

**BIRMINGHAM CITY COUNCIL
PUBLIC REPORT**

Report to:	CABINET
Report of:	Corporate Director, Economy
Date of Decision:	12 December 2017
SUBJECT:	DRIVING HOUSING GROWTH – FULL BUSINESS CASE FOR DEVELOPMENT OF HOUSING AT YARDLEY BROOK
Key Decision:	Yes
If not in the Forward Plan: (please "X" box)	Relevant Forward Plan Ref: 001895/2016 Chief Executive Approved <input type="checkbox"/>
Relevant Cabinet Members:	O&S Chairman Approved <input type="checkbox"/> Councillor Peter Griffiths Housing and Homes Councillor Majid Mahmood Commercialism, Commissioning, and Contract Management
Relevant O&S Chairmen:	Councillor Victoria Quinn, Housing and Homes Councillor Mohammed Aikhlaq, Corporate Resources and Governance
Wards affected:	Shard End

1. Purpose of report:

- 1.1 To present to Cabinet proposals for an exciting regeneration opportunity to lead a major housing development programme on part of the former sewage works site in Yardley and to advise on the strategy for the procurement process for the scheme. Working with the Homes and Communities Agency (HCA) and the West Midlands Combined Authority (WMCA), the programme will provide a mix of up to 273 new homes – 143 for rent and 130 for sale on the site in Cole Hall Lane in the Shard End Ward of Birmingham.

2. Decisions recommended:

That Cabinet:

- 2.1 Approves the full business case (appendix 2) for the remediation and development of the Yardley Brook site at a total estimated capital cost of £32.9m and gives authority to commence the procurement process for the remediation of the site and the development of housing including the development of associated access infrastructure using the Homes and Communities Agency Delivery Partner Panel 3 (DPP3) Framework Agreement.
- 2.2 Delegates approval of the award of a contract and the placing of orders for the remediation of the site and the development of housing to the Cabinet Member for Housing and Homes and the Cabinet Member for Commercialism, Commissioning, and Contract Management, jointly with the Corporate Director, Economy.
- 2.3 Notes that prior to planning permission being granted, the full capital cost of the project cannot be determined accurately, and that if this varies by more than 10% a further report will be presented to Cabinet.
- 2.4 Subject to confirmation, approves acceptance of grant funding from the Homes and Communities Agency (HCA) and the West Midlands Combined Authority (WMCA) in respect of the cost of development of this site for housing.

- 2.5 Authorises the Corporate Director, Economy to submit and process all necessary highway closure applications and notices required to facilitate the development of the site and to enter into any appropriate agreements to facilitate alterations to highway access to the site.
- 2.6 Delegates to the Corporate Director, Economy the power to amend or vary the development boundaries of the site.
- 2.7 Authorises the Corporate Director, Economy to seek consent under Section 174 of the Localism Act 2011 to exclude the new properties delivered under this development agreement from the Right to Buy pooling arrangements, to ensure that any capital receipts generated from the sale of homes under the Right to Buy are retained by the Council.
- 2.8 Authorises the Corporate Director, Economy to receive the result of any consultations regarding the loss of Public Open Space notices in accordance with Section 123 (2A) of the Local Government Act 1972 and to decide whether to proceed under Section 122(2A) in consultation with the Cabinet Member for Housing and Homes.
- 2.9 Delegates authority to the Cabinet Member for Clean Streets, Recycling and Environment, and the Cabinet Member for Commercialism, Commissioning, and Contract Management, jointly with the Corporate Director, Place to approve the future detailed design proposals and procurement strategy for the development of the remediated open space subject to available funding.
- 2.10 Approves the submission of planning applications for the development of housing and for the remediation of the site.
- 2.11 In the event that the Yardley and District North Rugby Club is able to confirm that it has secured the additional external funding required for it to relocate, approves the Corporate Director of Finance to authorise a grant from the Council of up to £250,000 towards its relocation.
- 2.12 Delegates authority to the Corporate Director, Economy to appoint Acivico to provide technical services relating to the remediation of the site up to £50,000.
- 2.13 Authorises the making of appropriate agreements or the exercising of powers under the Highways Act 1980 (including but not limited to Section 38 and Section 278 agreements if required) and the submission of applications under Section 247 of the Town and Country Planning Act 1990 to stop up highway as well as make appropriate Traffic Regulation Order (TRO) under Section 1 of the Road Traffic Regulation Act 1984 as necessary for the Yardley Brook development.
- 2.14 Authorises the City Solicitor to negotiate, execute and complete all necessary documentation to give effect to the above recommendations including the execution and completion of the appropriate way leaves and easements and highway agreements required for this development on the land identified within the planned development area at Appendix 1.

Lead Contact Officer(s):

Clive Skidmore, Head of Housing Development
Shahid Iqbal, Principal Housing Development Officer

Telephone No:

0121 303 1667 / 0121 303 6474

E-mail address:

Clive.skidmore@Birmingham.gov.uk
Shahid.s.iqbal@birmingham.gov.uk

3. Consultation

3.1 Internal

- 3.1.2 The Corporate Director, Place and the Service Director Housing Transformation have been consulted regarding the contents of this report and support the recommendations coming forward for an executive decision.
- 3.1.3 The Cabinet Member for Transport and Roads, and the Cabinet Member for Clean Streets, Recycling and Environment have been consulted regarding the content of this report and support the recommendations.
- 3.1.4 Shard End Ward Councillors and the District Chair for Hodge Hill have been consulted in the preparation of this report and support the recommendations (see Appendix 7).
- 3.1.5 Officers in Legal Services, City Finance, Procurement, Birmingham Property Services Transportation, and Housing Development have been involved in the preparation of this report.

3.2 External

- 3.2.1 This site was identified for housing development in the Birmingham Development Plan (BDP) which was subject to citywide consultation and was formally adopted by the Council on 10 January 2017. No concerns were raised regarding the proposal to bring this site forward for housing development.
- 3.2.2 Residents will be consulted as part of the statutory planning application process and their comments taken into account in the determination of future planning applications.
- 3.2.3 The Member of Parliament for Hodge Hill, the Right Hon. Liam Byrne MP has been consulted regarding the contents of this report and no comments were received.

4. Compliance Issues:

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

- 4.1.1 The development of new homes for a growing city is a key objective of the City Council. The development of new affordable housing within the City is in accordance with the objectives of the Housing Revenue Account (HRA) Business Plan 2017+.
- 4.1.2 The development delivers on the core objectives of the Birmingham Development Plan (BDP) which was adopted by the Council on 10 January 2017. The Planning Context for this scheme is set out at Appendix 6. The design of the transport infrastructure will be aligned to the Council's long term transport plan, Birmingham Connected, supporting the take up of sustainable travel including access to public transport, walking, and cycling where possible.
- 4.1.3 The development 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.

- 4.1.4 **Children;** new homes will be developed which will provide a safe, warm, sustainable and connected neighbourhood in which our children can thrive.
- 4.1.5 **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 up to 273 new homes for rent and sale.
- 4.1.6 **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. It is anticipated that up to 27 training / apprenticeships could be provided based on the contract sum.
- 4.1.7 **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.

4.2 Financial Implications

- 4.2.1 The estimated total cost of the proposal is £32.92m, including a commuted sum for Public Open Space circa £0.28m. The remediation cost will be funded from either grant from Homes and Communities Agency and/or grant from the WMCA. The new build development costs will be funded from the sale of properties on the development, Housing Revenue Account (HRA) revenue contributions, 1-4-1 Right To Buy receipts, general Right To Buy receipts and Affordable Housing Section 106. The summary financial analysis is set out in Appendix 2.
- 4.2.2 The future running costs of the properties and areas of public realm retained within the HRA will be met from on-going rental income to be derived from the new build properties. This will result in an overall revenue surplus to the Housing Revenue Account over 30 years of £5.82m.
- 4.2.3 The financial viability of the proposal is based on the social housing rent policy that was outlined by the Chancellor of the Exchequer on 2nd July 2015 (i.e. that rents will be reduced by 1% per annum from 2016-17 to 2019-20). The Government has indicated that rents will then revert back to Consumer Price Index +1% after 2019-20 (currently projected at 3% per year). However, should rents not increase at this rate, it is anticipated that efficiency savings within the Housing Revenue Account will be needed to ensure that the scheme remains financially viable.
- 4.2.4 If new highway is required to enable these sites to be redeveloped to support the housing construction described in this report then such development and on-going maintenance costs that do not form a part of the existing highways base costs will form

a part of the overall scheme costs (including the developer element associated with market sale housing). Appropriate permissions to construct highway will also be required. Opportunities will be explored to align any changes to the highway as a consequence of each new development to the Highways Management and Maintenance PFI (HMMPFI) programme of works to minimise costs of delivery to the schemes.

4.3 Legal Implications

- 4.3.1 As the Housing Authority, the relevant legal powers relating to the discharge of the Council's statutory function to provide for its housing need are contained in section 9 of the Housing Act 1985. Section 174 of the Localism Act enables the Council to retain 100% of the receipts generated from the sale of the new rented homes sold under the Right to Buy. In addition to the Highways Act 1980 are the relevant legal powers for adoption of new roads and changes to existing highway.
- 4.3.2 The legal power to dispose of land held within the Housing Revenue Account is contained within Section 32 of the Housing Act 1986, General consent A.
- 4.3.3 The site affected by this report is in the Council's ownership and can be identified by Fixed Asset Reference numbers 02251 and 02725.
- 4.3.4 Section 19 of the Local Government (Miscellaneous Provisions) Act 1976 gives powers to provide recreational facilities.
- 4.3.5 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.
- 4.3.6 The site is a cleared site and no compulsory purchase powers are required.
- 4.3.7 Powers contained within the Highways Act 1980, the Road Traffic Regulations Act 1984, and the Town and Country Planning Act 1990 provide the necessary powers to develop the transport infrastructure and associated operations.

4.4 Public Sector Equality Duty

- 4.4.1 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.
- 4.4.2 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.

- 4.4.3 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.
- 4.4.4 An Equality Assessment (EA 001885) has been completed and is attached as Appendix 3. The EA has shown that there are no negative impacts on the protected characteristic groups.

5. Relevant background/chronology of key events:

- 5.1 The site for development is part of the former Yardley sewage works which is located on Cole Hall Lane within the Cole Valley and is located approximately 7.5km east of the city centre. The sewage works fell into disuse and became derelict and was subsequently acquired by the Council in the early 1970s and a basic remediation of the site was undertaken at that time. Part of the sewage works site has been brought forward for employment uses; however because of the considerable contamination this site was left as open space and became part of the greenbelt. The site was appropriated to the HRA following Cabinet approval in November 2013.
- 5.2 There are a number of key features that add significant environmental value to the site and will be considered as part of the design solution for the scheme and connectivity to the wider area. These include, the River Cole runs along the northern boundary of the site and beyond; the surrounding woodland is designated as a site of importance for nature conservation (SINC); a small portion of the site is occupied by the Yardley District North Rugby Club clubhouse; the site is relatively isolated from any other buildings but a new development will create its own unique character and sense of place; the existing Poachers Pocket pub and Cole Hall Farm and adjoining barn at the southern edge of the site are both Grade II listed buildings (though they do not form any part of the site proposed for development); and there is the opportunity to investigate safe and convenient walking and cycle routes to Shard End local centre, local railway stations, schools, and recreational facilities including the Cole Valley.
- 5.3 The Yardley Brook site was identified for housing development in the Birmingham Development Plan (BDP) and the plan was formally adopted by the Council on 10 January 2017. The site is covered by Policy GA8 – Eastern Triangle.
- 5.4 It is estimated that this approach will enable the housing development on the site to provide up to 273 new homes (143 for rent and 130 for sale) and the remediation for the site will be met through grant funding from the Homes and Communities Agency and/or the West Midlands Combined Authority (WMCA). The number of new homes is less than anticipated in the Project Definition Document approved by Cabinet in December 2014, due to the nature of the remediation proposed.

- 5.5 The remediation of the site and its subsequent development with new homes are proposed to be undertaken by a single contractor. This is to ensure that the engineering solution for the remediation and the development rest with one organisation and this will ensure less risk to the developer from any building warranties requirement.
- 5.6 The open space for the site will be located on the mound that will be created by the remediation to the south eastern end of the site. The proposal is to create appropriate facilities on the mound with links to the Cole valley as partial compensation for the loss of public open space. It is proposed that the final design solution and procurement of a contractor for the open space is managed by Landscape Practice Group.
- 5.7 The Yardley and District North Rugby Club is seeking to secure additional funding to enable relocation of its current building to the opposite side of Cole Hall Lane. The relocation of the clubhouse would enable the development of this site with up to 10 – 12 new Council homes and the Council would make a contribution of £250,000 towards the cost of a new clubhouse if the Club succeeds in obtaining the additional funding. If however, it is unable to secure the additional funding required for the move, it will remain in its current location under the existing lease agreement and this will result in a net loss of between 10 – 12 units to the development. The current lease agreement is due to expire on 25 December 2028.
- 5.8 Acivico has extensive knowledge of the site and has acted on behalf of the Council to provide technical input during the treatability tests to allow a remediation methodology to be identified for this site. Acivico will continue to act on behalf of the Council to provide technical input into the remediation strategy, the technical brief for the remediation and monitoring during the remediation itself. The Acivico costs will be based on time spent on the project at agreed hourly rates.
- 5.9 Details of the procurement strategy for the site are as follows:

5.9.1 Procurement Options

A condition of funding from the Homes and Communities Agency (HCA) is that the housing developer and remediation company is appointed using the HCA Delivery Partner Panel 3 (DPP3) Framework Agreement. The DPP3 panel is a framework agreement that has been established by the HCA on behalf of the Government to allow the wider public sector to tender housing schemes to accelerate and facilitate development.

5.9.2 HCA Delivery Partner Panel 3 Framework Agreement

The DPP3 commenced on 01 April 2017 for a period of four years and permits projects procured through the framework agreement to run for up to 10 years beyond its expiry. The Midland Lot will be used to procure a contractor, via a mini competition which will require compliance with the BCC4SR and the Council's Living Wage Policy, to undertake the remediation and housing development and it is anticipated that the duration of the contract will be for a period of up to 8 years commencing from September 2018.

5.9.3 Scope and Specification

- Develop and deliver the full remediation of the site to the agreed specification.
- Work with the Council on the overall plan for the area and develop detailed design

- proposals.
- Apply for detailed planning permissions for individual plots for new housing infrastructure and discharge all planning conditions and obtain other statutory approvals.
- Liaise with the Council's Employers Agents appointed for this scheme. Build the Council's affordable housing and open market sale properties in line with the agreed specification.
- Market and sell the open market sale properties on behalf of the Council.
- Provide training and employment opportunities including apprenticeships along with other Social Value outcomes as per the requirements of the BBC4SR.
- Co-ordinate alongside other works which may run concurrent with the proposed development in the area.
- Provide new adoptable standard highway infrastructure which will be adopted by the Highways Authority.

5.9.4 Tender Structure

The tender structure for the competition exercise is in line with the protocol of the HCA DPP3 framework agreement.

5.9.5 Evaluation and Selection Criteria

Tenders will be evaluated against the specification in accordance with a pre-determined evaluation model as shown below.

Assessment A – Quality – Written Proposals (Weighting 40%).

Criteria 40%	Overall Weighting	Sub-Weighting
Technical Experience and Competency – Build programmes	100%	40%
Design Quality and Specification		20%
Management of programme		20%
Organisational Management and resources		20%

An interview with tenderers may take place to clarify their understanding of the requirements and the scoring adjusted accordingly, as appropriate. Tenderers who score more than the quality threshold of 60% i.e. a score of 300 out of a maximum quality score of 500 will proceed to Assessment B – Social Value.

Quality assessment also includes consideration of the overall design of waste and recycling facilities and designing a scheme that works closely with the principles / requirements of the Birmingham Future Waste Strategy.

Assessment B – Social Value (Weighting 10%)

Social Value Proposals (10% Weighting)		
Local Employment	100%	30%
Buy Birmingham First		10%
Partner in Communities		25%
Good Employer		10%
Green and Sustainable		15%
Ethical Procurement		10%

Tenderers who score more than the social value threshold of 40% i.e. a score of 200 out of a maximum quality score of 500 will proceed to Assessment C – Pricing

Assessment C – Pricing (Weighting 50%)

Tenderers will be expected to state their proposed cost for remediation of the site, and the cost for constructing the new council properties together with the guaranteed minimum price to be paid to the Council for the land on which the successful developer will construct and sell the homes for outright sale.

Overall Evaluation

The evaluation process will result in comparative quality, social value and price scores for each tenderer. The maximum score for quality will be awarded to the tender that demonstrates the highest for quality and the highest score for social value will go to the tenderer whose response is considered to provide the most social value. Similarly the maximum price score will be awarded to the lowest price. Other tenderers will be scored in proportion to the maximum scores in order to ensure value for money. The contract will then be awarded to the tenderer with the highest aggregate score. The evaluation of tenders will be undertaken by officers from the City Council, Acivico, the Employers Agent, and the HCA.

5.11 The indicative timescales for this project are as follows:

Cabinet approval	12 December 2017
Planning application submission	March 2018
Planning approval	June 2018
Issue Tender Documentation	June 2018
Tender return deadline	July 2018
Evaluation Period	August 2018
Contract Award	October 2018
Remediation planning application	November 2018
Remediation planning approval	April 2019
Start on site remediation	September 2019
Complete remediation	November 2020
Start on site housing	September 2020
First completed rented property	April - June 2021
First completed sale property	April – June 2021
Development complete	December 2025

6. Evaluation of alternative option(s):

- 6.1 The land could remain undeveloped as public open space; however this would leave an on-going maintenance liability to the HRA and not contribute to the housing growth required in Birmingham.
- 6.2 The remediation and housing development could be undertaken through separate contracts however, a housing developer is unlikely to accept the warranties provided by the remediation contractor.
- 6.3 To carry out the procurement for a housing developer and remediation contractor using an alternative process (e.g. Construction West Midlands framework) would be non-compliant with HCA funding conditions and therefore remove the opportunity for grant funding.
- 6.4 The option to dispose of the land on the open market would be unlikely to deliver a significant capital receipt (if any) due to the very substantial expenditure required to remediate the site.
- 6.5 The option to develop the site exclusively for sale has been considered; however, this option would not be consistent with Planning Policy and would only deliver a one-off capital receipt as opposed to an on-going revenue stream for the HRA. It is also unlikely that the HCA would fund the remediation works under this scenario.
- 6.6 The option to dispose of land to Housing Associations has been considered. This approach would produce a limited capital receipt for the Council and homes developed by Housing Associations would provide nomination rights at 100% on first letting and up to 75% thereafter. However, this option is discounted as the approved HRA Business Plan relies on a development programme of new general needs homes across its 30 year life. In December 2014 Cabinet approved the 5 year development programme for the BMHT new build scheme which included development of the Council homes at Yardley Brook. The development of new homes for rent and sale through BMHT will generate both capital receipts and a long term revenue stream.

7. Reasons for Decision(s):

- 7.1 The recommended approach will enable this challenging site to be brought forward for development and provide up to 273 new high quality homes to the City and also facilitate employment and skills opportunities and to enable the commencement of the procurement process for the scheme.
- 7.2 The development will provide an appropriate mix of house types and tenures that better meet the housing needs of Birmingham and contribute to housing growth.

Signatures:

Councillor Peter Griffiths
Cabinet Member for Housing and Homes

..... Dated:.....

Councillor Majid Mahmood
Cabinet Member for Commercialism, Commissioning, and Contract Management

.....Dated:.....

Waheed Nazir
Corporate Director, Economy

..... Dated:

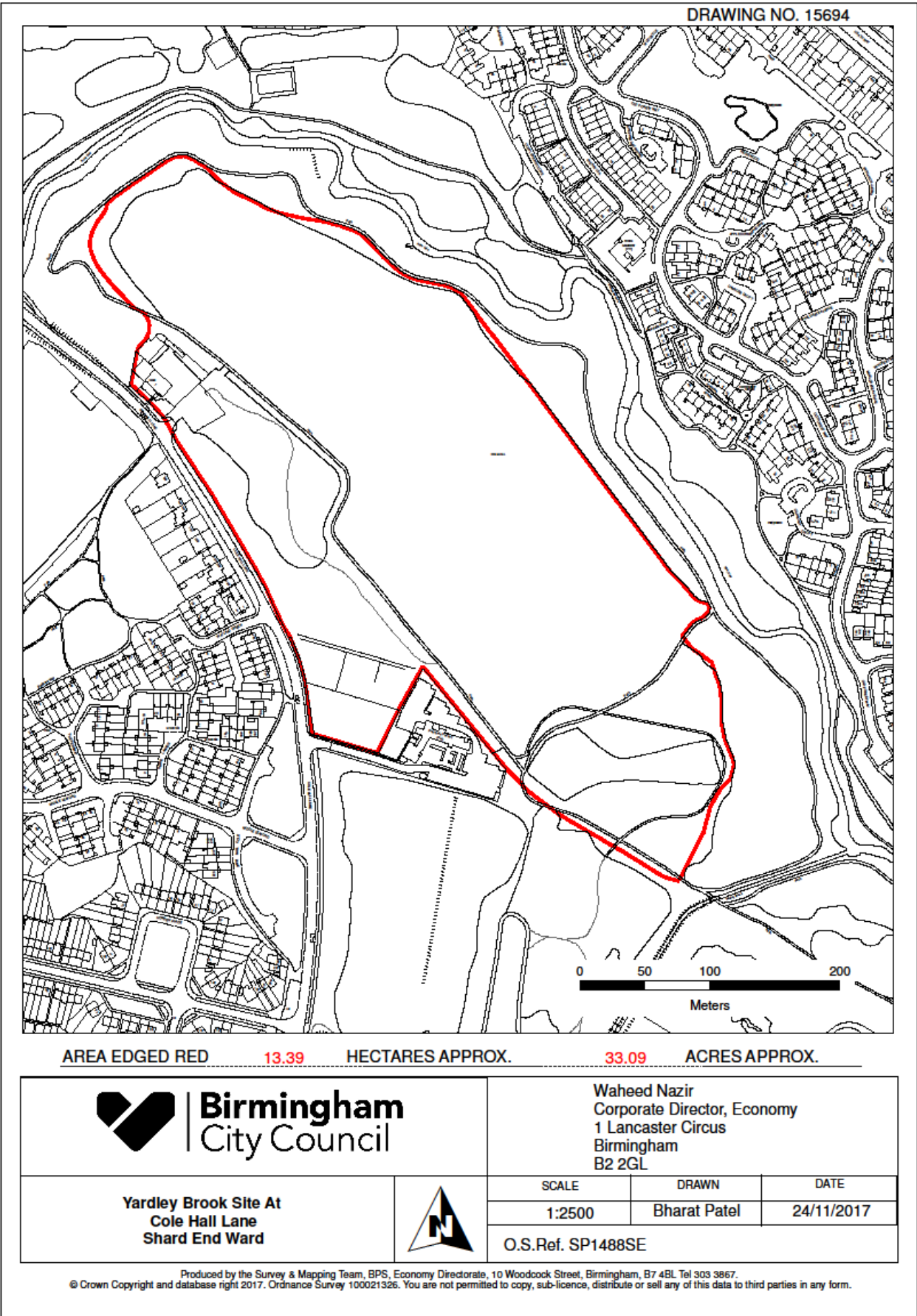
List of Background Documents used to compile this Report:

Birmingham Development Plan (adopted 10 January 2017)
Council Financial Plan 2017+
HRA Business Plan 2017+
BMHT 5 Year Delivery Plan 2015 – 2020 – Cabinet Report (December 2014)
Unlocking additional housing growth through the City Deal Public Asset Accelerator – Cabinet Report (October 2013)

List of Appendices accompanying this Report (if any):

1. Site Plan
2. Full Business Case
3. Equality Analysis
4. Risk Register
5. Stakeholder Analysis
6. Planning Context
7. Consultation Responses

APPENDIX 1 – SITE PLAN



APPENDIX 2 – FULL BUSINESS CASE

Full Business Case (FBC)			
1. General Information			
Directorate	Economy	Portfolio/Committee	Housing & Homes
Project Title	<i>Yardley Brook FBC for Remediation and Development</i>	Project Code	CA-02336-46-1CDO
Project Description	<p>In December 2014, Cabinet approved a five-year development programme of around 2,000 new homes as part of the council's commitment to delivering new homes across the city. The Housing Revenue Account Business Plan 2017+ is based upon the delivery of new council stock, replacing homes lost due to planned clearance and Right to Buy.</p> <p>This proposed development site (Yardley Brook) is part of the former Yardley sewage works which is located on Cole Hall Lane within the Cole Valley and is approximately 33 acres in size.</p> <p>Because of the considerable contamination, the site was left as public open space and became part of the greenbelt but is included in the Birmingham Development Plan (BDP) in order to remove it from the green belt and take forward development.</p> <p>Further to site investigations carried out by Acivico in previous years, the Homes and Communities Agency (HCA) has funded additional extensive site investigations on this site under the City Deal, Public Asset Accelerator fund arrangements to determine which remediation technique is the most appropriate for this site to enable housing development. The report from Celtic Technologies Ltd has concluded that the most effective and financially viable remediation solution is the relocation of the sewage sludge within the site. This is a technique which has been used successfully elsewhere in the UK and is more reliable than other techniques which rely on impermeable membranes or bio digestion.</p>		

	<p>The remediation of the site will be met through grant funding from the Homes and Communities Agency under the City Deal Public Asset Accelerator funding stream and funding from the WMCA.</p> <p>It is estimated that this approach will enable the site to provide up to 273 new homes.</p> <p>This report seeks approval for the remediation of the proposed development site and the development of up to 273 new homes for rent and sale and all associated infrastructure and POS requirements where possible.</p>		
Links to Corporate and Service Outcomes	<p>This project will make a direct contribution to both Corporate and Directorate outcomes, including the following:</p> <ul style="list-style-type: none"> • Children; new homes will be developed which will provide a safe, warm, sustainable and connected neighbourhood in which our children can thrive. • 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 up to 273 new homes for rent and sale. • 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. It is anticipated that up to 27 training / apprenticeships could be provided based on the contract sum. • 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. 		
Project Definition Document Approved by	<i>Cabinet</i>	Date of Approval	<i>8 December 2014(BMHT Delivery Plan 2015-2020)</i>
Benefits Quantification- Impact on Outcomes	Measure		Impact
	New homes built for affordable and social rent that will be made available to meet demand across the City.	143 properties will be built for social rent.	
	New homes for sale.	130 new homes will be built for sale.	

	Training and employment opportunities secured through the developments.	Up to 27 training /apprenticeship opportunities based on an assumption of £1m of contract value per full time apprenticeship.
	Improved public open space	3 acres of high quality POS with play facilities
	Potential relocation of Rugby Clubhouse	New sporting facility generating community and health benefits
	Land remediated and brought into use for housing development.	The remediation will enable up to 33 acres of undeveloped / under-utilised land to be used for new housing.
Project Deliverables	The project will deliver up to 143 new homes for social rent and 130 new homes for sale. It will also provide up to 27 training / apprenticeship opportunities, and bring up to 33 acres of land forward for housing development.	
Scope	<p>The project scope includes the following – some of which have already been achieved:</p> <ul style="list-style-type: none"> • The appropriation of the land to enable development (already completed). • The authority to proceed to remediation and development ensuring all consents are obtained from the appropriate stakeholders. • The appointment of a contractor to remediate the site and complete the housing development. • Financial and human resources to enable the development. • Working closely with the client during the duration of the contract up until the completion of the scheme to ensure all properties are built to standard and quality. 	
Scope exclusions	The project does not consider the detailed arrangements for the management or on-going maintenance of the Council housing once built, which will be dealt with under the existing arrangements for HRA dwellings.	
Dependencies on other projects or activities	<p>Key dependencies include:</p> <ul style="list-style-type: none"> • Confirmation of funding from the HCA/WMCA for remediation. • Completion of all legal agreements/ building contracts. • Obtaining all Planning consents. 	
Achievability	<p>Birmingham City Council is an award winning developer of mixed use residential housing developments through Birmingham Municipal Housing Trust (BMHT).</p> <p>BMHT was set up by the Council in 2009 to build new council homes. Since 2009, the BMHT has developed over 2500 new homes for rent and for sale. BMHT has a proven</p>	

	track record on delivery and established itself as the biggest house builder in Birmingham in 2015-2016 by completing 318 properties which is 20-25% of all new homes built each year in Birmingham.		
Project Manager	Andrew Hood, Development Manager, Economy Directorate. T: (0121) 303 7879. Andrew.hood@birmingham.gov.uk Shahid Iqbal, Development Project Manager, Economy Directorate, T: (0121) 303 6474, Shahid.s.iqbal@birmingham.gov.uk		
Budget Holder	Clive Skidmore, Head of Housing Development. T: 303 3341 clive.skidmore@birmingham.gov.uk		
Sponsor	Waheed Nazir Corporate Director, Economy waheed.nazir@birmingham.gov.uk		
Project Accountant	Nick Ward, Finance Manager, City Finance 464 4282) nick.ward@birmingham.gov.uk		
Project Board Members	Waheed Nazir Corporate Director, Economy waheed.nazir@birmingham.gov.uk John Jamieson, Head of Asset Management and Maintenance, 303 9420) john.jamieson@birmingham.gov.uk Clive Skidmore, Head of Housing Development. T: 303 3341 clive.skidmore@birmingham.gov.uk Tracey Radford, Head of Housing Management, T: 303 5683 tracey.radford@birmingham.gov.uk Guy Olivant, Head of City Finance T: 303 4752 guy.olivant@birmingham.gov.uk		
Head of City Finance (HoCF)	Guy Olivant, Head of City Finance - T: 303 4752 guy.olivant@birmingham.gov.uk	Date of HoCF Approval:	

Key Inputs			
Construction		Running Costs, etc.	
		Weekly rent	£89-£128
HCA/WMCA Grant -	£(8.60)m	Rent loss - voids / arrears	3.0%
Total Build Costs (including fees and pre contract costs, but excluding Infrastructure Costs)	£21.12m	Annual rent increase	-1.0% until 2019/20 then 3.0% ongoing
Other Costs (including Infrastructure, Land Remediation, Contribution to Rugby Club, POS and Commuted Sums)	11.80m	Management Costs	£955
RTB Activity	None	Repairs Costs	£662
Key Outputs		Capital Works (5-yearly)	£4,484
Revenue (Surplus) / Deficit after 30 years	£(16.41)m	Annual Cost Increase	2.0% (CPI 2.0%)

HRA Extract	2017/18	2018/19	2019/20	2020/21	2021/22	Total Year 0 to Year 30
	Year 1	Year 2	Year 3	Year 4	Year 5	
	£m	£m	£m	£m	£m	
Rental Income	0.00	0.00	0.00	(0.16)	(0.43)	(30.21)
Voids and arrears	0.00	0.00	0.00	0.00	0.01	0.91
Repairs and Maintenance	0.00	0.00	0.00	0.01	0.03	3.37
Management Costs	0.00	0.00	0.00	0.01	0.04	4.87
Cash-backed Depreciation	0.00	0.00	0.00	0.02	0.06	4.65
HRA Deficit / (Surplus) Contribution	0.00	0.00	0.00	(0.12)	(0.29)	(16.41)
Revenue contributions from wider HRA	0.00	0.00	0.00	(1.30)	(9.29)	(10.59)
Net HRA Impact (Surplus)/Contribution	0.00	0.00	0.00	1.18	9.00	(5.82)

Capital Account	2017/18	2018/19	2019/20	2020/21	Later Years	Total Year 0 to Year 30
	Year 1	Year 2	Year 3	Year 4		
	£m	£m	£m	£m		
Pre Contract Costs	0.31	0.00	0.00	0.00	0.00	0.31
Build Costs (including Remediation and Fees)	0.00	0.00	6.27	5.52	17.62	29.41
Other Costs (including Infrastructure / Contribution to Rugby Club / POS and associated commuted sum)	0.05	0.18	0.14	0.70	2.13	3.20
Total Development Costs	0.36	0.18	6.41	6.22	19.75	32.92
Capital Investment / Renewals ¹	0.00	0.00	0.00	0.00	0.77	4.65
Total Costs	0.36	0.18	6.41	6.22	20.52	37.57
Grant Contributions (HCA / WMCA)	0.00	0.00	(6.16)	(2.30)	(0.14)	(8.60)
Receipts from property sales	0.00	0.00	0.00	0.00	(4.42)	(4.42)
Revenue contributions from wider HRA	0.00	0.00	0.00	(1.30)	(9.29)	(10.59)
Other Capital Financing (RTB 1-4-1 / Affordable Housing S106 / General RTB receipts)	(0.36)	(0.18)	(0.25)	(2.62)	(5.90)	(9.31)
Cyclical Maintenance Reserve Release	0.00	0.00	0.00	0.00	(0.77)	(4.65)
Total Capital Income	(0.36)	(0.18)	(6.41)	(6.22)	(20.52)	(37.57)
Capital Account (Surplus) / Deficit	0.00	0.00	0.00	0.00	0.00	0.00

Balance Sheet Extract	2017/18	2018/19	2019/20	2020/21	2021/22	2046/47
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 30
	£m	£m	£m	£m	£m	£m
Land & Buildings	0.00	0.00	0.00	2.78	8.50	40.01
Cyclical Investment Reserve	0.00	0.00	0.00	0.02	0.08	1.11
Capital Reserve	0.00	0.00	0.00	(2.80)	(8.58)	(41.12)
Net	0.00	0.00	0.00	0.00	0.00	0.00

Properties	2017/18	2018/19	2019/20	2020/21	Later Years	Total Year 0 to Year 30
	Year 1	Year 2	Year 3	Year 4		
Social Rent Properties	0	0	0	20	123	143
Sale Properties	0	0	0	0	130	130
Total Properties	0	0	0	20	253	273

Note:

1. Formal approval to the ongoing capital investment / renewals programme (at a total value of £4.65 million over the coming 30 years) will be sought in due course as a part of the overall HRA capital programme as details of elemental investment needs emerge over time.

3. Checklist of Documents Supporting the FBC		
Item	Mandatory attachment	Number attached
Financial Case and Plan		
<ul style="list-style-type: none"> Detailed workings in support of the above Budget Summary (as necessary) 	Mandatory	Included in FBC
<ul style="list-style-type: none"> Statement of required resource (people, equipment, accommodation) – append a spreadsheet or other document 	Mandatory	Included in FBC
<ul style="list-style-type: none"> Whole Lifecycle Costing analysis (as necessary) 	Mandatory	Included in FBC
<ul style="list-style-type: none"> Milestone Dates/ Project Critical Path (set up in Voyager or attached in a spreadsheet) 	Mandatory	Included in FBC
<ul style="list-style-type: none"> 		
Project Development products		
<ul style="list-style-type: none"> Populated Issues and Risks register 	Mandatory	Appendix 4
<ul style="list-style-type: none"> Stakeholder Analysis 	Mandatory	Appendix 5
<ul style="list-style-type: none"> Site Plan 		Appendix 1
<ul style="list-style-type: none"> Equalities Assessment 		Appendix 3



Equality Analysis

Birmingham City Council Analysis Report

EA Name Yardley Brook Development

Directorate Economy

Service Area Economy - P&R Planning And Development

Type New/Proposed Function

EA Summary This EA will look at the proposed major housing development on part of the former sewage works in the Shard End Ward of Birmingham, as per the BCC Cabinet Report and FBC for the same development.

Reference Number EA001885

Task Group Manager shahid.s.iqbal@birmingham.gov.uk

Task Group Member

Date Approved 2017-02-28 00:00:00 +0000

Senior Officer andrew.hood@birmingham.gov.uk

Quality Control Officer richard.woodland@birmingham.gov.uk

Introduction

The report records the information that has been submitted for this equality analysis in the following format.

Initial Assessment

This section identifies the purpose of the Policy and which types of individual it affects. It also identifies which equality strands are affected by either a positive or negative differential impact.

Relevant Protected Characteristics

For each of the identified relevant protected characteristics there are three sections which will have been completed.

Impact

Consultation

Additional Work

If the assessment has raised any issues to be addressed there will also be an action planning section.

The following pages record the answers to the assessment questions with optional comments included by the assessor to clarify or explain any of the answers given or relevant issues.

1 Activity Type

The activity has been identified as a New/Proposed Function.

2 Initial Assessment

2.1 Purpose and Link to Strategic Themes

What is the purpose of this Function and expected outcomes?

The purpose of the function is to develop 33 acres of part of a former sewage works in the Shard End Ward of Birmingham. The sewage works site discontinued over 40 years ago and the site was put into greenbelt. The site was identified for housing development in the Birmingham Plan and the Birmingham Plan was adopted by BCC in January 2017.

It is a heavily contaminated site that will require significant remediation to allow housing development, however, with grant funding support from the Homes and Communities Agency towards the remediation, it is possible to build up to 273 new homes (140 for social rent and 133 for sale) on the site. This will not only contribute to the housing needs of the City, but will also create employment and training opportunities during the several years of the build out of the development. The site will be developed by the Birmingham Municipal Housing Trust (BMHT).

For each strategy, please decide whether it is going to be significantly aided by the Function.

Children: A Safe and Secure City In Which To Learn And Grow. Yes.

Health: Helping People Become More Physically Active And Well. Yes.

Housing: To Meet The Needs Of All Current And Future Citizens. Yes.

The development will provide a mixed typology of homes for rent and sale which will include a range of 2, 3, and 4, bedroom homes. All homes are built to lifetime homes standard, built with key fuel poverty reducing features in line with the code for sustainable homes, and are built to secured by design status.

Jobs and Skills: For an Enterprising, Innovative and Green City Yes

There is a mandatory requirement for all contracts to comply with BBC4SR. Tenderers will submit an action plan with their tender that supports the local economy and creates much needed jobs, including the development of apprenticeship schemes relevant to the development of housing within their tender. Successful tenderers will be monitored during the contract period to ensure compliance.

2.2 Individuals affected by the policy

Will the policy have an impact on service users/stakeholders? Yes.

A number of stakeholders have been consulted. This included the Ward Members for Shard End Ward who are fully supportive of the proposal for new housing on the site. Public consultation was undertaken as part of the Birmingham Development Plan which included this site and there was no concern raised by the local community. Further consultation will be undertaken as the scheme develops.

Will the policy have an impact on employees? No.

Will the policy have an impact on wider community? Yes.

Public consultation was undertaken as part of the Birmingham Plan which included the former sewage works site and there was no concern raised by the local community. Further consultation will be undertaken as the scheme develops.

2.3 Relevance Test

Protected Characteristics Relevant Full Assessment Required

Age. Not Relevant No

Disability. Not Relevant No
Gender. Not Relevant No
Gender Reassignment. Not Relevant No
Marriage Civil Partnership. Not Relevant No
Pregnancy And Maternity. Not Relevant No
Race Not Relevant. No
Religion or Belief. Not Relevant No
Sexual Orientation. Not Relevant No

2.4 Analysis on Initial Assessment

The development of up to 273 new homes through BMHT on part of the former sewage works in Shard End Ward will provide a number of positive opportunities for residents of Birmingham.

There are currently around 20,000 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 BMHT banner has revealed the extent of this problem, many families being allocated from accommodation that was too small for their needs.

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.

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.

The new 2, 3, and 4 bedroom housing will cater for those that want to either downsize to smaller accommodation or move to larger housing and their needs change. The new housing will be built to lifetime homes standards so this should provide long term sustainability for those that are successful in applying for the new council housing. Furthermore, the energy efficiency measures and secured by design elements will not only help to reduce fuel poverty, but will also provide the safety and security and peace of mind for occupiers.

The market sale homes will also provide the elements listed above as well as providing a wide choice for those looking to get onto the property ladder. On completion of the development, the new Council housing be advertised in line with the Council's allocation policy allowing all residents the opportunity to bid for the new housing, therefore, ensuring the widest possible coverage.

As stated earlier, the successful developer will be contractually obliged to provide a set number of employment and training opportunities which will be built into the development contract which will provide life changing opportunities for residents of Birmingham.

The wider benefits to the community will include a much better use of what is currently a significantly under used piece of land, and as part of the final design solution, play facilities or equivalent will be provided as part of the development for the benefit of the wider community.

Following this initial assessment, the development will provide many positive opportunities to all of the protected characteristic groups as highlighted above, and therefore, a full assessment is not required.

3 Full Assessment

The assessment questions below are completed for all characteristics identified for full assessment in the initial assessment phase.

3 Concluding Statement on Full Assessment

Following this initial assessment, the development will provide many positive opportunities to all of the protected characteristic groups and therefore, a full assessment is not required.

4 Review Date

03/04/17

5 Action Plan

There are no relevant issues, so no action plans are currently required.

APPENDIX 4 - Risk Register

Description of Risk	Impact	Probability	Score	Mitigation Measures	Adjusted risk	Risk Owner
Difficulty in appointing a Housing Developer / remediation contractor.	4	3	12	Soft market testing has already been undertaken and received positive feedback. The Council has experience of procuring and successfully delivering housing development schemes through the HCA's DPP framework contract.	4	Project Officer / Employer's agent
Costs exceed approval levels / resources available	4	3	12	Robust project monitoring will be undertaken throughout to keep spend in line with approvals.	6	Project Officer / Employer's agent
Remediation of the site to a suitable end standard not achieved.	4	4	16	Comprehensive tests have been conducted to find suitable remediation methodology to remediate the site.	4	Project Officer / Employer's agent / developer
Planning permissions not obtained.	4	3	12	Planning has been engaged early on and is supportive of housing development on the site.	4	Project Officer / Employer's agent / Planning officer
Infrastructure and other costs are estimates.	4	2	8	Work closely with highways and use costs from other schemes.	4	Project officer / Highways
HCA/WMCA Funding not coming forward for this project.	4	3	12	HCA and BCC working jointly to ensure report are running side by side.	4	HCA / Project Officer
Local community objections.	4	2	8	The site was publicised as part of the city wide BDP and no objections were received.	4	Project officer / developer

Rugby Club not able to secure funding sources to facilitate re-location	2	3	6	Council will make grant available to assist relocation. The scheme can proceed regardless of whether or not the relocation occurs.	4	Project Officer
IMPACT	Probability		SCORE			
1 - Insignificant	1 - Unlikely		1 - 4			
2 - Minor	2 - Possible		5 - 8			
3 - Moderate	3 - Likely		9 -12			
4 - Major	4 – Almost Certain		13 -16			

APPENDIX 5 - Stakeholder Analysis

Stakeholder	Stake in project	Potential impact on project	What does the project expect from the stakeholder	Perceived attitudes and/or risks	Stakeholder management strategy	Responsible
Elected Members	Link with local residents	High	Consultation with community and support for the project	Objections from local residents	Provide information and keep informed	Client officers and project manager
Project officer team	Design, delivery and responsibility for project	High	Design to meet the requirements. Expertise in delivery. Project management.	Unforeseen delays Unforeseen costs	Co-ordinate team and contractor	Client officers and project manager
Contractors	Construction work / delivery	High	Works to be completed to the client brief and delivered on time and in budget.	Sub-standard work Delays on site due to inclement weather or sub-contractors not being available and unforeseen ground conditions	Contractors have pre-qualified on a Government framework. Specialist contractors will be closely monitored and obligated contractually.	Project manager and quantity surveyor
Rugby Club	Leaseholder on site	Low	Relocation subject to funding	Objections	Joint dialogue and close working	Project manager
Local Community	Impact on local area / quality of life	Medium	Progress updates and ensuring minimal disruption to everyday life	Objections and / or complaints during construction / delivery	Provide regular information and updates access to site manager as appropriate	Project manager and developer

APPENDIX 6 Planning Context

PLANNING AND POLICY CONTEXT

The Birmingham Plan (Adopted 10 January 2017)

Yardley Brook is covered by Policy GA8 – Eastern Triangle. It is proposed that the Eastern Triangle will deliver regeneration and growth for around 1000 new homes. This will be across a number of locations offering a range of housing types. The potential for the redevelopment of further unsuitable housing stock as well as the more efficient and effective use of existing land and buildings where practical and particularly at locations that are close to local centres, accessible by public transport and on or close to main transport corridors will be explored.

The development is expected to provide high quality new housing environment that will ensure wider housing choice within the Shard End area in line with the principles in Policy TP27. This will include broader housing opportunities and associated community facilities.

National Planning Policy Framework (NPPF) (2012)

The NPPF promotes sustainable growth and development, seeking positive improvements in the quality of the built environment including the improvement of conditions in which people live, work, travel and take leisure.

The Framework recognises the importance of town centres and how local authorities should consider policies that address management and growth.

The Framework also aims to significantly boost the supply of housing – and guidance is provided in achieving a wide choice of high quality homes and the creation of sustainable, inclusive and mixed communities.

The NPPF also promotes healthy communities, which includes recognising the importance of open space and playing fields. Any proposed development of open space or playing fields should only be undertaken if an assessment has been undertaken that shows the land to be surplus.

Appendix 7 - Consultation Responses

Stakeholder	Ward	Site / Scheme	Response to consultation
Cllr Ian Ward	Shard End Ward Leader Birmingham City Council	Yardley Brook Development	Fully supportive of this development during briefing at Council House. <ul style="list-style-type: none">• Raised general points about the different elements of the remediation and development, including highway, Rugby club, infrastructure, links to wider area, etc. which have all been responded to.
Cllr Marge Bridle	Shard End Ward	Yardley Brook Development	I am supportive.
Councillor John Cotton	Shard End Ward	Yardley Brook Development	Supportive of the scheme. <ul style="list-style-type: none">• Raised a number of questions regarding, the remediation, the Rugby club, training / employment, mix of housing, maintenance issues, which have all been responded to.
Councillor Uzma Ahmed	Hodge Hill District Chair	Yardley Brook Development	No comments received.
RT Hon Liam Byrne MP	MP for Hodge Hill constituency	Yardley Brook Development	No comments received.
Environment Agency	Statutory Consultee	Yardley Brook Development	In principle support. Consultation on-going as part of the Environmental Impact Statement for the site, including, Natural England, Historic England, and Birmingham City Council.