



Housing & Land Delivery Board

Date	5 October 2022
Report title	Levelling up: Trailblazer Devolution Deal - Update
Portfolio Lead	Housing and Land – Councillor Mike Bird
Accountable Employees	Gareth Bradford, Executive Director of Housing, Property & Regeneration (Accountable Director) Rob Lamond, Head of Strategy & Analysis, (Report Author)
Previous reports	<ul style="list-style-type: none">• April 2022: Housing & Land Delivery Steering Group and Housing & Land Delivery Board• June 2022: Housing & Land Delivery Steering Group• July 2022: Housing & Land Delivery Board

Recommendation(s) for action or decision:

The Housing & Land Delivery Board is recommended to:

- Note** the progress made since the last meeting of Housing & Land Delivery Board on the development of the Housing, Property & Regeneration proposals within the West Midlands Trailblazer Devolution Deal;
- Discuss and endorse** the current version of these proposals as set out in this paper; and
- Note** the ongoing extensive internal and external engagement programme supporting development and testing of these proposals with the new HM Government, and **welcome** the ongoing engagement and input from Housing & Land Delivery Board Members in this process.

1.0 Purpose

- 1.1 At the meetings of the Housing & Land Delivery Board in April and July 2022, initial and update papers on the implications of the Levelling Up White Paper, and the resulting potential (deeper) devolution proposals between WMCA and the Department for Levelling Up, Housing and Communities (DLUHC), was discussed and clear steers provided by the Board on each of the suggested proposals brought to them. Since the

last meeting, work to develop, refine, clarify and consult upon these proposals in line with the Board's clear steers has continued.

- 1.2 The purpose of this paper is to provide the Housing & Land Delivery Board with a further update on the work taking place around the formation of the Housing, Property & Regeneration proposals within the West Midlands Trailblazer Devolution Deal.
- 1.3 The asks set out in the paper are designed to respond to the work of the Housing & Land Delivery Board since 2017, its delivery track record and the problems it has encountered with current funding rules from Government. The proposals are seeking to provide the tools, regional context and resources needed to achieve the Board's overall goal of unlocking the land, property and investment potential in the West Midlands to secure more homes, jobs, land release and developments.

2.0 Background

- 2.1 The Levelling Up White Paper (LUWP) was published on 2 February 2022, defining levelling up as '*increasing opportunity across the UK and reducing disparities between and within regions.*'
- 2.2 The LUWP sets out 12 levelling up '*missions*' and makes the case for long-term '*system change*' involving more effective spatial considerations in policy-making and further devolution to empower local decision-making.
- 2.3 The LUWP announced three key policy initiatives relating to the Housing and Land Portfolio of the West Midlands:
 - a further allocation of £28m from the Brownfield Housing Fund to WMCA on the back of the West Midlands strong track record to date
 - identification of Wolverhampton as one of the first two places identified for transformational regeneration support
 - an invitation to WMCA to negotiate a Trailblazer Devolution Deal.
- 2.4 The announcement on deepened devolution across the UK, particularly for the West Midlands and Greater Manchester, provides an opportunity for 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.
- 2.5 Following the publication of the LUWP, WMCA has engaged with key partners and stakeholders across the region to understand the opportunities, barriers and possibilities that a further devolution deal could unlock for the region, WMCA and its partner organisations; and developed initial draft proposals to be included in the Trailblazer Devolution Deal.

3.0 Progress Update

- 3.1 The emerging Trailblazer Devolution Deal was considered and discussed by the Housing & Land Delivery Board at its meetings in April and July 2022 with clear steers provided. Private sector insight and steer has been provided by the industry-led expert Public Land Taskforce, the Town Centre Taskforce and a '*Devolution and Levelling Up*' special meeting of the Commercial Property Taskforce.

- 3.2 In line with the Board’s endorsement of the initial proposals, a sub-group of housing and regeneration officers across the region was established to develop and refine the proposals relating to housing, property and regeneration, and in-depth sessions have been held with local authority and other public sector representatives from across the region. The wider devolution deal proposals have also been considered in a number of forums with local authority partners including the Senior Local Authority Officers Group and the West Midlands Metropolitan Local Authority Chief Executive Officers Group. The WMCA Overview & Scrutiny Committee has also held working group sessions during August 2022 at which the Housing, Property & Regeneration proposals were discussed.
- 3.3 Engagement and dialogue with Government has continued throughout this period, with regular bilateral sessions with officials at DLUHC, HM Treasury and Number 10 Policy Unit. Following the appointment of the new Prime Minister in September 2022, the WMCA team have been in regular dialogue to gain insight into the emerging priorities of the new administration.
- 3.4 Following the meeting of the Housing & Land Delivery Board in July 2022, several iterations of the proposals pertaining to Housing, Property, Regeneration and Investment matters have been produced to reflect the comments and input received. A specific focus has been on the range and variation of opportunities and challenges across the region, and the identification of compelling case studies for inclusion. We would like to thank members of the Delivery Steering Group, the taskforces and wider regional representatives for their thoughts, insights and contributions, and encourage continued dialogue with partners as we continue to develop these proposals.

4.0 Latest Proposals

- 4.1 The table below sets out the **headline proposals and their fundamental aims** at present as a guide for further discussion at the Housing & Land Delivery Board:

Table 1: Housing, Property and Regeneration Core Proposals for Discussion with Government

Flexible and innovative funding regime: A pioneering Single Regeneration Funding Package (or “Single Fund”) building on the success of existing Devolved Housing and Land Funds. This will overcome the limitations of existing funds which are ring-fenced with constrained output targets and move to a funding model which enables and supports long-term private investment to unlock whole system interventions (e.g. estate renewal). It will also provide the necessary flexibility to tackle different issues facing different parts of our region of 4.2 million people.

Affordable Housing: Securing a bold funding package to support and accelerate affordable housing delivery that meets local housing needs across the region together with broader powers and flexibilities to maximise the delivery of affordable homes to complement the existing work of Homes England and housing associations across our region.

Investment Zones: Government support and endorsement for local designation of dedicated Investment Zones which go beyond the current Enterprise Zone and Freeports models and build on the work of the 2022 Investment Prospectus – to maximise coordinated public and private sector investment; to support local accountability; to achieve transformational ‘levelling up’ by making available a suite of

regeneration, fiscal and financial mechanisms; and securing flexibilities such as business rate retention, new delivery vehicles, etc. Announcements regarding a potential Investment Zone programme were included in the Government's Emergency Budget on 23 September 2022 and further detail, when available, will be provided to the Housing & Land Delivery Board.

Land Reform Programme: Government support, backing and endorsement for WMCA delivering the Housing & Land Delivery Board's Public Land Charter and recommendations of the West Midlands Land Commission and Public Land Taskforce. This includes adopting a bold approach to tackling fragmented land ownership, with the region by default having a major say over any HM Government land disposals in our region and undertaking corridor-based accelerated disposal of public land; a regional testbed for a new approach to best value; and a more effective regime for disposal of public land sites. In his Growth Plan speech on 23rd September the Chancellor of the Exchequer confirmed the new Government's intent to "*increase the disposal of surplus government land to build new homes.*"

4.2 The above proposals continue to be developed and refined. We welcome the support of the Housing & Land Delivery Board in developing these proposals.

5.0 Next Steps

5.1 Following discussion and soundings to this point, the proposals will be developed further in dialogue with the new HM Government administration following the confirmation of a new Prime Minister and ministerial team in September 2022.

5.2 The WMCA Housing, Property & Regeneration Team, supported by the dedicated Delivery Steering Group sub-group and wider engagement programme, will continue to develop the devolution deal proposals further and ensure that the feedback informs WMCA's overall Trailblazer Devolution Deal Process.

5.3 As set out in section 4.2, the team also welcomes any support in refining the framing of the proposals as discussion continues with HM Government.

6.0 Financial Implications

6.1 There are no direct financial implications as a result of the recommendations within this paper. There will be, in future, financial implications associated with securing and deploying future funding as a result of the Devolution paper, which will be funded from existing Housing, Property & Regeneration budgets.

6.2 Any WMCA investment into the devolution agenda would 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 113A(1)(a) of the Local Democracy, Economic Development and Construction Act 2009 gives the Combined Authority 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 the Combined Authority. Part 3 of The West Midlands Combined Authority (Functions and

Amendment) Order 2017 confers the functions corresponding to the functions of the Housing Community Agency (now Homes England) has in relation to the combined area.

- 7.2 It is noted that the purpose of this paper is to provide updates on the implications of the Levelling Up White Paper published by HM Government in February 2022, and to inform discussion at the meeting regarding the potential proposals for negotiation between WMCA and the Department for Levelling Up, Housing & Communities. Legal advice may be required going forward in relation to any new powers being sought by WMCA and to support the negotiations with the Government in regard to the Devolution Deal. This will/should be sought as and when required.

8.0 Equalities Implications

- 8.1 Equalities matters lie at the heart of the Government's levelling up agenda and the Housing & Land Delivery Board is asked to consider how best these might be addressed in the Trailblazer Devolution Deal as it is refined over coming months.

9.0 Inclusive Growth Implications

- 9.1 The Government's Levelling Up White Paper defines 'levelling up' in terms of increasing opportunity across the UK and reducing disparities between and within regions. Both matters present significant opportunities for inclusive growth and the Housing & Land Delivery Board is asked to consider how best these might be addressed in the Trailblazer Devolution Deal as it is refined over coming months.

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.