

**BIRMINGHAM CITY COUNCIL
PUBLIC REPORT**

Report to:	CABINET
Report of:	CORPORATE DIRECTOR, ECONOMY
Date of Decision:	9 OCTOBER 2018
SUBJECT:	DRUIDS HEATH REGENERATION
Key Decision: Yes	Relevant Forward Plan Ref: 005300/2018
If not in the Forward Plan: (please "X" box)	Chief Executive approved <input type="checkbox"/>
	O&S Chair approved <input type="checkbox"/>
Relevant Cabinet Member(s) or Relevant Executive Member:	Councillor Ian Ward – Leader, Councillor Sharon Thompson – Homes and Neighbourhoods, Councillor Waseem Zaffar – Transport and Environment Councillor Brett O'Reilly – Finance and Resources Councillor Sir Albert Bore – Resources; Councillor Liz Clements – Sustainability and Transport; Councillor Penny Holbrook – Housing and Neighbourhoods; Councillor Tahir Ali – Economy and Skills
Relevant O&S Chair:	
Wards affected:	Druids Heath and Monyhull

1. Purpose of report:

- 1.1 To inform Cabinet of an opportunity to lead a regeneration programme for the redevelopment of areas within Druids Heath. This will provide new mixed tenure housing, improvements to infrastructure, improvements to public open space and new opportunities for employment.
- 1.2 To seek Cabinet approval to the Full Business Case for the Druids Heath regeneration scheme, for site assembly and procurement processes necessary to drive the project forward as outlined in Appendix 1.
- 1.3 To seek approval to develop new housing on approximately 7 Hectares (18 acres) of land as shown edged black on the plan at Appendix 2 to this report
- 1.4 To seek approval for the appropriation of 2 pieces of land one measuring 2.08 hectares (5.13 acres) and a second piece 0.56 hectares (1.4 acres), as shown in appendix 3 and 4, of General Fund land into the Housing Revenue Account (HRA) in order to facilitate the development of new housing provision within Birmingham.

2. Decision(s) recommended:

That Cabinet :-

- 2.1 Approves the Full Business Case for a redevelopment scheme at Druids Heath as set out in Appendix 1 of this report;
- 2.2 Authorises the cessation of lettings, the rehousing of tenants and the serving of initial and final demolition notices for properties within the area single hatched black on the plan at Appendix 2, in accordance with Schedule 5A of the Housing Act 1985. This includes the following high rise tower blocks: Saxelby House, Barratts House, Kingswood House, Hillcroft House and Brookpiece House.
- 2.3 Authorises the Assistant Director of Property to pay statutory and discretionary Home Loss payments and negotiate disturbance compensation to qualifying tenants as listed in Appendix 5
- 2.4 Approves, subject to the consent of the Secretary of State for Education, the appropriation of 2.08 hectares (5.13 acres) of General Fund land held for school land under the Education Act 1996 as shown on the plans at appendix 3 to the Housing Revenue Account 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 educational function.
- 2.5 Approves the appropriation of 0.56 hectares (1.4 acres) of General Fund land, held within the Place Directorate (current public open space land under the open spaces Act 1906) shown on the plan at Appendix 4 to the Housing Revenue Account.

- 2.6 Approves the commencement of the procurement activity as set out in Appendix 6 by Acivico Ltd for the demolition of the former Baverstock School site and the following High Rise blocks Saxelby House, Barratts House, Kingswood House, Hillcroft House and Brookpiece House along with any other buildings that may be required within the boundary shown edged black on the plans in Appendix 2 and delegates the award of the subsequent contract to the Corporate Director, Economy, the Director of Commissioning and Procurement, the Corporate Director of Finance and Governance (or their delegate) and the City Solicitor (or their delegate)
- 2.7 Authorises the Assistant Director of Property to follow the procedure required under section 122(2A) and 122(3A) (as required) of the Local Government Act 1972 for placing of advertisements and consideration of objections in respect of appropriation and disposal of any open space shown in grey and labelled as development land on the plan at Appendix 2;
- 2.8 Delegates to the Assistant Director- Property the power to amend or vary the development boundaries of the Druids Heath site by 10%.
- 2.9 Authorises the Head of Landscape and Development to progress the retained public open space to detailed design stage to support the redevelopment of Druids Heath and to carry out the procurement activity to award a contract for the open space works using the Council's Landscape Construction Framework.
- 2.10 Approves the commencement of the procurement activity for the development of Druids Heath regeneration scheme using the Homes England Developer Partner Panel 3 Framework Agreement as set out in Appendix 6 and delegates the award of the subsequent contract(s) under the framework to the Corporate Director, Economy, the Director of Commissioning and Procurement, the Corporate Director of Finance and Governance (or their delegate) and the City Solicitor (or their delegate).
- 2.11 Approves the commencement of the procurement activity for the appointment of the Employers Agent as set out in Appendix 6 and delegates the award of the subsequent contract(s) under the framework to the Corporate Director, Economy, the Director of Commissioning and Procurement, the Corporate Director of Finance and Governance (or their delegate) and the City Solicitor (or their delegate).
- 2.12 Authorises the Assistant Director Transportation and Connectivity to develop the highway proposals required to deliver the Druids Heath regeneration scheme and progress the preferred option to detailed design.
- 2.13 Authorises appropriate agreements or exercise powers under the Highways Act 1980 (including but not limited to section 38 and section 278 agreements (if required) and submit applications under section 247 of the Town and Country Planning Act 1990 to stop up highway as well as make appropriate Traffic Regulation Orders under Section 1 of the Road Traffic Regulation Act 1984 as are necessary to deliver the Druids Heath regeneration scheme;
- 2.14 Authorises the City Solicitor to negotiate, execute and complete all necessary documentation to give effect to the recommendations in this report, including the execution and completion of all appropriate way leaves and easements and highway agreements required for the development of Druids Heath
- 2.15 Notes that a further report including an update on phase 1 will be presented in due course seeking approval to phase 2 of the Druids Heath regeneration
- 2.16 Authorises the Corporate Director, Economy to seek consent from the Secretary of State under Section 174 of the Localism Act 2011 to exclude the new properties to be constructed from Right to Buy pooling requirements, to ensure that any capital receipts generated from the sale of homes under the Right to Buy are retained by the Council.
- 2.17 Authorises the Corporate Director, Economy to apply for and accept any external funding associated with the Druids Heath scheme to help support the delivery of this programme (subject to satisfactory approval of any associated funding conditions).

Lead Contact Officer

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3. Consultation

3.1 Internal

The Ward Member for Druids Heath and Monyhull Ward has been consulted on the overall proposals for the regeneration of Druids Heath, please see comments received in appendix 7

- 3.1.1 Officers in Legal Services, Finance, Economy, Procurement, Transportation and Connectivity and Place Directorate have been involved in the preparation of this report. The Corporate Director of Children and Young People and the Corporate Director of Place have been consulted and support the appropriation recommendation in this report

3.2 External

In January/February 2017, a public consultation survey was sent out to all residents/businesses in the Druids Heath regeneration area. This sought views on what people thought of the area as a place to live/work and what residents considered to be the main strengths and weaknesses. This identified a real mix of both positive and negative impressions of the area. Strengths were identified as being transport, accessibility and open space. Weaknesses were identified as being an unattractive area, lack of job opportunities and feeling unsafe.

Further consultation with the local community started in November 2017 and completed in February 2018. This included 3 indicative options for the regeneration of Druids Heath which included varying degrees of rehousing, demolition and new build. The area covered approximately 1800 households. The methods used were as follows. Questionnaires were sent in the post with a prepaid envelope. Residents were able to access the consultation information on the Be Heard website. Four consultation sessions in the local community centre where residents were able to discuss the proposals, fill in questionnaires with Council Officers and ask questions. Fly through' video imagery was also available at these sessions so that residents could see a 'before' and 'after' impression of the proposed changes including the significant impact on the area that would result from redevelopment of the tower block sites and Baverstock School site. The sessions were staffed by BCC Officers, and representatives from the appointed consultant team. In addition, an independent organisation was appointed to undertake door to door visits and support with filling in questionnaires working in the afternoons and weekends.

The overall response rate to the consultation was 28%. Option A, which has the least level of rehousing and demolition and focuses on the rehousing of the High Rise Tower Blocks and possible development land, building houses on the previous Baverstock School site, was the most popular redevelopment option with support from 45% of respondents, followed by option C with 40%. Option B was the least preferred with 13% of respondents choosing this option.

4. Compliance Issues:

4.1 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 Council. The development of new affordable housing within the City is in accordance with the objectives of the Council Plan and Budget 2018+. The proposals also contribute to the delivery of the Council's core vision and priorities in the Council's Vision and Forward Plan 2017+ of:
- 4.1.2 **Birmingham is a great city to live in:** This scheme will provide new housing for council rent and for sale and improve existing public open spaces.
- 4.1.3 **Birmingham is an entrepreneurial city to learn and work and invest** 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.
- 4.1.4 **Birmingham is an aspirational city to grow up in;** new homes will be developed which will provide a safe, warm, sustainable and connected neighbourhood in which our children can

thrive.

- 4.1.5 **Birmingham is a fulfilling city to age well in:** the links between health and housing are well recognized. 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.

4.1.7 Birmingham Business Charter for Social Responsibility (BBC4SR)

Development of Druids Heath Regeneration Scheme

Compliance with the BBC4SR is a mandatory requirement that will form part of the conditions of these contracts. Tenderers will be required to submit an action plan with their tender that will be evaluated in accordance with procurement strategy set out in Appendix 6 and the action plan of the successful tenderers will be implemented and monitored during the contract period. In addition, in recognition of the Council's policy to support sheltered workshops and its commitment to promote such firms who employ People with Disabilities, the tender invitation will include a requirement for contractors to seek a competitive quotation from Shelforce for the supply of windows and doors. Whilst this does not mandate contractors to use Shelforce, it will ensure they have the opportunity to price for these opportunities.

The benefits will include, as a minimum:

- An estimated 49 people will benefit from apprenticeships and local work placements and training opportunities
- Mentoring support to local colleges
- Engagement with local schools and community groups to provide information about the construction industry
- Provision of support to the local community e.g. litter picking
- Payment of the Birmingham Living Wage in accordance with the policy

4.1.8 Demolition of the Former Baverstock School Site

The value of this contract is below the threshold for the BBC4SR. However the requirements of the Birmingham Living Wage will apply in accordance with the policy.

4.1.9 Landscaping of Public Realm

The value of this contract is below the threshold for the BBC4SR. However the requirements of the Birmingham Living Wage will apply in accordance with the policy.

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 HRA and General Fund results in a transfer of borrowing between the HRA 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 HRA is estimated to be £3.8m. Of which £3.1m for the appropriation of the previous Baverstock School site and £0.7m is for the appropriation of the leisure land. 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 HRA of approximately £0.1m 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 The appropriation of the leisure land will contribute to the disposal of under-utilised public open space savings target, saving an estimated £28,000 per annum.
- 4.2.5 The total estimated cost of site assembly is £6.5m. This cost comprises a capital cost of £6.1m, including the payment of home loss and disturbance payments to tenants and the demolition of the tower blocks and the school, funded from HRA revenue contributions; and revenue costs of £0.4m in relation to securing properties, funded from HRA rent income.
- 4.2.6 The estimated site assembly costs for the five tower blocks is £5.8m, included in the £6.5m total identified above, which is a reduction of £10.5m compared to the Druids Heath site assembly costs included in the Clearance report approved in February 2017. This reduction is due primarily to changes in numbers of properties affected by the proposals. If further site assembly is approved on a future phase at Druids Heath this will reduce the variation.
- 4.2.7 The estimated total cost of the proposed development is £43.3m. The total capital cost is £43.1m, which will be funded from HRA revenue contributions, BMHT sales receipts, Right to Buy (RtB) One-for-One receipts, RtB general receipts, Affordable Housing Section 106 income and any grant income that might be secured on these schemes, although none is assumed at this point. The revenue cost is £0.2m, which will be funded from HRA rent income within the existing HRA Business Plan. The FBC document for these developments is included in Appendix 1 and includes further details of the funding of these schemes.
- 4.2.8 The future running costs of the properties and areas of public realm retained within the scheme will be met from ongoing rental income to be derived from the new build properties. This will result in an overall net revenue surplus to the HRA as a result of these proposals of £5.0m over 30 years.
- 4.2.9 The financial viability of the proposals 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). Rents will then revert to the Consumer Price Index (CPI)+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 HRA will be needed to ensure that the scheme breaks even.
- 4.2.10 The new Council rented homes will be subject to the Right to Buy cost floor regulations, which mean that for the first 15 years following the completion of the new homes, any tenant purchasing their Council property through Right to Buy will be obliged to pay the Council full construction cost of the property, irrespective of any discount to which they may be entitled under the Right to Buy legislation.
- 4.2.11 All homes have been designed in-house by the BMHT team, guaranteeing the best possible design both internally and externally. Careful consideration is given to neighbourhood services including waste storage and collection, with internal consultation being undertaken to consider appropriate size of bins, impact on collection rounds and any cost implications ahead of approving any planning applications. Dedicated and secure areas are shown on planning applications for both general waste and recycling bins in rear gardens with no household having to bring their bins through the main dwelling.
- 4.2.12 Where new highway is required to enable these sites to be redeveloped to support the housing construction described in this report then such development costs and ongoing maintenance costs will be met by the HRA. 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 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 and any disposal of the school sites in accordance with Section 6 Part 1 of Schedule 1 of the Academies Act 2010.
- 4.3.4 The Council has powers to dispose of land under Section 32 of the Housing Act 1984 and Section 123 Local Government Act 1972
- 4.3.5 The Highways Act 1980 sets out the relevant powers for changes to existing highways and the adoption of new roads. The Road Traffic Regulation Act 1984 contains the powers to make appropriate Traffic Regulation Orders and Section 247 of the Town and Country Planning Act 1990 to stop up highway.
- 4.3.6 Section 111 of the Local Government Act 1972 confers power on the Council to do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to the discharge of any of its functions.

4.4 **Public Sector Equality Duty**

- 4.4.1 A copy of the Equality Act 2010 – Public Sector Duty statement is included at the end of this report. There are currently around 10,486 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. There is also a requirement for 3 bedroom properties within the Druids Heath area.
- 4.4.3 The initial Equalities Assessment reveals that there is no requirement for a Level 2 equality assessment because although Druids Heath Regeneration will impact on the community that live there, there is no differential impact as there are existing policies in place within the function areas. For the demolition process the contract documents comply with Standing Orders and Equal Opportunity requirements, the new build programmes comply with the existing procurement regulations. Rehousing will be undertaken in line with the current allocations policy. A Level 1 equality assessment is appended at Appendix 8

5. Relevant background/chronology of key events:

- 5.1 On the 17 May 2016, Cabinet approved the Druids Heath Investment Options Strategy report, which provided funding from Homes England to procure a consultant team to prepare a housing master plan for the area. In November 2016 this funding supported the appointment of a consultant team, who worked with the City and developed 3 options for the area. The baseline review work involved land use and design analysis, assessment of housing stock, landscape, transport, utilities, ecology, flood risk and land quality analysis. This work also included the financial viability of the options.
- 5.1.1 On the 14 February 2017 Cabinet approved the 7 Year Housing Clearance Programme for the period from 2017/18 to 2023/24. This included approval for the clearance of 6 high rise tower blocks in Druids Heath, only one of these, Heath House, was identified in the report. This report now presented to Cabinet seeks approval for the clearance of 5 other high rise blocks namely. Saxelby House, Barratts House, Kingswood House, Hillcroft House and Brookpiece House.
- 5.1.2 The consultant team, working with Birmingham City Council, developed the following three options:
Option A – This option has the least level of rehousing and demolition and focuses on the rehousing of the High Rise Tower Blocks and possible development land in the area, including the Baverstock School site.
Option B – This option includes the same properties as option A and expands the proposed clearance to include an additional 58 more properties within the East of Druids Heath.
Option C – This option includes the same properties as option B and includes an additional 151 properties for rehousing and demolition in Druids Heath South.
- 5.1.3 Consultation was undertaken on all three options, the option preferred by the local community was Option A, which focuses on the rehousing of the tower blocks and possible development land including the previous Baverstock school site.
- 5.1.4 The consultation also included the following high rise blocks, Harrison House, Parker House and Middlefield House. However consultation comments from residents of Harrison House, which mainly houses older residents, was mixed with people preferring to stay in the block, together with this and considering the proximity of the other tower blocks it is proposed that these 3 blocks will be refurbished. The Asset Management and Maintenance Division will carry out these works in conjunction with the overall estate redevelopment timetable.
- 5.1.5 Option A will be carried out in 2 phases, this report as set out in the Full Business Case and recommendation 2.1, is seeking approval for the first phase in the east of Druids Heath (and one high rise from the south) and includes the rehousing from and subsequent demolition of 5 high rise tower blocks, which is 250 flats. There will be 250 replacement new homes in Druids Heath, to be split between 150 homes for affordable/social rent and 100 properties for sale. Appendix 2 shows the areas of development land which comprises approximately 18 acres of land. This first phase of development is anticipated to take approximately 7 years to complete, after which a further approval for the second phase in the south, of Druids Heath will be sought.
- 5.1.6 This scheme will be delivered through the Birmingham Municipal Housing Trust for the new build programme. The new build programme will include new infrastructure, where possible improvements will be made to cycling and walking pathways. The three high rise blocks to be refurbished will be undertaken through existing contracts for Housing Repairs, Maintenance and Capital Investment. Appendix 9 shows the risk assessment and 10 shows the stakeholder plan
- 5.1.7 In addition to the capital investment, Birmingham City Council housing management are currently scoping out the needs of the area and determining the best social intervention that could be implemented within the area

- 5.1.8 The regeneration of the area also provides the Place Directorate an opportunity to realign and integrate services to support the regeneration and to ensure that services delivered are focused on the needs of the residents. Officers from the Place Directorate will lead on this aspect of work.

5.2 Procurement Strategy

- 5.2.1 The procurement strategy is set out within the report in Appendix 6

Evaluation of alternative option(s):

- 6.1 Three options were considered by the City:

Option 1 – do nothing in the Druids Heath area, this option was discounted as doing nothing would not provide any regeneration benefits for the area, in addition there are properties in the area that require greater levels of investment than the rental income and doing nothing would continue to put financial pressure on the HRA.

Option 2 – Build new homes on the cleared land only in the area, this option was discounted because while it does provide some regeneration benefits it missed the opportunity for a wider regeneration programme in the area.

Option 3 – This option includes the rehousing and subsequent demolition of 5 High Rise Blocks(250 flats) in Druids Heath. Building on development land in close proximity and appropriating 2.08 hectares of land for new build. This is the preferred option as it provides wider regeneration benefits with the new build of 250 new homes, improvements to public open spaces and infrastructure and opportunities for apprenticeships within the area.

7. Reasons for Decision(s):

- 7.1 The recommendation is to take forward Option 3. The properties proposed for clearance in this report will remove properties from the HRA which are financially unviable.
- 7.2 Clearance of these properties will improve the development potential of land that can be developed for new, higher quality family homes that better meet the current and future housing needs of the citizens of Birmingham and contribute to the creation of sustainable communities.
- 7.3 The construction of new homes facilitates local employment opportunities and will inject much needed stimulus into the local economy and improves the lives for citizens of Birmingham
- 7.4 To achieve the key City Council objective of providing development land to support housing growth for Birmingham.

Signatures

Date

Councillor Ian Ward
Leader

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Councillor Waseem Zaffar
Cabinet Member for Transport and
Environment

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Councillor Brett O'Reilly
Cabinet Member for Finance and Resources

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Councillor Sharon Thompson
Cabinet Member for Homes and
Neighbourhoods

Waheed Nazir
Corporate Director, Economy

List of Background Documents used to compile this Report:

1. Druids Heath Investment Options Strategy – Cabinet 17th May 2016
2. Housing Clearance Report Cabinet 14th February 2017
3. Druids Heath : Housing Masterplan & Options

List of Appendices accompanying this Report (if any):

1. Appendix 1 – Full Business Case
2. Appendix 2 – Plan of the Area
3. Appendix 3 - Education site to be appropriated for Housing
4. Appendix 4 – Leisure land to be appropriated
5. Appendix 5 – Schedule of properties
6. Appendix 6 – Procurement Strategy
7. Appendix 7 – Comments received from Ward Member for Druids Heath and Monyhull Ward
8. Appendix 8 – level 1 equality assessment
9. Appendix 9 - Risk Assessment
10. Appendix 10 – Stakeholder Plan

**PROTOCOL
PUBLIC SECTOR EQUALITY DUTY**

- 1 The public sector equality duty drives the need for equality assessments (Initial and Full). An initial assessment should, be prepared from the outset based upon available knowledge and information.
- 2 If there is no adverse impact then that fact should be stated within the Report section 4.4 and the initial assessment document appended to the Report duly signed and dated. A summary of the statutory duty is annexed to this Protocol and should be referred to in section 4.4 of executive reports for decision and then attached in an appendix; the term 'adverse impact' refers to any decision-making by the Council which can be judged as likely to be contrary in whole or in part to the equality duty.
- 3 A full assessment should be prepared where necessary and consultation should then take place.
- 4 Consultation should address any possible adverse impact upon service users, providers and those within the scope of the report; questions need to assist to identify adverse impact which might be contrary to the equality duty and engage all such persons in a dialogue which might identify ways in which any adverse impact might be avoided or, if avoidance is not possible, reduced.
- 5 Responses to the consultation should be analysed in order to identify:
 - (a) whether there is adverse impact upon persons within the protected categories
 - (b) what is the nature of this adverse impact

- (c) whether the adverse impact can be avoided and at what cost – and if not –
 - (d) what mitigating actions can be taken and at what cost
- 6 The impact assessment carried out at the outset will need to be amended to have due regard to the matters in (4) above.
- 7 Where there is adverse impact the final Report should contain:
- a summary of the adverse impact and any possible mitigating actions (in section 4.4 or an appendix if necessary)
 - the full equality impact assessment (as an appendix)
 - the equality duty (as an appendix).

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 The Council must, in the exercise of its functions, have due regard to the need to:
 - (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 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:
 - (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 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.
- 4 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:
 - (a) tackle prejudice, and

- (b) promote understanding.

5 The relevant protected characteristics are:

- (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

Appendix 1

Full Business Case (FBC)			
1. General Information			
Directorate	Economy	Portfolio/Committee	Housing and Development
Project Title	Druids Heath Regeneration Programme	Project Code	CA-02928
Project Description	<p>Druids Heath is a purpose-built municipal housing estate that is located approximately six miles south of the city centre and lies on the periphery of Birmingham and Bromsgrove local authority boundaries. It is within the Druids Heath and Monyhull Ward, and borders green belt land which is within the local authority of Bromsgrove District Council.</p> <p>The area has good access to the motorway network and local bus services. Local rail services are 3 miles and 4.5 miles away at Cotteridge (Kings Norton) and Shirley.</p> <p>Druids Heath is predominantly a residential area, primarily developed in the 1960's with smaller extensions in later decades with a mixture of low rise and 15 high rise tower blocks. There are clusters of Radburn style layouts and cul-du-sacs, and areas of incidental open space, which are largely unused and have no identified recreational purpose. The area has remained largely unchanged since it was built. Druids Heath remains the only large municipal estate in Birmingham that has received no major regeneration and is an area that represents a significant housing market and regeneration opportunity.</p> <p>This scheme would include the rehousing for Phase one which includes the rehousing from and demolition of 5 High Rise Blocks which are: Hillcroft House, Kingswood House, Barratts House, Saxelby House and Brookpiece House. In addition a new build programme on development land in Druids Heath East, which has a total area of 18.00acres (7 Hectares). The following three tower blocks, Parker House, Middlefield House, Harrison House, will be refurbished by the Asset Management and Maintenance Division. These refurbishment works would include re-roofing, structural strengthening, new windows, balcony enclosures, external wall insulation, communal decoration and a review of the current heating provision. These works will be carried out in conjunction with the overall estate redevelopment timetable. The first phase is anticipated to take 7 years to complete.</p>		

	<p>Delivery model</p> <p>BCC to carry out all surveys, and obtain outline planning permission (2018/19)</p> <p>Appointment of housing developer (2019) who will obtain planning permission in phases. First phase planning to be obtained in 2020</p> <p>Birmingham Municipal Housing Trust to deliver the new council housing using the Forward Homes model. This approach includes working with a developer to build the new housing and the properties will be sold by Birmingham City Council therefore retaining all the profits from the scheme.</p> <p>First build to start in year 2021</p> <p>Improvements to Public Open Space to be undertaken by Landscape Practice Group – Design to be undertaken in 2020, and procurement of contractor and Installation of equipment by in 2021/22</p> <p>Indicative completion of scheme 2022</p>		
<p>Links to Corporate and Service Outcomes</p>	<p><i>Which Corporate and Service outcomes does the project address:</i></p> <p>This project will make a direct contribution to both Corporate and Directorate outcomes, including the following:</p> <ul style="list-style-type: none"> • Leader’s Policy Statement 2018 • Council Business Plan & Budget 2018+ • Housing Revenue Account Business Plan 2018+ • Homelessness Strategy 2018 <p>Birmingham is a great city to live in: This scheme will provide new housing for council rent and for sale and improve existing public open spaces.</p> <p>Birmingham is an entrepreneurial city to learn and work and invest in: 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.</p> <p>Birmingham is an aspirational city to grow up in; The house building programme will include apprenticeship opportunities in the construction industry. Birmingham is fulfilling city to age well in: the links between health and housing are well recognized. 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.</p>		
<p>Options Appraisal Approved by</p>	<p><i>Cabinet</i></p>	<p>Date of Approval</p>	<p><i>8 December 2014</i></p>
<p>Benefits Quantification-Impact on Outcomes</p>	<p>Measure</p>		<p>Impact</p>
	<p><i>List at least one measure associated with each of the outcomes above</i></p>		<p><i>What the estimated impact of the project will be on the measure identified</i></p>
	<p>150 New affordable homes</p>		<p><i>150 built, a reduction of 100 affordable homes</i></p>
	<p>100 New homes for sale</p>		<p><i>100 new properties will be built and</i></p>

		<i>sold</i>
	Improvements to 2 public open spaces	<i>Birmingham a fulfilling city to age well in – improving spaces to encourage walking in that area and increase contact with other people reducing isolation</i>
	49 Apprenticeships	<i>49 new apprenticeships will be available for local people</i>
Project Deliverables	Rehousing of 250 council tenants Demolition of 5 High Rise tower Blocks New build of approximately 150 council properties for rent New build of approximately 100 houses for sale 2 New Improved Public Open Spaces 49 New opportunities for apprenticeships	
Scope	Birmingham City Council, <ul style="list-style-type: none"> • Rehousing of council tenants • Detailed plan development and outline planning • Highways and infrastructure: provision of new highway and infrastructure for the new development • Demolition of existing tower blocks • Appointment of housing developer • Construction of new housing • Appointment of apprenticeships • Improvements to public open space 	
Scope exclusions	Heath House High Rise Block is not included within this report, approval for rehousing and demolition was approved by Cabinet in The Housing Clearance Report 14 February 2018 The refurbishment of Harrison House, Parker House and Middlefield House is not included within this report. This work will be carried out by Assessment Management and Maintenance Division This report includes phase one of a wider regeneration and does not include the 6 High Rise Tower Blocks in the south. These tower blocks fall into phase two which will be subject to a review and further report after phase one works are complete these fall into phase two and will be subject to a further report	
Procurement Implications	The procurement strategy has been set out within the report in Appendix 6	
Taxation Implications	The development includes pre contract expenditure and new build homes expenditure on land owned by Birmingham City Council, together with the sale of some of the properties that will be built.	

	There are no specific tax implications connected with this development.
Accountable Body	Not applicable.
Dependencies on other projects or activities	<ul style="list-style-type: none"> The demolition of Heath House is required for the wider new build programme
Achievability	<ul style="list-style-type: none"> The Council through the Birmingham Municipal Housing Trust (BMHT), has a proven track record with schemes completed
Project Manager	Bali Paddock , Principal Housing Development Officer
Budget Holder	Clive Skidmore / Assistant Director Housing Development Tel 0121 303 1667/ clive.skidmore@birmingham.gov.uk
Sponsor	Waheed Nazir /Corporate Director, Economy / 0121 464 7735 waheed.nazir@birmingham.gov.uk .
Project Accountant	Guy Olivant / Head of City Finance (HRA) / Tel 0121 303 4752 guy.olivant@birmingham.gov.uk
Project Board Members	<ul style="list-style-type: none"> Waheed Nazir /Corporate Director, Economy Clive Skidmore / Assistant Director Housing Development Guy Olivant / Head of City Finance (Housing)
Finance Business Partner (FBP)	
	Date of FBP Approval:

Key Inputs			
Construction		Running Costs, etc.	
Total Site Assembly costs (Capital and Revenue)	£6.53 m	Weekly rent	2 bed £98.50 / 3 bed £112.80 / 4 bed £129.70 / 5 bed £141.29
Total Development costs (Capital and Revenue)	£43.2 7m	Rent loss - voids / arrears	3.0%
		Annual rent increase	-1.0% until 2019/20 then 3.0% ongoing
Total Sales Income	£19.8 6m	Management Costs	£737
RTB Activity	None	Repairs Costs	£938
Key Outputs		Capital Works (5-yearly)	£4,702
(Surplus) / Deficit after 30 years	£(5.03)m	Annual Cost Increase	2.5% (CPI 2.0%)

HRA Extract	2019/20	2020/21	2021/22	2022/23	2023/24 to 2025/26	Total Year 1 to Year 30
	Year 1	Year 2	Year 3	Year 4		
	£m	£m	£m	£m	£m	£m
Rental Income	0.00	(0.01)	(0.15)	(0.41)	(2.59)	(38.07)
Voids and arrears	0.00	0.00	0.00	0.01	0.08	1.14
Repairs and Maintenance	0.00	0.00	0.03	0.07	0.43	5.78
Management Costs	0.00	0.00	0.02	0.06	0.34	4.53
Appropriation interest cost	0.08	0.08	0.08	0.08	0.24	2.28
Site Assembly Revenue Costs	0.06	0.07	0.08	0.09	0.10	0.40
Development Revenue Costs	0.00	0.00	0.04	0.04	0.08	0.16
Cash-backed Depreciation	0.00	0.01	0.05	0.09	0.47	5.88
HRA Deficit / (Surplus) Contribution	0.14	0.15	0.15	0.03	(0.85)	(17.90)
Revenue contributions from wider HRA (to fund capital investment shown below)	(0.88)	(4.34)	(3.30)	(3.25)	(1.10)	(12.87)
Net HRA Impact	1.02	4.49	3.45	3.28	0.25	(5.03)

Capital Account	2019/20	2020/21	2021/22	2022/23	2023/24 to 2025/26	Total Year 1 to Year 30
	Year 1	Year 2	Year 3	Year 4		
	£m	£m	£m	£m	£m	£m
Site Assembly Costs	0.44	1.70	1.08	1.10	1.81	6.13
Pre Contract Costs	0.42	0.01	0.00	0.00	0.00	0.43
Build Costs (including Fees)	0.00	4.37	9.48	11.19	14.96	40.00
POS & Infrastructure Costs (including Commuted Sum)	0.02	0.57	0.65	0.61	0.83	2.68
Total Development Costs	0.88	6.65	11.21	12.90	17.60	49.24
Capital Investment / Renewals ¹	0.00	0.00	0.00	0.00	0.29	0.29
Other Capital Financing (RTB 1-4-1 / Affordable Housing S106 / General RTB Receipts)	0.00	(2.31)	(5.34)	(5.86)	(8.29)	(21.80)
Revenue Contributions from wider HRA	(0.88)	(4.34)	(3.30)	(3.25)	(1.10)	(12.87)
Receipts	0.00	0.00	(2.57)	(3.79)	(13.50)	(19.86)
Cyclical Maintenance Reserve Release	0.00	0.00	0.00	0.00	(0.29)	(0.29)

Total Capital Income	(0.88)	(6.65)	(11.21)	(12.90)	(22.89)	(54.53)
Capital Account (Surplus) / Deficit	0.00	0.00	0.00	0.00	(5.29)	(5.29)

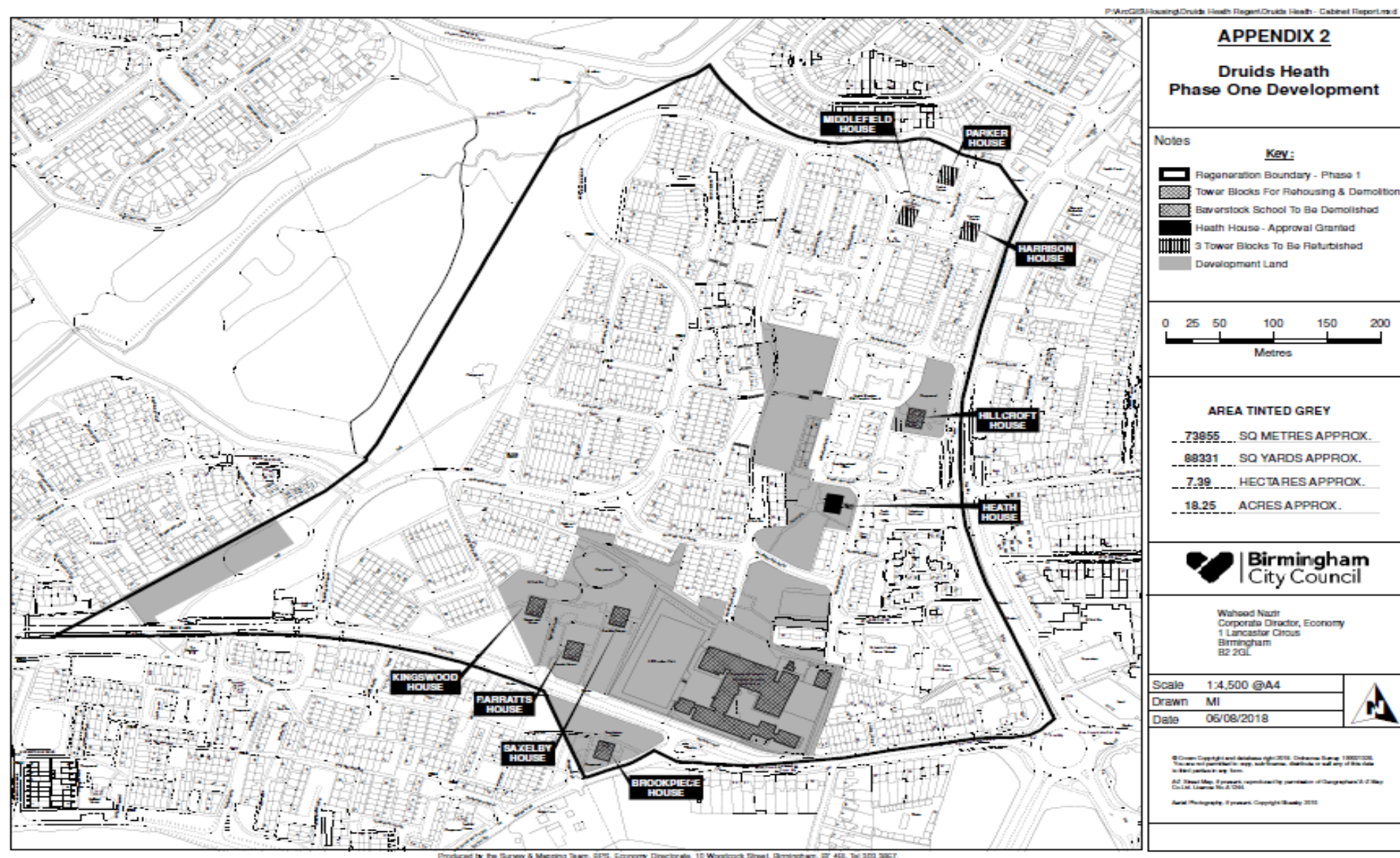
Balance Sheet Extract	2019/20	2020/21	2021/22	2022/23	2048/49
	Year 0	Year 1	Year 2	Year 3	Year 30
	£m	£m	£m	£m	£m
Land & Buildings	0.00	1.40	7.69	15.22	53.98
Cyclical Investment Reserve	0.00	0.01	0.06	0.15	1.41
Capital Reserve	0.00	(1.41)	(7.75)	(15.37)	(55.39)
Net	0.00	0.00	0.00	0.00	0.00

Properties	2019/20	2020/21	2021/22	2022/23	2023/24 to 2025/26	Total Year 1 to Year 30
	Year 1	Year 2	Year 3	Year 4		
Social Rent Properties	0	10	40	40	60	150
Sale Properties	0	0	15	20	65	100
Total Properties	0	10	55	60	125	250

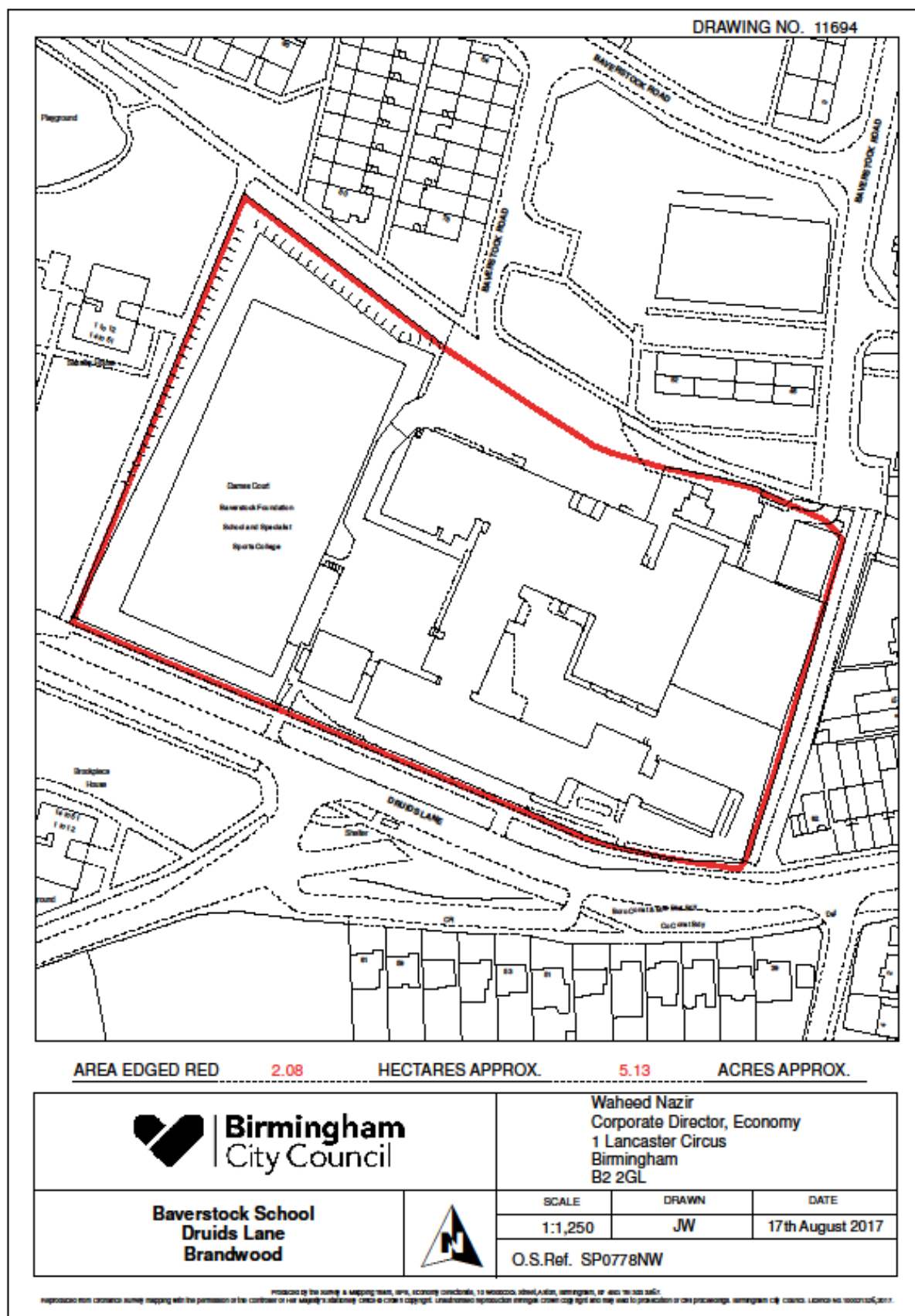
Note:

1. Formal approval to the ongoing capital investment / renewals programme (at a total value of £0.29 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.

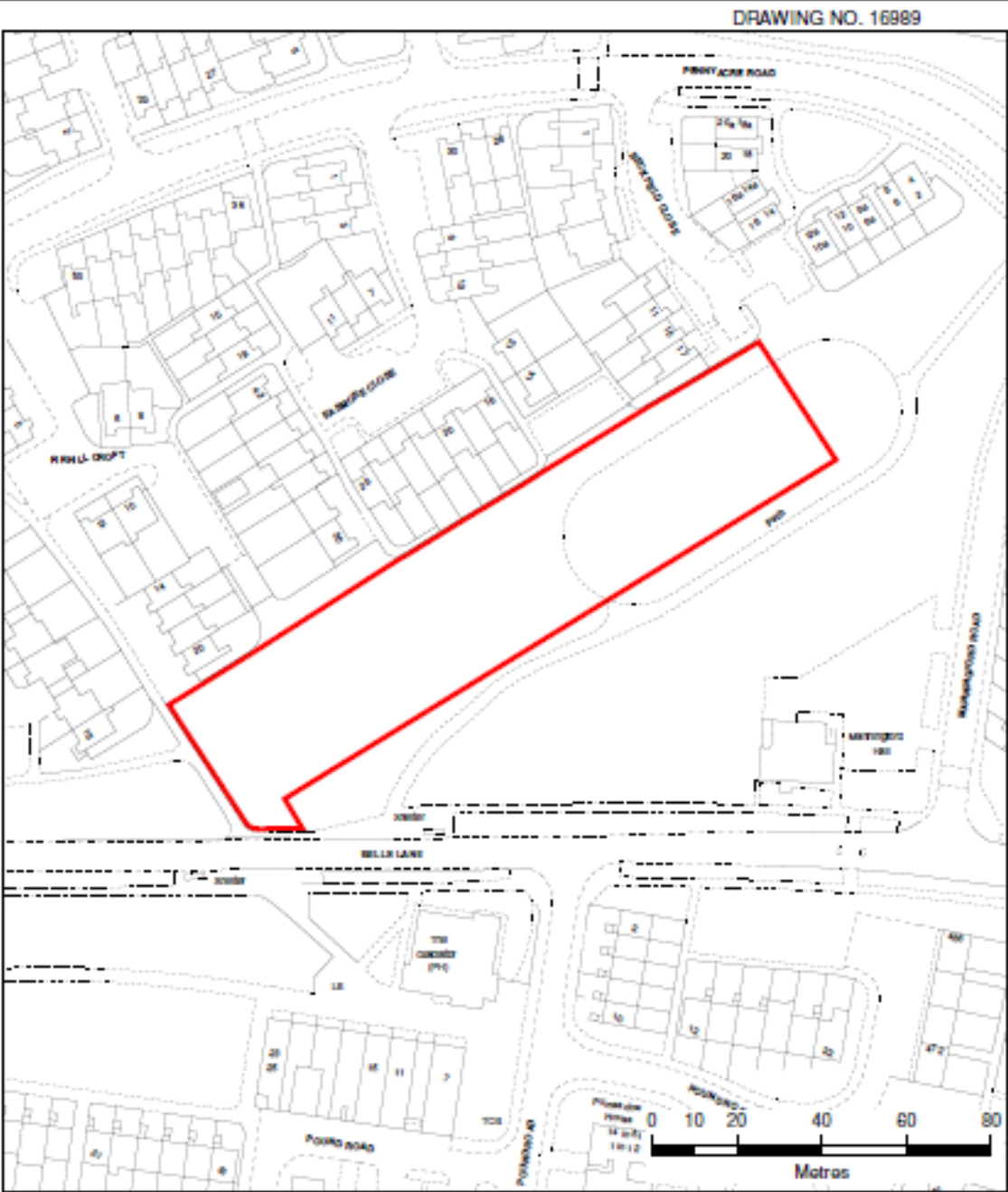
Appendix 2 Plan of area – including high rise blocks for rehousing and clearance, 3 high rise blocks for refurbishment



Appendix 3 – Site to be appropriated and demolished for Housing



Appendix 4 – Appropriation of land from Leisure into Housing



AREA EDGED RED 5781 SQ. METRES APPROX. 6914 SQ. YARDS APPROX.

 Birmingham City Council		Wahood Nazir Corporate Director, Economy 1 Lancaster Circus Birmingham B2 2GL		
Land At Manningford Road/Bells Lane Druids Heath & Monyhull		SCALE	DRAWN	DATE
		1:1,250	MI	11/07/2018
		O.S.Ref SP0678NE		

Produced by the Survey & Mapping Team, GP5, Economy Directorate, 10 Woodcock Street, Birmingham, B7 4BL. Tel 020 3862.
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Appendix 5 – Schedule of properties identified for rehousing and clearance,
as below and as shown in the black line plan listed in appendix 2

1. Hillcroft House:
1,2,3,4,5,6,7,8,9,10,11,12,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,
2. 36,37,38,39,40,41,42,43,44,45,46,47,48,49,50,51

50 properties – all council

3. Kingswood House
1,2,3,4,5,6,7,8,9,10,11,12,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36,37,38,39
,40,41,42,43,44,45,46,47,48,49,50,51

50 properties – all council

4. Saxelby House
1,2,3,4,5,6,7,8,9,10,11,12,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36,37,38,39
,40,41,42,43,44,45,46,47,48,49,50,51

50 properties – all council

5. Barratts House
1,2,3,4,5,6,7,8,9,10,11,12,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36,37,38,39
,40,41,42,43,44,45,46,47,48,49,50,51

50 properties – all council

6. Brookpiece House
1,2,3,4,5,6,7,8,9,10,11,12,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36,37,38,39
,40,41,42,43,44,45,46,47,48,49,50,51

50 properties – all council

Total – 250 Council flats

Baverstock School Site

The demolition of this site after completion of the appropriation

Appendix 6 – Procurement Strategy for Druids Heath Regeneration

1. Background

This appendix details the procurement activity required for the development of the Druids Heath regeneration scheme and the strategy for each requirement. The following procurement activities are to be undertaken:

- Provision of Employers Agent Services
- Demolition of the Former Baverstock School Site and High Rise Tower Blocks
- Development of the Druids Heath Regeneration Scheme
- Improvements to the Public Open Space

2. Provision of Employers Agent Services

2.1 Service Requirements

- 2.1.1 Employer's Agent Services are required to provide full project management services for the development of approximately 250 housing units on the Druids Heath site.

The Council currently has contracts in place for the provision of Employer's Agent Services to support the Council's Housing programme to 2020 with Arcadis LLP and Capita Property and Infrastructure Ltd. However, the allocation of properties has reached the maximum capacity of these contracts and therefore no further allocations can be made to the contracted suppliers, hence the requirement to commence this procurement process.

2.2 Procurement Options

The following options have been considered:

- Do nothing. This was rejected on the basis that the existing contract volume has reached capacity and a new contract is required to meet the Council's house building targets.
- Use a collaborative framework agreement. There is a collaborative framework agreement in place for the provision of the services required. However, due to the number of homes involved it is felt that more competitive rates can be achieved by undertaking a procurement exercise.
- Use of Acivico was considered but they are currently unable to complete the full range of services required of an employer agent for large sites (over 12 homes). BMHT have recently allocated a number of small garage sites to Acivico to manage to build their capability. Acivico has been advised of this future tender and will have the opportunity to either tender or to participate as part of a consortium bid or to be a sub-contractor with another provider.
- Tender the services for an Employers Agent using the open route

2.3 Procurement Approach

2.3.1 Duration and Advertising Route

The contract duration will be for a period of 7 years as this is the estimated build programme timescale. The tender opportunity will be advertised via Contracts Finder, www.finditinbirmingham.com and the Official Journal of the European Union (OJEU).

2.3.2 Procurement Route

The requirement will be tendered using the open route on the basis that:

- Although there are many providers in the market place who provide employer's agent services, there are few who are likely to be interested in medium size schemes.
- The requirement can be clearly defined
- Tenderer's prices will be based on a price per unit based on a maximum of 250 units.

2.3.3 Scope and Specification

The services to be provided by the Employer's Agent include the following;

- Project Management
- Programme Management
- Principal Designer
- Engineering Services
- Party Wall Surveying
- Quantity Surveying
- Clerk of Works
- Liaison between the Council and contractor(s)

2.3.4 Tender Structure (Including Evaluation and Selection Criteria)

Tenders will be evaluated against the specification in accordance with a pre-determined evaluation model. The evaluation of tenders will be assessed as detailed below;

The assessment will be divided into the following stages:

- Stage 1 – Company Information
- Stage 2 – Invitation to Tender

Stage 1 – Company Information (Pass/Fail)

- Section A – Information about the Applicants (Pass / Fail)
- Section B – Grounds for Mandatory Exclusion (Pass / Fail)
- Section C – Grounds for Discretionary Exclusion Part 1 and Part 2 (Pass / Fail)
- Section D – Economic and Financial Standing (Pass / Fail)
- Section E – Technical and Professional Ability (Pass / Fail)
- Section F – Environmental Management (Pass / Fail)
- Section G – Insurance (Pass / Fail)
- Section H – Compliance with Equalities Duty (Pass / Fail)
- Section I – Compliance with Health & Safety (Pass / Fail)
- Section J – Compliance with BBC4SR (Pass / Fail)
- Section K – Declaration (Pass / Fail)

Tenderers will be required to pass Stage 1 in order to progress to Stage 2.

Stage 2 – Invitation to Tender Stage

Evaluation and Selection Criteria

Tenders will be evaluated using the quality / social value / price in accordance with a pre-determined evaluation model. The quality element will account for 50%, social value 10% and price 40%. This

quality / social value / price balance has been established having due regard to the corporate document 'Evaluating Tenders' which considers the complexity of the services to be provided and the degree of detail contained within the contract specification.

Quality (50%)

Criteria	Sub-weighting
Technical Competency	15%
Service Delivery and Capacity	20%
Organisation and Resources	10%
Mobilisation and Implementation	5%

Tenderers who score less than 60% of the quality threshold i.e. a score of 30 out of a maximum quality score of 50 will not proceed to the stage of the overall evaluation.

Social Value (10%)

Criteria	Sub-weighting
Local Employment	2%
Buy Local	1%
Partners in Communities	3%
Good Employer	1.5%
Green and Sustainable	1.5%
Ethical Procurement	1%

Tenderers who score less than 40% of the social value threshold i.e. a score of 4 out of a maximum quality score of 10 will not proceed to the stage of the overall evaluation.

Price (40%)

Tenderers will be expected to price per unit based on a maximum allocation of 250 units during the contract period. Prices will be fixed for the duration of the contract.

Overall Evaluation

The evaluation process will result in comparative quality, social value and price scores for each tenderer. The maximum quality score will be awarded to the bid that demonstrates the highest quality. The maximum social value score will be awarded to the bid that demonstrates the highest social value. The lowest price will be given the maximum score. Other tenderers will be scored in proportion to the maximum scores in order to ensure value for money and the proposed contract will be awarded to the first ranked tenderer.

2.3.5 Evaluation Team

The evaluation of tenders will be undertaken by officers from BMHT, supported by the Corporate Procurement Services.

2.4 Indicative Implementation Plan

Cabinet Approval (Strategy)	18 th September 2018
ITT Issued	1 October 2018
ITT Return	5 November 2018
Evaluation Period	6 to 13 November 2018
DPR Approval (Award)	7 December 2018
Contract Award	24 December 2018
Contract Start	2 January 2019

2.5 Service Delivery Management

2.5.1 Contract Management

The contract will be managed operationally by the Development Manager, Housing Regeneration and Development.

2.5.2 Performance Management

The performance of the successful employer's agent will be monitored by the existing performance management regime for BMHT employers agent services. This includes regular review meetings to discuss performance and potential issues that may impact of future performance and establishing solutions to rectify any non-performance. Performance is benchmarked across the schemes and different employer's agents and dedicated Development Manager within the BMHT team undertakes this role.

3. **Demolition of the Former Baverstock School Site and 5 High Rise Tower Blocks**

2.1 Service Requirements

2.1.1 The demolition of the former Baverstock School site and 5 High Rise Tower Blocks

2.2 Procurement Options

The following options were considered:

- Tender this contract on an individual basis - there are benefits as prices will reflect current market conditions and the latest corporate requirements can be included for each tender exercise. For these reasons, this is the proposed route. Also, there is not a framework agreement currently in place suitable for this project.
- Use a Collaborative Framework Agreement - there is not a collaborative framework agreement awarded by the Council or any other public sector body in place for the services required.
- Utilising the Constructing West Midlands Framework Agreement - this option was discounted as the framework agreement does not cover demolition.

2.3 Procurement Approach

2.3.1 Duration and Advertising Route

The contract will be for a period of 16 weeks for each block. This period reflects the proposed delivery programme for the project. This is a works contract which is below the OJEU threshold and therefore the tender will be advertised via www.finditinbirmingham.com and Contracts Finder only.

2.3.2 Procurement Route

The requirement will be tendered using the ‘open’ route on the basis that:

- There are sufficient suppliers in the market place that can provide all the required services
- The service can be clearly defined
- Tenderers’ prices will be fixed for the term of the contract.

2.3.3 Scope and Specification

The scope and specification for the site is as follows:

- Preliminaries in preparation for the works to commence
- Demolition including;
 - Demolition including foundations to a depth of 2m below existing ground levels
 - Removal of communication lines
 - Removal of any fly tipped and surplus materials
 - Identification and disposal of asbestos and toxic waste
 - Site protection
 - Erect temporary security fencing
 - Grade site to match surrounding ground levels

2.3.4 Tender Structure (Including Evaluation and Selection Criteria)

The quality / price balances below were established having due regard for the corporate document ‘Evaluating Tenders’ which considers the complexity of the services to be provided. The tender documents will include the form of contract; JCT Measured Contract 2011 with the Council’s amendments, specification and standard details.

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

The evaluation of tenders will be assessed as detailed below:

Assessment A

The criteria below, based on the PAS91:2013 Construction Prequalification Standard, will be assessed on a pass / fail basis:

- Supplier Information
- Economic / Financial Standing
- Health and Safety / Construction Design Management
- Business and Professional Standing
- Equality Legislation
- Environmental and Sustainability Management
- Statement of Good Standing
- Economic and Financial Standing
- Compliance to the Birmingham Business Charter for Social Responsibility

- Experience and References

Those organisations that pass all sections of Assessment A will proceed to the next stage.

Assessment B - Quality (20% Weighting)

Criteria	Overall Weighting	Sub-Weighting
Technical Competence and Capacity	100%	9%
Organisation and Resources		5%
Project Methodology		6%

An interview with tenderers may take place if required to clarify their understanding of the requirements and the scoring adjusted accordingly, as appropriate.

Assessment C – Pricing (Weighting 80%)

Tenderers would submit a fixed price tender with the demolition of the site.

Overall Evaluation

The evaluation process will result in comparative quality, and price scores for each tenderer. The maximum quality score will be awarded to the bid that demonstrates the highest quality. . The lowest price will be given the maximum score. Other tenderers will be scored in proportion to the maximum scores in order to ensure value for money and the proposed contract will be awarded to the first ranked tenderer.

2.3.5 Evaluation Team

The evaluation of the tenders will be undertaken by Building Consultancy, Acivico Ltd. and Officers from the Housing and Development Team

2.4 Indicative Implementation Plan for the first High Rise Block

Cabinet Approval (Strategy)	18 th September 2018
ITT Issued	1 August 2020
ITT Return	31 August 2020
Evaluation Period	September 2020
DPR Approval (Award)	November 2020
Contract Award	November 2020
Contract Start	January 2021
Please note this plan is for one building and the same process will be applied to the other 4 High Rise blocks and Baverstock School site.	

2.5 Service Delivery Management

2.5.1 Contract Management

Acivico Ltd has been commissioned as the project managers for the procurement and delivery of the demolition contract.

2.5.2 Performance Measurement

The following Key Performance Indicators will be included to ensure sufficient performance management of the contract. These include the delivery of the:

- Project delivered to agreed milestones
- Project Delivered to agreed cost
- Project delivered to agreed scope

3. Development of the Druids Heath Regeneration Scheme

3.1 Service Requirements

The development of the Druids Heath site including the construction of new housing, infrastructure and market sale of new properties, as shown in Appendix 2,

3.2 Procurement Options

- 3.2.1 Other procurement options were not considered as part of funding agreement conditions from Homes England (HE) is that a further competition exercise is carried out using the HE Developer Panel 3 (DPP3) Framework Agreement. This is a specialist framework agreement for the development of housing with suppliers that are suitably capable and competent for schemes of the size required for the site.

3.3 Procurement Approach

3.3.1 Duration and Advertising Route

The contract will be for a period of 7 years commencing from 2019 until the completion of the scheme.

3.3.2 Scope and Specification

The scope and specification is as following:

- Work with the Council on the overall master plan for the area and develop detailed design proposals for the area;
- 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 and appointed consultants;
- Build the affordable housing and open market sale properties in line with agreed specification supplied;
- Provide training and employment opportunities including apprenticeships as per the requirements of the Council;
- Co-ordinate alongside other works which may run concurrent with the proposed development in the area;
- Provide new highway infrastructure to adoptable standards supported by commuted sums.

3.3.3 Tender Structure (Including Evaluation and Selection Criteria)

The protocol to use the framework agreement is a three stage process:

- Stage 1 – Expressions of Interest (3 days response period)
- Stage 2 – First Line Sift (5 days response period)
- Stage 3 – Invitation to Tender (10 weeks response period)

Stage 1 – Expressions of Interest

Expressions of interest will be requested from the 42 suppliers to register their interest in the opportunity.
Stage 2 – First Line Sift

Documentation will be sent out to the suppliers that expressed an interest requesting information as to their experience and suitability to deliver the housing for the lot applied for. This assessment will be scored and the top 3 suppliers will proceed to the Invitation to Tender stage.

Stage 3 – Invitation to Tender

Invitation to tender documentation will be issued to the top 3 suppliers for each lot. Tenders will be issued in accordance with the phasing plan for each lot.

Tenders will be evaluated using the indicative quality / social value / price balance in accordance with a pre-determined evaluation model. The quality element will account for 40%, social value 20% and price 40%. This quality / social value / price balance has been established having due regard to the corporate document 'Evaluating Tenders' which considers the complexity of the services to be provided and the degree of detail contained within the contract specification.

Tenders will be evaluated against the specification in accordance with the pre-determined evaluation model described below:

Quality (40% Weighting)

Criteria	Sub-Weighting
Technical Competency	6%
Design / Build Quality and Specification	10%
Management of the Programme	12%
Organisational Management & Resources	10%
Health & Safety	2%

Tenderers who score less than 60% of the quality threshold i.e. a score of 24 out of a maximum quality score of 40 will not proceed to the next stage of the evaluation.

Social Value (20% Weighting)

Criteria	Sub-weighting
Local Employment	4%
Buy Local	3%
Partners in Communities	4%
Good Employer	4%
Green and Sustainable	3%
Ethical Procurement	2%

Tenderers who score less than 40% of the social value threshold i.e. a score of 8 out of a maximum quality score of 20 will not proceed to the next stage of the evaluation.

Price (40% Weighting)

Tenderers will be required to price on the basis of a JCT design and build contract. Tenderers for the housing element of the scheme will be expected to state their proposed cost for constructing the new council properties plus the guaranteed minimum price to be paid 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 quality score will be awarded to the bid that demonstrates the highest quality. The maximum social value score will be awarded to the bid that demonstrates the highest social value. The lowest price will be given the maximum score. Other tenderers will be scored in proportion to the maximum scores in order to ensure value for money and the proposed contract will be awarded to the first ranked tenderer.

3.3.4 Evaluation Team

The evaluation of tenders will be undertaken by officers from BMHT and representatives from the Employer's Agent, supported by the Corporate Procurement Services.

3.4 Indicative Implementation Plan

Cabinet Approval (Strategy)	18 th September 2018
ITT Issued	October 2019
ITT Return	January 2020
Evaluation Period	February to March 2020
DPR Approval (Award)	April 2020
Contract Award	May 2020
Contract Start	May 2020

3.5 Service Delivery Management

3.5.1 Contract Management

The contract will be managed operationally by the Development Manager, Housing Regeneration and Development.

4. **Improvements to the Public Open Space**

4.1 Service Requirements

- 4.1.1 Improvements to the public open space, including improvements to play equipment, boundary treatments, planting and access arrangements. The proposed improvements to the public open space will be designed and delivered by the Council's Landscape Practice Group

4.2 Procurement Options

- 4.2.1 The Council's approved procurement route for work of this nature is to use its Landscape Construction Framework Agreement.

4.3 Procurement Approach

- 4.3.1 The contract for the works will be awarded in accordance with the protocol of the Landscape Construction Framework Agreement. The full scope and specification is being drawn up and the call-off will follow one of the two routes depending upon the complexity of the works:

- If the works comprise less than 50% non-standard items - a direct award on a 'taxi rank' basis will be carried out. The work will be offered to the first-ranked contractor under the framework agreement. If the opportunity is declined by the first-ranked contractor then the work will be offered to the second-ranked contractor and so forth.
- If the works comprise 50% or more non-standard items - a further competition exercise will be undertaken using the evaluation criteria stated in the framework agreement.

4.4 Contract Management

4.5.1 The contract will be managed by the Head of Landscape Practice Group.

Appendix 7 – Comments received from Ward member for Druids Heath and Monyhull Ward and Officer response

- **Consultation with Residents** - There were two rounds of consultation with residents. The first was only a general overview of residents' views of the area, and the second was a decision between three options. It is this second consultation that I find most problematic. Residents were only given three options. There was no option to reject all the options, or pick from some options and not others.

Officer response: The options were developed on the basis of financial viability and retaining and providing as many homes on the estate as possible. During the development process for these options, discussions were held with elected members at the time, and it was agreed that these 3 options would be taken forward for consultation.

- **Charter for Social Responsibility** - Regarding compliance with the Birmingham Charter for Social Responsibility while the landscaping demolition of Baverstock are below the threshold for mandatory compliance with the Charter I feel these elements should still comply with the charter even if it is not mandatory.

Officer response: The demolition is below the threshold for mandatory compliance, however the Council will request that the contractors adhere to the charters principles.

- **Impact on the Community** - The report says the number of new homes will match the number of homes being demolished, but this is not taking into account the number of homes in Heath House that are not in this report.

In terms of the housing type, while the strategic market assessment for Birmingham emphasises 2 and 4 bedroom houses, this does not reflect the housing type being demolished. This means it will not be like for like replacement of the housing being demolished.

I am concerned this change in housing type will mean a large change in the population of a significant part of Druids Heath, and have a significant impact on the community. Certain residents have even gone so far as to say to me it will destroy the community. I feel this has not been taken into account in this report.

Officer response: Paragraph 5.1.2 in the report notes that rehousing from Heath House has already been approved by Cabinet. Paragraph 5.1.5 notes that 250 flats will be demolished and 250 new homes will be built. Heath House comprises 50 flats, this takes the total number of flats being demolished to 300. Taking into consideration that high rise blocks have a small land footprint and the new build includes mainly houses with

gardens, with some apartments and bungalows, the overall reduction in housing numbers will be 50 properties, less than 20%. The new properties will be built to a high quality standard, with secure by design principles and will be energy efficient.

There is currently no right to return. While many residents in the tower blocks will be happy to leave the area, those that do wish to stay should have a right to do so. Although many will not want to move twice, the regeneration could be phased to allow residents in some of the tower blocks to move out straight into new housing. Particularly if housing on Baverstock is built first. This would mitigate the impact on the local community. This is not currently being proposed.

Officer response: The Council will work with individual residents whose homes are being demolished to ensure that they are rehoused appropriately. Rehousing and construction will take a number of years, so there may be opportunities for some residents to move directly to a new home on Druids Heath. There are Council house building programmes across the city, for example at Kings Norton, and we expect that some residents will take the opportunity to move out of the area to a new home. The option to offer a right to return or a local lettings policy is under consideration.

- **Impact on Local and City Housing Situation** - The report does not take into account Heath House, and so therefore a net loss of housing in Phase 1 when this is included. Also Phase 2 will have a net loss of housing, which has also not been properly acknowledged in the report. This will have an impact on the number of homes available in the area.

This overall net loss of housing in the two phases will also have an impact on the overall housing in the city. Particularly the loss of social housing, which is even greater.

I would prefer to see a greater number of flats, reflecting the housing being demolished, it would also mean a higher density and therefore a greater number of homes to rent or buy. This would mean not having a net loss of housing (if Heath House is taken into account), or even perhaps a net gain in housing to offset loss in Phase 2.

Officer response: The net loss on phase one is 50 properties please see response in the impact on the community section. With regards to phase 2 a review will be undertaken in 7 year's time and this may alter numbers of demolition and new build.

The new build split between social and sale is 60% social and 40% sale properties. The density for the new build is approximately 40 properties per hectare.

One of the key objectives of the development is to reduce the number of flats at Druids Heath and to provide more family houses. As family houses require more land for construction there is inevitably a reduction in the overall number of homes, but the quality of those homes will be improved.

- **Tower Block Refurbishment** - I note the refurbishment of the three remaining tower blocks is not being decided in this report. My concern with this is that it gets forgotten about and these three tower blocks do not get the investment they need. The refurbishment of these tower blocks need to be of a very high standard, considering the current standard of Middlefield and Parker Houses in particular.

Officer response: The refurbishment works would include re-roofing, structural strengthening, new windows, balcony enclosures, external wall insulation, communal decoration and a review of the current heating provision.

- **Public Space Improvements & Wider Regeneration** - I note there are two improvements to public open space in the report. However beyond this there does not appear to be much in the way of public space

improvements or wider economic and social regeneration. The plans feel to simply be simply demolishing and rebuilding homes.

There is little in the report about wider regeneration and refurbishment of existing properties, streets and walkways, nor of investment in local shops or other local services or infrastructure. I would This potentially lessens the impact of the plans.

This is important as the area has historically had very little investment since it was built. I would like to see greater investment and wider regeneration of the area.

Officer response: Improvements to public open space are already planned as part of the wider regeneration, and in parallel with the housing development, opportunities will be sought to attract funding to undertake wider regeneration activities.

Appendix 8 – Level 1 Equality Assessment: Druids Heath Regeneration

Birmingham City Council Analysis Report

Directorate Economy Service Area Economy - P&R Planning and Development Type New/Proposed Function

Service Area Economy - P&R Planning and Development Type New/Proposed Function
Type New/Proposed Function

EA Summary- This assessment looks at the consultation that has been undertaken to seek the views of the residents affected by the recommendations of the Druids Heath
views of the residents affected by the recommendations of the Druids Heath

Regeneration Report to Cabinet. Reference Number EA002906 Task Group Manager
bali.paddock@birmingham.gov.uk
Reference Number EA002906 Task Group Manager bali.paddock@birmingham.gov.uk
Task Group Manager bali.paddock@birmingham.gov.uk

Task Group Member Date Approved- 20 July 2018
Date Approved- 20 July 2018
Senior Officer clive.skidmore@birmingham.gov.uk Quality Control Officer
richard.woodland@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 quality 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.
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?

Druids Heath regeneration proposal includes rehousing of people from 5 High Rise Blocks, with Subsequent demolition and the new build of homes on identified available land within Druids Heath. Working with the Asset Management and Maintenance Division three additional tower blocks will be refurbished. Heath House High rise block, which is also in close proximity to these, has already received Cabinet approval and rehousing is almost complete in this block. The new build homes will include both new council properties and homes for sale. Outcomes include: New homes, opportunities for employment and improved public open spaces

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

Comment: New homes will be built by Birmingham Municipal Housing Trust providing new areas to live and grow

Health: Helping People Become More Physically Active And Well Yes

Comment: Encouraging all ages to be more active with improved public open spaces

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

Comment: we aim to build thriving prosperous communities with mixed tenure new homes, both council and homes for sale

Jobs And Skills: For An Enterprising, Innovative And Green City Yes

Comment: New opportunities for employment will be created with the new build programme in the area, including apprenticeships

2.2 Individuals affected by the policy

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

Comment: Birmingham City Council Officers worked with local Councillors and agreed a method and approaches that would be used for the consultation in the area

Will the policy have an impact on employees? No

Will the policy have an impact on wider community? Yes

Comment: Druids Heath is an area of southern Birmingham covering the south-west quadrant of the B14 postcode (west of the Maypole). Primarily known for the large council estate in the Brandwood ward of south Birmingham the area has seen many changes over the years and mixed in with BCC stock is housing association and owner occupied properties bought under the Right to Buy scheme. There is an older population in area, with 17% aged 65 or more years and also there is also a younger population with 35% aged 30 to 59 years.

Consultation with the local community was undertaken with 3 regeneration options - A,B and C.

These included varying degrees of rehousing demolition and new build programmes. The consultation methods used included, postal surveys, door step interviews, public exhibitions and providing information and survey forms on the Be Heard website. The overall response rate to the consultation was 28%. Option A, which is the least level of rehousing and demolition and focuses on the rehousing of the High Rise Tower Blocks and possible development land, building houses on the previous Baverstock School site, was the most popular redevelopment option with support from 45% of respondents, followed by option C with 40%. Option B received the least level of support with 13%.

2.3 Relevance Test

Protected Characteristics Relevant Full Assessment Required

Age Relevant No

Disability Relevant No

Gender Relevant No

Gender Reassignment Relevant No

Marriage Civil Partnership Relevant No

Pregnancy And Maternity Relevant No

Race Relevant No

Religion or Belief Relevant No

Sexual Orientation Relevant No

2.4 Analysis on Initial Assessment

The proposal is to rehouse and demolish 5 High rise blocks in Druids heath. These high rise flats vary from 1 and 2 bedrooms and includes a mix of communities and are all Birmingham City Council tenants. Consultation took place from November 2017 through to the end of January 2018, this included 3 options with different levels of rehousing, demolition and new build.

Option A - This option has the least level of rehousing and demolition and focuses on the rehousing of the High Rise Tower Blocks and possible development of land. (45% preferred this option)

Option B - This option includes the same development and rebuild Option A and includes the rehousing and demolition of some extra properties which are located in Druids Heath East. (13% preferred this option)

Option C - This option includes the same demolition and new build as Option B and includes additional properties for rehousing and demolition in Druids Heath South. (40% preferred this option).

Surveys and information were sent in the post, drop in sessions were set up for face to face communication, door knocking exercises were undertaken and information was provided on the Be Heard website. The results of the consultation showed that the preference was for the minimum intervention with the rehousing and demolition of the high rise blocks and the rebuild of properties in the land that is available and on the previous Baverstock school site.

The results of the survey show that the preferred way forward is Option A with the tower blocks and new build on available land, including the previous Baverstock School Site. Please note the variation to this option, which includes retention and refurbishment of Parker House, Middlefield House and Harrison House. Consultation comments from residents of Harrison House were mixed, with people preferring to stay in the block. Together with this and considering the proximity of the other 2 tower blocks, it is our intention to work with our colleagues in Asset Management and Maintenance Division to identify the feasibility of refurbishing Parker House, Middlefield House and Harrison House

A closer analysis by each of the protected characteristic groups shows no particular pattern that would raise any concern about any adverse impact on any particular group

The analysis on the initial assessment is that the project will contribute to equality of opportunity by improving resident's standard of housing. Through the development of this scheme, consultation and the use of existing council policies such as the Allocations Policy, there is no potential to disproportionately disadvantage any protected group within the scope of the project.

3 Full Assessment

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

3.1 Concluding Statement on Full Assessment

The analysis on the initial assessment is that the project will contribute to equality of opportunity by improving resident's standard of housing. Through the development of the scheme, consultation and existing Birmingham City Council policies there is no potential to disproportionately disadvantage any protected group. All of the protected groups will benefit from a better quality of housing. It is felt that there is no need to conduct a full assessment.

4 Review Date

01/04/20

5 Action Plan

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

Appendix 9 Risk Assessment

Description of Risk	Impact	Probability	Score	Mitigation Measures	Risk Owner
Difficulty in appointing a Housing Developer	4	2	8	Highlighting early the opportunity to developers Use of BMHT to build Council Properties	Birmingham City Council
Planning permission not gained	4	2	8	Working closely with planning and highways to ensure policies and procedures are adhered to	Housing Developer
Infrastructure costs are estimates	4	2	8	Work closely with highways and use costs from other sites	Birmingham City Council
Secretary of State approval not gained for the previous Baverstock School site	4	2	8	Working closely with Education	Birmingham City Council
Cost overruns with the scheme	4	2	8	Working closely with Employers Agent, contractor and BCC finance managers to manage budgets	Birmingham City Council
Delays in demolition	4	2	8	Working closely with Housing Officers and appointing demolition contractor early	Birmingham City Council
Difficulty in selling new build properties	4	2	8	Work closely with agents that will be appointed to sell the new homes	Birmingham City Council
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 10 – Stakeholder Plan

Stakeholder	Stakeholder's Interest	Influence Impact	What does the project board expect from the stakeholder	Perceived attitudes and/or risks	Stakeholder management strategy	Responsible
Cabinet Member - Development Transport and the Environment	Endorses Full Business Case	High	Political support	Supportive	Consult during development stage and provide progress reports during delivery as required	Principal Housing Development Officer
Cabinet Member – Finance and Resources	Endorses Full Business Case	High	Political support	Supportive	Consult during development stage and provide progress reports during delivery as required	Principal Housing Development Officer
Ward Councillor	Regeneration of Druids Heath	High	Political support	– please see appendix 7	Provide progress reports during delivery as required	Principal Housing Development Officer
Wider local community	Consultation was undertaken with the local community from	High	Communication and support	Consultation has shown support for the development	Provide development updates	Principal Housing Development Officer