

## **BIRMINGHAM CITY COUNCIL**

# **ECONOMY AND SKILLS O&S COMMITTEE**

**1000 hours on 27th January 2021, Online Meeting – Actions**

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**Present:**

Councillor Lou Robson (Chair)

Councillors Nicky Brennan, Maureen Cornish, Zaheer Khan, Chaman Lal, Simon Morrall and Julien Pritchard.

**Also, Present:**

Councillor Ian Ward, Leader

Chris Naylor, Chief Executive

Jamie Ounan, Innercircle Consulting

Kathryn James, Assistant Director, Property

Philip Andrews, Head of Operational Property Management

Ian Chaplain, Head of Investment Property Management

Robert King, Property Sales Manager

Eden Ottley, Property Strategy Delivery Manager

Cllr Jayne Francis, Cabinet Member for Education, Skills & Culture

Ceri Saunders, Acting Group O&S Manager

Baseema Begum, Scrutiny Officer

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**1. NOTICE OF RECORDING/WEBCAST**

The Chair advised those present that the meeting would be webcast for live and subsequent broadcast via the Council's Internet site and that Members of the press/public may record and take photographs except where there are confidential or exempt items.

**2. APOLOGIES**

None.

### **3. DECLARATIONS OF INTERESTS**

None.

### **4. ACTION NOTES**

The action notes of the meeting held on the 9<sup>th</sup> December were agreed.

### **5. CITY COUNCIL OWNED INQUIRY**

The Chair, Cllr Lou Robson welcomed attendees and stated that it was the third evidence gathering session of the inquiry and the session today was the opportunity to hear officers views in relation to some of the verbal evidence and submissions received and heard at the last meeting.

Kathryn James, Assistant Director, Property talked through her presentation that responded to the 5 key themes that were highlighted from the last meeting and made the following points: -

- Clarity of what a community asset is within the property strategy and that this was not the same as the commercial property portfolio.
- There are high levels of SMEs within the commercial portfolio with generally 6-month tenancy agreements that are flexible.
- In continuing to support entrepreneurs the property team now needs to reach out and market more of what is on offer and how this support can be provided.
- Work is being done with colleagues in Planning to address the re-use and repurposing of space such as offices both during and post-pandemic depending on need as people continue to work flexibly and how this will work in the future.
- The pandemic has led to improved linkage between the Council and communities as community sites have been utilised to provide a response to a multitude of issues and needs. A more joined up approach will continue going forward with officers working on community and economic recovery efforts.
- The benefit of all Council assets sitting under a single responsible area within the Council will allow more efficient management (through a corporate landlord structure). This includes assessing the condition of buildings and undertaking improvements where required through putting in place effective asset management plans and that would be the responsibility of property professionals rather than those who operate them.
- Work is underway on developing a 'lighter' Community Asset Transfer (CAT) process that is less time intensive for both the Council and community groups and will be co-ordinated by the Neighbourhoods directorate.
- To avoid further delays to the Assets of Community Value (ACV) process a decision was taken for a single officer in the Neighbourhoods directorate to assume responsibility.
- To improve engagement with community groups better asset management planning is needed so that both groups and local members are aware of the

lifecycle of the asset and any changes proposed in the future. This should include that responsibility of decisions relating to such assets lies with the Cabinet and groups can utilise their local councillor to share their views.

- There is recognition that there has been poor communication with unsuccessful bidders in relation to interest shown in assets in the commercial portfolio. Feedback needs to be improved and streamlined to ensure bidders receive a constructive response on why a bid has been unsuccessful. However, one of the challenges with this is that an asset selected for disposal needs to be reported on to Cabinet to decide on before discussions can take place with bidders.
- Ward councillors can notify Property Services of any community groups that wish to be added to the mailing list to receive notification of disposals and surplus properties before auction.
- The Property Services website is due to be updated with more content providing guidance and support in relation to Council assets.
- Selling of assets is not the primary reason for relieving a revenue pressure but is part of the equation.
- Data is not held on the backgrounds of those who have ownership of Council assets.
- Advice received from legal services in relation to ACV's on properties held in Trust by the Council is that it can't be done, and this advice can be shared with members separately.

The Leader then added: -

- The Council does need a different approach in respect to its community and commercial portfolios and the committee's work adds value to work already underway.
- Members and officers are keen to learn from best practice elsewhere on both portfolios.
- Good practice exists in the dealing with assets as part of the commercial portfolio. It should be noted that the Council needs to protect its assets for the city.

In response to members queries the following points were made: -

- The commercial portfolio team has been in regular contact with tenants to see what support they need and provide information on how to access business support grants and as much government support as possible. Cases are also being looked at on an individual basis where needed. Tenants are not being evicted based on outstanding rent and this direction has come from government since the beginning of the pandemic.
- The team is working with tenants to avoid large debt accumulating and putting in place a payment plan where feasible. Where this is not possible the team are talking to businesses about making the difficult decision to end a tenancy. Furthermore, the Council has been taking a co-ordinated approach in line with councils across the country and regular monitoring is taking place in respect of what others are doing including core cities.
- Issues highlighted by community groups, tenants and others does require action on behalf of the Council to ensure that a more joined up way of working

across departments is achieved. A restructure has been proposed with a report presented to Cabinet last week and it is hoped that a restructure of the Inclusive Growth directorate will be in place by autumn next year.

- A process of notifying members automatically in advance of disposal of buildings will be put in place so that community groups and local members are aware of planned disposals that would allow local councillors to engage with their community and local interested parties.
- Closer working with finance colleagues on the sound investment and disposal of properties to ensure that the Council gets best value for its assets is crucial not only in monetary terms but also in meeting the Council's objectives for its residents in increasing social value in local communities.
- As part of a commercial investment strategy approximately 200 tenants were surveyed to gauge interest in the different types of disposal that could be offered (e.g. buying freehold interests, extended leaseholds) and what notification tenants would require.
- Conditional surveys across the operational portfolio have been undertaken to move to a more informed position on the Council's assets. However, some of this work has been paused due to resource and financing issues. There is a need for the Council to continue this work for all its estate to ensure relevant repairs and maintenance is taking place for community buildings where these have been closed due to the pandemic and the challenge faced in reopening some of these in a covid-secure way.
- Encouraging and supporting under-represented groups or those excluded from getting access to purchasing Council assets can be improved through better communication and advertising of opportunities and will be picked up through the property services update to its website.
- Ensuring information is digitally accessible will ensure that a wider audience is reached. In addition, tenants' surveys will be reintroduced through the website to collect valuable data on tenant experience and feedback on what people are looking for from the Council.
- There is the desire to support more start-ups and stop the leakage of talent from the city in terms of using the commercial portfolio to offer something different to SMEs and other interested parties that would increase the social value aspect. The website will be used to try and achieve a more level playing field for disposals of assets however this does require more resource as it is time consuming and a balance needs to be achieved that also gives the Council best value. This includes looking at the whole of the Council's assets including land that can be better utilised for community and other use.
- In addition, the team is working on a joined-up approach with colleagues and partners to tackle wider economic issues and objectives of the Council including the Economic Recovery strategy and East Birmingham Inclusive Growth strategy.

The Chair then welcomed the Chief Executive, Chris Naylor and Jamie Ounan, Innercity Consulting who shared a presentation on the Council's future plans and wider work in relation to promoting economic growth and how this can be achieved by using land and property assets to achieve the Council's objectives. Emphasis was placed on the aim to increase prosperity, liveability and living standards for all residents in a

sustainable way by working with partners and the example of the East Birmingham Inclusive Growth strategy was given as an example of an opportunity to unlock community wealth. In addition, it was noted that the Council also needs to look at structural changes to close the budget gap it has in terms of the loss of business rates due to the pandemic.

Members were encouraged by the presentation and it was received positively. During the discussion with the committee and in response to points made the Chief Executive, Chris Naylor explained that: -

- The 4 key objectives in the presentation are key to growth strategies in order to achieve change for those that are the furthest away from it and to use this as part of the public sector reform strategy.
- Growth needs to be done simultaneously to cover areas outside of the city centre as well as noting the importance that the city centre does have. A city-wide strategy is being developed that will utilise the leverage of the city portfolio as a whole using an invest-to-save model. This would include using investment and resource from the city centre to redistribute to other parts of the city (based on capacity and governance).
- Community participation and engagement are key to how the city can affect meaningful change especially in those areas where there is sustained disadvantage and deprivation or where there is a particular heritage aspect or culture of the local area or neighbourhood.
- It is key for people using local space to have ownership of these assets and this in turn is key to supporting and enabling the community to share in this ownership. For example, community assets can be helped to get people on their feet rather than seeing if a threshold is met for a service and this builds on giving citizens confidence and encouraging a sustainable way of living.

The Chair, Cllr Robson thanked all attendees for their input for a very valuable session and concluded that a report would now be drafted and will be shared for comment in due course. A link to the meetings where discussions have taken place will be included in the report for information.

**RESOLVED: -**

1. Kathryn James to provide contact information for businesses that require help with rent.
2. Kathryn James to seek legal advice on GPDR in relation to whether the Council can hold data on protective characteristics of those who purchase Council assets.

## **6. WORK PROGRAMME**

(See item No.6)

The Chair outlined future meetings of the committee including the call-in on Wednesday 3<sup>rd</sup> February at 4.30pm.

The next Committee meeting will take place on Wednesday 24<sup>th</sup> February and focus on the impact of covid-19 on the culture and leisure sectors and the daytime/night-time economy. Any suggestions on invitees to be sent to the scrutiny office.

**RESOLVED: -**

1. Members noted future items for discussion.
2. Members agreed a change of time to 4pm for the Committee's February meeting.

**7. REQUEST(S) FOR CALL IN/COUNCILLOR CALL FOR ACTION/PETITIONS (IF ANY)**

None.

**8. OTHER URGENT BUSINESS**

None.

**9. AUTHORITY TO CHAIRMAN AND OFFICERS**

Agreed.

**RESOLVED: -**

That in an urgent situation between meetings the Chair, jointly with the relevant Chief Officer, has authority to act on behalf of the Committee.

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The meeting ended at 12:31 hours.