

West Midlands Combined Authority: Land delivery action plan

September 2017



Foreword

It is a real privilege to hold the portfolio for Land & Housing at the West Midlands Combined Authority.

Delivering our ambitious Strategic Economic Plan relies upon a well-coordinated supply of land for housing and employment so that we can drive forward the West Midlands economy, while ensuring that all of our communities benefit from that growth. That is no small challenge.

I joined this Combined Authority to ensure all communities in the West Midlands benefit - and to secure devolution so that we make more decisions about the West Midlands in the West Midlands, not Westminster.

Last year, we called for an independent commission to take a fresh look at the West Midlands land supply and consider what measures might be initiated and undertaken to ensure an improved supply of developable land to meet our ambitious Strategic Economic Plan. I thank Paul Marcuse and his commissioners for the diligent way in which they carried out their work. The West Midlands Land Commission provides an important backdrop to this work.

This action plan is, though, about much more than a response to their findings.

It is a road map for collaborative working at scale. It represents a statement of intent for the West Midlands. And, crucially, it provides a springboard for securing a Housing Deal with Government and a significant share of the Government's Housing Infrastructure fund for the region.

I look forward to us rolling our sleeves up and driving delivery, together.



Councillor Sean Coughlan
Portfolio Holder, Land & Housing, West Midlands Combined Authority
Leader, Walsall Metropolitan Borough Council



Executive Summary

The West Midlands Combined Authority (WMCA) has set out an ambitious vision for the future - in its Strategic Economic Plan - and its members are committed to realising that vision. A key enabler to realising the SEP is the sufficient supply of homes and employment sites across the West Midlands.

As it stands, the current rate of housing and employment site delivery needs to be accelerated, beyond the level individual local authorities have been able to historically deliver. This is not a new challenge nor a delivery issue specific to the West Midlands. The Government's Housing White Paper "Fixing our broken housing market" (February 2017) and the WMCA's Land Commission both highlight the need for a complex range of actions and interventions over the long term.

The WMCA and its members have agreed how, working closely together, we can accelerate delivery rates by tackling a number of common barriers we face. This document sets out the action plan that the WMCA and its members have developed. The plan sets out:

- Common barriers to delivery; which are better addressed with greater collaboration;
- Agreed actions to be taken; and timeframes for taking them;
- The governance framework for implementation; and
- The need for additional resource.

The action plan recognises that a true step change in delivery rates will need all aspects of this plan to be delivered (including resource).

Full detail of the actions agreed, by WMCA and its members, are set out in the body of this document and summarised below.

Engagement of the private sector will be crucial to deliver this action plan. Engagement will be undertaken through a number of forums and a series of engagement events on the delivery challenges set out in this action plan.

	<i>Plan for development and growth for the West Midlands Industrial Strategy</i>	<i>Pipeline development and prioritisation</i>	<i>Investment sites</i>	<i>Delivery interventions – funding and delivery models</i>
Immediate	1. Establish the Housing and Land Delivery Board and supporting governance.		2. Continue to prioritise resources to deliver the three enterprise zones and strategic employment sites including UK Central programme. 3. Bid into the Housing Infrastructure Fund to support the programme of market ready sites and bid into the Growth and Housing Fund	4. Agree a Housing Deal with Government as a priority.
Short term (0-12 months)	5. Spatial expression and investment plan for development and growth scope agreed and commissioned 6. Respond to the Strategic Growth Study or equivalent findings for Greater Birmingham and Black Country Housing Market Area, (including recommendations on options to address shortfall, densification, urban sites and green belt) 7. Agree 5 year land supply calculation methodology across 3 LEP geography 8. Adopt consistent green belt	<i>Pipeline development and prioritisation:</i> 11. Develop and maintain a pipeline of sites, at a West Midlands three LEP geography level, of investment opportunities capable of delivering a mix of development types and tenures. Put in place arrangements to maintain and refresh annually as necessary, so that there is active management of a continuous supply of sites that are market ready and where WMCA resources can be directed. 12. Develop pipeline prioritisation approach focussed on deliverability <i>Delivery strategies and plans:</i> 13. Develop packages of sites for the market in order to ‘scale-up’ the	<i>Market ready housing sites:</i> 21. Develop business cases, including a high level financial model of cash flows and investment returns for feasibility studies, remediation and land assembly. 22. Work with the HCA to develop a “route to market” strategy which will identify and focus funding and delivery resources on delivery action using public and private investment 23. Determine the resource need in delivering the identified market ready sites at pace and scale. 24. Define the criteria for identifying future market ready sites, linking to the ‘prioritisation’ actions in section 6. 25. Mayor will undertake market development and positioning	31. Create governance framework and prioritisation mechanisms for operation of WMCA housing and land related funds. 32. Explore and develop solutions for the common deliverability: <ul style="list-style-type: none"> • Complex land ownership – JVs, CPOs • Use of public sector land – OPE – how can we make this programme more strategic • Site assembly –skill and dedicated resources • Increased investment in brownfield remediation

	<p>assessment methodology across 3 LEP geography</p> <p>9. Commission strategic studies to establish shared evidence base e.g. a study of modern business requirements</p> <p>10. Work with HCA to understand the remit of existing Estates Renewal Programmes.</p>	<p>offer and attract a wider pool of investors.</p> <p>14. Agree with the HCA acquisition pipeline and criteria alignment</p> <p>15. Produce a WMCA Planning charter including a commitment for development to be of the highest quality</p> <p><i>Attracting global companies and supporting indigenous businesses to grow:</i></p> <p>16. Growth Company will promote the land, property and investment requirements of our key sectors</p> <p>17. Have strategic conversations with our major employers to maintain a detailed understanding of future employment space requirements</p> <p>18. Explore funding sources to assist us create spatial incentivisation packages for national and international businesses looking to locate.</p> <p><i>One Public Estate:</i></p> <p>19. Secure commitment that public sector land and property owners will maximise the use of their property</p>	<p>activities, working with the major landowners in the public and private sectors to unlock barriers to development and lobby government for powers to remove barriers.</p> <p>26. Explore how Tax Increment Financing can be developed further, including freedoms to set business rates and establish incentives more widely.</p> <p><i>Investment site marketing to investors:</i></p> <p>27. Build on the work already undertaken with the Met local authorities to identify market ready sites in non-constituent local authority areas.</p> <p>28. Our West Midlands Growth Company will develop a ‘prospectus’ of sites and a clear go to market strategy. Work as part of the Midlands Engine Strategy, to develop a prioritised list of publically owned land that can be brought forward for housing across East and West Midlands by December 2017.</p> <p>29. West Midlands presence at MIPIM and joint trade missions led by the West Midlands Growth Company.</p> <p>30. Agreement with Government</p>	<ul style="list-style-type: none"> • Working with housing associations • Explore feasibility and appropriateness of bespoke delivery models to: <ul style="list-style-type: none"> • Secure additional public and private sector finance • Leverage private sector investment • Improve delivery capability
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		<p>assets through the OPE programme.</p> <p><i>Harnessing innovation and expertise</i></p> <p>20. Engage with housing associations to understand and align strategic plans.</p>	<p>departments and agencies on investor messaging.</p>	
<p>Medium term (12-36 months)</p>	<p>33. Spatial expression and investment plan for development and growth developed</p>	<p><i>Delivery strategies and plans:</i></p> <p>34. Produce strategies for tackling common delivery barriers, addressing market failure and stimulating private sector investment.</p> <p>35. Develop an estate regeneration / renewal programme linked to wider regeneration strategy and life chances programmes</p> <p><i>Harnessing innovation and expertise</i></p> <p>36. Undertake a feasibility study and business case to create the West Midlands Brownfield Technology Institute</p> <p>37. Encourage innovative construction methods such as modular through engagement forums and initiatives.</p>	<p>38. Delivery of phase 1 market ready sites:</p> <ul style="list-style-type: none"> • Greater Icknield Growth Area - Devise ambitious transformation plan for the entire Growth Area • East Birmingham and North Solihull - provide support and resource for 3 strategic sites, Yardley Brook, Meaway, Bromford Estate • Black Country Garden Villages - support 7 identified early projects • Perry Barr - support proposed developments • Coventry City Centre Ring Road <p>39. High level financial model to estimate feasibility studies, remediation and land assembly for the market ready sites pipeline (second phase)</p> <p>40. Develop business cases for second phase market ready sites</p>	<p>41. Implementation of bespoke delivery models to leverage investment from the private sector and improve delivery capability.</p> <p>42. Propose a further housing deal with Government, building on the first deal secured.</p>



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1. Introduction

1.1 WMCA vision

Building a healthier, happier, better connected and more prosperous West Midlands.

Devolution and the creation of the West Midlands Combined Authority (WMCA), with the Mayor at its helm, provides a once in a lifetime opportunity to transform the area. The WMCA has set out an ambitious vision for the future - in its Strategic Economic Plan - and its members are committed to realising that vision. It tackles the issues that matter; the issues that make the biggest differences to the quality of life of the people who live here.

A key factor that will underpin successful delivery of the Strategic Economic Plan is provision of housing and jobs for residents. This is not an easy challenge and, in terms of housing, one that is beset by long term structural issues. It is well documented in the Government's Housing White Paper "Fixing our broken housing market" (February 2017) - highlighting the need for a complex range of actions and interventions over the long term.

The WMCA is therefore focussed on working closely with its partners to increase the rate that employment sites and housebuilding are delivered in the West Midlands. This approach will support delivery of a wide choice of housing and help to improve the quality of life of those living and working in the West Midlands. It will provide a supply of employment land of national significance – the regeneration of which will transform large areas of brownfield land.

A key to successful acceleration of delivery of housing and employment sites lies in working together to reduce barriers whilst making investment both easier to attract and more impactful when delivered. The rest of this document sets out how WMCA and its members will work more closely together to accelerate delivery, with further detail in this section on:

- Context;
- Purpose of this document;
- Working together across the West Midlands.

1.2 Context

Like other parts of the UK, the West Midlands is facing significant challenges to meet its jobs and housing ambitions, including:

- Supporting the growth ambitions outlined in the Strategic Economic Plan assumes an import of population to achieve job growth, which will require an increase of approximately



215,000 homes (50,000 more homes than are currently allowed for in Local Plans) by 2030¹.

- Delivering enough homes to accommodate natural population growth. A shortfall in housing land supply within the Greater Birmingham & Black Country housing market area Local Plans has been identified as 37,572 net new dwellings (35,405 for Greater Birmingham submarket and 2,167 for Black Country) to 2031². In addition, the Black Country has an unmet need of 20,000 new homes by 2036 (which assumes that all identified brownfield sites are built out by 2026).
- Accelerated delivery of West Midland authorities' Local Plans is needed at rates of growth significantly in excess of the trend rate of delivery. The estimated build rate of housing is approximately 8,800³ net additional dwellings per annum. If the housebuilding targets in the SEP are to be achieved, the annual rate of delivery would need to rise by 60% to achieve this level of new homes.⁴

With regards to employment land, the rate of past development would be insufficient to meet the SEP target of 500,000 additional jobs by 2030.

Furthermore, the challenge of meeting these delivery targets is compounded by the reduction in funding to local authorities and housing associations since the financial crisis of 2007/08. Recent Government policy announcements have made it more difficult rather than easier for local authorities to build new homes - the 1% rent cut, the high value voids proposals and "Pay to Stay" all have a negative financial effect on HRA balance sheets.

A major step-change in the rate of development is therefore needed to realise the West Midlands' ambitious economic vision. The capacity of both the public and private sectors to deliver this step change is a critical consideration. Supporting housing and employment land delivery and growth in local authority areas e.g. by enabling supporting infrastructure; being investor ready and putting together deals that attract developers is the ambition of the West Midlands Combined Authority.

A range of interventions will be required to address these challenges, some local and some through collaboration at a West Midlands level. Through the WMCA as a vehicle for collaboration, the local authorities across the three LEP geography (see definitions in section 1.3) commit to working together proactively to drive delivery and focus interventions to achieve more than they could individually.

West Midlands Land Commission

The WMCA established a West Midlands Land Commission, chaired by Paul Marcuse and comprised of other leading industry experts, to help identify the means by which the stock of developable land could be increased so that the level of housing completions, and the stock of employment sites could be raised to accommodate the ambitious levels of growth outlined in the WMCA's Strategic

¹ West Midlands Combined Authority (2016) Strategic Economic Plan

² PBA Strategic Housing Needs Study, page 11

³ Bilfinger GVA Briefing Paper, Line of Enquiry 1 Part 1, Assessing the scale and characteristics of delivery of housing and employment development, December 2016

⁴ Land Commission Final report, page 99, paragraph 11.17

Economic Plan.

The Land Commission's report was presented to WMCA Board in February 2017 and since then, the WMCA has considered the report's recommendations and developed this action plan to take the work forward.

The Commission identified four overarching principles which the Commission believed are essential to future success. These were:

- The need for prioritisation, accepting the WMCA's founding principle that all areas of the WMCA will benefit from WMCA investment, but not necessarily at the same time or in the same way;
- The WMCA must add value to the existing development and delivery activities of the individual local authorities, and not displace those activities, recognising that WMCA is not a planning authority;
- The WMCA should consider how it can make full and holistic use of new powers and funding; and
- The WMCA must seek to align development, including housing and employment site development with infrastructure investment.

The Commission also identified six action areas which the Commission considered will be needed if the major step change required to deliver the SEP targets is to be achieved. These are:

- The development of Non Statutory Spatial Frameworks;
- The designation of Action Zones for residential and commercial development;
- The creation of new collaborative delivery models;
- The expanded programme of remediation of brownfield development sites;
- The strategic review of the Green Belt; and
- The development of enhanced governance arrangements to provide shared leadership and oversight of the implementation of the measures within the report.⁵

Purpose of this document

The purpose of this document is to set out how the WMCA plans to work collaboratively (in addition to the activity being undertaken by the local authorities in the Housing Market Areas to consider land supply), laying out current and planned activity to be undertaken by the WMCA and neighbouring authorities to accelerate the quantum and delivery pace of housing and employment space to deliver Local Plans allocations; and which support the Mayor's commitment to delivering 25,000 new homes in the West Midlands by 2020; and support the WMCA's economic growth ambitions outlined in the Strategic Economic Plan.

Underlying principles of how housing and employment space delivery can be achieved have been set out, or are being developed, in the Local Plans and business as usual activities. However, there is a

⁵ West Midlands Land Commission: Final report to the West Midlands Combined Authority Board: February 2017



recognition that greater impact and enhanced delivery can be accelerated through a more collaborative working arrangement across the complex WMCA geography. In light of this, there has been engagement with all WMCA constituent members, non-constituent members (including LEPs), and the authorities within the 4 LEP geography, to harness a consensus on how best to collaborate and accelerate housing and employment land delivery.

The WMCA constituents and non-constituent members, working with partners across the housing market areas have signed up to deliver the actions set out in this document, in the short and medium term. However, given the uncertain political future (Brexit etc), the long term actions set out below are flexible and are to be reviewed as appropriate.

This delivery plan sets how partners can work more collaboratively to accelerate the delivery of homes and employment sites across the West Midlands. The plan sets out the agreed actions to be taken. Existing resources will be used, through greater alignment of approach and activity, to deliver a number of the agreed actions. The action plan does however recognise the need to attract additional resources, to support implementation of other actions that are key to accelerating delivery, and also sets out how WMCA will secure the additional resources needed (for example, housing devolution deal, strategic bid to Government's Housing Infrastructure Fund , greater leverage of private sector investment).

1.3 Working together across the West Midlands

The benefits of, and commitment to working together across the West Midlands to drive delivery of housing and employment space are set out in this plan. The challenges faced are complex and the geographies over which land and housing issues are considered, planned and delivered vary.

Whilst the WMCA's Strategic Economic Plan is based on a 3 LEP geography, there are wider housing market areas and functional economic areas (based on commuting and supply chain linkages) which reflect how the market operates. There are also differences within these geographies that will require different approaches and solutions, and work relating to the supply and delivery of land needs to recognise the importance and interdependencies of areas and markets which are within, outside, and adjacent to, the WMCA.

This complexity has implications for how local authorities collaborate and the governance and resources needed to support closer working, which are considered later in this action plan.

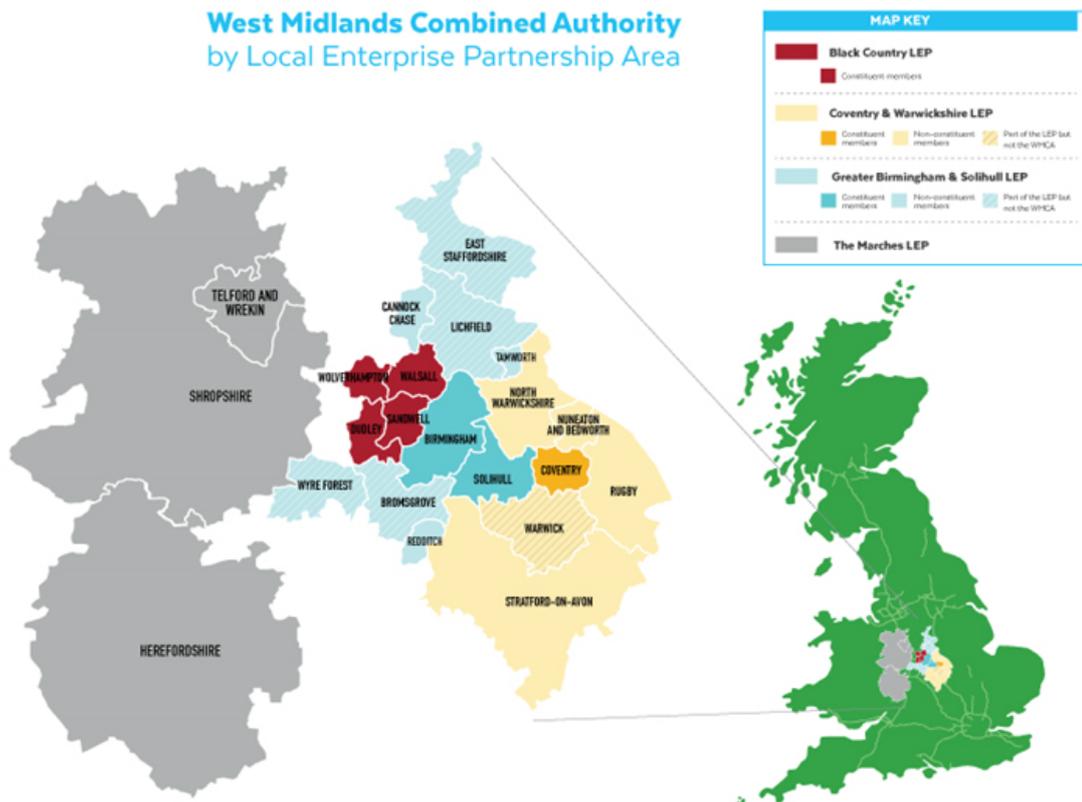
This action plan refers to a number of geographies, with the following definitions applying:

- The **West Midlands** is defined for the purposes of this document as the 3 LEP geography covering the Black Country LEP, Greater Birmingham & Solihull LEP & Coventry & Warwickshire LEP. Where the 4 LEP geography is referred to, this includes The Marches.
- **WMCA** geography is the 7 Met constituent members of the Combined Authority: Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton.
- **The Non-Constituent members of the WMCA** are the local authorities of Shropshire, Telford &

Wrekin, Redditch, Nuneaton & Bedworth, Tamworth, Stratford-on-Avon, Rugby, North Warwickshire and Warwickshire.

There are also the following Housing Market Area geographies which are relevant to this plan:

- The **Greater Birmingham & Black Country HMA** review geography covers Birmingham, Solihull, Cannock Chase, Lichfield, Tamworth, North Warwickshire, Stratford-on-Avon, Redditch, Bromsgrove and the Black Country authorities and South Staffordshire.
- **Coventry & Warwickshire HMA** geography covers Rugby, Coventry, Warwick, North Warwickshire, Stratford-on-Avon and Nuneaton and Bedworth.
- **Shropshire & Herefordshire HMA**
- **Telford & Wrekin HMA**





2. Current Position

2.1 Current activity across the West Midlands housing market areas

The WMCA's Strategic Economic Plan (SEP) estimates that to accommodate the growing population, the West Midlands housing stock will need to increase by 215,000 homes by 2030. This target covers three LEP geographies (Greater Birmingham and Solihull LEP, The Black Country LEP and Coventry and Warwickshire LEP). The Local Plans within these three LEP geographies show that an estimated 165,000 net additional homes are required. Thus a 50,000 shortfall in comparison to the SEP.

There is currently work underway by the local authorities, including technical studies, reviews of core strategies and development of spatial plans and strategies to support the delivery of housing need. These are outlined below:

Greater Birmingham & Black Country Housing Market Area 'Strategic Growth Study'

The 14 Local Planning Authorities within the Greater Birmingham & Black Country Housing Market Area (HMA) are undertaking an evidence based 'Strategic Growth Study' to consider options to deal with the baseline housing shortfall of the Greater Birmingham and Black Country HMA, consider the implications of the SEP in respect of housing compared with the supply already identified in adopted and emerging local plans, and update to cover the period from the current baseline date (2011) to 2036. The study will identify more specific options and broad locations for addressing the shortfall, which can be delivered by the market; and will consider the growth options to deal with the baseline housing shortfall through the following approach:

- a) Review of existing identified supply to consider whether, by positively applying policies that are consistent with for each type of site across the HMA, more dwellings could be provided through increased densities.
- b) Should a shortfall remain following consideration of option (a), the study will consider the potential additional supply on other land outside of the Green Belt that has not previously been considered for housing development, by applying a consistent approach across the HMA and taking into account the sustainability of the locations for accommodating housing growth, including the need to provide for other land uses.
- c) Should a shortfall remain after undertaking tasks (a) and (b) consider the development potential and suitability of any large previously developed sites within the Green Belt that may lie in sustainable locations.

Should a shortfall remain after undertaking tasks (a) to (c), the study will undertake a full strategic



review of the Green Belt within the HMA utilising a consistent Green Belt Review methodology, which assesses Green Belt against its five purposes, followed by consideration of distribution and broad locations, taking into account market capacity to deliver. The intention will be to identify those locations for growth which have least impact on the function and purpose of the Green Belt, meet wider policy objectives and are in sustainable locations for possible development. This will take account of current Green Belt assessments being undertaken or recently completed by Local Planning Authorities.

Greater Birmingham & Solihull LEP 'Spatial plan for growth'

The Greater Birmingham and Solihull LEP is producing a Spatial Plan which is intended to give a spatial expression of LEP's Strategic Economic Plan ambitions.

Black Country Core Strategy Review

The four local authorities in the Black Country, (City of Wolverhampton, Dudley, Sandwell and Walsall) first launched a Black Country Core Strategy in 2011 covering the period up to 2026.

The Black Country local authorities are currently reviewing the Core Strategy in an issues and options consultation phase. The Core Strategy outlines the need for 80,000 new homes to be built in the Black Country before 2036, of which sites have already been earmarked for around 60,000. Therefore land is required for a further 22,000 homes as the population and economy of the area continues to grow. There is also a need to find 300 hectares of new land for industries and businesses in order to create new jobs. As part of the consultation, there is a "Call for Sites" where areas of land suitable for development can be put forward.

Coventry and Warwickshire Single Spatial Strategy

Coventry and Warwickshire Joint Committee is considering developing a Single Spatial Strategy, initiated once Local Plans have been adopted. A joint Employment Land Study is being commissioned including looking at market signals and a strategic assessment of Green Belt land within Coventry City, North Warwickshire Borough, Nuneaton and Bedworth Borough, Rugby Borough, Stratford on-Avon District and Warwick District has also been undertaken.

The Marches

The Marches LEP area is covered by individual Local Plans for each of the unitary authorities; Shropshire, Telford and Wrekin and Herefordshire.

Shropshire Council's adopted Local Plan establishes a requirement for 27,500 homes during the period to 2026. There has been a significant upturn in development activity in recent years and Shropshire has a current housing land supply of 5.97 years. The Council has recently prepared a new Economic Growth Strategy and is carrying out a partial review of its adopted Local Plan to provide an up to date and deliverable platform for growth during the period to 2036. The Local Plan review will establish new growth requirements for housing and employment land during the period to 2036, together with updated policies and site allocations to demonstrate how and where these



requirements can be delivered. The Local Plan review will also include a review of the Green Belt which is located in the south east of the County.

Telford & Wrekin Council's Economic Strategy – Enterprise Telford – was adopted in 2016. This alongside the Telford Land Deal, signed with HCA and DCLG in 2016 linked with the Marches Local Growth Package, is accelerating delivery of public sector employment and residential development and has driven a significant upturn in inward investment across the Borough. The Council submitted its draft Local Plan for the period up to 2031 for examination in June 2016. The examination Inspector is currently inviting comments on Proposed Main Modifications to the Plan. In 2016, TWC had a land supply in excess of 10 years.

Our Local Planning Authorities will continue to work together through the Duty to Cooperate to develop Local Plans which deliver enough housing and employment land for the West Midlands, based on evidence and an analysis of West Midlands housing needs.



3. Delivery Challenge

This section focuses on:

- The delivery challenge: Setting out the scale of the challenge in terms of delivering housing and employment targets.
- The issues impacting delivery: Setting out the barriers to delivery based on market conditions, site conditions, planning, regulatory and fiscal issues, institutional factors and place development.
- Delivery good practice examples: Examples of good practice already being implemented to address the issues impacting delivery at both a WMCA level and at an individual local authority level, which we will build upon.

3.1 Delivery Challenge

Accelerating delivery of homes and employment land to support growth ambitions across the West Midlands is complex and challenging. Local Plans have been developed to deliver growth across the WMCA, but focus on each plan area and not on WMCA wide delivery. The SEP sets an ambition for further and faster growth than has been predicted in the three individual LEP strategic economic plans.

The scale of the challenge for both housing and employment is set out below:

Housing

- The Local Plans already require a rate of development some way in excess of the historic rates, therefore delivering the targets set out in the SEP is a significant challenge.
- Bilfinger GVA estimated that between 2004 and 2014 approx. 88,000 net additional dwellings were built across West Midlands (approx. 8,800 per annum).
- To accommodate growing population, West Midlands housing stock may need to increase by as many as 215,000 homes by 2030, including up to 50,000 more homes (as set out in the SEP) than are currently allowed for in aggregated Local Plans.
- This rate of net housing completions will need to be increased by circa **25%** to meet national population and household projections in the period to 2030. It would need to be increased by **63%** to mirror the WMCA's SEP "Economy Plus" target.
- Mindful of recent experience, there can be no doubt that this presents a significant challenge for local authorities, in terms of agreement over increased housing requirement figures and

land supply delivery through Local Plan reviews (including the Duty to Cooperate process).

Employment Sites

- The area's good track record of securing inward investment is in danger of being constrained by an impending shortage of large strategic sites with significant costs in land remediation and assembly needed in order to bring forward a pipeline of sites for employment use.
- The nature of work / employment is undergoing dramatic changes and this is having a significant impact on property requirements and demand. It is therefore important that the supply of land does not only address the overall scale target, but is able to meet a diverse range of specific employment uses and property requirements.
- Approximately 1,100ha of employment land (gross) was developed between 2004 and 2014 (annual average completion rate of 110ha per annum)⁶.
- If this trend rate were to be projected forward over the SEP timeframe of 2015 - 2030, some 1,650ha of employment land would be developed across the West Midlands.
- The WMCA SEP anticipates a job creation target of 500,000 by 2030 generating an additional GVA of £7bn. This is 49,000 more jobs than anticipated in the combined three individual LEP SEPs.
- To achieve this target, a significant allocation of land for employment use is required.
- To put into context the scale of the challenge, in order to accommodate new jobs, the SEP anticipates that 1,600 hectares of brownfield land will need to be remediated by 2030 within the 7 metropolitan authorities alone. Therefore, 1,650ha of employment land across the whole area is likely to be insufficient to meet the SEP target.
- It is apparent that there is a lack of "oven ready" employment sites that can meet a range of diverse market needs. There is growing evidence that provision is not well tailored to current demand which might explain some of the reported shortages of suitable accommodation.

3.2 Issues impacting delivery

The delivery challenges outlined above are a reflection of a number of identified barriers to delivery, which are summarised below. Having identified and discussed these barriers, WMCA has sought to develop a series of actions and interventions which members have collectively agreed to implement.

Key barriers identified are set out below under the following headings:

- Market conditions;

⁶ Bilfinger GVA Briefing Paper, Line of Enquiry 1 Part 1, Assessing the scale and characteristics of delivery of housing and employment development, December 2016 - reporting on the Mott MacDonald dataset page 5



- Site conditions;
- Planning, regulatory & fiscal issues;
- Institutional factors;
- Place Development.

Market conditions

Brownfield market conditions

- Depressed market demand (in some areas) and negative market perceptions (in some areas);
- Site not viable – unacceptable profit due to low property values (in some areas) and high build costs;
- Cost of site remediation & infrastructure provision;
- Landowner market value aspirations unrealistic;
- More attractive/ cheaper development opportunities available elsewhere.

Greenfield site conditions

- Cost of infrastructure provision;
- Planning challenges and complexities;
- Desire to protect the green belt;

Market capacity

A key constraint to delivery is the market capacity that is impacted by:

- The domination of local market by volume housebuilders, effectively pricing out the small and medium sized housebuilders. Britain's 10 largest housebuilding firms build around 60% of new private homes.⁷ The larger housebuilders manage the flow of supply into the market and are able to 'land bank' and make strategic decisions and where to invest based on maximising shareholder returns. A greater diversity in provider type is required so no one type has the power to unduly control supply and influence price inflation.
- Smaller housebuilders lacking resources and skills to navigate and successfully get through complex planning.
- The lack of dedicated business support programmes for new entrants to the market.
- New innovative construction methods are emerging which may offer opportunities to accelerate delivery, but they have not been adopted at significant scale. Over the past 25 years, productivity across the whole economy has grown by 41 per cent as technology and new ways of working make business and industry more efficient and effective. In construction, it has grown by just 11 per cent - almost four times slower.⁸

⁷ NHBC Market Intelligence report 2015; DCLG Live Table 209

⁸ ONS Labour Productivity statistics



- House building supply chain capacity - traditional supply chains are constrained and a solution is needed to support increased delivery underpinned with capacity building for a long term pipeline including, skills / human capacity, building materials and technical solutions (such as modern construction methods), which drastically reduce construction times.
- Absence of a coordinated strategy - capacity issues can be exacerbated by the absence of a coordinated cross-authority strategy.

Other market conditions

- Cost of planning contributions (Section 106/CIL)

Site conditions

- Poor site conditions (e.g. site size and configuration, drainage, topography etc.);
- Contamination;
- Lack of critical infrastructure needed to bring forward sites for delivery;
- Undesirable location (in market terms);
- Inaccessible sites;
- Fragmented or complex ownership;
- Owned by organisations/individuals not seeking to bring site forward for development within a reasonable timeframe.

Planning, regulatory and fiscal issues

Prioritisation

- Conflicts over most appropriate allocation for sites (e.g. housing/retail or employment);
- Available alternative greenfield site for housing (emerging concern given future Green Belt releases);
- Lack of information/data on available sites (e.g. ground conditions/ownership);
- Brownfield first strategy.

Delivery and regulatory

- Absence of clear delivery structures to facilitate public sector pump-priming of private sector investment;
- Limited incentives for local authorities to be proactive in bringing forward sites (in relation to land assembly/site preparation/development) – need to evolve measures to secure value capture for local benefit;
- Third party objections re development.

Resources

- Limited resources - capacity building is needed to improve skills in regeneration in local



authorities & innovative development solutions.

Fiscal conditions

- There is a shortage of public sector funding to both build the delivery capacity needed to accelerate development and also to provide greater ability to invest in vital enabling infrastructure, land assembly and the de-risking of development more generally;
- The unavailability and/or high cost of finance which is particularly a barrier to small and medium sized housebuilders. Individual schemes have lacked the scale or have not been packaged into a suitable pipeline to attract finance from institutional investors;
- Fiscal constraints – bureaucracy and complexities associated with securing public funding and Tax Incentives (e.g. Land Remediation Relief);
- Legal issues regarding the operation and use of public funding in context of State Aid rules.

Institutional factors

- Limited Government funding for regeneration;
- Operational constraints in local authorities/agencies constraining delivery effectiveness;
- Un co-ordinated delivery of programmes across LEP/local authorities affecting pace and scale of development including infrastructure investment e.g. transport.

Place development

Critical infrastructure and lifestyle offer

Delivering effective, efficient and sustainable urban infrastructure is essential to provide the backbone, from which economic success and prosperity can grow. However, the absence of a place based approach is often a key barrier to securing investment, making it harder to deliver wider benefits such as:

- A fast and efficient transport and mobility infrastructure with sufficient capacity to cater for a growing and changing population;
- A quality environmental offer e.g. clean air, green spaces, pedestrian / cycling friendly etc.;
- Availability and performance of schools, local medical services and community services;
- A safe and secure environment in which people can live and work with confidence, linked to a strong culture and leisure offer.

Tackling the individual barriers set out in this section (3.2) will help unlock such benefits by facilitating a more place based approach to investment.

3.3 Delivery - examples of good practice

A significant amount of work is already being undertaken to address the issues impacting delivery at both a WMCA level and at an individual Local Authority level, which we will build upon.

Examples of good practice from across the Local Authorities include:

Black Country

- Black Country Core Strategy – The four local authorities in the Black Country have worked together to produce the Black Country Core Strategy, which was adopted in 2011. It sets out the overall strategy for the area, how much development there should be and where it should be located. The existing Core Strategy seeks the regeneration of existing urban areas and provides a framework for the individual councils to produce plans identifying particular sites for development and other places to be protected. The strategy is currently being reviewed and is currently at an issues and options stage. **Barriers addressed:** The strategy provides a good example of producing a cross-boundary sub-regional strategic plan, a firm basis for gathering information / data on sites and establishing a robust system of prioritisation. By working collaboratively, a product of greater scale can be offered to the market to attract a wider investor pool.
- Black Country Centre of Excellence – The Black Country LEP has identified the need to explore the barriers associated with brownfield land development, due in large part to the areas of industrial heritage and mining legacy. In 2015 a feasibility showed that the market would benefit from, and support, the development of a centre of excellence in brownfield development. 2016 has seen the LEP and the University of Wolverhampton work together to develop the Brownfield Research & Innovation Centre (BRIC) which will be based at the new Springfield Campus. BRIC will bring together academia with key public and private sector stakeholders to develop cost effective and sustainable solutions to brownfield development. **Barriers addressed:** This will help address some of the market condition barriers associated with Brownfield sites. Resources will also be improved by having greater capacity in specialist skills on brownfield land development.
- WV Living is City of Wolverhampton Council's Housing Company which builds homes, to take some risk, setting up mechanisms to cross-subsidise schemes with values generated (but within LA boundary). **Barriers addressed:** Providing the freedom and flexibility for the local authority to be more proactive in bringing forward sites, accelerating the pace of delivery and providing a catalyst for housing led regeneration.
- Taking commercial approach to One Public Estate programme - investing in schemes as a landlord. **Barriers addressed:** Creating a coordinated approach towards investment which helps avoid conflicts over the allocation of sites. This will help overcome some of the institutional factors that have led to uncoordinated delivery of programmes across LEP / local authorities.
- Strategic acquisitions programmes and the forward funding of development to prove / shape and underwrite markets. **Barriers addressed:** By working collaboratively, a product of greater scale can be offered to the market which will attract a wider investor pool.



Solihull

- UK Central - A special purpose vehicle called the Urban Growth Company has been established to realise the economic potential of the HS2 Interchange Station and related infrastructure. The UGC is working to align the interests of the NEC, Birmingham Airport, Jaguar Land Rover and the Arden Cross Consortium by producing and delivering a UK Central Growth and Infrastructure Plan which will be supported by the creation of more detailed frameworks which allow them to invest and develop their own sites whilst providing a proportionate contribution to the infrastructure costs to ultimately release the value of respective sites. The UGC is also putting in place a value capture mechanism, and an investment funding strategy to influence development of appropriate planning policy to influence development of appropriate planning policy, to release land from the Green Belt for employment and housing purposes. **Barriers addressed:** A more coordinated programme of delivery will be implemented aligning the interests of key stakeholders. The UGC takes a place based approach to delivering critical infrastructure.
- North Solihull Partnership – a public private, asset backed, regeneration partnership to improve the quality of life for 40,000 people in North Solihull over a 15-20 year period. Funding is generated through the council supplying land and resource to the partnership, who then obtain the necessary planning permissions and other consents, selling the land at increased value for re-invested into the area. The partnership has delivered 1700 new homes to high standards of energy efficiency, achieving 50% affordable housing, demolished more than 800 poor quality homes, built 6 new primary schools and remodelling 3 others. The partnership has been responsible for re-creating 2 new village centres with the third in the project development stages, providing new retail, community, office, business, commercial and state of the art medical, dental and health centre facilities all in accessible locations. £3m has been invested in new parks and improved open spaces with complementary investment in socio economic programmes to support skills development and local employment opportunities and full community engagement throughout. In recent years the Council has played a greater role in taking on additional risk and prudential borrowing to close viability gaps as Government funding for regeneration schemes has been redirected and the economic downturn has affected land values. **Barriers addressed:** The Partnership has enabled a more coordinated approach to the delivery of housing with a place based approach.

Birmingham

- Birmingham Municipal Housing Trust (BMHT) - The BMHT is a company owned by Birmingham City Council to work with the private sector both to build the BMHT properties for rent and properties for market sale. The model recognises that developers are risk averse and the redistribution of financial risk between the council and developer is necessary to bring forward sites and deliver housing. The council takes on risk in a number of ways: in terms of design, by designing homes to the adopted Residential Design Guidelines; planning risk, by submitting planning applications and brokering discussions with other stakeholders and statutory undertakers; risk in relation to site conditions, by carrying out the necessary surveys and taking remedial action where required; deferred receipt of payment through a legal agreement with the developer; and guarantee of work for developers. **Barriers addressed:** Providing the freedom and flexibility for the local authority to be more proactive in bringing forward sites, accelerating the pace of delivery and providing a catalyst for housing led



regeneration.

- New comprehensive approach to East Birmingham / North Solihull – Peter Brett Associates (“PBA”) is undertaking a study to look at issues and opportunities across a deprived area with a population of 300,000 which has the proposed Metro at its core, including health outcomes, transport – This approach could be replicated elsewhere. **Barriers addressed:** Provide a place-based approach to deliver critical infrastructure and lifestyle offer. The approach will address institutional barriers where programmes have not been properly coordinated.

Coventry & Warwickshire

- A new approach to spatial planning for Coventry and Warwickshire by developing an interim “Compendium” non-Statutory Spatial Strategy and developing a business case for moving towards a single Statutory Spatial Strategy for Coventry and Warwickshire. Building on the high levels of existing coordination across the six individual statutory Core Strategies/Local Plans which are all progressing towards adoption in 2017, there is commitment to move towards a new joint planning framework for the Coventry and Warwickshire sub region to focus on a limited but critical range of sub-regional level issues such as settlement hierarchy, housing provision over the plan period to 2030, employment allocations and the provision of key infrastructure. This builds on the commitment that all CW Councils gave in agreeing to the CWLEP City Deal in 2014 to develop and agree a single spatial plan. **Barriers addressed** include tackling the explicit linkage and integration of work on transport and digital infrastructure provision and requirements across housing and employment land. This is a collaborative approach fully supported and encouraged by CWLEP whereby the Local Authorities will work together not instituting a “top down” approach that takes away the autonomy of each council but provides an opportunity to begin closer integration of the sub region wide infrastructure proposals which are currently contained within a range of different strategy documents and 6 separate Core Strategies/Local Plans.

Telford & Wrekin

- Telford Land Deal – the borough also has a unique **Land Deal in place with HCA and DCLG** supported by the Marche LEP, which sees the Authority market and disposal of all HCA land in the borough to an accelerated timetable underpinned by a 10 year commitment by Government to recycle land receipts into site preparation and key infrastructure. De-risking sites particularly in areas of challenging viability is critical to delivery. The Deal is set to accelerate delivery of 8500 new jobs and 3000 new homes. The model has potential to be extended to land in the ownership of other government departments and public sector agencies. **Barriers addressed:** De-risking sites particularly in areas of challenging viability is critical to delivery. The value of Telford & Wrekin Council leading on local marketing and disposal is knowledge of the local market, ability (in Telford’s case) to add value through the Growth Fund and leaseback, design/build/manage options and ensuring early engagement with local communities to address local resistance to growth – which can lead to delays in planning or failure to establish planning.



- Nuplace – In 2015, the Council embarked on a house building programme to deliver a portfolio of circa 400 homes for private rent on a number of sites within the Borough of Telford & Wrekin for a combination of market and affordable rent. The objectives of the current programme are to:
 - Generate a long term income stream for the Council;
 - Stimulate economic growth through job creation;
 - Respond to the Borough’s housing needs and demands for quality rental stock;
 - Bring development forward on public land; and
 - Raise the standard of rental provision in the borough, both in terms of the quality of the rental homes themselves as well as the quality of the landlord management and maintenance service.

Nuplace Ltd (www.nuplace.co.uk), a wholly owned company of the Council, was established on 1 April 2015 to deliver and manage the property portfolio. The first development of 31 homes was completed in July 2016 with the second site of 101 completed in December 2016. The Council’s development partner is on site delivering a further 4 sites due to for completion during 2017/18 providing a total of c.300 affordable and private rented homes. Phase 3 sites are currently being evaluated including scope to extend the programme to deliver specialist, supported and extracare development. **Barriers addressed:** providing a model to bring forward development on publically owned and brownfield sites, increase the quantity of private rented accommodation across the Borough, raise the standard of the sector.



4. Commitment to joint action: action plan

4.1 Commitment to joint action

As local authorities, and together as the WMCA, we are committed to measures that enable the accelerated delivery of housing across the West Midlands. We already have a strong history of working together through the duty to cooperate; through developing a strategic transport plan; and working collaboratively across borders on site delivery such as the I54 Enterprise Zone.

We recognise that by working more closely together, (building on our cooperation through the duty to cooperate to maximise the effectiveness of local plans), our greater scale and collective capability can help us promote a more attractive investment environment and tackle common barriers to delivery that all WMCA partners can benefit from.

By working more closely together, we can achieve a step-change in the pace and scale of delivery of housing and employment sites by designing measures to remove barriers to development and unlock stalled sites, such as remediating contaminated and brownfield land, assembling complex ownerships and interests on strategic sites, attracting investors, influencing the market to accelerate delivery and taking a strategic approach to investment.

To support the step change required to meet the land supply and housing delivery challenges set out, we have agreed as WMCA constituent and non-constituent members, working with our partners across the three LEP geography covered by the SEP, and the Marches LEP (recognising the importance of the Marches area and opportunities for housing and employment growth), to the principles for joint action. These principles will enable us to work more closely together to accelerate delivery beyond the levels being achieved by individual authorities working alone. Principles are:

Commitment of the local planning authorities:

- To meet the housing need in their area, (respecting the local authorities' sovereignty to determine this housing need), and through the Duty to Cooperate work across the West Midlands on a consensual basis;
- To accelerate delivery of housing and employment space to support the strong and growing economy;
- Through the Duty to Co-operate, ensure that appropriate provision is made within the Greater Birmingham and Black Country Housing Market Area (HMA) to accommodate the identified shortfall of 38,000 to 2031 and an unmet need of 20,000 to 2036 in Black Country;
- Local Plans will be up to date and will consider the issues set out in the Housing White Paper, and the implications of the WMCA SEP; and
- Establish high quality development focussed planning services within the Local Planning Authorities that consistently deliver outcomes within the Government's 13-16 week turnaround targets.



Commitment of WMCA and LA partners within three LEP geography

- Through our intervention, all areas will benefit from growth, but not necessarily in same way or same time;
- The LAs will collaborate on initiatives which accelerate delivery at a WM level but which enable interventions at the right market level, and embed quality and place-shaping/regeneration at the heart of building sustainable communities;
- The LAs will collaborate on developing markets, assembling sites and make them more attractive to investors, alongside maintaining a pipeline of investment opportunities;
- WMCA will focus on adding value to the existing activity of the LAs to develop and deliver housing and employment space;
- The WMCA will make full and holistic use of its powers and funding;
- The WMCA will agree a shared prioritisation approach for investment in planning and decision making; and
- The WMCA will secure additional resources and share existing resources where possible to deliver the actions set out in this plan.

4.2 Areas for joint action

Building upon our key principles for collaboration set out above, we have considered where collective action is most likely to contribute to accelerating delivery. We have identified four key areas of focus which address many delivery issues that have been identified in technical reports and/or raised in the Land Commission's recommendations.

We believe that by working more closely together on these shared delivery issues we can make a difference. The actions we have identified are set out under each of the four themes below. The four actions plans cover:

- Plan for development and growth for the West Midlands Industrial Strategy
- Pipeline development and prioritisation
- Investment sites
- Delivery interventions – funding and delivery models

The next sections set out the detailed action plans for each of these themes.

Section 9 sets out the governance and resources to deliver this action plan.



5. Plan for development and growth for the West Midlands industrial strategy

5.1 Plan for development and growth

Context

The West Midlands is a complex area with a shared economic ambition which is set out in the WMCA's Strategic Economic Plan. The WMCA's ambition is to accelerate the delivery of housing and employment space to enable growth and improve the environment and quality of life in the West Midlands. To this end, the Mayor has committed to deliver 25,000 new homes by 2020, and to make sure that there is the right balance of social and private housing and affordable housing for those on lower incomes.

Our Local Planning Authorities have an important role to play in setting out the spatial framework for the future housing and employment space development in our areas - creating unique, strong and prosperous communities, supported by a well-designed built environment, community facilities and infrastructure to support the economy to grow.

Joint action:

By working together, enabled by the WMCA, we can support a step change in the pace and scale of housing and employment space delivery by developing a shared understanding of the supply of land, the barriers to development and designing interventions to unlock sites at greater pace and scale.

The WMCA will facilitate the development of a 'spatial expression' which captures, in a single document, the existing spatial strategies for the three LEP geography and surrounding areas which have a strong physical and functional relationship with the West Midlands.

The benefit of this work will be to collectively agree the identification of strategic priorities and to support investment decisions; understand the relationship between infrastructure and growth including identify any gaps between the scope of and sequencing of infrastructure and regeneration activity. For example, where infrastructure investment could facilitate an intensification or acceleration of development activity; or where development is being held back by infrastructure constraints which are not addressed in current investment programmes.

The WMCA will also play a valuable role in facilitating the strategic conversations around the supply of the right land, in the right places to deliver the homes and jobs the population and the economy needs to grow in a sustainable way. Consideration will not only be given to housing numbers, but to making available the right type of homes, for the right demographic, in the right locations with the right tenure mix to support economic growth and mixed and balanced communities.

Agreed actions:

As part of a Housing Deal with Government, the WMCA intends to:

1. Produce a West Midlands 'spatial expression' which captures in a single place, the existing spatial strategies for the 3 LEP geography and emerging local plans from LPAs, showing:
 - Location and role of key economic assets / areas of intense market activity and opportunity;
 - Land allocated in local plans for housing and employment space, including units planned, employment use classes, land ownership and development pipeline timescales (12 months, 36 months and 36+ months);
 - Location of green belt and brownfield land;
 - Location of priority 'market ready sites, such as housing action zones, enterprise zones and other priority sites receiving investment to accelerate delivery; and
 - Location of planned infrastructure (transport, utilities, broadband, HS2 etc);

The WMCA will develop a visual web based interactive tool which will map out the above, which will also be available publicly to allow developers to identify potential sites for development and for residents to understand the investment planned in their areas. This will be developed as part of the WMCA's wider data and intelligence work programme which aims to develop and make greater use of information through the procurement of data, tools and resource.

2. The WMCA will provide a forum for strategic conversations:
 - To support continued alignment of local plans to maximise their contribution towards the SEPs delivery;
 - For local planning authorities in the HMAs to reconcile the spatial implications of the SEP's economic growth ambitions through the Duty to Cooperate and local planning process;
 - To facilitate the development of a 'Futures' forum to establish a set of agreed guiding principles to help local authorities progress statutory plans;
 - To support long term public sector investment strategies in strategic housing and employment sites, and enabling infrastructure;
 - Resolve strategic issues of cross-boundary significance; and
 - To engage with the private sector and provide the investor market and development industry with a clear plan about how growth will be delivered, helping to better align public and private sector investment plans.
3. The WMCA intends to produce a 'Spatial investment plan for development and growth for the West Midlands industrial strategy' across the WM (3 LEP geography) which:
 - Identifies the investment required to either facilitate an intensification or acceleration of development activity in pipeline sites; or unlock sites for the pipeline;
 - Addresses market barriers to site delivery;



- Sets out solutions to common market issues in each 'housing market areas' which may require different solutions;
 - Sets out how the WMCA will intervene to accelerate or unlock delivery through investment, or through powers / lobbying.
4. The WMCA will support the commissioning of strategic studies to establish a shared evidence base, for example, there is an urgent need to commission a study of modern business requirements across 3 LEP geography, grounded in comprehensive engagement with occupiers to ensure that recommendations reflect market demand. This would build on the West Midlands Strategic Sites Study undertaken by PBA in 2015.
 5. Agree consistent methodology to calculate 5 year land supply and green belt assessments;
 6. Work with HCA to understand the remit of existing Estates Renewal Programmes.
 7. Explore the relations and opportunities from 4 LEP geography including Shropshire and Telford Wrekin to support delivery of the WMCA SEP and industrial strategy.

5.2 Action Plan timescales: Plan for development and growth for the WM industrial strategy

We will aim to deliver the actions within the following timescales:

Immediately

1. Establish the forum for strategic conversations through the Housing & Land Delivery Board

Short term – 0 to 12 months

2. Spatial expression and investment plan for development and growth scope agreed and commissioned
3. Respond to the 'Strategic Growth Study' or equivalent findings for Greater Birmingham and Black Country Housing Market Area, (including recommendations on options to address shortfall, densification, urban sites and green belt) through the new Housing & Land Delivery Board.
4. Agree 5 year land supply calculation methodology across 3 LEP geography
5. Adopt consistent green belt assessment methodology across 3 LEP geography
6. Commission strategic studies to establish a shared evidence base e.g. a study of modern business requirements



7. Work with HCA to understand the remit of existing Estates Renewal Programmes.

Medium term – 12 to 36 months

8. Spatial expression and investment plan for development and growth developed

6. Pipeline development and prioritisation

6.1 Pipeline development and prioritisation

Context

In order to meet the housing and employment space delivery challenge in the short term particularly, we will maintain a consolidated view of the pipeline of sites that can be brought forward for development across the West Midlands. This will facilitate a shared understanding of the status of these sites within the development stages. The pipeline will meet the following purposes:

- To provide visibility across the WMCA partners and local planning authorities on the quantum of housing and employment sites in the pipeline and their delivery timescales;
- To have an ongoing assessment of the market drivers / behaviours and the barriers of development across the pipeline to inform the interventions required by the WMCA, LEPs or local planning authorities;
- To support funding bids and investment decisions for enabling infrastructure;
- To support the planning and direction of resources to enable site delivery; and
- To provide visibility to the development industry of what land is available in the short term, and to demonstrate to the market that the West Midlands is investor-ready.

The pipeline will contain both large and small sites which are the priority development sites for the local authorities within the short term. The pipeline will form the basis of an ambitious programme once resources have been secured. Prioritisation of sites is essential to optimising and expediting significant development at pace in appropriate locations and will balance early investment in sites that will take longer to bring forward (e.g. brownfield / complex ownerships) with sites that can be accelerated quicker.

The WMCA will provide added value by demonstrating the scale of opportunity to investors by packaging both large and small sites across the West Midlands into investable opportunities, with tailored marketing. The pipeline will be actively managed, so that there is a continuous flow of prioritised sites coming forward across the West Midlands. Market realities and available public sector investment will need to be factored into the pipeline development.

A pragmatic approach to prioritisation will be taken, with deliverability a key factor, and the pipeline will be reviewed and refreshed on an annual basis and recalibrated to meet current circumstances, careful not to undermine 5 year land supply.

Agreed actions:

Pipeline development

1. Develop and maintain a pipeline of sites, at a West Midlands three LEP geography level, of investment opportunities capable of delivering a mix of development types and tenures. This will be reviewed, refreshed and recalibrated annually as necessary, so that there is active management of a continuous supply of sites that are market ready and where WMCA resources can be directed.
2. Strategic opportunities which are located outside of the West Midlands geography, but which have an important relationship / interdependency will also be captured e.g. the EZ at the MIRA site which straddles the border between C&W and Leicestershire.

Pipeline prioritisation

3. Develop a pragmatic approach to prioritisation of the pipeline focussed on deliverability as well as supply and demand issues (e.g. how market activity can be stimulated), which will assist with allocating resources (funding and personnel) to delivery. E.g. Sites that increase the overall pace of delivery; meet the needs of the diverse and growing population, industry and supply chains; regenerate those parts of the West Midlands where there is an opportunity to support life chances; making the most of resources and maximising leverage. Section 7 sets out the first set of investment sites.
4. The WMCA will support the HCA to prioritise their acquisition pipeline against an agreed approach.

Delivery strategies and plans

5. Produce a West Midlands Planning Charter, building on the charters in place at the Local Enterprise Partnerships. This will include the commitment for development across the West Midlands to be of the highest quality in order to enhance the desirability of places and drive values. This will be driven by WMCA partners, through appropriate delivery models, designed to act as exemplars of high standards of design and sustainability.
6. Produce strategies for tackling common delivery barriers, addressing market failure and stimulating private sector investment. e.g:
 - Identify barriers to bringing sites to market. Identify common barriers to delivery (e.g. viability, land ownership issues) and identify solutions that can be harnessed at WM level (powers, funding, site marketing etc). Common identifiers and blockers which the CA could positively influence and impact.
 - Align strategic infrastructure investment planning with the pipeline so that the right resource can be directed at the right time.
 - Detailed understanding of market behaviour, how to stimulate market activity and what is likely to be delivered without public sector intervention.
 - Includes brownfield register and brownfield land remediation strategy.
7. Packaging of sites for the market in order to 'scale up' the offer and attract a wider pool of



potential investors (e.g. international, sovereign wealth funds etc). The benefits of packaging and promoting sites regionally rather than as a single location include:

- Many more sites across a range of localities may have a more distinctive, higher-profile reputation than an individual locality;
- Some investors may want to make large investments to achieve scale of investment or spread their risk profile;
- Setting each scheme within a broader portfolio means investors can be introduced to other opportunities they might not otherwise have been aware of;
- The aggregation of sites pools risk which is attractive to certain investors;
- Benefits to the local authorities from economies of scale in promoting sites as a package.

Attracting global companies and supporting our indigenous businesses to grow

8. Our West Midlands Growth Company will promote the land, property and infrastructure investment requirements of our key sectors as identified in the WMCA Strategic Economic Plan, so that investment can be planned and targeted to attract high quality jobs in high growth sectors.
9. We will have strategic conversations, and maintain a detailed understanding of our major employers' future space requirements; with a proactive and agile approach to supporting their spatial business growth requirements which fit with business planning cycles.
10. We will explore the funding sources to assist us create spatial incentivisation packages for national and international businesses looking to locate company HQs and major employers in the West Midlands so that we can beat our global city competitors.

One Public Estate

11. Secure commitment that public sector land and property owners (including Government departments) will maximise the use of their property assets, including operational properties (through the One Public Estate programme), including a commitment to release surplus publicly owned land in the West Midlands for housing and employment space; and to take a 'long-term ownership' position on key developments in order to generate revenue and capital. The WMCA will be proactive in shaping central government's strategy in relation to its land assets within the West Midlands.
12. Develop an Estate regeneration / renewal programme linked to wider regeneration strategy and life chances programmes, to include the Mayor's commitment to improving quality and response to Grenfell.

Harnessing innovation and expertise

13. Undertake a feasibility study and business case to create a world-class West Midlands Brownfield Technology Institute, potentially by upscaling existing facilities (such as the Black Country BRIC), to drive the development of an industry around land remediation for housing and employment, to support research and innovation, and provide skills and training opportunities.
14. Encouragement of innovative construction methods such as modular. Although there are a



number of addressable challenges with modular construction, in particular public / lender / investor perceptions and the need for substantial pipeline to make the financials work, there are also a number of compelling advantages such as:

- High build quality;
- Energy efficiency;
- Less reliance on capacity constrained construction labour / supply chain;
- Significantly shorter build out rates;
- Possible reduction in unit build costs, including potential to develop viable social housing units without subsidy.
- Opportunities to establish more local factories and therefore generate local employment and a local supply chain contributing to economic growth. (Offsite Housing Ltd has established a factory in Nuneaton and Walsall already has a closed panel timber frame factory which has been operational since 2011)
- The opportunity to adopt turnkey solutions whereby the landowner provides access to the site, the modular developer designs, builds and finances the development and a long term management agreement is established with a local authority or housing association.

15. Engage with housing associations to understand their strategic plans and how they align with the WMCA housing strategy. Housing associations' strategies have undergone significant change over the past few years, as there is an increasing emphasis on developing, acquiring and managing non-social housing stock to both meet housing market needs (e.g. PRS, extra care) and as a means to generate income that can be invested back into the core social housing business.

6.2 Action Plan timescales: Pipeline development and prioritisation

We will aim to deliver the actions within the following timescales:

Short term – 0 to 12 months

Pipeline development and prioritisation:

1. Develop and maintain a pipeline of sites, at a West Midlands three LEP geography level, of investment opportunities capable of delivering a mix of development types and tenures. Put in place arrangements to maintain and refresh annually as necessary, so that there is active management of a continuous supply of sites that are market ready and where WMCA resources can be directed.
2. Develop pipeline prioritisation approach focussed on deliverability

Delivery strategies and plans:

3. Develop packages of sites for the market in order to 'scale-up' the offer and attract a wider pool of investors.
4. Agree with the HCA acquisition pipeline and criteria alignment



5. Produce a WMCA Planning charter including a commitment for development to be of the highest quality

Attracting global companies and supporting indigenous businesses to grow:

6. Growth Company will promote the land, property and investment requirements of our key sectors
7. Have strategic conversations with our major employers to maintain a detailed understanding of future employment space requirements
8. Explore funding sources to assist us create spatial incentivisation packages for national and international businesses looking to locate.

One Public Estate:

9. Secure commitment that public sector land and property owners will maximise the use of their property assets through the OPE programme.

Harnessing innovation and expertise:

10. Engage with housing associations to understand and align strategic plans.

Medium term – 12 to 36 months

Delivery strategies and plans:

11. Produce strategies for tackling common delivery barriers, addressing market failure and stimulating private sector investment.
12. Develop an estate regeneration / renewal programme linked to wider regeneration strategy and life chances programmes

Harnessing innovation and expertise:

13. Undertake a feasibility study and business case to create the West Midlands Brownfield Technology Institute
14. Encourage innovative construction methods such as modular through engagement forums and initiatives.



7. Investment sites

7.1 Investment sites

Context

In this section, we identify those locations where current LEP, HCA, local authority and other public sector investment and intervention packages are concentrated currently. These initiatives all have in common strong or emerging market activity, a comprehensive and shared understanding of the interventions required to unlock investment and existing delivery mechanisms / frameworks in place. This represents the first wave of high impact coordinated support programmes designed to address the shortfall of housing sites and employment space within existing plans and the Mayor's commitment to deliver 25,000 new homes by 2020. The WMCA will continue to prioritise further sites and locations for investment (as set out in section 6), and through LEP and local authority partners, investment is being made in delivering the Enterprise Zones. We will deliver the target by focussing resources on delivering zones and actively acquiring and assembling land in anticipation of rising values driven by investment in rail and metro hubs.

Enterprise Zones

We are delivering three Enterprise Zones (EZs) within the West Midlands currently, all of which forecast new jobs, development, private investment and business rates income as a result of public investment and incentive programmes within the zones:

Birmingham City Centre/Curzon Enterprise Zone

The 2014 investment plan sets out that the Birmingham City Centre EZ will deliver 1.4 million sq. m. of new floorspace, create over 40,000 new jobs and generate £1,700 million in additional business rate over until the EZ expires. February 2017 estimates are that a slightly extended EZ will support £900m of investment in infrastructure, deliver 2.3m sq. m. of new floorspace, create over 76,000 new jobs, contribute nearly £4bn to the economy in GVA per annum and generate in excess of £2bn in additional business rates.

Black Country Enterprise Zone

The Black Country Enterprise Zone comprises 19 sites covering 124 hectares, based around two industrial clusters – the i54 and the Darlaston Junction 10 clusters. Since 2012 the Black Country Enterprise Zone has created 2,200 jobs, forecast in March 2018 to be c3,000; c.2,900m² of new office space is under construction; 2,969m² of commercial space has been built, 216,900m² of industrial space has been built and 16,700m² is under construction, and have planning for 53,500m² of new technology / Industrial / manufacturing space; achieved a business rates uplift between 2013 – 17 of circa £5.3m.



DY5 – Dudley’s Business and Innovation Enterprise Zone

The Brierley Hill Business and Innovation Enterprise Zone is now rebranded as ‘DY5 - Dudley’s Business and Innovation Enterprise Zone’. It was confirmed in January 2017 that it will deliver up to 110,000 sq. m. of new office space, 36,000 sq. m. of new technology space, 65,000 sq. m. of new industrial space, 7,000 net new jobs and £165 million uplift in business rates uplift over a 25-year period.

In addition to the Enterprise Zones, UK Central in Solihull and Friargate in Coventry are examples of strategic employment sites:

UK Central

The UK Central programme is estimated to deliver 100,000 jobs. This programme contains two main packages of investment, targeted towards the Arden Cross, HS2 Interchange site and the rest of Solihull Borough linking growth opportunity areas with each other and the wider West Midlands Region. UK Central is a vision led master plan for Solihull that seeks to manage ambitious levels of growth with investment in transport, digital, social, community and environmental infrastructure to maximise the potential of the strategic assets of the area and the HS2 investment in the first station outside London. A special purpose delivery vehicle has been established by Solihull MBC to work with the key stakeholders in the UK Central hub area including Birmingham airport, JLR, NEC, Arden Cross and Birmingham business park to co-ordinate and align the delivery of growth plans and infrastructure investment, setting out an approach to land value capture on a comprehensive basis.

Peddimore

Peddimore will be an exemplar industrial development creating up to 10,000 jobs and making a £350 million contribution to the local economy. At 71 hectares, and with the potential to accommodate around 265,000 square metres of new industrial floorspace, the site is one of the most significant industrial opportunities within the UK. A new strategic access point along the A38 will provide efficient access to the development to meet business needs.

Coventry Friargate

Friargate is an emerging business quarter breathing new life and energy into Coventry on a scale not usually seen in UK provincial cities. It will bring considerable physical, economic and social benefits to the area and will be a catalyst for future development. The development is adjacent to the railway station and will be the new home of the Financial Ombudsman relocating from London and it will also be the new headquarters for Coventry City Council. Friargate will be Coventry’s first purpose-built, mixed-use business district and is planned as a sustainable 300,000 m² office-led development with 400 high-quality residential units. It will provide capacity for over thirteen office buildings and two hotels. Coventry, with its population of over 345,000, rich cultural history and easy access to London and regional centres, is a city of opportunity for business in the Midlands. It is home to international businesses such as Jaguar Land Rover and boasts two globally renowned universities, the University of Warwick and Coventry University, which generate a skilled and professional workforce. There are opportunities for co-investment / development finance available to support phases or on a building-by-building basis. This is a high profile development that is key to delivering the ambitions of the WMCA SEP and a priority action to promote Coventry as a gateway city centre



with a very strong connectivity to UK Central.

Market ready housing sites

We have identified six initial market ready sites which could progress before 2020 but which also have the capability to provide a much bolder ambitious programme over a longer time period. These are:

- Greater Icknield and Smethwick Growth Area - Potential to deliver over 5,000 homes across 140ha of brownfield land. Due to existing capacity constraints, attention has been focused to date on the 7 core sites but, with additional capacity, a wider neighbourhood scale of transformation could be defined and delivered.
- East Birmingham and North Solihull - Potential capacity of nearly 4,000 homes. In the short term there are 3 strategically important sites that the Council wishes to prioritise totalling 540 homes. HS2 could provide a significant turning point for the area for catalysing investment in regeneration.
- Black Country Garden Villages - potential to deliver 4,500 units over the next 5 years under a Garden Villages brand. 7 early sites proposed accounting for 60% of total capacity. Combined value of remediation c. £50m
- Perry Barr – a significant collection of sites around the District Centre totalling over 40ha. There is the opportunity to deliver over 1,000 new homes and large scale commercial development, supported by major infrastructure investment. There are proposals being defined to utilise the former Birmingham City University campus (recently purchased by HCA) together with other public sector sites for the athletes' village as part of the bid for the 2022 Commonwealth Games.
- Langley Sustainable Urban Extension – 274ha of land allocated in the Birmingham Development Plan for 6,000 new homes supported by significant new transport infrastructure, schools, open space, local shopping and community facilities.
- Coventry City Centre Ring road – a strategic approach to releasing land in around specific junctions of the inner Coventry ring road, along with infrastructure to unlock a housing development at Eastern Green. The programme of works could provide infrastructure and unlock land to create up to 6000 new homes. The specific facilitating works to the key areas include: -
 - Junction 7 - Hearsall Lane/Allesley Old Road junction to open up a viaduct to cope with extra lanes of traffic and relocation of commercial businesses;
 - Junction 9 - a scheme to open up access to Belgrade Theatre and Bishopgate development and a new residential development near the Radford Road Fire Station; this will include removal of subways and inputting grade crossings
 - Junction 2 – a scheme to remove wings and reconfigure the existing bus stations to create a new residential, shops and education scheme

All sites are linked into key public transport corridors and they aim to collectively build a delivery momentum that looks forward to the opening of HS2.



Identified sites are already drawing on £200m devolved funds for Land Remediation as well as the Public Asset Accelerator fund set up by HCA. £120m allocated to Black Country Garden Villages.

The ambition of delivering 15,000 homes programme in the identified market ready sites listed above will be delivered in a radically different manner and adopting a commissioning model covered in section 9.

The WMCA will continue to facilitate the identification and collective agreement of its members to a portfolio of market ready sites, which will be selected on the grounds of a robust prioritisation approach with input from a range of stakeholders, including the private sector. The next phase of sites will consider sites in Coventry and Warwickshire and the non-constituent member areas.

The WMCA's role will be to facilitate the accelerated delivery of these sites, through prioritising funding and resources, aligning infrastructure investment, providing specific delivery expertise where required and engaging with the developer and occupier market.

High Impact Strategic Centres

There are in addition, other market / intervention hotspots and economic assets across the West Midlands where coordinated and high impact public/private investment is progressing or programmed, for example in Coventry and Wolverhampton city centres, where partnership models are proving to be successful and market confidence is growing.

These sites demonstrate our success of how the public sector is de-risking private sector investment through direct investment, strategic acquisitions, environmental enhancement and infrastructure. We will continue to build on this success through continued collaboration.

Agreed actions:

1. Continue to prioritise resources to deliver the three enterprise zones and strategic employment sites including UK Central programme. Explore how Tax Increment Financing can be developed further, including the future role of enterprise zones and much wider freedoms to use TIF within a portion of our retained business rate income. We will also explore freedoms to set business rates and establish incentives more widely.
2. For the first phase of market ready housing sites, develop business cases, including a high level financial model of cash flows and investment returns for feasibility studies, remediation and land assembly.
3. For each market ready site, work with the HCA to develop a "route to market" strategy which will identify and focus funding and delivery resources on delivery action using public and private investment, including:
 - Consideration of how to capitalise on HS2 and metro extension benefits;
 - Acquisition strategies as necessary and use of CPO powers to facilitate land assembly;
 - Funding opportunities and innovative financial mechanisms (see section 8), including as an urgent priority a bid into the Housing Infrastructure Fund.
4. Define the criteria for identifying future market ready sites, linking to the 'prioritisation'



actions in section 6, but flexible enough to respond to a more fluid market influenced by a set of priorities and drivers. The potential to broaden the portfolio of sites and opportunities will be a significant short term priority.

5. Determine the resource need in delivering the identified market ready sites at pace and scale.
 - Funding and resources to develop a programme of 'concept frameworks / masterplans' for the key growth areas to enable local planning authorities to work with affected communities to identify essential social, community and environmental infrastructure requirements to mitigate the impacts of the developments and participate in the development and shaping of great communities of the future;
 - Undertake an audit of specialist skills across the WMCA including planning skills, remediation expertise, the assessment of economic benefits, CPO skills, development appraisal and viability assessment;
 - Agree how the specialist skills embedded in the existing capacity of the WMCA members can be deployed across the region;
 - Identify any major gaps in the skills base and make provision for filling gaps;
 - Include revenue funding for resources in an ask to government.
6. Our Mayor will undertake market development and positioning activities, working with the major landowners in the public and private sectors to unlock barriers to development and lobby government for powers to remove barriers.

Investment site marketing to investors

7. Our West Midlands Growth Company will develop a 'prospectus' of sites and a clear go to market strategy. Work as part of the Midlands Engine Strategy, to develop a prioritised list of publically owned land that can be brought forward for housing across East and West Midlands by December 2017.
8. West Midlands presence at MIPIM and joint trade missions led by the West Midlands Growth Company.
9. Agreement with Government departments and agencies on investor messaging.

7.2 Action Plan timescales: Investment sites

We will aim to deliver the actions within the following timescales:

Immediate

1. Continue to prioritise resources to deliver the three enterprise zones and strategic employment sites including UK Central programme.
2. Bid into the Housing Infrastructure Fund to support the programme of market ready sites and bid into the Growth and Housing Fund



Short term – 0 to 12 months

Market ready housing sites:

1. Develop business cases, including a high level financial model of cash flows and investment returns for feasibility studies, remediation and land assembly.
2. Work with the HCA to develop a “route to market” strategy which will identify and focus funding and delivery resources on delivery action using public and private investment
3. Determine the resource need in delivering the identified market ready sites at pace and scale.
4. Define the criteria for identifying future market ready sites, linking to the ‘prioritisation’ actions in section 6.
5. Our Mayor will undertake market development and positioning activities, working with the major landowners in the public and private sectors to unlock barriers to development and lobby government for powers to remove barriers.
6. Explore how Tax Increment Financing can be developed further, including freedoms to set business rates and establish incentives more widely.

Investment site marketing to investors:

7. Build on the work already undertaken with the Met local authorities to identify market ready sites in non-constituent local authority areas.
8. Our West Midlands Growth Company will develop a ‘prospectus’ of sites and a clear go to market strategy. Work as part of the Midlands Engine Strategy, to develop a prioritised list of publically owned land that can be brought forward for housing across East and West Midlands by December 2017.
9. West Midlands presence at MIPIM and joint trade missions led by the West Midlands Growth Company.
10. Agreement with Government departments and agencies on investor messaging.

Medium term – 12 to 36 months

1. High level financial model to estimate the cashflow impact of feasibility studies, remediation and land assembly for the market ready sites pipeline
2. Delivery of phase 1 market ready sites:
 - Greater Icknield and Smethwick Growth Area - Devise ambitious transformation plan for the entire Growth Area
 - East Birmingham and North Solihull - provide support and resource for 3 strategic sites, Yardley Brook, Meaway, Bromford Estate
 - Black Country Garden Villages - support 7 identified early projects
 - Perry Barr - support proposed developments
3. Develop business cases for second phase market ready sites
4. Agreement with Government departments and agencies on investor messaging.



8. Delivery interventions - funding & delivery models

8.1 Delivery interventions

Context

As highlighted earlier in this plan, challenges to accelerating delivery are both long term and national in nature. The West Midlands' challenge is further emphasised by its industrial legacy, which means a substantial number of potential development sites are heavily contaminated which brings further difficulty to the delivery challenge.

Developing sites in the West Midlands at the pace and scale required needs a strategic and transformative approach that is underpinned by effective funding mechanisms, a strong skills base and a supply chain with the capacity and capability to do more.

Having agreed to work collaboratively to increase the rate that employment sites and housebuilding are delivered in the West Midlands, a key challenge for WMCA will be to develop funding and delivery solutions that will assist and accelerate delivery of the agreed spatial expression.

In order to deliver the ambitious housing and employment targets set out in the SEP, WMCA aims to:

- *Become more efficient*: There is an impetus to become more productive (doing what is done now, but better) and also to find new ways to intervene (different approaches to achieve desired outcomes). This means:
 - Make the most of the resources that are already at WMCA's disposal. This means ensuring resources are deployed in the most effective way through robust prioritisation mechanisms, governance and delivery vehicles.
 - Increasing productivity through innovation and skills. A relentless focus on innovation will be key to achieving productivity and public service reform objectives.
- *Secure additional resources*: This means securing both additional human and financial capital to build capacity needed to drive a step change in delivery rates. In terms of financial resources, it will be essential that WMCA is clear about the nature of finance that is required and where it is needed. For example:
 - Upfront pump-priming finance in order to fund upfront complex infrastructure and / or contaminated sites so that they can be suitable for commercial development.
 - Addressing market gaps in financing for development where initial access to finance

is a constraint, e.g. forward funding of site infrastructure that can be paid for through commercial returns over the course of the project.

- Attracting competitive development financing at the right scale, by making sites investor ready and packaged appropriately. For example, institutional investors have a minimum investment threshold (circa £10m-15m), so packaging sites will create the scale and pipeline that could attract these investors as well as pooling risk.
- *Leverage the private sector, both in terms of skills and finance:* In order to attract investment from the private sector, WMCA needs promote its opportunities, investment readiness and ability to “do business easily” with the market. For example, this means:
 - Having a good offering for the market; where there is a coherent plan, stakeholder buy-in, clarity on objectives, clear planning guidance and where appropriate, de-risking;
 - Having an attractive environment for investors; with strong civic leadership, political support, a track record of delivery and a robust marketing plan;
 - Raising awareness and promoting WMCA to potential partners, whose ambitions align to WMCA opportunities. Market testing and engagement will help both raise awareness and shape future WMCA propositions so that development opportunities and investor aspirations can be more closely aligned.
 - By coming together in a collaborative manner there is an opportunity for WMCA to scale up the offer of individual local authorities by showcasing a bigger pipeline of projects – giving the potential to appeal to wider pool of potential investors (e.g. sovereign wealth funds, institutional investors, other international as well as local investors); and
 - Developing models that facilitate investment from the private sector, but that can help WMCA and its members to benefit from more of the upside value created.

The rest of this section sets out:

- The current position – highlighting steps that WMCA has taken to secure and deploy funding to drive delivery.
- Doing more – this section sets out the steps WMCA is taking to get greater impact from current funding, attract more public sector funding and leverage more private sector investment. These steps are vital to underpin a significant increase in the rate of employment sites and housebuilding delivered in the West Midlands.
- A package of delivery interventions – The WMCA is committed to agreeing and implementing a series of interventions that will help to accelerate housing and employment delivery in the West Midlands. This section illustrates the type of interventions being considered.



1) The current position

Local Authorities have a long track record of working in partnership to promote housing and employment land delivery. The WMCA has taken a number of steps to increase the resources focussed on unlocking development. Examples include:

Current initiatives

- **The WMCA Land Remediation Fund (£200m)** – A WMCA fund to help address the viability issues associated with bringing forward contaminated brownfield land for development.

£53m has been awarded against a Black Country strategic package. A strategic package of brownfield sites is being worked up by Black Country LEP to draw down the balance £97m. The remaining £50m has been ring-fenced for ‘non-strategic package sites’ which will be managed by West Midlands Development Fund Capital Ltd. To fund the current pipeline of brownfield sites in the Black Country, a total of £700m of further LRF funding is required. This will be a key requirement in the Housing Deal with Government.

- **Collective Investment Fund (“CIF”)** - The Collective Investment Fund is a WMCA evergreen fund of £60m. It comprises 6 metropolitan councils (excluding Sandwell) and is available to provide senior debt and mezzanine loans to help enable commercial estate development projects.
- **Direct investment** – Local authorities have self-developed a range of projects predominately using prudential borrowing to finance development (examples include the i9 office development in Wolverhampton). The overall cost of finance through the Public Works Loan Board is very competitive compared to private sector sources of finance as rates are low and finance can be secured at 100% gearing. Use of direct investment that exposes the public sector to development risk is carefully considered and, ideally, used where it can also help to leverage further private sector investment.

There are also a number of interventions that are being used to accelerate housing supply, for example:

- **Local Authority Housing Companies** – Examples include the **Birmingham Municipal Housing Trust (“BMHT”)** and **WV Living** in Wolverhampton. BMHT is a delivery vehicle, wholly owned by Birmingham City Council was set up in 2009 to deliver much needed social housing in the city. Since 2009 it has delivered over 2,000 new homes comprised of a range of tenures. WV Living is a housing company set up by Wolverhampton Council to build and develop a range of new homes.
- **Collaboration with the HCA** – The HCA is engaging with the WMCA in a number of priority initiatives.

2) Doing more

This plan highlights the scale of the delivery challenge facing the West Midlands and the ambition to achieve a step change in delivery rates. The availability, and effective use, of sufficient resource to



deliver the plan will be key to enabling success. Whist resource need is considered more widely in section 9 of this plan, sufficiency of funding and delivery resource is set out below. Specifically, it outlines areas the WMCA is already exploring how to deliver more efficiently, secure additional resources and leverage the private sector more. Examples include:

Delivering more efficiently

- **Greater collaboration between the local authorities within the 3 LEP geography and wider public sector** – This means collaboration on a number of levels:
 - Pooling of available resources (e.g. land) to present a larger scale proposition to the market.
 - Collaboratively using the full range of existing and emerging powers to enable sites to come forward quicker including CPOs, LDOs, Mayoral Development Corporations, EZs and Housing Action Zones. A better understanding of the range of powers across WMCA is needed if the scale of the development is to accelerate
 - Pursuing how best to apply funding to collectively-prioritised projects.
 - The use of public sector land under a One Public Estate programme so that land can be utilised / invested in a more strategic manner.
 - Collaboration with the HCA in supporting the delivery of WMCA priorities.
- **Diversifying the market and improving productivity** – the housing delivery market requires diversification in terms of supply (type of homes and basis on which they are occupied) and improvements in productivity (both within traditional construction & though consideration of new approaches) if the number of new homes required is to be delivered.
- **Modular construction** – new innovative methods of construction is an illustration of how supply could be boosted. For example it could deliver units up to 30% quicker and potentially cheaper than traditional construction methods. There is potentially an opportunity for WMCA to become a ‘centre of excellence’ for new innovative construction methods such a modular. This could help is accelerating the supply of housing and improve skills and employment of local labour. The University of Wolverhampton Springfield Campus could have an important role to play in developing the Modular Construction agenda as a centre of excellence and / or a potential pilot project.

Securing additional resources

Delivering more efficiently, through collaborative working, will only take WMCA so far towards accelerating delivery. Achieving a sustained step change in delivery rates will also need injection of substantial additional resources. The WMCA is therefore pursuing a number of approaches to growing its access to resources including:

- **A Housing Deal** - Using our work on fiscal devolution options and the Funding for Growth Programme we are seeking to agree a specific deal to support housing delivery. This deal reflects our commitment to secure more freedoms, flexibilities and funding to enable the WMCA to deliver against its ambition.



For example, we are seeking to agree with DCLG, following the invitation in the housing white paper as part of a Housing Deal, relaxation of some of the constraints which currently prevent local authorities from acting commercially in the pursuit of building more homes.

- **Housing Infrastructure Fund** (“HIF”) – The Housing Infrastructure Fund is a government capital grant programme of up to £2.3bn which will help to deliver up to 100,000 new homes in England. There are two types of intervention:

1) **Marginal viability funding** - This is focused on specific sites where the costs of putting in the infrastructure and building the homes are too great. Bids can be made up to £10m for marginal viability funding. Bids will be assessed through a one stage process with business cases to be submitted by 28 September 2017.

2) **Forward funding** - This is focussed on strategic, high impact infrastructure schemes where only the uppermost tier of local authority can bid. Bids can be made up to £250m. Bids will be assessed through a two stage process with expressions of interest to be submitted by 28 September 2017 and full business cases due in Spring 2018.

The WMCA is leading on bid co-ordination so that the West Midlands makes a coherent and joined up approach to accessing “HIF” that maximises the resources that can be secured.

- **Growth and Housing Fund** - Developed and run by Highways England, the Road Investment Strategy committed £100 million for a Growth and Housing Fund to provide an element of match funding for highways schemes that are needed to unlock stalled development sites.
- **WMCA Funding for Growth Project** – This project has been established to consider the potential options available to the West Midlands in terms of additional powers (i.e. tax revenues and control over spending) that could be devolved from Government, and incremental funding sources that could be used locally. The project will make recommendations on innovative mechanisms to drive incremental property and infrastructure investment, e.g. new funding structures to increase the viability of funding brownfield site regeneration for property development.

Leveraging the Private sector

The WMCA recognises the vital role that the private sector has in increasing housing and land supply delivery. The WMCA will by working more efficiently, accessing more resource (per above) and through specific delivery models (see below) seek to unlock more investment from the private sectors. WMCA will also consider specific interventions that could help unlock more private sector investment. For example helping SMEs to operate in the region.

Ability to support SMEs – Currently, volume housebuilders have a circa 60% market share of the UK housing market – up from 31% in 2008. In part, this has been driven by the reduced output from small and medium enterprises. However, SMEs have an important role to play in bringing forward key developments on smaller sites, in which larger housebuilders are unlikely to invest.



3) A package of delivery interventions

As this plan sets out, much work has been undertaken to drive delivery and a range of actions have been agreed at WMCA level to further support individual local authority delivery rates. The scale of the challenge – for example, to potentially increase long term housing rates by circa 60% - cannot be underestimated and therefore substantial new resource and funding will be needed if a step change in outcomes is to be achieved.

The steps set out earlier in this section detail how WMCA will seek to drive more from current resource and secure additional resource. The remainder of this section focuses on the need for specific interventions that, using current and new resource, could help all local authorities improve delivery rates.

The WMCA has committed to developing a clear programme of such delivery interventions. The table below illustrates the type of potential interventions being considered that could help tackle delivery issues highlighted with the report. The interventions are focused around the following themes:

- **Funding and Financing:** The distinction between funding and financing is important. By financing we mean raising the capital (debt or equity) to build the project and by funding we mean how the project is paid for over the long term and by whom.
- **Attracting market interest:** How WMCA can attract and incentivise investors / developers.
- **Skills and technology:** Improving productivity through skills development and innovative construction methods.

The list of potential interventions described overleaf is not exhaustive and they do not need to be implemented across all local authorities / geographies.



Theme	Potential Interventions	Description	Delivery issues / barriers addressed
Funding and Financing	A WMCA Housing Fund	<p>Access to finance is a common barrier for SMEs so the use of a Housing Fund where the Combined Authority has specific housing loan powers and responsibilities could be help in providing SMEs much needed finance. A number of local authorities and combined authorities have created Housing Funds in order to accelerate housing delivery. The main intention of the Housing Fund has been to address constraints in the residential financing market – particularly with regards to development finance (both debt and equity) – to unlock and accelerate delivery of new homes.</p>	<p>Addresses market conditions such as:</p> <ul style="list-style-type: none"> ● Depressed market demand and negative market perceptions ● Cost of site remediation & brownfield site first strategy ● Cost of infrastructure provision ● Unavailability and / or high cost of finance ● Domination of local market by larger developers - prices out smaller builders <p>Addresses institutional conditions such as:</p> <ul style="list-style-type: none"> ● Limited Government funding for regeneration ● Un co-ordinated delivery of programmes LEP / local authorities affecting pace and scale of development.
	WMCA Housing Company(ies)	<p>The BMHT Housing Company and WV Living Company are already in place, however this approach could be expanded to wider geographies. Company(ies) should have the ability to provide housing across a wide range of tenures including market sale, market rent and sub-market rent. The units will be typically delivered by contractor partners, particularly where the local authorities lack the skills, capacity and resources to deliver units themselves. This type of model means that we can become far more responsive to</p>	<p>Addresses market conditions such as:</p> <ul style="list-style-type: none"> ● Depressed market demand and negative market perceptions ● Site viability - unacceptable profit due to low value, high costs <p>Addresses institutional conditions such as:</p> <ul style="list-style-type: none"> ● Limited Government funding for regeneration ● Operational constraints in local authorities / agencies constraining delivery



		<p>addressing local market failures and be more adept at meeting housing demand, as well as controlling the quality of the end product and the terms of the tenancy and rental agreements.</p>	<p>effectiveness</p> <ul style="list-style-type: none"> ● Un co-ordinated delivery of programmes LEP / local authorities affecting pace and scale of development.
	<p>An “Asset Liquidity Model” (“ALM”)</p>	<p>For WMCA to achieve its delivery objectives, sites need to be used in the best long term interest of the West Midlands. There can be times when this conflicts with should term, individual organisation priorities and needs (e.g. asset sold to meet short term budget that could be invested into ling term strategic delivery priority).</p> <p>The Asset Liquidity Model is the concept of a pool of risk capital that can operate at the WM level to help bridge short term organisational pressures related to asset use. It promotes more efficient use of existing public sector assets and consideration of longer term WM wide benefits.</p> <p>The ALM would be pump primed but sustain itself through a combination of re-cycling future receipts and the use of value capture mechanisms.</p> <p>In practical terms this means:</p> <ul style="list-style-type: none"> ● Providing up front funding to 	<p>Addresses issues relating to market conditions such as:</p> <ul style="list-style-type: none"> ● Depressed market demand and negative market perceptions ● Cost of site remediation & brownfield site first strategy ● Unavailability and / or high cost of finance <p>Addresses issues relating to planning, regulatory and fiscal conditions such as:</p> <ul style="list-style-type: none"> ● Absence of clear delivery structures to facilitate public sector pump-priming of private sector investment <p>Addresses issues relating to institutional conditions such as:</p> <ul style="list-style-type: none"> ● Un-coordinated delivery of programmes across LEP / local authorities affecting pace and scale of development



		<p>reduce sub-optimal disposal or use of sites caused by short term organisational fiscal pressures.</p> <ul style="list-style-type: none"> ● Thinking about the interactions between value capture mechanisms such as Enterprise Zones, TIF, business rate retention and sweating assets and working more efficiently; ● Being proactive about leveraging additional private sector investment e.g. banks, pension funds etc. and public sector investment; ● Aligning more funding strands in a way that can both increase the level of resources available and also increase the impact of resources invested; <p>Creating a mechanism whereby land value uplift is recycled into future developments.</p>	
<p>Attracting market interest</p>	<p>Creating Strategic Partnerships</p>	<p>It will be critical that partnerships are established with the private sector and housing associations as well as the wider public sector to bring benefits such as:</p> <ul style="list-style-type: none"> ● alignment of different parties; ● sharing capacity and capability ● Ability to achieve greater leverage; and ● Incentivisation through participation in shared returns. <p>There are areas where the public sector can take a lead role in enabling delivery:</p>	<p>Addresses issues relating to site conditions such as:</p> <ul style="list-style-type: none"> ● Fragmented or complex ownership ● Owned by organisations / individuals not seeking to bring site forward for development <p>Addresses issues related to planning, regulatory and fiscal conditions such as:</p> <ul style="list-style-type: none"> ● Limited resources and capacity building needed to improve skills in regeneration



		<ul style="list-style-type: none"> The public sector could take the lead with on-site assembly, borrowing from the PWLB to finance site acquisition. However, the right skills and dedicated resources will be required. <p>The public sector could use its land holdings to invest in 50/50 joint ventures and leverage in private sector investment.</p>	
	Incentivisation through the planning system	<p>Incentives on developers to be proactive in bringing forward brownfield sites could be implemented such as relaxation of fees and levies on brownfield sites, the early implementation of the promised retention of planning fee income, improvements to the CPO process (such as taking temporary rights to access land for working space; giving less status to speculative objections and reforming the way in which the fees of agents and solicitors are dealt with); the relaxation of constraints (such as those on HRA borrowing) that would allow local authorities to act more commercially.</p>	<p>Addresses issues relating to planning, regulatory and fiscal conditions such as:</p> <ul style="list-style-type: none"> Limited incentives for local authorities to be proactive in bringing forward sites Legal issues regarding the operation and use of public funding in context of State Aid rules Third party objections regarding development <p>Addresses issues regarding to institutional conditions such as:</p> <p>Operational constraints in local authorities / agencies constraining delivery effectiveness</p>
Skills and technology	'Centre of excellence' for innovative industries (e.g. modular construction)	<p>Creating a 'centre of excellence' for new innovative construction methods (e.g. modular construction) could help accelerate the supply of housing by helping the viability for sites and increasing the pace of delivery. It will also help in improving skills and employment of local labour</p>	<p>Addresses issues relating to market conditions such as:</p> <ul style="list-style-type: none"> Sites not viable More attractive / cheaper development opportunities available elsewhere



			House building supply chain capacity
	Initiatives to encourage linking the delivery market to local skills development	Consider programmes that will upskill the local workforce such as apprenticeships as well as initiatives to help people get back to work (ex-offenders, homeless, recovering drug/alcohol abusers etc), thus helping the life chances and relieving welfare costs	Addresses issues relating to market conditions such as: <ul style="list-style-type: none"> • Sites not viable • More attractive / cheaper development opportunities available elsewhere • House building supply chain capacity
	'Centre of excellence' in the investment and development of professional skills	Consider creating a 'centre of excellence' for the investment and development of the professional skills package required to support the end to end process of development e.g. planners, architects, urban designers, surveyors etc. Partnerships with universities, technical colleges, the development industry could be explored to sponsor and develop graduates and apprenticeships	Addresses issues relating to planning, regulatory and fiscal conditions such as: Limited resources and capacity building need to improve skills in regeneration in local authorities & innovative development solutions.

Consideration of these potential interventions is one of the key delivery intervention actions agreed and included in the action plan overleaf.





8.2 Action Plan timescales: Delivery interventions - funding & delivery models

We will aim to deliver the actions within the following timescales:

Short term – 0 to 12 months

1. Agree a Housing Deal with Government as a priority, including a bid into the Housing Infrastructure Fund and the Growth and Housing Fund.
2. Create governance framework and prioritisation mechanisms for operation of funds such as:
 - Land Remediation Fund
 - Collective Investment Fund
3. Explore and develop solutions for the common deliverability themes e.g.
 - Planning charter between WMCA and development industry
 - Complex land ownership – JVs, CPOs
 - Use of public sector land – OPE – how can we make this programme more strategic
 - Site assembly – skill and dedicated resources
 - Increased investment in brownfield remediation
 - Working with housing associations
 - Explore feasibility and appropriateness of bespoke delivery models to:
 - Secure additional public and private sector finance
 - Leverage private sector investment
 - Improve delivery capability

Medium term – 12 to 36 months

4. Implementation of bespoke delivery models to leverage investment from the private sector and improve delivery capability.
5. Propose a further housing deal with Government, building on the first deal secured.



9. Governance and resources

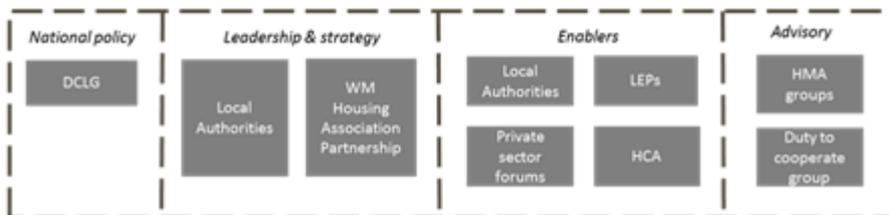
9.1 Land and housing portfolio governance

Land and housing portfolio governance proposal

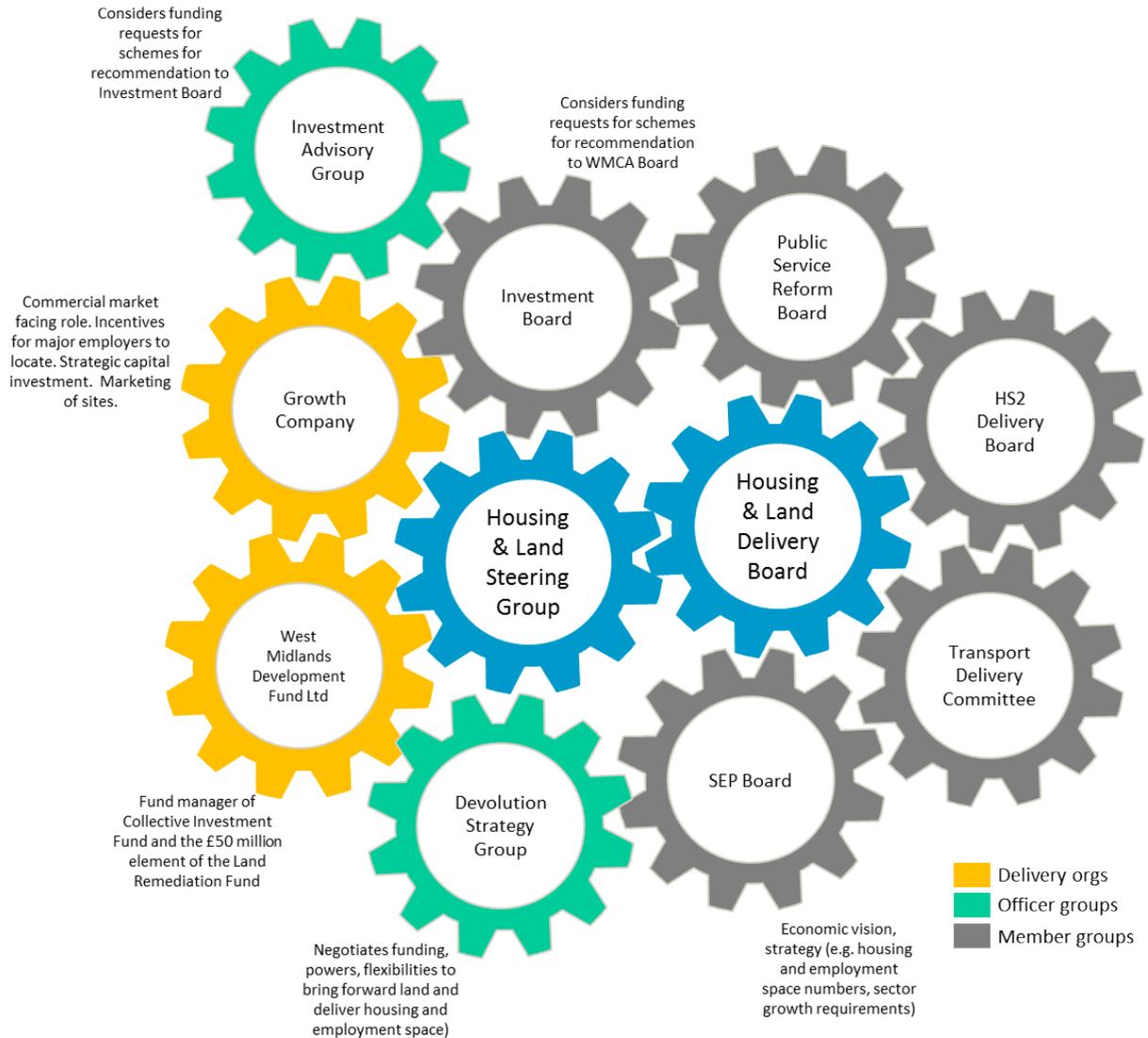
The following governance arrangements will be put in place as a priority in order to deliver this action plan.



Critical stakeholders



The Housing & Land Delivery Board and the Housing & Land Delivery Steering Group will need to interact with a number of other WMCA Board and Groups in order to effectively deliver this action plan. These are shown in the diagram below:



The following governance arrangements will be put in place as a priority in order to deliver this action plan.

Housing and Land Delivery Board

The Board will meet virtually as soon as September 2017 to take forward this action plan, with the first meeting of the Housing and Land Delivery Board scheduled as soon as practical after that.

Proposed terms of reference

The Board will bring together local authority member representation, nominated by the Leaders of



the constituent and non-constituent members, and senior public sector and private sector partners to significantly assist in the accelerated delivery of housing and employment space across the West Midlands region. It will also identify the policy freedoms and flexibilities that should underpin the continued negotiations with Government on the devolution agenda. The Board will be responsible for delivering the Land Delivery Action Plan and reviewing it periodically to ensure its being actioned and remains current, and for making recommendations to the WMCA Board. Other responsibilities include:

- Provide co-ordination and direction on strategic matters relating to the housing and employment development needs of the region. Provide the forum for facilitating strategic conversations between the local authorities around the supply of the right land, in the right places to deliver the homes and jobs the population and the economy needs to grow in a sustainable way.
- Commission a 'spatial expression' of land supply and use, and develop a collective understanding of the key housing and employment development needs of the region.
- Develop and implement a strategy for accelerating housing growth and employment across the region. Ensure alignment between WMCA led strategies and programmes e.g. transport, One Public Estate, and West Midlands Growth Company.
- Recommend bids for government funding to the WMCA Board.
- Collaborate with those external organisations that also have responsibility for housing delivery and policy.
- On behalf of the WMCA lead dialogue with Government on the West Midlands housing devolution / housing deal agenda. As part of devolution negotiations with Government to lead on developing propositions and asks that relate to housing delivery.
- Commission and publish research on housing and employment land to inform decisions made by the WMCA Board.

A local authority subgroup may meet as required to:

- Support continued alignment of local plans to maximise their contribution towards the SEPs delivery;
- Consider the spatial implications of the SEP's economic growth ambitions through the Duty to Cooperate and local planning process;
- Establish a set of agreed guiding principles to help the local authorities' progress statutory plans;



- Resolve strategic issues of cross-boundary significance.

Membership

The Board will be chaired by the WMCA Land Portfolio Leader, Cllr Sean Coughlan and membership will comprise of the Mayor and member representation nominated by the Leaders of the constituent members, and the non-constituent members as well as the Local Enterprise Partnership Board member representation, Homes and Communities Agency national Board member, representation from Engage WM Housing and West Midlands Housing Association Partnership. From time to time and when relevant to the Board agenda, representatives from non-member authorities, other agencies and the private sector may be invited to meetings.

Housing & Land Delivery Steering Group

Proposed terms of reference:

The Housing & Land Delivery Steering Group will be responsible for supporting the work programme of the Housing & Land Delivery Board, coordinating and monitoring delivery of the Land Delivery Action Plan, and reporting progress to the Housing & Land Delivery Board;

- Develop a 'spatial expression' of land supply and use, and work towards a collective understanding as to the key housing development needs of the region;
- Develop and implement the Spatial Investment Plan and secure / direct resources as appropriate;
- Undertake a review of existing investment funds and other financial schemes provided by Government and HCA and identify how these can be better managed and accessed at a local level and to provide a gap analysis so that proposals can be brought forward, where appropriate for a local investment fund as envisaged in the original devolution deal discussions;
- Co-ordinate plans for accelerating the disposal of surplus public sector landholdings where the development occupies more than local authority area. In this respect it will be important for the Board to establish links to the WMCA's One Public Estate Property Board;
- Ensure appropriate links and communication channels are developed and maintained between relevant local authorities and government agencies. Sharing information and good practice as necessary to ensure effective joined up, cross-local authority boundary working and improved performance;
- Forward planning effectively, to ensure the timely consideration of issues within the Board's remit and to allow for analysis of emerging opportunities and risks and



consideration of steps to either exploit or minimise their impact. Formulate advice to Members of the WMCA Board on areas within the Board's remit;

- Manage, review and recalibrate the pipeline of sites and direct resources as necessary;
- Provide oversight and monitor the delivery of the Priority Site programme;
- Design and commission required delivery arrangements and models; and
- Develop funding bids.

The Board will also have a coordination role for the actions taking place at the Local Authority level.

Membership:

The Board will be chaired by the WMCA Chief Executive and membership will comprise of the Strategic Directors of Place from the constituent and non-constituent members or their nominees, a representative from each Local Enterprise Partnership Board, Transport for West Midlands senior officer representation, the Regional Director of the Homes and Communities Agency. From time to time and when relevant to the Board agenda, representatives from non-member authorities.

WMCA Housing and Land Delivery Forums

Engagement of the private sector (e.g. developers, and organisations such as the House Builders Federation and SMEs) will be crucial to deliver this action plan. Engagement will be undertaken through a number of forums and a series of engagement events on the delivery challenges set out in this action plan.

9.2 Resources

As highlighted in this plan, achieving a step change in housing delivery rates is a major long term challenge for the UK and not just a West Midlands issue. This challenge has sustained for decades and predates some of the most recent factors – such as the credit crunch, public sector austerity cuts and Brexit, which further added to the scale of the challenge.

Whilst this shared action plan sets out how we will work together to achieve an acceleration of delivery at an ambitious scale, a step change in delivery needs to be supported by a step change in resource dedicated to driving delivery.

The current resource constraints within the local authorities and the WMCA should not therefore be underestimated. Whilst the WMCA is investing in a new Director of Housing and Regeneration to deliver this plan, local authority resources have continued to diminish at a time when significant additional resource is required to address the housing delivery challenge. Additional resources are therefore being sought as part of our devolution deal negotiations with Government, and from



Government departments and agencies, which will supplement and complement the resources contributed by WMCA partners. Securing these resources will be critical to accelerating future delivery rates.

Further detail on resourcing and roles are set out below.

WMCA's Housing and Regeneration Director and a skilled central team

The WMCA's Housing and Regeneration Director will lead the delivery of this action plan together with peer local authority Directors of Place.

A multi-skilled team will be required support the delivery of the actions set out in this plan, which will be deployed flexibly and come in different forms, namely:

- direct employment by the WMCA;
- secondments from local authorities, public and private sector partners;
- expertise and capacity from the local authorities; and
- externally commissioned support.

This team will undertake the following roles:

- Establish the Housing & Land Delivery Board and continue to support the Housing & Land Steering Group providing the secretariat function;
- Work with central government departments and agencies, the business sector, housing associations, developers and the property and construction industry to support the delivery of this plan;
- Lead and coordinate the production of the 'spatial expression' and spatial investment plan, supported by a project team comprised of the local authority and Transport for the West Midlands officers;
- Coordinate, maintain and refresh the development of the pipeline with site information provided by the local authorities and the HCA; develop pipeline prioritisation approach. This will involve driving collaboration across local authorities to accelerate delivery;
- Identify common delivery barriers from the pipeline where shared delivery solutions may be developed. Commission the strategies for common delivery barriers e.g. Brownfield strategy from a local authority with the particular expertise, from the HCA or seek external support.
- Working with the Housing & Land Delivery Board, define the criteria for and identify the priority investment sites;
- Working with the host local authorities to propose the packaging of sites for marketing to investors, develop a 'route to market' strategy and prospectus of priority investment sites;



- Commission necessary advisory support and develop a procurement framework for advisory services e.g. the study of modern business requirements and support on financial appraisal of business cases;
- Work with HCA to understand the remit of existing Estates Renewal Programmes and other such programmes, leading on the development of funding bids on behalf of WMCA;
- Explore and develop solutions for the common deliverability themes;
- Advise on strategic property matters regarding the management, disposal and acquisition of land and buildings in collaboration with the local authorities;
- Develop the WMCA as a forum for best practice on delivery approaches; and
- Support existing Programme Management Office functions and establish new capacity where needed.

Whilst the delivery of market ready sites will remain the responsibility of the host local authority, the following complementary skills will be sought within the central skilled team, and deployed flexibly to achieve the step change in delivery required:

- Site assembly;
- Land acquisition;
- PPP procurement via compliant processes;
- Negotiation of commercial transactions with landowners;
- Project viability assessment and pipeline financial modelling to estimate feasibility studies, remediation and land assembly for the market ready sites pipeline;
- CPO (legal and commercial/valuation);
- Managing multidisciplinary teams comprising built environment professionals;
- Client managing complex property development projects; and
- Preparation of business case.

Local authorities

The role of the local planning authorities will not be altered through the delivery of this action plan. The local authorities will also continue to resource the following tasks as part of their business as usual services with existing planning, regeneration and finance teams:

- Maintain local pipeline of sites and maintain relationships with landowners and local developers;
- Work with elected members and communities to gain support for the site development, aligning to local community and employment needs and supporting investment programmes;
- Develop the business cases for market ready sites; and
- Provide overall end to end project management for sites where this is available within the host authority.



Local Enterprise Partnerships

The LEPs will continue to develop and deliver their Strategic Economic Plans and, in doing so, support delivery of the Enterprise Zones, other strategic housing and employment sites and enabling infrastructure, securing funding, providing project appraisal and evaluation expertise. More generally, LEPs provide the constitutional voice for the private sector in WMCA and have an important role to play in developing and maintaining the public/private partnerships necessary to deliver WMCA's aspirations.

West Midlands Growth Company

The West Midlands Growth Company will provide the following function:

- Promote the land, property and infrastructure investment requirements of our key sectors as identified in the WMCA Strategic Economic Plan, supporting the investor pipeline;
- Maintain a detailed understanding of our major employers future space requirements;
- Create spatial incentivisation packages for national and international businesses looking to locate;
- Maintain a strong relationship with the Department for International Trade and Foreign & Commonwealth Office on sovereign fund and capital investor opportunities; and
- Lead trade missions to promote investment opportunities.

Homes & Communities Agency resource

We will collaborate with the HCA to combine resources to develop the spatial investment plan, the pipeline of sites and the business cases for the priority investment sites. The WMCA and HCA will also collaborate on securing funding for accelerating and delivering housing and employment sites, including from the Estates Renewal Programme and Housing Infrastructure Fund.

The principles of collaboration will be one of shared ownership of the challenges and solutions and may include:

- Co-location of staff with WMCA;
- Joint development of funding bids;
- Joint ventures / joint delivery models; and
- Aligned and complementary messaging to investors.



Appendix 1 – Land Commission recommendations mapped to action plan

A single agreed vision	Action Plan
<p>The WMCA Board develops a Spatial Framework for the West Midlands, initially on a non-statutory basis, which would set out the agreed spatial Vision for the region.</p>	<p>Produce a West Midlands ‘spatial expression’ which captures in a single place, the existing spatial strategies for the 3 LEP geography and emerging local plans from LPAs, showing:</p> <ul style="list-style-type: none"> • Location and role of key economic assets / areas of intense market activity and opportunity; • Land allocated in local plans for housing and employment space, including units planned, employment use classes, land ownership and development pipeline timescales (12 months, 36 months and 36+ months); • Location of green belt and brownfield land; • Location of priority ‘market ready sites, such as housing action zones, enterprise zones and other priority sites receiving investment to accelerate delivery; and • Location of planned infrastructure (transport, utilities, broadband, HS2 etc);
<p>As part of the development of the Spatial Framework, the WMCA and local authorities should collaboratively consider how to use the full range of existing and emerging powers.</p>	<p>The WMCA will produce a ‘Spatial investment plan for development and growth for the West Midlands industrial strategy’ across the WM (3 LEP geography) which:</p> <ul style="list-style-type: none"> • Identifies the investment required to either facilitate an intensification or acceleration of development activity in pipeline sites; or unlock sites for the pipeline; • Addresses market barriers to site delivery; • Sets out solutions to common market issues in each ‘housing market areas’ which may require different solutions; • Sets out how the WMCA will intervene to accelerate or unlock delivery through investment, or through powers / lobbying.



<p>The Project Delivery Team described in the following section builds the expertise to enable collaborative delivery models to be brought forward and used as appropriate, taking advantage of the new powers and funding now available through the WMCA.</p>	<p>The WMCA's Housing and Regeneration Director will lead the delivery of this action plan together with the local authority Directors of Place peers. A multi-skilled team will be required support the delivery of the actions set out in this plan, which will be deployed flexibly and come in different forms</p>
<p>The WMCA undertakes a study of modern business requirements, and uses the findings from that study both to inform the development of the proposed Spatial Framework and to urgently identify the needs of modern logistics and just in time delivery for manufacturing plants.</p>	<p>Commission strategic studies to establish shared evidence base e.g. a study of modern business requirements</p>
<p>The WMCA now commission the second phase of the JLL/PBA study, to examine in detail how best the forecast shortfall between supply and likely demand for housing might best be addressed, as well as to urgently identify accessible major sites to take forward. Given the scale of the challenge, that analysis should start with a "Policy Off" analysis to ensure an open minded and holistic approach to site selection, weighted by a consideration of market signals as to where optimum location is. Policy considerations can then gradually be reintroduced.</p>	<p>Respond to the Strategic Growth Study or equivalent findings for Greater Birmingham and Black Country Housing Market Area, (including recommendations on options to address shortfall, densification, urban sites and green belt)</p> <p>Agree 5 year land supply calculation methodology across 3 LEP geography</p> <p>Adopt consistent green belt assessment methodology across 3 LEP geography</p>
<p>Until that work is available, the Spatial Framework should, in a way which is consistent with existing Local Plans, support the development of new housing through improved mechanisms for identifying sites and delivering new homes at pace and scale.</p>	<p>See section 6 Pipeline development and prioritisation and section 7 Investment sites</p>
<p>The WMCA should consider how successful models of public sector housing development could be replicated across the West Midlands.</p>	<p>Consideration of expanding the current BMHT Housing Company and WV Living Company which are already in place, to wider geographies. Company(ies) should have the ability to provide housing across a wide range of tenures including market sale, market rent and sub-market rent.</p> <p>Engage housing associations to understand and align strategic plans.</p>



<p>Given the potential for densification, the approach to density within the West Midlands should be revisited via a 'density test' for Local Planning Authorities to consider applying new guidelines on top of Local Plans where planning consents are sought for sites which are likely to benefit from significant new infrastructure investment.</p>	<p>Considered as part of the Strategic Growth Study for Greater Birmingham and Black Country HMA.</p>
<p>The WMCA commission from specialist developers a review of the options for the renewal of major estates across the region with the twin goals of delivering additional housing alongside the undoubted community benefits.</p>	<p>Work with HCA to understand the remit of existing Estates Renewal Programmes.</p>
<p>The Spatial Framework be constructed around a robust open-source evidence base, such as the tool developed on a pilot basis by the HCA, and to be jointly created by public and private sector stakeholders.</p>	<p>Housing & Land Delivery Board will commission a 'Spatial Expression' of land supply and use and develop a collective understanding of the key housing and employment needs of the region.</p> <p>The Board will commission and publish research on housing and employment land to inform decisions made by the WMCA Board.</p>

Action Zones	Action Plan
<p>The Commission recommends that the WMCA identifies a series of 'Action Zones' to prioritise the most significant development sites where housing and employment space could potentially be accommodated. Each adopted Zone should be supported by a Delivery Plan and a Financial Plan which make use of the full range of financing, planning and delivery tools. Individual local authorities should be able to nominate areas for classification as Action Zones; the onus should be on them to develop the detailed evidence base necessary to support such a classification.</p>	<p>Development of business cases and delivery of phase 1 market ready sites:</p> <ul style="list-style-type: none"> · Greater Icknield and Smethwick Growth Area - Devise ambitious transformation plan for the entire Growth Area · East Birmingham and North Solihull - provide support and resource for 3 strategic sites, Yardley Brook, Meaway, Bromford Estate · Black Country Garden Villages - support 7 identified early projects · Perry Barr - support proposed developments · Coventry City Centre ring road <p>Identify and develop business cases for second phase market ready sites</p>
<p>That in the short-term, the WMCA: Undertakes an audit of specialist skills across WMCA members – including planning skills,</p>	<p>The WMCA's Housing and Regeneration Director will lead the delivery of this action plan together with the local authority Directors of Place peers.</p>



<p>remediation expertise, the assessment of economic benefits, CPO skills, development appraisal and viability assessment.</p> <p>Brigades the specialist skills embedded in the existing capacity of the WMCA members so that they can be deployed across the region.</p> <p>Identifies any major gaps in the skills base and makes provision for filling gaps on a WMCA-wide basis.</p>	<p>A multi-skilled team will be required support the delivery of the actions set out in this plan, which will be deployed flexibly and come in different forms</p> <p>Agree how the specialist skills embedded in the existing capacity of the WMCA members can be deployed across the region.</p> <p>Identify any major gaps in the skills base and makes provision for filling gaps on a WMCA-wide basis.</p>
<p>The WMCA should, drawing on embedded capability across its members, create a Project Delivery Team to act as a single point of access to marshal resources and funding that can provide mutual support to LPAs in delivering strategic sites and provide expertise on sites identified in the Action Zones where necessary.</p> <p>Strong consideration should be given to the potential for siting strategic employment sites and large concentrations of new homes in strategic transport corridors, identified within the Spatial Framework.</p>	<p>The WMCA’s Housing and Regeneration Director will lead the delivery of this action plan together with the local authority Directors of Place peers.</p> <p>A multi-skilled team will be required support the delivery of the actions set out in this plan, which will be deployed flexibly and come in different forms</p>
<p>The WMCA should undertake a region-wide review of the housing potential within existing and new strategic transport corridors. Such a review should take into account an analysis of the potential for greater densification.</p>	<p>Produce a West Midlands ‘spatial expression’ which captures in a single place, the existing spatial strategies for the 3 LEP geography and emerging local plans.</p> <p>The WMCA will produce a ‘Spatial investment plan for development and growth for the West Midlands industrial strategy’ across the WM</p>
<p>The WMCA develops, in its work on the proposed Spatial Framework, an analysis of the way in which:</p> <p>Already planned strategic transport schemes and investments might be leveraged to secure more, and more productive, employment and housing land than might otherwise be the case.</p> <p>It would wish to influence the development of the future schemes and investment plans of the major transport operators so that they can be brought to support the delivery of the Spatial Framework and hence the ambitions of the SEP.</p> <p>Forward-funding mechanisms for infrastructure might be considered in the Financial Plans for Action Zones in order to deliver key</p>	<p>Produce a West Midlands ‘spatial expression’ which captures in a single place, the existing spatial strategies for the 3 LEP geography and emerging local plans.</p> <p>The WMCA will produce a ‘Spatial investment plan for development and growth for the West Midlands industrial strategy’ across the WM</p>



<p>infrastructure requirements up front. At a more strategic scale, Action Zones align with strategic infrastructure investment.</p>	
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Unity of Purpose	Action Plan
<p>The Commission strongly believes that, if the challenging ambitions of the SEP are to be met, there will be a need to continue developing a visible unity of purpose in delivering the agreed spatial Vision for the West Midlands, seen especially in the practical working arrangements that underpin it. There is a significant requirement for further and wider collaboration across the public and private sectors in delivering the SEP's ambitions and targets.</p>	<p>Establish a Housing & Land Delivery Board.</p> <p>Establish the forum for strategic conversations.</p> <p>Establish housing and land delivery forums with the private sector.</p>
<p>As part of the development of the Spatial Framework, the WMCA and local planning authorities should consider how to use collaboratively the full range of existing and emerging planning powers and instruments in its rapid implementation.</p>	<p>The WMCA will produce a 'Spatial investment plan for development and growth for the West Midlands industrial strategy' across the WM (3 LEP geography) which:</p> <ul style="list-style-type: none"> • Identifies the investment required to either facilitate an intensification or acceleration of development activity in pipeline sites; or unlock sites for the pipeline; • Addresses market barriers to site delivery; • Sets out solutions to common market issues in each 'housing market areas' which may require different solutions; • Sets out how the WMCA will intervene to accelerate or unlock delivery through investment, or through powers / lobbying.
<p>WMCA seeks wherever possible to evolve more unified standards and regulations through a deepening process of collaboration while respecting the vitally important role of Local Planning authorities.</p>	<p>Establish a Housing & Land Delivery Board.</p> <p>Establish the forum for strategic conversations.</p> <p>Strategies for common delivery barriers e.g. Brownfield strategy and plan</p> <p>Develop a WMCA Planning Charter</p> <p>Agree 5 year land supply calculation methodology</p>



<p>The WMCA builds the expertise to enable a range of collaborative development delivery models to be brought forward and used as appropriate in the delivery of key strategic sites, taking advantage of the new powers and funding now available in the light of recent announcements by Government Ministers.</p>	<p>See section 8: Delivery interventions: funding and delivery models</p>
<p>That work might include a specific strand on the role and responsibilities of the HCA and the way in which it will support the WMCA in delivery of the Spatial Framework.</p>	<p>HCA to be an important member of the Housing & Land Delivery Board and the Housing & Land Steering Group,</p>
<p>The WMCA adopts for development and inward investment purposes a single identity appropriate for its role as the UK's second city region, allowing for individual roles for local authorities on particular projects.</p>	<p>To be provided by the West Midlands Growth Company.</p>
<p>The Growth Company should provide the skilled resource and funding needed to support the Mayor in becoming the 'front door' to global investors, occupiers and developers wanting to work in the West Midlands. That role should include "troubleshooting" to support investors, developers, occupiers and employers navigating their way through planning, funding and delivery complexities.</p>	<p>The West Midlands Growth Company will</p> <ul style="list-style-type: none"> • Promote the land, property and investment requirements of our key sectors • Have strategic conversations with our major employers to maintain a detailed understanding of future employment space requirements • Explore funding sources to assist us create spatial incentivisation packages for national and international businesses looking to locate. • Develop a 'prospectus' of sites and a clear go to market strategy, Work as part of the Midlands Engine Strategy, to develop a prioritised list of publically owned land that can be brought forward for housing across East and West Midlands by December 2017. • Lead a West Midlands presence at MIPIM and joint trade missions • Lead agreement with Government departments and agencies on investor messaging. <p>Mayor will undertake market development and positioning activities, working with the major landowners in the public and private sectors to unlock barriers to development and lobby government for powers to remove barriers.</p>



Transforming Brownfield Land	Action Plan
<p>The West Midlands has a good track record in this area, on which it can build. The Commission believes that a transformative programme of much greater pace and scale, engaging local and national bodies in the assembly, remediation and development of brownfield land will be of primary importance if the delivery of the Spatial Framework and SEP is not to lead to unsustainable development on greenfield land and an unacceptable erosion of the Green Belt.</p>	<p>Spatial expression and investment plan for development and growth developed Strategies for common delivery barriers e.g. Brownfield strategy and plan</p>
<p>In parallel with developing the proposed Spatial Framework, the WMCA develops a collectively-agreed brownfield remediation strategy which captures a step change in the pace and scale of the assembly and remediation of brownfield sites.</p>	<p>Strategies for common delivery barriers e.g. Brownfield strategy and plan</p>
<p>The brownfield remediation strategy should recognise the role of brownfield land in promoting biodiversity, and identify those sites which merit protection for that purpose. The majority of the WMCA's Land Remediation Fund should be focused on those housing and employment projects which align with the priorities defined by the WMCA in the proposed Spatial Framework and which can be delivered in relatively short measure, although a proportion might be reserved to invest in a more agile way in new opportunistic proposals from developers that are broadly in line with the SEP's objectives</p>	<p>Strategies for common delivery barriers e.g. Brownfield strategy and plan Considered through pipeline development and prioritisation and the land remediation fund.</p>
<p>The WMCA investigates and considers pooling all available local and national sources of remediation funding, and pursues how best collaboratively to apply it to collectively-prioritised remediation projects.</p>	<p>Create governance framework and prioritisation mechanisms for operation of funds such as: Land remediation Collective Investment Fund Housing Infrastructure Fund</p>
<p>As part of the development of additional sources of remediation finance, the WMCA considers the potential for re-investing a proportion of the value uplift realised in the granting of planning consents on major sites in one area in the assembly and remediation of major sites elsewhere, to the collective benefit of the WMCA overall, not least in reducing the demand on land in the Green Belt.</p>	<p>See section 8: delivery interventions – funding and financing models</p>



<p>The WMCA should investigate mechanisms for handling the long-term insurance and warranty issues associated with brownfield development, including the extent to which the WMCA could self-insure certain risks.</p>	<p>Implementation of pan-region Housing Company Establish the West Midlands Brownfield Technology Institute</p>
<p>The WMCA considers the value of maintaining a brownfield database at a regional level.</p>	<p>Produce a brownfield site register</p>
<p>The WMCA considers building on work by the Black Country LEP and the University of Wolverhampton to establish the Brownfield Research & Innovation Centre (BRIC), a centre of excellence in brownfield development.</p>	<p>Establish the West Midlands Brownfield Technology Institute</p>
<p>The WMCA engages strongly as a single combined entity with the One Public Estate programme. In support of that programme, it undertakes a 'Land Audit' across the region, under which all public and relevant private sector bodies, are asked to justify their asset strategies for operational, strategic and surplus land. The major land-holding transport operators and utility companies should be actively involved in this work.</p>	<p>One Public Estate programme will be overseen by the Housing & Land Delivery Board. Secure commitment that public sector land and property owners will maximise the use of their property assets through the OPE programme</p>

<p>A strategic review of the Green Belt</p>	<p>Action Plan</p>
<p>Whilst it is important that the conditions for developing brownfield sites identified in current Local Plans are delivered, a mixed strategy, comprising the use of brownfield land and former public sector land, estate renewal, building at higher densities than has hitherto been the case, and the release and development of greenfield (including Green Belt) land is likely to be required.</p>	<p>Respond to the Strategic Growth Study or equivalent study findings for Greater Birmingham and Black Country Housing Market Area, including recommendations on options to address shortfall, densification, urban sites and green belt Adopt consistent green belt assessment methodology across 3 LEP geography</p>
<p>Local Green Belt reviews being conducted by some local authorities risk leading to piecemeal and unsustainable development of the Green Belt. There was widespread agreement, amongst respondents to the Call for Evidence from a wide range of organisations on the need for a co-ordinated, comprehensive and evidence-based review of Green Belt policy in order to meet the public policy goals of the West Midlands and its population in the 21st Century.</p>	<p>Adopt consistent green belt assessment methodology across 3 LEP geography Respond to the Strategic Growth Study or equivalent study findings for Greater Birmingham and Black Country Housing Market Area, including recommendations on options to address shortfall, densification, urban sites and green belt Adopt consistent green belt assessment</p>



	methodology across 3 LEP geography
The WMCA should undertake a strategic review of the Green Belt across the WMCA area to identify broad areas of land that perform poorly against the five statutory Green Belt purposes and consider their declassification; identify brownfield or greenfield sites that could become part of the Green Belt where this would create a more cohesive Green Belt; identify Green Belt sites that could support sustainable urban extensions; and identify Green Belt sites suitable for use as strategic investment locations. Such a review pay particular attention to environmental and biodiversity issues, engaging relevant groups.	<p>Adopt consistent green belt assessment methodology across 3 LEP geography</p> <p>Respond to the Strategic Growth Study or equivalent study findings for Greater Birmingham and Black Country Housing Market Area, including recommendations on options to address shortfall, densification, urban sites and green belt</p> <p>Adopt consistent green belt assessment methodology across 3 LEP geography</p>

Clarified governance and responsibility	Action Plan
The Commission recognises that considerable progress has been made in 2016, and its view is that current governance arrangements and the distribution of responsibilities and accountabilities do not yet provide the clear collective governance that will be needed if the major step change needed to deliver the land use and development ambitions and targets of the SEP is to be achieved.	<p>See section 9: governance and resources.</p> <p>Establish a Housing & Land Delivery Board.</p> <p>Establish the forum for strategic conversations.</p>
There is a wide range of constituent and non-constituent current local authority members of the Combined Authority, of potential future local authority members, of LEPs and of neighbouring authorities who are affected by and may through their actions contribute (or not) to the delivery of the SEP's ambitions and targets. There are linkages to the work of the 'Midlands Engine'. And the new Mayor, once elected, as well chairing the Board of the WMCA will exercise functions alongside the HCA to deliver more homes. The Commission recommends that the WMCA review current governance processes and the distribution of roles, responsibilities and accountabilities to ensure that it can provide the strategic leadership and oversight of delivery set out in this report.	See section 9: governance and resources.
The Commission hopes that central government will support the WMCA to fulfil its ambitions not only for its own population but also for the economic benefit of the country as a whole. Given its importance, it hopes that central government will engage in supporting a radically	Agree a Housing Deal with Government as a priority



expanded brownfield remediation programme.	
The WMCA identify those priority employment and housing sites which are dependent on strategic transport, utility or telecommunications investment schemes for their viability. It hopes, in turn, that central government agencies (including the economic regulators), and relevant bodies such as Highways England and Network Rail recognise the need to align where practicable their investment programmes and priorities with regional requirements.	Agree a Housing Deal with Government as a priority and submit a bid to the Housing Infrastructure Fund.
The WMCA works with central government to develop new appraisal methodologies which rely less on shortening transport times and more on delivering economic growth and recycling the value gained from betterment.	Section 6



**Observer members