

West Midlands Land Commission

**Final Report to the West
Midlands Combined
Authority Board.**

9th February 2017

Disclaimer and Important Notice

This report has been prepared by the West Midlands Land Commission for the sole benefit of the West Midlands Combined Authority ("WMCA") to assist it in the performance of its statutory functions. It is for the WMCA to decide if it agrees with, and takes forward, its recommendations. The Commission itself has no statutory functions.

None of the recommendations in this report relates to specific sites. It is not intended to be relied on by any third party nor is it in any way intended to be a material consideration in relation to the exercise of any function of a local planning authority.

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Thanks and acknowledgements

As Chair of the Commission I wish to thank my fellow Commissioners for their time, enthusiasm and diligence in the work we have undertaken together these last months, and the whole Metro Dynamics team who have ably supported our work as Strategic Advisors.

The Commission would also like to extend its thanks to the wide range of people and organisations who have supported it. The West Midlands Combined Authority ('WMCA') took a decision to set up this Commission which, we believe, was a sign of the desire of the region to continue its progress. In doing so, it asked the Commission to look at important and difficult issues. We wish to extend our thanks to the elected and other Members as well as the Officers of every organisation involved for asking the Commission to undertake this work and for supporting it at every stage in the process.

We also wish to thank the many people and organisations who responded to the Call for Evidence or who attended Evidence Hearings. It is the views of people across and beyond the West Midlands that underpin this report. Without their time and effort, this report would not have been possible.

In this report and its work, the Commission has had to strike a balance between very different views and sometimes competing interests. We have also received 1,300 pages of evidence. We have made judgements both on the issues themselves and on the material to which we draw direct reference. In doing so, the Commission has attempted to make the best assessment of what is in the best interests of the West Midlands to achieve its ambitions as set out in the WMCA's Strategic Economic Plan ('SEP'). We would be interested in, and welcome feedback, which can be sent to landcommission@centro.org.uk.

The Commission offers particular thanks to Cllr Sean Coughlan, lead Member for housing and land and leader of Walsall Council, and to his predecessor Cllr Mike Bird. Thanks are also offered to Jan Britton, the Chief Executive of Sandwell Council, and his team who have been our point of liaison with the Combined Authority. The Commission acknowledges the debt of gratitude owed by it and all involved in the regeneration of the West Midlands to the late Cllr Darren Cooper who was a passionate advocate of this work.

Paul Marcuse, Chair of the West Midlands Land Commission

February 2017

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1 The Commission and its Evidence Base

About the Land Commission

- 1.1 The West Midlands Land Commission ('WMLC' or the 'Commission') is an independent, time-limited Commission. It was set up in Spring 2016 to take a fresh look at West Midlands land supply, and to consider what measures could be initiated and undertaken to ensure an improved supply of developable land from both a strategic and a regional perspective. Short biographies of the five Commissioners are attached as Appendix A. Metro Dynamics are Strategic Advisors to the Commission.
- 1.2 The starting point for the Commission's work is the Strategic Economic Plan ('SEP') prepared by the West Midlands Combined Authority ('WMCA') setting out employment and development targets for the area. It is not the Commission's role to question or challenge these targets. For the purposes of this document, unless otherwise indicated, the term "West Midlands" has been adopted to describe the geographical area covered by the 3 Local Enterprise Partnerships which are the focus of the SEP: the Black Country LEP, the Coventry & Warwickshire LEP, and the Greater Birmingham & Solihull LEP.
- 1.3 The Commission's Terms of Reference, which were agreed by the WMCA Board in June 2016, are attached as Appendix B.
- 1.4 In view of the setting up of the WMCA Skills and Productivity Commission, the Commissioners have not formally considered the impact of skills on the delivery of the SEP's housing and employment land targets. However, they acknowledge the important role that skills considerations play in securing the appropriate supply of developable land and would encourage the Skills and Productivity Commission to consider these issues as part of its own Terms of Reference.

About this report

- 1.5 This report has been prepared by the West Midlands Land Commission for the sole benefit of the West Midlands Combined Authority to assist it in the performance of its statutory functions. It is for the WMCA to decide if it agrees with, and takes forward, its recommendations. Whilst this report takes account of current government policy, the Commission acknowledges that policy is evolving and recognises that implementation of recommendations in this report will need to take account of this.

Work of the Commission

- 1.6 Since its formation in Spring 2016, the Commission has undertaken a significant programme of work including:

- Holding initial consultations prior to the launch of the WMLC with 19 organisations. These conversations were used to inform the drafting of the Terms of Reference and to provide background briefing material for the Commissioners.
- Reviewing and analysing an extensive extant body of literature and data.
- Publishing a Call for Evidence, the details of organisations who responded are attached as Appendix D.
- Holding three Evidence Hearings and a series of further conversations with organisations able to provide a useful perspective on the issues considered by the WMLC.
- Working with Sandwell Metropolitan Council to instruct Bilfinger GVA to undertake a technical study on a number of key areas, which supplement the evidence base.
- Producing an Interim Report to continue the strong engagement and dialogue with Leaders and Officers.

Evidence reviewed

- 1.7 The work of the Commission has been informed by a wide range of evidence. This has been carefully assembled, reviewed and considered to ensure that the recommendations the Commission is making reflect the available evidence.
- 1.8 The body of evidence comprises the following:
- Responses to the Call for Evidence including:
 - Oral contributions at the three Evidence Hearings.
 - A number of bilateral meetings.
 - Written submissions.
 - Work by Bilfinger GVA commissioned by Sandwell Metropolitan Council.
 - Existing studies commissioned by the WMCA and constituent authorities.
 - Publicly available National and Regional studies and reports.
 - Publicly available datasets.
 - West Midlands Joint Monitoring Data relating to planning permissions and completions.

Call for Evidence

- 1.9 The Commission issued a public Call for Evidence that ran from July to August 2016 to all parties with an interest in, or knowledge of, land and development in the West Midlands in

order to inform the Commission's recommendations. As outlined in Appendix E, a significant body of evidence has been submitted to the Commission in writing in response to this Call for Evidence from a range of organisations, both public and private.

- 1.10 As well as receiving written responses, the Commission has also heard from a number of organisations and individuals throughout three oral Evidence Hearing sessions. Respondents either directly approached the Commission to offer their views and experience, or were approached by the Commission. In deciding which organisations to approach, the Commissioners were mindful of the need to seek the views of the widest possible range of stakeholders.

Bilfinger GVA work programme

- 1.11 Bilfinger GVA were retained by Sandwell Metropolitan Borough Council to provide specialist advice and research in relation to the Commission's "Lines of Enquiry", as set out in the Terms of Reference in Appendix B. This programme of work included matters which the Commission felt required further investigation.
- 1.12 The following documents have been produced by Bilfinger GVA for the Commission and their findings are referred to throughout this report:
- 'Assessing the scale and characteristics of delivery of housing and employment development'.
 - 'Reviewing the evidence on unimplemented and expired planning permissions'.
 - 'More productive use of the Public Estate'.
 - 'Analysis of greenfield and brownfield development'.
 - 'What is the evidence on Green Belt development in the West Midlands'.
 - 'Historic Analysis of Brownfield Remediation and Regeneration efforts in the West Midlands and Barriers to Development'.
 - 'Housing/ Employment Allocations and Absorption Rates'.
 - 'Review of the Impact of CIL on Viability'.

Existing studies commissioned by the WMCA and constituent authorities

- 1.13 Throughout the Commission's engagement with stakeholders and interested parties, it has been made aware of a number of existing reports and studies which have been commissioned by constituent local authorities and LEAs. The Commission has relied on a number of such documents which address challenges which also fall within the Commission's remit, as set out in the Terms of Reference.
- 1.14 A full list of studies consulted is included as Appendix G.

Publicly available National and Regional studies and reports

- 1.15 The Commission is not the only body in the recent past to look at land and property issues as a potential barrier to economic growth. A large number of such studies have been undertaken, typically at a national level, but which nonetheless include findings of relevance to the Commission's work. This includes:
- National Reviews such as the Barker Review.
 - Papers by prominent think-tanks, academics and researchers.
 - Policy papers by commercial organisations.
- 1.16 The Commission has also looked at studies which focus on the West Midlands region, such as the Urban Land Institute's report 'The Density Dividend' which included a case study on densification in Birmingham.
- 1.17 The evidence base also extends to Proofs of Evidence, Local Plan Examinations in Public ('EIP'), and Appeal Decisions.

Publicly available datasets

- 1.18 Every effort has been made to source the most recent data available for the Commission's work. A number of sources have been relied upon for analysis such as the Office of National Statistics, Department of Communities and Local Government, Valuation Office Agency, and Department for Transport. Property data is from a variety of commercial sources, and whilst these are reasonably comprehensive, they are in some cases partial, with missing data due to commercial confidentiality on individual deals.

West Midlands Joint Monitoring Data

- 1.19 On behalf of the authorities of the West Midlands, Mott Macdonald collates data on key planning metrics. This is dependent upon responses from the planning authorities and in some cases, is not fully up-to-date or is not complete. Nonetheless it is the closest available source for some of the planning metrics that have been reviewed. It is also a key input to the Bilfinger GVA studies.

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.

3 Growing the WMCA Area Economy

- 3.1 The WMCA's economy is a vital part of the UK economy. It is Britain's second city region, generating 7.1%² of UK Gross Value Added ("GVA") and housing 4m people³.
- 3.2 The West Midlands SEP sets out the overall ambition of the region. Its aim of growing the economy requires action from business, not least from the region's companies which are at the heart of British advanced manufacturing. Universities have a major role too. The role of the public sector in creating a climate for, and supporting growth, is also key. The West Midlands has also played its part in growing start-ups in a range of new industries such as the creative, digital and life science sectors⁴, and has a thriving professional and financial services sector. Recent statistics show that more than 17,000 businesses were created in Birmingham in 2016, up 25% from 2015⁵.
- 3.3 Because of its location, the WMCA area is the central point for logistics, warehousing and distribution companies, with most parts of the UK being within 4 hours' journey time. In each of these and other areas, the land market has a key role to play: both in supporting sustainable development and in helping to create places where people want to live. So land, the subject of this Commission's remit, is central to achieving the goals of the SEP.
- 3.4 Up until the 1970s the West Midlands was a major driver of UK economic growth. For example, in 1961 household incomes in the West Midlands were 13% above the national average, and exceeded incomes in London and the South East⁶. However, in the 1970s and 80s, global structural change had a significant impact on the region's economic growth. The West Midlands was the only UK region to grow at a slower rate in the second half of the century compared to the first half⁷.
- 3.5 This relative underperformance has continued up to the present. Figure 1 sets out the productivity of UK regions, as measured by GVA per head. The West Midlands ranks below the UK average.

² ONS (2015) Regional Gross Value Added (Income approach): December 2015

³ West Midlands Combined Authority (2016), 'About the Area'. Date Accessed 02.12.16

⁴ West Midlands Combined Authority (2016) 'Strategic Economic Plan- Making Our Mark'- Pg. 18

⁵ Sunday Times (2017), "Birmingham Tops Start-Up League"

⁶ Sutcliffe, A. & Smith, R. (1974), Birmingham 1939-1970 (History of Birmingham, Vol. III) - Pg. 54

⁷ Haynes, M. (2008). The Evolution of the Economy of the West Midlands 1700-2007. (Part 6) - Pg. 17

Figure 1. Comparison of GVA in British regions

	GVA per head (£) (2015)
London	43,600
South East	27,800
UK average	25,400
East of England	24,000
South West	23,000
North West	21,900
East Midlands	20,900
West Midlands	20,800
Yorkshire and The Humber	20,400
North East	18,900

Source: ONS (2016) Regional gross value added, UK: 1997 to 2015

- 3.6 Economic underperformance impacts on national growth and productivity and holds back the prospects of local people. It is vital for both the WMCA and the UK that the West Midlands area is supported to grow.

The Strategic Economic Plan

- 3.7 The WMCA Strategic Economic Plan (SEP), is the starting point of the Commission's work. To the extent that respondents have commented, it has been broadly accepted as a statement of vision for the WMCA area by respondents. At its core is a target to raise per capita GVA across the West Midlands to the national average by 2026, and to 5% above the national average by 2030⁸. The SEP proposes the creation of 500,000 new jobs by 2030, underpinned by an increased population of some 542,000 people⁹. This is equivalent to adding the population of Sheffield to the WMCA area by 2030¹⁰.
- 3.8 The SEP estimates that to accommodate the growing population, the West Midlands housing stock will need to increase to 1.9 million homes¹¹ - an increase of approximately 215,000 homes. This includes 50,000 more homes than are currently allowed for in all relevant Local Plans¹² taken together. This would be equivalent to building an additional ten

⁸ West Midlands Combined Authority (2016) 'Strategic Economic Plan - Making Our Mark' - Pg. 12

⁹ West Midlands Combined Authority (2016) 'Strategic Economic Plan - Making Our Mark' - Pg. 24

¹⁰ ONS (2013) '2011 Census: Population Estimates by single year of age and sex for local authorities in the United Kingdom'

¹¹ West Midlands Combined Authority (2016) 'Strategic Economic Plan - Making Our Mark' - Pg. 12

¹² See Figure 3 'Projected Growth in Dwellings'

large urban extensions of 5,000 homes each in the next 15 years, over and above the 165,000 new homes already in Local Plans.

- 3.9 To accommodate the new jobs, the SEP anticipates that 1,600 hectares of brownfield land will need to be remediated¹³. This is equivalent to remediating an area the size of 11 Longbridge manufacturing sites¹⁴. Whilst brownfield land has a vital role to play in meeting the SEP's requirements for new space, the time taken to remediate such land mean that it is unlikely to satisfy the more pressing land availability requirements¹⁵.
- 3.10 Agents, developers and employers have told the Commission that there is already a considerable shortage of readily developable employment sites of all types. Two respondents have provided evidence to the effect that the lack of sites now precludes them from operating in the West Midlands.
- 3.11 A recent report commissioned by the WMCA has compared the three SEP targets (number of new jobs, population growth, and demand for new homes) with both targets from the aggregated Local Plans and the trend rate of growth¹⁶. For all three measures, the trend rate of growth is some way below aggregated Local Plan targets, and the Local Plan targets are significantly below the SEP targets. This is illustrated in Figures 2, 3, and 4 below.

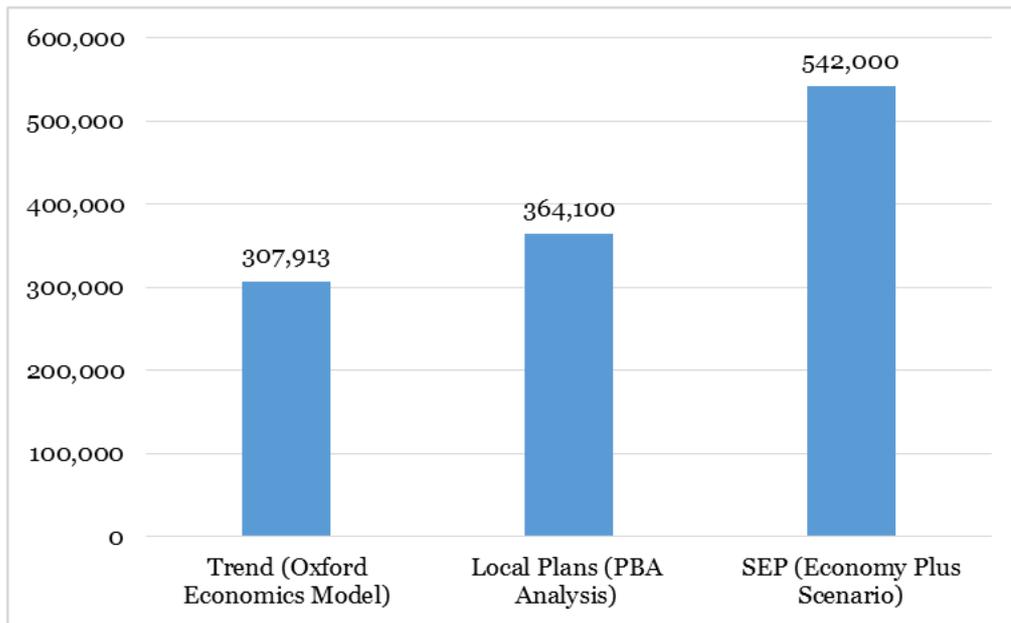
¹³ West Midlands Combined Authority (2016) 'Strategic Economic Plan- Making Our Mark'- Pg. 13

¹⁴ St Modwen (2009) 'Longbridge plan gets green light'. Date accessed 18.01.17. Available from <http://www.longbridgebirmingham.co.uk/news/article/longbridge-plan-gets-green-light/>. The Longbridge Site is 140 hectares. (140x11=1,540 hectares)

¹⁵ RICS (2015) 'Making more Brownfield Land Available for Housing' - Pg. 10

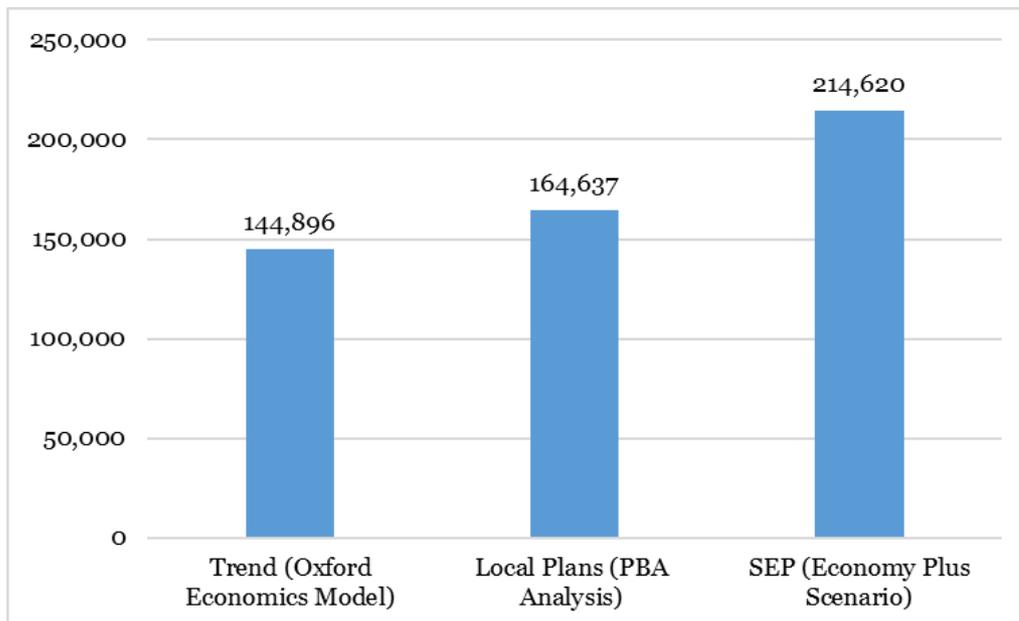
¹⁶ Peter Brett Associates (2016) 'The relationship between Combined Authority SEP economic model and land use plans in the West Midlands.' & 'The relationship between DEIM and land use plans in the West Midlands Combined Authority.' Presented to the WMCA Board on 1 July 2016

Figure 2. Projected population growth to 2029 / 30

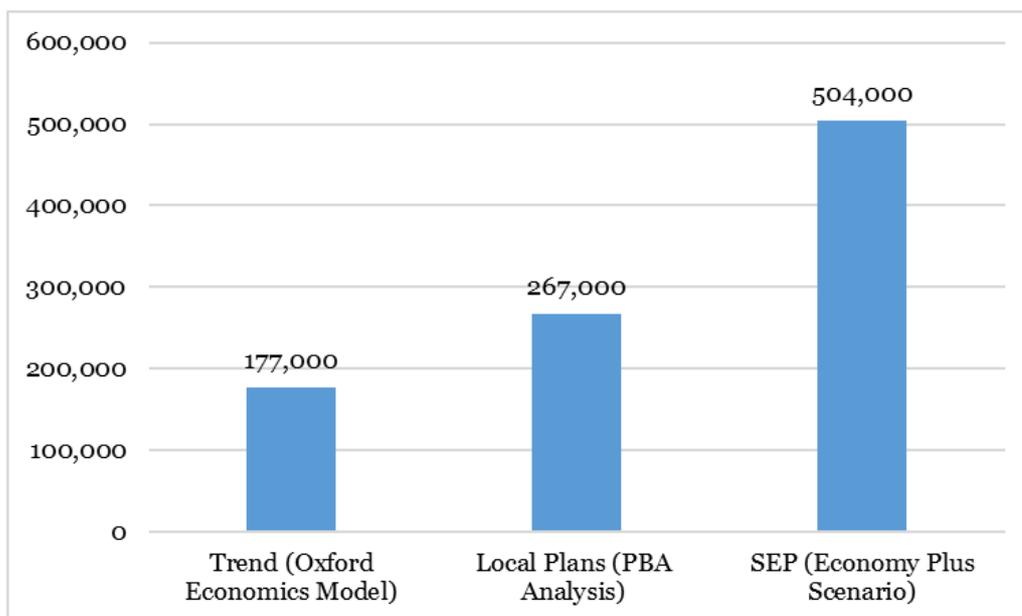


Source: Peter Brett Associates (2016)

Figure 3. Projected growth in dwellings to 2029 / 30



Source: Peter Brett Associates (2016)

Figure 4. Projected job growth to 2029 / 30

Source: Peter Brett Associates (2016)

Track record of building new homes and employment space

- 3.12 Bilfinger GVA has estimated that in the ten-year period between 2004 and 2014, approximately 88,000 net additional dwellings were delivered across the West Midlands (approximately 8,800 per annum). If the SEP targets are to be delivered, some 215,000 new homes are likely to be required over a 15-year period (approximately 14,300 dwellings per annum). On the basis of these figures, the annual rate of delivery would need to rise by over 60% to achieve this level of new homes¹⁷. When account is taken of the need to scale-up to deliver these new homes, it is likely that new homes delivery in the later years of the SEP period would need to increase by significantly more than the 60% referred to above.
- 3.13 With regard to employment land, approximately 1,100ha of employment land (gross) were developed between 2004 and 2014 (based on an annual average completion rate of 110ha per annum)¹⁸. If this trend rate were to be projected forward over the SEP timeframe of 2015-30, some 1,650ha of employment land would be developed. This would be insufficient to meet the SEP targets, which assume the delivery of 1,600ha solely within the seven metropolitan authorities, and take no account of employment growth within the district authorities.

¹⁷ $8,800$ (current annual net completions) / $14,300$ ($215,000/15$ yrs) = 0.615 .
 $0.615 \times 100 = 61\%$

¹⁸ Bilfinger GVA (2016) 'Analysis of greenfield and brownfield development' - Pg. 4

- 3.14 On the basis of the historic track record, the existing and unmet need for sites, and the fact that Local Plans already provide for a rate of building some way in excess of the past trend rate, **the Commission believes that developing the new homes and employment space needed to support delivery of SEP's growth targets presents a significant challenge. Meeting that challenge, which extends to both the scale and speed of delivery, would require a step change in the number of sites brought forward for development and the pace at which they are developed.**
- 3.15 Sections 5-10 of the report set out a series of recommendations which lay the foundations for this step change to take effect.

4 The Commission's Findings and Recommendations

- 4.1 Identifying and developing the new employment and housing space needed to meet the SEP's ambitions and targets will require a step change in the number of sites brought forward for development and the pace at which they are delivered. The formation of the WMCA, the recent devolution deal and any future agreements with central government, and the governance changes associated with the election of a mayor provide a unique opportunity for the public and private sectors to jointly address the challenges inherent delivering the growth ambitions of the SEP.
- 4.2 The West Midlands has already progressed a number of plans and initiatives which should all help in the delivery of the SEP's targets. These include:
- Undertaking a series of housing, land and infrastructure studies to understand the scale of the challenge.
 - Launching a Collective Investment Fund (CIF) to support development.
 - Setting up a Land Remediation Fund (LRF) and Investment Board to manage this and the CIF.
 - Developing a Growth Company to market the region, and secure and retain investors.
 - Adopting the West Midlands Strategic Transport Plan.
 - Developing an economic model ("DEIM") to support investment prioritisation.
 - Setting up a West Midlands Property Board.
 - Collaborative cross-boundary work to bring forward the 'i54' major employment site.
 - Pursuing the innovative Telford Land Deal with the HCA.
 - Developing successful models of housing development such as the Birmingham Municipal Housing Trust (BMHT).
 - Initiating independent commissions to investigate three key areas of importance to the WMCA (including this Commission).

Overarching principles

- 4.3 The Commission's recommendations to the Board of the WMCA build on those helpful first steps and are based on 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 added value beyond the actions of its individual members, and recognising that the WMCA is not a Planning authority.
 - 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 2016) **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 the provision of utilities, and the development of housing and employment sites are closely aligned.

Recommendations

- 4.4 Some of the Commission's individual recommendations are capable of swift implementation. Others have a longer-term trajectory, and would take some time to implement. They are not, however, intended to be sequential, and the Commission hopes that, in the interests of making progress at the pace which will be needed to ensure land is not an obstacle to achievement of the SEP's targets, they will be considered and, if accepted, initiated concurrently.
- 4.5 The development of large-scale sites is a long-term business, requiring years of promotion and preparation before the first brick is ever laid. The scale of the challenge presented by the SEP needs to be seen in the context of the delays historically experienced in bringing sites to market, which can extend to as much as 8-10 years¹⁹. In view of this, to have any meaningful impact before the end of the period covered by the SEP (2030), action in a number of areas would need to be addressed with immediate effect.

¹⁹ Nathaniel Lichfield & Partners, (2016) 'Start to Finish: How quickly do large-scale housing sites deliver?'

4.6 The recommendations, and the evidence and analysis that supports them, are grouped around six ‘game changers’ – the 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. These are:

- The development of a **single agreed spatial vision** for the West Midlands, expressed in a non-statutory **Spatial Framework**, supported by **collective processes and resources** which underpin its delivery with a strong bias to collective action. The Commission believes that the proposed Spatial Framework will need to cover within a **mixed land use strategy**, the whole range of options for delivering sites for employment and housing uses, including brownfield remediation (see further below), densification, estate renewal, infill development, and new settlements and urban extensions.
- Key amongst these is 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; use of the WMCA’s embedded capacity to create a **Project Delivery Team** to apply the human and financial resources available from both local and national sources to identifying the way in which strategic transport investment schemes might be leveraged to secure more, and more productive, employment and housing land than might otherwise be the case; and identifying the potential for siting strategic employment sites and large concentrations of new homes in **strategic transport corridors**.
- The continued development of a visible **unity of purpose** in delivering that agreed spatial 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. It also believes that there would be value in the WMCA implementing measures to **strengthen the region’s identity** in a manner appropriate to its role as the UK’s second city region, and using the proposed Growth Company as the **‘front door’** to global investors, developers and occupiers.
- A radically expanded programme of **regeneration and remediation of brownfield sites** across the West Midlands, engaging both local and national organisations. The Commission believes that central government, especially the HCA, has a significant role and responsibility 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.
- A strategic **review of the Green Belt** in the geographical areas covered by the WMCA. The Commission believes that even an effective, well-funded brownfield remediation programme is unlikely to provide a sufficient supply of developable

land to meet the SEP's ambitions and targets on its own within the timescale, therefore a mixed land use strategy will need to be adopted encompassing the use of densification, estate renewal and infill development as well as new settlements and urban extensions. The review should pick up from and, where appropriate, supersede the reviews which a significant number of local authorities have underway, where the Commission has heard from a number of respondents that individual local reviews risk a piecemeal and unsustainable 'chipping away' of the Green Belt.

- Building on steps already taken, the further development of **governance arrangements** to provide shared leadership and oversight of the implementation of the measures described in this report.

5 A Single Agreed Vision

The first of the Commission’s six game-changing recommendations is the development of a single agreed spatial vision for the West Midlands, expressed in a non-statutory Spatial Framework, supported by processes and resources which underpin its delivery with a strong bias to collective action. This Framework would be the spatial mechanism for guiding the whole region’s inclusive economic growth and delivering community benefit.

The Spatial Framework is not intended as another planning document, nor should it replace existing Local Plans, or those in preparation.

The Commission recommends that:

- The WMCA Board develops a Spatial Framework for the West Midlands, initially on a non-statutory basis, which would set out the agreed spatial Vision for the region.
- As part of the development of the Spatial Framework, the WMCA and local authorities should collaboratively consider how to use the full range of existing and emerging powers.
- The Project Delivery Team described in the following section builds the expertise to enable collaborative delivery models to be brought forward and used as appropriate, taking advantage of the new powers and funding now available through the WMCA.
- The WMCA undertakes a study of modern business requirements, and uses the findings from that study both to inform the development of the proposed Spatial Framework and to identify urgently the needs of modern logistics and just in time delivery for manufacturing plants.
- The WMCA now commissions the second phase of the JLL/PBA study, to examine in detail how best the forecast shortfall between supply and likely demand for housing might best be addressed, as well as to identify urgently accessible major sites to take forward. Given the scale of the challenge, that analysis should start with a “Policy Off” analysis to ensure an open-minded and holistic approach to site selection, weighted by a consideration of market signals as to where optimum location is. Policy considerations can then gradually be reintroduced.

- Until that work is available, the Spatial Framework should, in a way which is consistent with existing Local Plans, support the development of new housing through improved mechanisms for identifying sites and delivering new homes at pace and scale.
- The WMCA should consider how successful models of public sector housing development could be replicated across the West Midlands.
- Given the potential for densification, the approach to density within the West Midlands should be revisited via a ‘density test’ for local planning authorities to consider applying new guidelines on top of Local Plans where planning consents are sought for sites which are likely to benefit from significant new infrastructure investment.
- The WMCA commissions from specialist developers a review of the options for the renewal of major estates across the region with the twin goals of delivering additional housing alongside the undoubted community benefits.
- The Spatial Framework be constructed around a robust open-source evidence base, such as the tool developed on a pilot basis by the HCA, and to be jointly created by public and private sector stakeholders.

- 5.1 The West Midlands is a large and complex area. The diversity of an area as large as this brings economic opportunity, with the potential for every type of housing and employment site. It is important that the market functions as efficiently as possible, so that it feels like one market, minimising structural barriers and regulations.
- 5.2 The efficient functioning of the land market, like any other, depends to a significant degree on regulatory certainty. In the case of the land use market that means a planning system in which individual planning authorities each has an adopted Local Plan and, that there is adequate coordination between them at a strategic and operation level, with clear coordination between local planning, transport, housing, utilities and other important organisations.
- 5.3 Whilst some of the local planning authorities have Local Plans, others do not – or, at least, do not have these documents formally adopted. The Black Country authorities have had a Core Strategy in place since 2011 which covers much of the material that would be in a Local Plan. There has also been some coordination on the basis of LEP geography. The Core Strategy is a spatial planning document, which seeks to guide the transformation and regeneration of the Black Country by promoting economic growth in a series of regeneration corridors and strategic centres up to 2026. Adopted in 2011, it forms the basis of the four local authorities’ Local Development Frameworks, and as such it is a statutory spatial plan²⁰. The Core Strategy is in the process of being reviewed and extended to cover the period to 2031²¹.
- 5.4 There is no spatial strategy in place for either the GBSLEP or the CWLEP, although the Commission understands that it is the current intention of both LEPs to produce spatial plans in due course. The Commission understands that, whilst the GBSLEP Spatial Plan for Growth is being prepared, it has been on hold to allow further work to be undertaken on the housing element. The Joint Committee of local authorities in Coventry and Warwickshire recently considered the possibility of a Single Spatial Strategy for Coventry & Warwickshire, which could be initiated once the current round of Local Plans have been adopted in 2017²².
- 5.5 The strongest consensus in the evidence received by the Commission on this issue was the need for the relevant local authorities to develop, adopt and act upon a single spatial vision for the West Midlands. There was broad agreement that the scale and pace of development needed to achieve the ambitions of the SEP requires a single Spatial Framework, a single focus (the subject of Section 7 of this report) and a single agreed set of priorities to achieve that vision.
- 5.6 The Commission has considered carefully the mixed evidence it received on the development and use of previous Regional Spatial Strategies. Respondents generally agreed that, on some issues, they had proved effective but that they had shown that there were issues where comprehensive regional planning was not practicable. What is clear from the

²⁰ Black Country Local Authorities (2016) ‘Black Country Core Strategy’. Date Accessed 18.01.17 – Pg. 8

²¹ Greater Birmingham and Solihull LEP, Black Country Local Authorities (2015) ‘Strategic Housing Needs Study. Stage 3 Report’

body of evidence, however, is the weight of opinion in favour of some form of spatial framework focusing on employment and housing land supply and use, tightly tied to the delivery of the ambitions and targets of the SEP. Some respondents also cited a need to align strategic housing and employment planning to strategic infrastructure planning and investment programmes, focusing on key prioritised strategic sites and corridors.

- 5.7 The Commission therefore **recommends that the WMCA Board develops a Spatial Framework for the West Midlands, initially on a non-statutory basis, which would set out the agreed spatial vision for the region.** This would give a spatial and geographic dimension to the economic vision articulated in the SEP, which should help determine relevant land use and development goals and priorities for the West Midlands. Its action focus and non-statutory basis would allow local authorities to continue with their Statutory Plan making and adoption whilst working proactively to unlock further joint opportunities that might otherwise not be possible under individual planning policy regimes.
- 5.8 The Framework should be action-focussed, effectively identifying priorities for joint action to bring about an acceleration of sites brought forward for development across the WMCA area.
- 5.9 The Spatial Framework is not intended as another planning document, nor should it replace existing Local Plans, or those in preparation. The Commission is conscious that the WMCA does not have planning powers and that its actions must not conflict with those of local planning authorities or seek to override agreed current Local Plans. Nonetheless, the Commission's expectation is that, once all members had approved the Spatial Framework, they would also commit to its implementation in a way which was consistent with Local Plans.
- 5.10 The Spatial Framework would identify:
- Which local authority areas it covered.
 - Responsibilities and accountabilities.
 - Where, and how, housing and commercial development could be accommodated in order to achieve the targets in the SEP. This would include identifying strategic corridors where development and investment could be concentrated. It would also include the identification of Action Zones to prioritise the most significant potential development sites where land assembly, remediation as necessary and development should be pursued and monitored by the WMCA Board.
 - The essential linkages and interdependencies between housing sites, employment sites, and strategic infrastructure.
 - A pipeline of strategic employment sites which could be available at an economically attractive cost within an appropriate timeframe.
 - A pipeline of strategic housing sites, together with mechanisms to ensure that the pipeline is continually renewed. This would include sites which might be capable of

densification; urban extensions and new settlements, including ‘Garden Villages’; and the potential for estates regeneration.

- Potential opportunities for employment and housing uses on sites which currently straddle local authority boundaries, and which have not yet been identified in Local Plans.
- Those areas, whether brownfield, greenfield or Green Belt, that have high environmental and biodiversity value and which therefore need continued protection. There may well also be some areas of brownfield or greenfield land that could be identified for possible addition to the Green Belt where this would create a more cohesive Green Belt.
- The respective roles of public and private sector bodies in delivering new sites.
- The funding principles on which sites could be progressed, including the conclusions of collective consideration of the way in which financial resources available from both local and national sources can be used to bring strategic sites to market at a sufficient pace and scale. This could include re-investing a proportion of the value uplift realised in the granting of planning consents on major sites in one Action Zone into the assembly and remediation of major sites in other Action Zones, to the collective benefit of the WMCA overall.
- How the Framework links to the WMCA’s wider plans, particularly as they relate to the skills base, the West Midlands Strategic Transport Plan and the Midlands Engine strategy.
- The further powers and finances which might be sought in any future agreements with central government to support the WMCA and local planning authorities in implementing the Framework.

5.11 The Spatial Framework should also address the future strategic (transport, telecommunications and utility) infrastructure requirements of the West Midlands and how best to harmonise proposed investments in strategic infrastructure with the region’s broader land, development and economic targets. This could be established through a regional infrastructure dependency mapping exercise in collaboration with the three LEPs. The Commission believes that strategic land use and development priorities should be aligned with the infrastructure investment plans of bodies such as Highways England, Network Rail and the utility providers, with those bodies being asked to prioritise and accelerate the delivery of planned investments that support the delivery of the Spatial Framework and hence of the SEP. The Commission’s expectation is that the WMCA would be the primary point of focus for discussions with Network Rail and Highways England on their strategic investment schemes, liaise with bodies such as Midlands Connect, and act for its members in lobbying Network Rail, Highways England and the utility providers for investments on their part which supported the Spatial Framework and SEP.

5.12 This Spatial Framework process could be supported by clear mapping of development opportunities, existing and potential infrastructure, and constraints to development, similar

to the interactive mapping associated with the Greater Manchester Spatial Framework and made available on an open source basis.

Greater Manchester’s Spatial Framework

Greater Manchester has a longer track record of cooperation than other areas and, as a result, is the furthest along of any Combined Authority. It is therefore a useful point of comparison to understand the extent and operation of a Spatial Framework.

The Greater Manchester Combined Authority is setting up a Spatial Framework (‘GMSF’) to ensure the provision of the right land in the right places to deliver the homes and jobs needed up to 2035, ensuring provision of opportunities for development across the whole region. The framework sets out the level of housing and commercial growth that the City Region needs and indicate broadly where this will go to accommodate land for 199,700 jobs, and 227,200 net new homes¹.

The framework will identify new infrastructure (such as roads, rail, Metrolink and utility networks) required to achieve this as well as addressing the environmental capacity of Greater Manchester, setting out how to enhance and protect the quality of the natural environment, conserve wildlife and tackle low carbon and flood risk issues, to accommodate growth sustainably³. It will do this by aligning with complementary documents such as the Local Transport Plan.

The key point about Greater Manchester in the context of the West Midlands, however, is not the GMSF itself: it is the outcome of over twenty years of joint working. This was a process that started with informal cooperation and the development of a joint economic strategy which was then taken forward through joint investment planning. The GMSF was neither the starting point for that journey nor an inevitable outcome of it. As in Greater Manchester, the West Midlands local authorities need to decide how and at what pace to build their process of cooperation.

For full case study see Appendix F.

¹ GMCA (2017) ‘Greater Manchester Spatial Framework’. Date assessed 18.01.17. Available at <https://www.greatermanchester-ca.gov.uk/GMSF>

² GMCA (2016) ‘Draft Greater Manchester Spatial Framework’. Date assessed 18.01.17 - Pg. 6

³ GMCA (2017) ‘Greater Manchester Spatial Framework’. Date Assessed 18.01.17. Available at <https://www.greatermanchester-ca.gov.uk/GMSF>

- 5.13 The Spatial Framework could provide the basis for future discussions and agreements with central government and might consider the extent to which the mayor should be granted more planning and delivery powers, including “call-in” powers similar to those of the mayor of London, as a means of ensuring that the strategic development sites identified in the

Spatial Framework as sites of major regional significance are progressed at an appropriate rate.

- 5.14 Although not a point of first order importance, the WMCA could give consideration to reaching a consistent approach to the use of Planning Conditions using the Spatial Framework. The Commission has reviewed evidence to suggest that the use of Planning Conditions varies widely across the region, and that, in some instances the satisfying of the Planning Conditions is delaying the start of development.
- 5.15 The Commission is aware of the difficulties in garnering community support for large developments, and believes the WMCA should explore the potential for extracting additional benefits from sites identified across local authority boundaries using the Spatial Framework. Such opportunities may not have been identified in the Local Plan process and therefore extraction of benefits could be used to fund projects of investment of benefit to the local communities thus generating goodwill towards development. For example, Islington Borough Council were able to demand significant contributions from Arsenal Football Club and its development partners in return for the granting of planning permission. This funding was used to secure a number of community benefits such as building a waste transfer station plant and i-recycle educational centre as well as prioritising local people for Season Tickets²³.
- 5.16 The Commission **recommends that as part of the development of the Spatial Framework, the WMCA and local authorities should collaboratively consider how to use the full range of existing and emerging powers**, including inter alia: CPOs, LDOs, permissions in principle, housing freedom areas, flexibilities to create urban and mayoral development corporations, EZs, and Housing Action Zones.
- 5.17 Each of the tools and policies described above is aimed at creating a policy framework to enable development sites to be brought forward more quickly and efficiently, using public funding and regulatory powers to streamline, simplify, or prioritise specific areas or sites. But these do not of themselves make development happen though in the case of some sites they may render unviable sites developable and lead to the market working in the normal way. Where site viability is not the primary issue, there needs to be a focus on delivery mechanisms to enable public and private sector land owners and stakeholders to pool or align their interests through new collaborative delivery models, including alliances, partnerships and joint ventures. The use of these models should be developed to enable a more joined-up, holistic approach to the delivery of key strategic sites, which enable all parties to benefit from that collaboration and thereby make development more likely, as for example in the joint-working between Sandwell Metropolitan Council and Birmingham City Council in creating the Greater Icknield and Smethwick Housing Growth Prospectus, as outlined in the case study below.

²³ ULI (2009) – ‘Value capture finance - Making urban development pay its way’ - Pg. 19

Icknield Port Loop

Icknield Port Loop is a 43-ha brownfield site on a section of 18th Century Canal in Birmingham¹. The site is now part of the Greater Icknield and Smethwick Housing Growth Prospectus, released in October 2016, which has been created by collaboration between Birmingham City Council and Sandwell Metropolitan Borough Council to accelerate building of more than 5,000 homes on five brownfield sites, which includes Icknield Port Loop¹. This collaboration has enabled the Councils to access greater funds and make use of shared skills capacity.

Places for People and Urban Splash, together with Birmingham City Council and the charity Canal & River Trust, have formed Icknield Port Loop LLP². Together they intend to facilitate the redevelopment of the brownfield site.

Outline planning permission was secured in October 2012 for a mixed-use development on the site with 1150 residential units³. This constitutes a strategic housing allocation within the Birmingham Development Plan. The mixed-use development will include housing, retail, service, employment, leisure and non-residential institutional uses. The Greater Icknield and Smethwick Housing Growth Prospectus outlines the potential to site a further 650 homes in the area⁴.

The Prospectus indicates that a phased approach to the delivery of infrastructure will bring forward development in the right market conditions. The brownfield development will benefit from a portion of a £12 million tranche of funding for eight projects under the Growing Places Fund through the GBSLEP⁵ and this is targeted towards supporting infrastructure⁶. Community Infrastructure Levy and Site-Specific planning arrangements will also contribute towards the infrastructure requirement.

The history of collaboration between Birmingham City Council and Sandwell Metropolitan Borough Council dates back to the 1990s. In terms of the Housing Growth Prospectus, the Councils worked together to capitalise on the opportunity, using the different skills available in their two planning departments to lead on different aspects of the project.

For full case study see Appendix F.

¹ WMCA (2016) 'Greater Icknield and Smethwick Housing Growth Prospectus' – Pg. 9

² Urban Splash (2016) 'Icknield Port Loop LLP is formed' Available: <http://www.urbansplash.co.uk/news/press-releases/icknield-port-loop-llp-is-formed>. Date accessed 23.11.16

³ WMCA (2016) 'Greater Icknield and Smethwick Housing Growth Prospectus' – Pg. 9

⁴ WMCA (2016) 'Greater Icknield and Smethwick Housing Growth Prospectus' – Pg. 17

⁵ GBSLEP (2012) 'GBSLEP announced £12 million Growing Places funding for first projects'. Available: <http://centrefenterprise.com/2012/04/03/gbslep-announces-12-million-growing-places-funding-for-first-projects/>. Date accessed 24.11.16

⁶ Felton, F (2013) 'Mooring up to Port – 'Icknield Port Loop Development''. Available: <http://birminghamcentral.blogspot.co.uk/2013/01/mooring-up-to-port-icknield-port-loop.html>

- 5.18 The Commission therefore **recommends that the Project Delivery Team described in the following section builds the expertise to enable collaborative delivery models to be brought forward and used as appropriate, taking advantage of the new powers and funding now available through the WMCA.**
- 5.19 In the long-term, if the Spatial Framework proves a successful tool for collaboration the WMCA could consider the adoption of a statutory Spatial Framework for the WMCA area.

The role of strategic sites for employment use

- 5.20 Ensuring a good supply of employment premises - in the right place, at the right price, at the right time and to the right specification – is essential to the growth of businesses in the West Midlands and the achievement of the employment targets in the SEP. Although in recent months much of the focus at regional and national level has been on housing, the evidence the Commission has seen suggests that the shortfall of land for employment space is at least as pressing as the shortage of land for new homes, and possibly more so²⁴.
- 5.21 The Commission believes that a credible pipeline of strategic employment sites – sites in excess of 25 ha which aim to attract net additional economic activity and jobs from businesses which are new to the area and the supply chains that support them - is a pre-requisite for the future growth of the West Midlands. As the JLL/PBA report noted, these sites need “larger-than-local” planning and are unlikely to be delivered through the traditional planning activities of individual local planning authorities²⁵; hence the Commission’s view that such sites should be identified in the Spatial Framework and that the WMCA Board should have a significant role in pursuing them.
- 5.22 The Commission was struck by the conclusion in the JLL/PBA Study that there is no longer a single site within the West Midlands that meets the needs of a potential major employer requiring developable land of 25 ha or more²⁶, a point which was also emphasised by a number of others who gave evidence to the Commission. Furthermore, respondents pointed to the way in which the market for industrial and distribution premises in the West Midlands has improved significantly over the last four years, such that there is now a shortage of readily developable employment sites²⁷. Evidence from major employers such as JLR confirms the importance of having sites that are remediated, situated in the right place and which benefit from appropriate transport, digital and energy infrastructure ²⁸. In the view of respondents, a number of sites included in Local Plans, whilst theoretically available, are not deliverable in practical market terms, either because they require significant remediation and infrastructure investment or, as in the example of Providence

²⁴ See the West Midlands Land Market Appendix E

²⁵ Peter Brett Associates and JLL (2015) ‘West Midlands Strategic Employment Sites Study’- Pg. 4

²⁶ Peter Brett Associates and JLL (2015) ‘West Midlands Strategic Employment Sites Study’- Pg. 11

²⁷ See the West Midlands Land Market Appendix E

²⁸ See the West Midlands Land Market Appendix E

Place, because they are in locations which do not support the identified use, so that they do not command a high enough market value to make them viable.

- 5.23 In many instances, businesses seeking a strategic site will have a choice of national or even international locations, and will be looking to occupy a site within a relatively short timescale. For this reason, the Commission also believes that the pipeline should include a number of readily available, viable sites. Some might be retained in public sector ownership until they are ready for development. The JLL/PBA report argues that an important contribution to the success of the i54 development was the ability to retain the site in public ownership, until a suitable employer emerged. It suggests this activity would have been unlikely if the site had been in private sector hands, as a private owner would be likely to want an earlier return on a site once the principle of development had been established²⁹.
- 5.24 The need for such a pipeline was widely supported in the evidence received by the Commission. The JLL/PBA research also concludes that the original case for strategic employment sites which underpinned previous Regional Spatial Strategies still stands for those sites of regional importance for industrial use in the highest demand areas, on the basis that this would be likely to bring forward additional economic activity and jobs to the region, thereby supporting both the growth of existing businesses and inward investment³⁰.

²⁹ Peter Brett Associates and JLL (2015) 'West Midlands Strategic Employment Sites Study'- Pg. 14

³⁰ Peter Brett Associates and JLL (2015) 'West Midlands Strategic Employment Sites Study'- Pg. 58

Providence Place

Providence Place in West Bromwich evidences the point that whilst certain sites may be theoretically available, by virtue of their site location or condition, they are not sufficiently attractive to the market for development to proceed. Such sites illustrate undeliverable ambitions in terms of the type of site use.

Sandwell Metropolitan Borough Council identified a 2.7 ha site adjacent to the A41 and close to West Bromwich town centre. Advantage West Midlands funding was secured to clear existing development and remediate the site.

Outline planning permission was secured for part of the site which was developed for employment purposes. However, between 2012 and 2016, there was no serious interest in the take up of the cleared remediated development site with outline planning permission despite active marketing to potential occupiers.

The poor rate of take up is in part due to the lack of local demand by indigenous companies within the Black Country and the unwillingness of companies to relocate out of the Central Office Market of Birmingham City Centre to the nearby centre of West Bromwich, a 12-minute metro ride away.

With no tenant interest, developers are unwilling to develop the site speculatively. Developers are also faced with the cost of the construction of an office which is broadly similar in West Bromwich as it is in Birmingham, yet the passing rent in central Birmingham is now in excess of £35/sq. ft. and the passing rent in West Bromwich is £ 12/sq. ft. This combination does not generate a viable development when taking into account land acquisition and cost of construction.

This generates a tension as to whether the Council chooses to adhere to the adopted Development Plan and holds the vacant, non-revenue generating site until development comes forward, or takes a long-term strategic view, acknowledging the increasing trend towards new jobs being located in Birmingham City Centre.

For full case study see Appendix F.

Providence place case study material submitted by Sandwell Council

- 5.25 The Coventry and Warwickshire Employment Land Use Study concluded that there is a significant shortage of sites within the sub-region to meet forecast demand through to 2031, suggesting a shortfall of over 300 ha of employment land. In the short term, the study

concludes that the scarcity of available land has the potential to damage the economic prospects of the area by preventing investment opportunities from being delivered.³¹

- 5.26 The Commission has, in addition, heard evidence from respondents about the particular attractiveness of the region to major logistics operators, and the strong potential for logistics employment to contribute not only to the growth and other targets of the SEP but also to UK GDP overall³². The JLL/PBA report sets out that the boundary between logistics and other employment uses is becoming increasingly blurred, especially as major manufacturers seek to have their supply chains located nearby³³. It is vital too that the plans of the West Midlands are geared around meeting likely future demands and the Commission is conscious that, with the continuing changes being seen in patterns of employment, the strategic employment sites of the past may not be the sites of the future. This would be particularly true if start-ups and other companies are looking for more urban locations with different place attributes than in the past, such as in the creative, digital and technology sectors. So, to maintain economic competitiveness, locations need to be attractive to the highly-educated millennials in the labour pool; evidence suggests this requires high levels of connectivity, particularly by public transport and broadband. Some traditional strategic employment sites may lack this mixed use, urban feel and location that employees and employers now look for in making location decisions.
- 5.27 The Commission has also heard concerns from some respondents that insufficient attention is being paid to the employment space needs of SMEs, particularly those that support the supply chains of some of the larger occupiers throughout the West Midlands. To further substantiate and address these (and other) issues, the Commission **recommends that the WMCA undertakes a study of modern business requirements, and uses the findings from that study both to inform the development of the proposed Spatial Framework and to identify urgently the needs of modern logistics and just in time delivery for manufacturing plants.**

Strategic Housing Sites

- 5.28 Ensuring an improvement in the quantity and quality of housing will be important to attract and retain skilled workers to drive the economic growth envisaged in the SEP. The SEP therefore sets out ambitious targets for housing growth.
- 5.29 The JLL/PBA study contains useful analysis on the supply of land for housing across the region against likely levels of demand. The Commission also notes that the brief for that work recommended that, if the research showed that the supply of suitable land for housing was likely to fall short of likely demand, a second phase of analysis should be conducted to consider how that shortfall might best be addressed. The Commission **recommends that the WMCA now commissions the second phase of the JLL/PBA study, to examine in detail how best the forecast shortfall between supply and likely**

³¹ CBRE (2015) 'Employment Land Use Study -Coventry and Warwickshire' - Pg. 56

³² See the West Midlands Land Market Appendix E

³³ Peter Brett Associates and JLL (2015) 'West Midlands Strategic Employment Sites Study'- Pg. 27

demand for housing might best be addressed, as well as to identify urgently accessible major sites to take forward. Given the scale of the challenge, that analysis should start with a “Policy Off” analysis to ensure an open-minded and holistic approach to site selection, weighted by a consideration of market signals as to where optimum location is. Policy considerations can then gradually be reintroduced.

5.30 Until that work is available, the Commission **recommends that the Spatial Framework should, in a way which is consistent with existing Local Plans, support the development of new housing through improved mechanisms for identifying sites and delivering new homes at pace and scale.**

5.31 In terms of site identification and selection, these include:

- Supporting the identification and build-out of smaller infill sites that can cumulatively support large quantities of development, possibly at faster build-out rates than larger sites.
- The packaging of easy-to-develop and hard-to-develop sites, through public sector landowner collaborations and/or through facilitating joint ventures and land pooling between private sector landowners.
- Considering the more proactive use of new planning freedoms with support from central government to enable sites not currently allocated in Local Plans, including windfall sites, to be brought forward ahead of Local Plan revisions.
- Running a ‘Call for Sites’ across the region, to create a register of sites available for development.
- Considering the sub-division of large sites to encourage SME builders.

5.32 In terms of site build-out and housing provision, these include:

- Broadening the range of new housing to ensure the widest possible offering to buyers and renters. This should include, inter alia, affordable housing, private rented housing, accessible housing, assisted-living housing, houses for multiple occupation, and a full range of tenures and sizes.
- Supporting alternative forms of delivery and ownership including Community Land Trusts, custom-build and self-build.
- Identifying opportunities for large-scale ‘build-to-rent’ opportunities.
- More direct intervention in the market by the public sector through, for example, direct delivery, risk shares, and taking sales risk.
- Working collaboratively to identify a more proactive role for RSLs.

- Supporting new building technologies and techniques, including high-quality homes built either on-site or off-site using modern methods of construction.

5.33 The Commission has noted a number of successful models of housing development pursued by some public sector bodies and RSLs. The most significant in the regional context is the development and sale since 2012 of over 1,000 homes on Birmingham Municipal Housing Trust (BHMT) sites through a process of up-front risk management by BHMT and then the direct contracting of developers to build homes for rent and sale. This example is explored in more detail overleaf. The Commission **recommends that the WMCA should consider how new models of public sector housing development could be replicated across the West Midlands.**

The Birmingham Municipal Housing Trust (BMHT)

The Birmingham Municipal Housing Trust (BMHT) model has been developed to work with the private sector both to build BMHT properties for rent and properties for market sale. The model recognises that developers are risk averse and the redistribution of financial risk between the Council and developer is necessary to bring forward sites and deliver housing.

The Council takes on risk in a number of ways: in terms of design, by designing homes to the adopted Residential Design Guidelines; planning risk, by submitting planning applications and brokering discussions with other stakeholders and statutory undertakers; risk in relation to site conditions, by carrying out the necessary surveys and taking remedial action where required; deferred receipt of payment through a legal agreement with the developer; and guarantee of work for developers.

This approach has proved to be successful in bringing forward development and regenerating challenging areas: since January 2012 over 699 homes have been sold on BMHT sites, which constitutes a significant contribution to meeting housing targets in the city and a marked increase relative to previous housing provision by the Council. The Birmingham Municipal Housing Trust Delivery Plan for 2015-2020 will deliver an estimated 2,056 homes, of which 1,456 will be new rented council homes¹.

The Commission envisages that similar models of public sector housing development could be used in other parts of the regions by pooling specialist skills so that other authorities can access these skills sets and experience. Therefore, the Commission **recommends that the WMCA should consider how new models of public sector housing development could be replicated across the West Midlands.**

For full case study see Appendix F.

¹ Birmingham City Council (2016) 'Birmingham City Council Response to West Midlands Combined Authority's Land Commission Call for Evidence'

Densification

- 5.34 The Commission has considered analysis by the Urban Land Institute³⁴ and LSE cities study³⁵ on metropolitan density, and agrees with the conclusion that a key tenet of successful high density development is efficient transport infrastructure. The Commission believes that there is potential for encouraging higher density development on sites which are linked to significant new investment in strategic transport infrastructure and existing town centres. A number of such investments are planned over the SEP period, including HS2, the Midland Rail Hub and proposed changes to Birmingham Airport. In total, more than £8 billion of new investment is due to take place as a result of the recent devolution deal. The growth and employment potential of these schemes is very significant:
- The UK Central Masterplan cites regeneration areas such as North Solihull and Coventry as places that will benefit from the development of the transport nodes. It is estimated that UK Central will support an estimated 100,000 jobs and contribute £5.1 billion to regional GDP³⁶.
 - The Midlands Rail Hub is expected to create between 6,500 and 8,500 new jobs³⁷ and address the rail network's main bottleneck in central Birmingham to improve rail links across the wider Midlands³⁸.
 - HS2 states that it will pass through the West Midlands and Birmingham Curzon Street Station, creating 25,000 jobs and adding £103 billion to the UK economy³⁹. Birmingham City Council's HS2 Masterplan sets out that the area will be the focus for significant retail, housing and commercial development⁴⁰. The plans include 51,000 new homes, 270,000sq m of office space and several major employment sites⁴¹.
 - Currently, Birmingham International Airport claims to have supported 8,000 jobs on site and 25,300 jobs offsite in 2014, contributing £1.1bn in Gross Value Added

³⁴ Urban Land Institute (2015) 'The Density Dividend: solutions for growing and shrinking cities'

³⁵ Minerva LSE research group (2004) 'Density and Urban Neighbourhoods in London: Summary report'. Enterprise LSE Cities

³⁶ Invest in UK Central (2013) 'Solihull Metropolitan Borough Council – M42 Economic Gateway'. Available from <https://www.investinukcentral.com/downloads/?upf=dl&id=379>

³⁷ Midlands Connect (2016). 'Plans unveiled for new West Midlands rail interchange to boost region's economy', Available at: <http://www.westmidlandsinterchange.co.uk/plans-unveiled-for-new-west-midlands-rail-interchange-to-boost-regions-economy/> Date accessed on 18.01.17

³⁸ Midlands Connect (2016). 'Midlands Connect welcomes Network Rail proposals for region's railways', Available at: <https://www.midlandsconnect.uk/news/midlands-connect-welcomes-network-rail-proposals-for-region-s-railways/>. Date accessed 18.01.17

³⁹ Midlands Connect (2016). 'Plans unveiled for new West Midlands rail interchange to boost region's economy', Available at: <http://www.westmidlandsinterchange.co.uk/plans-unveiled-for-new-west-midlands-rail-interchange-to-boost-regions-economy/> Date accessed 18.01.17

⁴⁰ Birmingham Curzon HS2 (2015) 'Masterplan for growth'

⁴¹ Birmingham Curzon HS2 (2015) 'Masterplan for growth'

(GVA) for the regional economy⁴². The Birmingham Airport Masterplan predicts that, by 2021, 17,460 full time equivalent jobs will be supported by the airport⁴³.

- 5.35 The Commission **recommends that, given the potential for densification, the approach to density within the West Midlands should be revisited via a ‘density test’ for local planning authorities to consider applying new guidelines on top of Local Plans where planning consents are sought for sites which are likely to benefit from significant new infrastructure investment.**

Estate renewal

- 5.36 The PBA housing study concluded that, whilst estate renewal can greatly improve the quality of housing and hence the quality of life, it is unlikely to deliver additional housing on a significant scale⁴⁴. The Commission heard a range of different, and in some cases contrasting, views on the potential in this area. It recognises that some relevant estates are car-dependent and poorly connected. It also recognises that estate renewal is a complex activity which can involve considerable disruption to existing tenants, the repurchase of homes sold under the right-to-buy legislation, the re-provision of existing property, and the development of a blend of not only affordable but also of the market homes which are needed to finance the considerable costs involved. On balance, however, it has been swayed by views in the Call for Evidence that there is indeed potential in this area but further work is needed.
- 5.37 The Commission **recommends that the WMCA commissions from specialist developers a review of the options for the renewal of major estates across the region with the twin goals of delivering additional housing alongside the undoubted community benefits.** Such a review should include consideration of how social outcomes and benefits to communities might be improved if estate renewal were to be supported by investment in transport and telecommunications infrastructure to improve connectivity. The example of Attwood Green is explored overleaf.

⁴² Birmingham International Airport (2007) ‘Towards: 2030 Planning a sustainable future for air transport in the Midlands

⁴³ Birmingham International Airport (2007) ‘Towards: 2030 Planning a sustainable future for air transport in the Midlands

⁴⁴ Peter Brett Associates (2015) ‘Strategic Housing Needs Study- Stage 3 Report’ - Pg. 21

Attwood Green

The Urban Land Institute's report on density evidences Attwood Green in Birmingham as an example of an area that underwent an extensive estate renewal programme to transform a poorly designed area into 'good' high density development.

Attwood Green was an area of 5 estates which used to consist exclusively of council- owned and social housing. The estates suffered multiple deprivation and there were serious problems including drug use, crime, suicide and anti-social behaviour. Attwood Green was included in an estate renewal programme in the 1990's by Birmingham City Council which secured £75 million from the public and private sectors to improve the area¹. The process of regeneration was initiated by the transfer of the housing stock from all five of Attwood's estates into the hands of Optima Community Association, a non-profit social landlord. Optima then partnered with a number of private developers to regenerate the whole area¹. This partnership structure was key to the project's success².

Park Central is one of the housing estates in Attwood Green that has been rebuilt over the past 12 years³. Whilst the area used to have strict zoning, it now hosts a range of uses and mixed tenure dwellings. More than 20,000 sq. m of commercial space and new park land were added to the estate, and all displaced residents were guaranteed a home in the area. Once completed in 2018, 30 percent of the housing will be affordable. In total, 1,400 flats and maisonettes were demolished and 2,000 houses and flats built for rent, shared ownership and sale, increasing the average density from 50 to 70 dwellings per hectare.

ULI argues that the Attwood Green experience illustrates the value of a bold City strategy which gave confidence to public and private investors. Long-term financial planning and management allowed the project to focus on the ingredients that will sustain a mix of tenures and avoid the problems of single income communities⁴.

For full case study see Appendix F.

¹ ULI (2015) 'The Density Dividend: solutions for growing and shrinking cities', Case Study: Birmingham - Pg. 18

² European Urban Knowledge Network (2010), 'Attwood Green Regeneration Initiative - Phase 1 Park Central' Date accessed 25.01.17, available: <http://www.eukn.eu/e-library/project/bericht/eventDetail/attwood-green-regeneration-initiative-phase-1-park-central/>

³ ULI (2015) 'The Density Dividend: solutions for growing and shrinking cities', Case Study: Birmingham - Pg. 18

⁴ ULI (2015) 'The Density Dividend: solutions for growing and shrinking cities', Case Study: Birmingham - Pg. 18

Infill development on derelict, vacant and undeveloped land

- 5.38 The PBA housing study concluded that adopted and emerging Local Plans were already maximising housing supply from infill development⁴⁵. This is, however, something that might be tested by a 'Call for Sites' across the region, possibly in the context of the adoption of the proposed Spatial Framework. The aim would be to create a register of infill and other sites, which could be made available not just to housebuilders but also potentially to self-builders, custom-builders and community building trusts.

New settlements

- 5.39 The Commission has considered the extent to which new settlements could contribute to meeting the housing challenge. It has done so in the context of the recent Government announcement on Garden Villages, of which one – at Long Marston – is proposed by the Government to be in the WMCA region. The Commission notes, however, that even on the Government's projections, such new settlements are unlikely to make a very significant contribution to meeting the scale of the housing challenge across the region. Long Marston is expected to deliver 3,500 homes, of which around 2,100 will be built during the plan period up to 2031⁴⁶. Furthermore, the considerable planning and development activity involved mean that any such settlements would not make a contribution until towards the end of the SEP period (2030). Pursuing the possibility of new settlements is unlikely to produce a significant volume of new homes over the next 20 years, except where such sites are already being promoted and can be brought forward in imminent Local Plan reviews.
- 5.40 The Commission does however recognise that there remains the option of expanding smaller existing settlements, and re-orientating their planning policy framework to support the housing need.

Urban extensions

- 5.41 In light of the preceding analysis, estate renewal, infill developments and new settlements are unlikely, on their own, to provide significant housing supply over and above the levels currently provided for in Local Plans, and within the timescale required by the SEP. The Commission believes, therefore, that a mixed land use and development strategy which also relies in part on urban extensions, will be required. By their nature, many of these urban extensions are likely to require the release of Green Belt land, combined with significant infrastructure investment to provide the required level of connectivity to the nearby conurbation and social infrastructure, most notably schools.

⁴⁵ Peter Brett Associates (2015) 'Strategic Housing Needs Study' – Pg. 19

⁴⁶ Stratford-on-Avon (2016) 'Stratford-on-Avon District Core Strategy 2011 to 2031' – Pg. 88

- 5.42 The PBA study reviewed a number of options for urban extensions across the Housing Market Area, and concluded that, whilst there were more than enough homes potentially tied-up in the urban extensions currently being promoted, the SUEs had not been assessed on a consistent basis across the HMA as a whole⁴⁷. This is an area where a WMCA-wide strategic review of the options for urban extensions could be conducted as part of the preparation of the proposed Spatial Framework.

An opportunities knowledge base

- 5.43 The Commission **recommends that the Spatial Framework be constructed around a robust open-source evidence base, such as the tool developed on a pilot basis by the HCA, and to be jointly created by public and private sector stakeholders.** The robustness of this evidence basis would help ensure that the WMCA, local planning authorities and developers could be held to account in progressing sites in accordance with the targets outlined in the Spatial Framework. An example of a similar resource in Croydon is outlined below.

⁴⁷ Peter Brett Associates (2015) 'Strategic Housing Needs Study' – Pg. 31

Croydon Dashboard

The Croydon Dashboard is a tailor-made web based resource which provides a way for people to track the progression of developments in Croydon and to better understand the cumulative effects of these developments on Croydon. It was set up to complement the 5-year regeneration programme for the area running from 2015-2020 and the programme covers 169 sites.

The dashboard allows people to monitor developments on an interactive map that allows users to add layers such as political boundaries and masterplan areas. It also allows users to home in on individual developments and track progress of development from planning to delivery. For example, the dashboard offers data about traffic movements for each scheme up to five years in advance to enable mitigations to be planned and designed. This has identified infrastructure requiring investment and helped secure funding commitments.

The Commission believes that the dashboard offers a prototype which could be used to provide intelligence on the progress of prioritised development achieved in Action Zones. Such a resource could improve transparency for all concerned.

The dashboard seeks to offer users a “single point of truth” on the regeneration programme by making information accessible, transparent and interactive. By doing so, it also facilitates communication, understanding and interrogation between the programme and the residents of Croydon¹.

For full case study see Appendix F.

¹ Smart London Innovation Networks (2016) ‘Programme delivery dashboard for Croydon Council.’ <http://smarterlondon.co.uk/case-studies/programme-delivery-dashboard/>

6 Action Zones

The Commission recommends that the WMCA identifies a series of ‘Action Zones’ to prioritise the most significant development sites where housing and employment space could potentially be accommodated. Each adopted Zone should be supported by a Delivery Plan and a Financial Plan which make use of the full range of financing, planning and delivery tools. Individual local authorities should be able to nominate areas for classification as Action Zones; the onus should be on them to develop the detailed evidence base necessary to support such a classification.

The Commission recommends that in the short-term, the WMCA:

- Undertakes an audit of specialist skills across WMCA members – including planning skills, remediation expertise, the assessment of economic benefits, CPO skills, development appraisal and viability assessment.
 - Pools the specialist skills embedded in the existing capacity of the WMCA members so that they can be deployed across the region.
 - Identifies any major gaps in the skills base and makes provision for filling gaps on a WMCA-wide basis.
- The WMCA should, drawing on embedded capability across its members, create a Project Delivery Team to act as a single point of access to marshal resources and funding that can provide mutual support to LPAs in delivering strategic sites and provide expertise on sites identified in the Action Zones where necessary.
 - Strong consideration should be given to the potential for siting strategic employment sites and large concentrations of new homes in strategic transport corridors identified within the Spatial Framework.
 - The WMCA should undertake a region-wide review of the housing potential within existing and new strategic transport corridors. Such a review should take into account an analysis of the potential for greater densification.

- The WMCA develops, in its work on the proposed Spatial Framework, an analysis of the way in which:
 - Already planned strategic transport schemes and investments might be leveraged to secure more, and more productive, employment and housing land than might otherwise be the case.
 - It would wish to influence the development of the future schemes and investment plans of the major transport operators so that they can be brought to support the delivery of the Spatial Framework and hence the ambitions of the SEP.
 - Forward-funding mechanisms for infrastructure might be considered in the Financial Plans for Action Zones in order to deliver key infrastructure requirements up front.
 - At a more strategic scale, Action Zones align with strategic infrastructure investment.

- 6.1 The Commission recognises that detailed work on a number of new strategic employment and housing sites requires a significant level of resource. Prioritisation will thus be essential to optimise and expedite significant development in appropriate locations. The Commission proposes that the WMCA identifies a series of 'Action Zones' to prioritise the most significant development sites where housing and employment space can be accommodated (though individual Zones might lean more towards one use or the other). Local authorities should be able to nominate areas for classification as Action Zones. The onus should be on those local authorities to invest in developing the detailed evidence base necessary to support the classification of each site as an Action Zone, although WMCA could provide funding and technical support as needed.
- 6.2 Each adopted Zone should be supported by a Delivery Plan and a Financial Plan which makes use of the full range of financing, planning and delivery tools available to local authorities and the WMCA acting collectively. Particular attention should be paid to locations where cross-boundary collaboration in identifying and designating sites could yield new opportunities.

Financing

- 6.3 The Delivery Plan and Financial Plan should set out the financing and funding mechanisms that will be employed to realise development within the designated Action Zone. This should include the phasing and timing of development, attracting and sourcing investment, options for land value capture and how developer contributions might be collected. The Commission envisages these plans will make use of the full range of financing tools available to local authorities and the WMCA.
- 6.4 The Commission has heard that the current mechanism under which funding for infrastructure through developer contributions is received late in the life of a major project is problematic for sites of a significant scale for which financing is needed up front for infrastructure which plays a key role in unlocking the development. The Action Zone financing plan should clearly set out the key infrastructure requirements and propose forward-funding mechanisms to enable key infrastructure to be delivered up front, thereby unlocking the sites within the Action Zone.
- 6.5 The WMCA should explore the introduction of fiscal incentives to accelerate relevant development. Examples might include business rates relief or stamp duty subsidy from the local planning authority. As outlined in paragraph 8.11, funding transfers between Action Zones could be used to tackle tricky brownfield sites by phasing development to occur first on greenfield land and extracting a proportion from the land value uplift created by development which could be applied to otherwise unviable sites.

Planning teams

- 6.6 There has been much discussion in the evidence submitted to the Commission of the UK-wide skills shortage within local planning authorities, and the West Midlands is no exception. The Commission has heard numerous examples of planners having to juggle small scale development control issues alongside applications for major strategic sites. The

recruitment and retention of qualified experienced planning and regeneration staff has also been raised as a significant issue within many LPA teams.

- 6.7 The Commission has reviewed the speed at which major development decisions are made by local planning teams, against the Government target of 13 weeks. In the two-year period between July 2014 and June 2016, West Midlands local authorities reached 2,340 major development decisions. Of those decisions, less than half (48.2%) were made within the 13-week target date. Figure 5 summarises the position for each local authority below. It is clear that there is a very wide range of outcomes, with the largest local authorities (Birmingham, Coventry, and Warwick), which potentially have greater resources, achieving the highest percentages.

Figure 5. Timing of planning decisions in WMCA LPAs

<i>Local planning authority</i>	<i>Major decisions July 2014- June 2016</i>	<i>Major decisions within 13 weeks</i>	<i>% of decisions within 13 weeks</i>
<i>Birmingham</i>	411	312	76
<i>Bromsgrove</i>	50	22	44
<i>Cannock Chase</i>	43	18	42
<i>Coventry</i>	133	114	86
<i>Dudley</i>	114	68	60
<i>East Staffordshire</i>	112	54	48
<i>Lichfield</i>	68	21	31
<i>North Warwickshire</i>	84	39	46
<i>Nuneaton and Bedworth</i>	58	24	41
<i>Redditch</i>	28	15	54
<i>Rugby</i>	94	29	31
<i>Sandwell⁴⁸</i>	135	110	81
<i>Shropshire</i>	435	86	20
<i>Solihull</i>	107	52	49
<i>Stratford-on-Avon</i>	228	51	22
<i>Tamworth</i>	32	12	38
<i>Telford & Wrekin⁴⁹</i>	122	48	39

⁴⁸ Data provided by Sandwell Metropolitan Borough Council

⁴⁹ Data accessed 08.02.17. Data for October 2014 – September 2016

<i>Local planning authority</i>	<i>Major decisions July 2014- June 2016</i>	<i>Major decisions within 13 weeks</i>	<i>% of decisions within 13 weeks</i>
<i>Walsall</i>	94	38	40
<i>Warwick</i>	133	113	85
<i>Wolverhampton</i>	87	48	55
<i>Wyre Forest</i>	29	13	45

Source: DCLG (2016) 'District planning authorities' performance - speed of major development decisions'.

- 6.8 There was an appetite amongst some respondents to the Call for Evidence for a targeted virtual delivery team/centre of excellence to provide technical advice and support for local authorities, landowners and developers as a means of assisting them in bringing forward difficult sites and projects, and as well as supporting the longer-term development of key skills.
- 6.9 Not least because resources are constrained, however, the Commission believes that the WMCA should look creatively at the talent it has and use this to best effect in meeting the ambitions of the SEP. Although there may be a case for creating additional capacity, by far the more important role is to be played by the capacity already in the member Councils of the Combined Authority.
- 6.10 On the basis of this evidence, the Commission **recommends that in the short-term, the WMCA:**
- **Undertakes an audit of specialist skills across WMCA members – including planning skills, remediation expertise, the assessment of economic benefits, CPO skills, development appraisal and viability assessment.**
 - **Pools the specialist skills embedded in the existing capacity of the WMCA members so that they can be deployed across the region.**
 - **Identifies any major gaps in the skills base and makes provision for filling gaps on a WMCA-wide basis.**

Project Delivery Team

- 6.11 Delivering the major strategic sites in the Spatial Framework will require access to specialist skills, subject to the review outlined in paragraph 6.10. The Commission **recommends the WMCA should, drawing on embedded capability across its members, create a Project Delivery Team to act as a single point of access to marshal resources and funding that can provide mutual support to LPAs in delivering strategic sites and provide expertise on sites identified in the Action Zones where necessary.**

- 6.12 The Commission proposes that the role of the Project Delivery Team should be to:
- Lead on the development and monitoring of the Spatial Framework.
 - Support progression of strategic sites through the planning process, bolstering and supporting individual LPA teams.
 - Lead development of a more robust evidence base for individual sites in partnership with relevant LPAs.
- 6.13 The role of the Project Delivery Team would not be to replace LPAs but to provide mutual support and enhance implementation of those areas of their work which focus on the delivery of strategic sites in Action Zones, and to ensure that all LPAs have access to the specialist resources they need.
- 6.14 Whether based in the Combined Authority or with a lead local authority acting on its behalf, the embedded capacity of relevant Council teams will have a vital role in staffing the Project Delivery Team. This is likely to involve the co-location of particularly important skills and a much higher level of joint working elsewhere, including the potential for Joint Ventures and Public Private Partnership arrangements on particular sites.
- 6.15 Sources of funding at the Project Delivery Team's disposal could be derived from the Local Growth Fund, the Land Remediation Fund, available HCA funding and the recently announced Infrastructure and Productivity Fund. It could also potentially incorporate new financing methods levied in Action Zones, as well as Midlands Connect and the WMCA mayor's 2% Infrastructure Precept unlocked by the devolved local Transport Budget. Monies from the Fund could be applied in a prioritised way and in accordance with the agreed Spatial Framework.

Infrastructure within Action Zones

- 6.16 Strategic transport infrastructure has a large part to play in determining the location of future strategic employment and housing sites. The Commission hopes that there will therefore be widespread support for its recommendation that strong **consideration should be given to the potential for siting strategic employment sites and large concentrations of new homes in strategic transport corridors identified within the Spatial Framework.**
- 6.17 The Commission was struck by the conclusion of the PBA Housing Study that, if certain Green Belt designated land surrounding a number of railway stations on the fringe of the conurbation were to be fully developed in such a way that all new homes were within walking distance of the stations, this land alone would meet almost all the Greater Birmingham HMA housing shortfall⁵⁰. This underpins the Commission's recommendation that the WMCA **should undertake a region-wide review of the housing potential within existing and new strategic transport corridors. Such a review should**

⁵⁰ Peter Brett Associates (2015) 'Strategic Housing Needs Study, Stage 3 Report' - Pg. 41

take into account an analysis of the potential for greater densification (see paragraphs 5.35 to 5.36).

- 6.18 The Commission is also cognisant of the Economic Impact analysis carried out by Midlands Connect which maps out ‘intensive growth corridors’ where there are significant employment growth locations and ‘economic hubs’ which currently deliver a significant proportion of economic benefits to the whole Midlands⁵¹. Any region-wide review should take into account the importance of the West Midlands providing connections to other nationally important connections such as HS2, international gateways, freight services and connected regional centres.
- 6.19 Although it clearly makes sense to seek to place major new employment or housing sites in strategic transport corridors, the converse is also true: large-scale infrastructure investments represent an important – in some cases vital – enabling component of the effective delivery of major employment and housing sites, such as with i54. As well as exploring mechanisms to forward-fund infrastructure within each Action Zone Financial Plan, the Commission also firmly believes that the major transport operators, whether regional or national, have a crucial responsibility to fulfil in supporting the delivery of new employment and housing sites through their planning, including investment planning.

⁵¹ Midlands Connect (2015) ‘Economic Impacts Study- Executive Summary’ - Pg. 5

i54

i54 is a 98 hectare UK technology-based business park strategically located at junction 2 on the M54 motorway in the West Midlands. It is a £40 million joint venture partnership between Staffordshire County Council, Wolverhampton City Council and South Staffordshire Council. It exemplifies the benefits that can be achieved by Councils working together with private companies to bring private investment and development into the West Midlands, securing significant supply chain benefits.

The site is part of the Black Country Enterprise Zone and has benefitted from upfront investment in infrastructure including £6.25m¹ made available by central government specifically for investment to improve infrastructure within the Enterprise Zone². Part of the site's reason for success is its position with direct access to junction 2 of the M54, making it one of the most connected and central hubs for advanced manufacturing³. These transport links also give the site access to a workforce of over half a million people within 30-minute drive time⁴.

The project is considered a success because it has been delivered on time, on budget and with several major businesses already operating on the site. The local workforce is highly educated (24% have degree level qualification) and companies also benefit from competitive labour, property and operational costs since Enterprise Zone status includes 100% business rate relief and superfast broadband⁵. The site is located in a desirable area to attract workers – this includes countryside nearby, good housing options, sports/leisure and other city amenities in Wolverhampton centre.

For full case study see Appendix F.

¹ GOV UK (2014) 'Millions of pounds to be invested in local infrastructure thanks to enterprise'. Available from <https://www.gov.uk/government/news/millions-of-pounds-to-be-invested-in-local-infrastructure-thanks-to-enterprise-zones>. Date accessed 18.01.17

² BBC (2014) 'i54 business park gets £6m investment'. Available from <http://www.bbc.co.uk/news/uk-england-25944862>. Date accessed 18.01.17

³ Mucklow (2016) 'Mucklow Park i54'. Available from <http://mucklowparki54.com/wp-content/uploads/2016/01/Mucklow-Park-i54-Web-Brochure-optimised.pdf>. Date accessed 18.01.17

⁴ i54 South Staffordshire (2015) 'All of the facts'. Available from <http://www.i54online.com/info-centre>. Date accessed 18.01.17

⁵ i54 South Staffordshire (2015) 'All of the facts'. Available from <http://www.i54online.com/info-centre>. Date accessed 18.01.17

- 6.20 The Commission therefore **recommends that the WMCA develops, in its work on the proposed Spatial Framework, an analysis of the way in which:**
- **Already planned strategic transport schemes and investments might be leveraged to secure more, and more productive, employment and housing land than might otherwise be the case.**
 - **It would wish to influence the development of the future schemes and investment plans of the major transport operators so that they can be brought to support the delivery of the Spatial Framework and hence the ambitions of the SEP.**
 - **Forward-funding mechanisms for infrastructure might be considered in the Financial Plans for Action Zones in order to deliver key infrastructure requirements up front.**
 - **At a more strategic scale, Action Zones align with strategic infrastructure investment.**
- 6.21 The Commission recognises that some major transport schemes involve the displacement of commercial space and/or housing and the need for re-provision of employment or housing space to be anticipated, planned for and managed to minimise disruption to businesses and residents.

7 Unity of Purpose

The Commission strongly believes that, if the challenging ambitions of the SEP are to be met, there will be a need to continue developing a visible unity of purpose in delivering the agreed spatial vision for the West Midlands, seen especially in the practical working arrangements that underpin it. There is a significant requirement for further and wider collaboration across the public and private sectors in delivering the SEP's ambitions and targets.

The Commission recommends that:

- As part of the development of the Spatial Framework, the WMCA and local planning authorities should consider how to use collaboratively the full range of existing and emerging planning powers and instruments in its rapid implementation.
- The WMCA seeks wherever possible to evolve more unified standards and regulations through a deepening process of collaboration while respecting the vitally important role of local planning authorities.
- The WMCA builds the expertise to enable a range of collaborative development delivery models to be brought forward and used as appropriate in the delivery of key strategic sites, taking advantage of the new powers and funding now available in the light of recent announcements by Government Ministers.
- That work includes a specific strand on the role and responsibilities of the HCA and the way in which it will support the WMCA in delivery of the Spatial Framework.
- The WMCA adopts for development and inward investment purposes a single identity appropriate for its role as the UK's second city region, allowing for individual roles for local authorities on particular projects.
- The proposed Growth Company should provide the skilled resource and funding needed to support the mayor in becoming the 'front door' to global investors, occupiers and developers wanting to work in the West Midlands. That role should include "troubleshooting" to support investors, developers, occupiers and employers navigating their way through planning, funding and delivery complexities.

- 7.1 Section 5 sets out the current, complex planning landscape across the West Midlands, and describes the strong consensus in the evidence received by the Commission for relevant local authorities to develop, adopt and act upon a single spatial vision for the West Midlands. The Commission strongly believes that, if the challenging ambitions of the SEP are to be met, there will be a need to continue developing a visible unity of purpose in delivering the agreed spatial vision for the West Midlands, seen especially in the practical working arrangements that underpin it.
- 7.2 That need applies much more widely than to local authority members of the WMCA alone. The Commission received a considerable body of evidence from both private and public sector organisations suggesting that there is a potential requirement for further and wider collaboration across the public and private sectors in delivering the SEP's ambitions and targets. This will need to extend to collaboration at several levels between, variously:
- Local authorities within the WMCA (19 local authorities).
 - WMCA members with neighbouring local authorities (8 counties, 20 districts and 1 unitary).
 - National and local public sector bodies, Government departments and their NDPBs.
 - Public sector bodies with private sector developers, housebuilders and RSLs.
 - Public sector bodies with transport, utility and telecommunications strategic infrastructure providers and developers.

Collaboration in the use of planning powers and instruments

- 7.3 Such further and wider collaboration should clearly build upon the Duty to Co-operate introduced by the Localism Act 2011. But, having reviewed the evidence submitted to it, the Commission strongly believes that delivering the Spatial Framework and hence the SEP's ambitions and targets is likely to require significantly greater collaboration in the operation of the local planning system. The Duty to Co-operate requires local planning authorities, County Councils and other public bodies to engage constructively, actively and on an ongoing basis in maximising the effectiveness of Local Plans in the context of strategic matters which cross administrative boundaries. local planning authorities must demonstrate how they have complied with this Duty at the independent examination of their Local Plans. Whilst the Duty to Cooperate is not a "duty to agree", local planning authorities are expected to demonstrate that co-operation has produced effective and deliverable policies on strategic cross-boundary matters⁵².

⁵² DCLG (2014) 'Duty to cooperate' Available at: <https://www.gov.uk/guidance/duty-to-cooperate>. Date accessed 12.12.16

- 7.4 The Commission is mindful that a number of Local Plans have been adopted since the Localism Act 2011 was introduced, and that the relevant Planning Inspector has concluded that the Duty to Cooperate has been satisfied in respect of those Plans. The Commission is also aware of engagement between local authorities under the Duty to Cooperate, for example in the Greater Birmingham Housing Market Area to agree how the housing shortfall will be met. But the Duty to Cooperate, in the view of some respondents, is operating weakly in some areas and alone will not be sufficient to address the scale of ambition of the SEP. The Commission **recommends that, as part of the development of the Spatial Framework, the WMCA, working with local planning authorities, should also consider how to use collaboratively the full range of existing and emerging planning powers and instruments in its rapid implementation.** Relevant powers might include CPOs, LDOs, permissions in principle, housing freedom areas, flexibilities to create urban and mayoral development corporations, Enterprise Zones and Housing Action Zones.

Simplifying the regulatory framework

- 7.5 Section 4 emphasises the need for collective, transformative action to increase the pace and scale with which sites are identified, remediated where necessary, brought forward and developed. Each of the powers and instruments listed above has a potential role to play in creating a policy framework to enable this. Variation is inevitable in the context of the operation of the planning regime over the past 30 years. The Commission received some evidence on the effects of the variation in application of the statutory framework across the geography covered by the WMCA on the pace at which sites could be developed and, in some cases, on their viability. The Commission **recommends that the WMCA seeks wherever possible to evolve more unified standards and regulations through a deepening process of collaboration while respecting the vitally important role of local planning authorities.**
- 7.6 Powers and instruments will not, however, be enough, however well operated. Delivery at pace and scale will require the development of delivery mechanisms to enable public and private sector land owners and stakeholders to pool or align their interests through new collaborative delivery models, including alliances, partnerships and joint ventures which enable all parties to benefit from that collaboration and thereby make development more likely. The evidence available to the Commission suggests that experience in the region varies with, perhaps inevitably, some local authorities having significantly more experience than others. To address this, the Commission **recommends that the WMCA builds the expertise to enable a range of collaborative development delivery models to be brought forward and used as appropriate in the delivery of key strategic sites, taking advantage of the new powers and funding now available in light of recent announcements by Government Ministers.**

A greater role for the HCA

- 7.7 In this context, and given the substantial remediation required, there is a major role for the HCA to work with LPA partners in the assembly, acquisition, remediation and the servicing

of new sites, and the development of large-scale housing programmes. This is a notable feature of successful development programmes in other major conurbations. In line with its view that central government and its agencies have a major role to fulfil in supporting the delivery of the SEP's ambitions and targets, the Commission **recommends that the work described above on the development of collaborative delivery models include a specific strand on the role and responsibilities of the HCA and in the way in which it will fully support the WMCA in the delivery of the Spatial Framework.**

Identity and Accessibility

- 7.8 The West Midlands needs to present a persuasive case to those major national and, especially, international employers seeking to locate within the UK, and it should consider the need to develop a stronger individual identity. The Commission believes that the creation of the Combined Authority and election of a mayor later this year provide a good opportunity to do so. The Commission therefore **recommends that the WMCA adopts for development and inward investment purposes a single identity appropriate for its role as the UK's second city region, allowing for individual roles for local authorities on particular projects.**
- 7.9 The Commission believes that the mayor, when elected, will be the most logical point of access for significant inward investment by international companies, as is the case in many other major cities around the world. He or she will need support in that role; and the Commission **recommends that the proposed Growth Company should provide the skilled resources and funding needed to support the mayor in becoming the 'front door' to global investors, developers and occupiers wanting to work in the West Midlands.** As well as providing the point of entry to the West Midlands, and because developing any major new site is a complex activity requiring an understanding of a plethora of public funding sources, planning policies and delivery mechanisms, the Commission **recommends further that that role should include "troubleshooting" to support investors, developers, occupiers and employers navigating their way through planning, funding and delivery complexities.** This role should not displace existing local relationships but is intended to provide a simplified gateway for new activity.

8 Transforming Brownfield Land

The West Midlands has a good track record in this area, on which it can build. The Commission believes that a transformative programme of much greater pace and scale, engaging local and national bodies in the assembly, remediation and development of brownfield land will be of primary importance if the delivery of the Spatial Framework and SEP is not to lead to unsustainable development on greenfield land and an unacceptable erosion of the Green Belt.

The Commission recommends that:

- In parallel with developing the proposed Spatial Framework, the WMCA develops a collectively-agreed brownfield remediation strategy which captures a step change in the pace and scale of the assembly and remediation of brownfield sites.
- The brownfield remediation strategy should recognise the role of brownfield land in promoting biodiversity, and identify those sites which merit protection for that purpose.
- The majority of the WMCA's Land Remediation Fund should be focused on those housing and employment projects which align with the priorities defined by the WMCA in the proposed Spatial Framework and which can be delivered in relatively short measure, although a proportion might be reserved to invest in a more agile way in new opportunistic proposals from developers that are broadly in line with the SEP's objectives.
- The WMCA investigates and considers pooling all available local and national sources of remediation funding, and pursues how best collaboratively to apply it to collectively-prioritised remediation projects.
- As part of the development of additional sources of remediation finance, the WMCA considers the potential for re-investing a proportion of the value uplift realised in the granting of planning consents on major sites in one area in the assembly and remediation of major sites elsewhere, to the collective benefit of the WMCA overall, not least in reducing the demand on land in the Green Belt.
- The WMCA should investigate mechanisms for handling the long-term insurance and warranty issues associated with brownfield development, including the extent to which the WMCA could self-insure certain risks.
- The WMCA considers the value of maintaining a brownfield database at a regional level.
- The WMCA considers building on work by the Black Country LEP and the University of Wolverhampton to establish the Brownfield Research & Innovation Centre (BRIC), a centre of excellence in brownfield development.

- The WMCA engages strongly as a single combined entity with the One Public Estate programme. In support of that programme, it undertakes a 'Land Audit' across the region, under which all public and relevant private sector bodies, are asked to justify their asset strategies for operational, strategic and surplus land. The major land-holding transport operators and utility companies should be actively involved in this work.

Developing brownfield sites

- 8.1 As Section 3 describes, achieving the growth, employment and housing ambitions and targets of the SEP – accommodating a population increase by 2030 equivalent to the size of Sheffield⁵³, including another 50,000 homes – will need a major growth in the supply of land. The Commission strongly believes that a transformative programme of much greater pace and scale, engaging local and national bodies in the assembly, remediation and development of brownfield land will be of first importance if the delivery of the Spatial Framework and SEP is not to lead to unsustainable development on greenfield land and an unacceptable erosion of the Green Belt.
- 8.2 The West Midlands has a good track record in this area, on which it can build. Against the target set by central government in 1998 of 60 per cent of all new residential developments being built on brownfield land by 2008⁵⁴, analysis by Bilfinger GVA indicates that across the 3 LEP geography:
- 78% of all new employment development has been on brownfield land and 22% greenfield⁵⁵.
 - Over the decade 2005-2014, 87% of all residential development was on brownfield land and 13% greenfield⁵⁶.
 - In both cases, this is well ahead of the government target.
- 8.3 This achievement reflects the industrial legacy of the West Midlands, including its ‘brownfield first’ prioritisation policy⁵⁷. In line with this policy, the SEP anticipates that 1,600 hectares of brownfield land will need to be remediated – that is, a goal of remediating an area the size of 11 Longbridge manufacturing sites.
- 8.4 Achieving this goal, and reducing the need for development on greenfield sites, will be challenging, not least because many of the less heavily contaminated former industrial sites have already been remediated and redeveloped. This means that it is some of the most difficult-to-develop sites that remain⁵⁸. Many of these will require considerable up-front remediation and/or investment in better connectivity before they become viable. And, if the sites are to be made available in a timeframe which supports the delivery of the Action Zones in the proposed Spatial Framework, identification, assembly (including working through fragmented land ownership) and remediation activity will need to start early and be pursued urgently.

⁵³ ONS (2013) ‘2011 Census: Population Estimates by single year of age and sex for local authorities in the United Kingdom’

⁵⁴ GVA (2016) ‘Analysis of greenfield and brownfield development’ - Pg. 2

⁵⁵ GVA (2016) ‘Analysis of greenfield and brownfield development’ - Pg. 16

⁵⁶ GVA (2016) ‘Analysis of greenfield and brownfield development’ - Pg. 16

⁵⁷ GVA (2016) ‘Analysis of greenfield and brownfield development’ - Pg. 1

⁵⁸ GVA (2016) ‘Historic Analysis of Brownfield Remediation and Regeneration efforts in the West Midlands and Barriers to Development’ - Pg. 12

- 8.5 Developing such sites at pace and scale, many of which have remained undeveloped for decades, requires a new, strategic, transformative approach, underpinned by effective financing mechanisms and a strong skills base. The Commission **recommends that, in parallel with developing the proposed Spatial Framework, the WMCA develops a collectively-agreed brownfield remediation strategy which captures a step change in the pace and scale of the assembly and remediation of brownfield sites.** This should cover:
- The prioritisation of brownfield development within the Action Zones identified in the proposed Spatial Framework.
 - How best collaboratively to apply available funding from the range of local and national sources to collectively prioritised remediation projects.
 - Quantifying and then seeking further remediation funding including from central government.
 - How site development can be phased and managed to support brownfield remediation, possibly including through re-investment of value gain (see paragraph 8.11).
 - How the risk of historical liabilities on remediated sites might be pooled.
- 8.6 Notwithstanding the significant need for remediation and development, the Commission received some persuasive evidence on the important role of some brownfield land in the promotion of biodiversity. A number of brownfield sites make a significantly greater contribution to the environment and biodiversity than some Green Belt sites. The Commission therefore **recommends that the brownfield remediation strategy should recognise the role of brownfield land in promoting biodiversity, and identify those sites which merit protection for that purpose.**

Funding

- 8.7 Under the WMCA's Devolution Agreement, £200m of grant funding has been put in place for up to 10 years specifically for remediation activity⁵⁹. The resulting Land Remediation Fund (LRF) is expected to begin distributing funding in early financial year 2017/2018.
- 8.8 The evidence provided to the Commission argued compellingly, however, that demand for remediation in the Black Country alone may well outstrip this agreed funding. In such circumstances, it will clearly be necessary to prioritise. The Commission therefore **recommends that the majority of the Land Remediation Fund should be focussed on those housing and employment projects which align with the priorities defined by the WMCA in the proposed Spatial Framework and which can be delivered in relatively short measure, although a proportion might also**

⁵⁹ WMCA (2016) 'Making our Mark SEP' - Pg. 28

be reserved to invest in a more agile way in new opportunistic proposals from developers that are broadly in line with the SEP's objectives.

- 8.9 Beyond that, it will be necessary to seek other sources of financing. As a first step, the Commission **recommends that the WMCA investigates and considers pooling all available local and national sources of remediation funding, and pursues how best collaboratively to apply it to collectively-prioritised remediation projects.** Additional funding may, for example, be available from other sources, embedded in other major growth, housing and infrastructure programmes, including HCA programmes.
- 8.10 Even so, the Commission believes that the scale of the physical and financing challenge is such that additional calls on central government will be inevitable if the scale of remediation needed to support delivery of the SEP, without unacceptable erosion of the Green Belt, is to be achieved. It hopes that central government will play its role in this area.
- 8.11 As a prior step, however, it believes that there may be scope for mutual financial support within the WMCA. The Commission received in evidence a number of persuasive proposals that part of the financial benefit derived from the granting of planning consents on major sites in one area should be re-invested in the assembly and remediation of major sites elsewhere. It believes that there is considerable merit, given the shared enterprise on which the WMCA is now embarked and the inter-connections between local authorities associated with land use in the West Midlands, in exploring such ideas. The Commission therefore **recommends that, as part of the development of additional sources of remediation finance, the WMCA considers the potential for re-investing a proportion of the value uplift realised in the granting of planning consents in one area in the assembly and remediation of major sites elsewhere, to the collective benefit of the WMCA overall, not least in reducing the demand on land in the Green Belt.**
- 8.12 The Commission received evidence on the particular difficulties developers face in insuring against adverse site conditions on brownfield sites. Not only does this cause delays to the development process, but also acts as a potential deterrent to development on some sites. The Commission **recommends that the WMCA should investigate mechanisms for handling the long-term insurance and warranty issues associated with brownfield development, including the extent to which the WMCA could self-insure certain risks.**

Underpinning data

- 8.13 The Government has placed a requirement on local authorities to maintain a brownfield land register through the Housing and Planning Act 2016. In light of the proposals above, and the value of having a single, consistent source of data to underpin the proposed collectively-agreed brownfield remediation strategy, the Commission **recommends that the WMCA consider the value of maintaining a brownfield database at a regional level.** The brownfield database could be compiled using best practice GIS techniques, and should capture as much historical information as practicable on the results of the many site investigations which have taken place in recent years.

Skills

- 8.14 A brownfield remediation programme on the scale which the Commission believes will be required to achieve the SEP's ambitions and targets will need to be underpinned by a strong skill set. Rather than stretch skills thinly between a wide range of local authorities, the Commission **recommends that the WMCA considers building on work by the Black Country LEP and the University of Wolverhampton to establish the Brownfield Research & Innovation Centre (BRIC) as a centre of excellence in brownfield development.** The centre of excellence might over time become a magnet for international brownfield land expertise.

The contribution of public sector land

- 8.15 Experience elsewhere suggests that some of the land supply needed to achieve the SEP's ambitions and targets might be found from the more effective utilisation of the public sector estate. An example of innovative work between the HCA and Telford and Wrekin Councils is explored below. The WMCA has few projects to make more effective shared use of public sector land and property under the One Public Estate programme, led jointly by the Cabinet Office and Local Government Association, thereby releasing land and property for other housing and employment uses. There is thus a significant risk that the potential contribution of public sector land to meeting the SEP's targets will be reduced, placing higher demands than necessary on the use of greenfield and Green Belt land. To address this risk, the Commission **recommends that the WMCA engages strongly as a single combined entity with the One Public Estate programme,** and in particular:
- Continues and broadens the work currently being undertaken by Birmingham City Council to develop a shared understanding of the land and property assets held by all public-sector bodies within the WMCA area, their current utilisation and their projected future use, including especially the potential for disposal for other housing or employment purposes. Experience has shown the benefits of bringing this data together into a simple, shared database to allow the production of mapping and other visual material to aid analysis and decision-making.
 - Building on the existing West Midlands Property Board, engages all relevant public bodies and utilities in exploring the potential for sharing assets, bringing services together or otherwise reconfiguring their property holdings, thereby releasing surplus assets.
 - Draws on financial and technical support available under the One Public Estate programme to establish a programme team to pursue identified projects, with a particular emphasis on those which have the potential to release significant land in areas of high demand identified in the proposed Spatial Framework.

Telford and public sector site delivery

Telford and the HCA have developed a partnership to facilitate the sell-off of all land owned by the HCA in Telford over a 10-year period. This will see Telford and Wrekin Council take responsibility for identifying and preparing sites for delivery, and the HCA providing the land to be sold off, and financing the delivery of sites from profits made on previous sell-offs¹. The deal provides a model that could be used for future sales of public land across the WMCA area. Telford and Wrekin Council argue that working with one public body, the HCA, streamlines delivery on public land.

The Council has established a company called NuPlace to deliver and manage its property portfolio. This company, funded by the Public Works Loan Board, will carry out the key functions of site identification, funding, project management and support services². It also manages marketing and branding in-house.

The deal allows the HCA to benefit from the Council's knowledge of its local market. The Council is also well placed to support bids from growth funds. Crucially, it can also capitalise on its knowledge of local businesses looking for investment and new opportunities in the area.

It is estimated that as well as having a stake in public land that is being sold off in its area, the Council will also benefit from a further £6m in business rates and Council tax provided by the 8,500 new jobs and 2,800 new homes to be provided on the sold off sites³. Meanwhile, part of the profits made on the sell-off of individual sites will go towards funding the infrastructure and delivery of other HCA sites⁴.

For full case study see Appendix F.

¹Telford & Wrekin Council (2016) 'Land deal set to deliver thousands of jobs'. Available from http://www.telford.gov.uk/news/article/3247/land_deal_set_to_deliver_thousands_of_jobs. Date accessed 18.01.17

² Telford & Wrekin Council (2016) 'Housing Investment Programme – Telford and Wrekin Business Case'. Available from <https://apps.telford.gov.uk/CouncilAndDemocracy/Meetings/Download/MTgyNjg%3D>. Date accessed 18.01.17

³ Telford & Wrekin Council (2016) 'Land deal set to deliver thousands of jobs'. Available from http://www.telford.gov.uk/news/article/3247/land_deal_set_to_deliver_thousands_of_jobs. Date accessed 18.01.17

⁴ Telford & Wrekin Council (2016) 'First Nuplace' site fully completed'. Available from http://www.telford.gov.uk/news/article/4503/first_nuplace_site_fully_completed. Date accessed 18.01.17

- 8.16 As part of the One Public Estate work, the Commission also **recommends that the WMCA undertakes a “Land Audit” across the region, under which all public and relevant private sector bodies are asked to justify their asset strategies for operational, strategic and surplus land** with incentives made available to those who hold land to share this as part of the local strategic development planning process. There may be opportunities to work with the Land Registry and Ordnance Survey to use Open Data to create or facilitate this audit.

- 8.17 In line with successful practice elsewhere, the Commission **recommends that the major land-holding transport operators and utility companies are involved in activity under the One Public Estate programme and the proposed Land Audit described above.** For example, the Solent LEP's Strategic Land and Infrastructure Board is tasked with producing a Land Asset Strategy for the release of public sector land for regeneration and redevelopment in support of its Transport Investment Plan⁶⁰.
- 8.18 The Commission heard, for example, from one utility company of the significant potential it saw for land release if a number of constraining issues could be addressed. The most significant of these concerned land remediation, covered elsewhere in this Report. A second issue, however, was the absence of arrangements such as those provided by the One Public Estate programme which enabled it to set in a wider land use context its own proposals for the disposal of surplus or under-utilised sites, or the assembly of such sites with those adjacent into a larger development.

⁶⁰ Solent LEP (2016) 'Annual General Meeting' - Pg. 18

9 A Strategic Review of the Green Belt

The Commission believes that even an effective, well-funded remediation programme on the scale and at the pace recommended in Section 8 is unlikely to provide a sufficient supply of developable land to meet the SEP's ambitions and targets, whether for housing or employment land.

Whilst it is important that the conditions for developing brownfield sites identified in current Local Plans are delivered, a mixed strategy, comprising the use of brownfield land and former public sector land, estate renewal, building at higher densities than has hitherto been the case, and the release and development of greenfield (including Green Belt) land, is likely to be required.

Local Green Belt reviews being conducted by some local authorities risk leading to piecemeal and unsustainable development of the Green Belt. There was widespread agreement amongst respondents to the Call for Evidence from a wide range of organisations, on the need for a co-ordinated, comprehensive and evidence-based review of Green Belt policy in order to meet the public policy goals of the West Midlands and its population in the 21st Century.

The Commission therefore recommends that:

- The WMCA should undertake a strategic review of the Green Belt across the WMCA area to identify broad areas of land that perform poorly against the five statutory Green Belt purposes and consider their declassification; identify brownfield or greenfield sites that could become part of the Green Belt where this would create a more cohesive Green Belt; identify Green Belt sites that could support sustainable urban extensions; and identify Green Belt sites suitable for use as strategic investment locations.
- Such a review should pay particular attention to environmental and biodiversity issues, engaging relevant groups.

- 9.1 Section 8 notes that the West Midlands, not least through application of its 'brownfield first' policy, has a good track record on the development of brownfield land, with 78% of all new employment development and 87% of recent housing development having been on brownfield land⁶¹. Each of the local planning authorities has prioritised the re-use of brownfield land before resorting to greenfield sites.
- 9.2 Section 8 sets out the Commission's strong recommendation that the WMCA commissions a significantly enlarged programme engaging local and national bodies in the assembly, remediation and development of brownfield land. **However, 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, whether for housing or employment land. Whilst it is important that the conditions for developing brownfield sites identified in current Local Plans are delivered, a mixed strategy, comprising the use of brownfield land and former public sector land, estate renewal, building at higher densities than has hitherto been the case, and the release and development of greenfield (including Green Belt) land is likely to be required.**
- 9.3 The Commission understands several West Midlands local authorities have either undertaken or have a Green Belt review under-way, generally to help inform their Local Plan development. These reviews have resulted in a small number of sites being declassified as Green Belt land in recent years, and the Commission is aware of other sites where Green Belt release is under active consideration.
- 9.4 The Commission is sympathetic to the volume of concerns expressed by respondents to the Call for Evidence that these **local Green Belt reviews risk leading to piecemeal and unsustainable development of the Green Belt**. It recognises that the Green Belt is an important West Midlands asset which contributes to its character, desirability and economy. It also recognises the sensitivities surrounding development on Green Belt land, and the pressures on local councillors when Green Belt development is proposed. Nonetheless, it is notable that **there was widespread support amongst respondents from a wide range of organisations for a coordinated, comprehensive and evidence-based review of Green Belt policy in order to meet the public policy goals of the West Midlands and its population in the 21st Century** rather than those of a different era, and to prevent 'chipping away' by developers.
- 9.5 The Commission therefore **recommends that the WMCA undertake a strategic review of the Green Belt across the WMCA area**. Such a review should be rooted in current law and government guidelines: the obligations of the 1947 Town & Country Planning Act, and the National Planning Policy Framework which states that:

⁶¹ GVA (2016) 'Analysis of greenfield and brownfield development' – Pg. 16

“The fundamental aim of Green Belt policy is to prevent urban sprawl by keeping land permanently open; the essential characteristics of Green Belt are their openness and their permanence⁶².”

and that the five purposes of the Green Belt are:

- To check the unrestricted sprawl of large built-up areas.
- To prevent neighbouring towns merging into one another.
- To assist in safeguarding the countryside from encroachment.
- To preserve the setting and special character of historic towns.
- To assist in urban regeneration, by encouraging the recycling of derelict and other urban land⁶³.

9.6 The aims of the review should thus be to:

- Consider what the Green Belt means for the West Midlands in the 21st Century.
- Identify broad areas of land that perform poorly against the five statutory Green Belt purposes and consider their declassification.
- Conversely, identify brownfield or greenfield sites that could become part of the Green Belt where this would create a more cohesive Green Belt.
- Identify Green Belt sites that could support urban extension. Some areas of land within the Green Belt have access to good infrastructure and are well-connected to an adjoining urban-area. Declassifying some of these sites may support more sustainable development rather than developing entirely new settlements.
- Identify Green Belt sites suitable for use as strategic investment locations.

⁶² National Planning Policy Framework (NPPF) - Pg. 19

⁶³ National Planning Policy Framework (NPPF) - Pg. 19

Broxbourne, Hertfordshire Green Belt Review

In 2015, Broxbourne Borough Council released its draft Local Plan which highlights the Council's need for new housing which stands at 7,123 over the plan period¹. The Plan presents an evidence based argument that urban and brownfield sites cannot meet all of the development and infrastructure needs and provide for sufficient opportunities for the future development of the Borough².

The Commission believes that the process followed by Broxbourne Council in conducting a strategic review of the Green Belt could be used as a template for the WMCA, albeit on a larger scale. Broxbourne Council outlined its intention to review the Green Belt within the Council's boundaries to allow for carefully selected sites to be released for development to help create a more balanced, sustainable, desirable and prosperous community for all.

The Council considered other options amounting to lesser degrees of allocation on the Green Belt. Rejected options by the Council included 'No Green Belt release' which would amount to severe undersupply of housing and long-term stagnation of the borough. Options not to develop any of the strategic sites identified have been rejected on the grounds of missed opportunities to create a mixed-use hub, critical mass of employment, and sustainable place-making³.

Within the draft Local Plan, the Council sets out a number of proposed Green Belt releases for which it believes that a good case for 'exceptional circumstances' can be made and is preparing a site-by-site justification for any Green Belt release⁴.

A revised draft Plan will be published, following consideration of the issues raised through the consultation process and further technical work.

For full case study see Appendix F.

¹ Borough of Broxbourne (2015) 'The Broxbourne Local Plan' – Pg. 6

² Borough of Broxbourne (2015) 'The Broxbourne Local Plan' – Pg. 6

⁴ Borough of Broxbourne (2015) 'The Broxbourne Local Plan'- Pg. 9

⁵ Borough of Broxbourne (2016) 'Strategic Land Availability Assessment'- Pg. 11

⁶ Borough of Broxbourne (2016) 'Broxbourne Local Plan Update'.

- 9.7 The Commission also **recommends that the review pay particular attention to environmental and biodiversity issues, engaging closely with relevant groups.** It heard powerful evidence from a number of environmental and other groups on the misconceptions in this area. Of these, perhaps the greatest is that the Green Belt is a landscape or environmental protection policy when it is not. Indeed, the most important land use in the Green Belt is often intensive arable farming, which can generate negative net environmental benefits. Much of the Green Belt is also currently inaccessible to the public

as it is private land. Considerable benefit would be gained from the full engagement of environmental and other groups on the undertaking of the review.

- 9.8 Section 8 recommends that the WMCA considers the potential for re-investing a proportion of the land value uplift (whether seen in S.106 or CIL payments) realised in the granting of planning consents on major sites in one area in the assembly and remediation of major sites elsewhere. This could be to the collective benefit of the WMCA overall, not least in reducing the demand on land in the Green Belt. The Commission believes that such a mechanism could apply in particular to the value uplift gained from the development of land released from the Green Belt. It is also sympathetic to the argument made by some respondents that, in bringing forward new planning applications, developers should be encouraged to invest in increasing the biodiversity value of their development sites. For example, the government of New South Wales have introduced 'Biodiversity Banking', a market-based scheme to incentivise landowners and developers who commit to enhance and protect biodiversity values on their land⁶⁴.

⁶⁴ NSW Government (2016) 'Biobanking: a market-based scheme'. Available from <http://www.environment.nsw.gov.au/biobanking/>. Date accessed 26.01.17

10 Clarified Governance and Responsibility

The Commission recognises that, although considerable progress was made in 2016, the current governance arrangements and the distribution of responsibilities and accountabilities do not yet, in its view, provide the clear collective governance that will be needed if the major step change required to deliver the land use and development ambitions and targets of the SEP is to be achieved.

There is a wide range of constituent and non-constituent current local authority members of the Combined Authority, of potential future local authority members, of LEPs and of neighbouring authorities who are affected by, and may through their actions contribute (or not) to, the delivery of the SEP's ambitions and targets. There are linkages to the work of the 'Midlands Engine'. And the new mayor, once elected, as well as chairing the Board of the WMCA, will exercise functions alongside the HCA to deliver more homes. 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 delivery set out in this report.

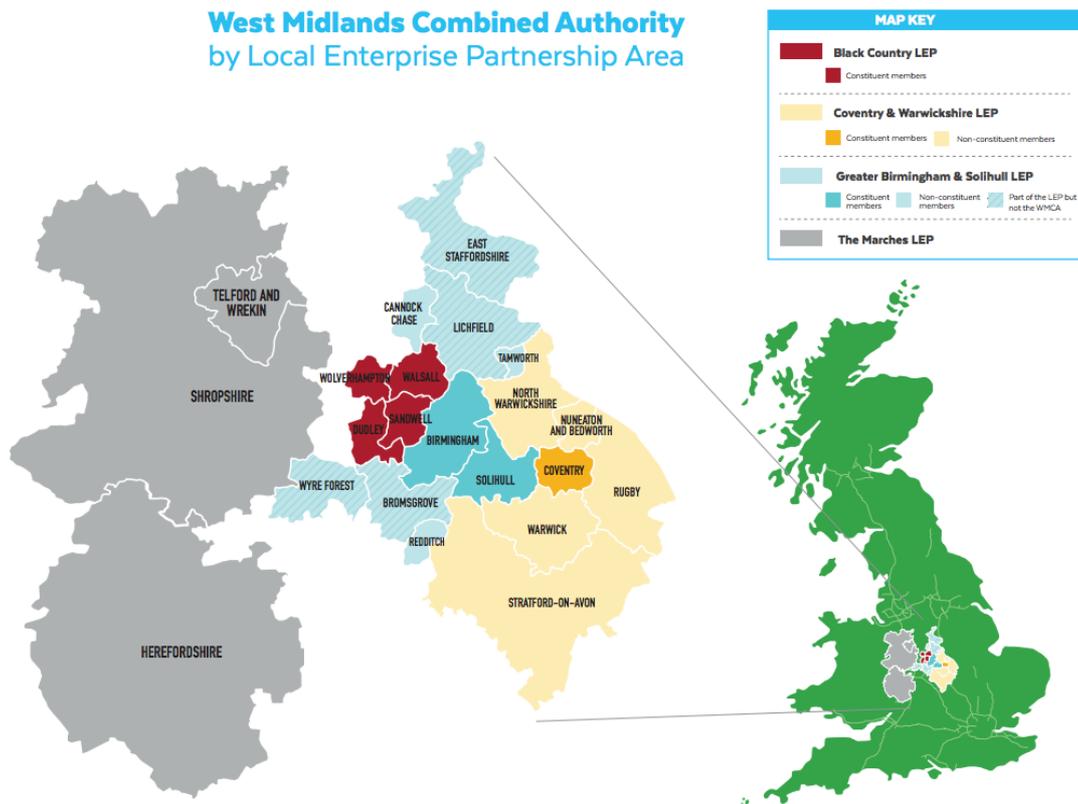
The Commission hopes that central government will support the WMCA to fulfil its ambitions not only for its own population but also for the economic benefit of the country as a whole. Given its importance, it hopes that central government will engage in supporting a radically expanded brownfield remediation programme.

The Commission also recommends that:

- The WMCA identify those priority employment and housing sites which are dependent on strategic transport, utility or telecommunications investment schemes for their viability. It hopes, in turn, that central government agencies (including the economic regulators), and relevant bodies such as Highways England and Network Rail recognise the need to align where practicable their investment programmes and priorities with regional requirements.
- The WMCA works with central government to develop new appraisal methodologies which rely less on shortening transport times and more on delivering economic growth and recycling the value gained from betterment.

- 10.1 A strong, strategic and collaborative response will be needed to the challenges identified in Sections 5-9. The WMCA will need to be able to set strategic priorities based on the ambitions and needs of the region as a whole; to agree the proposed Spatial Framework and provide leadership to the programmes that flow from it; and to take clear decisions and ensure that those decisions are implemented effectively. Without clear, collaborative governance, there will be a greater risk of the forward vision being blurred, and of recommendations being implemented – if at all - on a piecemeal basis without sufficient collective accountability to ensure that delivery happens.
- 10.2 **The Commission recognises that, considerable progress has been made in 2016, but its view is that current governance arrangements and the distribution of responsibilities and accountabilities do not yet, in its view, provide the clear collective governance that will be needed if the major step change required to deliver the land use and development ambitions and targets of the SEP is to be achieved.**
- 10.3 The WMCA is administratively complex, comprising 12 local authority members with another 6 awaiting membership. Of the 12 members, 7 are constituent members, and the remaining 5 are non-constituent members. The constituent members are the seven metropolitan councils which initially formed the Combined Authority and were named within the West Midlands Combined Authority Scheme. At present, only the constituent members have full voting rights, although the Commission understands that that may change and that the voting rights of non-constituent members may be expanded in the future. Figure 6, below, shows the current Combined Authority geography.

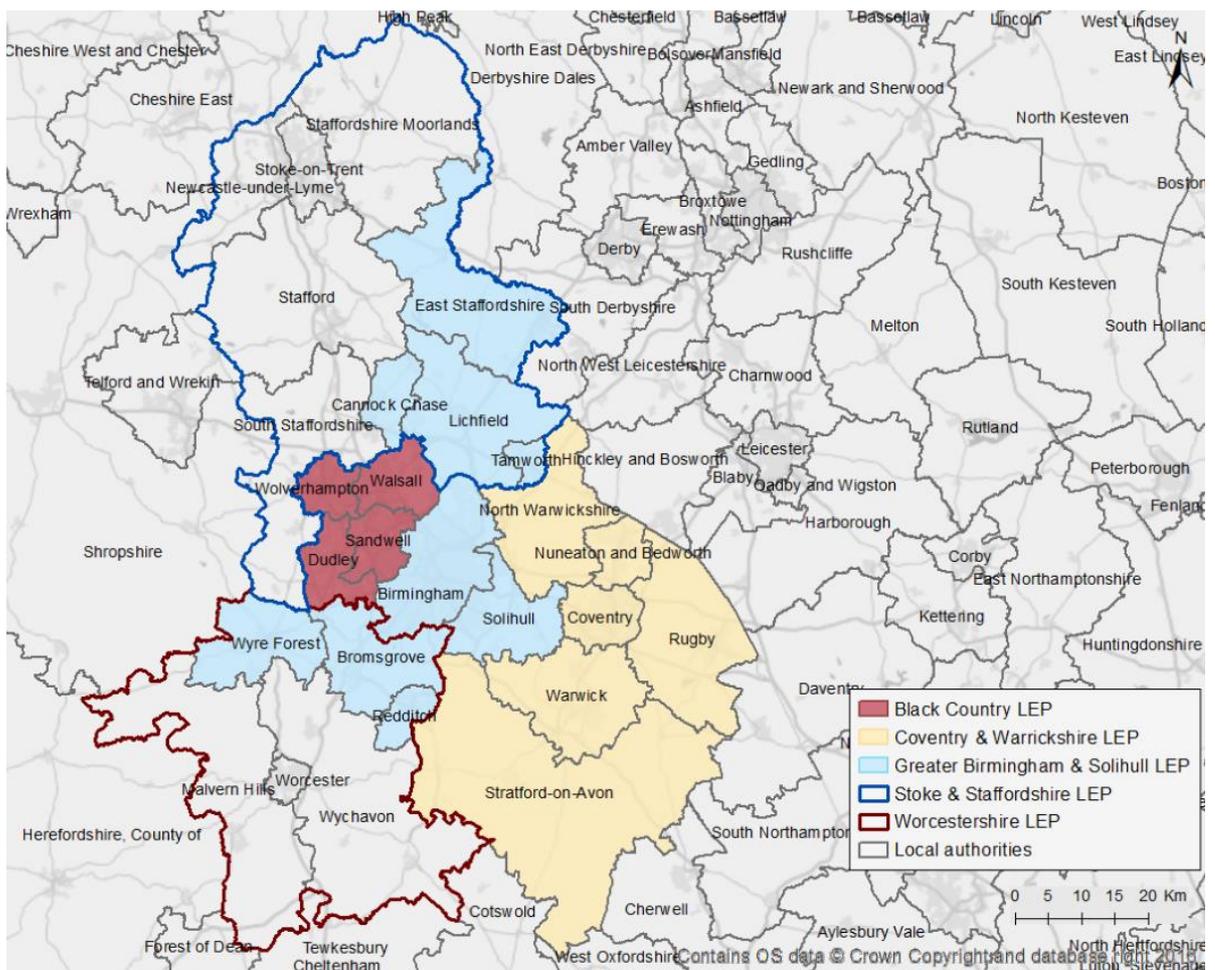
Figure 6. WMCA political and administrative geography



Source: West Midlands Combined Authority by Local Enterprise Partnership Area

- 10.4 The governance issue goes wider than the WMCA alone. The WMCA shares boundaries with 29 different local authorities, including 8 counties, 20 districts and 1 unitary authority, all of whom are affected by and may through their actions contribute (or not) to the delivery of the SEP’s ambitions and targets. The SEP was based on the boundaries of three LEP areas (the Black Country LEP, Coventry and Warwickshire LEP, and Greater Birmingham and Solihull LEP), all three of which are non-constituent members of the Combined Authority. However, some local authorities are members of more than one LEP. Figure 7 illustrates this position: East Staffordshire, Cannock Chase, Lichfield and Tamworth are all members of the GBSLEP and also of the Stoke & Staffordshire LEP. Bromsgrove, Redditch, and Wyre Forest are all members of the GBSLEP and the Worcestershire LEP.

Figure 7. Overlapping LEP areas



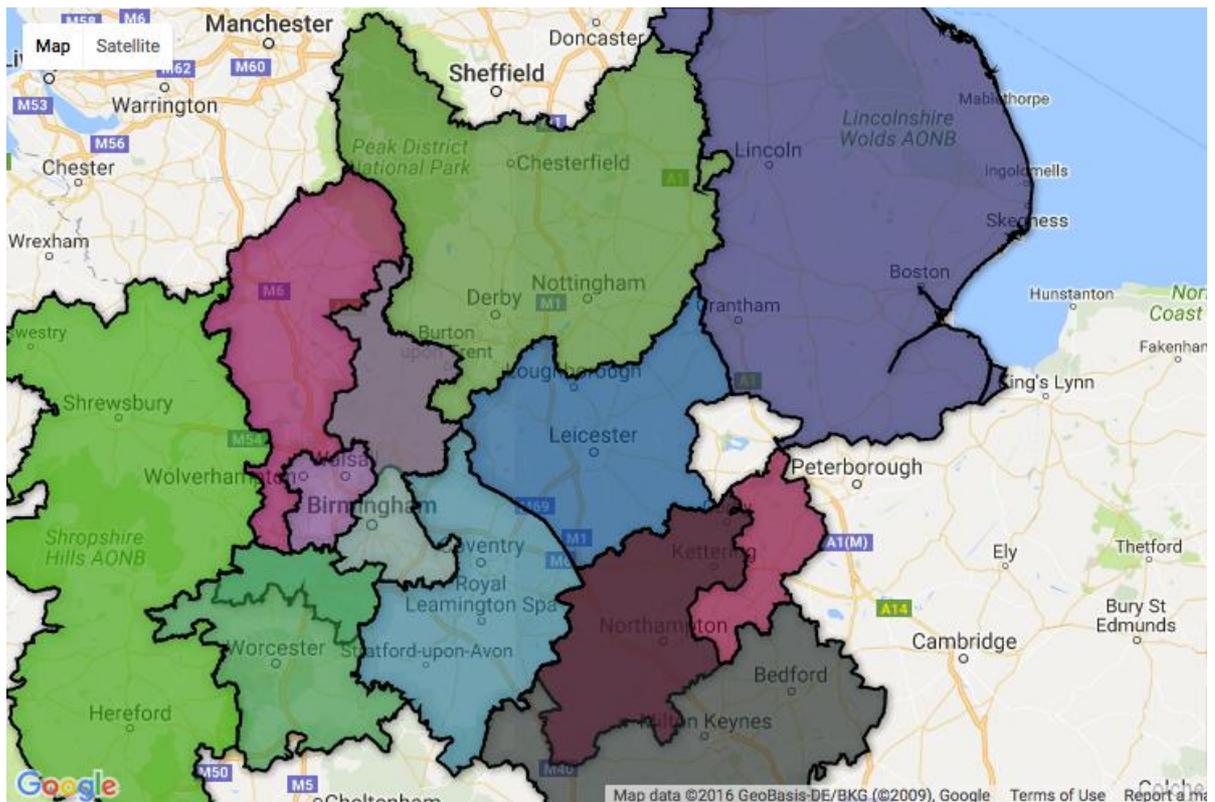
Source: Metro Dynamics (2016)

- 10.5 The three LEPs are also part of the ‘Midlands Engine’ which “looks to make the East and West Midlands an engine for growth for the UK economy. It is being backed by business, local authorities and 11 LEPs”⁶⁵. The Midlands Engine Prospectus sets out how 300,000 jobs and £34bn worth of growth could be achieved in the next 15 years⁶⁶, and the Commission understands a new Midlands Engine Strategy is due to be announced shortly.

⁶⁵ D2N2 (2016) ‘The Midlands Engine for Growth’. Available from <http://www.d2n2lep.org/growth/midlands-engine> Date accessed 12.12.16

⁶⁶ Department of Business, Innovation and Skills (2015) ‘The Midlands Engine for Growth’ - Pg. 1

Figure 8. LEP membership of the Midlands Engine



Source: D2N2 (2016) 'The Midlands Engine for Growth'. Available from <http://www.d2n2lep.org/growth/midlands-engine>

- 10.6 Finally, in common with some other Combined Authorities, mayoral elections will be held in May 2017 to select a mayor, who will chair the Board of the WMCA. Whilst the mayor will not have direct planning powers, he/she will exercise functions alongside the Homes & Communities Agency to deliver more homes. The powers will include making Compulsory Purchase Orders.
- 10.7 It would be wrong for the Commission to be prescriptive in how this complex governance picture might be adapted to provide the clear collective governance which it believes is needed to achieve the land use and development ambitions of the SEP. It does however believe that addressing this is essential, and **recommends that the WMCA review the governance processes and distribution of roles, responsibilities and accountabilities to ensure that it can provide the strategic leadership and oversight of delivery set out in this report.**

The Role of Central Government

- 10.8 Most of the recommendations in this report are directed towards the WMCA. But the Commission believes that central government has a vital role to play in supporting the WMCA to fulfil its economic role not only for its population but also for the country as a whole. The West Midlands is an important part of the UK economy and, as such, the achievement of the ambitions set out in the SEP should be a national as well as local priority.

10.9 The Commission's assumption is that, in pursuing its objectives, the WMCA will want to work closely with government departments and their NDPBs, especially in identifying common investment and delivery priorities. As the WMCA develops and implements the proposed Spatial Framework and its supporting programmes, there are three particular areas where the Commission believes that it should be able to look to central government for support:

- **Brownfield remediation.** As described at Section 8, in the implementation of the proposed brownfield remediation strategy and programmes. The scale of the physical and financing challenge is such that additional calls on central government will be inevitable if the scale of remediation needed to support delivery of the SEP without unacceptable erosion of the Green Belt is to be achieved. The Commission hopes that central government will recognise its role in this area.
- **Greater investment in supporting infrastructure.** Supporting an increase in population equal to the city of Sheffield will require further investment in infrastructure to ensure sites can be brought forward at the right time and in the right place, with sufficient enabling infrastructure. The Commission **recommends that the WMCA identify those priority employment and housing sites which are dependent on strategic transport, utility or telecommunications investment schemes for their potential or viability. It hopes, in turn, that central government, its agencies (including the economic regulators), and relevant bodies such as Highways England and Network Rail, recognise the need to align, where practicable, their investment programmes and priorities with regional requirements.**
- **Improved transport appraisal methodology.** Current appraisal methodologies are rooted in the economic benefits of shortened journey times. But transport investment both in and around the West Midlands area will be focused on the need to support economic growth through the creation of new jobs and housing the growing working population. The Commission **recommends that the WMCA works with central government to develop new appraisal methodologies which rely less on shortening transport times and more on delivering economic growth and recycling the value gained from betterment.**

Appendix A: The Commissioners

Paul Marcuse (Chairman)

Paul Marcuse, MA, MBA, FRICS is a senior figure in the real estate industry with some 30 years' experience. Paul was previously Head of Global Real Estate at UBS Global Asset Management, and prior to that he was Chief Executive of AXA Real Estate. Paul now has a portfolio of non-executive roles which includes chairing the Management Board of the Royal Institution of Chartered Surveyors (RICS), and acting as Senior Advisor to two real estate investment management businesses. Paul has also recently joined the Board of F&C Commercial Property Trust. Paul has been a Trustee of the Urban Land Institute and a member of the University of Cambridge Land Economy Advisory Board.



Jerome Frost

Jerome Frost, OBE BA, MA, MPhil is Arup's Global Planning Director and Leader of Consulting in the UK, Middle East and Africa. As the former Head of Design and Regeneration for the Olympic Delivery Authority (London 2012), he is a recognised expert in planning for delivery. Jerome specialises in economic development, urban regeneration and masterplanning. Prior to this, Jerome served as Head of the National Consultancy Unit for English Partnerships - a national centre of expertise for regeneration and development, including the Advisory Team for Large Applications (ATLAS), a specialist service aimed at mitigating the issues delaying major planning applications across England.



Bruce Mann

Bruce Mann, CB, B. Eng., CPFA has recently retired from his role as Executive Director of the Cabinet Office's Government Property Unit, where he was responsible for driving efficient utilisation of the government's land and property portfolio, and releasing surplus or under-utilised estate for more productive use. In that role, Bruce led the Strategic Land and Property Review, the results of which were announced at Budget 2014 and oversaw the development and implementation of a new commercially-driven approach to land and property asset management across the estate (announced in the Budget 2015).



Bill Oliver

Bill Oliver, FCA has recently retired from his role as Chief Executive of one of the UK's leading regeneration specialists, St. Modwen Properties Plc. He has extensive experience of developing in the West Midlands and over 30 years' experience in the property industry, having worked for residential and commercial development companies such as Alfred McAlpine, Barratt and The Rutland Group. He was Finance Director of Dwyer Estates plc from 1994 to 2000 and joined St. Modwen in 2000 as Finance Director, before being appointed as Managing Director in 2003 and Chief Executive in 2004. Bill is also a Non-Executive Director of Safestore Holdings Plc and Non-Executive Deputy Chairman of Churchill Retirement Plc.



Bridget Rosewell

Bridget Rosewell, OBE, MA, MPhil, FICE is a prominent UK economist with a track record of advising public and private sector clients on key strategic issues. She is a founder of, and Senior Adviser to Volterra Partners and a Non-Executive Director of Network Rail and of Atom Bank. She was Chief Economic Adviser to the Greater London Authority from 2002 to 2012. Bridget has been a member of several Commissions looking at the future of public services, cities, infrastructure and local finance.



Appendix B: Terms of Reference

Background/context

The West Midlands has achieved a great deal in development and regeneration terms in recent years - enterprise zones, iconic buildings, new homes, and significant transport investment and improvements – all of which have impacted upon the built environment, and contributed towards the region’s recent economic growth. With some £8 billion of new investment agreed in the recent Devolution Deal, the West Midlands is now on the cusp of an even more ambitious programme, delivering a series of major new projects including HS2, Curzon, UK Central, a proposed second i54, the Coventry & Warwickshire Gateway - the combination of which has the potential to be transformative to the economy of the West Midlands and to have a significant impact at national level.

The new Strategic Economic Plan covering the WMCA area (the ‘WMCA SEP’), demonstrates the impact of these major new investments on the regional economy. The WMCA SEP outlines plans to create additional jobs and deliver incremental GVA growth over and above the LEPs’ existing economic targets. However, the delivery of the LEPs’ existing plans is already constrained by land supply, with the pinch being felt on both land for residential and employment use. The WMCA SEP is therefore likely to prove an even greater stretch, and the West Midlands local authorities and the LEPs are concerned that the delivery of the WMCA SEP could be constrained by a lack of developable land.

The creation of the West Midlands Combined Authority (‘WMCA’) provides a singular opportunity to take a fresh look at the West Midlands land supply, and to consider what measures could be initiated and undertaken to ensure an improved supply of developable land from both a strategic and a regional perspective. Whilst individual local authorities will retain their role in facilitating the development of land within their areas, it is precisely the joined-up manner in which the WMCA will work that will provide the basis for some of the recommendations of the Commission.

Purpose

There are three premises underpinning the work of the Commission:

Premise 1: A sufficient supply of developable land for both employment and housing use is a pre-requisite for the delivery of the WMCA SEP.

Premise 2: A shortage of sufficient developable land affects the productivity of the West Midlands region.

Premise 3: Given the forthcoming changes in local government finance, most notably the abolition of the Revenue Support Grant and the full localisation of National Non-Domestic Rates, councils will become increasingly reliant upon real estate related taxes and income generated by economic growth, to fund the delivery of their statutory obligations.

For the purposes of the Commission a “sufficient supply of developable land” is defined as land which, ideally, is:

- Available in the right condition (remediated).
- In a range of lot sizes (to suit a diverse range of end users).
- Situated in the right place (where occupiers want to locate and residents want to live).
- Ready at the right time (reflecting the timescales of today’s occupiers) anticipating the needs and timescales of future occupiers.
- Financially viable.
- Benefitting from the right supporting social and physical infrastructure.

The WMCA’s commitment to the Land Commission was outlined in the Autumn 2015 Devolution Deal. In that document, the Government outlined its support for the Land Commission and agreed to work with the WMCA in undertaking the Commission.

Approach and Scope

The Commission is independent, and will seek to adopt an evidential, diagnostic approach, supplemented where appropriate by case study material. It will rely, inter alia, on work being undertaken by Peter Brett Associates on infrastructure and demand for land, by Metro Dynamics on the regional economy and real estate markets, on economic modelling undertaken by Oxford Economics, and the Dynamic Economic Impact modelling being undertaken by KPMG.

For the avoidance of doubt, the Commission is not a planning commission, nor should any of its recommendations constitute a material consideration in the submission and determination of future planning applications. The Commission will not make site specific recommendations, nor should any of its recommendations be construed as relating to the valuation of sites or assets, either implicitly or explicitly.

The Commission’s geographic scope will be land covered by the three LEP areas. It will be cognisant of the poly-centric nature of the region.

The Commission will consider both public and private sector land holdings.

The Commission will address three major questions:

1. What are the challenges associated with delivering the employment land and housing targets set out in the WMCA SEP?

- Establish the shortfall in the housing/employment land supply by reference to the WMCA SEP.

- Contextualise the shortfall in terms of historical delivery across the West Midlands and other UK geographies.
- Identify the implications and risks of the shortfall for the West Midlands.

2. What are the blockages to the delivery of developable land?

- Critically assess the historic and current experience of the West Midlands in delivering new housing/employment development and a sustainable supply of developable housing/employment land.
- Obtain and review feedback from local authorities, developers, housebuilders and other consultees to identify, and weight the importance of, the real blockages to delivery.
- Identify the extent to which blockages are local, regional or national.

3. How can a sufficient supply of developable land in the West Midlands be secured?

- Evaluate the extent to which national and local tools are insufficient or not working effectively in the West Midlands context.
- Capture the learnings from successes and failures in the West Midlands, including assessing the track record of AWM and other development enabling bodies.
- Review and include examples of best practice and innovation drawn from other parts of the UK and other countries.
- What can the WMCA achieve now, through the exercise of its powers, which was not otherwise possible?

Lines of enquiry

Within this scope, the Commission is likely to want to cover the following lines of enquiry:

- i. How to ensure a pipeline of a sufficient supply of developable land, which:
 - Supports both the growth ambitions of local businesses, and the future diversification of the local economy.
 - For which there is a review mechanism to adjust the pipeline to react to changing occupier, resident, and funder patterns.
- ii. Collaborative delivery mechanisms for those functions which impact on land supply and usage in the following areas:
 - Spatial planning (statutory and non-statutory).
 - The delivery of physical and social infrastructure.
 - Private and publicly-sourced funding.
 - The use of cross-subsidies between local authorities.
 - The identification, prioritisation and fast-tracking of strategic sites.

- The delivery of local sites with regional significance.
 - The creation of centres of expertise.
 - The role of the LEPs within these mechanisms.
 - The relationship between constituent and non-constituent authorities.
- iii. The extent of public sector land ownership and the means of unlocking these sites.
- iv. The relationship and tensions between brownfield, greenfield and Green Belt land.
- v. Collaboration between the public and private sector, including partnership models for delivering new development and the identification, pricing, mitigation and management of risk inherent in these models.
- vi. How to facilitate sufficient investment to deliver land and property supply:
- Establish how the West Midlands compares as an investment location. Relative to international peer cities and other UK cities.
 - Dealing with cultural, reputational and legacy issues.
 - Creating the sense of “one place”, but with local differentiation.
 - Creating a simplified investment pathway for investors and funders.
- vii. The pros and cons of rendering unviable sites viable, including:
- Ascertaining the extent of the viability challenge.
 - International best practice in remediation.
- viii. Is the planning system working in the West Midlands:
- The balance between reactive and proactive planning.
 - The relationship between the WMCA SEP and statutory Local Planning.
 - The explicit and implicit powers of local authorities (including CPO, LDO etc.) and the role these powers can play in the future.
 - Sharing and co-ordination of expertise.
 - “Use it or lose it” to address land banking.
 - The duty to co-operate.
 - CIL and other planning obligations.

Resources will be targeted to those areas which the Commissioners consider likely to have most impact on the land supply. Where matters are identified which require additional resources to fully investigate, Commissioners will make recommendations as to how future workstreams can address those matters.

The Commission is likely to identify some issues which, whilst important in the context of the West Midlands economy and real estate markets, do not directly affect the supply of land across the region. Examples include the national skills shortage, the shortage of certain building materials, and the increasing costs of construction. The Commission will not directly address these issues, but will reference these matters in its final report to the

WMCA, so that the WMCA may address them further through an alternative forum should it so wish.

In view of the relationship between productivity and the supply and cost of land, there is likely to be a close overlap between some of the work of the Commission and the proposed West Midlands Productivity and Skills Commission. To the extent that the timetable for the two commissions allows, they should collaborate to identify those areas of overlap and exchange relevant evidence and thinking.

Methodology

An initial consultation process with key public sector stakeholders from across the West Midlands has already taken place, involving conversations with more than 50 individuals. These conversations have included representatives from both constituent and non-constituent authorities and all three LEPs. Those discussions have informed the drafting of these terms of reference.

The Commission's intention is that it should undertake an inclusive process, offering all relevant parties the opportunity to contribute evidence and views. At its conclusion, stakeholders should feel they have had the opportunity to contribute to its work and recommendations. The Commission will undertake a wide consultation exercise, including the following groups of stakeholders:

- Local authorities (Leaders, Chief Executives, Heads of Planning, Regeneration and Economic Development).
- Local Enterprise Partnerships.
- Marketing Birmingham.
- The Homes & Communities Agency.
- Institutional investors (including the West Midlands Pension Fund), banks and other funders.
- Developers.
- Housebuilders (large and SMEs).
- Remediation specialists.
- Local universities.
- The Urban Land Institute.
- Local agents.

A Call for Evidence will be drafted to inform this consultation exercise. Interested parties will be invited to submit both written and oral evidence.

It is intended that three Commission hearings will be held, one in each LEP area, at which a range of organisations will be invited to attend and provide their views on the Call for Evidence.

A research programme will be drafted, informed by the initial stakeholder consultation exercise, evidence received, and the views of the Commissioners. The research will be conducted in parallel with the evidence gathering process.

In order to ensure the Commission process is inclusive, a PR and communications strategy is being drafted to launch the Commission, to publicise the Call for Evidence, to inform key stakeholders of progress, and to publicise the Commission's final report.

Outputs

The Land Commission will make a series of recommendations, which will help shape:

- The policy agenda of the WMCA.
- The elected mayor's programme.
- The policy and operations of individual local authorities and LEPs.

The Commission's recommendations will be made, cognisant of national policy priorities. They will seek to include recommendations for consideration by the WMCA to help inform future devolution discussions between the WMCA and the Government.

The Commission will seek to classify its recommendations to identify:

- Those with potential short term impact (1-3 years), medium term impact (3-5 years), and long term impact (5 years+).
- Those which can be implemented by individual councils, those which can be implemented by the WMCA using its existing powers and resources, and those which can only be implemented by the WMCA with further support from the Government.

Recommendations will be made by the Commission to the Board of the WMCA. It will ultimately be for the Board of the WMCA to evaluate and decide whether to implement those recommendations. The Board of the WMCA will be invited to respond in writing to the recommendations of the Commission.

The Commission's report and the WMCA's response should be subject to independent and specialist legal review before publication.

Advisors

Metro Dynamics will provide strategic advice to the Commission, and will also provide the Commission secretariat.

Bilfinger GVA will advise the Commission on matters pertaining to the local property markets.

Specialist advice will be sought from other advisers on an “as needed” basis as the Commission progresses.

Appendix C: Summary of Recommendations

A single agreed vision

The Commission recommends that:

- The WMCA Board develops a Spatial Framework for the West Midlands, initially on a non-statutory basis, which would set out the agreed spatial Vision for the region.
- As part of the development of the Spatial Framework, the WMCA and local authorities should collaboratively consider how to use the full range of existing and emerging powers.
- The Project Delivery Team described in the following section builds the expertise to enable collaborative delivery models to be brought forward and used as appropriate, taking advantage of the new powers and funding now available through the WMCA.
- The WMCA undertakes a study of modern business requirements, and uses the findings from that study both to inform the development of the proposed Spatial Framework and to identify urgently the needs of modern logistics and just in time delivery for manufacturing plants.
- The WMCA now commissions the second phase of the JLL/PBA study, to examine in detail how best the forecast shortfall between supply and likely demand for housing might best be addressed, as well as to identify urgently accessible major sites to take forward. Given the scale of the challenge, that analysis should start with a “Policy Off” analysis to ensure an open-minded and holistic approach to site selection, weighted by a consideration of market signals as to where optimum location is. Policy considerations can then gradually be reintroduced.
- Until that work is available, the Spatial Framework should, in a way which is consistent with existing Local Plans, support the development of new housing through improved mechanisms for identifying sites and delivering new homes at pace and scale.
- The WMCA should consider how successful models of public sector housing development could be replicated across the West Midlands.
- Given the potential for densification, the approach to density within the West Midlands should be revisited via a ‘density test’ for local planning authorities to consider applying new guidelines on top of Local Plans where planning consents are sought for sites which are likely to benefit from significant new infrastructure investment.

- The WMCA commissions from specialist developers a review of the options for the renewal of major estates across the region with the twin goals of delivering additional housing alongside the undoubted community benefits.
- The Spatial Framework be constructed around a robust open-source evidence base, such as the tool developed on a pilot basis by the HCA, and to be jointly created by public and private sector stakeholders.

Action zones

The Commission recommends that in the short-term, the WMCA:

- Undertakes an audit of specialist skills across WMCA members – including planning skills, remediation expertise, the assessment of economic benefits, CPO skills, development appraisal and viability assessment.
 - Pools the specialist skills embedded in the existing capacity of the WMCA members so that they can be deployed across the region.
 - Identifies any major gaps in the skills base and makes provision for filling gaps on a WMCA-wide basis.
- The WMCA should, drawing on embedded capability across its members, create a Project Delivery Team to act as a single point of access to marshal resources and funding that can provide mutual support to LPAs in delivering strategic sites and provide expertise on sites identified in the Action Zones where necessary.
 - Strong consideration should be given to the potential for siting strategic employment sites and large concentrations of new homes in strategic transport corridors identified within the Spatial Framework.
 - The WMCA should undertake a region-wide review of the housing potential within existing and new strategic transport corridors. Such a review should take into account an analysis of the potential for greater densification.

Unity of purpose

The Commission recommends that:

- As part of the development of the Spatial Framework, the WMCA and local planning authorities should consider how to use collaboratively the full range of existing and emerging planning powers and instruments in its rapid implementation.

- The WMCA seeks wherever possible to evolve more unified standards and regulations through a deepening process of collaboration while respecting the vitally important role of local planning authorities.
- The WMCA builds the expertise to enable a range of collaborative development delivery models to be brought forward and used as appropriate in the delivery of key strategic sites, taking advantage of the new powers and funding now available in the light of recent announcements by Government Ministers.
- That work includes a specific strand on the role and responsibilities of the HCA and the way in which it will support the WMCA in delivery of the Spatial Framework.
- The WMCA adopts for development and inward investment purposes a single identity appropriate for its role as the UK's second city region, allowing for individual roles for local authorities on particular projects.
- The proposed Growth Company should provide the skilled resource and funding needed to support the mayor in becoming the 'front door' to global investors, occupiers and developers wanting to work in the West Midlands. That role should include "troubleshooting" to support investors, developers, occupiers and employers navigating their way through planning, funding and delivery complexities.

Transforming Brownfield Land

The Commission recommends that:

- In parallel with developing the proposed Spatial Framework, the WMCA develops a collectively-agreed brownfield remediation strategy which captures a step change in the pace and scale of the assembly and remediation of brownfield sites.
- The brownfield remediation strategy should recognise the role of brownfield land in promoting biodiversity, and identify those sites which merit protection for that purpose.
- The majority of the WMCA's Land Remediation Fund should be focused on those housing and employment projects which align with the priorities defined by the WMCA in the proposed Spatial Framework and which can be delivered in relatively short measure, although a proportion might be reserved to invest in a more agile way in new opportunistic proposals from developers that are broadly in line with the SEP's objectives.
- The WMCA investigates and considers pooling all available local and national sources of remediation funding, and pursues how best collaboratively to apply it to collectively-prioritised remediation projects.

- As part of the development of additional sources of remediation finance, the WMCA considers the potential for re-investing a proportion of the value uplift realised in the granting of planning consents on major sites in one area in the assembly and remediation of major sites elsewhere, to the collective benefit of the WMCA overall, not least in reducing the demand on land in the Green Belt.
- The WMCA should investigate mechanisms for handling the long-term insurance and warranty issues associated with brownfield development, including the extent to which the WMCA could self-insure certain risks.
- The WMCA considers the value of maintaining a brownfield database at a regional level.
- The WMCA considers building on work by the Black Country LEP and the University of Wolverhampton to establish the Brownfield Research & Innovation Centre (BRIC), a centre of excellence in brownfield development.
- The WMCA engages strongly as a single combined entity with the One Public Estate programme. In support of that programme, it undertakes a 'Land Audit' across the region, under which all public and relevant private sector bodies, are asked to justify their asset strategies for operational, strategic and surplus land. The major land-holding transport operators and utility companies should be actively involved in this work.

A strategic review of the Green Belt

The Commission therefore recommends that:

- The WMCA should undertake a strategic review of the Green Belt across the WMCA area to identify broad areas of land that perform poorly against the five statutory Green Belt purposes and consider their declassification; identify brownfield or greenfield sites that could become part of the Green Belt where this would create a more cohesive Green Belt; identify Green Belt sites that could support sustainable urban extensions; and identify Green Belt sites suitable for use as strategic investment locations.
- Such a review should pay particular attention to environmental and biodiversity issues, engaging relevant groups.

Clarified Governance and Responsibility

The Commission also recommends that:

- The WMCA identify those priority employment and housing sites which are dependent on strategic transport, utility or telecommunications investment schemes for their viability. It hopes, in turn, that central government agencies (including the economic regulators), and relevant bodies such as Highways England and Network Rail recognise the need to align where practicable their investment programmes and priorities with regional requirements.
- The WMCA works with central government to develop new appraisal methodologies which rely less on shortening transport times and more on delivering economic growth and recycling the value gained from betterment.

Appendix D: List of Organisations which have provided Evidence

Type	Respondent to Call for Evidence	Stakeholder meeting
Consultants	Arcadis Arup Barton Willmore Hunter Page Planning King & Wood Mallesons Peter Brett Associates Quod Reshaped UK Turley	Bilfinger GVA KPMG
Developers	Bruntwood Gallagher Estates Opus Land Prologis St Modwens WSP Parsons Brinckerhoff Nurton Developments Roxhill Developments SEGRO Stoford Properties Limited	
Housebuilders	Barratt Plc Bellway Homes Homebuilders Federation Housing Association Partnership ⁶⁷ Taylor Wimpey	

⁶⁷ Accord Group, Black Country Housing Group, Bromford Housing Group, Longhurst Group, Midland Heart, Orbit Group, Pioneer Group, Sanctuary, Walsall Housing Group, Waterloo Housing Group, WM Housing Group, Wrekin Housing Trust

Type	Respondent to Call for Evidence	Stakeholder meeting
Infrastructure	Birmingham International Airport GL Hearn on behalf of Sever Trent Water Highways Agency Severn Trent Water Transport for West Midlands	
Investors	Hermes Investment Legal & General M&G UBS West Midlands Pension Fund Nathaniel Lichfield Partners on behalf of CEG Turley on behalf of HIMOR Group	
Landowners	Gilmour family IM Properties	
Law firms	King & Wood Mallesons LLP Towers & Hamlins	
Membership organisations	Coventry and Warwickshire Chamber of Commerce Feoffees of Old Swinford Hospital Institute of Civil Engineers East and West Midlands West Midlands Aggregate Working Party Royal Town Planning Institute West Midlands Civil Society Forum UNISON, West Midlands Community branch	
Occupiers	Aston Martin Deutsche Bank HSBC Jaguar Land Rover Severn Trent	
Property agents	JLL Savills	

Type	Respondent to Call for Evidence	Stakeholder meeting
Public sector	<p>Birmingham City Council</p> <p>Birmingham Property Services</p> <p>Black Country Authorities</p> <p>Black Country LEP</p> <p>Bromsgrove District and Redditch Borough Councils</p> <p>Cannock Chase Council</p> <p>Coventry and Warwickshire LEP</p> <p>Department of Communities and Local Government</p> <p>Environment Agency</p> <p>Greater Birmingham and Solihull LEP</p> <p>HCA</p> <p>Lichfield Council</p> <p>Localise West Midlands</p> <p>Local Nature Partnership</p> <p>Nuneaton Green</p> <p>Selly Oak</p> <p>Staffordshire Council</p> <p>Shropshire Council</p> <p>Solihull Council</p> <p>Stoke-on-Trent and Staffordshire LEP</p> <p>Tamworth Council</p> <p>Telford & Wrekin Council</p> <p>Warwickshire County Council</p> <p>Wyre Forest</p> <p>West Midlands Regional Forum of local authorities</p>	<p>Birmingham County Council</p> <p>Coventry City Council</p> <p>Cannock Chase District Council</p> <p>Dudley Metropolitan Borough Council</p> <p>Marketing Birmingham</p> <p>Nuneaton and Bedworth Borough Council</p> <p>Sandwell Council</p> <p>Solihull Metropolitan Borough Council</p> <p>Telford and Wrekin Borough Council</p> <p>Walsall Council</p> <p>Wolverhampton City Council</p> <p>Coventry and Warwickshire LEP</p> <p>Black Country LEP</p> <p>Greater Birmingham and Solihull LEP</p> <p>Homes and Communities Agency</p> <p>West Midlands Strategic Planning Advisor</p> <p>West Midlands ITA Policy and Strategy Unit</p>
Remediation/ regeneration specialists	<p>Hydrock</p> <p>Igloo Regeneration</p> <p>RCA Regeneration</p>	
Think tanks/ academia	<p>Black Country Brownfield Regeneration & Innovation Centre (BRIC)</p> <p>CPRE West Midlands Regional Group</p> <p>Futures Network</p>	

Type	Respondent to Call for Evidence	Stakeholder meeting
	Human City Institute Localise West Midlands Scaling the Citizen Progressive Capitalism RAWM Urban Land Institute	
Environmental Groups	Friends of the Earth Royal Society for the Protection of Birds Woodland Trust	

Appendix E: Summary of Evidence regarding the West Midlands Economy, Land and Development

Summary

- The WMCA area is a vital part of the UK economy but has suffered from systematic underperformance relative to the national economy since the 1970s due to a decline in traditional industries. At present, whilst it has important high value sectors and areas of economic activity, the WMCA area continues to underperform at an aggregate level.
- The WMCA SEP has proposed ambitious targets for development that represent a large increase on the assumptions embedded in the aggregated current Local Plans. In turn, the aggregated Local Plans are proposing rates of growth significantly in excess of the trend rate of growth. Therefore, a major step-change is needed in the rate of development.
- Existing evidence is clear that demand for land outstrips supply quite considerably in the case of industrial and residential development.
- In the case of industrial development there is particular concern from the private sector (including occupiers) that there is a lack of suitable large sites for major occupiers. In the case of both industrial and residential development, rising demand is feeding into sharply rising prices.
- Whilst the evidence on demand for office space does not show as dramatic a mismatch between demand and supply, the current evidence base does not factor in the SEP targets. It is likely that doing so would mean that the demand for land in all categories would outstrip current allocations.
- A major factor in ensuring that land is made available and that the rate of development increases is the governance and planning system of the WMCA area. Both the governance and planning systems are complex and fragmented. There have been important steps towards joint working at a LEP level, but it will be vital to work more strategically going forward on a pan-WMCA basis. This will mean more co-operation around planning, with a governance system that supports this.

The West Midlands Economy

- 11.1 The WMCA's economy is a vital part of the UK economy. It is Britain's second city region, generating 7.1%⁶⁸ of GVA for the UK economy and housing 4m people⁶⁹.
- 11.2 The West Midlands SEP sets out the overall ambition of the region. Its aim of growing the economy requires action from business, not least from the region's companies which are at the heart of British advanced manufacturing. Universities have a major role too. The role of the public sector in creating a climate for, and supporting growth, is also key. The West Midlands has also played its part in growing start-ups in a range of new industries such as the creative, digital and life science sectors⁷⁰, and has a thriving professional and financial services sector. Recent statistics show that more than 17,000 businesses were created in Birmingham in 2016, up 25% from 2015⁷¹. Because of its location, the WMCA area is the central point for logistics, warehousing and distribution companies, with most parts of the UK being within 4 hours' journey time. In each of these and other areas, the land market has a key role to play: both in supporting sustainable development and in helping to create places where people want to live. So land, the subject of this Commission's remit, is central to achieving the goals of the SEP.
- 11.3 In the mid-20th Century, the West Midlands was a beacon of economic growth. The region's economy persistently performed well across a number of indicators. Unemployment in Birmingham rarely exceeded 1% between 1948 and 1966, and only exceeded 2% in one year⁷². By 1961 household incomes in the West Midlands were 13% above the national average, exceeding even those of London and the South East⁷³.
- 11.4 The city experienced extensive growth during the 1950s and 1960s led by the fortunes of the motor industry, putting Coventry second to London in terms of economic growth over this period. In the motor industry post-war boom, it was rumoured that there were 8 jobs for every Birmingham school-leaver⁷⁴. The Black Country also benefitted from a strong and growing industrial sector specialising in the metal and engineering industries during this period⁷⁵. This activity was encouraged by the Government and in 1967 the West Midlands was the 3rd highest exporting region in Britain⁷⁶.

⁶⁸ ONS (2015) Regional Gross Value Added (Income approach): December 2015

⁶⁹ West Midlands Combined Authority (2016), 'About the Area'. Date Accessed 02.12.16

⁷⁰ West Midlands Combined Authority (2016) 'Strategic Economic Plan- Making Our Mark'- Pg. 18

⁷¹ Sunday Times (2017), "Birmingham Tops Start-Up League"

⁷² Sutcliffe, A. & Smith, R. (1974), Birmingham 1939-1970 (History of Birmingham, Vol. III) – Pg. 54

⁷³ Sutcliffe, A. & Smith, R. (1974), Birmingham 1939-1970 (History of Birmingham, Vol. III) – Pg. 54

Note: this refers to the West Midlands region, rather than just the WMCA area, but this is a sensible proxy for the economic performance of the latter.

⁷⁴ Mike Haynes. (2008). The Evolution of the Economy of the West Midlands 1700-2007. (Part 6), - Pg. 16

⁷⁵ Wise, M. 'The Birmingham-Black Country conurbation in its regional setting', Geography, vol. 57 no.2, 1972 - Pg. 93

⁷⁶ Sutcliffe, A. & Smith, R. (1974), Birmingham 1939-1970 (History of Birmingham, Vol. III)

- 11.5 In the 1970s and 80s, global structural change had a significant impact on the region's economic growth and the West Midlands was the only region to grow less fast in the second half of the century compared to the first half (1.71% per year compared to 1.77%)⁷⁷.
- 11.6 A more sustained period of growth took hold in the 1990s which continued into the new century⁷⁸. Birmingham has been building on the steady growth of Knowledge Intensive Business Services (KIBS), and supported by a strong city centre in Birmingham, the number of KIBS jobs in the city has nearly doubled since 1981. And between 1998 and 2011, the city centre saw private sector jobs growth of 17 per cent⁷⁹.
- 11.7 The manufacturing economy had by then given way to a knowledge economy albeit more slowly in the West Midlands where manufacturing remained significant, though diminished. The region's focus on manufacturing has arguably proved less conducive to supporting the emergence of high value sectors⁸⁰ and the region remained less well positioned to play in the knowledge economy, given weak traditions in 'knowledge creation' and the role of a small and medium size sector that was less supportive than the retreating large firm sector⁸¹.
- 11.8 As Figure 9 shows, the result of this is that the WMCA area's productivity, as measured by Gross Value Added per worker ('GVA'), is below that of many of its regional counterparts. The West Midlands ranks below the UK average. Whilst the WMCA area is not unique in this respect amongst UK cities this is a concern, as poor productivity feeds into relatively low wages.

⁷⁷ Haynes, M. (2008). The Evolution of the Economy of the West Midlands 1700-2007. (Part 6) – Pg. 17

⁷⁸ Haynes, M. (2008). The Evolution of the Economy of the West Midlands 1700-2007. (Part 6) – Pg. 17

⁷⁹ Clarke E, Swinney, P & Sivaev, D. (2013) Beyond the High Street: Birmingham Analysis

⁸⁰ Government Office for Science (2014), 'The evolving economic performance of UK cities: City Growth Patterns 1981-2011'

⁸¹ Mole, K, Worrall, L. (2001), 'Innovation, business performance and regional competitiveness in the West Midlands: evidence from West Midlands Business Survey', European Business Review, vol. 13 no.6 - Pg. 353-364

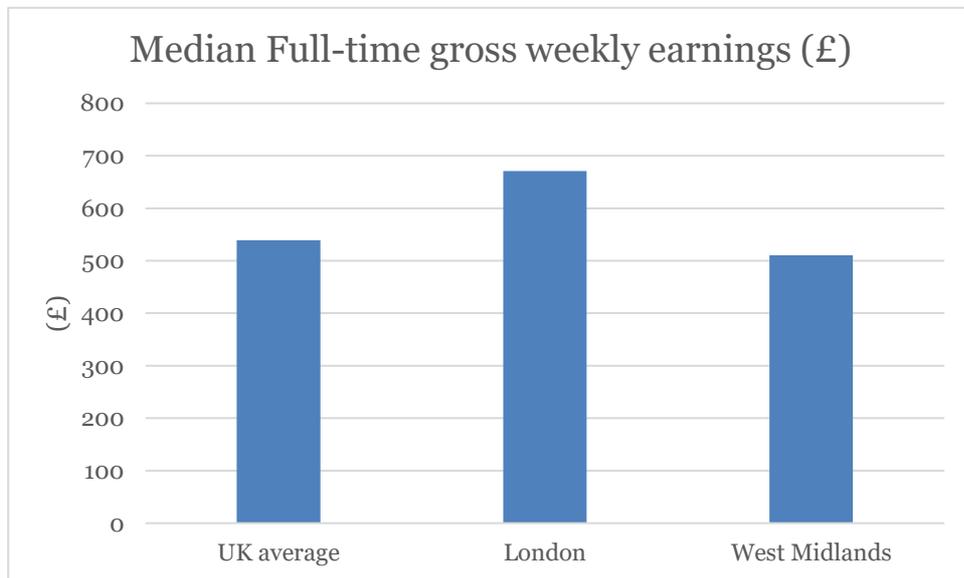
Figure 9. Comparison of GVA in British regions

	GVA per head (£) (2015)
London	43,600
South East	27,800
UK average	25,400
East of England	24,000
South West	23,000
North West	21,900
East Midlands	20,900
West Midlands	20,800
Yorkshire and The Humber	20,400
North East	18,900

Source: ONS (2016) Regional gross value added, UK: 1997 to 2015

- 11.9 Median gross weekly wages in the West Midlands compare poorly to the national average and very poorly when compared to London.

Figure 10. Median Full-time gross weekly earnings



Source: ONS (2016) 'Annual Survey of Hours and Earnings: 2016 provisional results'. Date accessed 20.01.17.

- 11.10 Economic underperformance impacts on national growth and productivity and holds back the prospects of local people. It is vital for both the WMCA and the UK that the West Midlands area is supported to grow.

The WMCA Strategic Economic Plan

- 11.11 In 2016 the WMCA adopted a Strategic Economic Plan (SEP), which sets out the employment and development targets for the area. At its core is a target to raise per capita GVA across the West Midlands to the national average level by 2026, and to 5% above the national average by 2030⁸². The SEP proposes the creation of 500,000 new jobs by 2030, underpinned by an increased population of some 542,000 people⁸³. This is equivalent to adding the population of Sheffield to the WMCA area by 2030⁸⁴.
- 11.12 A sufficient supply of developable land for both employment and housing use is a pre-requisite for the delivery of the WMCA SEP. This involves having land:
- Available in the right condition (remediated).
 - In a range of lot sizes (to suit a diverse range of end users).
 - Situated in the right place (where occupiers want to locate and residents want to live).
 - Ready at the right time (reflecting the timescales of today's occupiers) anticipating the needs and timescales of future occupiers.
 - Financially viable.
 - Benefiting from the right supporting social and physical infrastructure.
- 11.13 The SEP estimates that, to accommodate the growing population, the West Midlands housing stock will need to increase to 1.9 million homes - an increase of approximately 215,000 homes⁸⁵. This includes 50,000 more homes than are currently allowed for in the aggregated Local Plans⁸⁶. This would be equivalent to building an additional ten large urban extensions of 5,000 homes each in the next 15 years, over and above the 165,000 new homes already in the Local Plans⁸⁷.
- 11.14 To accommodate the new jobs, the SEP anticipates that 1,600 hectares of brownfield land will need to be remediated⁸⁸. This is equivalent to remediating an area the size of 11

⁸² West Midlands Combined Authority (2016) 'Strategic Economic Plan - Making Our Mark' - Pg. 13

⁸³ West Midlands Combined Authority (2016) 'Strategic Economic Plan - Making Our Mark' - Pg. 24

⁸⁴ ONS (2013) '2011 Census: Population Estimates by single year of age and sex for local authorities in the United Kingdom'. The population in mid-2011 was 552,700

⁸⁵ West Midlands Combined Authority (2016) 'Strategic Economic Plan - Making Our Mark' - Pg.13

⁸⁶ Peter Brett Associates (2016) 'The relationship between Combined Authority SEP economic model and land use plans in the West Midlands' & 'The relationship between DEIM and land use plans in the West Midlands Combined Authority'. Presented to the WMCA Board on 1 July 2016

⁸⁷ Peter Brett Associates (2016) 'The relationship between the CA SEP and Local Plans' - Pg. 15

⁸⁸ West Midlands Combined Authority (2016) 'Strategic Economic Plan - Making Our Mark' - Pg. 12

Longbridge manufacturing sites⁸⁹. Whilst brownfield land has a vital role to play in meeting the SEP's requirements for new space, the time taken to remediate such land means that it is unlikely, on its own, to satisfy the more pressing land availability requirements.

Relationship between the SEP and Local Plans

- 11.15 None of the Local Plans reflect the SEP economic targets. The Commission has therefore considered the SEP targets in the context of actual delivery and Local Plan targets. The basis for this consideration is a recent report commissioned by the WMCA, comparing the three SEP targets (number of new jobs, population growth, and demand for new homes) with both the targets from the aggregated Local Plans and the trend rate of growth⁹⁰. For all three measures, the trend rate of growth is somewhat below the Local Plan targets, and the Local Plan targets are significantly below the SEP targets. This is illustrated in Figures 11, 12, and 13 below.

Figure 11. Projected population growth to 2029 / 30

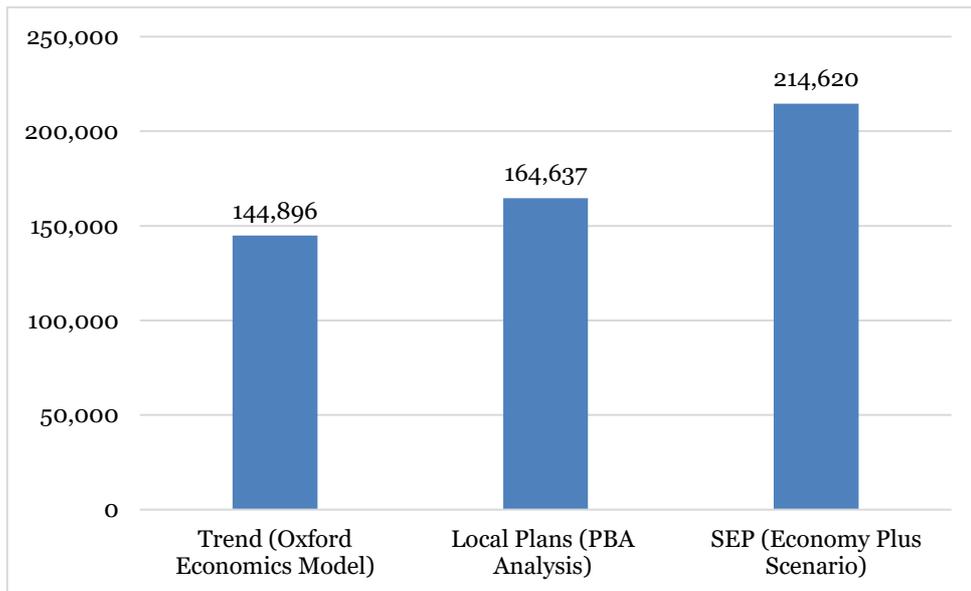


Source: PBA (2016)

⁸⁹ St Modwen (2009) 'Longbridge plan gets green light'. Available from <http://www.longbridgebirmingham.co.uk/news/article/longbridge-plan-gets-green-light/>. The Longbridge Site is 140 hectares. (140x11=1,540 hectares). Date accessed 18.01.17

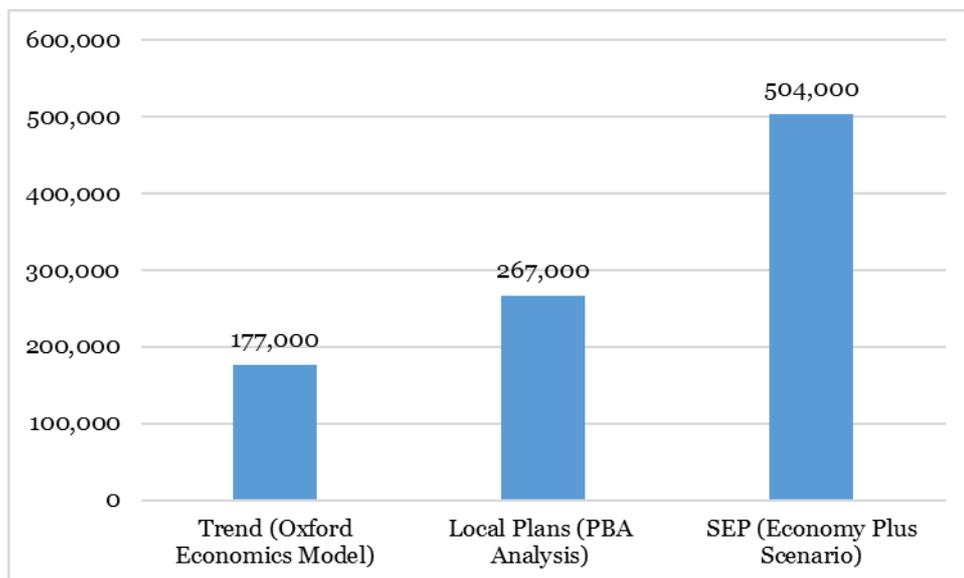
⁹⁰ Peter Brett Associates (2016) 'The relationship between Combined Authority SEP economic model and land use plans in the West Midlands' & 'The relationship between DEIM and land use plans in the West Midlands Combined Authority'. Presented to the WMCA Board on 1 July 2016

Figure 12. Projected growth in dwellings to 2029 / 30



Source: PBA (2016)

Figure 13. Projected job growth to 2029 / 30



Source: PBA (2016)

Track record of building new homes and employment space

- 11.16 The Commission has considered the rate at which new homes have been built and new employment space provided in the West Midlands to give an historical context to the SEP targets.
- 11.17 Bilfinger GVA have estimated that in the ten-year period between 2004 and 2014, approximately 88,000 net additional dwellings were built across the West Midlands (approximately 8,800 per annum)⁹¹. If the housebuilding targets implied by the SEP are to be achieved, some 215,000 new homes are likely to be required over a 15-year period (approximately 14,300 dwellings per annum)⁹². On the basis of these figures, the annual rate of delivery would need to rise by over 60% to achieve this level of new homes. When account is taken of the need to scale-up to deliver these new homes, it is likely that new homes delivery in the later years of the SEP period would need to increase by significantly more than the 60% referred to above.
- 11.18 With regard to employment land, approximately 1,100ha of employment land (gross) were developed between 2004 and 2014 (based on an annual average completion rate of 110ha per annum). If this trend rate were to be projected forward over the SEP timeframe of 2015-30, some 1,650ha of employment land would be developed⁹³. This would be insufficient to meet the SEP targets, which assume the delivery of 1,600ha solely within the seven metropolitan authorities, and take no account of employment growth within the district authorities.
- 11.19 On the basis of the historic track record, the existing and unmet need for sites, and the fact that Local Plans already provide for a rate of building some way in excess of the past trend rate, the Commissioners are of the view that developing the new homes and employment space needed to support the SEP's growth targets is going to present a significant challenge. That challenge, which extends to both the scale and speed of delivery, would require a step change in the number of sites brought forward for development and the pace at which they are developed.

The West Midlands Land Market

- 11.20 All economic development involves the need for locations – for factories, offices, roads, railways and housing- which depends on the availability of land to a certain degree. Industries need sites for manufacturing, distribution and appropriate infrastructure linking their products or services to the point of sale. A healthy economy will support a range of industries which subsequently require an array of plot sizes and locations. Everyone needs somewhere to live and the provision of housing must be structured in such a way that

⁹¹ Bilfinger GVA (2016) 'Line of Enquiry 1 Part 1: Assessing the scale and characteristics of delivery of housing and employment development'

⁹² West Midlands Combined Authority (2016) 'Strategic Economic Plan -Making Our Mark' - Pg. 12

⁹³ Bilfinger GVA (2016) 'Line of Enquiry 1 Part 1: Assessing the scale and characteristics of delivery of housing and employment development'

people can choose to live in a range of locations and in a way which suits their financial and personal needs.

- 11.21 This section considers the availability of land in the West Midlands for each of three main uses: land for industrial and logistics purposes, land for new homes and land for new offices.
- 11.22 In considering the extent to which there is a sufficient pipeline of developable land, the Commissioners have considered three principal sources of evidence:
- Market signals, most notably, the extent to which prices are changing, reflecting an imbalance between supply and demand.
 - Technical reports and studies.
 - Anecdotal evidence, particularly from agents.

Land for industrial and logistics uses

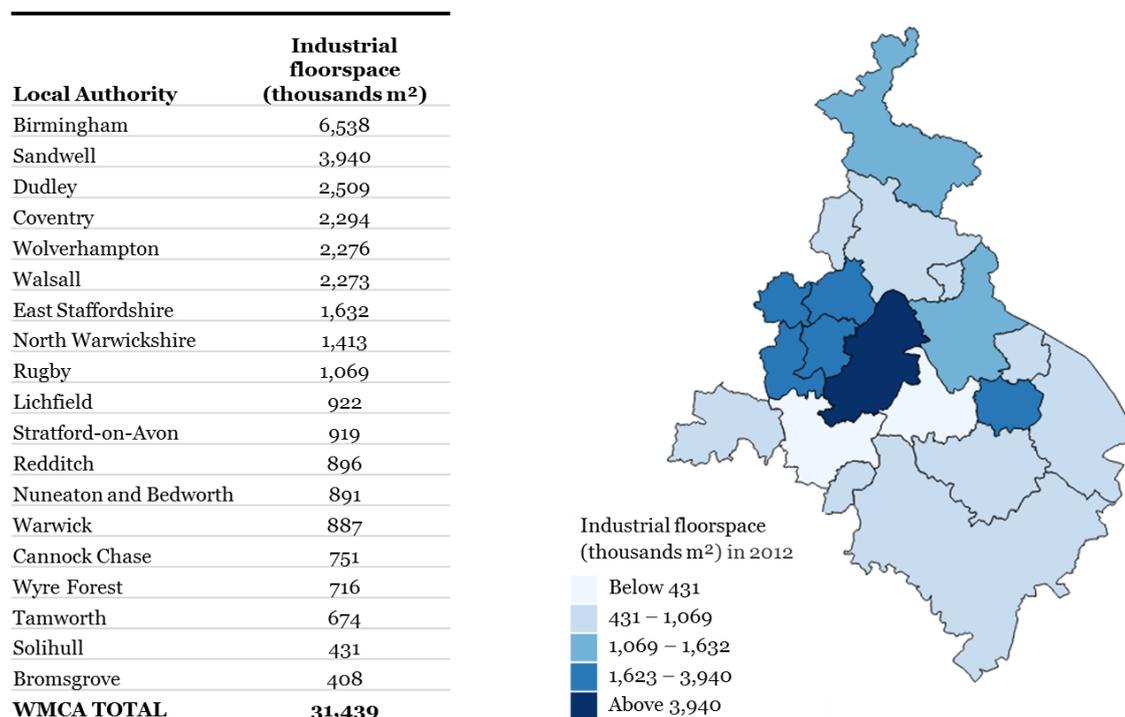
- 11.23 Evidence received by the Commission suggests that manufacturing and distribution uses are merging closely into one market across the West Midlands, and therefore for the purposes of this report, these uses will be referred to as the “industrial” uses⁹⁴.
- 11.24 Evidence available to the Commission suggests that the West Midlands industrial market is one of the most important employment land markets in the UK. From a national perspective, it is also currently the strongest industrial market, with the highest levels of speculative development.
- 11.25 The importance of this market is largely due to the many sources of competitive advantage from which the West Midlands benefits. These include:
- A central location in the UK, with an extensive supply chain infrastructure, and from which goods are capable of being transported to most parts of the United Kingdom within a 4-hour timeframe.
 - Affordable land and property with close proximity to regional airports.
 - Access to the main rail freight lines, providing links to the major ports.
 - A potential skilled labour pool generated through the existing high level education and research institutions in the advanced manufacturing end of the sector, albeit there remains a severe shortage of specialist engineers.
 - Competitive labour market costs.

⁹⁴ JLL & Peter Brett Associates (2015) ‘West Midlands Strategic Employment Sites study’ - Pg. 27

- Being home to a number of global manufacturers⁹⁵.

- 11.26 The original ‘Golden Triangle in the East Midlands, around Daventry and Lutterworth (and including the far eastern fringe of the West Midlands around Rugby) has expanded to include the eastern half of Birmingham, the M42 Corridor, and the motorway-accessible parts of Coventry⁹⁶. The Golden Triangle has not expanded far into the Black Country or Staffordshire⁹⁷. The JLL/PBA Strategic Employment Sites report suggest that this is due to the delays on the M6 representing a ‘virtual barrier’ to the North and West⁹⁸. The M6 toll road provides a faster alternative, but many distribution operators consider that the toll is too high.⁹⁹
- 11.27 The figure below illustrates that industrial floorspace is significantly concentrated in the metropolitan area, which accounts for 65% of the WMCA area’s industrial floorspace¹⁰⁰.

Figure 14. Industrial Floorspace (2012)



Source: Valuation Office Agency (2012) Business Floorspace

- 11.28 The market for industrial premises in the West Midlands has improved dramatically over the last four years due to a number of factors, which include the general improvement in the UK and regional economy, the growth of manufacturing across the West Midlands, and the

⁹⁵ Call for Evidence

⁹⁶ JLL & Peter Brett Associates (2015) ‘West Midlands Strategic Employment Sites study’. - Pg. 27

⁹⁷ JLL & Peter Brett Associates (2015) ‘West Midlands Strategic Employment Sites study’. - Pg. 27

⁹⁸ JLL & Peter Brett Associates (2015) ‘West Midlands Strategic Employment Sites study’. - Pg. 27

⁹⁹ JLL & Peter Brett Associates (2015) ‘West Midlands Strategic Employment Sites study’. - Pg. 27

¹⁰⁰ Valuation Office Agency (2012) Business Floorspace

growing importance of the distribution sector linked to new business models, greater reliance on online shopping, and a desire for same/next day delivery.

11.29 This growth in demand has not been matched by the growth in supply. A number of agents have pointed to the fact that the supply of industrial premises servicing the market has been eroded due to three main factors, including:

- **The redevelopment of old factories and other industrial sites for housing and other uses.** This has been largely due to pressure for housing on sustainably located brownfield sites.
- **A lack of speculative development to replenish old stock.** This has been a factor since the 2008 financial crash, and although some speculative development is now happening, it is generally taking place in the “big box” distribution market.
- **A relative lack of new sites coming forward to fill the void.** Many of the obvious brownfield sites outside Birmingham, such as old coal mines, power stations, car plants and airfields have been successfully developed (for example, Birch Coppice, Hams Hall, Kingswod Lakeside, Cannock, Fradley Park, Ryton and Keresley). There are also likely to be considerably fewer windfall sites due to the emphasis on developing brownfield land.

11.30 Figure 15 shows the availability of industrial and distribution premises across the West Midlands.

Figure 15. Industrial and Distribution Floorspace Availability in the West Midlands (June 2011 – December 2014)



Source: JLL & Peter Brett Associates (2015) ‘West Midlands Strategic Employment Sites study’- Pg. 35

- 11.31 In terms of market signals, there has been a notable uplift in prices for large industrial and warehousing units as Figure 16 demonstrates.

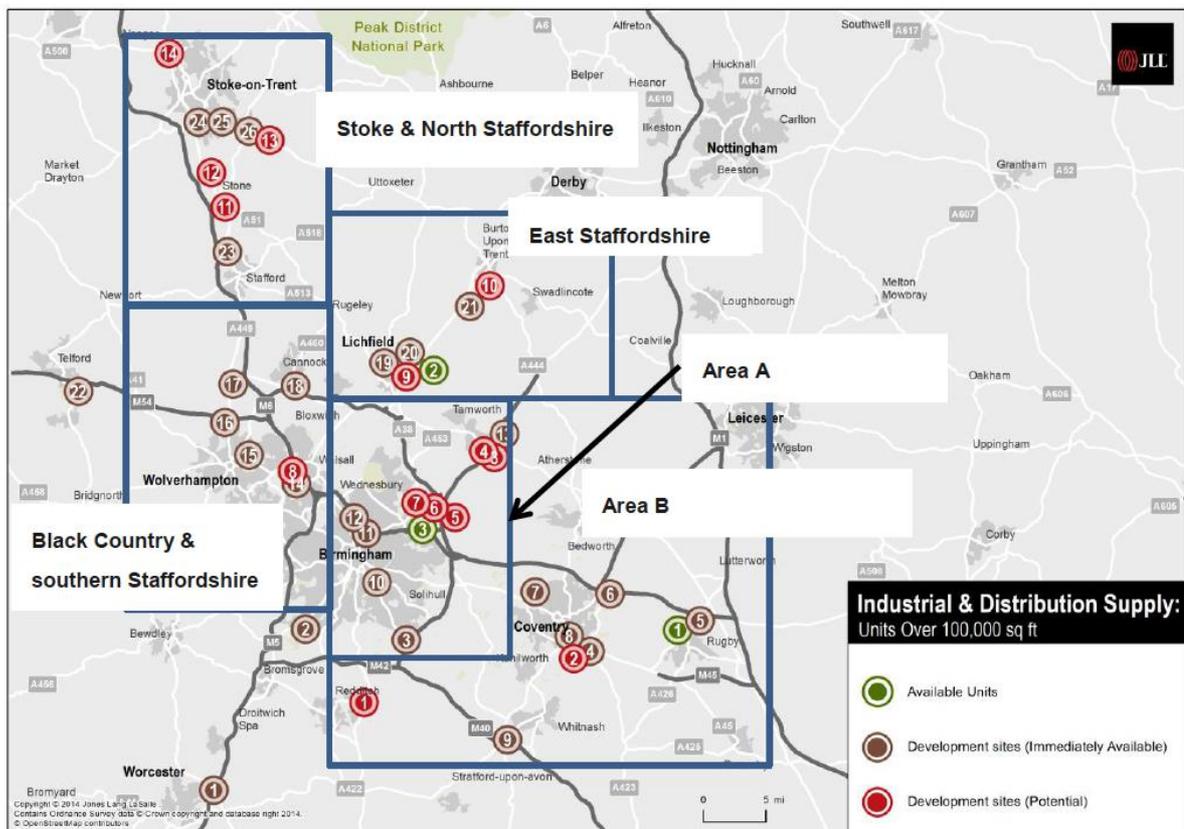
Figure 16. Rents, land value and yields for larger units in Birmingham & Solihull

	<i>Birmingham & Solihull</i>	
	Q1 2013	Q2 2016
<i>Rents (psf)</i>	£5.50-5.75	£6.25-6.50
<i>Land Values (£ per acre)</i>	£300k-350k	£600k
<i>Yields (%)</i>	6.5	4.75

Source: JLL (2016) 'West Midlands Land Commission- Call for Evidence' - Pg. 3

- 11.32 Of the three variables, the most marked changes are in land values, which in the case of Birmingham & Solihull have almost doubled during a three-year period. This signal is highly significant in demonstrating the shortage of available land at a regional and sub-regional level.
- 11.33 The Commission has considered the location of current and potential development sites for industrial uses identified in the JLL/PBA report. It is clear that those locations which are in greatest demand as strategic sites are those sites located close to the main motorway network. Figure 17, which is taken from work commissioned by the WMCA, shows those sites which are potentially most appropriate for strategic sites and the availability of sites at those locations.

Figure 17. Major industrial and distribution site availability



Source: Peter Brett Associates & JLL (2015) 'West Midlands Strategic Employment Site Study' - Pg. 41

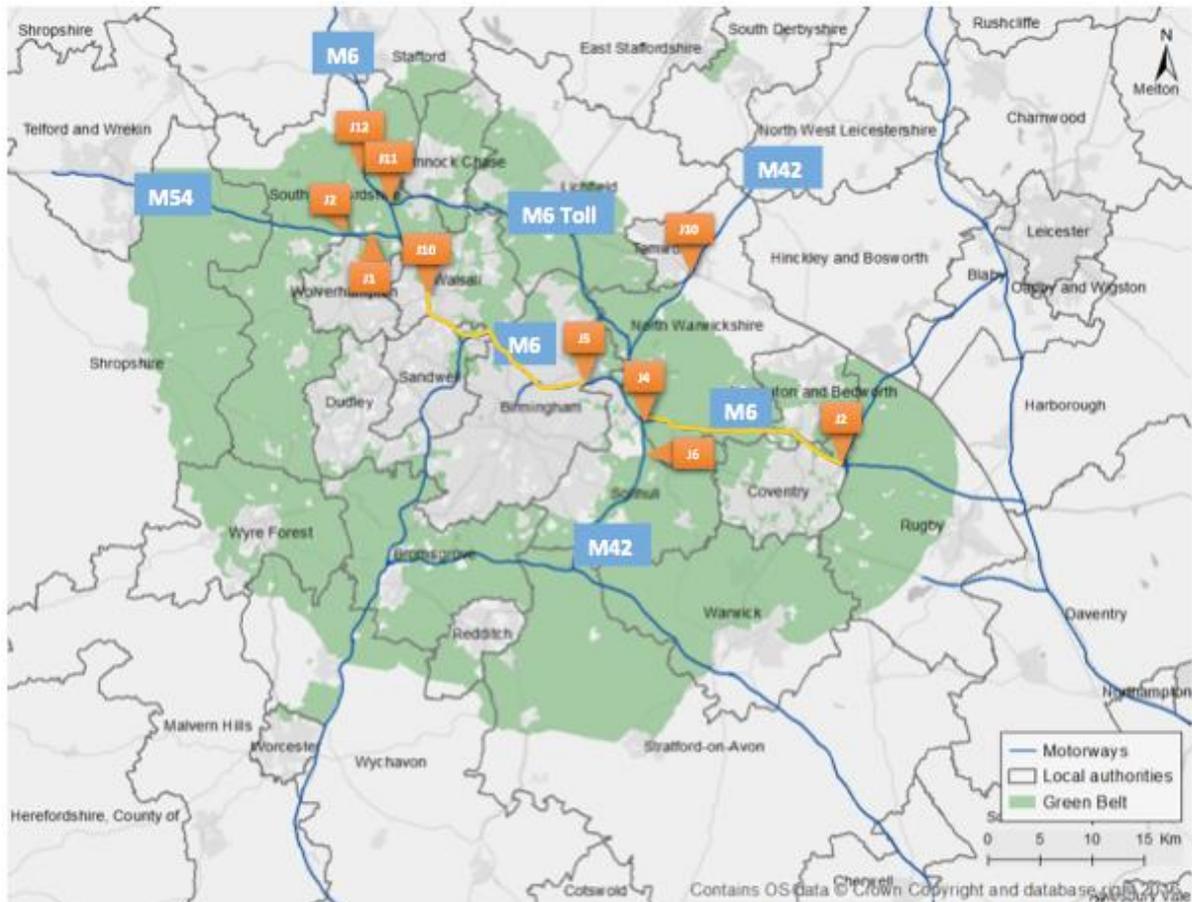
- 11.34 Areas A and B account for a disproportionate amount of take-up in the 9290-sq. m band. At the end of 2014, PBA/JLL estimated that there were only 69.2 hectares “immediately” available in Area A (equivalent then to 3.7 years’ supply) and 122 hectares in Area B (equivalent then to 8.4 years’ supply)¹⁰¹.
- 11.35 A significant number of these sites are located within the Green Belt as Figure 18 demonstrates. Thus:
- The M42 lies within the Green Belt, apart from junction 10 at Tamworth, although the built-up area does adjoin the motorway at junction 6 (at Birmingham Airport and the NEC).
 - For the M6, junctions 5 to 10 of the M6 lie within the main built-up area where there are now very few obvious examples of suitable large sites.
 - The M6 junctions to the north/west (junctions 11 and 12) are both in the Green Belt as are the junctions to the east (junctions 2 to 4), although Coventry does extend up

¹⁰¹ Peter Brett Associates & JLL (2015) 'West Midlands Strategic Employment Site Study' - Pg. 41

to junction 3. Junctions 1 and 2 of the M54 are both in the Green Belt, although again the built-up area of Wolverhampton has extended up to junction 2.

- The M6 toll road, which could provide a number of strategic sites is largely within the Green Belt.

Figure 18. Strategic Employment Sites and motorways in the WMCA area



Source: Metro Dynamics analysis of strategic employment sites provided by JLL (2016)

- 11.36 A handful of sites have been released from the Green Belt and developed for employment use in recent years. They include:
- i54 at junction 2 of the M54.
 - Birmingham Business Park at junction 6 of the M42.
 - Blythe Valley Business Park at junction 4 of the M42.
 - Peddimore – 71 hectares have been identified in the Birmingham draft Development Plan for release.
- 11.37 The JLL/PBA report identified that the planned land supply for large industrial units falls severely short in the three areas of highest demand to such an extent that the shortage of land was in danger of inhibiting growth:

- The M42 belt to the East of Birmingham (Area A).
- Areas south and east of Coventry to Rugby (Area B), which is an extension of the East Midlands Golden Triangle.
- The Black Country and Southern Staffordshire, which has attracted growth in previous years but on a smaller scale than above. Long term supply here is heavily dominated by one site (Phoenix 10), which has serious issues with infrastructure and access¹⁰².

11.38 The Coventry and Warwickshire Employment Land Use Study concluded that there is a significant shortage of sites within the Coventry & Warwickshire sub-region to enable it to meet forecast demand through to 2031. The forecast requirements vary from 353 ha to 660 ha, suggesting a shortfall of over 300 ha of employment land in the CWLEP area¹⁰³. The report concluded that:

“Even taking into account the major strategic pipeline sites, the supply is below the bottom end of the forecast demand range. There is an urgent need for additional supply of good quality and well-located land to accommodate short to medium term demand.”¹⁰⁴

- 11.39 The study concluded that the scarcity of available land in the short term has the potential to damage the economic prospects of the area by preventing investment opportunities from being delivered¹⁰⁵.
- 11.40 Further evidence received suggests that the amount of unconstrained land for strategic employment development has reduced by around 20% in the CWLEP area since the CBRE report was published in August 2015, and the shortfall now is even greater.
- 11.41 A report prepared by Warwick Economics and Development (‘WECD’) in connection with the Birmingham Economic Plan Examination identified a need for 407ha of employment land in Birmingham in the period 2011-2031¹⁰⁶. The WECD report divided into demand into “Best”, “Good” and “Other” quality categories. At the Birmingham Local Plan Examination in Public (‘EIP’), it was acknowledged that there was a shortfall of 17.19ha of ‘Best’ quality land compared to the required 60 ha five year reservoir in that sector¹⁰⁷. Since the EIP, the “Best” quality readily available land supply has reduced significantly and Savills data suggests that Birmingham now has a 50% shortfall compared to its five-year requirements and no supply at all for the following 15 years of its Local Plan.

¹⁰² Peter Brett Associates & JLL (2015) ‘West Midlands Strategic Employment Site Study’ - Pg. 43

¹⁰³ CBRE (2015) ‘Employment and Land Use Study – Coventry and Warwickshire’ - Pg. 56

¹⁰⁴ CBRE (2015) ‘Employment and Land Use Study – Coventry and Warwickshire’ - Pg. 56

¹⁰⁵ CBRE (2015) ‘Employment and Land Use Study – Coventry and Warwickshire’ - Pg. 56

¹⁰⁶ Birmingham Development Plan Examination (2014) ‘Matter B: Employment land and retail provision’ - Pg. 2

¹⁰⁷ Birmingham Development Plan Examination (2014) ‘Matter B: Employment land and retail provision’ - Pg. 6

- 11.42 Even when adopted, the Birmingham Local Plan identifies just 24% of the assessed employment land needs, and there is a shortfall in supply of some 311 hectares. Furthermore, of the 96-ha identified supply, 71 ha is Green Belt land at Peddimore. The Commission understands this land has significant infrastructure requirements, which will mean there is a considerable lead-in time before it can offer any development plots.
- 11.43 To compound matters further, up to 47ha of existing occupied employment land is proposed to be acquired by HS2 Limited for the development of the high-speed railway. The total land need in Birmingham alone is therefore likely to be around 450 ha.
- 11.44 **Therefore, the analysis and evidence reviewed by the Commission suggests that there is a lack of allocated land for industrial purposes, in particular for strategic sites. Where demand exists for such sites it is often in areas of Green Belt with good transport connections.**

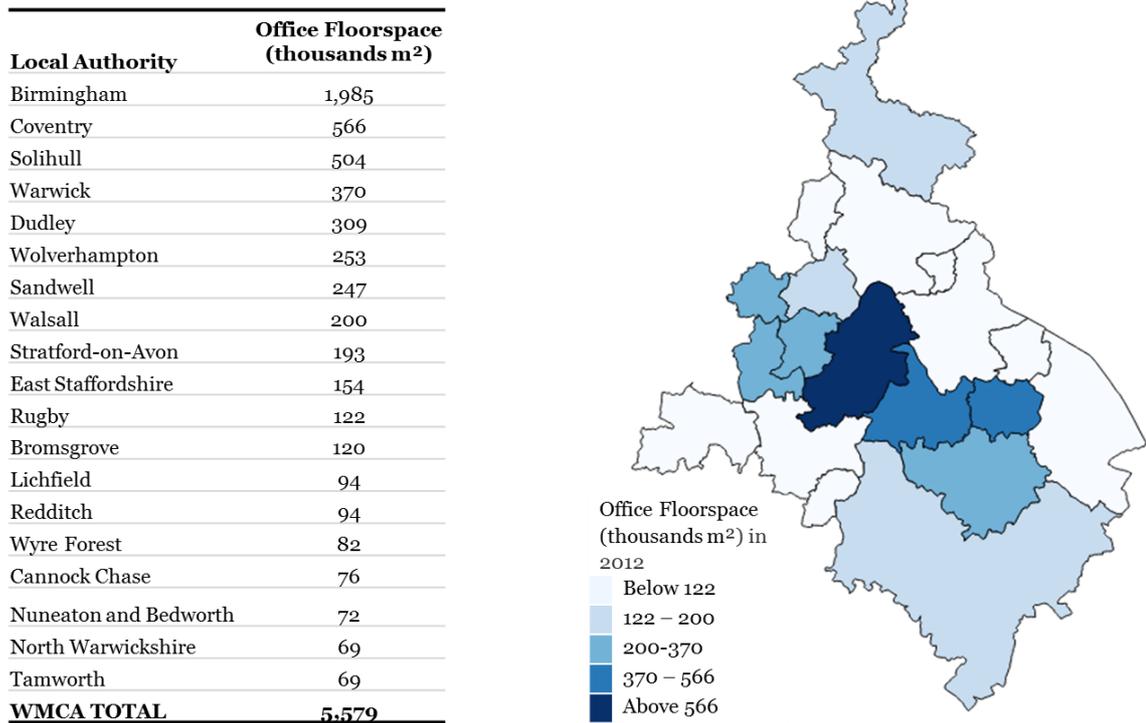
Land for office uses

- 11.45 In considering the office market, the Commission has first looked at Birmingham, Solihull and Coventry, being the principal office locations within the West Midlands. Although there are significant, albeit smaller office markets in other parts of the West Midlands, including for example Wolverhampton, the Commission has not considered these areas to any great extent as the demand they attract was considered to be more likely to be local.
- 11.46 Figure 19 illustrates that office floorspace is significantly concentrated in the metropolitan area, which accounts for 73% of the WMCA area's office floorspace¹⁰⁸. Birmingham alone accounts for over 35% of office floorspace in the whole WMCA area¹⁰⁹.

¹⁰⁸ Valuation Office Agency (2012) Business Floorspace

¹⁰⁹ Valuation Office Agency (2012) Business Floorspace

Figure 19. Office Floorspace (2012)

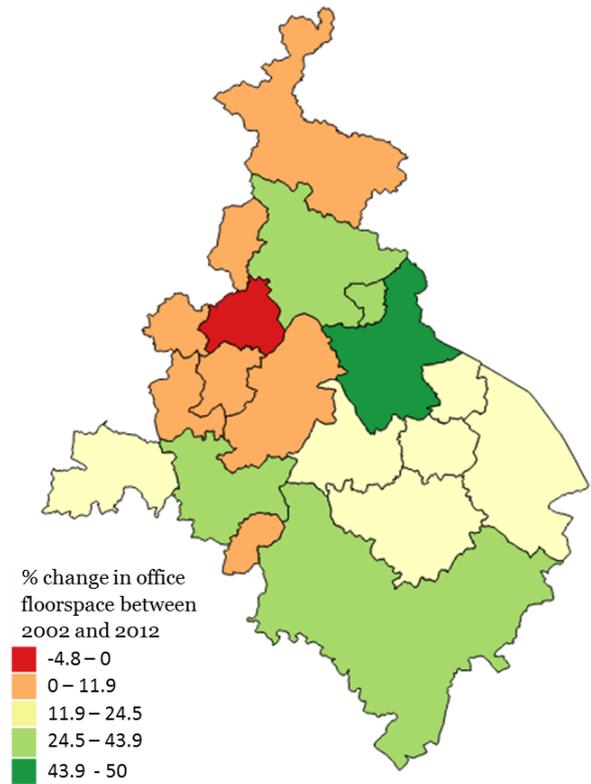


Source: Valuation Office Agency (2012) Business Floorspace

- 11.47 Figure 20 illustrates the fact that, whilst office floorspace has grown more quickly in the WMCA area than in England as a whole over the period 2002 to 2012, this growth has been unevenly distributed across the area. In particular, the metropolitan area has seen slower growth than the rest of the WMCA area, albeit from a higher base.

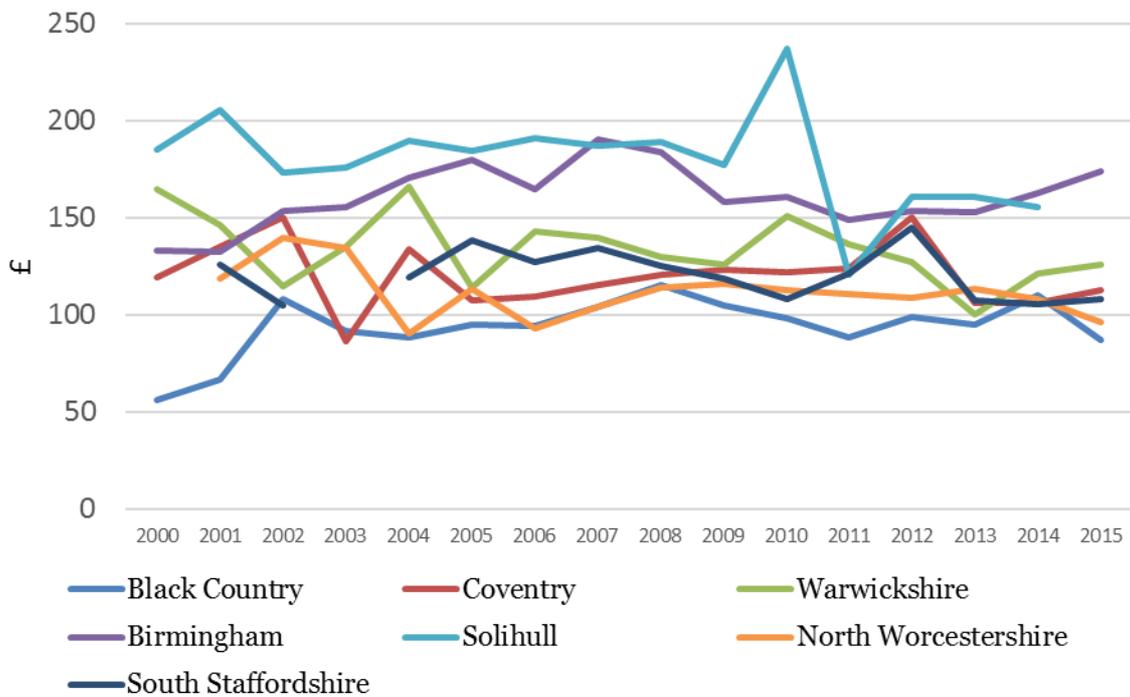
Figure 20. Percentage change in office floorspace between 2002 and 2012

Local Authority	% Change in office floorspace between 2002 and 2012
North Warwickshire	50.0
Tamworth	43.8
Bromsgrove	39.5
Lichfield	34.3
Stratford-on-Avon	34.0
Rugby	24.5
Wyre Forest	24.2
Warwick	19.4
Solihull	18.9
WMCA average	18.2
Coventry	17.2
Nuneaton and Bedworth	16.1
Cannock Chase	11.8
England	10.6
East Staffordshire	6.2
Birmingham	4.6
Dudley	4.0
Sandwell	2.1
Wolverhampton	0.4
Redditch	0.0
Walsall	-4.8



Source: Valuation Office Agency (2012) Business Floorspace 2002 – 2012

Figure 21. Average rent per sqm per year by sub-area 2000-2015



Source: Egi (2015) 'Town Report'. Analysis by Metro Dynamics

- 11.48 In Birmingham and the Solihull out-of-town market, there is buoyant demand for offices, and little or no evidence of a shortage of supply. There are large amounts of land remaining for design and build development¹¹⁰.
- 11.49 In Coventry, much of the office supply in the centre is predominantly older stock and, partially as a result, there is a limited supply of good quality offices immediately available. The Friargate development is the largest source of in-town supply, and JLL/PBA believe that the sheer scale of the Friargate development, which has seen little development since the 1950s and 60s, could help reinvigorate the city market¹¹¹.
- 11.50 In view of this availability, JLL/PBA report concluded that there was no shortage of supply in the main office markets of the West Midlands, pointing to the plentiful planned supply of new developments. JLL/PBA argued that this development is coming forward through the normal planning system, much of it in large-scale, high-quality developments. The report concluded that “therefore we see no need for new policy initiatives to bring forth additional office sites”¹¹², however this judgement might now need to be reviewed in light of the SEP’s ambitions.

Land for Housing

- 11.51 The Commission is aware that in recent months there has been considerable discussion and focus amongst the West Midlands local authorities on the need to identify and allocate within the Local Plans sufficient land for housing. This discussion is taking place against the Government’s national policy objective of building more than one million new homes during the life of the current Parliament¹¹³.
- 11.52 The Peter Brett Strategic Housing Needs Study assessed the combined housing need and supply across the Greater Birmingham Housing area for the period 2011-31¹¹⁴. Separately a Strategic Housing Market Assessment (SHMA) has been carried out for Coventry and Warwickshire¹¹⁵.

¹¹⁰ Peter Brett Associates & JLL (2015) ‘West Midlands Strategic Employment Site Study’ - Pg. 19

¹¹¹ Peter Brett Associates & JLL (2015) ‘West Midlands Strategic Employment Site Study’. - Pg. 19

¹¹² Peter Brett Associates & JLL (2015) ‘West Midlands Strategic Employment Site Study’. – Pg. 20

¹¹³ GOV UK (2015) ‘Prime Minister: Council must deliver local plans for new homes by 2017’. Available from <https://www.gov.uk/government/news/prime-minister-councils-must-deliver-local-plans-for-new-homes-by-2017>

¹¹⁴ Peter Brett Associates (2015) ‘Strategic Housing Needs Study’ - Pg. 11

¹¹⁵ GL Hearn (2013) ‘Coventry & Warwickshire Joint Strategic Housing Market Assessment’

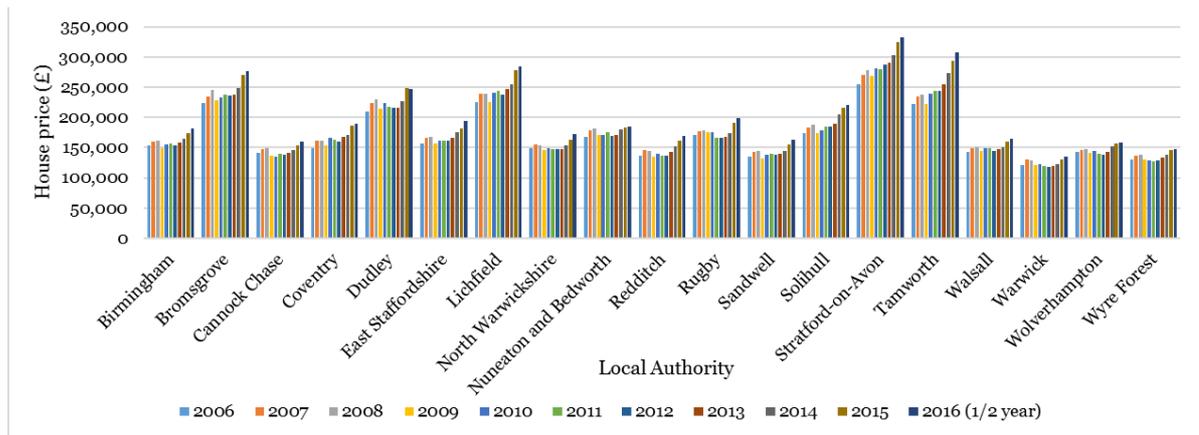
Figure 22. 20 year housing supply surpluses and deficits

New dwellings	Per annum			20 years
	Projected need	Supply	Surplus/(deficit)	Surplus/(deficit)
Birmingham	4,450	2,529	-1,921	-38,424
Bromsgrove	297	245	-52	-1,047
Cannock Chase	299	210	-89	-1,785
Lichfield	334	459	124	2,489
Redditch	179	314	134	2,685
Solihull	608	475	-133	-2,654
Tamworth	210	235	24	488
North Warwickshire	175	173	2	-911
Stratford-on-Avon	570	475	95	-1,932
Coventry	1,180	669	-511	-10,220
Warwick	720	683	-37	-740
Rugby	660	540	-120	-2400
Nuneaton and Bedworth	495	439	-56	-1120
Birmingham sub-market	6,979	5,209	-1,770	-35,405
Dudley	634	821	186	3,725
Sandwell	1,298	1,041	-257	-5,148
Walsall	721	548	-173	-3,457
Wolverhampton	514	683	169	3,374
South Staffordshire	208	175	-33	-661
Black Country sub-market	3,375	3,267	-108	-2,167
Total HMA	10,355	8,476	-1,879	-37,572
East Staffordshire	462	932	470	9,405
Wyre Forest	200	192	-8	-168
Extended HMA	11,017	9,600	-1,417	-28,335

Source: Peter Brett Associates (2015) 'Strategic Housing Needs Study' - Pg. 11

- 11.53 In total, PBA concluded their “best estimate” for the Greater Birmingham HMA is that supply falls short of need by 1,879 dwellings per annum (dpa), equal to 37,752 dwellings over the 20 years to 2031. Almost all of this deficit is accounted for by the Birmingham and Solihull areas:
- Birmingham – 1,921 dpa or 38,424 over 20 years.
 - Solihull – 133 dpa or 2,653 over 20 years.
- 11.54 In the Black Country sub-market there is a total shortfall of 108dpa. The largest share of this shortfall is accounted for by Sandwell with a deficit of 257 homes a year, and Walsall, with a deficit of 173 dpa. Overall, this sub-market is short of 2,167 new homes over the 20-year period.
- 11.55 All of the local authorities which fall under Coventry and Warwickshire report an inadequate level of housing supply according to the Coventry and Warwickshire Strategic Housing Market Assessment. Coventry has the largest deficit amongst those local authorities, with an annual deficit of 511 dwellings and in total each year the area is falling short by 821 dwellings per annum. Over a twenty-year period this equates to a shortfall of 17,323 dwellings.
- 11.56 The only LPAs to have a residential surplus within their Local Plans are Bromsgrove, with an annual surplus of 19 dwellings per year, and Telford & Wrekin with an annual surplus of 280 dwellings per year¹¹⁶.
- 11.57 The NPPF requires a 5-year supply of deliverable housing sites and, as this analysis shows, parts of the West Midlands will fall somewhere short of achieving this.
- 11.58 These figures all exclude the numbers of new homes required to house the increased population implied by the WMCA SEP.
- 11.59 The Commission has also considered the level of house price inflation in each of the West Midlands local authority areas. Figure 23 shows mean house prices for the 10-year period to 2016. In many places, house prices were relatively flat from 2006 to 2012, reflecting in part the consequence of the 2008 financial crash. In the last three to four-year period, most places have seen house price growth, but there has been a considerable change in house prices, with Bromsgrove, Lichfield, Stratford-on-Avon and Tamworth experiencing significantly greater price rises than the other local authority areas.

¹¹⁶ Peter Brett Associates (2015) ‘Strategic Housing Needs Study’- Pg. 12

Figure 23. Mean house prices by Local Authority (2006-2016)

Source: ONS (2016) 'House Price Statistics for Small Areas (HPSSAs)'

- 11.60 The house price rises illustrated in Figure 23 can be traced back to the shortage of land and price of land for residential development. The availability of land for residential development is mediated, in part, by the planning process but it is also important to note that, as a finite resource, land is generally appreciating in value, although volatility is introduced in part by the market cycle. At its height, the price for residential land in the West Midlands was £2.6m per hectare in January 2008¹¹⁷.
- 11.61 Following the financial crisis, prices began to fall. By the middle of 2010 the price of a hectare with planning permission was £1.6m¹¹⁸, wiping about £1m per hectare off the value of land.
- 11.62 The evidence suggests that housing need is outstripping housing supply quite significantly, even before the SEP targets are taken into account. Both house prices and land values are increasing. This makes homes less affordable for residents without increasing the incentive for private developers to build (if costs are also rising as fast or faster than revenues). Where planning conditions are excessive or remediation costs are high, this worsens the viability of developments.
- 11.63 The Commission has heard through the evidence received that developers and housebuilders tend to be guided principally by hurdle rates and the ability to extract profit. Where not enough planning consents are granted, higher house prices correspond to higher land values alongside the need for a constant profit margin. Given that developers and housebuilders continue to build at a rate dictated by how fast their properties are sold or rented, sales rates will be limited in markets unable to absorb higher new build prices.
- 11.64 The Commission has heard evidence that broadening the range of “outlets” of new housing will speed up the rate at which properties are sold and rented, whilst also providing a wide

¹¹⁷ Valuation Office Agency (2010) 'Table 563 Housing market: Average valuations of residential building land with outline planning permission', 1994 – 2010

¹¹⁸ Valuation Office Agency (2010) 'Table 563 Housing market: Average valuations of residential building land with outline planning permission', 1994 – 2010. Date accessed 18.01.17

offering to buyers and renters in the region. This should include, inter alia, affordable housing, private rented housing, accessible housing, assisted-living housing, houses for multiple occupation, and a full range of tenures and sizes.

- 11.65 It is the Commission's view that there is a need for more land to be released in order to increase the number of outlets and level of market choice, to provide better quality sites that are easier to develop, and so in both cases to increase the rate of development of homes.

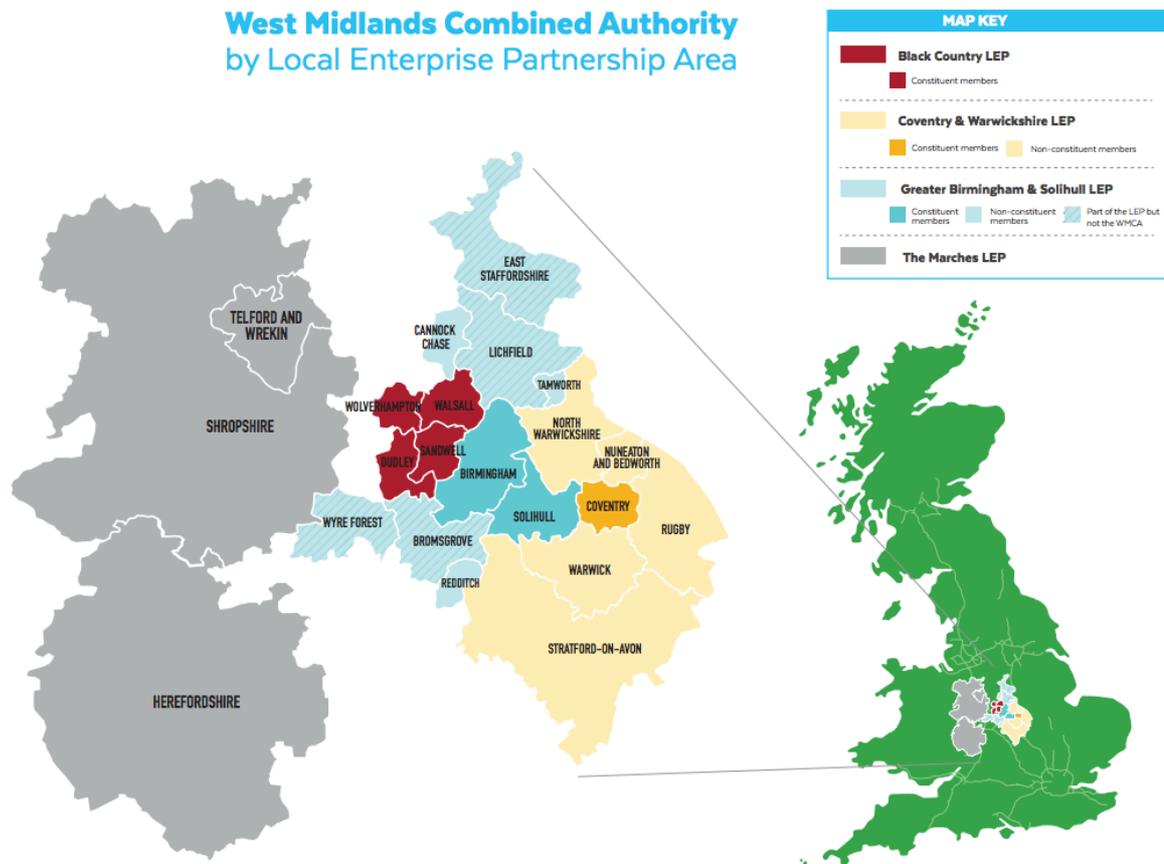
Summary: Land Supply and Demand

- 11.66 From the evidence reviewed it seems clear that demand for industrial land and housing land outstrips allocated supply. This is partly because some allocations are on sites that are currently unviable without significant remediation or other investment (e.g. transport infrastructure). The evidence for undersupply of land for office developments is less clear. However, all of the evidence reviewed does not take into account the requirements and targets of the SEP, which will create more demand for land in each of these categories.
- 11.67 Therefore, it is vital that the governance and planning regime of the WMCA is able to allocate more land for these types of development on a strategic basis that supports the SEP targets. The next two sections look at governance and planning in turn.

The Governance System in the WMCA area

- 11.68 For the purposes of this document, and unless otherwise indicated, the term “West Midlands” has been adopted to describe the geographical area covered by the 3 Local Enterprise Partnerships: the Black Country LEP, the Coventry & Warwickshire LEP, and the Greater Birmingham & Solihull LEP. This is depicted in Figure 24.

Figure 24. WMCA geography



Source: WMCA (2016)

- 11.69 This is an administratively complex area, comprising 12 authorities with another 6 awaiting membership. Of those 12 local authorities, 7 are constituent members, and the remaining 5 are non-constituent members. The full list of members and their status is given below:

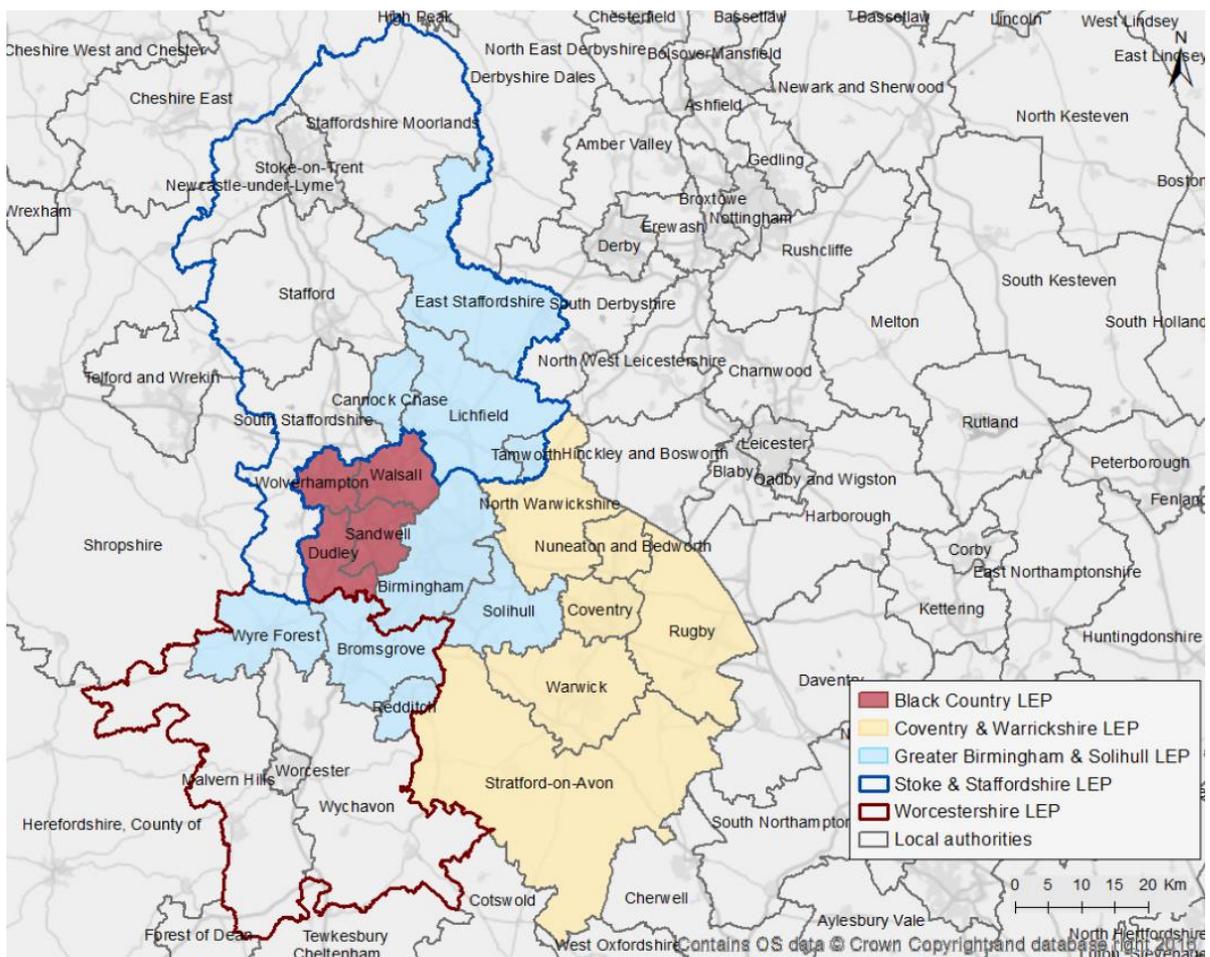
Figure 25. WMCA membership

	Constituent members	Non-constituent members	Observer organisations
LEPs		Black Country LEP	The Marches LEP
		Coventry and Warwickshire LEP	
		Greater Birmingham and Solihull LEP	
Local authorities	Birmingham City Council	Cannock Chase District Council	North Warwickshire Borough Council
	City of Wolverhampton Council	Nuneaton and Bedworth Borough Council	Rugby Borough Council
	Coventry City Council	Redditch Borough Council	Stratford-on-Avon District Council
	Dudley Metropolitan Borough Council	Tamworth Borough Council	Shropshire Council
	Sandwell Metropolitan Borough Council	Telford Wrekin Council	Warwickshire County Council
	Solihull Metropolitan Borough Council		Herefordshire Council
	Walsall Council		

Source: WMCA (2016). Available from <https://westmidlandscombinedauthority.org.uk/about/whos-included/>
Date accessed 12.12.16

- 11.70 It is notable that Bromsgrove, Wyre Forest, Lichfield and East Staffordshire are all members of the Greater Birmingham and Solihull LEP and Warwick is a member of the Coventry & Warwickshire LEP, but none of these authorities is either a member or an observer organisation of the WMCA.
- 11.71 Some local authorities are members of more than one LEP. Figure 26 illustrates this position. East Staffordshire, Cannock Chase, Lichfield and Tamworth are all members of the GBS LEP and also the Stoke & Staffordshire LEP. Bromsgrove, Redditch, and Wyre Forest are all members of the GBS LEP and the Worcestershire LEP.

Figure 26. Overlapping LEP areas



Source: Metro Dynamics (2016)

- 11.72 The distinction between constituent and non-constituent membership is important in the context of the recommendations that follow. The constituent members are the seven metropolitan councils which initially formed the Combined Authority and were named within the West Midlands Combined Authority Scheme. At present, only the constituent members have full voting rights, although the Commission understands that that may change and that the voting rights of non-constituent members may be expanded in the future. Figure 27, below, shows the current Combined Authority geography. The costs of running the West Midlands Combined Authority (WMCA) are largely shared across the seven constituent members. Each non-constituent member currently pays £25,000 per annum towards the cost of membership¹¹⁹.
- 11.73 Finally, in common with some other Combined Authorities, mayoral elections will be held in May 2017 to select a mayor, who will chair the Board of the WMCA. Whilst the mayor will not have direct planning powers, he/she will exercise functions alongside the Homes &

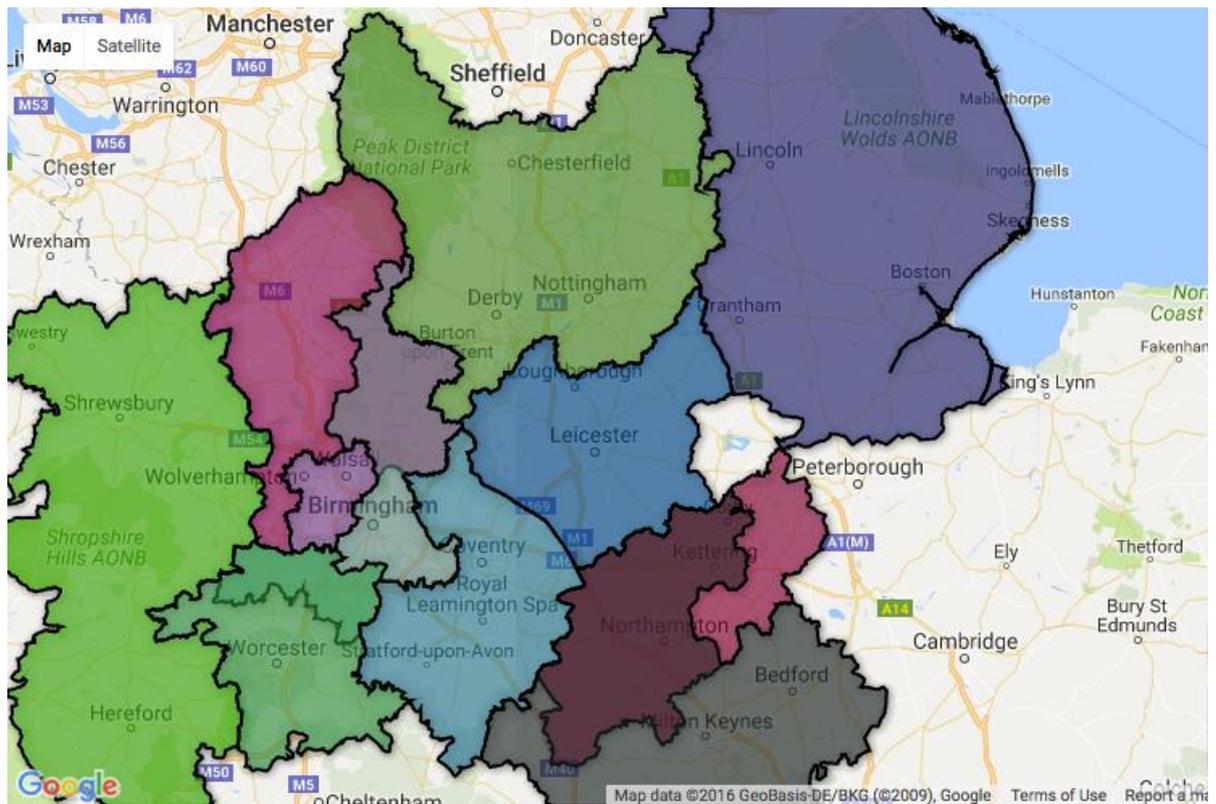
¹¹⁹ Shropshire Council (2016) 'Membership of West Midlands Combined Authority' – Pg. 1

Communities Agency to deliver more homes. The powers will include making Compulsory Purchase Orders.

- 11.74 The WMCA area as delineated above shares boundaries with 29 different local authorities, including 8 counties, 20 districts and 1 unitary authority.
- 11.75 The three LEPs, which form part of the WMCA, are also part of the Midlands Engine. The Midlands Engine “looks to make the East and West Midlands an engine for growth for the UK economy. It is being backed by business, local authorities and 11 LEPs”¹²⁰. The Midlands Engine area is depicted in Figure 27. The Midlands Engine Prospectus sets out how 300,000 jobs and £34m worth of growth could be achieved in the next 15 years and the Commission understands a new Midlands Engine Strategy is due to be announced shortly.

¹²⁰ D2N2 (2016) Available from <http://www.d2n2lep.org/growth/midlands-engine>. Date accessed 12.12.16

Figure 27. LEP membership of the Midlands Engine



Source: D2N2 (2016). Available from <http://www.d2n2lep.org/growth/midlands-engine>. Date accessed 12.12.16

- 11.76 The above analysis demonstrates that the governance of the WMCA area is complex and multifaceted. This is relevant in regard to the areas of focus for the Commission insofar as it impacts on the planning regime, infrastructure investment decisions, and the ability of authorities in the WMCA area to act strategically to support appropriate development.

The Planning System in the WMCA area

- 11.77 The complexity of governance in the WMCA area is mirrored in the Local Planning system. The WMCA area is covered by Local Plans of varying levels of completion and adoption as shown in Figure 28, up to date at the time of writing.

Figure 28. Local Plan status

No/Pre-NPPF Local Plan	Draft published	Submitted for examination	Adopted
	North Warwickshire		Birmingham
Wyre Forest	Nuneaton & Bedworth		East Staffordshire
	Rugby	Coventry	Lichfield
Walsall		Warwick	Tamworth
Wolverhampton	Solihull		Stratford-upon-Avon
Dudley			Cannock Chase
Sandwell			Bromsgrove
			Redditch

Source: CEG (2016) 'West Midlands Land Commission: Call for Evidence'- Pg. 1 updated by Metro Dynamics research.

Moves towards improved co-ordination

- 11.78 The Commission understands that all parts of the WMCA area have made moves towards more improved co-ordination of planning. The four local authorities in the Black Country (Dudley, Sandwell, Walsall and Wolverhampton) are all party to a Black Country Core Strategy. The Core Strategy is a spatial planning document, which seeks to guide the transformation and regeneration of the Black Country by promoting economic growth in a series of regeneration corridors and strategic centres up to 2026. Adopted in 2011, it forms the basis of the four local authorities' Local Development Frameworks, and as such it is a "statutory spatial plan" which covers the period to 2026. The Core Strategy is in the process of being reviewed and extended to cover the period to 2031¹²¹.
- 11.79 There is no spatial strategy in place for either the GBSLEP or the CWLEP, although the Commission understands that it is the current intention of both LEPs to produce spatial plans in due course. The Commission understands that whilst the GBSLEP Spatial Plan for Growth is being prepared, it has been on hold to allow further work to be undertaken on the housing element. The Joint Committee of local authorities in Coventry and Warwickshire

¹²¹ Greater Birmingham and Solihull LEP, Black Country Local Authorities (2015) 'Strategic Housing Needs Study. Stage 3 Report'- Pg. 23

recently considered the possibility of a Single Spatial Strategy for Coventry & Warwickshire, which could be initiated once the current round of Local Plans have been adopted in 2017.

- 11.80 Whilst these developments are positive, it is important to note that they are not fully in place yet, that they are based on sub-geographies of the WMCA area and not the whole area, and that they do not – as yet – reflect the requirements of the WMCA SEP.
- 11.81 The obligation that local planning authorities have to consider wider strategic employment and housing need is called the Duty to Co-operate, and is set out in the National Planning Policy Framework (NPPF). The Commission is also aware of engagement between local authorities under the Duty to Cooperate, for example in the Greater Birmingham Housing Market Area to agree how the housing shortfall will be met. But the Duty to Cooperate, in the view of some respondents, is operating weakly in some areas and alone will not be sufficient to address the scale of ambition of the SEP.
- 11.82 There is evidence that a lack of strategic co-ordination at the WMCA level has led to a dearth of ‘strategic’ sites – that is, large, ‘oven-ready’ sites that are able to accommodate significant occupiers relatively quickly¹²².
- 11.83 In light of the above analysis, it seems reasonable to conclude that in planning terms the WMCA would benefit from a strategic framework to co-ordinate planning issues to ensure consistency of policy across the area to maximise the chances of the SEP targets being met. The Greater Manchester Spatial Framework is based on similarly aspirational figures for economic growth, growth in the number of jobs and houses and will seek to ensure the provision of the right land in the right places to deliver the homes and jobs needed up to 2035, ensuring provision of opportunities for development across the whole region¹²³. The Commission is of the view that a similar approach in the WMCA area would be extremely beneficial. The WMCA area has a complex governance system as mentioned above in earlier sections of the report. In order for the WMCA to act strategically, like Greater Manchester, there is a need to simplify the governance structures.

¹²² CBRE (2015) ‘Employment Land Use Study’. - Pg. 34

¹²³ GMSF (2017) ‘Greater Manchester Spatial Framework’

Appendix F: Case Studies

Greater Manchester's Spatial Framework

Greater Manchester has a longer track record of cooperation than other areas and, as a result, is the furthest along of any Combined Authority. It is therefore a useful point of comparison to understand the extent and operation of a such a framework.

The Greater Manchester Combined Authority is setting up a Spatial Framework ('GMSF') to ensure the provision of the right land in the right places to deliver the homes and jobs needed up to 2035, ensuring provision of opportunities for development across the whole region. The framework will set out the level of housing and commercial growth that the City Region needs and indicate broadly where this will go to accommodate land for 199,700 jobs, and 227,200 net new homes.

The framework will identify new infrastructure (such as roads, rail, Metrolink and utility networks) required to achieve this as well as addressing the environmental capacity of Greater Manchester, setting out how to enhance and protect the quality of the natural environment, conserve wildlife and tackle low carbon and flood risk issues, to accommodate growth sustainably³. It will do this by aligning with complementary documents such as the Local Transport Plan.

The key point about Greater Manchester in the context of the West Midlands, however, is not the GMSF itself: it is the outcome of over twenty years of joint working. This was a process that started with informal cooperation and development of a joint economic strategy which was then taken forward through joint investment planning. The GMSF was neither the starting point for that journey nor an inevitable outcome of it. As in Greater Manchester, the West Midland's local authorities need to decide how and at what pace to build their process of cooperation.

GMCA (2017) 'Greater Manchester Spatial Framework'. Date assessed 18.01.17. Available at <https://www.greatermanchester-ca.gov.uk/GMSF>

² GMCA (2016) 'Draft Greater Manchester Spatial Framework'. Date assessed 18.01.17 - Pg. 6

³ GMCA (2017) 'Greater Manchester Spatial Framework'. Date Assessed 18.01.17. Available at <https://www.greatermanchester-ca.gov.uk/GMSF>

Icknield Port Loop

Icknield Port Loop is a 43-ha brownfield site on a section of 18th Century Canal in Birmingham¹²⁴. The site is now part of the Greater Icknield and Smethwick Housing Growth Prospectus, released in October 2016, which has been created by collaboration between Birmingham City Council and Sandwell Metropolitan Borough Council to accelerate building of more than 5,000 homes on five brownfield sites, which includes Icknield Port Loop. This collaboration has enabled the Councils to access greater funds and make use of shared skills capacity.

Places for People and Urban Splash, together with Birmingham City Council and the charity Canal & River Trust, have formed Icknield Port Loop LLP¹²⁵. Together they intend to facilitate the redevelopment of the brownfield site.

Outline planning permission was secured in October 2012 for a mixed-use development on the site with 1150 residential units¹²⁶. This constitutes a strategic housing allocation within the Birmingham Development Plan. The mixed-use development will include housing, retail, service, employment, leisure and non-residential institutions uses. The Greater Icknield and Smethwick Housing Growth Prospectus outlines the potential to site a further 650 homes in the area¹²⁷.

The Prospectus indicates that a phased approach to the delivery of infrastructure will bring forward development in the right market conditions. The brownfield development will benefit from a portion of a £12 million tranche of funding for eight projects under the Growing Places Fund through the GBSLEP¹²⁸ and this is targeted towards supporting infrastructure¹²⁹. Community Infrastructure Levy and Site-Specific planning arrangements will also contribute towards the infrastructure requirement.

The history of collaboration between Birmingham City Council and Sandwell Metropolitan Borough Council dates back to the 1990s. In terms of the Housing Growth Prospectus, the Councils worked together to capitalise on the opportunity, using the different skills available in their two planning departments to lead on different aspects of the project.

¹²⁴ WMCA (2016) 'Greater Icknield and Smethwick Housing Growth Prospectus' – Pg. 9

¹²⁵ Urban Splash (2016) 'Icknield Port Loop LLP is formed'. Available: <http://www.urbansplash.co.uk/news/press-releases/icknield-port-loop-llp-is-formed>. Date accessed 23.11.16

¹²⁶ WMCA (2016) 'Greater Icknield and Smethwick Housing Growth Prospectus' – Pg. 9

¹²⁷ WMCA (2016) 'Greater Icknield and Smethwick Housing Growth Prospectus' – Pg. 17

¹²⁸ GBSLEP (2012) 'GBSLEP announced £12 million Growing Places funding for first projects', Available: <http://centreofenterprise.com/2012/04/03/gbslep-announces-12-million-growing-places-funding-for-first-projects/> Accessed 24.11.16

¹²⁹ Felton, F (2013) 'Mooring up to Port – 'Icknield Port Loop Development'. Available: <http://birminghamcentral.blogspot.co.uk/2013/01/mooring-up-to-port-icknield-port-loop.html>

Providence Place, West Bromwich

Providence Place in West Bromwich evidences the point that whilst certain sites may be theoretically available, by virtue of their site location or condition, they are not sufficiently attractive to the market for development to proceed. Such sites illustrate undeliverable ambitions in terms of the type of site use.

Sandwell Metropolitan Borough Council identified a 2.7 ha site adjacent to the A41 and close to West Bromwich town centre. Advantage West Midlands funding was secured to clear existing development and remediate the site.

Outline planning permission was secured for part of the site and was developed for employment purposes. However, between 2012 and 2016, there has been no serious interest in the take up of the cleared remediated development site with outline planning permission despite active marketing to potential occupiers.

The poor rate of take up is in part due to the lack of local demand by indigenous companies within the Black Country and the unwillingness of companies to relocate out of the Central Office Market of Birmingham City Centre to the nearby centre of West Bromwich, a 12-minute metro ride away.

With no tenant interest, developers are unwilling to develop the site speculatively. Developers are also faced with cost of the construction of an office which is broadly similar in West Bromwich as it is in Birmingham, yet the passing rent in central Birmingham is now in excess of £35/sq. ft. and the passing rent in West Bromwich is £ 12/sq. ft. This combination does not generate a viable development when taking into account land acquisition and cost of construction¹³⁰.

This generates a tension as to whether the Council chooses to adhere to the adopted Development Plan and holds the vacant, non-revenue generating site until development comes forward, or takes a long-term strategic view, acknowledging the increasing trend towards new jobs being located in Birmingham City Centre.

¹³⁰ Providence place case study material submitted by Sandwell Council

Birmingham Municipal Housing Trust

The Birmingham Municipal Housing Trust ('BMHT') model has been developed to work with the private sector in developing new homes for sale. In the current market, developers are risk averse, and redistribution of financial risk between the Council and developer is necessary to help bring forward sites and deliver housing. This is particularly so where risks are more easily borne by the Council than by the developer (such as risks in relation to planning and site conditions). By packaging attractive and less attractive sites into one contract, the Council also avoids the risk of abortive costs resulting from some sites not being attractive to developers.

The Council takes on risk in a number of ways: in terms of design, by designing homes to the adopted Residential Design Guidelines; planning risk, by submitting planning applications and brokering discussions with other stakeholders and statutory undertakers; risk in relation to site conditions, by carrying out the necessary surveys and taking remedial action where required; deferred receipt of payment through a legal agreement with the developer; guarantee of work for developers.

The essence of the model is that the BMHT enters into a contract with a developer to build both the BMHT properties for rent and properties for market sale. The developer's offer is based on how much the construction costs of the rented homes are and an agreed minimum plot value for the deferred sales. The developer's offer for the sale site also includes what element of profit share the developer is prepared to offer, and the date by which the developer agrees to build all the housing for sale. In this way the scheme is funded by the Council's future share in the proceeds of sale.

This approach has proved to be successful in bringing forward development and regenerating challenging areas: since January 2012 over 699 homes have been sold on BMHT sites, which constitutes a significant contribution to meeting housing targets in the city and a marked increase relative to previous housing provision by the Council. The 2000 home milestone was reached in March 2016. A further benefit is that the Council's share of surpluses from the sales may be used to fund new community spaces and facilities. Existing construction related jobs are also safeguarded and the Council's ten-year housing programme will ensure that these remain sustainable in the long term.

The scheme won an award as 'Social Housing Provider of the Year' at the Insider residential property awards 2016, in addition to various awards for specific sites such as the Public Sector Award from the Urban Design Awards 2015 which went to the regeneration project in Newtown. The scheme is set to grow in the coming years, with Councillor John Clancy announcing in late 2015 that the city would 'move from building hundreds of new homes a year to thousands' under the programme. The Birmingham Municipal Housing Trust Delivery Plan for 2015-2020 will deliver an estimated 2,056 homes, of which 1,456 will be new rented council homes. Through the BMHT, the City Council has become the leading

developer of new homes within the city, building more new homes than any other provider¹³¹.

The Commission envisages that similar models of public sector housing development could be used in other parts of the regions by pooling specialist skills so that other authorities can access these skills sets and experience. Therefore, the Commission recommends that the WMCA should consider how new models of public sector housing development could be replicated across the West Midlands.

¹³¹ Birmingham City Council (2016) 'Birmingham City Council Response to West Midlands Combined Authority's Land Commission Call for Evidence'

Attwood Green

The Urban Land Institutes' report on density evidences Attwood Green in Birmingham as an example of an area that underwent an extensive estate renewal programme to transform a poorly designed area into 'good' high density development.

Attwood Green was an area of 5 estates which used to consist exclusively of council- owned and social housing. The estates suffered multiple deprivation and there were serious problems including drug use, crime, suicide and anti-social behaviour. Attwood Green was included in an estate renewal programme in the 1990s by Birmingham City Council which secured £75 million from the public and private sectors to improve the area. The process of regeneration was initiated by the transfer of the housing stock from all five of Attwood's estates into the hands of Optima Community Association, a non-profit social landlord. Optima then partnered with a number of private developers to regenerate the whole area¹³². This partnership structure was key to the project's success¹³³.

Park Central is one of the housing estates in Attwood Green that has been rebuilt over the past 12 years¹³⁴. Whilst the area used to have strict zoning, it now hosts a range of uses and mixed tenure dwellings. More than 20,000 sq. m of commercial space and new park land were added to the estate, and all displaced residents were guaranteed a home in the area. Once completed in 2018, 30 percent of the housing will be affordable. In total, 1,400 flats and maisonettes were demolished and 2,000 houses and flats built for rent, shared ownership and sale, increasing the average density from 50 to 70 dwellings per hectare.

ULI argues that the Attwood Green experience illustrates the value of a bold City strategy which gave confidence to public and private investors. Long-term financial planning and management allowed the project to focus on the ingredients that will sustain a mix of tenures and avoid the problems of single income communities¹³⁵.

¹³² ULI (2015) 'The Density Dividend: solutions for growing and shrinking cities', Case Study: Birmingham - Pg. 18

¹³³ European Urban Knowledge Network (2010), 'Attwood Green Regeneration Initiative - Phase 1 Park Central'. Available: <http://www.eukn.eu/e-library/project/bericht/eventDetail/attwood-green-regeneration-initiative-phase-1-park-central/> Accessed 25.01.17

¹³⁴ ULI (2015) 'The Density Dividend: solutions for growing and shrinking cities', Case Study: Birmingham - Pg. 18

¹³⁵ ULI (2015) 'The Density Dividend: solutions for growing and shrinking cities', Case Study: Birmingham - Pg. 18

Croydon Dashboard

The Croydon Dashboard is a tailor-made web based resource which provides a way for people to track the progression of developments in Croydon and to better understand the cumulative effects of these developments on Croydon. It was set up to compliment the 5-year regeneration programme for the area running from 2015-2020 and the programme includes 169 sites¹³⁶.

The dashboard allows people to monitor developments on an interactive map that allows users to add layers such as political boundaries and masterplan areas. It also allows users to hone in on individual developments and track progress of development from planning to delivery. For example, the dashboard offers data about traffic movements for each scheme up to five years in advance to enable mitigations to be planned and designed. This has identified infrastructure requiring investment and helped secure funding commitments.

The dashboard seeks to offer users a “single point of truth” on the regeneration programme though making information regarding the programme more transparent. By doing so it facilitates communication, and understanding between the programme and the residents of Croydon.

The Commission believes that the dashboard offers a prototype which could be used to provide intelligence on the progress of prioritised development achieved in Action Zones. Such a resource could improve transparency and work with the private sector.

The dashboard has allowed stakeholders to gain confidence in the process and bring forward new projects and grasp new opportunities. The dashboard has also reassured stakeholders that Croydon understands the challenges ahead and can deliver. In the future, it may become the way for London Borough of Croydon (LBC) to communicate, obtain collective buy-in, demonstrate progress and lobby at a political level.

By identifying key gaps in the programme outcomes (for example Grade A office space coming to market), the dashboard has ensured LBC was able to support priority projects through the investment fund. For example, the first commercial development phase of the Stanhope-Schroders scheme at Ruskin Square was subject to specific support and intervention from LBC. This will act as a significant catalyst for the East Croydon commercial area.

Most significantly, the programme Delivery Dashboard has been used as a key communication tool to negotiate cooperation and funding commitments from Transport for London and the Greater London Authority. Without these commitments, significant infrastructure upgrades were at risk of stalling, or lacking the funding to proceed.

¹³⁶ Smart London Innovation Networks (2016) ‘Programme delivery dashboard for Croydon Council.’ <http://smarterlondon.co.uk/case-studies/programme-delivery-dashboard/>

i54 site

i54 is a 98 hectare UK technology-based business park strategically located at junction 2 on the M54 Motorway in the West Midlands. It is a £40 million joint venture partnership between Staffordshire County Council, Wolverhampton City Council and South Staffordshire Council¹³⁷. It exemplifies the benefits that can be achieved by Councils working together with private companies to bring private investment and development into the West Midlands, securing significant supply chain benefits.

The site is part of the Black Country Enterprise Zone and has benefitted from investment in infrastructure up front including £6.25m made available by central government specifically for investment to improve infrastructure within the Enterprise Zone¹³⁸. Part of the site's reason for success is its positioning to the M54 motorway and dedicated access to junction 2 making it one of the most connected and central hubs for advanced manufacturing¹³⁹.

The regeneration project is a joint venture between Wolverhampton City Council, Staffordshire County Council and South Staffordshire Council, joint working that was later awarded the MJ Community Investor Award. The original impetus came from Staffordshire, driven by a desire to bring more well-paying jobs into the area. Jaguar Land Rover also came forward and invested in the site from an early stage alongside central government funding. Councillor Roger Lawrence, Leader of Wolverhampton City Council described the partnership between the three councils as 'visionary and highly ambitious'. He added that: 'Through careful planning and close working across our councils and with Government and business, we have delivered a prime location for business which is highly accessible'. A new junction providing direct access to the motorway was later added.

The project is considered a success because it has been delivered on time, on budget and with several major businesses already operating on the site.

i54 was successful in attracting inward investment mainly due to early co-ordination across the region and promotion by Advantage West Midlands (AWM). The size and purpose of this site was pre-determined, a transport package was developed, including a new motorway junction and a range of sustainable transport improvements including a bus link. This approach aided the development of the site, giving both investors and developers a level of certainty¹⁴⁰.

Good connectivity gives companies access to a workforce of over half a million people within a 30-minute drive time. The local workforce is highly educated (24% have degree

¹³⁷ GOV UK (2014) 'Millions of pounds to be invested in local infrastructure thanks to enterprise'. Available from <https://www.gov.uk/government/news/millions-of-pounds-to-be-invested-in-local-infrastructure-thanks-to-enterprise-zones> Accessed 18.01.17

¹³⁸ BBC (2014) 'i54 business park gets £6m investment'. Available from <http://www.bbc.co.uk/news/uk-england-25944862>. Accessed 18.01.17

¹³⁹ Mucklow (2016) 'Mucklow Park i54'

¹⁴⁰ Hydrock (2016) 'West Midlands Land Commission – Transportation and infrastructure call for evidence' - Pg. 8

level qualifications) and companies would also benefit from competitive labour, property and operational costs since Enterprise Zone status includes 100% business rate relief and superfast broadband¹⁴¹. The site is located in a desirable area to attract workers – this includes countryside nearby, good housing options, sports/leisure and other city amenities from Wolverhampton centre.

¹⁴¹ I54 South Staffordshire (2015) 'All of the facts'. Available from <http://www.i54online.com/info-centre>. Date accessed 18.01.17

Telford and public sector site delivery

Telford recently conducted a unique deal with HCA and the DCLG, where they have agreed to sell off all land owned by the HCA over a 10-year period. The forecasted £44m of land receipts will be re-invested into site preparation and key infrastructure¹⁴². This deal is thought to be the first deal of its kind in the UK and could set the precedent for further local authorities following suit.

Telford Council's responsibility as part of the deal is to identify and prepare the relevant HCA-owned sites for delivery. The Council is therefore responsible for identifying the best sites to sell off immediately, before making these sites 'shovel ready'. This involves addressing a number of issues, including strategic infrastructure, ecological issues, putting planning in place and creating site specific access¹⁴³.

A key barrier to the immediate development of many of the sites is infrastructure constraints. Consequently, the land is complemented by a 3-year Infrastructure Delivery Plan. This plan indicates site by site what is required to open up each site, and deliver it to the market. It is anticipated that the work done to accelerate the bringing forward of land to the market, as well as the expected associated increase in land values, will support an uplift in value that will help fund the preparation of other sites¹⁴⁴. The reasoning behind this strategy is to de-risk sites where viability could be a barrier to development and therefore delivery.

In April 2015, Telford Council established a company called Nuplace to deliver and manage its property portfolio and deliver the aforementioned HCA sites. This company, funded by the council's borrowing from the Public Works Loan Board, carries out the key functions of site identification, funding, development delivery, project management and support services¹⁴⁵.

Nuplace manages housing delivery in-house, in partnership with design & build contractor Lovell Partnerships Ltd. Marketing and branding are also done in house, proving successful in securing the pre-let of all units on the first site to be delivered. Nuplace's first development of 31 units came on stream in July 2016, with all units having reservations placed upon¹⁴⁶.

¹⁴² Telford & Wrekin Council (2016) 'Land deal set to deliver thousands of jobs'. Available from <http://www.telford.gov.uk/news/article/3247/land-deal-set-to-deliver-thousands-of-jobs>. Date accessed 18.01.17

¹⁴³ Telford & Wrekin Council (2016) 'Cabinet – 21 July 2016'. Date accessed 18.01.17

¹⁴⁴ Telford and Wrekin Council (2016) 'Local Plan – Infrastructure Delivery Plan'. Date accessed 18.01.17

¹⁴⁵ Telford & Wrekin Council (2016) 'Housing Investment Programme – Telford and Wrekin Business Case'. Date accessed 18.01.17

¹⁴⁶ Telford & Wrekin Council (2016) 'First Nuplace' site fully completed'. Available from <http://www.telford.gov.uk/news/article/4503/first-nuplace-site-fully-completed>. Date accessed 18.01.17

The deal allows the Council to have influence over the selloff of the majority of public land in the borough. Meanwhile, the Council's knowledge of the local market makes it a valuable local partner. It can add value through the growth fund and leaseback, design/build/manage options, and in ensuring that local opposition is dealt with early on.

Consequently, the borough can therefore use its knowledge of businesses looking for investment to the advantage of both its own area, and the HCA. Meanwhile, the 8,500 new jobs and 3,000 new homes provided on the site are calculated to earn the Council a further £6million from business rates and council tax, due to the increase in housing and employment land¹⁴⁷. Part of the receipt from the selloff will go to the Marches LEP¹⁴⁸, who will re-invest it into stalled development sites in the region, filling their funding gap and allowing them to be taken to market to deliver further housing and employment space.

¹⁴⁷ Telford & Wrekin Council (2016) 'Land deal set to deliver thousands of jobs'. Date accessed 18.01.17. Available from

<http://www.telford.gov.uk/news/article/3247/land-deal-set-to-deliver-thousands-of-jobs>

¹⁴⁸ Telford & Wrekin Council (2016) 'Land deal set to deliver thousands of jobs'. Date accessed 18.01.17. Available from

<http://www.telford.gov.uk/news/article/3247/land-deal-set-to-deliver-thousands-of-jobs>

Broxbourne, Hertfordshire Green Belt Review

Broxbourne Borough Council released their draft Local Plan which highlights the council's need for new housing which stands at 7,123 over the plan period¹⁴⁹. The plan presents an evidence based argument that urban and brownfield sites cannot meet all of the development and infrastructure needs and provide for sufficient opportunities for the future development of the Borough¹⁵⁰. The Council outlines its intentions to review the Green Belt within the Council's boundaries to allow for a carefully selected Green Belt sites to be released for development to help create a more balanced, sustainable, desirable and prosperous community for all¹⁵¹.

The Council highlights the changes in government's 2015 household projections as a reason for releasing part of the Green Belt¹⁵². As a result, the Council has concluded that there is a need for 7,123 new homes, an average of 419 per annum, that it should plan for in excess of 7,500 new jobs, around 40,000 square metres of new retail space (including around 33,500 at Brookfield) and 10,000 square metres of new leisure space.

Therefore, it has prioritised appropriate land within the existing urban area and has identified scope to provide for an additional 2,250 new homes on urban sites. On this basis, the potential to reuse employment land for housing is limited given the Council's aspirations and objectives to promote economic growth and development.

Rejected options by the Council include 'No Green Belt release' which would amount to severe undersupply of housing and long-term stagnation of the borough. Options to not develop any of the strategic sites identified have been rejected on the grounds of missed opportunities to create a mixed-use hub, critical mass of employment, sustainable place-making¹⁵³.

The Council has consequently identified scope to provide for at least 3,733 new homes and in excess of 6,500 new jobs within the Green Belt. They have also considered new strategic locations within the Green Belt¹⁵⁴.

Broxbourne Council released a report 'Exceptional Circumstances and Sustainable Places', where they argue that the NPPF's guidelines around a Green Belt review have been satisfied¹⁵⁵. This relates to paragraph 83 of the NPPF where it states "Once established, Green Belt boundaries should only be altered in exceptional circumstances, through the preparation or review of the Local Plan". Broxbourne states that each local planning

¹⁴⁹ Borough of Broxbourne (2015) 'The Broxbourne Local Plan' - Pg. 6

¹⁵⁰ Borough of Broxbourne (2015) 'The Broxbourne Local Plan' - Pg. 6

¹⁵¹ Borough of Broxbourne (2015) 'The Broxbourne Local Plan' - Pg. 6

¹⁵² Borough of Broxbourne (2015) 'The Broxbourne Local Plan' - Pg. 6

¹⁵³ Broxbourne.gov.uk (2016) 'Rejected Options'. Available from

<http://consult.broxbourne.gov.uk/portal/planning/dlp/dlpc?pointId=s1466169543476>. Date accessed 18.01.17

¹⁵⁴ Borough of Broxbourne (2015) 'The Broxbourne Local Plan' - Pg. 9

¹⁵⁵ Borough of Broxbourne (2016) 'Exceptional Circumstances and Sustainable Places'

authority must decide for itself whether these circumstances exist in relation to designated Green Belt within their administrative area.

Within the draft Local Plan, the Council sets out a number of proposed Green Belt release for which it believes that a good case for 'exceptional circumstances' can be made and is preparing a site-by-site justification for any Green Belt release.

Consultation on Broxbourne Borough Council's draft Local Plan took place between Monday 18 July and Friday 16 September 2016¹⁵⁶. Many comments on the consultation stated a preference amongst respondents for development to take place on brownfield sites or for the Green Belt not to be used for development¹⁵⁷.

A revised draft Plan will be published, following consideration of the issues raised through the consultation process and further technical work.

¹⁵⁶ Borough of Broxbourne (2016) 'Broxbourne Local Plan Update'. Date Accessed 18.01.17.

¹⁵⁷ Broxbourne.gov.uk (2016) 'Draft Local Plan Consultation'. Available from <http://consult.broxbourne.gov.uk/portal/planning/dlp/dlpc?pointId=s1458636962172>. Date Accessed 18.01.17

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Appendix H: Glossary

Abbreviation	Definition
ATLAS	Advisory Team for Large Applications
AWM	Advantage West Midlands
BCCS	Black Country Core Strategy
BMHT	Birmingham Municipal Housing Trust
BRIC	Brownfield Research and Innovation Centre
CA	Combined Authority
CIF	Collective Investment Fund
CIL	Community Infrastructure Levy
CIPFA	Chartered Institute for Public Finance and Accountancy
Cllr	Councillor
CPO	Compulsory Purchase Order
C&WLEP	Coventry and Warwickshire Local Enterprise Partnership
DEIM	Dynamic Economic Impact Model
DCLG	Department for Communities and Local Government
DPA	Dwellings per Annum
DPD	Development Plan Document
EiP	Examination in Public
ePIMS	Electronic Property Information Mapping System
EZ	Enterprise Zone
GBSLEP	Greater Birmingham and Solihull Local Enterprise Partnership
GDP	Gross Domestic Product
GIS	Geographic information system
GMSF	Greater Manchester Spatial Framework
GPU	General Public Utilities
GVA	Gross Value Added
HCA	Homes and Communities Agency
HMA	Housing Market area

Abbreviation	Definition
HPSSA	House Price Statistics for Small Area
HS2	High Speed 2
JLL	Jones Lang LaSalle
JLR	Jaguar Land Rover
KIBS	Knowledge Intensive Business Services
LA	Local Authority
LBC	London Borough of Croydon
LDO	Local Development Order
LEP	Local Enterprise Partnership
LPA	Local Planning Authority
LRF	Land Remediation Fund
LSE	London School of Enterprise
MJ	Municipal Journal
MoD	Ministry of Defence
NDPB	Non-Departmental Public Body
NHS	National Health Service
NLP	Nathaniel Lichfield & Partners
NLUD	National Land Use Database
NPPF	National Planning Policy framework
OPE	One Public Estate
PBA	Peter Brett Associates
PPG	Planning Policy Guidance
PR	Public Relations
RCBD	Redditch Cross Boundary Development
R&D	Research & Development
RICS	Royal Institute Chartered Surveyors
RSL	Registered Social Landlord
RSS	Regional Spatial Strategy
RTPI	Royal Town Planning Institute
S106	Section 106 of the Town and Country Planning Act 1990
SCC	Staffordshire County
SEP	Strategic Economic Plan
SHMA	Strategic Market Housing Assessment

Abbreviation	Definition
SME	Small Medium Enterprise
SRN	Strategic Road Network
SUE	Sustainable Urban Extension
WMCA	West Midlands Combined Authority
WMLC	West Midlands Land Commission