

BIRMINGHAM CITY COUNCIL

PUBLIC REPORT

Report to:

Report of:

Date of Decision:

SUBJECT:

CABINET

Corporate Director, Place

6 March 2018

**DRIVING HOUSING GROWTH, LAND
APPROPRIATIONS REPORT**

Relevant Forward Plan Ref: 004666/2018

Key Decision: Yes

**If not in the Forward Plan:
(please "X" box)**

Relevant Cabinet Member(s)

Chief Executive approved ☐

O&S Chair approved ☐

Councillor Ian Ward, Leader

Cllr Peter Griffiths, Housing and Homes

Relevant O&S Chair:

Cllr Victoria Quinn, Housing and Homes

**Cllr Mohammed Aikhlaq, Corporate Resources and
Governance**

Wards affected:

**Bartley Green, Brandwood, Hodge Hill, Quinton, Shard
End, Sparkbrook.**

1. Purpose of report:

- 1.1 To seek approval for the appropriation of 6.29 hectares (15.65 acres) of General Fund land into the Housing Revenue Account in order to facilitate the development of new housing provision within Birmingham.

2. Decision(s) recommended:

That Cabinet :-

- 2.1 Approves, subject to the consent of the Secretary of State for Education where required, pursuant to 4.3.3 in this report, the appropriation of 6.29 hectares (15.65 acres) of General Fund land in to the Housing Revenue Account as shown on the plans at appendix 2 for the purpose of housing development under the Housing Act 1985; with the Council being satisfied that the land is no longer required for its current function as identified in appendix 1, with a total estimated market value of £9.55M.
- 2.2 Notes that the maintenance responsibility for all land appropriated will transfer to the Housing Revenue Account.
- 2.3 Authorises the Corporate Director, Economy, to advertise any loss of public open space and determine objections, once the sites have been declared surplus.
- 2.4 Delegates to the Corporate Director, Economy the power to vary the boundaries of the sites identified within appendix 1 and their relevant plans identified within appendix 2 by up to 10% of the total area of the site.
- 2.5 Authorises the City Solicitor to negotiate, execute, and complete all necessary documentation to give effect to the above recommendations.

Lead Contact Officer(s):

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3. Consultation

Consultation should include those that have an interest in the decisions recommended

3.1 Internal

- 3.1.1 The Council Leader has been consulted on the contents of this report and supports the recommendations.
- 3.1.2 Elected Ward Members and District Chairs of the sites identified within appendix 1 have been consulted on the contents of the report. The consultation responses are shown within appendix 3.
- 3.1.3 The Cabinet Member for Housing and Homes, the Cabinet Member for Transport and Roads, the Cabinet Member for Children, Families and Schools, and the Corporate Director for Children and Young People have been consulted on the contents of this report and support the recommendations.
- 3.1.4 Officers in Legal Services, Procurement, City Finance, Birmingham Property Services, Parks and Housing Development have been involved in the preparation of this report.

3.2 External

- 3.2.1 Residents in all of the site areas will be consulted as part of the statutory planning application process and their comments taken into account in the determination of future planning applications.

4. Compliance Issues:

4.1 Are the recommended decisions consistent with the Council's policies, plans and strategies?

- 4.1.1 The appropriation of the sites identified in this report will provide land to enable the development of new homes for a growing city – which is a key objective of the City Council.
- 4.1.2 The development of new affordable housing within the City is in accordance with the objectives of the Housing Revenue Account (HRA) Business Plan 2018+.
- 4.1.3 The appropriated sites support the delivery of the core objectives of the Birmingham Development Plan (BDP) which was adopted by the Council on 10 January 2017 to increase housing growth.
- 4.1.4 The site in Highgate Road, Sparkbrook is referenced for housing development in the Balsall Heath Neighbourhood Development Plan that was adopted by the Council in January 2018.
- 4.1.5 The new housing that will be built on the appropriated site will work in line with the Council's emerging, 'A Waste Strategy for Birmingham' policy document by developing plans that aim to reduce the amount of waste that is created, reusing and recycling what we can, and recovering energy from any remaining waste where possible.
- 4.1.6 **Children;** new homes will be developed which will provide a safe, warm, sustainable and connected neighbourhood in which our children can thrive.

- 4.1.7 **Housing;** - the Council is committed to the development of enough high quality new homes to meet the needs of a growing city, and the proposals within this report seek to accelerate housing growth in the city by providing new homes for rent and sale on the appropriated sites..
- 4.1.8 **Jobs and Skills;** activity within the construction sector will create jobs and apprenticeships in the city, and activity in the supply chain industries, supporting the local economy through the Birmingham Business Charter for Social Responsibility.
- 4.1.9 **Health;** the links between health and housing are well recognised. New thermally efficient, economical to run new homes which are designed to high standards of quality and internal space standards will be more affordable for residents and will offer a higher quality of life leading to better health outcomes.
- 4.1.9 There are no direct implications for the Birmingham Business Charter for Social Responsibility (BBC4SR) as a result of the appropriation of land into the Housing Revenue Account. However, once the sites come forward for development, the successful contractor will be required to adhere to the BBC4SR and provide training and apprenticeship opportunities and pay the Birmingham Living Wage as a condition of contract.

4.2 Financial Implications (How will decisions be carried out within existing finances and Resources?)

- 4.2.1 By law, any appropriation of land between the Housing Revenue Account and General Fund results in a transfer of borrowing between the Housing Revenue Account and the General Fund equivalent to the open market value of the appropriated land.
- 4.2.2 The total open market value of the appropriations from the General Fund to Housing Revenue Account is estimated to be £9.55M, the individual site details are within appendix 1. The valuations have been provided by Birmingham Property Services.
- 4.2.3 Assuming an average long term interest rate of 4% per annum, this would result in a revenue cost to the Housing Revenue Account of approximately £382,000 per annum in perpetuity. It is not anticipated that there will be any further significant revenue consequences associated with the maintenance of these sites prior to their redevelopment.
- 4.2.4 A number of these sites contribute to the delivery of the Parks Service's approved savings programme (savings reference SN45) – and the General Fund revenue benefit from these sites (Highgate Road, Long Nuke Road and Highfield Lane) will be attributed to this saving.

4.3 Legal Implications

- 4.3.1 The Council has powers to hold and appropriate land under Sections 120-122 of the Local Government Act, 1972. Under Section 122 of the Local Government Act 1972, the Council may appropriate for any purpose for which the Council is authorised by legislation to acquire land; and land which belongs to the Council and is no longer required for which it is held immediately before the appropriation.

- 4.3.2 Section 122(2A) of the Local Government Act requires that where land is existing open space, notice of change of use must be advertised and any objections considered prior to the appropriation taking place. Section 123(2A) contains a similar requirement for advertisement and consideration of objections in respect of disposals of open space.
- 4.3.3 The school sites affected by this report are subject to Secretary of State for Education approval prior to appropriation in accordance with Section 6 Part 1 of Schedule 1 of the Academies Act 2010.
- 4.4 Public Sector Equality Duty
- 4.4.1 The Public Sector Equality Duty statement is appended – Appendix 4
- 4.4.2 There are currently around 13,000 people on the Council's waiting list for affordable housing. Many of these people live in overcrowded conditions across the housing sector. Evidence from allocating properties previously developed under the Birmingham Municipal Housing Trust (BMHT) banner has revealed the extent of this problem, many families being allocated from accommodation that was too small for their needs.
- 4.4.3 Through the BMHT programme, the Council provides homes that reflect the Strategic Housing Market Assessment for Birmingham with an emphasis on 2 bedroom houses and 4+ bedroom houses. Whilst there is a clear driver for family homes (and these make up the majority of the new development programme) the programme also looks to meet other needs, such as people without children and elderly residents who wish to down-size from under-occupied homes. Local need, site restrictions and financial viability are taken into account when determining the exact mix of homes and typologies to build on each site.
- 4.4.4 The BMHT Delivery Plan for 2015-20 included an Equality Impact Analysis and was agreed by Cabinet in December 2014 which operates city-wide. It includes areas where different cultural requirements will need to be reflected in the design of the homes provided. Feedback from previous schemes delivered has been utilised and these will be used in developing the schemes outlined within the BMHT Delivery Plan. New property archetypes need careful consideration in terms of construction affordability and value for money and have now been refined into the BMHT Standard House Types catalogue. The Council's house building programme represents a unique opportunity to break the mould of repetitive market house types and meet the specific needs of its diverse population.
- 4.4.5 The appropriation of the sites identified in this report will result in the development of new high quality homes that will be available for all residents of Birmingham.

5. Relevant background/chronology of key events:

- 5.1 The BMHT Delivery Plan, approved by Cabinet in November 2014, sets out the programme to maintain the size of the BMHT programme at around 450 new homes starting on site every year. This scale of development will require the Council to use its existing land assets more effectively to establish more development land to be made available than currently exists within the HRA, and therefore it is proposed to appropriate a number of sites from the General Fund in order to support housing growth in the City.

- 5.2 The sites identified in this report have the capacity to create up to an estimated 259 new homes for rent and sale for the city, of which 65% (168) could be for social rent and 35% (91) for sale.
- 5.3 The Housing Revenue Account Business Plan 2018+ proposes the development of over 3,950 new homes to be built for rent using the BMHT model over the next 20 years at a cost to the council of £689 million. This investment will be funded from a combination of rental income and capital receipts.
- 5.4 Birmingham needs a supply of new homes to address the serious shortage of housing supply, and an estimated 89,000 additional homes are needed in the City by 2031. There is a limited amount of cleared land (or land planned for clearance) held in the Housing Revenue Account. To maximise future development opportunities, appropriations of land into the Housing Revenue Account will increase this figure and allow the Council more control over the timing and nature of residential development on these sites.

6. Evaluation of alternative option(s):

- 6.1 Failure to appropriate land to the HRA would mean that the BMHT programme would deliver less new homes due to the shortage of development land available.

7. Reasons for Decision(s):

- 7.1 To achieve the key City council objective of providing development land to support housing growth for Birmingham.

Signatures

Date

Councillor Ian Ward, Leader,
Birmingham City Council

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Councillor Peter Griffiths
Cabinet Member for Housing and Homes

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Jacqui Kennedy
Corporate Director, Place

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List of Background Documents used to compile this Report:

HRA Business Plan 2018+
BMHT Delivery Plan Cabinet Report (November 2014)

List of Appendices accompanying this Report (if any):

1. Schedule of Sites.
2. Site Plans.
3. Consultation Responses.
4. Public Sector Equality Duty Statement

Report Version

Dated

Appendix 1 – Schedule of Sites, for the Driving Housing Growth – Land Appropriations Report for Cabinet, 27 March 2018.

Please note that all sites are proposed to be appropriated into the Housing Revenue Account from the General Fund.

Site	Ward	District	Site area in Hectares	Site area in Acres	Valuation (BPS)	Current Holding / Function
Hallmoor School site	Shard End	Hodge Hill	1.2 Hectares	2.96 Acres	£1.800M	CYPF / Disused School site
Gressel Lane site	Shard End	Hodge Hill	1.27 Hectares	3.13 Acres	£2.100M	CYPF / Cleared site
Highgate Road site	Sparkbrook	Hall Green	1.43 Hectares	3.52 Acres	£1.680M	Leisure / Amenity space
Alfred Road car park site	Sparkbrook	Hall Green	0.23 Hectares	0.57 Acres	£0.355M	Highways / Pay and Display car park
Long Nuke Road site	Bartley Green Ward	Edgbaston	1.8 Hectares	4.59 Acres	£3.000M	Leisure / Amenity space
Highfield Lane site	Quinton Ward	Edgbaston	0.36 Hectares	0.88 Acres	£0.615M	Leisure / Disused tennis courts site
TOTAL			6.29 Hectares	15.65 Acres	£9.550M	

APPENDIX 3 – Consultation responses for Driving Housing Growth, Land Appropriations Report with Ward Members.

Stakeholder	Ward / Constituency	Site(s)	Response to consultation January 2018
<p>Councillor Claire Spence (District Chair)</p> <p>Councillor Mohammed Azim</p> <p>Councillor Tony Kennedy</p> <p>Councillor Victoria Quinn</p>	Sparkbrook / Hall Green	Highgate Road / Alfred Road site	<p>Cllr's were briefed about Alfred Road site and wanted the views of residents and in particular local traders to inform the future of the site.</p> <p>A local community organisation was commissioned to undertake the consultation and the consultation report showed majority support for housing development on the site and in particular, overwhelming support from local traders.</p> <p>The Highgate Road site is in the Balsall Heath Neighbourhood Development Plan that was adopted by the Council in January 2018.</p>
<p>Councillor Uzma Ahmed (District Chair)</p> <p>Councillor Ian Ward (Leader, BCC)</p> <p>Councillor Marge Bridle (Deputy Leader, BCC)</p> <p>Councillor John Cotton</p>	Shard End / Hodge Hill	Hallmoor School site / Gressel Lane site	<p>All members supportive.</p> <p>I am agreeable to this.</p> <p>Happy with this to go forward in line with briefing.</p> <p>Content with proposals.</p>
<p>Councillor John Alden (District Chair)</p> <p>Councillor Des Flood</p> <p>Councillor John Lines</p> <p>Councillor Bruce Lines</p>	Bartley Green / Edgbaston	Long Nuke Road site	<p>Against building on sports fields.</p> <p>No response received.</p> <p>No response received.</p> <p>No response received.</p>

<p>Councillor John Alden (District Chair)</p> <p>Councillor Kate Booth</p> <p>Councillor John Clancy</p> <p>Councillor Matthew Gregson</p>	<p>Quinton / Edgbaston</p>	<p>Highfield Lane site</p>	<p>No response received.</p> <p>No response received.</p> <p>No response received.</p>

Equality Act 2010

The Executive must have due regard to the public sector equality duty when considering Council reports for decision.

The public sector equality duty is as follows:

1	<p>The Council must, in the exercise of its functions, have due regard to the need to:</p> <ul style="list-style-type: none"> (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by the Equality Act; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
2	<p>Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:</p> <ul style="list-style-type: none"> (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic; (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it; (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
3	<p>The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.</p>
4	<p>Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:</p> <ul style="list-style-type: none"> (a) tackle prejudice, and (b) promote understanding.
5	<p>The relevant protected characteristics are:</p> <ul style="list-style-type: none"> (a) Marriage & civil partnership (b) Age (c) Disability (d) Gender reassignment (e) Pregnancy and maternity (f) Race (g) Religion or belief (h) Sex (i) Sexual orientation