

Housing & Land Delivery Board

Date	10 April 2019
Report title	Housing & Land Portfolio: Quarterly update (Q1 2019)
Portfolio Lead	Councillor Mike Bird, Leader, Walsall MBC
Accountable Chief Executive	Jan Britton, Chief Executive, Sandwell MBC (Sponsor CEO) Deborah Cadman, Chief Executive, WMCA
Accountable Employees	Gareth Bradford, Director of Housing & Regeneration Pat Willoughby, Head of Policy (Housing & Regeneration)
Report has been considered by	

Recommendation(s) for action or decision:

The Housing & Land Delivery Board is recommended to note:

- 1) The positive progress in work under the Housing & Land portfolio in Q1 2019 and some of the key work programmes being progressed during the remainder of 2019;
- 2) That discussions are continuing with Housing & Land Delivery Steering Group and supported working groups on how existing arrangements on engagement, project-based governance and working arrangements are further enhanced between the WMCA, local authorities, the private sector and other organisations.

1.0 Purpose

- 1.1 The purpose of this paper is to provide an update on the various work streams which were agreed by the Housing & Land Delivery Board in December 2018. Work has

started on all of these work streams and, as expected, the pace of work has increased; it is expected to increase further over the remainder of 2019.

2.0 Background

- 2.1 In December 2018, the Housing & Land Delivery Board agreed a report which:
- summarised the goals and achievements in the housing and land portfolio of WMCA in 2018;
 - described the critical role(s) of WMCA in enabling and facilitating delivery and unlocking new investment, and
 - set out a programme of work for 2019 (both reproduced in Appendix 1).
- 2.2 At that time a number of strands of work were in train and were expected to reach critical moments and delivery in 2019. These included:
- 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 Future High Streets Fund and HIF fund
 - development of town centre delivery and investment plans for WMCA 'Wave 1' town centres
 - investment in strategic acquisitions and creation of corridor investment plans.
- 2.2 Major progress has been made on all of these matters and are discussed in more detail below. So that work on these tasks can be seen in the context of our overall work programme, they are described under the generic headings used in the report of December 2018.

3.0 Progress and current activity

Work Stream 1: Area based programmes

Strategic Investment & Delivery Plan (SIDP)

- 3.1 The revised SIDP was agreed at the meeting of the Housing & Land Delivery Board in February 2019 with delegated powers given to the Director of Housing & Regeneration (following further discussions with the Housing & Land Delivery Steering Group), in consultation with the Portfolio Lead for Housing & Land, to agree: further minor revisions (provided that these do not change its sense nor purpose); the text for the executive summary; and the design for publication. Detailed, largely factual, comments from Local Authorities, LEPs and other organisations are currently being taken on board and the final text, for publication, is being prepared. Thereafter, the document will be formatted, with suitable plans, diagrams and images for publication during Q2 2019.

Growth Corridors and Strategic Opportunities

- 3.2 At its meeting in December 2018, the Housing & Land Delivery Board endorsed a programme of work to unlock the untapped potential of inclusive growth in Corridors and

Strategic Opportunity areas, building on those identified in the SIDP. Underlying the concept was intention to align existing and planned public transport infrastructure development with the identification and delivery of new homes and employment opportunities. The Housing & Land Delivery Board also welcomed the positive work to date on two growth corridors i.e. Wolverhampton to Walsall and Sandwell to Dudley (Wednesbury to Brierley Hill).

- 3.3 Work in the Wolverhampton to Walsall Corridor is most advanced with a formal programme board and well-established working and project delivery arrangements at officer level; formal and informal meetings take place on a regular basis. A number of specific development projects are being taken forward, an investment framework is being prepared, sites from the regional site pipeline are being unlocked and work is being aligned with both national and regional town centre initiatives. The working arrangements are proving to be an effective model from which to develop working arrangements in other areas.
- 3.4 The Sandwell to Dudley (Wednesbury to Brierley Hill) Corridor is at an earlier stage in the process but governance arrangements and technical work are being progressed, facilitated particularly by confirmation of funding for the new Metro extension and work on town centre regeneration.
- 3.5 Work is also being progressed in the Perry Barr/A34 and Greater Icknield to Smethwick Corridors, most interventions being based around specific major development proposals, not least the Commonwealth Games and Greater Icknield Port Loop, both of which are proving to be very effective catalysts for development in the wider area.
- 3.6 During the remainder of 2019, further corridor work will be progressed taking its lead from the Spatial Investment & Delivery Plan where local councils and LEPs, working with WMCA, identified a number of growth corridors and strategic development opportunities.

Town Centres Programme

- 3.7 In July 2018, the Housing & Land Delivery Board identified town centre regeneration and repurposing as an area within which WMCA could add value and support local councils. The Town Centre Programme was subsequently launched in October 2018 at which time the Housing & Land Delivery Board agreed five centres which would form pilots for the programme, with learning shared across all other areas, and developing a knowledge base to inform dialogue with national government. The objective of the programme is to work with local authorities to accelerate and deliver Local Authority plans for these centres, bringing WMCA resource and expertise to assist in the process and unlock delivery of plans.
- 3.8 Working collaboratively with Local Authorities, WMCA has since established a town centre officer working group and agreed a number of early interventions within each centre. These interventions were identified by Local Authorities on the basis of their emerging and adopted plans for the five pilot centres. The Investment Board and Housing & Land Delivery Board, in February 2019, agreed an investment package of nearly £20m for these early interventions and work is in progress across the five centres.

- 3.9 The town centres work programme also includes the establishment of a Regional Town Centres Task Force to champion and challenge the programme. The Task Force comprises a range of experts whose expertise and commercial focus will help us to establish the five pilot centres into investable propositions. The first meeting of the Task Force is currently being arranged.

Work Stream 2: Sites based programmes

Sites Delivery

- 3.10 The Housing & Regeneration Team are progressing a number of projects to accelerate delivery across the WMCA area in close partnership with colleagues in the respective local authorities. The objective of the work is predominantly to unlock development potential, removing barriers to delivery (including fragmented land ownership), remediating contaminated land and providing essential infrastructure. The delivery of such sites will act as a catalyst for wider delivery in the region.

WMCA funding to date will support the delivery of approximately 3,650 new homes to the end of 2018/19; for reasons of commercial confidentiality the individual sites are not named in this report.

Key Sites Pipeline

- 3.11 WMCA has been working with local authorities, Transport for the West Midlands and external advisors to produce a composite database of potential development sites in the region, for both housing and employment land, and to identify key barriers to delivery. The database brings together information from a number of sources and supports a number of work streams, providing readily available access to data, where known, on such matters as site location, size, existing and future land use, planning status, indicative dwelling numbers and/or floorspace, land ownership, barriers to development, etc. Different access arrangements are being set up so that different parts of the database can be accessed by different groups, both inside and outside WMCA.

Work Stream 3: Topic based programmes

Affordable and Social Housing Programme

- 3.12 Data released by the Office for National Statistics on 28 March 2019, assessing housing affordability in England and Wales, shows that the regional ratio between average incomes and average house prices continues to rise. The issue of housing affordability identified by this data underlines the importance of WMCA's key priority, agreed by the WMCA Board in January 2019, to "*submit an ambitious regional affordable and social housing deal to Government.*"
- 3.13 The Housing & Regeneration Team is engaged in dialogue with Government officials regarding an emerging regional proposal, key ingredients of which include commitments to accelerating delivery of sites; unlocking stalled sites; modular construction; and other objectives of the Housing and Land Portfolio.
- 3.14 In tandem, discussions are continuing with Registered Providers to focus on how to unlock "additionality" of supply beyond that which is already committed in existing business plans, to secure our ambition to treble the supply of new affordable and social homes within a decade (from a 2016 baseline) from 2,000 to 6,000 homes per annum.

- 3.15 The regional affordable and social housing proposal will form part of the Combined Authority's submissions to HM Treasury as part of the Comprehensive Spending Review process, confirmed in the Spring Statement to be held before Autumn 2019.

Work Stream 4: Other policy work to support delivery

Regional Design Charter

- 3.16 At its meeting in February 2019, the Housing & Land Delivery Board agreed to the preparation of a Regional Design Charter which would align Local Authority and WMCA aspirations to deliver at pace and scale whilst defining new quality benchmarks. The scope of the Charter will be agreed in discussion with Local Authorities but there is general agreement that it should focus on broad place-making principles, supporting Local Authority design documents, exemplar documents relevant to the West Midlands (such as 'Building for Life 12') and the wider objectives of the WMCA's inclusive growth agenda.
- 3.17 Work to date has focused on understanding the scope and priorities of existing design documents and producing a longlist of design criteria relevant to the region. The next steps are to:
- form a working group including Local Authority and LEP representatives to evaluate the scope and content of a draft Regional Design Charter and to learn from recognised best practice in the region and beyond
 - identify a number of 'core principles' (say 10-15) which WMCA and local authorities can agree as representing the essential placemaking qualities that best support regional design priorities
 - test the draft Charter by applying the agreed principles to a variety of developments across the region and determining the impacts the principles could have on viability, and
 - subject to successful testing and approval of the Housing and Land Delivery Board, publish the Charter in Summer/Autumn 2019.

Strategy and route map for Advanced Methods of Construction

- 3.18 As part of the Housing Deal, WMCA committed to securing a nationally leading programme for 'Advanced Methods of Construction' (AMC). This commitment is recognised in the Spatial Investment & Delivery Plan, the HIF Business Case and in the operating principles of the Single Commissioning Framework.
- 3.18 Work to date has included the establishment, in 2018, of a suppliers' panel: the Advanced Methods of Construction Advisory Panel. This panel has since been an effective industry resource, supporting WMCA in the identification of the key challenges facing the industry, the current capacity of the region and developing a definition of AMC for the West Midlands.
- 3.19 At the same time, the Ministry of Housing, Local Communities and Local Government is developing national policy, guidance and tools to support the uptake of AMC by

developers and providers. This presents a significant opportunity for the WMCA to input to national strategy development and highlight our work in the region at the forefront of this innovative agenda. The Home Builders Federation has also invested in preparing developer-focused AMC research and policy development.

- 3.20 In this context, the next steps for WMCA are to:
- establish a working group involving Local Authorities, LEPS and other organisations to co-develop a regional strategy and routemap for AMC
 - align this to both the national strategy and developer strategy, and
 - identify opportunities to showcase and pilot quality AMC products on WMCA-owned sites or through joint ventures with providers.

Communications Plan

- 3.21 It is important that local residents and businesses are engaged in the work of WMCA, Local Authorities, LEPs and others. This is taking place in a number of ways but communications through a variety of local media sources is an important part of the process. The Housing & Regeneration and Communications Teams are working up a 'communications grid' to ensure that announcements are made at the right time. This ensures advance notice of key events and allows all media activity to be co-ordinated with Local Authorities, LEPs, other public sector organisations and private sector developers and investors.
- 3.22 Other communications work includes making use of signboards and hoardings around development sites to explain what is happening and who is involved in the process.

Work Stream 5: Funding and Finance

Single commissioning framework

- 3.23 The key operational principles of the Single Commissioning Framework, a key deliverable for 2019/20, were agreed at the meeting of WMCA's Investment and Housing & Land Boards in February 2019. Authority was delegated to officers to produce the document and this was undertaken using a collaborative process using workshops, face to face meetings and on-line document sharing systems to allow virtual collaboration. This worked well and the authorship process has now been completed. The Single Commissioning Framework will now be applied by WMCA's Investment Board and Housing & Land Delivery Board on all future applications for WMCA funding.

Public Sector Investment Programme

- 3.24 During the first quarter of 2019, negotiations have continued on the release of funding (£165m) for the regeneration of the Perry Barr area, announced by Government at the time of the Autumn Statement 2019. This funding has now been secured and payment has been released.
- 3.25 A HIF application for a further £85m of investment in infrastructure in the region was submitted at the end of March 2019 and is now being considered.

- 3.26 As part of its delivery programme, WMCA is progressing the disposal of a number of sites in which it has a direct land interest. WMCA's involvement has enabled development to take place earlier than would otherwise have been the case and some sites have required remediation and advance infrastructure works. This too has increased the amount and pace of delivery.

Private Sector Investment Programme

- 3.27 WMCA continues to shape investor interest in the West Midlands through a variety of mediums e.g. the creation of investible opportunities, investor engagement plans, creation of an investor prospectus, etc. Discussions are held on a regular basis with major development companies and investment institutions around specific opportunities, supported by investor engagement plans to ensure that credible opportunities are matched with appropriate investors at all levels: regional, national and international. The new Investor Prospectus was released at MIPIM 2019 and was very well-received. Highlighted investor opportunities attracted substantial interest and initial conversations are now being pursued with local councils and West Midlands Growth Company.

Work Stream 6: Joint Programmes

The One Public Estate Bid (Phase 7 Funds)

- 3.28 The West Midlands OPE Partnership submitted a bid for additional funding in Round 7 of the OPE Programme and has been successful in securing £320,000, a combination of grant and sustainable grant funding, for the projects listed in Table 1 below.

OPE Grant Funding (£250,000)	
Programme Management	£60,000
Wolverhampton Strategic Property Assets Collaboration	£80,000
Walsall Alliance Property Solution	£50,000
Chelmsley Wood Town Centre	£60,000
OPE Sustainable Grant Funding (£70,000)	
Wolverhampton Strategic Property Assets Collaboration	£20,000
Walsall Alliance Property Solution	£50,000
Total	£320,000

Public Land and Asset Disposal programme (augmented OPE programme)

3.29 The OPE Programme and bid expressed the ambition of the West Midlands Partnership, led by WMCA, to augment the existing arrangements and expand the current regional OPE programme so that it becomes a highly effective public land and asset disposal programme. To give effect to this ambition a number of steps have been taken:

- Additional public sector land owners have been invited to join the partnership
- Existing partners have been encouraged, through service delivery reviews, to consider the potential for release of additional public sector land, not yet declared surplus to requirements
- New governance arrangements have been put in place i.e. two-tier arrangements with an augmented Strategic Partnership Board and a Strategic Delivery Board. The first meeting of the new Partnership Board took place in March 2019.

WMCA/Homes England Joint Team

3.30 The Housing Deal with Government made provision for a joint team to be established between WMCA and Homes England. This would bring together the combined resources of the Government's national housing delivery agency with WMCA's regional focus. Terms of Reference have been agreed, sites have been identified for intervention and working arrangements are being put in place.

3.31 Working together, WMCA and Homes England will be able to further increase the scale, pace and quality of development. WMCA and Homes England share aspirations for improved design quality and the use of AMC to increase the pace of development.

Work Stream 7: Arrangements for Monitoring and Review

3.32 As work streams are progressing and there is a need to ensure effective and efficient delivery of projects and outcomes, project management and assurance arrangements are being put in place. Wherever possible, these will be aligned with Local Authority and LEP systems to facilitate sharing of information.

4.0 Conclusions

4.1 The work programme for the Housing & Regeneration Team, set out in the paper to Housing & Land Delivery Board in December 2018, was challenging and anticipated an increase and expansion in work under this portfolio to reflect the opportunities created by recent recruitment. This paper summarises the work that has been completed and which remains in progress. Substantial progress has been made across all work streams and there is significant commitment to ensuring that work continues at pace and is produced in a collaborative manner. Further discussion will take place between officers of WMCA and local authorities and LEPs on how engagement, project-based governance and working arrangements might be enhanced to ensure continued success.

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 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.

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 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.
- 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 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 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.
- 8.2 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.

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.

Appendix 1

Summary of WMCA goals and achievements for 2018

(reproduced from report to Housing & Land Delivery Board December 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).