

# Housing and Land Portfolio: Economic Recovery Strategy and Implementation Plan

23rd June Version [For Circulation to H&LDB 6<sup>th</sup> July]

## WORKING DRAFT VERSION

### Executive Summary

#### 1. The Context and Background

The Covid-19 Pandemic and the associated economic lockdown restrictions has brought a major structural and cyclical change to the global economy, disrupting all sectors of the economy and affecting every region in the world. Nowhere is this truer than in real estate, regeneration and property development – the areas which sit in WMCA within the responsibility of the Housing and Land Board.

**This portfolio recovery strategy and implementation plan will shape the future business of this Board and directly influences the region's short, medium and long-term asks of HMG and the interventions the WMCA makes to implement the strategy.** It is underpinned by the latest intelligence and evidence on the impact of Covid19 on the region and UK and feedback from a series of expert sounding boards and stakeholder groups.

In context of other work happening in the region on recovery, this portfolio recovery work directly informs and is informed by the work PWC were commissioned to do by the Leaders and Mayor on prioritising programmes and HMG asks for regional economic recovery and setting out a roadmap for recovery. It aligns with *key messages the region has already conveyed to HMG* – deploy funding to areas with a track record of delivery in housing and regeneration, use existing funding structures HMG has already created to deploy major housing and property investment, replace a silo'd funding bid round approach with continuous co-investment into projects instead, use tried and tested funding and appraisal frameworks (namely the WMCA Single Commissioning Framework which HMG has acknowledged as leading the field), existing governance structures (e.g. WMCA Housing and Land Board) and build on what is already working rather than creating new bureaucracy.

We would like to thank from the outset the Delivery Steering Group of local authority officers who have co-developed this document with us and the exemplary insights and help from our expert taskforces and sounding boards – namely our Commercial Property Forum of developers and investors, the AMC Panel and the Town Centre Taskforce.

#### 1.1 An Unprecedented Challenge

The immediate impact of Covid19 has been profound, with the global economy expected to shrink by 3% this year, businesses closing and millions of people out of work or furloughed. Predictions from the Office for Budget Responsibility say the UK economy will shrink by 35 per cent and the unemployment rate could hit ten per cent.

The construction industry is a central pillar of the UK economy, employing over 2million people, accounting for 7% of jobs nationally and 6% of total economic output. The impact on the construction industry from the lockdown has been severe, with an estimated 65% of workers in the industry being furloughed and a loss of £100bn in construction value since the lockdown began. The effects on rental income in both residential and commercial sectors has further destabilised the market, with reported rental income losses of over 50% impacting on landlords and investors with some high profile announcements of company administration as a result. Huge changes are expected in the retail, leisure and office sector in particular both from the lockdown itself and continued social distancing measures impacting on demand.

In the West Midlands, there are over 216,000 jobs in construction, alongside considerably more in related professional, support and specialist services. In recent years, the urban renaissance in the region has seen major investment in key infrastructure such as HS2, new employment opportunities create, facilities for the Commonwealth Games delivered, a national reputation for brownfield regeneration achieved and a record increase nationally in the number of new homes delivered each year. Covid19 has placed some significant challenges on that positive trajectory. Viability was already a challenge on development sites (especially brownfield sites) hence the need for major public sector investment and intervention, town centres in our region were facing significant retail voids and declining rents and housing affordability was a growing challenge.

Trends we have seen taking place for a long time (e.g. moves to digital retailing, increased remote working, greater focus on low carbon green initiatives, desire for flexible space in homes, town centre space needing repurposing, growing moves to modular construction) have been and will be accelerated during and beyond the lockdown. Our town centres, like those elsewhere, were already responding to the pressure from changes in retail with new ways to attract and retain people and create reasons to go there (e.g. farmers markets, free car parking etc).

The level of uncertainty in the economy is currently at an all-time high. Longer term, the exact consequences of the pandemic are unknowable - however it is unlikely that the social and economic patterns seen before 2020 will be unchanged. The ways in which people interact, travel, work, shop and live have been disrupted and will remain so. The challenge is to adapt and respond what we do and how we do it to the disruption and the new agenda.

#### 1.2 And a Unique Opportunity and Catalyst for Change in the West Midlands

As the Housing and Land Board stated at its meeting in April - with challenge comes opportunity – for the region to position itself as the vanguard of economic recovery especially in the fields of housing, regeneration and urban renewal. We would be building from a strong starting point given our excellent delivery record in brownfield regeneration and housing supply over the last 2 years, ability to secure new HMG funding (e.g. £350m Housing Deal), relationships with the private sector (eg Commissioned Partnerships with Urban Splash and Lovells), and bold policy initiatives (e.g. regional affordable housing definition, modular construction).

Since the last Housing Board we have therefore worked with the groups named below to revise, augment, refine and renew the bold programmes of work already happening on town centres, advanced methods of construction, housing delivery, affordable housing, industry diversity, brownfield regeneration, public-private partnerships, the disposal and development of public land and alignment between transport and real estate. These thus become critical **game changers** in the context of Covid19 recovery. There is also an opportunity to build on the great success of the Single Commissioning Framework in leveraging inclusive growth from all development projects and support with bold new ideas around equity investment in schemes, delivery of zero carbon homes and repurposed urban centres.

The WMCA's role in this economic recovery work is a refinement and continuation of our work thus far - brokering, delivering, partnering and investing in the region's housing and employment delivery and regeneration including direct acquisition and investment. Working closely with our local councils and business community as part of the broader regional team, this will position the portfolio and the Housing and Land Board itself as a core element of the region's recovery and national programmes of change.

***This Strategy and Implementation Plan requires support from a number of partners which is set out throughout the work, but we did feel it was sensible in this Executive Summary to highlight the key asks of National Government to support the realisation of this strategy in order to inform any future devolution deals or fiscal events (eg the anticipated Autumn 2020 Spending Review).***

## Our Key Immediate Asks of Government

Ask	Summary	£
<b>Brownfield Fund and regional programme</b>	Urban Transformation Fund to unlock housing and employment opportunities in the region from the extensive regional sites pipeline that are stalled or unviable (i.e. clear market failure) especially in our urban centres - <i>specifically targeted at sites capable of "activity within 6 to 12 months"</i>	£200m+
<b>Affordable Housing Fund and regional programme</b>	Regional Affordable Housing Fund to be deployed using local knowledge of sites and opportunities to tackle worsening housing affordability, achieve a stepchange in overall supply, support new AH products and delivery vehicles, and ensure the 20% regional minimum is achieved on every site	£350m-£400m
<b>Homes for Covid19 Heroes</b>	HMG funding and policy support for a Covid-19 key worker affordable housing programme: "homes for heroes" repurposed for the post-Covid era	£50m
<b>AMC National Vanguard</b>	New funding to support a suite of AMC factories in the region, make the West Midlands the AMC centre of excellence in the UK and provide the industry with an AMC pipeline on sites that have previously been designed around traditional methods of construction	£50m
<b>Funding for Zero carbon homes programme</b>	New funding to support a selection of vanguard sites to deliver zero carbon homes/passivhouse/carbon neutral housing in the region as proof of concept	£50m
<b>Regional public Land disposals</b>	HMG funding (capital and revenue) support for a bold regional programme led by WMCA and revamped OPE Board of public land disposals and development on public land to support Covid19 recovery	£100m
<b>Public Land Policy</b>	Revisions to 'best value' rules for public land disposals, revenue support for capacity required to prepare sites so they are ready to develop and invest in and HMG Departments given clear direction to support regional public land disposals	Revenue support
<b>Town and Urban Centres Transformation</b>	HMG funding for town centres being much more strategic and coordinated so we can maximise impact in our town centres and support structural renewal required	£100m+
<b>Removing obstacles to delivery such as BCR Revision</b>	Revised approach to BCR/VfM for immediate post-C19 investment in brownfield land and affordable housing	Policy support
<b>Providing the capacity to deliver</b>	Enhanced local and regional capacity to implement nationally leading housing and land programmes (planning, surveying, project management, development expertise) – getting sites ready to develop and invest in  Enhanced local and regional capacity to ensure timely planning decisions on development sites  Enhanced local and regional capacity to implement wide-ranging Covid19 recovery strategy/interventions	£10m pa
<b>Policy Changes to Build Back Better</b>	Review of Permitted Development Rights and local flexibility for regulations HMG policy support for enhanced regional design requirements	Policy support
<b>Bespoke Support for key Projects</b>	See Section C	

Game Changing "Programmes" for this Recovery Strategy are **(to be added from Section C)** once agreed

This document is sectioned into

- **Section A: high level strategy of key principles and the broad approach**
- **Section B: a more detailed implementation plan of interventions and opportunities**
- **Section C: a summary of priority projects/schemes against defined criteria from Sections A and B**

## Section A: Housing and Land Recovery Strategy

The West Midlands has [agreed 10 priorities for economic recovery](#). They are:

- Ensure residents are kept safe and healthy
- Accelerate transport construction plans
- Build more homes faster and reshape town centres
- Get people who lose their jobs back into work quickly
- Support local businesses
- Secure huge new investment in technology and innovation
- Make sure the recovery is inclusive and works for everyone
- Step up green growth plans
- Take the West Midlands out to the world and bring the world into the West Midlands
- Regain control of the region's own recovery

### 1.1 The Governance to Covid19 Housing and Land Economic Recovery Strategy and Implementation Plan

The work of the Housing and Land Board contributes to a significant number of these ten priorities. Reflecting on these priorities and the regional recovery work to date, **the Housing and Land Board on 27<sup>th</sup> April commissioned WMCA via its Housing and Regeneration Directorate to lead the preparation of a Portfolio Economic Recovery Plan** that specifically focused on driving forward *opportunities and interventions* in each of the major programmes of work in the Board's Current Annual Business Plan. A key chapter would be on town centre recovery for example and another on advanced manufacturing in construction. This position was endorsed by the Regional Coordination Group and subsequently in two working groups. The WMCA is developing this regional Housing and Land Recovery Strategy and Implementation Plan in collaboration with all its partners.

At a working level, the **work is led by the Delivery Steering Group of the Housing and Land Board** (senior regeneration and housing officials), and **coordinated by the WMCA Housing Land and Assets Directorate**. It involves close working with two new Covid19 recovery working groups (see below). The outcomes of the work will be reported to the Housing & Land Delivery Board and Cllr Mike Bird as Portfolio Holder for agreement and discussion and is constantly feeding into the wider plans for the region around economic recovery.

Following the imposition of lockdown restrictions, we sought to establish **2 working groups of our existing stakeholder forums and round tables**. These working groups are co-developing and shaping our portfolio recovery planning work, providing critical evidence and market intelligence and ensure we have key business and public sector engagement throughout. One is a working group of lead regeneration and housing officials of our local councils, LEPs and Homes England; the second is a working group of lead real estate investors, housing associations and developers from our Commercial Property Forum we operate jointly with the British Property Federation.

We are also working very closely with and seeking advice, ideas and sounding from the Overview and Scrutiny housing group, LEPs, the British Property Federation, the wider real estate and property community and our expert taskforces such as the AMC taskforce led by Mark Farmer (National HMG Adviser on MMC), the Town Centre Taskforce led by Jon Bramwell of HSBC, our new zero carbon taskforce chaired by UKGBC, and the national CA Directors Group, in co-creating this strategy and plan. We have also worked with Revo (major retail and city centre landlords) on proposals for town and city centre renewal.

We have worked closely with teams across WMCA – especially colleagues in transport given the major impact transport investment and services have on any real estate and regeneration economic recovery planning.

This engagement and co-development of this work is achieved through virtual meetings and working groups, co-creation of documents through online tools and sharing of documents throughout their production, and 1-2-1 engagement with partners to inform our recovery planning work.

Our approach is evidence based and led by the real-time impact of the pandemic. We have researched and analysed a range of evidence and data on this agenda – though opinions remain highly mixed on likely impact on real estate demand and projects. We will continue to refine the strategy and plan as more data comes through. In addition, we will continue to investigate and assess the need for new or revised powers and changes in legislation that may be required for the region to deliver the interventions required for recovery.

### 1.2 Key Principles of our Housing and Land Recovery Strategy

**8 principles** have come up time and time again from all our discussions and working groups in underpinning the Housing and Land Recovery Strategy:

1. **Collaboration and Partnership** – a strong consensus that a recovery plan needs a “**new team dynamic, collective ownership and partnership working**” to drive it across public and private sectors, especially in this portfolio. We all need to be working as one in new and different ways (e.g. creation of delivery vehicles, aligned disposals strategy). Trust, openness and transparency being critical.
2. **Delivery and Investment** – a strong consensus that the strategy is only good if it gets delivered and hence continued public investment in key sites and early interventions being essential for market and public confidence in the plan

3. **Phasing** – a strong consensus that a recovery plan cannot wait to be perfectly formed before moving in to delivery mode – we need to focus its interventions on different time periods so we get on with what we can do now in the restart/survive phase using current levers, whilst planning for and developing policy, asks and interventions for the recovery and renewal phases where there remains more uncertainty. Therefore the interventions plans and projects schedule is broken down into **restart, recovery and renewal phases and accordingly short/medium/long term interventions.**
4. **Low carbon Inclusive Growth** – a strong consensus that we don't just want any sort of recovery or to build back what we had – we want a recovery and economic growth that absolutely champions low/zero carbon inclusive and high quality development, so rolling out the regional design charter for example and supporting bold new innovation
5. **Focus** – a strategy and plan focused on areas, projects and programmes with high impact where WMCA is already working with its partners in the public and private sector can make a tangible difference to residents and business and can provide crystal clear asks to HMG. Hence the need for "**game-changers**".
6. **Long term** – making investment decisions, land acquisitions, policy development and establishing partnerships for the long-term, to create true value and placemaking
7. **Leverage** – maximising the assets the public sector has (e.g. land, influence and ££) to unlock more from the private sector
8. **Speed and robustness** - agile, nimble decision making and robust assurance processes & governance

## 1.2 Key Gamechangers of our Housing and Land Recovery Strategy

With the support of our working groups, this has led to 7 game-changers. A clear focus on a limited number of interventions with maximum impact:

1. **Brownfield Regeneration** – turning the region into a *centre of excellence* for brownfield research and regeneration including the establishment of a *National Brownfield Institute*, a nationally leading brownfield first policy and delivery programme
2. **Affordable Housing Policy and Delivery** – more direct control over affordable housing funding and delivery in the region so we can drive a stepchange in affordable housing supply and tenures in the region, creating new JVs with housing associations, launching an asset-backed regional affordable housing delivery vehicle to significantly increase delivery and a Covid19 key worker housing programme
3. **Business and investor partnerships** – a best in class approach to working with the real estate sector, engaging investors/developers on key opportunities, establishing new commissioned partnerships and industry-led taskforces, establishing new joint ventures and delivery vehicles around key growth areas
4. **Advanced Manufacturing in Construction, high quality design and Zero Carbon** – drive forward and accelerate our policy work on AMC and zero carbon homes and embedding this policy into new development, supporting AMC factories and building back better
5. **Public Land/OPE** – moving to a nationally leading single public land disposals and development programme, exploring the idea of a regional public land taskforce, moving from OPE projects to a programme-led approach, developing the role of public land disposals in supporting repurposing of our urban centres and exemplar urban development schemes
6. **Town Centres** – a town and urban centre transformation delivery programme helping centres find a new purpose and role, delivery of visible repurposing and renewal projects and new governance where required
7. **Enterprise and employment land** – driving growth through unlocking of employment land and encouraging a commercial environment to turbocharge sustainable and low carbon enterprises, enable reshoring and create new markets, establishing Enterprise Zones

For each of these themes we set out details of the Problems and Opportunities; Range of Interventions; and timing/timescales for action.

This also leads into the following criteria for projects in Section C:

## **Game Changer 1: Brownfield Regeneration**

*Ambition – for the West Midlands to be the national centre of excellence for brownfield research and regeneration including the establishment of a National Brownfield Institute and its nationally leading brownfield first policy and delivery programme*

### **Context**

The West Midlands is supplying the proof that ‘Brownfield First’ works, with a record number of homes being delivered in the region both overall and especially on brownfield sites. The scale of brownfield land available for development remains one of the key strengths of the region and opportunities in terms of Covid19 but it is heavily reliant on public sector intervention and investment to unlock it.

Last year, housing completions increased at four times the national average; a total increase of 2,000 homes and doubling of supply since 2011. With the second highest housing target in the UK (16,500 homes per annum by 2031), ensuring the West Midlands continues to deliver is a pre-requisite to the country delivering higher housing provision and economic growth and recovering from Covid19. The WMCA Housing and Regeneration team, working closely with colleagues at local authorities, has already established a track record of pace and agile delivery via the Land Fund programme and bringing forward sites which for years (sometimes decades) have been unable to be unlocked – such as the Friars Park site in Sandwell. This gave us the platform to be signalled out in the Government’s 2020 Budget as a national example and is a springboard to deliver even more in the post-Covid 19 recovery.

### **Our approach**

In order to address the challenges and opportunities we will:

- **Deliver our comprehensive business case to HMG for new brownfield funding (£200m Urban Transformation Fund)**
- **Develop and deliver a new business case to HMG for support for the National Brownfield Institute (£24m)**
- Seek to secure **outstanding promised funding** from the £350m March 2018 Housing Deal
- **Expand current brownfield regeneration programmes** specifically to include employment land and opportunities for equity investment, and look to HMG for more flexibility on the constraints over that funding so there is more local control and accountability
- Look at options for and get HMG support for implementing a **revised approach to VfM/BCR** on development projects in immediate post-C19 period with greater priority to start on site within next 6-12 months
- **Establish/expand existing loan funds/guarantees** (currently £140m for commercial & £70m for residential respectively) to support the brownfield regeneration agenda, development of brownfield remediation industry in the region and bring to market schemes currently considered too difficult or risky to deliver
- **Rapid decision making** and clear rules to de risk and provide market confidence and certainty - schemes will achieve statutory timescales for planning, new resource will be made available to enhance local capacity and where funding is sort from WMCA those schemes will proceed through the nationally acclaimed Single Commissioning Framework with its 12 week decision turnaround
- Work closely with University of Wolverhampton and CWC to deliver a new **National Brownfield Institute** and support for other **research** and courses on brownfield regeneration and remediation

## **Game Changer 2: Affordable Housing Policy and Delivery**

*Ambition – for the West Midlands to secure a step change in affordable housing provision across the region through its new regional definition and by securing greater funding and control over national affordable housing policy and delivery programmes*

### **The context**

The impact of Covid-19 on the economy and employment has been stark, with the construction industry being significantly affected by lockdown and the subsequent impact on delivery of housing numbers. Alongside the impact of the pandemic on specific areas such as sheltered housing and care schemes, the affordable housing sector faces a number of major delivery challenges. This has been a topic of significant discussion at our stakeholder groups and an area where a clear steer has been for the region to be bold. Key issues highlighted by the industry include stalled sites and the consequences for business plan delivery and cashflow, disruption to investment plans, delays and compressed handovers of completed homes, site viability impacts, and investor confidence. The reliance of some providers on cross-subsidy, with the proceeds of sales of market priced housing subsidising the delivery of affordable units, may be exposed by the sales market slowdown brought about by lockdown and any medium-term changes in demand.

This environment does however also provide opportunities for growth in affordable housing and the delivery of new products. The sector has historically been viewed as counter-cyclical, with more affordable homes being delivered in times of economic recession, and the Covid-19 crisis has already shown that some developers are looking to increase the numbers of affordable homes on their schemes. The Letwin Review of 2019 noted that at that time there was “virtually limitless” demand for affordable housing, demand that is only likely to grow due to the significant impact of the pandemic on employment, incomes, working patterns and financial security.

**One of the key feedbacks from our expert groups has been that the region must seek much greater regional control over national funding and delivery programmes for affordable housing, hence the new asks of HMG and the interventions which have been identified below by the groups.** We heard lots of evidence about the problems of the current system and that existing devolved housing funding to WMCA is too restrictive to allow WMCA to “top up” affordable housing provision on development sites. There remains a considerable lag as a result between overall housing number growth and that of affordable homes.

Alongside economic imperatives, the public standing and perception of key workers throughout the pandemic illustrates a changing public mood and recognition of the importance of such workers in society. Prior to the pandemic, the WMCA had established “key worker” housing as a criterion in its regional affordable housing definition, and housing specifically targeted at this cohort can form a key pillar of the economic recovery programme in the region. In addition, through its investments via the SCF the Combined Authority is ensuring a minimum of 20% affordable housing on all of the sites acquired or funded by WMCA.



To deliver the substantial increase in affordable homes required for the region, the WMCA is already in advanced discussions with some of the largest regional registered providers, to combine assets, expertise and investment potential in a collaborative delivery vehicle specifically targeting delivery on brownfield, urban sites. Through co-investment of sites and finance, this vehicle has the potential to deliver significant additional housing and drive investment in the regional market, maximising the use of public land as an accelerator for renewed investment and confidence in the market.

### **Our approach**

In order to address these challenges and opportunities we will:

- **Deliver our comprehensive business case to HMG for new affordable housing funding (£400m)**
- **Seek to secure a game changing scale of devolved regional funding from the National Affordable Housing Programme and greater local control over national programmes** – bringing the region’s expertise, knowledge and understanding of local issues, sites, partners and opportunities to unlock schemes and deliver true additionality and address the lag described above
- **Broaden affordable housing grant funding availability to private sector developers** – to address viability gaps and stalled sites, and shift the conversation to a solution focussed approach locally rather than top-down imposition
- Create **new investment and delivery partnerships** with housing associations and launch an **asset-backed regional affordable housing delivery vehicle** to significantly increase Affordable Housing delivery locally, and drive inclusive growth
- Establish a **Covid-19 key worker affordable housing programme**: “homes for heroes” repurposed for the post-Covid era, building on our regional affordable housing definition that includes key worker provision within its criteria. This could include a fundamental shift in approach for example shifting a scheme from 20% "affordable housing" to 75% key worker housing, reshaping the approach to affordability in acknowledgement of these changed times
- Look to secure a significant proportion of the HMG funding to **provide long-term, safe homes for vulnerable rough sleepers** taken off the streets during the pandemic

### **Game Changer 3: Business and investor partnerships**

*Ambition – for the West Midlands to be the place where national and international investors looking to invest in real estate and regeneration post Covid19 seek to invest and to develop a best in class working relationship between the public and the private sector, and for the region to continue its recent track record of attracting new developers who currently are not active in the region.*

### **The Context**

The emergence of Covid-19 has shone a spotlight on the importance of strong trusting relationships with the region’s business and investment community. It has shown the power of joint ventures and investment partnerships to ensure investment continues to flow into the region and issues are openly discussed and addressed in a collaborative manner.

The lockdown has illuminated a *number of challenges* facing our key business stakeholders whether they be investors, investor developers, contractors or key supply chains and the close interrelationship between public and private sector activity. This has been a key subject at the numerous expert and stakeholder group meetings we have held. Many are reviewing priorities around their workforce and their suppliers and adapting their operations to limit wherever possible the impact on production and delivery programmes. Many property related funds have been facing redemption requests since the beginning of the year. They see the need to de-risk, and see sectors innovate around new ways of operating, shopping, commuting and living.

Many have not yet seen the full extent of the problems emerge. The whole Built Environment sector needs to re capitalise to improve its financial stability or to review its financial structure. There appears to be plenty of liquidity available, and by not extending themselves too much, banks are better capitalised now than since the financial crisis. However, our stakeholder groups report that credit appetite from banks may be cautious over the second half of the year and investors are likely to therefore need *more certainty about public sector investment and support before committing*. Delivering this certainty in uncertainty is especially important on challenging brownfield sites which traditionally have higher upfront costs and Boards need to have confidence in the public sector ability to deliver before investing.

Through our continued engagement of investor and developer partners, consistent messages are emerging that this recovery plan responds to. These include; Do more of what you are already doing well; Accelerate the promotion of co-development working through commissioned partnerships and the commercial property forum; and continue to co-invest at even larger scale in a portfolio of prioritised sites in key growth areas, including those in public ownership. ***These messages coalesce in the key feedback from our dialogue with expert groups: now is the time for strengthened public and private sector partnerships to guide investment and long-term stewardship of places.***

### **Our approach**

In order to address these challenges and opportunities we will:

- **Provide a clear compelling vision, evidence and narrative (Investment Prospectus 2020?) for real estate recovery that investors can get behind and invest into** – developed in partnership with our commercial property forum and focused on specific interventions in the short, medium and long term that will enable Investment Boards to ‘commit’ to schemes in the region at this challenging time
- Agreeing with our partners the actions and timescales needed on key projects in their pipelines to allow us the ability to **jointly invest and co-develop** at pace – not an us and them but a ‘we’ and a mindset of trust and transparency
- **Building from the commercial property forum to create a comprehensive investor/developer engagement programme that the market can trust**, giving investors the confidence they require and the environment to share experience and concerns in real time

- **Creating best in class credible attractive investment propositions** as part of joint ventures, LLP's and medium to long term **strategic partnerships** with private sector investors, based on long-term patient investment and stewardship of place principles on public assets – includes the creation of a revised West Midlands Investment Prospectus
- **Re-enforce the message at every turn that we are “open for business”** - a welcoming and credible partner, able facilitators, welcoming investors as true partners with a can-do attitude to make things happen. This has been critical to our success to date.
- **Reconfigure the risk profile by developing co-partnerships to share risk and reward** as appropriate. Recognising that most investors will want to re-capitalise down rather than up the risk curve, we will **create fund structures that re-cycle and revolve**.
- Work with investors to **measure and assess demand for the asset** we wish them to create and then providing a **matching service** for interested parties to register.

#### **Game Changer 4: Advanced Manufacturing in Construction, high quality design and Zero Carbon**

*AMC Ambition – for the West Midlands to be UK’s vanguard of the AMC industry and the national and international epicentre of advanced manufacturing in construction (AMC). We will build new AMC factories for homes and other buildings, develop an AMC skills programme, provide a certain AMC pipeline and make AMC the default in all new development schemes seeking public investment or support.*

*Design Ambition – to “build back better” – ensuring the region champions high quality design in all new development proposals building from its regional design charter and the transition towards zero carbon homes and places fully linked into #WM2041*

#### **Context**

Before Covid19 happened it was long recognised and evidenced that the UK’s construction sector is underperforming, under resourced and under invested. Productivity is stagnant and the workforce is shrinking as it fails to attract new entrants. The impacts of poor-quality construction and the performance gap are ever-present as we try to build a world that acknowledges the health and safety and environmental failures that have come before.

Meeting the West Midlands (and the UK as a whole’s) housing targets is simply not possible without generating additional capacity and resilience in the sector; delivering these in a way that secures social, environmental and economic value will require fundamental change to current approaches. Before Covid19 the region got on the front foot on this agenda - launching its regional design charter, establishing an expert AMC Panel chaired by Mark Farmer (the HMG’s adviser on this issue) to drive an AMC programme of work and required AMC in a range of new developments to ensure the region was at the forefront of this agenda. Covid19 has brought the immense challenges the industry faces into sharp relief but it also provides significant opportunity for us to push on now and go further – hence the recent ask for £50m of enabling fund for the AMC industry in the region’s “immediate asks” of HMG.

In the housebuilding sector alone, it is estimated that only 20% of sites were open as of mid-April. Whilst labour is now returning to sites, maintaining operative safety and social distancing requirements is having significant impacts on site productivity and output.

As the construction sector gets back to work, some of the changes we might expect to see include:

- Delivery delays – due to disrupted planning processes, reduced urgency from developers and investors, finance availability and confidence in demand, amongst other reasons.
- Lower productivity – due to reduced site labour, materials and services shortages – which have only been compounded by disruption to foreign imports.
- Distortion of the materials market – through aggressive pricing and largescale supply from international markets looking to rebound.

However, with these challenges come **opportunities to accelerate and elevate our ambitions** for the construction sector in the West Midlands, including:

- A move towards de-risking design – future restrictions on social distancing could encourage a move towards more advanced manufacturing and premanufacturing techniques, as developers look to reduce site labour hours.
- A renewed focus on quality and technical accreditations to ensure standards are maintained and enhanced.
- New construction skills opportunities – specifically those related to digital design, advanced manufacture and end-to-end delivery of advanced construction technologies including valuation techniques and new on-site techniques.

Our need for a more resilient construction sector is not the only issue that has been magnified by Covid-19; we also require much more resilient well designed places. More than ever, the value of accessible, well maintained green spaces to our physical and mental wellbeing is being recognised. Across the UK, wildlife is returning to our gardens, streets and parks and we are finding joy in exploring our local environments by foot and bicycle. Car use and carbon outputs have fallen as we adapt to news way of working and living at home. Returning to ‘business as usual’ design and development standards would be a lost opportunity for improving the health of both our residents and our planet.

#### **Our Approach**

In order to address these challenges and opportunities we will:

- **Develop and deliver a new business case to HMG for new AMC funding (£50m AMC Accelerator Fund)** with the support of the AMC Panel so the region can be the UK’s AMC vanguard – providing significant new funding and other support for rapid roll out of AMC factories and supporting infrastructure for the growing AMC industry in the region
- **Provide inward investment support to those seeking to relocate to West Midlands to invest in and build new AMC factories**
- **Provide support for new skills programmes to develop AMC built environment professionals in the region**

- **Create the certainty business needs to invest and develop AMC** – for example by creating new partnerships and joint ventures with housing associations and private sector developers. This will help to aggregate demand for AMC, Zero Carbon and high quality design delivery, providing a secure pipeline for skills development, business growth and investment in innovation.
- **Implement the regional design charter and bolster the West Midlands’ design expertise** -eg securing new funding to provide experienced built environment practitioners for LAs without in-house design resource and on major schemes
- **Establish a Small Sites Innovation Programme** – identifying a portfolio of small sites in WMCA ownership and options to release these for the development of community/self-build/local SME projects that exemplify quality placemaking as defined in the Design Charter
- **Implement our Advanced Methods of Construction Strategy** developed with our expert AMC Panel, chaired by Mark Farmer
- Develop a **new Zero Carbon Homes Strategy** and Delivery Programme
- Establish **a new Zero Carbon Homes Taskforce** to help turn the strategy into reality
- Lobby Government to secure significant new funding for and implement a **wide ranging regional retrofitting programme** (see HMG asks document)
- Identify and deliver ‘vanguard sites’ for carbon neutral housing/passivhouse schemes, as proposed by Birmingham City Council

## **Game Changer 5: Public Land Disposals and OPE Programme**

**NB Game Changer 5 is an Area identified (see covering paper) as requiring in-depth development and further work**

*Ambition – to achieve an unprecedented shift in the scale and pace of the OPE and Public Land Disposals and Development Programme in the West Midlands, showing how public land through its disposal and development can be at the forefront of the Covid19 recovery and the delivery of low carbon inclusive growth across the region.*

### **Context**

The West Midlands Land Commission back in 2017 identified public land as a key untapped resource that the region needed to do more to maximise and unlock. The West Midlands region, through its Housing and Land Board, OPE Board and programme of OPE Projects with the Cabinet Office/LGA has been driving an exciting new approach to unlocking transformational projects on public land and assets since 2018.

Requiring public sector partners to dispose of their land with no incentive or support has been tried and failed elsewhere. Our approach has been much more successful because it creates a toolbox of options and supportive team environment to bring forward transformational projects on public land together. OPE has been successful in delivering individual projects and the West Midlands has created the largest OPE partnership of any region and been successful in securing new HMG money to support project preparation and delivery.

Covid19 provides the opportunity to reflect on the programme to date, its success but also the huge potential to do more given the clear feedback of every working group and round table we have held of public land’s importance in economic recovery, private sector investment and de-risking, driving build quality, supporting town centre renewal and ensuring housing and employment delivery happens at scale and pace. Indeed the constant feedback we have had on this part of the recovery plan both within the region and from Central Government is *this is an area the WMCA should lead on, should be bold on and regionally we should be acting together on*. It also supports the creation of new delivery vehicles and development corporations.

And the level of public land ownership in the region, as first identified by the 2017 West Midlands Land Commission, alongside the planned transport investment means we have the raw materials to do something really special with existing public land married together with new land acquisitions and joint ventures with private landowners. The consensus is **this work should focus on land in major corridors of investment and opportunity especially new and existing transport corridors**.

In response to the feedback, a key proposition is thus to **drive delivery of a single comprehensive regional public land development programme and create new dedicated partnerships/delivery vehicles or corporations** especially in urban centres and around public transport hubs on Metro and HS2 to make that happen. We need major investment from Central Government to support the unlocking of a swathe of public land sites in the region – hence our asks (see above) and the flag here for further work on this agenda.

### **Our approach**

In order to address these challenges and opportunities we will:

- **Develop and deliver a comprehensive business case to HMG for new public land transformation funding (£100m?)** with the support of a new expert public land taskforce (see below) which enables the region to knock down the barriers to public land release and value realisation and supports the creation of new delivery vehicles, public/private partnerships on public land.
- **Develop a single comprehensive single public land disposals plan, map and pipeline** for the region that Government and investors can have total confidence in. This will identify **opportunities for release/development in the public estate** where these have been previously too difficult to contemplate, they will drive out development and income potential and show a clear route to market.
- Develop a **public land development investment prospectus** that gives private sector confidence to invest in public land opportunities and thus leverages significant private sector investment and alignment of adjoining ownerships. The public sector is tackling risks which they can better/more cheaply tackled than the private sector – enables the public sector to be more demanding of the private sector
- **Align WMCA and other regional investment funds** and private sector funding to specifically unlock/lever out surplus public land for development and drive subsequent delivery (especially where there are viability challenges/infrastructure challenges etc).
- **Expand membership of OPE programme** to connect with MoD; NHS; DfT and other funding streams and engage new members such as Higher Education, Church landholdings, utilities
- **Creating a virtuous circle and partnership premium for public bodies** as a national exemplar for other areas to follow –created by i) helping public bodies to maximise receipts on sites they have identified for disposal but not made work ii) levering out more receipts



from those public land and property opportunity sites which only we can identify iii) supporting innovation e.g. community right to build, advanced methods of construction.

- **Develop the proposal for an expert public land taskforce** i) to enable join-up of ownerships allowing the ability to think laterally and to swap or pool assets ii) develop ways to cut across competing public sector objectives iii) secure quick decision making at the local level
- **Review of and mapping all public assets** and what could these be worth in the development market, their proximity to infrastructure, what could they generate in terms of housing/employment/commercial outputs, what they could leverage in terms of private sector investment, how could they be developed to secure inclusive growth and community wellbeing etc.

## **Game Changer 6: Town Centre Transformation**

**NB Game Changer 6 is an Area identified (see covering paper) as requiring in-depth development and further work**

*Ambition – to take the bold steps necessary on land, investment, support and governance to achieve a complete economic transformation in our urban centres that responds to the dramatic structural and cyclical changes we saw in town centre economies before Covid19 but which have been accelerated and augmented by the lockdown. The West Midlands will show its ability to pioneer a new approach to the issue of how our town centres can thrive in a digital age.*

*Our strategy is focused on creating a new economic model for town centres centred on the promotion of town centre living. Working closely with local authorities we will engage local communities and businesses so that they drive the transformation. Our town centres will become the places where we deliver our wider inclusive growth agenda and where local communities shape the future. Town Centres will continue to be the places where people meet to conduct business, access services, socialise and live but the mix of activities will be more varied and a great focus will be paid to offering an “experience” you can’t get online. The function of the town centre hasn’t changed; it’s how we go about making the changes and creating the mix of uses that’s different.*

### **Context**

Town centres have been at the heart of West Midlands society for generations. But in recent years town they have been facing the impacts of acute structural and cyclical changes - with retail activity often limited to the working day. More recently, online retailing and a declining demand for retail space within the town centre, alongside growing support for town centre living and experience has set in train a number of changes to our urban centres.

The pandemic has driven a complete shift in the economy of our town and urban centres. Most town centre businesses have now been closed for 3 months with town centre businesses closed the moment the lockdown restrictions were imposed and many of those “experience” land uses (e.g. food and retail) particularly impacted. There is a lot of speculation about the true impact of Covid19 on town centre businesses but most industry figures agree it has been ‘dramatic’.

BPF and Revo suggest that we are probably looking at a further 15-20% oversupply of retailing on top of the pre-Covid 19 figure. Furthermore, the fall in income received by town centre businesses has been so significant there is a real threat that many town centre businesses may not reopen when they are allowed to do so. The restrictions to the public transport network are being acutely felt in town centres whose access to the bus and rail network is a key selling point. This is all likely to leave to empty buildings which either need demolition or repurposing, a reluctance of investors to invest into town centre businesses and urban spaces, significant falls in value of town centre premises, and a whole suite of interventions and public investment required to bring town centres back to life after lockdown. With the march of digital retailing growing each day questions will grow around the demand and viability of physical retail and commercial premises in town centres.

The pandemic has caused us all to re-think how we work, live and socialise. With travel restricted, people are spending more time in their local neighbourhood, getting to know places in a way not possible when commuting and calling for a higher quality environment, in and outside their homes, with better access to open space, local amenities and stronger community links. Identifying how we can support this ‘new norm’, and the projects needed to kick start and consolidate the momentum for change are critical next steps. Clear strategy and targeted interventions will allow us to use devolved housing and land funds efficiently and effectively.

### **Our Approach**

A key part of our Covid19 recovery plan will be to change the look and feel of our town centres so they are more inclusive, vibrant and low carbon with greater town centre living and use of low carbon modes of travel front and centre. These modern day “market towns” will be where people of all ages and backgrounds can come together to meet, socialise and interact in safe open spaces. They can also provide new premises for the post Covid19 economy – hubs for start up/incubators/remote working closes to places for social interaction and engagement.

In order to address these challenges and opportunities **our town centre recovery plan** will:

- **Develop and deliver a comprehensive business case to HMG for new town centre transformation funding (£100m)** worked up with the regional Town Centre Taskforce which will specifically support and unlock a comprehensive **pipeline of town centre projects** agreed with the Housing and Land Board. It will need to align with and complement existing Town Centre Funding from HMG such as the Future High Streets Fund and allow for devolved accountability for delivery so that we can support locally focused initiatives, including events and attractions which drive footfall into town centres and improvements to public realm.
- **Amend the Single Commissioning Framework** so that devolved housing and land funds explicitly supports town centre regeneration and promotes **town centre living** and enhanced development density, as proposed at April’s Housing and Land Board

- **Develop a more detailed town centre toolkit** which identifies a range of interventions implemented elsewhere which can be deployed in town centres in the region
- **Support existing and new Town Centre Transformation Boards** which have been set up in the region to oversee the development of strategy, secure funding for investment in defined projects and take the lead on branding, marketing and communications.
- **A supportive planning policy framework** – adapting and refining existing town centre policy so that it addresses the immediate challenges and opportunities of Covid19. Requires greater clarity in national planning policy and guidance.
- **Timely planning decisions** - rapid decision-making on planning applications in town centres (eg for town centre living), and use of mechanisms such as local development orders and simplified planning zones to reduce planning risk and support new development such as **flexible business floorspace in central locations** which can provide space for entrepreneurial activity and business start-ups
- **Identify and support ‘town centre champions’** (proposal from the Town Centre Taskforce)
- **Seeking HMG funding to support the co-ordination of town centre activity at a local level** - all public, private and community agencies will need support in the early stages of town centre project definition, development and delivery
- **Continue to maximise the impact of the Town Centres Taskforce**, accessing their expertise in co-developing town centre strategy and interventions across the region
- Explore the potential for **new delivery vehicles** to support the physical transformation of the built environment of our town centres
- Create a **town centre investment framework** to support the creation of investable propositions aligned with local priorities

## **Game Changer 7: Enterprise and employment land - Area identified (see covering paper) as requiring in-depth development**

### **The Context**

Prior to the pandemic, the business environment in the region was buoyant and perceptions of the West Midlands were growing, being seen as one of the best places to invest. However, Covid-19's dramatic impact on the global, national and regional economy is likely to accelerate certain trends, including the decline of retail on the high street; an increase in part-time homeworking; productivity unlikely to get better any time soon; and the downturn in migration likely to accelerate.

In addition, many businesses are now depleting cash reserves and taking on debt to survive, and there is considerable impact on international business connections, especially in the Higher Education sector, automotive, property and manufacturing.

Thus the commercial property sector is facing significant disruption. Transactions in non-residential property in April 2020 were below the levels seen during the financial crisis in 2009, with a 46.8% decrease on the previous year. The lockdown period has seen retail sales volumes decline and footfall plummet. However, some sectors such as online sales and warehousing have seen considerable growth based on changed habits and restrictions on movement. The longer-term impact of these changes are yet to be seen.

All of these factors have consequences for the use and need for employment land in the region, and implications for enterprise growth, technological change and sustainable economies. ***Feedback from our expert groups indicates the view that the WMCA and its partners need to fundamentally reassess our approach to employment land and maximise the emerging opportunities for the region.***

### **Our Approach**

There are four basic propositions which underlie our approach;

We are a globally important centre for manufacturing, R & D, logistics and services in key growth sectors of the economy. High quality sites, capable of attracting major international firms, need to be available immediately to capture businesses, investors and developers who are operating across a global platform

We have a significant and growing SME sector which form part of the supply chain for larger enterprises. They need suitable land and premises, in the right locations, relative to their customers, in order to continue this growth.

The lockdown has accelerated the move towards home-working, part-time or full-time. Most homes are not designed with home-working in mind and many sole traders and small businesses will want to interact with others as relaxations in social distancing provide greater opportunities for working outside the home. We want to be at the forefront of innovation for remote-working, creating flexible, adaptable floorspace, occupiers to concentrate on running their businesses.

We want to transform the physical environment of our traditional industrial areas. We are proud of the rich industrial heritage of the West Midlands but locations suited the needs of the nineteenth and twentieth century industries are not necessarily best-suited to the needs of the twenty-first. There is also a great deal of vacant, derelict and underused land in these areas and employment could be consolidated on to the most suitable sites.

Our local authorities, which have statutory planning responsibilities, are already tackling these matters. We will support them in this work by providing a regional perspective on needs and through use of our funds to support rationalisation and amalgamation of sites.

In order to address these complex challenges and lead the future of employment land, we will:

- **Develop and deliver a comprehensive business case to HMG for revised policy and greater local accountability on Enterprise Zones,** as promoted by Birmingham City Council and the Commercial Property Forum
- **Identifying the land and property requirements for the industries of the future** including technology, R&D, green growth industries, health & life science to inform future funding and support
- Develop an **Employment Land Prospectus** with local authorities and the private sector, identifying and promoting strategic employment sites to attract new and diverse employment opportunities from reshoring of manufacturing, localised supply chains, and food supply businesses
- **Develop new strategies** to encourage clustering of related activities at key sites maximising the benefits of symbiotic relationships
- Working with local authorities and our expert taskforces and sounding boards, identify a **comprehensive pipeline of employment sites** that can be brought forward in the restart/recovery/renewal phases
- **Develop a business case to secure funding to provide 5G connectivity** to key employment sites
- **Amend the Single Commissioning Framework to support the provision of incubator and co-working spaces** through the use of public sector land
- **Identify opportunities for creative industry hubs in city and town centre locations,** making use of vacant or underused land
- **Review the Regional Design Charter to ensure it adequately promotes high quality employment provision e.g. environmental standards**
- **Supportive policy environment for the industries of the future in line with the Local Industrial Strategy**
- Explore the development of new Enterprise Zones and review the rules on existing Enterprise Zones to make maximum contribution to Covid19 recovery and lobby HMG for appropriate changes to EZ policy

## SECTION B

THE PURPOSE OF THIS SECTION IS TO SET OUT THE RANGE OF INTERVENTIONS PROPOSED FOR EACH OF THE GAME-CHANGER PROPOSALS. IT REMAINS IN DEVELOPMENT AND SUBJECT TO CHANGE AS CONDITIONS CONTINUE TO EVOLVE AND EMERGE

# Covid-19: Housing and Land Portfolio Economic Recovery Implementation and Interventions Plan

Director: Gareth Bradford

Portfolio Lead

Cllr Mike Bird, Leader of Walsall Council

Key Performance Indicators	Start on site within 12 months; funding agreements; major policy interventions to secure green recovery and building back better; new USP around AMC; nationally leading brownfield regeneration programme; secure new ££ from Government							
Game Changer	Effects/market conditions	Possible interventions	Category	Timescale	Powers required	Cost	Status update	Comments
<b>Brownfield Regeneration</b>	<p><b>Impacts on Investment and Delivery from Covid-19</b></p> <ul style="list-style-type: none"> <li>HM Government criteria for VFM/BCR already difficult on stalled BF sites, likely to become even more so</li> <li>Potential for builders/investors focusing on greenfield “easy to develop” suburban sites rather than brownfield “harder to develop” sites.</li> <li>Grant rates escalating to make schemes viable</li> <li>Possible slowing of nationally recognised progress made by region in unlocking stalled sites and greater number of stalled sites</li> <li>Escalating costs and declining values on sites. Concerns January 2020 values may not recover for 2+ years</li> <li>Uncertainty about level of demand for home purchasing</li> </ul>	<p>Secure “<b>letter of support/authorisation</b>” from HMG for revised approach to VfM/BCR in immediate post-C19 period with greater priority to start on site within next 6-12 months</p> <p>Extend the <b>breadth of WMCA brownfield regeneration programme</b> to more explicitly include employment sites</p> <p><b>Secure outstanding HMG funding for brownfield and infrastructure investment</b></p> <p><b>Secure new £200m Urban Transformation Fund</b> following Budget 2020 announcement and submission of business case in February 2020</p> <p><b>Establish/expand existing loan funds/guarantees</b> (currently £140m for commercial &amp; £70m for</p>	Delivery - where we have the levers to deliver on behalf of the Government.	Restart	Requires amended powers/guidance	HMG ask is around £350m	<p>WMCA continues to invest in brownfield sites – most recently over £15m of grant and loan investment at April’s Investment Board</p> <p>Awaiting further news from HMG on outstanding funds</p> <p>WMCA and other CAs are pushing HMG for quick release of outstanding HIF and brownfield funds and to release new brownfield funding announced at Budget 2020</p>	



		residential respectively) for this purpose.						
	<b>Local Planning Capacity</b> <ul style="list-style-type: none"> <li>Planning process plays significant part in time taken for development to occur</li> <li>LAs report their resourcing is under considerable strain which is impacting on planning processes</li> </ul>	<b>Secure Fast track planning approach (end to end) supported by HMG</b> to accelerate on-ground development in immediate return to work  <b>Secure additional local planning capacity</b> which can be deployed to work on key brownfield regeneration projects	Enabling - supporting activities being delivered by WMCA and partners.	Restart	Requires amended powers/guidance		CA deployment of specialist planning expertise via SCF has led to quicker & more efficient planning decisions on schemes	
<b>Affordable Housing delivery</b>	<ul style="list-style-type: none"> <li>Stalling sites</li> <li>RP investment plans under threat</li> <li>Pipeline &amp; business plan disruption</li> <li>Cashflow &amp; borrowing capacity of RPs</li> <li>Homes England funding to RPs stalling (supply agreements)</li> <li>Viability issues impacting on s106 contributions</li> </ul>	<b>Create new Affordable Housing Delivery Vehicle:</b> opportunity for CA vehicle to directly affect: <ul style="list-style-type: none"> <li>Brownfield regeneration</li> <li>AH Delivery provision</li> <li>“Key worker” emphasis</li> <li>Young workers/ first homes</li> </ul>	Delivery - where we have the levers to deliver on behalf of the Government.	Restart	Existing		DevCo legal structures & business case in development  Asset identification underway	Affordable housing traditionally seen as counter-cyclical. However, many RPs’ business plans now predicated on cross-subsidy from market sales etc  CA/WMHAPI DevCo has potential to be significant delivery arm & regional player: Risk however that potential partners will be wary of investing in Joint Venture due to market volatility and reduced investment appetite  Post Covid 19 emphasis may be on homes for key/essential workers, young adults & families most affected by economic impact (see IFS report)  The current NAHP is too focused on London and South East – need to lobby HMG for a regional slice/pot
		<b>Securing a devolved regional allocation of the National Affordable Housing Programme</b> to “uplift” AH contributions which are frequently below 20% SCF minimum	Enabling - supporting activities being delivered by WMCA and partners.	Recovery	Requires changes to powers, funding & structures	£300m annual fund		
	<b>Homelessness</b>	<b>Securing devolved regional allocation of MHCLG additional funds for ongoing accommodation and long-term support to people made or at risk of homelessness</b>	Enabling - supporting activities being delivered by WMCA and partners.	Recovery		TBC		Explore Co-developing model with LAs to acquire units and support in line with Housing First model
<b>Business and investor partnerships</b>	<b>Covid-19 Investment Impacts</b> <ul style="list-style-type: none"> <li>Investor retrenchment/nervousness/risk appetite</li> <li>Investors needing significantly more public sector intervention</li> </ul>	<b>To create an updated WM Investment Prospectus</b> showcasing key investment opportunities in the region in the light of	Delivery - where we have the levers to deliver on behalf of the	Recovery	Existing		Being developed	Does the post-C19 environment provide an opportunity to establish a regional financial body to co-invest, provide assurance & secure local ambitions?

<p>and risk sharing for same level of pre-Covid private sector investment</p> <ul style="list-style-type: none"> <li>Investors have access to significant global capital funding but need to see “match ready/oven ready” projects to invest in rather than those with high upfront capital investment risks or a long way from delivery</li> <li>Region will need to be selective in working with national (and a few International) investors who have a sound track record of working closely with local councils/public sector and those with a track record of investing in the region</li> </ul>	<p>Covid 19, including key WMCA and OPE assets.</p> <p><b>WMCA and WMGC (with Commercial Property Forum) prioritise key projects from the regional sites pipeline</b> that can attract forward Funding from Investors and capable of creating compelling clearly defined investment propositions to enable delivery at pace</p>	<p>Government.</p> <p>Enabling - supporting activities being delivered by WMCA and partners.</p>					<p>Could this be a joint private/public</p> <p>Review of the PRS model as part of a post Covid-19 response</p> <p>Investment models as part of Re-thinking how transport, residential and manufacturing lives together in safer and more secure places</p>
	<p><b>Commercial Property Forum to be held on monthly basis &amp; online forum</b> for engagement, sounding &amp; intel sharing</p>	<p>Enabling - supporting activities being delivered by WMCA and partners.</p>	Restart	Existing	Minimal	In place	
	<p><b>WMCA to sign further Commissioned Partnerships with selected partners</b>, sending a clear message that we will place inclusive growth at the beginning of the investor dialogue.</p>	<p>Delivery - where we have the levers to deliver on behalf of the Government.</p>	Recovery	Existing		2xSPs existing & more in progress	
	<p><b>Investor Engagement Protocol with WMGC</b> – to engage with forward thinking investors</p>	<p>Enabling - supporting activities being delivered by WMCA and partners.</p>	Restart	Existing			
	<p><b>Engagement with key academic institutions e.g. Aston Business School to drive innovation and policy development</b></p>	<p>Enabling - supporting activities being delivered by WMCA and partners.</p>	Recovery				
	<p><b>New partnerships in different sectors – e.g. with utility companies, food manufacturers, logistics</b></p>	<p>Delivery - where we have the levers to deliver on behalf of the Government.</p>	Recovery	Existing		To be developed	

		<p>Further of work on <b>more long-term funding mechanisms and solutions</b></p> <ul style="list-style-type: none"> <li>Regional Investment Fund/Bonds/Bank?</li> <li>HMG backed Infrastructure guarantees</li> <li>Regional revolving Infrastructure Funds</li> <li>Tax Increment Financing (TIF)</li> </ul>	Enabling - supporting activities being delivered by WMCA and partners.	Recovery	Requires new structures & funds		Evidence gathering underway	
<p><b>Supporting AMC, high quality design and Zero Carbon</b></p>	<ul style="list-style-type: none"> <li>Influx of cheap international modular products could distort the market and prevent UK supplier growth.</li> <li>Future social distancing restrictions might lead to de-risking in design- limiting on site labour hours &amp; increasing the level of pre-manufacturing</li> <li>Risk of reduction in quality of design and placemaking due to cost/risk measures</li> </ul>	<p><b>New AMC strategy requires uptake of AMC on all SCF schemes or those benefitting from new Covid-19 investment programmes</b></p> <p><b>Secure Government funding and support</b> for our Advanced Methods of Construction strategy and programme including support for new <b>AMC factories in the region</b></p> <p><b>Support for AMC Academy proposals</b></p> <p><b>Small Sites Innovation Programme</b> – identifying small sites in WMCA ownership and options to release these for the development of community/self-build/local SME projects</p>	<p>Enabling - supporting activities being delivered by WMCA and partners.</p> <p>Delivery - where we have the levers to deliver on behalf of the Government.</p>	Restart	<p>Existing but requires new HMG funding</p> <p>May need planning regulatory changes to support AMC facilities</p>	<p>No direct cost to WMCA as this is SCF leverage (like 20% affordable housing etc)</p> <p>Business case to HMG to be developed</p>		<p>Possibility of investing in/acquiring AMC factory or providing land from WMCA/OPE asset portfolio with a deferred land payment to accelerate pace of delivery &amp; embed wider SCF approach</p> <p>Approach recommended by Mark Farmer and AMC Expert Panel</p>
	<ul style="list-style-type: none"> <li>Concern that Developers/Investors will <b>reduce the energy efficiency/carbon reduction</b> element of schemes in order to save costs</li> </ul>	<p>Launching the <b>new zero carbon homes taskforce</b></p> <p>Creating a bold <b>zero carbon homes strategy and routemap</b> for all new homes in the region</p> <p><b>Requiring/supporting schemes to provide zero</b></p>	<p>Delivery - where we have the levers to deliver on behalf of the Government.</p>	Restart				

		carbon homes under WMCA's SCF						
<b>Public Land and OPE Programme</b>	<ul style="list-style-type: none"> <li>Uncertain National and Regional development outlook</li> <li>Investment in development slowing down</li> <li>Site progression slowing down</li> <li>Risk of stagnation &amp; continuing downward trajectory</li> <li>Danger of loss of "extras" e.g. proper placemaking, design quality, affordable housing as builders retrench to basic standardised products</li> <li>Danger of builders/investors focusing on greenfield "easy to develop" suburban sites rather than brownfield "harder to develop" sites.</li> <li>Focus on growth "at all costs"</li> <li>Loss of appetite for strategic/structural change</li> </ul>	<p><b>Creation of a single public land disposals strategy and programme for the region</b> building on the disposals protocol agreed under OPE</p> <p><b>Explore the creation of new asset backed delivery vehicles using public sector land as equity investment.</b> Requires a different approach to sharing risk in re-structured public-private partnerships</p>	Delivery - where we have the levers to deliver on behalf of the Government	Recovery	Existing powers but new powers around SPVs/LLPs would help	Set up costs don't need to be particularly high	Joint venture with Sandwell MBC at Friar Park established	Proposals being developed for Inclusive Growth Corridors
		<p><b>Public Land Taskforce</b> – similar to AMC Expert Panel, Town Centre Taskforce and Zero Carbon Taskforce. Expert led advisory group to champion and drive a bold new public land programme</p>	Enabling - where we have the levers to deliver on behalf of the Government.	Restart	Existing powers	Set up costs and secretariat	Asset Strategy & Disposals work ongoing	
		Co-ordinated public/private sector responses through <b>Strategic partnerships/ collaborations and formal joint ventures</b> and delivery vehicles created to restore market confidence	Enabling - supporting activities being delivered by WMCA and partners.	Restart	Existing		As above under	
		<p><b>Use of CA interventions/assets/ policy objectives as leverage</b></p> <p>Zero carbon building commission</p> <p>Reinvention and renewal of place agenda</p>	Delivery - where we have the levers to deliver on behalf of the Government.	Recovery	Existing powers & structures		SCF review underway	Ambitious policy objectives of CA & partners may be in vanguard of "new normal", e.g. Key worker housing: new models of delivery & investment
<b>Town Centres</b>	<ul style="list-style-type: none"> <li>Existential challenges to town and city centres – what are they for in a post Covid-19</li> </ul>	<b>The WMCA to broker new thinking on town centre renewal and economy</b>	Enabling - supporting activities being	Restart	Existing		Recovery Plan being developed	Empty units, reduced rents, business rates all predicted to hit town centres especially hard



<p>world?</p> <ul style="list-style-type: none"> <li>• How will we manage <b>town centre reopening</b> that respects social distancing</li> <li>• We need a fundamentally different relationship between business and local councils/WMCA/localities. A team approach to business transformation.</li> <li>• Town centre/ high streets directly impacted by C-19, exacerbating difficult retail environment &amp; change of usage</li> <li>• Home working (for those who can) likely to change working patterns &amp; possibly reduce requirement for commercial property outside of key locations</li> <li>• Impact on Mixed use developments</li> <li>• Landlord Rent - British Property Federation reports that a significant of town centre businesses may never reopen. The move to online retailing for nearly all consumer goods has been significantly accelerated by the lockdown restrictions.</li> <li>• SME business in town centres severely impacted by lockdown restrictions</li> <li>• Viability of town centre developments radically changed because risk/reward equation has completely change and ability to access private finance</li> <li>• Values of commercial in retail</li> </ul>	<p><b>across the region</b> e.g. Regional Urban Centres Framework</p>	<p>delivered by WMCA and partners.</p>				<p>Delivery &amp; Investment Plans to be approved &amp; ongoing</p>	<p>Risk that housing market downturn could affect delivery in repurposing also</p> <p>Commercial property income reportedly badly hit</p>
	<p><b>Lobby HMG to simplify and accelerate funding</b> for the transformation of Town Centres</p>	<p>Influencing - activity that is creating a step change and/ or influencing partners.</p>	Restart	Existing	Minimal		<p>Online shopping seeing major increase</p> <p>Growth in leisure/ destination usage: what will C19 mean for this sector?</p> <p>Remote working likely to be more common, however drop in/mixed use spaces may be more viable – but WeWork etc shows dangers</p> <p>Also worth noting impact of remote working may have on transport/housing corridors</p>
	<p><b>Strengthened criteria in the SCF</b> on town centre recovery and town centre living as a criteria for investment</p>	<p>Delivery - where we have the levers to deliver on behalf of the Government.</p>	Restart	Existing			
	<p><b>Property acquisitions/land assembly &amp; change in usage by WMCA</b> especially where town centre businesses are no longer viable/vacant.</p>	<p>Delivery - where we have the levers to deliver on behalf of the Government.</p>	Recovery	Existing powers, requires more funding		<p>Town centre investments e.g. Pipe Hall, Nuneaton etc already approved</p>	
	<p><b>Creation of Local Development Orders to tackle fragmented ownership</b></p> <p>Explore creation of <b>Town Centre Enterprise Zones and public/private sector Boards</b></p>	<p>Enabling - supporting activities being delivered by WMCA and partners.</p>	Recovery	Needs amended powers/guidance		<p>Options appraisal as part of TC Recovery Plan</p>	
	<p><b>Creation of Single disposals strategy for all public land in town centres</b> including a complete re-evaluation of best value methodologies to prioritise activity on sites within 6-12 months</p>	<p>Delivery - where we have the levers to deliver on behalf of the Government.</p>	Restart	Existing powers, requires amended guidance		<p>CA Asset review ongoing &amp; disposals strategy in progress</p>	
	<p><b>One Public Estate:</b> footprint of Universities, Colleges etc as anchor institutions in our town centres – how to maximise legacy assets &amp; purpose</p>	<p>Enabling - supporting activities being delivered by WMCA and partners.</p>	Recovery			<p>OPE work programme</p>	

	<p>units radically changed</p> <ul style="list-style-type: none"> <li>Digital retailing has fundamentally impacted on business turnover and rationale for physical retail and commercial premises in town centres</li> <li>Delays to key infrastructure projects and upgrades</li> </ul>	<p><b>Explore possible creation of SPVs and or Town Centre REITs</b> to provide new funding models and collateral for developments</p>	<p>Delivery - where we have the levers to deliver on behalf of the Government.</p>	<p>Recovery</p>	<p>Existing</p>		<p>Options appraisal as part of TC Recovery Plan</p>	
		<p>Repurpose buildings/zones to de-risk planning</p>	<p>Influencing - activity that is creating a step change and/ or influencing partners.</p>	<p>Recovery</p>	<p>LA planning powers</p>			
		<p>Acquisitions/ land assembly/ land disposal by public sector to support resilience and recovery</p>	<p>Delivery - where we have the levers to deliver on behalf of the Government.</p>	<p>Restart</p>	<p>Existing</p>			
	<p><b>Social infrastructure and community assets</b></p>	<p>Supporting and nurturing social entrepreneurs &amp; community business</p>	<p>Enabling - supporting activities being delivered by WMCA and partners.</p>	<p>Recovery</p>	<p>Existing</p>			
<p><b>Enterprise and Employment Land</b></p>		<p>Identifying key locations for the industries of the future, e.g. technology, R&amp;D, green growth industries, health &amp; life science</p>	<p>Enabling - supporting activities being delivered by WMCA and partners.</p>	<p>Recovery</p>	<p>Existing</p>			
		<p>Explore proposals for Enterprise Zones and investment prospectus programmes for key locations</p>	<p>Enabling - supporting activities being delivered by WMCA and partners</p>	<p>Recovery</p>	<p>Existing</p>			
		<p>Develop employment land prospectus</p>	<p>Delivery - where we have the levers to deliver on behalf of the Government.</p>	<p>Restart</p>	<p>Existing</p>			
		<p>Support incubator and co-working space locations identified in key transport hub locations</p>	<p>Enabling - supporting activities being delivered by</p>	<p>Recovery</p>	<p>Existing</p>			

			WMCA and partners					
		Employment land pipeline and mapping programme, including identification of key infrastructure needs e.g. 5G	Enabling - supporting activities being delivered by WMCA and partners.	Recovery	Existing			

## Section C: Investment and development opportunities

Project Criteria [Using **PWC Commission Criteria** as agreed by Leaders and the Mayor]

- Timing, investor and delivery readiness - a) Restart projects able to see physical impact/delivery on site within 6 - 12 months b) Recovery projects able to see tangible impact on site/implementation within 12-24 months c) Renewal projects able to see impact beyond 24 months.
- Game changer contribution - the importance/contribution of each project to our "game changers" - eg public land reform, affordable housing provision, brownfield regeneration.
- Vfm and the contribution to overall regional economic recovery in terms of GVA
- Contribution to wider themes of inclusive growth, levelling up and responding to climate change.

Project assessment and review work is ongoing and is not yet in a format ready for discussion and review by the Housing and Land Board. Below shows how we would seek to present the information and we would welcome any Board steers on this format/additional categories.

Below is an *index of investment and development projects* from across the West Midlands region. They include promoters from Constituent and Non-Constituent authorities. They are all at varying stages of maturity and as with the WMCA Investment Prospectus categorised as Current Opportunities, Coming Soon and Ones to Watch.

### PROJECT PROPOSALS RECEIVED FROM LOCAL AUTHORITIES & UNDER REVIEW

CURRENT OPPORTUNITES			
Project	Sector	Description	Status
COMING SOON			
ONES TO WATCH			



