



West Midlands Regional Investment Collab

Report

PAGABO®

Foreword from Jonathan Parker

The West Midlands Combined Authority is one of six authorities with a “track record of managing major programmes” set to receive integrated funding settlements from the government, allowing it to have greater control over how investments are used across the region.

It's a part of the country that in many ways is ahead when it comes to regeneration but continues to face its own unique challenges.

There are clear things to balance when looking at forward development, including costs and the sustainable focus needed to clean up and regenerate land right across the West Midlands.

But as is becoming increasingly clear, it's not just about lots of construction projects working in silo – it's about placemaking and collaboration across the public and private sectors to leave places much better off in all areas.

That's why the West Midlands Regional Investment Collaboration took place – **to bring together the people who can make regional investment happen in the way communities need.**

Jonathan Parker
Director of Development
at Pagabo



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West Midlands

The region of opportunity?

The West Midlands faces several challenges shared by regions around the UK. Changes to planning systems and navigating new legislation aside, the challenges for the West Midlands can be boiled down to two key points – resourcing and development viability.

Viability remains a major issue, exacerbated by rising construction and financing costs, which have made even traditionally strong markets more reliant on gap funding for developments. A highlighted example is Manchester city centre – where despite dozens of cranes in the sky signifying the rate of development, gap funding is relied upon for residential developments.

Similar difficulties are seen in the West Midlands, particularly with its industrial legacy, but the growth in areas around urban cores like Birmingham opens up huge regeneration opportunities that benefit the entire region.

When it comes to resourcing – the challenges are two-fold. Resource of funding, and resource within local authorities to drive development forwards themselves. An additional layer is added in the context of public sector funding, which has reduced over recent years. This is an issue highlighted by Birmingham City Council's filing of a Section 114 notice in September 2023.





The West Midlands has never been flush with funding, especially considering the additional pressures on some of the region's land when it comes to development – most notably the Black Country and the level of remediation former industrial land tends to require.

This all being said, don't write the region off. In challenge lies opportunity – and the region does have models that can set examples for both it and other areas of the country.

The size of the economy and population across the seven authorities in the West Midlands Combined Authority is the equivalent to a small European country. When considered on that scale, it's clear to see the level of positive impact that can be created from getting development right – for towns and cities, rural areas, local and regional economies, and hundreds of thousands of individuals across the West Midlands.

Collaboration between the public and private sectors is already unlocking many development sites, such as long-term agreements between the West Midlands Combined Authority and housebuilders to remediate land and deliver homes. While the government has ambitious housing targets, it's important to remember development and growing a region is about so much more than just new homes.

The West Midlands Investment Zone is a perfect example – supporting growth in the region's Advanced Manufacturing sector. Sub-sectors converge and overlap to create a web of interconnected opportunity for investors that will ripple out into economies and communities to benefit all.

The investment zone plants a flag, securing the West Midlands' position as a driver of national success with three key sites:

- Birmingham Knowledge Quarter
- Coventry & Warwick Gigapark
- Wolverhampton Green Innovation Corridor



There's a modern-day 'space race' across the UK to develop the best towns and cities. With the development to attract the best of everything – from retailers and leisure operators to arts and culture offerings, from to university students and professional talent. It also improves retention, keeping the very best offerings in region, which makes people feel like they're missing out by leaving.

A braver and bolder approach can take Birmingham and the West Midlands into a new era, with partnerships founded in strategic development and aligned visions the key to unlocking that door. The region already has standout schemes to illustrate this approach, like the Commonwealth Games venues and Athletes' Village, which showcases how strategic vision can be achieved by the public and private sectors working hand-in-glove.

The international sporting spotlight has acted as a further catalyst, with sport being a huge regeneration opportunity across the West Midlands, such as plans for a new 2,000-seat ice rink in Dudley. Lots of sports clubs are illustrating

inward investment intentions, which can form part of bigger regeneration schemes for greater regional return. Along with this, the region continues to attract fantastic arts offerings, such as the BBC relocating filming for MasterChef to Digbeth being just one example. And ultimately, these moves rooted in long-term visions feed the reshaping of the built environment.

Birmingham particularly does have the reality of having government commissioners in place, which does add extra layers of bureaucracy and slows processes, requiring weekly permissions even for minor expenditures. However, this simply emphasises the need to accelerate work and form those early-stage partnerships with private developers that illustrate the positive value on communities and the local economy – gaining permissions to move forwards and cut red tape to deliver a whole lot of good with the land waiting to be untapped across the city.

The positivity is palpable – the West Midlands can achieve its localised and regional dreams, but it needs private partners with shared hopes and visions to deliver at pace.

Unlocking viability and building confidence for the future of placemaking

For developers, local authorities, and built environment specialists, the shared goal is clear – delivering projects that create value, transform spaces, and benefit communities and economies across the West Midlands.

Coming on the back of several years of economic turbulence, evolving regulations, and a change in political power, achieving the vision requires clarity and certainty for all parties. That's where the fruitful partnerships that can truly deliver that transformation for the region will be able to fully unleash their potential.

One of the biggest hurdles for projects is naturally the cost associated with them. While local authority budgets continue to be constrained, the element of investment risk transfers to developers – meaning in some cases those projects struggle to get off the ground without confirmed viability and locked in certainty.



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Simply put, developers need to be assured that the groundwork is stable, the strategy is sound, and the long-term vision is achievable. And it is strategic partnerships between developers and local authorities with those shared long-term visions that can bridge the gap and turn plans into reality.

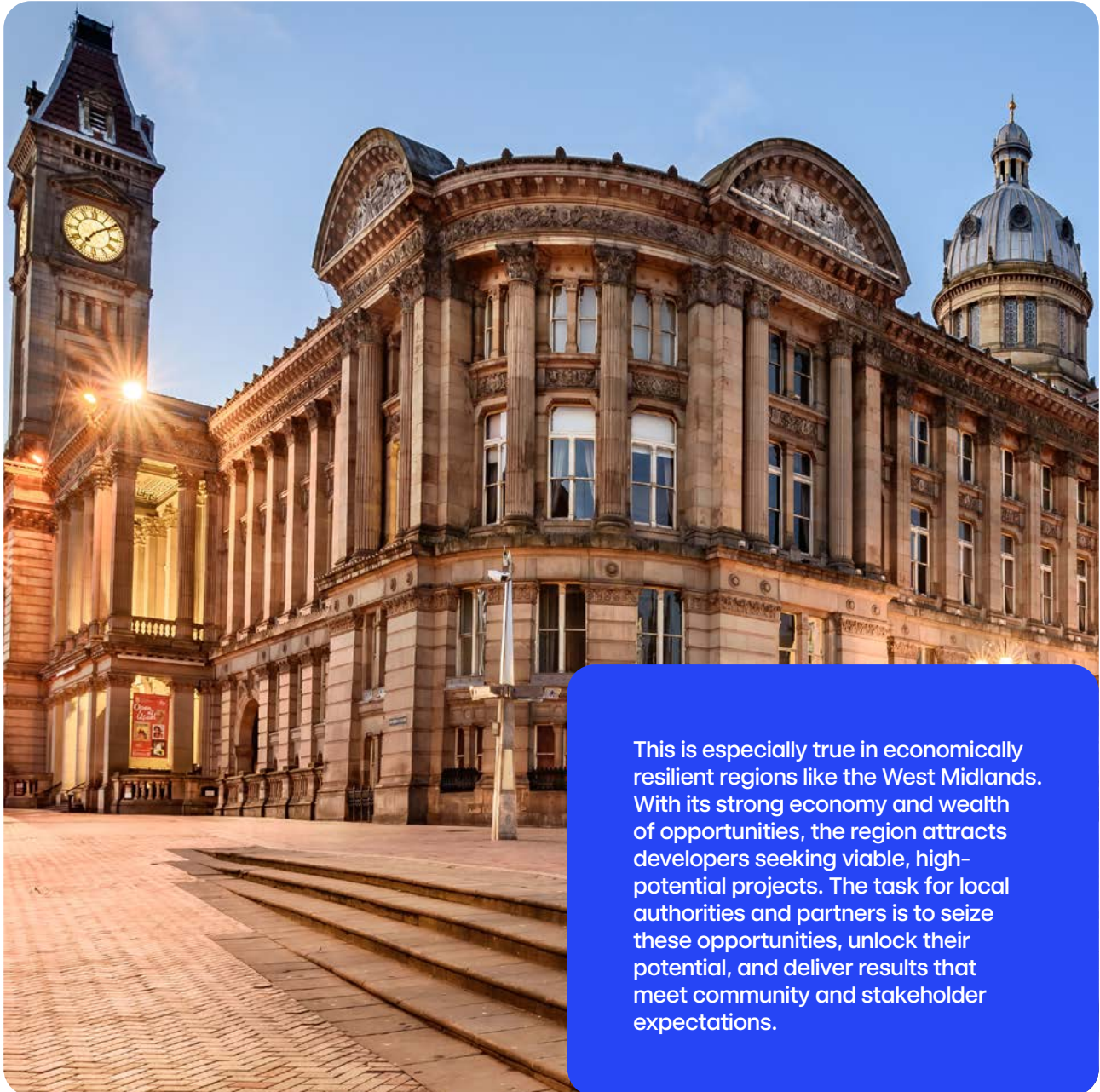
A well-structured collaboration between public and private sectors allows projects to move forward incrementally, breaking them into manageable chunks – whether that's across one project or a portfolio of schemes. This approach reduces immediate risks while maintaining momentum. By creatively leveraging opportunities on both national and regional levels, private partners can provide solutions tailored to local needs while aligning with broader economic and policy goals.

For councils, unlocking development opportunities is about more than funding – it's about leadership. By providing a clear vision and a strong commitment to placemaking, local authorities set the tone for success. Confidence from the public sector inspires confidence in the private sector,

which can bring the expertise and funding that can be pivotal in addressing viability challenges. Frameworks like Pagabo's Developer-Led offering – managed on behalf of contracting authority Cumbria, Northumberland, Tyne & Wear NHS Foundation Trust – can be effective tools in aligning the right skills and quality to a scheme. While challenges remain – such as determining the appropriate lot or value – the framework offers a pathway to streamlined collaboration and better outcomes.

However, leadership doesn't stop with the local authority. Cross-party support at the cabinet level is essential to maintaining continuity and avoiding unnecessary delays caused by political shifts. Without it, even the best-laid plans can stall. With it, councils send a powerful message: our vision for the community transcends political cycles. Delivering successful built environment projects takes time – often years. The relationships underpinning these projects are in many ways akin to a marriage. Both sides need to align on values, vision, and goals for the long haul. Trust and mutual respect are non-negotiable.





This is especially true in economically resilient regions like the West Midlands. With its strong economy and wealth of opportunities, the region attracts developers seeking viable, high-potential projects. The task for local authorities and partners is to seize these opportunities, unlock their potential, and deliver results that meet community and stakeholder expectations.



Navigating an ever-evolving funding landscape

Local authorities have had to manage tightening budgets with increasing demands over recent years, and so the need for streamlined processes and value-driven strategies has never been greater.

Traditionally, local authorities have spent significantly on elements like masterplans, which without that early engagement element have often later fallen down on the aforementioned viability point. So, while some may look at developing those relationships early on as “another thing to do”, it is central to streamlining efficiencies and ensuring precious budgets are not wasted.

Engaging collaboratively from ‘day dot’ assures the alignment on objectives and visions between public and private stakeholders – making sure that every pound and penny spent gains the maximum value possible. This proactive strategy is particularly critical during periods of political transition like 2024, when delays can be seen even if funding routes continue to flow.

With devolution funding already making an impact, there’s optimism that more opportunities lie ahead. For local authorities, this means continuing to demonstrate the viability and deliverability of projects, ensuring they align with both regional and national priorities.

For the West Midlands, the combined authority's expected integrated funding settlement in 2025 promises to simplify public investment. As well as allowing greater control over how and where funds are allocated, the need for multiple bids to different government departments at different times will also be significantly reduced – further streamlining efficiencies to get work done.

This adds newfound clarity for leaders and developers for the region to plan and act with confidence, with a clear economic roadmap that promotes stakeholders aligning their efforts with long-term goals – rather than having to navigate red tape. A further benefit for local authorities will be to have projects developed to being “shelf-ready”, allowing strategic advancements to be made as quickly as possible where funding applications – and their often-tight timescales – are required.


Streamlining plays its part but is more than just a cost-saving exercise; it's a pathway to more effective and impactful project delivery. By fostering early engagement, embracing integrated funding, and prioritising social value, local authorities and their partners can create a legacy of success.

Risk, opportunity, and value are all interconnected, especially for councils navigating tight budgets and risk-averse environments. The key is to look beyond immediate returns and focus on long-term value. For investors, the long-term picture is the critical element – taking a helicopter view of the returns for the coming decades, not years. Again, this clarity and roadmap showcases the strategic path for the region, giving security to the investments being made.

As already highlighted, the West Midlands is already performing on that national platform with the likes of the Commonwealth Games – and reaping the benefits even now. The two-week spectacle provided unparalleled exposure, shifting perceptions of Birmingham and the wider region while unlocking inward investment opportunities. This momentum underscores the importance of strategic economic planning, with local and national leaders leveraging connections to secure stability and funding. By focusing on outcomes that resonate across sectors – housing, infrastructure, and social value – the region can continue to thrive.

The funding landscape remains a maze to navigate for all parties. But by working hand-in-hand, local authorities, developers and investors can find their way through the public and private sector specific twists and turns to the prize – truly powerful, successful regeneration.



A large red construction crane is the central focus, extending from the bottom of the frame towards the top. It is set against a bright blue sky filled with soft, white clouds. The crane's lattice structure is clearly visible. In the background, another similar crane is partially visible. At the base of the main crane, some construction materials and scaffolding are visible, suggesting an active building site.

Value beyond pounds and pence

Finally, social value cannot be ignored – it's at the heart of the long-term success discussed throughout this report. Not only is it a growing priority for the organisations delivering construction work, but for investors that need to demonstrate the value from the investments they make to their own stakeholders – especially those involved with lending or investing pension funds.


Construction projects offer significant opportunities to leave a positive legacy – and those wider placemaking visions even more so. The right procurement processes should embed this dedication to social value creation, involving all parties to identify the deeply local approach that delivers the most impact. This means understanding the unique needs of communities and tailoring solutions to meet them – such as addressing regional challenges like high numbers of children in care in the West Midlands – which the partnership approach further enhances both understanding and delivery.

The forthcoming Procurement Act places greater emphasis on the 'Most Advantageous Tender' (MAT), moving the built environment industry further away from simply focusing on the financial bottom line. Whether it's jobs, training, or economic uplift, partnerships should remove barriers – not create them – while maintaining a long-term view of success.



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A photograph of four construction professionals—three men and one woman—standing on a construction site. They are all wearing white hard hats and high-visibility yellow safety vests over dark clothing. They are gathered around a large set of white architectural blueprints that are spread out on the ground. The man on the far left is pointing at a section of the blueprint. The woman in the center is looking down at the plans. The man on the far right is holding a clipboard. The background shows the steel framework of a building under construction, with a clear sky and some construction equipment visible in the distance.

By procuring through Pagabo's Developer-Led Framework, social value can be taken even further. With access to Loop's social value software, helping local authorities, developers and investors to collaborate and clearly demonstrate the social value created from their partnerships.

Ultimately, every scheme should aim to enhance compliance and deliver the best possible outcomes. Success will depend on collaboration - bringing all the pieces of the jigsaw puzzle together to create a coherent and impactful picture.

Pagabo's Developer-Led framework

Pagabo's Developer-Led Framework is a unique market offering – emphasising the early engagement between developers and clients that drives much greater success in impactful placemaking.

Managed on behalf of contracting authority Cumbria, Northumberland, Tyne & Wear NHS Foundation Trust, the framework gives access to 28 developers that have undergone robust processes to be awarded a position. This means full PCR-compliance to ensure quality and reliability for clients – meaning that first test of having access to the right organisations is done for local authorities when procuring through the framework.

43 schemes have been procured through the framework at various scales, with more than £4.6bn in schemes having been awarded and a further £7bn in the pipeline. So far, this means more than 15,000 homes being built, along with thousands of square feet of commercial, retail and public space.

The framework emphasises many of the topics covered at the West Midlands Regional Investment Collab – early engagement between developers and clients, with a clear focus on best value through consideration of social value, sustainability, scope, and viability.

And indeed, the West Midlands has been a busy region for Pagabo's Developer-Led Framework, driven by the region's forward-thinking approach and vision.

Project Value

£Unrestricted

Project Term

Apr
2026

Total Developers

29

Project Type

Further Competition
or Direct Award

Contracting Authority

Cumbria,
Northumberland,
Tyne and Wear NHS
Foundation Trust

Total Lots

9

Covers

- Residential Single Unit
- Student Accommodation / Multi Occupancy
- Commercial Development, Shops, Offices
- Transport Infrastructure, Car Parks
- Prisons, High Secure Buildings
- Development Management Services
- Education Buildings
- Health Care Buildings
- Care Homes, Extra Care
- Mixed Use

Conclusion

For developers, local authorities, and construction specialists, partnerships and early engagement offer an opportunity to rethink how projects are delivered, maximise outcomes, and ensure every investment counts.

At its heart, development work should be about placemaking - creating spaces where people thrive, businesses flourish, and communities grow. Leadership, collaboration, and clarity are the cornerstones of achieving this vision. Developers need confidence to invest. Councils need to provide a clear path forward. And together, all stakeholders must commit to the relationships that make transformative projects possible.

As we approach 2025, the message is clear: collaboration, clarity, and long-term thinking are essential. Together, developers, local authorities, and the construction industry can navigate challenges, seize opportunities, and build a better future for our communities.

Thanks to our speakers on the day:

Chris Shaw, senior construction surveyor, PIC Capital

David Atkinson, national head of land and development, Willmott Dixon

Katie Trout, director of policy & partnerships, West Midlands Growth Company

Mark Connell, programme director, Stoke-on-Trent City Council

Simon Delahunty-Forrest, assistant director development, Birmingham City Council

Steve Parry, managing director, ION Developments

Tim Heatley, co-founder, Capital & Centric

Warren Taylor, COO, Cityheart

Get in touch to discuss how
Pagabo can support your West
Midlands development dreams:

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