



## Housing & Land Delivery Board

<b>Date</b>	24 April 2023
<b>Report Title</b>	Deeper Devolution Deal: Update
<b>Portfolio lead</b>	Housing and Land - Cllr Mike Bird
<b>Accountable Employees</b>	Gareth Bradford, Executive Director of Housing, Property & Regeneration (Accountable Director) Rob Lamond, Head of Strategy & Analysis – Housing, Property & Regeneration Robert McGrath, NGDP Graduate – Housing, Property & Regeneration (Report Author)
<b>Previous reports</b>	<ul style="list-style-type: none"><li>• January 2023: Housing &amp; Land Delivery Board</li><li>• February 2023: Housing &amp; Land Delivery Steering Group</li><li>• March 2023: Housing &amp; Land Delivery Board</li><li>• April 2023: Delivery Steering Group</li></ul>

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

The Housing & Land Delivery Board is recommended to:

- Note** the inclusions in the Deeper Devolution Deal relating to the Housing and Land Portfolio in the West Midlands;
- Note** that an Implementation Plan for the Deeper Devolution Deal will be submitted to the WMCA Board in summer 2023 and work is ongoing with partners for mobilisation of the Housing and Land programmes set out in the Deal.

### 1.0 Purpose

- 1.1 The purpose of this paper is to update the Housing & Land Delivery Board on the implications for the Housing and Land Portfolio of the Deeper Devolution Deal, agreed by WMCA and HM Government in March 2023.

### 2.0 Background

- 2.1 The Deeper Devolution Deal (DDD) was announced in the Chancellor's Spring Budget on 15 March 2023. The powers devolved to the Combined Authority signify the third transfer of powers since the organisation's inception in 2016.
- 2.2 Since the publication of the Levelling Up White Paper in February 2022, WMCA has worked closely with Local Authorities, HM Government and other regional partners to develop the Deeper Devolution Deal, including significant input, challenge and critical support

throughout the co-development process of the Housing and Land Portfolio's proposals from its Delivery Steering Group.

2.3 The Deeper Devolution Deal responds to our four headline Housing and Land Portfolio asks of Government:

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

### **3.0 Key Outcomes from the Deeper Devolution Deal**

#### ***West Midlands Regeneration Funding***

3.1 £100 million in brownfield funding is to be devolved to WMCA, to drive placemaking, housing and urban regeneration across the region. This will be deployed within the upcoming spending review period and will support the delivery of 4000 homes. A few features of this new brownfield funding worth noting are that it: a) is a top up to existing devolved funds WMCA has secured since 2018; b) will be focused on commercial, mixed use and employment development; and c) will be subject to clear HM Government rules and criteria (as for the existing Brownfield Housing and Land Funding).

3.2 WMCA is targeting quick and extensive deployment of this funding, to de-risk stalled and challenging housing, urban and commercial development sites across the region. This investment will support the progression and delivery of emerging and adopted local plans, and support brownfield first and town centre regeneration policy. Building on the ask to unlock and accelerate the more 'difficult to deliver' brownfield development sites, the Deeper Devolution Deal provides WMCA with more flexibility and strategic funding abilities necessary to tackle the most pertinent development issues and barriers for the region and the specific barriers facing individual sites.

#### ***Land Reform and Public Land***

3.3 Building on the ask for a strong partnership with HM Government, with the ability to significantly influence HM Government decisions on their West Midlands land and property assets, WMCA has been given through the Deeper Devolution Deal a new strategic leadership role on HM Government's Departmental and agency land. This role centres on decisions on the disposals or development of HM Government estate in the region. The new land reform partnership will include a joint plan to anticipate where there may be potential upcoming disposals and reconfiguration of HM Government land and buildings within the West Midlands.

3.4 As requested in discussions, the Department for Levelling Up, Housing and Communities (DLUHC) and the Cabinet Office will support WMCA to become a leader in public land policy and delivery including being the first region for the Cabinet Office's new "place pilots" programme.

3.5 DLUHC, WMCA and its constituent authorities will undertake a review of the effectiveness of local development orders in the West Midlands, explore how local authorities could be supported in their application to accelerate regeneration delivery, growth, and investment, and to pilot resulting models in the region.

3.6 Building on WMCA's ask for the ability and flexibility to acquire land ahead of the market, WMCA, local authorities and DLUHC are working together to explore and demonstrate the more flexible compulsory purchase and land assembly opportunities for regeneration.

### ***Affordable Housing Phase 1: 2023-2026***

- 3.7 In the Deeper Devolution Deal, HM Government committed to a new trailblazer approach to the delivery of affordable housing within the West Midlands centred on a new approach to the Affordable Homes Programme being piloted with the WMCA. The Affordable Homes Programme is the government's flagship programme for delivering affordable housing in England. It provides grant funding towards the supply of new social and affordable housing. The Phase 1 agreement relates to funding within the existing envelope of the Affordable Homes Programme.
- 3.8 **The trailblazer approach means that WMCA will set the overall strategic direction, strategy, objectives, and local leadership for the deployment of the Affordable Homes Programme in the region** for the first time, while retaining Homes England's delivery expertise, administration and operational management, ensuring the business case objectives of the national programme are delivered and existing local authority arrangements are maintained.
- 3.9 **To help WMCA meet its ambition of working with local authorities, HM Government, housing associations and industry to double the supply of affordable homes in the West Midlands**, Homes England will invest at least £200 million of Affordable Homes Programme funding within the WMCA area by March 2026 with a clear ambition for WMCA, local partners and Homes England to work together to invest up to £400 million to build more social and affordable homes by 2026.
- 3.10 This will be dependent on appetite from providers alongside the ongoing work to develop a joint pipeline and delivery plan, developed as part of the Strategic Place Partnership. WMCA will work collaboratively with Homes England, local authorities and local delivery partners to develop a joint pipeline and delivery plan.

### ***Affordable Housing Phase 2: Post 2026***

- 3.11 Post 2026, WMCA will be responsible for adopting a strategic role on affordable housing, including some decisions currently taken by Homes England. This will involve agreeing sites and providers and identifying standards, working in partnership with its local authorities. In this new 'trailblazing' model of delivery, WMCA will make the key strategic decisions relating to local investment and spend of Affordable Homes Programme in the WMCA area in line with its strategic framework.
- 3.12 WMCA will be held accountable for delivery through a new accountability framework. Day to day administration of the Affordable Homes Programme in the West Midlands will continue to be undertaken by Homes England working to the strategy, objectives and framework set by WMCA, with Homes England reporting to WMCA on delivery of the agreed outcomes and outputs.

### ***West Midlands Levelling Up Zones***

- 3.13 WMCA and its constituent authorities have identified 6 key corridors across the region on the basis of their potential for growth and levelling up. These 'Levelling Up Zones' are:
1. East Birmingham-North Solihull corridor
  2. Wolverhampton Corridor

3. Walsall Growth Corridor
4. Dudley Metro Corridor
5. Sandwell Wednesbury to Tipton
6. Coventry and Warwickshire gigafactory zone.

- 3.14 Levelling Up Zones are 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 as Levelling Up Zones all have real economic growth and investment potential but suffer from long-standing, inter-related market failures.
- 3.15 It is expected that that the following tools made available in the Deeper Devolution Deal will help WMCA and its partners to deliver a shared vision to catalyse growth and levelling up:
1. **Fiscal devolution and investment:** WMCA will be able to work with the government towards designation of specific, targeted “growth zones”, in which 100% of business rate growth above an agreed baseline could be retained by local authorities for 25 years
  2. **Investment in regeneration:** The government has committed to devolve £100 million brownfield funding to WMCA. The Deeper Devolution Deal also provides for the investment of £60 million in the proposed Metro line extension from Wednesbury to Brierley Hill.
  3. A trailblazing approach to **affordable housing** (see above)
  4. Post-19 skills funding.

### ***Strategic Place Partnership***

- 3.16 HM Government has committed to working with WMCA through a strategic place partnership with its housing delivery agency Homes England to bring new housing supply and regeneration sites forward. To do so, Homes England and WMCA will be establishing a new wide-ranging Strategic Place Partnership to support the region with ambitious plans on housing supply, investment, and urban regeneration.
- 3.17 Homes England will work with WMCA and its constituent local authorities to agree a set of place-making outcomes, focused on delivering transformational change across the West Midlands. The Strategic Place Partnership will align expertise, funding and other relevant assets to support the delivery of these outcomes, and other strategic priorities at combined authority level.
- 3.18 The success of the partnership will be dependent on the appetite from providers alongside the ongoing work to develop a joint pipeline and delivery plan, developed as part of the Strategic Place Partnership. WMCA will work collaboratively with Homes England, constituent local authorities and local delivery partners to develop a joint pipeline and delivery plan.

## **4.0 Next Steps**

- 4.1 WMCA will continue to engage with DLUHC and local authorities on the implementation plan work for the programmes and funding summarised above. A full Deeper Devolution Deal Implementation Plan is due to be received by WMCA Board in June 2023 and updates will be provided to Delivery Steering Group and Housing & Land Delivery Board in due course as part of this process.

- 4.2 The High Level Deliverables for the Housing & Land Portfolio will include relevant indicators, milestones and progress reports being provided to Delivery Steering Group and Housing & Land Delivery Board throughout 2023/24.

## **5.0 Financial Implications**

- 5.1 It is noted that the purpose of this paper is to update Housing & Land Delivery Board on the implications for the Housing and Land Portfolio of the Deeper Devolution Deal, agreed by WMCA and HM Government in March 2023.
- 5.2 Finance note that the £100m Brownfield funding is a Capital fund only and that work continues on the request for Revenue funding to go alongside the Capital grant, to allow for the necessary feasibility work to be undertaken on a self-funding basis. This is, also, the case for the Affordable Homes funding.
- 5.3 Finance, also, note that work is underway on a review of resource capacity within the Housing team, to deliver the outputs for the Funds noted above. There may be financial implications arising from this review.
- 5.4 Outside of this, there are no financial implications as a result of the updates within this report. The development of the implementation plan for the Deeper Devolution Deal will be undertaken from within existing resources. Further details on the progress of the initiative, including the financial implications noted above and any other potential/emerging financial implications, will be reported to Housing & Land Delivery Board before onwards approval by the relevant Board.

## **6.0 Legal Implications**

- 6.1 The legal implications for the Deeper Devolution Deal will be very wide and will need to be considered at each stage as the deal is developed. Each proposal will have separate legal issues and implications attached to them ranging from specific issues on individual projects to partnership working and joint plans with Homes England and HM Government and DLUHC. As the deal progresses, there may also be legal implications arising from any additional powers required by and granted to WMCA, in addition to any conditions imposed by HM Government in regard to the funding. Legal advice should be sought at all appropriate stages.

## **7.0 Equalities Implications**

- 7.1 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 Individual projects 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