, the Housing & Regeneration Team is moving increasingly into direct engagement and negotiations with the private sector (investors/developers/landowners) and with Homes England on the delivery of key sites and funding deployment.

3.4 This area-based work also links into other work including the wider affordable and social housing policy development, the joint One Public Estate Programme and the inclusive growth agenda which underpins our work. Work is also being undertaken on programme management arrangements (e.g. sites and funding dashboards) for the portfolio so that, using clearly defined monitoring and review processes, we will be able to demonstrate to Government and WMCA Board that delivery targets are being met.

3.5 Working with local authorities and LEPs in the various strands of work will maximise the opportunities that can be achieved from new projects and programmes.

4.0 Setting Up For Success – Renewed Governance

- 4.1 The work programme of the Housing & Regeneration Team was discussed at the last meeting of the Housing & Land Steering Group (November 2018) and the scrutiny call-in on town centres. **It was recognised that, with the pace of work increasing and the significance of the portfolio growing, governance and programme management should be considered afresh** so that the region is set up for success in delivering its ambitious diverse housing and land programme. We need to ensure that time is being used efficiently and effectively so that progress can be achieved at pace.
- 4.2 Currently, the Housing & Land Steering Group acts as ‘the gateway’ to the Housing & Land Delivery Board. Various project-based working groups have been established to deal with specific technical work e.g. town centres, corridors and opportunity areas, commissioning frameworks, specific policy areas, etc. This is working well. The discussion at the Housing & Land Steering Group therefore focused on how these arrangements might be enhanced further to provide greater clarity around roles and responsibilities, to ensure that speed of decision-making could be maintained. The group did not settle on one preferred option but there was clear consensus around the following:
- The benefits of clear separation between strategic direction and technical work
 - Strategic direction needs to be based on a corporate view, especially given the inclusive growth agenda and cross-cutting nature of the portfolio.
 - Senior officers need to be able to ‘check and challenge’ priorities, shape project work and define forward work programmes
 - Project-based teams need to be populated with recognised ‘experts’ in their field so that the very best advice is shared across the region
 - Engagement, project-based governance and working arrangements might need to be different for different projects – no one size fits all
 - There needs to be a shared space for innovation and creativity, to help shape a forward-looking agenda rather than one which is solely reactive to Government initiatives
 - Meetings need to be of manageable size to facilitate discussion and debate
 - Representatives need to be able to commit to attendance at meetings on a regular basis with limited occurrences of substitution
 - Agendas need to be set around medium-term work programmes
 - Papers need to be circulated in advance of meetings to allow proper discussion to take place

5.0 Conclusions

- 5.1 WMCA and the local authorities have been set a clear challenge by Government and set themselves one of the most ambitious housing and regeneration agendas in the country. Collectively, we now need to deliver on the outputs which have been promised in return for significant Government funding. The work programme for the Housing & Regeneration Team, set out in this report, anticipates an increase and expansion in work under this portfolio. Further discussion will take place between officers of WMCA and local authorities on how engagement, project-based governance and working arrangements might be enhanced to ensure success.

6.0 Financial Implications

- 6.1 There are no un-budgeted financial implications as a result of the recommendations within this report. The majority of the work to develop the prospectus will be undertaken through existing in-house resource and any external support requirement will be funded from the Housing & Regeneration revenue budget. Sites requiring acquisition or remediation will come, as appropriate, to the WMCA Investment Board.

7.0 Legal Implications

- 7.1 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 CA area. Schedule 3 sets out a duty under section 69 of the 2009 Act for the CA to prepare an assessment of economic conditions.
- 7.2 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.
- 7.3 Section 22 (i) of the West Midlands Combined Authority (Functions and Amendment) Order 2017 expressly states that the power 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.
- 7.4 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.

8.0 Equalities Implications

- 8.1 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.

9.0 Inclusive Growth Implications

- 9.1 The proposals themselves are 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. The Inclusive Growth Framework and burgeoning Investment Toolkit can be as a guide to shape this process.
- 9.2 Current governance arrangements are satisfactory for building a strategic picture, but the shaping and delivery of specific programmes will need to involve a wider variety of stakeholders in order to be inclusive.

10.0 Geographical Area of Report's Implications

10.1 The recommendations of this report apply to the whole of the region.

11.0 Other implications

11.1 None.

12.0. Schedule of Background Papers

12.1 None.