

WMCA Housing & Land Delivery Board

Date	2 nd March 2022
Report title	WMCA Housing & Land Devolved Funds: Progress update
Portfolio Lead	Cllr Mike Bird, WMCA Portfolio Lead for Housing and Land
Accountable Employee	Gareth Bradford, Director of Housing and Regeneration Rob Lamond, Strategic Planning Manager
Previous reports	Regular updates in quarterly reports on the Housing & Land Portfolio Deliverables and Business Plan

The Housing & Land Delivery Board is recommended to:

- a) **Welcome and endorse** the success of the WMCA Housing and Land Portfolio in securing devolved housing and land funds from Government, and our strong performance to date against the targets set out in these funds.
- b) **Note and endorse** the business case work being undertaken by the WMCA Housing and Land Portfolio to secure further funding from Government to support the objectives set by the Housing & Land Delivery Board including: housing, jobs, commercial development and brownfield land remediation; and innovative new proposals like modular construction and zero carbon homes.

1.0 Purpose

- 1.1 The purpose of this report is to provide the Housing & Land Delivery Board with a short update on the funding which WMCA has secured to date from HM Government on housing and regeneration matters and which it has administered via the Single Commissioning Framework across the West Midlands. This compliments other funding that has been secured in the region e.g. Towns Fund, Future High Streets Fund and One Public Estate funding. The paper also brings the Housing & Land Delivery Board up to speed with ongoing discussions with HM Government to secure further housing, land and regeneration funding for the region.

2.0 Funds secured 2018-2021

- 2.1 Since its formation the WMCA Housing and Land Portfolio has successfully secured significant funding for investments in housing and regeneration across the region. The Housing Deal between HM Government and WMCA, announced in March 2018, included a £100m Land Fund to acquire and remediate land around priority sites to deliver 8,000 new homes. As per the quarterly performance reports received by the Housing & Land Delivery Board, delivery via this fund is above trajectory and on track to secure significant wider benefits including a minimum of 20% affordable homes, thousands of new jobs, support for advanced modular construction methods and leveraging £multi-millions of private sector investment. As part of the Housing Deal, WMCA also secured £165m through the Housing Infrastructure Fund to support the regeneration of Perry Barr following the Commonwealth Games; this funding is administered by Birmingham City Council.
- 2.2 During 2020 and on the back of a successful delivery record against the 2018 Housing Deal, WMCA secured £84m from HM Government's Brownfield Housing Fund (BHF) and a further £24m from a £40m National Competitive Fund (NCF). Both funds come with housing targets of 6,000-7500 dwellings for the £84m and 1,800-2,300 for the £24m together with requirements relating to value for money, market failure and being the funder of last resort. During negotiations to secure these funds it was noted that the region's delivery of new homes and our successful track record, demonstrated by the deployment of the Housing Deal Land Fund, were crucial factors in establishing the reputation of the West Midlands as the national pioneer in brownfield regeneration and our credibility in housing delivery.
- 2.3 As with the Land Fund, deployment of the BHF and NCF is ahead of target and already unlocking significant new developments in the region. This successful deployment of funds is a further demonstration to HM Government of how WMCA and our local authority partners are bringing forward difficult to deliver, constrained sites to create new homes, jobs and communities.

3.0 Funding announcements in 2022

- 3.1 HM Government published its '*Levelling Up White Paper*'¹ on 2 February 2022, setting out its proposals "*to transform the UK by spreading opportunity and prosperity*" through 12 national missions. Housing and regeneration challenges and opportunities are key parts of this approach and there is a particular focus within the White Paper on the importance of brownfield regeneration and infrastructure to drive growth and sustain communities.

¹ Available at <https://www.gov.uk/government/publications/levelling-up-the-united-kingdom>

- 3.2 An extension of the Brownfield Housing Fund was included in the ‘Levelling Up’² announcements, with WMCA securing a further £28m, the largest allocation of any Mayoral Combined Authority from a total of £120m (See Table 1).

Table 1: Extract from Levelling Up White Paper (2022): Brownfield funding allocated to Mayoral Combined Authorities

Place	Funding (Rounded to nearest £m)
West Midlands	£28m
Greater Manchester	£27m
West Yorkshire	£22m
Liverpool City Region	£15m
South Yorkshire	£13m
North of Tyne	£8m
Tees Valley	£6m
MCA BHF, sub-total:	£120m

Figure 1: MCA Brownfield Funding: source Levelling Up White Paper, page 210.

- 3.3 In addition to the £28m BHF extension, WMCA has also successfully secured a further £17.4m from the BHF (with an associated housing target of 1,115-1,425 dwellings) through direct negotiations with HM Government, all to be administered through WMCA’s Single Commissioning Framework. This brings the total Brownfield Housing Fund monies secured to date by WMCA to £153.5m (See Table 2).

Table 2: Total grant funding secured to date by WMCA Housing & Land Portfolio

FUND	AMOUNT SECURED BY WMCA*	DATE
Housing Deal Land Fund	£100 million	2018
Brownfield Housing Fund (1)	£84 million	2020
National Competitive Fund	£24 million	2020
NEW Brownfield Housing Fund Extension (awarded as part of Levelling Up announcements)	£28 million	2022
Brownfield Housing Fund	£17.5 million	2022

*Excludes £165m HIF administered by Birmingham City Council

4.0 Further opportunities

- 4.1 The Levelling Up White Paper confirmed that the £1.8bn funding announcement for brownfield regeneration and infrastructure within the Spending Review 2021 will be made available across England to support new housing, communities and critical infrastructure for growth.

² <https://www.wmca.org.uk/news/government-s-levelling-up-plans-see-wmca-secure-extra-28m-for-new-homes-and-jobs-on-derelect-land/>

4.2 As agreed by the Housing & Land Delivery Board and following co-development with local authorities and other key partners, a compelling proposal on Commercial Land Funding was included as part of the WMCA's representations to HM Government's Budget and Spending Review 2021. Since the fiscal event in November 2021, dialogue and continuous engagement is continuing between WMCA officers and HM Government officials regarding the deployment of Brownfield and Infrastructure funding included in the Spending Review, to seek additional benefits and flexibilities to support development in the region. This work is ongoing and will be the subject of regular updates to the Housing & Land Delivery Board in due course. We would like to thank local authority officers and all Members of the Housing & Land Delivery Board for their excellent and continued support on this work, and request that colleagues continue to identify possible schemes and opportunities in their local areas for inclusion in future pipelines.

5.0 Financial Implications

5.1 This report endorses the success of the WMCA Housing and Land Portfolio in securing devolved housing and land funds, the strong performance against the funding targets and the business case work undertaken to secure further funding from Government to meet objects set by H&LDB.

5.2 There are no un-budgeted financial implications as a result of the recommendations within this report. There will be, in future, financial implications arising from deploying the funding received to date and in the development and submission of further business cases to Government.

5.3 Any WMCA investment to deploy the funding or submit further business cases would be governed and administered through the WMCA Single Assurance Framework, Single Commissioning Framework, the Commissions Pathway and in line with the accounting and taxation policies of the WMCA and HMRC.

6.0 Legal Implications

6.1 Section 113A(1)(a) of the Local Democracy, Economic Development and Construction Act 2009 gives WMCA a power of competence appropriate for the purposes of carrying-out any of its functions. Part 4 of The West Midlands Combined Authority Order 2016 (2016 No 653) confers that the functions relating to any economic development and regeneration in the constituent councils are exercisable by WMCA. Part 3 of The West Midlands Combined Authority (Functions and Amendment) Order 2017 confers functions corresponding to the functions of the Homes and Communities Agency has in relation to the combined area. Paragraph 10 (2) (a) of the 2017 Order confers the function of improving the supply and quality of housing to the Combined Authority, 10 (2) (b) to secure the regeneration or development of land or infrastructure in the combined area, 10 (2)(c) to support in other ways the creation, regeneration or development of communities in the combined area or their continued well-being and 10 (2)(d) confers the function of contributing to the achievement of sustainable development and good design.

6.2 It is noted that the purpose of this paper is to update the Housing & Land Delivery Board on funding secured from HM Government for deployment via the Single Commissioning Framework in the West Midlands and the ongoing discussions with HM Government to secure further funding. The deployment of the additional funds into unlocking new schemes will result in increased responsibilities and may require the strengthening of the SCF to incorporate any new requirements associated with the new funding. These requirements along with the existing criteria would need to be implemented on a case by case basis through the legal funding documentation.

7.0 Equalities Implications

7.1 There are no direct equalities implications arising from this report but any funding secured by WMCA will be deployed in line with the Single Commissioning Process, Single Assurance Framework and decisions taken by the relevant WMCA Board.

8.0 Inclusive Growth Implications

8.1 There are no direct Inclusive Growth implications arising from this report, but Inclusive Growth outcomes are intended to be delivered by the Housing and Land Portfolio deliverables.

9.0 Geographical Area of Report's Implications

9.1 This report covers the whole of the WMCA regional geography.

10.0 Other Implications

10.1 None.

11.0 Schedule of Background Papers

11.1 None.