

CEO Forum held in Walsall by The Housing Forum and Wates Living Space 19th January 2016

"Housing and West Midlands Devolution"

Key words: Devolution, partnerships, joint ventures, local authorities, land supply, investment

The Combined Authority proposed for the West Midlands will bring the 7 West Midlands Metropolitan local authorities together with the aim of increasing economic output and setting service delivery to reflect priorities at a local level. Local Enterprise Partnerships (LEPs) for the area are in the process of preparing amalgamated plans for jobs and growth into a Super Strategic Economic Plan. (SSEP) The future Combined Authority could form a consortium or could create a direct delivery authority and may offer some benefits to non-



constituent bodies who are not constituent members of the Combined Authority. The Combined Authority is due to be formally created in April/May of this year. The Housing Forum met at this key stage to assess the opportunities for housing growth, land assembly and new models of direct delivery to meet the growing need for housing across all tenures.

The conclusions of the Housing Forum following the CEO Forum are:

- A spatial plan of housing opportunity areas is essential to support housing growth.
- Most boroughs in the West Midlands have high population densities and many prospective housing sites need significant remediation.
- Housing delivery has to have priority in the SSEP - housing is a catalyst for local economic growth, a more resilient economy and a stronger local tax base.
- Councils can add to funds for housing investment by using headroom for borrowing and by examining their total housing stock to create re-investment opportunities.
- More capacity can be achieved in the house building sector by developers working directly with councils, at scale and using their skills expertise.
- The expansion of the economic capacity of the region needs to benefit local communities if decades of economic decline are to be reversed.

The Forum began with **Cllr Roger Lawrence**, Member of the Combined Authority, (CA) who shared his view of the



opportunities ahead. Decentralisation of powers offers some freedoms in setting local investment priorities, the use and development of the local business rate base and the expansion of the housing stock to generate more income. Population density is high in most of the WM boroughs and land supply is constrained with brownfield land in poor condition and requiring remediation prior to house building.

The devolution deal proposal from government is £37m per annum funded over 30 years to generate a fund of £1bn which when added to the forecasted private sector investment, business rate retention opportunity and other financial instruments will generate an investment programme, the worth of which could approach £8bn. The advantage is that funds could be applied without the need for specific government department approvals (although subject to standard Green Book controls). Funds would be deployed for transport, housing land reclamation and for training and skills.

Identified with the investment pool is a £200m fund for bringing land back in to productive economic use and a pointer to a £500m housing fund (which has to be defined). What this means for housing is the opportunity to bring forward schemes quickly and enable investment in areas which would not otherwise be developed. The main barrier holding back housing development across most of the West Midlands is investment.

Other potential gains are in skills where CITB and Wolverhampton University have developed a centre for development technology and in the plan to devolve more areas of government spending which could include budgets for mental health and other public services.



Lee Sale contributed Wates Living Space's perspective which is that there is close synergy between direct delivery of housing construction and the devolution approach. A key opportunity offered by the CA is to understand the timing of growth opportunities and where funding will go for housing delivery. Direct delivery with developers working with local councils is a good model well suited to the devolution context. In these models, there is an "enhanced contractor" offer able to work on housing construction and re investment across all tenures and at volume through integrated service delivery, bringing in a range of skills through the development life cycle.



Gary Fulford set out the scope of whg's development programme. Despite reductions in income, this local housing association has ambitions to build and currently have 500 homes on site with plans to build a further 600 homes over the coming months. The bulk of these new homes will be for rent to meet needs in an area of high unemployment and relatively low valuation. whg are involved in some strong housing markets and are building for outright sale with surpluses used to cross subsidise and support development in Walsall. Shared ownership, which has been given a boost in recent Government announcements, is not viable in these local housing

markets. **Sara Woodall** from Heantun Housing Association urged housing providers and local councils to take a cross boundary approach following the thinking in the devolution agenda into the delivery of housing and related support services. Many people who rely on rented housing will also need to access support services.

The following took part in the Forum in Walsall

- 🏠 Darren Clarke, Partner, Arcadis LLP
- 🏠 Sarah Crawley, Chief Executive, ISE (Initiative for Social Enterprise)
- 🏠 Gary Fulford, Group Chief Executive, whg
- 🏠 Trevor Graham, Key Account Director, Living Space Maintenance (Co-Host)
- 🏠 Shelagh Grant, Chief Executive, The Housing Forum (Co-Host)
- 🏠 Neil Hebberts, Partner, calfordseaden LLP
- 🏠 James Howse, Programme Manager, West Midlands Combined Authority
- 🏠 Cllr. Roger Lawrence, Leader, Wolverhampton City Council, Member of West Midlands Combined Authority
- 🏠 Simon Marks, Partner - Local Government & Regeneration, Arcadis & Member, Birmingham & Solihull LEP
- 🏠 Helen Newbury, Group Head of Programme and Performance, Waterloo Housing Group
- 🏠 Stewart Reid, Business Director, Living Space Maintenance (Co-Host)
- 🏠 Peter Richmond, Chief Executive, The Pioneer Group
- 🏠 Damion Rothner, National Sales Manager, Travis Perkins
- 🏠 Lee Sale, Business Director, Wates Living Space (Host)
- 🏠 Anne-Marie, Simpson, Head of Midlands & Central, HCA Midlands
- 🏠 Bob Strachan, Chief Executive, Stonewater
- 🏠 Amanda Tomlinson, Chief Executive, Black Country Housing Group
- 🏠 Sara Woodall, Chief Executive - Heantun Housing Association, Accord Group

THE HOUSING FORUM IS GRATEFUL TO WATES LIVING SPACE FOR HOSTING THIS CEO FORUM

To have your say on whether you think a Combined Authority would be advantageous for the region – the link follows: <http://westmidlandscombinedauthority.org.uk/#consultation>. It will take no more than 5 minutes of your time to complete.

Your response would be very welcome.