



## Housing & Land Delivery Board

<b>Date</b>	20 <sup>th</sup> July 2022
<b>Report title</b>	Quarterly Report on Housing & Land Portfolio Deliverables and Progress on Housing & Land Annual Business Plan
<b>Portfolio Lead</b>	Housing and Land - Councillor Mike Bird
<b>Accountable Employees</b>	Gareth Bradford, Executive Director of Housing, Property & Regeneration Rob Lamond, Head of Strategy & Analysis (report author)
<b>Previous reports</b>	Quarterly monitoring and performance reports have been considered since 2018 by both the Housing & Land Delivery Board and Delivery Steering Group

### Recommendation(s) for action or decision:

The Housing & Land Delivery Board is recommended to:

- a) **Note** the positive progress to achieve the Housing & Land portfolio's approved Annual Deliverables in 2021/2022 and the clear plans in place for progressing the agreed High Level Deliverables work programmes during 2022/23;
- b) **Note** the key performance highlights set out in Section 3.0; and
- c) **Note** the positive performance and effective deployment of WMCA's Devolved Housing and Land funds illustrated by the Single Commissioning Framework schemes summarised in the confidential Annex to this report. Many of these schemes are now in delivery phase, having progressed through to the end of the process, which shows the role of WMCA in unlocking, accelerating and problem solving on '*difficult to deliver*' schemes.

### 1.0 Purpose

- 1.1 The purpose of this paper is to **provide the end of year report for 2021/22** on progress in delivering the High Level Deliverables for the Housing and Land Portfolio as co-developed with the Housing & Land Delivery Board throughout 2021/22 and agreed by WMCA Board in February 2021. As with previous years, the portfolio's annual deliverables were co-developed with local authorities, industry taskforces and other partners in the region. They are fully informed by, and aligned with, the Housing & Land Covid-19 Recovery Strategy (approved by

the Housing & Land Delivery Board in September 2020), the WMCA Business Plan and the regional “*Recharge*” document from Summer 2020.

- 1.2 **In 2021/22, strong progress has been made against each of these deliverables and good progress has been made at the start of the year 2022/23. This report provides a summary of the end of year position and highlights particularly notable progress.**

## **2.0 Background**

- 2.1 As part of the formal process to determine WMCA’s budget, levy and precept levels, the WMCA Board approves each portfolio’s annual deliverables. The Deliverables for the Housing and Land Portfolio for the financial year 2021/22 were presented in draft at the WMCA Board on 15 January 2021 and agreed in final form by the WMCA Board on 12 February 2021.
- 2.2 The table below sets out each of the approved Housing and Land High Level Deliverables alongside a summary of progress to date and, where appropriate, information on next steps.
- 2.3 In response to feedback from the Delivery Steering Group and the Housing & Land Delivery Board, and to provide both forums with an update on the delivery of the first High Level Deliverable in the table (“*Deliver our nationally leading brownfield regeneration and housing delivery programmes*”), the appended document (included under the private section of the agenda) provides a synopsis of the schemes which have been approved for investment to date or which are seeking approval through the Single Commissioning Framework (SCF) to date. Due to commercial confidentiality, we are unable to provide exact details of schemes which are yet to be approved.

## **3.0 Key Highlights during 2021/22**

- 3.1 During 2021/22 good progress has been made on all of the High Level Deliverables (HLDs). The summary table in section 4.0 gives an update against each HLD; this section highlights particularly notable advancements that have been made.

### *SCF delivery & securing more funds*

- 3.2 Since 2018, over 8,000 new homes, 3.8 million sq.ft of commercial floorspace and almost 12,000 jobs have been unlocked in the West Midlands through investment of devolved Housing and Land Funds. WMCA has secured crucial additional benefits through the adoption of SCF criteria that demonstrate inclusive growth and levelling up in action. Examples include an average of 26% affordable housing, higher design quality, increased density where appropriate, new models of public land disposal, public-private partnerships (e.g. Legal & General, St Modwen, Lovells/Morgan Sindell), low carbon and Advanced Manufacturing in Construction (AMC). The success of this work to date has led to additional funding being secured from Government this year.
- 3.3 Delivery of our nationally leading brownfield regeneration and housing delivery programmes has progressed well in the last year and the Land Fund, Brownfield Housing Fund and National Competitive Fund remain on track to deliver ahead of trajectory and exceed both the output and other prescribed requirements set out by HM Government for each fund. A significant number of further schemes are timetabled for decision over the next quarter and beyond, unlocking hundreds of new homes and jobs and securing £millions of investment in the region. A report on progress is included on the agenda for this Board.

- 3.4 The West Midlands Investment Prospectus 2022 was launched at MIPIM in March 2022 and was well received by private and public sector partners. The prospectus highlights the region's world-leading sectors, transformational infrastructure and large-scale brownfield regeneration projects, supported by local authorities across the West Midlands. The Prospectus provides the basis for on-going conversations between WMCA and local authorities with the private sector around investing in these opportunities, entering into strategic partnerships and bringing forward development across the region.

#### *Legal & General Strategic Partnership*

- 3.5 In May 2022, WMCA announced a new partnership with Legal & General with L&G committing £4bn worth of investment into the West Midlands over the next 7 years, building on the region's 2022 Investment Prospectus. The partnership commits to supporting the region's target of delivering 215,000 new homes by 2031 and other deliverables of the Housing & Land Delivery Board.
- 3.6 The partnership is the fourth strategic partnership which the Housing, Property & Regeneration Team has negotiated under the Housing and Land Portfolio following those with Lovell, Urban Splash and St Modwen Properties. In line with the steers of Housing & Land Delivery Board, entering more strategic partnerships is a key goal for 2022/23. A report on progress is included on the agenda for this Board.

#### *West Midlands Public Land Charter*

- 3.7 The West Midlands Public Land Charter was launched at the UKREiIF (UK's Real Estate Investment & Infrastructure Forum) event in May 2022. The Charter provides a guide for public sector organisations across the region and aims to encourage private sector investment, re-purpose public land for new homes and jobs, support inclusive economic growth and help the West Midlands realise its ambition of becoming a net zero region by 2041. Implementation of the public land charter and consideration of a public land strategy/prospectus is a key next step for 2022/23. A report on progress is included on the agenda for this Board.

#### *Trailblazer Devolution Deal*

- 3.8 In February 2022, the West Midlands Combined Authority was invited to negotiate a '*Trailblazer Devolution Deal*' with HM Government allowing WMCA to seek ambitious changes to its devolved powers and resources, strengthening the region, creating opportunities for future success and driving forward local and regional priorities to bolster economic recovery and build a fairer, greener, healthier West Midlands. An intensive work programme including wide-ranging public and private sector engagement has been in operation to genuinely co-develop these devolution proposals including extensive work to shape Housing, Property, Regeneration asks to unlock the land, property and investment potential in the West Midlands to secure more homes, jobs, land release and development. The current proposals have received widespread support and endorsement from public and private sector landowners and partners throughout the intensive engagement process.

#### *Industry Led Taskforces*

- 3.9 At its meeting in April 2022, the Housing & Land Delivery Board noted the positive work and contributions to date of the industry-led taskforces established by WMCA and endorsed the suggestions for future programmes of activity. Each of the taskforces has now been tasked with setting out a programme of activity over the next 6-12 months in support of the agenda of the Housing & Land Delivery Board. A significant amount of work will be progressed over summer 2022 and a report on progress will be included on the agenda at the next meeting of this Board.

#### **4.0 Progress and current activity: Summary table**

High Level Deliverable	Q4 Update
<p><b>Deliver our nationally leading brownfield regeneration and housing delivery programmes to achieve the prescribed KPIs and Output Requirements set by HMG and WMCA Board</b></p>	<p>This is an ongoing, extensive programme of investments, interventions and disposals under the Single Commissioning Framework. During 2021/22, £85.8m of funding was committed to projects which will deliver 642 homes, 2,587 jobs and 1,134,737sq ft of commercial space between them. An increasing number of projects are now on site or in the delivery phase and a strong pipeline of schemes is continuing through due diligence processes ahead of Investment Board decisions in early 2022 (summarised in confidential annex), in addition to those already approved via Investment Board in previous quarters. As part of this process, we constantly monitor risks and market trends. There is a good pipeline of new projects coming through and extensive engagement with industry and local authorities to leverage private sector investment and maximise existing public investment.</p> <p>Delivery of the 2018 Housing Deal Land Fund programme remains ahead of trajectory to exceed the delivery target of 8,000 new homes, and the programme for the new Brownfield Housing Fund (BHF) and National Competitive Fund (NCF) forecasts both performing ahead of schedule too. Tranche 2 of the funding from BHF and NCF have been received from HM Government in recognition of the region’s performance and continued delivery record of brownfield regeneration.</p>
<p><b>Ensure delivery of the requirements of the 2018 Housing Deal and lead performance reporting to Government</b></p>	<p>Local Plan monitoring is a requirement of the 2018 Housing Deal. The Housing, Property &amp; Regeneration team reports on a monthly basis to the Department of Levelling Up, Homes &amp; Communities (DLUHC) and supports local authorities with local plan progress and evidence. This informs the dialogue held with DLUHC on a monthly basis, the submission of business cases and the quarterly reports included in Land Fund monitoring arrangements.</p> <p>Regular performance updates on the delivery of the Brownfield Housing Fund (£130m in total, comprising £84m awarded in November 2020 and £45m awarded February 2021) and National Competitive Fund (£24m) are also now programmed on a quarterly basis with DLUHC alongside meetings with key civil servants in line with the successful approach taken during the Land Fund monitoring.</p> <p>The region continues to progress the wider requirements of the Housing Deal including the establishment of the National Brownfield Institute in Wolverhampton, the partnership working with housing associations through WMHAP (see below) and leveraging £milliions of private sector leverage through the SCF investments.</p>
<p><b>Effectively develop, collaborate and submit compelling business cases for additional funding from HMG to deliver WMCA approved priorities</b></p>	<p>Following the Budget and Spending Review announcements made by HM Government in Autumn 2021 regarding the £1.8bn funding to be made available for brownfield regeneration across England, WMCA has been in frequent dialogue with DLUHC officials to co-develop proposals for further funding for the region. In parallel, the “<i>Trailblazer Devolution Deal</i>” discussions ongoing with HM Government and WMCA include opportunities for the region to seek further support and funding to secure regional priorities.</p>

	<p>During 2021/22, WMCA successfully secured two further tranches (£28m + £17.4m) of Brownfield Housing Funds from HMG for deployment via the Single Commissioning Framework</p>
<p><b>Implement the approved Housing &amp; Land Board Covid19 Recovery Strategy and Pipeline Development</b></p>	<p>The Housing &amp; Land Delivery Board's approved Covid-19 Recovery Plan (September 2020) continues to inform all the deliverables in this report and the work of the WMCA Housing, Property &amp; Regeneration Team including the work on business cases for HMG, the approaches to Public Land and Employment land, and the development and implementation of town centre strategy.</p> <p>The project pipeline developed as part of the Covid-19 Recovery Strategy is constantly updated and reviewed with local partners at our regular 6-weekly engagement meetings and informs funding schedules and project identification for the SCF. Business cases to HMG and inclusions are reviewed on a regular basis with local partners through an extensive suite of bilateral conversations.</p>
<p><b>Establish new partnerships and joint ventures and delivery vehicles</b></p>	<p>Work is ongoing with housing association partners to establish a new partnership approach for affordable housing delivery. An update was presented to, and endorsed by, the Housing &amp; Land Delivery Board at its meeting in January 2022 and subsequently by the WMCA Overview &amp; Scrutiny Committee.</p> <p>WMCA has announced a new partnership with Legal &amp; General which has committed £4bn worth of investment into the West Midlands over the next 7 years building on the region's 2022 Investment Prospectus. This partnership builds on other agreements with Lovell, Urban Splash and St Modwen. Negotiations are on-going with other developers and investors to establish further Strategic Partnerships in coming months.</p> <p>Discussions are on-going with public and private sector partners to create new joint ventures and delivery vehicles building on current joint ventures, including Help to Own and the Friar Park Joint Venture.</p>
<p><b>Create strong investor engagement and developer relationships, working alongside West Midlands Growth Company</b></p>	<p>The West Midlands Investment Prospectus was launched at MIPIM on 16 March 2022, highlighting 20+ strategically significant schemes in the region totalling over £15bn of opportunities. This prospectus was delivered with support from WMGC and co-developed with local authorities, LEPs and industry partners to attract investment to the region and provides the centrepiece for the region's investor engagement in the coming year.</p> <p>WMCA convenes the Commercial Property Taskforce on a quarterly basis. Feedback and engagement with this forum have informed the further funding proposals to Government and creation of investible propositions.</p>
<p><b>Develop and collaborate on identified policy development work that supports delivery of the Housing &amp; Land Delivery Board's</b></p>	<p>WMCA maintains frequent engagement with DLUHC &amp; Whitehall more broadly on emerging policy issues and priorities including employment land, Advanced Manufacturing in Construction (AMC) and affordable homes.</p> <p>WMCA's industry led taskforces (town centres, commercial property, Future Homes, public land) act as critical friends and sounding boards for policy development. For example, the Town</p>

<p><b>KPIs and the Recovery Strategy</b></p>	<p>Centre Taskforce recently undertook a series of workshops with individual local authorities to look at the opportunities and challenges in individual town centres.</p> <p>Working groups set up through the Delivery Steering Group on specific policy areas (e.g. Employment Land, Future Homes, Public Land, Trailblazer Devolution Deal) have been established with local authority representation.</p> <p>The Housing, Property &amp; Regeneration team is working closely with colleagues in TfWM to address shared priorities and establish joint approaches to investment in the region.</p>
<p><b>Town Centre Regeneration</b></p>	<p>WMCA investment in town centre schemes continues to progress via the Single Commissioning Framework (specific examples are summarised in the confidential annex).</p> <p>The Regional Town Centres Taskforce is working closely to support Local Authority colleagues on specific areas of interest, overcoming barriers and potential scheme developments. Recent workshops have been held for example in Stratford, Warwickshire and Telford.</p> <p>The development of a Brownfield Regeneration Strategy, as requested by Housing &amp; Land Delivery Board, will inform the ongoing approach to town and local centre regeneration and strategy during 2022/23.</p>
<p><b>Advanced Manufacturing in Construction (AMC)</b></p>	<p>An AMC business case proposal arising from announcements in the Budget 2021 is the subject of ongoing discussions with HMG. The £50m ask of Government was included in the region's 2020 "Recharge" document.</p> <p>Negotiations and engagement with developers and investors looking to establish new AMC facilities in the region are continuing. There is a separate item on this subject on today's agenda, following Housing &amp; Land Delivery Board's steer to develop the next stages of the West Midlands approach to AMC and the Future Homes Standard. The report sets out the relaunch of the AMC Task Force as a 'Future Homes Taskforce', with a wider remit, and sets out scope of a Future Homes Strategy.</p>
<p><b>Zero Carbon Homes</b></p>	<p>The ZCH routemap and charter have been completed and approved. The de-carbonisation agenda is at the core of the Trailblazer Devolution Deal proposals being developed by the Housing and Land portfolio and the AMC/Future Homes approach noted above.</p>
<p><b>Affordable Housing</b></p>	<p>The business case for the Affordable Housing Delivery Partnership with registered providers is progressing towards Investment Board decision in 2022 following endorsement by the Housing &amp; Land Delivery Board on the progress to date.</p> <p>The "Help to Own" scheme in Wolverhampton, which was brought forward by joint investment from WMCA and City of Wolverhampton Council, welcomed its first tenants in September 2021 and is subject to high customer demand. Work is ongoing to assess the opportunities to roll out Help To Own with potential for</p>

	<p>WMCA support on further sites in the region to be decided in due course.</p> <p>SCF housing schemes continue to exceed the minimum requirement of 20% affordable housing in line with the WMCA's criteria for investment. The current affordable housing delivery ratio is 26%.</p> <p>Following a request from Housing &amp; Land Delivery Board, the WMCA HP&amp;R team is co-developing an Affordable Homes Strategy for approval in 2022/23.</p>
<b>Regional One Public Estate Programme</b>	<p>Submission of the West Midlands OPE Partnership's proposals for OPE9 was completed in November 2021 and is now under consideration by the Cabinet Office and Local Government Association. In addition, work is in progress to submit a business case for new OPE Land Release Funding.</p> <p>Existing programmes for OPE6 &amp; OPE7 continue to be managed and evaluated by the WM OPE Board.</p>
<b>Public Land</b>	<p>The Public Land Charter was launched with support from the Public Land Taskforce at UKREiiF in May 2022. The current intention is for members of the Public Land Taskforce to take the document through their organisations' respective governance processes for endorsement. Public Land forms a key element of emerging proposals for the Trailblazer Devolution Deal (the subject of a separate item on this agenda).</p>

## 6.0 Financial Implications

- 6.1 There are no un-budgeted financial implications as a result of the recommendations within this report. The majority of the work to achieve the Deliverables will be undertaken through in-house resource and any external support requirement will be funded from existing Housing, Property & Regeneration budget.
- 6.2 Any WMCA investment to meet the Housing and Land Portfolio Deliverables will be governed and administered through the WMCA Single Assurance Framework and in line with the accounting and taxation policies of the WMCA and HMRC.

## 7.0 Legal Implications

- 7.1 Section 10.1 and schedule 3 of The West Midlands Combined Authority Order 2016 No. 653 (the Order) confers economic development and regeneration functions to the WMCA in the Combined Authority area. Schedule 3 sets out a duty under section 69 of the 2009 Act for the Combined Authority to prepare an assessment of economic conditions.
- 7.2 By virtue of section 113A of The Local Democracy, Economic Development and Construction Act 2009 as amended by section 13 The Localism Act 2011 the WMCA may do anything it considers appropriate for the purposes of the carrying-out of any of its functions.
- 7.3 Section 22 (i) of the West Midlands Combined Authority (Functions and Amendment) Order 2017 expressly states that the power to pay grant is a function exercisable only by the Mayor with Section 22 (2) requiring the Mayor to seek the assistance of members and officers in the exercise of this function.

7.4 There are no direct legal implications identified as a result of this report. However, the proposals set out in this report will have legal implications and risks in the future which will be considered at the appropriate time through future reports as necessary.

## **8.0 Equalities Implications**

8.1 There are no immediate equalities implications in relation to this report. However, individual strategies and delivery schemes will need to take into account local area needs and local stakeholder needs to ensure the schemes benefit local residents, including harder to reach groups. To that effect equality impact assessments will need to be conducted to understand demographics, key inequality issues and how investment can help address key inequality gaps. Engagement and consultation with key equality stakeholders is also crucial.

## **9.0 Inclusive Growth Implications**

9.1 The High level Deliverables have been developed in close consideration of Inclusive Growth principles and are themselves neutral when it comes to inclusive growth. However, implications will arise as investments are made and strategies are devised, in terms of who benefits from those investments and in who is involved in shaping and contributing to them. As such, any programmes should be devised with the responsibility to deliver inclusive growth.

## **10.0 Geographical Area of Report's Implications**

10.1 The recommendations of this report apply to the whole of the WMCA area.

## **11.0 Other implications**

11.1 None.

## **12.0. Schedule of Background Papers**

12.1 None.