

## Housing & Land Delivery Board

<b>Date</b>	23 <sup>rd</sup> January 2023
<b>Report title</b>	Trailblazer Devolution Deal: Update on Housing and Land Asks
<b>Portfolio Lead</b>	Housing & Land – Councillor Mike Bird
<b>Accountable Employees</b>	Gareth Bradford, Executive Director of Housing, Property & Regeneration (Accountable Director) Rob Lamond, Head of Strategy & Analysis (Report Author)

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

The Housing & Land Delivery Board is recommended to:

- a) **Note** the development of the Housing and Land Asks within the Trailblazer Devolution Deal; and
- b) **Discuss and support** the latest version of the Housing and Land Asks (as set out in Section 3).

### 1.0 Purpose

- 1.1 The purpose of this report is to provide an update on discussions with HM Government on discussions relating to the Trailblazer Devolution Deal.

### 2.0 Context and Background

- 2.1 Since the publication of the Levelling Up White Paper in February 2022, WMCA has been working closely with Local Authorities, HM Government and other regional partners to develop the West Midlands Trailblazer Devolution Deal. The Deal is seeking further devolved funding and powers for the region – building from previous devolution deals secured by the West Midlands. WMCA and partners are identifying the existing barriers and possibilities in the West Midlands, highlighting where devolution can best support the region to unlock and accelerate its regeneration potential and meet the needs of local residents.
- 2.2 The Trailblazer Devolution Deal consists of four headline Housing and Land Portfolio asks of Government:
  - A Single West Midlands Regeneration Fund

- A West Midlands Land Reform Programme
- Affordable Housing
- Levelling Up Zones

2.3 The Housing & Land Delivery Board and its supporting officer group (Delivery Steering Group) have been an integral part of developing and shaping these asks throughout 2022 alongside the industry-led taskforces that support the Board, providing clear steers, advice, challenge and insight. A further update on these Asks is detailed below as we begin 2023.

### 3.0 Housing and Land Asks of the Trailblazer Devolution Deal

3.1 The Housing and Land Asks of the Trailblazer Devolution Deal as previously reported to and supported by the Housing and Land Board are summarised below:

#### *A Single West Midlands Regeneration Fund*

3.2 A Single West Midlands Regeneration Fund (including revenue funding) is being sought through the Devolution Deal to build on the success of the brownfield funds deployed since 2017 and overseen by the Housing & Land Delivery Board and Investment Board.

3.3 This new funding would **unlock and accelerate stalled and challenging residential and commercial brownfield sites, and support town and city centre regeneration**. It would be targeted at sites identified in the land and development pipeline that has been created with local authorities and industry as reported to Housing & Land Delivery Board and Investment Board. The fund will leverage new private investment as well as delivering new housing supply and commercial floorspace.

3.4 The fund will specifically seek to **unlock and accelerate the more ‘difficult to deliver’ brownfield development sites** which have for many years proven unviable such as those requiring higher intervention rates or significant upfront remediation.

3.5 Potential schemes for this new fund also include mixed use or commercial schemes that require public funding to be unlocked and accelerated, as well as estate renewal schemes which deliver wider community benefits, support zero carbon ambitions and, potentially, deliver new homes through redevelopment and increasing density. These sites will also in turn unlock adjacent housing schemes.

3.6 Existing Housing and Land Funds as previously reported to Housing & Land Delivery Board and Investment Board are restricted in being able to support and accelerate such schemes and projects due to funding criteria from Central Government being focused on housing outputs and specific intervention rates.

#### *A West Midlands Land Reform Programme*

3.7 A major area identified by the Housing & Land Delivery Board where the WMCA can make a significant difference is around the development and disposal of public land. This was one of the key deliverables for the Housing and Land Portfolio approved by the WMCA Board for 2022/23.

3.8 In the Devolution Deal we are requesting HM Government backing and support to establish the West Midlands as the first region for the Cabinet Office’s new “Place Pilots” programme.

3.9 The Deal asks for a strong partnership with HM Government which will provide the region with the ability to significantly influence Government department and agency decisions on their land assets in the West Midlands. This will also allow WMCA to

enable corridor-based disposals of Government and public agency land. Wherever necessary, expanded Compulsory Purchase Powers (in line with those held by other public agencies) would also be available to Local Authorities.

- 3.10 The West Midlands will also pilot, with HM Government's support and backing, new approaches to best value and public land disposal in line with the Place Pilot work and principles of the regional Public Land Charter.
- 3.11 WMCA is seeking the ability and flexibility to acquire land ahead of the market to secure land value, assemble sites and tackle fragmented land ownership and recycle investment for further schemes.

#### *Affordable Housing*

- 3.12 Since 2017, a key goal of the Housing and Land Portfolio of WMCA has been to increase the supply of affordable homes to meet local needs. As a result, a minimum affordable housing target was introduced by the WMCA Board when WMCA was investing devolved Housing and Land Funds and an affordable homes pilot was successfully launched ('Help to Own') at the Marches in Wolverhampton.
- 3.13 A key ambition of WMCA is to work with local authorities, HM Government, housing associations and industry to double the supply of affordable homes in the West Midlands to meet identified local housing needs.
- 3.14 In order to do so new funding is needed. One of the significant Devolution Deal asks from the outset, as discussed previously at this Board, has been a £500m Affordable Housing Settlement to the West Midlands alongside funding flexibilities and revenue budget to ensure successful delivery of affordable homes.
- 3.15 As reported to Housing & Land Delivery Board previously, it is important to note that this is additional funding to that which already exists and is being secured in the West Midlands. This would be additional to the National Affordable Homes Programme, administered by Homes England, alongside the West Midlands being prioritised for funding through the National Affordable Homes Programme. It will also be in addition to ongoing work taking place with the private sector to drive new affordable housing.
- 3.16 Local authorities are working closely with WMCA to co-design how best this funding should be deployed for maximum impact and additionality.

#### *West Midlands Levelling Up Zones*

- 3.17 Levelling Up Zones have formed part of the West Midlands Trailblazing Devolution Deal proposals from the very outset and have been the subject of extensive conversations and co-development across the region and with Local Authorities and HM Government. The Housing & Land Delivery Board, WMCA Board and industry-led taskforces have discussed Levelling Up Zone areas, the approach and key elements throughout 2022 and its steers and support have shaped the resulting proposals to Government.
- 3.18 The Levelling Up Zones currently being developed in the West Midlands are:
  - East Birmingham North Solihull Corridor
  - Wolverhampton Corridor (incl. Green Innovation Corridor)
  - Walsall Central
  - Wednesbury to Brierley Hill (focused on the new Metro line)
  - Coventry and Warwickshire (including the Gigafactory)
- 3.19 Levelling Up Zones are proposed as fundamental to driving economic growth and wider Levelling Up outcomes in the region, tackling long-standing barriers and challenges

faced by these areas, supporting identified regeneration proposals and unlocking and accelerating private sector investment for the West Midlands. The areas identified by local authorities for Levelling Up Zones all have real economic growth and investment potential but suffer from long-standing, inter-related market failures.

- 3.20 Significant work has been undertaken by local authorities and WMCA to identify in detail sites and opportunities in each Levelling Up Zone, the challenges and barriers to delivery and the package of measures required in each zone to achieve the potential—all providing strong evidence to support the Devolution Deal ask. Such challenges can only be addressed through an innovative, long-term, comprehensive approach to unlocking private sector growth with coordinated public investment, and a focus on delivering wider outcomes for local communities. This will require comprehensive investment packages for each zone. The Levelling Up Zones provide a transformational opportunity for system change, social infrastructure provision, addressing inequalities, tackling deep-seated challenges and exemplifying the path to net zero, in line with approved wider policy objectives of WMCA.
- 3.21 We are awaiting detailed feedback from HM Government on all the Housing and Land Trailblazer devolution Deal asks including Levelling Up Zones and this will inform the update to the next Housing & Land Delivery Board.

#### **4.0 Next Steps**

- 4.1 The next steps for the development of the Housing and Land Asks of the Trailblazer Devolution Deal are outlined below:
- Ongoing co-development by WMCA, Local Authorities and other partners of the asks and offer to HMG and the supporting evidence base that underpins those asks.
  - Detailed work with Local Authorities to co-develop Levelling Up Zone proposals and supporting evidence
  - Further discussion at the Mayor and Met Leaders Meeting of 19<sup>th</sup> January 2023
  - Formal feedback from HMG of the West Midlands Trailblazer Devolution Deal asks

#### **5.0 Financial Implications**

- 5.1 It is noted that the Report provides updated progress of the Housing and Land Asks of the Trailblazer Devolution Deal and requests endorsement of the latest version of the Housing and Land Asks. There are financial impacts arising from the continued work on the Devolution Deal negotiations and further potential financial impacts dependent on from the outcome of the Devolution Deal.
- 5.2 There is a continued need to focus activity on and involve external consultants in the process of negotiating the Devolution Deal and in aiming to maximise the fiscal benefits of the Devolution Deal.
- 5.3 The Funding Asks noted within the report would require more capacity to deliver the associated outputs. Note that the Devolution Deal requests revenue funding, as well as capital funding, and this revenue funding is required to support the delivery of the capital outputs of the Devolution Deal.

- 5.4 Any emerging financial implications, resulting from continued negotiations and depending on the outcome of the Devolution Deal, will be presented to the Housing & Land Delivery Board and then WMCA Board at a future date.

## **6.0 Legal Implications**

- 6.1 It is noted that the Report provides an update on the progress of the Housing and Land Asks of the Trailblazer Devolution Deal. There are likely to be significant legal implications arising from the negotiation and agreement of the deal.
- 6.2 Each of the 4 proposals will have separate legal issues and implications attached to them depending on the nature of the negotiations and the outcome of such negotiations. There will also be legal implications arising from any additional Powers required and granted to WMCA and the conditions attached by the Government in agreeing the proposals. Legal advice will need to be sought at the appropriate stages of the negotiations with a view to ensuring that WMCA and the Local Authorities understand responsibilities and requirements in administering and delivering the final devolution deal. Appropriate governance systems will also need to be established to support delivery.

## **7.0 Equalities Implications**

- 7.1 There are no immediate equalities implications in relation to this report. However, individual projects 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.

## **8.0 Inclusive Growth Implications**

- 8.1 There are no immediate inclusive growth implications in relation to this report. Individual projects, however, will need to take into account local area needs and local stakeholder needs to ensure that they benefit local communities.

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

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

## **10.0 Other implications**

- 10.1 None.

## **11.0. Schedule of Background Papers**

- 11.1 None.