

Agenda Item No 5

Special Sub-Group

14 February 2017

Report of the Chief Executive

Devolution Update

1 Summary

- 1.1 This report gives an update on recent developments in relation to the West Midlands Combined Authority and the Devolution Agenda.

Recommendation to the Sub-Group

That the report be noted.

2 Background

- 2.1 Since the beginning of December, the West Midlands Combined Authority (WMCA) has been producing a weekly Bulletin which is circulated to all Councillors so hopefully Members are being kept up to speed on headline issues.
- 2.2 Whilst the Autumn Statement endorsed Devolution as being at the heart of the Government's approach to economic growth, the national picture remains patchy.
- 2.3 The WMCA seems to be relatively well-placed, but discussions on further Devolution deals are taking their time.
- 2.4 The focus over the next few months is likely to be on the West Midlands Mayoral Election, with the position becoming clearer post-Election.
- 2.5 Over the last couple of months, the Mental Health Commission has launched its action plan aimed at transforming attitudes and services around the region.
- 2.6 A big tranche of funding is coming into the Sub-Region, with £98.5 million for the Coventry City Centre South Scheme. This relates to Devolution Deal 1.
- 2.7 The Mayoral Order should be signed off imminently by Parliament and this should see this Council moving from Observer to Non-Constituent Member status.

2.8 Proposals for a Growth Company to market the West Midlands internationally are being taken forward. Current plans are for this to be funded by the seven Metropolitan authorities.

2.9 The Land Commission will report this week with a number of recommendations. The Executive Summary forms Appendix 1 to this report. This document has been put together by an independent commission. It is not WMCA policy, nor does it have any planning status. The contents will be given consideration by the WMCA in due course.

2.10 There is a lot of work going on but also a large degree of uncertainty which is only likely to unravel after 4 May.

3 Report Implications

3.1 None at this stage.

The Contact Officer for this report is Jerry Hutchinson (719200).

Background Papers

Local Government Act 1972 Section 100D, as substituted by the Local Government Act, 2000 Section 97

Background Paper No	Author	Nature of Background Paper	Date

2 Executive Summary

- 2.1 This is the final report of the West Midlands Land Commission ('WMLC'). It was commissioned by the West Midlands Combined Authority ('WMCA') in Spring 2016. The aim of the Commission is to identify means by which the stock of developable land can be increased with a view to raising the level of housing completions and the stock of developable employment sites to accommodate the ambitious levels of growth outlined in the Strategic Economic Plan.
- 2.2 At the time the Commission started work, the West Midlands Strategic Economic Plan (SEP) had recently been agreed. This plan anticipates and commits the region to achieving an increase of some 500,000 new jobs in the region by 2030¹. The SEP has deliberately ambitious goals. The concern underlying the creation of the WMLC was that this level of growth and hence the goals of the SEP were unlikely to be achieved without a significant increase in the volume of developable housing and employment sites. The WMCA wanted the WMLC to identify the barriers to their achievement and to make recommendations for overcoming them.
- 2.3 The review of recent trends in the West Midlands and the evidence submitted to the WMLC (Appendix E), confirm the statistical basis for the establishment of the WMLC. The targets the WMCA have set for the SEP are stretching and will not be met on current trends. The West Midlands needs urgently to increase its capacity to bring forward sites for housing development and employment. In relation to housing, there would need to be a 60% increase on the current annual level of completions to meet anticipated population growth with a large increase in employment land also needed.
- 2.4 Section 4 of the report sets out the Commission's approach to its findings and recommendations, which are centred on six key areas of action which flow from the four overarching principles that the Commission believes are essential to future success. These are:

- ◊ Whilst accepting the value of continued adherence to the principle that all parts of the WMCA should benefit, though not necessarily at the same time or in the same way, the recommendations in Section 6 will focus on the need for **prioritisation**.

The need for the WMCA to **add value** to the existing development and delivery activities of the individual local authorities, and not to displace those activities. The WMCA would therefore only intervene where its intervention adds value beyond the actions of its individual members, and recognising that the WMCA is not a Planning authority.

¹ West Midlands Combined Authority (2016) 'Strategic Economic Plan -Making Our Mark' - Pg. 24

- The combination of the setting-up of the WMCA and the devolution deal mean that there has been a step change in the powers and funding available to the WMCA. The WMCA should consider how it can make **full and holistic use of both the new powers** (including the enhanced borrowing powers announced in the Autumn Statement) **and the funding** provided by the devolution deal and any future agreements with central government.
 - **Aligning development and infrastructure** – ensuring that infrastructure investment, especially in strategic transport and provision of utilities, and the development of housing and employment sites, need to be closely aligned.
- 2.5 In the view of the Commission, there are six ‘game changers’ for the land market of the West Midlands. These are collective, transformative actions which the Commission believes will be needed if the major step change needed to deliver the SEP targets is to be achieved. The subsequent sections of the report set out the six game changers, the basis for the Commission’s conclusions, and the principal and supporting recommendations.
- 2.6 The development of a **Single Agreed Vision** [Section 5] for the West Midlands is recommended. This should be expressed in a non-statutory Spatial Framework, supported by processes, including further and more detailed analysis of the needs of business and on the needs of the housing market. This needs also to be supported with resources to underpin its delivery with a strong bias to collective action.
- 2.7 The designation of **Action Zones** [Section 6]. The Commission recommends the designation of a prioritised list of Action Zones where significant employment and housing space can be accommodated, underpinned by a Delivery Plan and a Financial Plan for each such Zone. This approach is likely to require skills that are not present or may not currently available to the region as a whole. The WMCA’s embedded capacity, in particular that of the local authorities, should be used to create a Project Delivery team to apply the financial resources available from both local and national sources to bringing such Zones to market at a sufficient pace and scale; and identifying the potential for siting strategic employment sites and large concentrations of new homes in strategic transport corridors.
- 2.8 The Commission underlines the need for the continued development of a visible **Unity of Purpose** [Section 7] in delivering the vision, seen in the arrangements that underpin it, especially in local and national bodies collaboratively using the full range of existing and emerging planning powers; and in the creation of new collaborative delivery models to allow a joined-up approach to the delivery of key sites. The Commission considers that there is a great deal to be gained from further and wider collaboration across the public and private sectors in delivering the SEP’s ambitions and targets.
- 2.9 The Commission advocates further ambitious steps aimed at **Transforming Brownfield Land** [Section 8]. A radically expanded programme of regeneration and remediation of brownfield sites is needed across the West Midlands, engaging both local and national organisations. This needs both to focus resources, including the Land Remediation Fund, to intensify urban development and thereby minimise erosion of the urban fringe, and to do so whilst protecting biodiversity. The Commission believes that central government, especially the HCA, has a significant role to play in this area. Associated with this would be the

expansion of existing collaborative arrangements to allow a collective review of the utilisation by central and local public sector bodies of their land and property assets, to establish whether through more efficient shared use it would be possible to release under-utilised public sector sites for redevelopment.

- 2.10 **A Strategic Review of the Green Belt** [Section 9] in the geographical areas covered by the WMCA. The Commission believes that even an effective, well-funded remediation programme is unlikely to provide a sufficient supply of developable land to meet the SEP's ambitions and targets on its own, and therefore a mixed strategy will need to be adopted. The review should pick up from and, where appropriate, supersede the reviews which a number of local authorities have under-way, where the Commission shares the view of a number of respondents that individual local reviews risk a piecemeal and unsustainable 'chipping away' of the Green Belt.
- 2.11 **Clarified Governance and Responsibility** [Section 10] has a key role to play. Building on steps already taken, the further development of governance arrangements is needed to provide shared leadership and oversight of the implementation of the measures described in this report. In light of the complexity of the current arrangements, the Commission recommends that the WMCA review current governance processes and the distribution of roles, responsibilities and accountabilities to ensure that it can provide the strategic leadership and oversight of the other recommendations set out in this report.