

BIRMINGHAM CITY COUNCIL

PUBLIC REPORT

Report to:	CABINET	
Report of:	Strategic Director of Economy	
Date of Decision:	17 May 2016	
SUBJECT:	DRUIDS HEATH INVESTMENT OPTIONS STRATEGY	
Key Decision: NO	Forward Plan Ref: N/A	
Relevant Cabinet Member(s) or Relevant Executive Member for Local Services:	Councillor Tahir Ali – Development, Transport and the Economy Councillor John Cotton - Neighbourhood Management and Homes	
Relevant O&S Chairman:	Councillor Victoria Quinn, Economy, Skills and Sustainability, Councillor Zafar Iqbal, Neighbourhood and Community Services	
Wards affected:	Brandwood	

1. Purpose of report:
<p>1.1 To set out a proposed approach to develop and undertake a high level investment options strategy and masterplan for the Druids Heath Estate (as illustrated in Appendix 1 attached to this report) to be funded by the Homes and Communities Agency.</p> <p>1.2 The investment options strategy and masterplan will identify the potential financial commitment required to deliver investment and regeneration of Druids Heath. A Project Definition Document (PDD) will be presented to Cabinet at a future date, to approve the preferred option and overall regeneration strategy for the estate.</p>

2. Decision(s) recommended:	
Cabinet is recommended to:-	
2.1	Approve the development of an investment options strategy as set out in section 5.
2.2	Authorise the Strategic Director of Economy in conjunction with the Strategic Director of Finance and Legal to accept any funding that may become available to help progress the Investment Options Strategy and supporting activities for Druids Heath.
2.3	Authorise the City Solicitor to prepare and negotiate, execute and complete all relevant legal documentation (including land referencing and service of notices) to give effect to the above recommendations.
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3. Consultation

3.1 Internal

- 3.1.1 The Cabinet Member for Commissioning, Contracting and Improvement and the Deputy Leader have been consulted and support the report proceeding to an Executive Decision.
- 3.1.2 A Project Management Team has been established to ensure a collaborative approach to The investment options strategy. The Project Management Team consists of representatives from Housing Development (BMHT), Planning, Intelligence, Strategy and Prioritisation, Housing Capital Investment Team, Education and Infrastructure, Service Managers Place, Birmingham Property Services, Transportation Services, Legal Services, City Finance, Landscape Practice Group and Parks.
- 3.1.3 The Assistant Chief Executive, the Strategic Director – Major Programmes and Projects, (Acting) Strategic Director Place, City Finance and other relevant Senior Officers from the Economy, People and Place Directorates have been consulted and are supportive of the report proceeding.
- 3.1.4 Brandwood Ward Members and the Executive Member for the Selly Oak District have been consulted and are in support of the report's recommendations.

3.2 External

- 3.2.1 The Homes and Communities Agency (HCA) has been consulted and has agreed to fund the Investment options strategy and procure it in partnership with the Council (see para 5.12 below).
- 3.2.2 Consultation with relevant statutory agencies will take place to assist in the development of the Investment options strategy.
- 3.2.3 The wider community will be consulted as the identification of options for appraisal progresses. Further consultation will be undertaken as part of the project once a plan and PDD has been approved by Cabinet.

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 Business Plan and Budget 2016+. The proposals also respond to the Leader's Policy Statement Implementation Priorities of:

A fair city - to tackle inequality and deprivation, promote social cohesion across all communities in Birmingham, and ensure dignity, in particular for our elderly and safeguarding for children – by providing new affordable homes, apprenticeships and bursary programme placements.

A prosperous city - to lay the foundations for a prosperous City, built on an inclusive economy – by stimulating the construction industry through the Council’s housing building programme.

A democratic city - to involve local people and communities in the future of their local area and their Public Services – by consulting communities about proposals for new development and ensure that new homes meet local needs and localised targeting of training, education and employment initiatives to complement the house-building programme.

- 4.1.2 The Investment options strategy will be prepared within the context of the emerging Birmingham Development Plan (BDP), Local Development Framework and the Birmingham Connected five core objectives;

Efficient Birmingham - Birmingham Connected will facilitate the city’s growth agenda in the most efficient and sustainable way possible, strengthening its economy and boosting jobs.

Equitable Birmingham - Birmingham Connected will facilitate a more equitable transport system; linking communities together and improving access to jobs and services.

Sustainable Birmingham - Birmingham Connected will specifically reduce the impacts of air and noise pollution, greenhouse gas emissions and energy consumption.

Healthy Birmingham - Birmingham Connected will contribute to a general raising of health standards across the city through the promotion of walking and cycling and the reduction of air pollution.

Attractive Birmingham - Birmingham Connected will contribute to enhancing the attractiveness and quality of the urban environment in local centres, key transport corridors and the city centre.

Compliance with the BBC4SR is a mandatory requirement that will form part of the conditions of this contract. Tenderers will be required to submit an action plan as part of their tender submission outlining their Social Value commitments and this will be assessed alongside other criteria in the evaluation of tenders for the Investment options strategy. Implementation and monitoring of action plan commitments will be agreed with the successful tenders prior to contract award.

4.2 Financial Implications

- 4.2.1 Following discussions with the HCA, it has been agreed that the Investment options strategy will be funded by the HCA as a part of their use of funds held under the Public Asset Accelerator. The operation of this funding stream was set out in a report to Cabinet in the “Driving Housing and Employment Growth” through the City Deal Public Asset Accelerator May 2014.
- 4.2.2 Apart from officer time, there are no direct financial implications to the Council at this stage. The estimated costs of delivery of the preferred option will be identified in the PDD, which it is anticipated will be presented to Cabinet by the end of 2017, prior to costs being directly incurred by the Council.
- 4.2.3 The full details are set out in the Project Initiation Document (PID) in appendix 2 of this report. The Outline Investment Options Strategy will consider Council owned land and property.

- 4.2.4 The approval of the Investment options strategy as informal planning guidance will be sought from Cabinet. The aligned Investment options strategy will set out the financial commitment required from the Council to deliver investment and regeneration of Druids Heath. Both will be presented in a PDD to Cabinet by the end of 2017.
- 4.3 Legal Implications
- 4.3.1 The power to reorganise and manage assets in land and property is contained in section 120 and 123 of the Local Government Act 1972 and Section 32 Housing Act 1985.
- 4.3.2 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.
- 4.4 Public Sector Equality Duty (see separate guidance note)
- 4.4.1 The appended Equality Analysis (EA001190) concludes that the Investment Options Strategy has no identifiable adverse impact upon equality. A further Equality Analysis will be completed as part of the future report and PDD.
- 4.4.2 Any information management obligations will be managed as part of the relevant policies and procedures.

5. Relevant background/chronology of key events:

- 5.1 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 Selly Oak District and Brandwood Ward, and borders green belt land which is within the local authority of Bromsgrove District Council.
- 5.2 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.
- 5.3 Druids Heath is predominantly a residential area, primarily developed in the 1960's with smaller extensions in later decades to provide a mixture of low rise and high rise accommodation. The majority of homes and roads are a Radburn style layout, largely cul-du-sacs, and set within substantial 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.
- 5.4 The Investment options strategy will focus on developing options for the regeneration of the estate. These options are likely to include an element of demolition of some of the existing housing and the development of new homes on the estate. The Strategy will also pay close attention to ensuring the financial viability of the regeneration proposals. As illustrated in Plan No 1 attached to this report Druids Heath is identified in the BDP (TP31) as an area where the regeneration and renewal of existing housing areas should continue to be promoted to ensure that high quality accommodation and environments are provided in line with the principles of sustainable neighbourhoods. The Plan highlights a real need to improve the "quality of place" and address a number of issues in the area.

- 5.5 There are four key residential areas in Druids Heath, as described below and detailed in appendix 4 where building commenced in the mid to late 1960's and continued up to the 1980's. These areas will be the focus of the Investment options strategy.
- 5.5.1 Druids Heath East**
There are approximately 1180 properties and of those 80% are Council tenants, 16% are owner occupiers and 4% are Registered Social Landlord. This area is seen as requiring major intervention due to the poor quality of the existing stock/layout compounded by high levels of anti-social behaviour.
- 5.5.2 Druids Heath South**
There are approximately 1050 properties and of those 79% are Council tenants and 21% are owner occupiers. This area is also seen as requiring major intervention due to the poor quality of the existing stock/layout and high levels of anti-social behaviour.
- 5.5.3 Pennyacre**
There are approximately 220 properties in Pennyacre and of those 45% are Council tenants and 55% owner occupiers. This is a stable, mainly owner-occupied area that requires little or no intervention, other than to address its interface with the rest of the estate and some potential development on under-used open space to improve security.
- 5.5.4 Bells Farm**
There are 530 properties in Bells Farm and of those 61% are Council tenants and 38% are owner occupiers. This is a stable and popular area requiring little or no intervention.
- 5.6 As set out above, the East and South study areas are the places where the focus of the Investment options strategy will be concentrated. It is anticipated less intervention will be needed at Pennyacre and Bells Farm areas, which are mainly stable and popular with residents. However it is important to carry out an assessment of these areas to determine the level of intervention that may be necessary, particularly in the public realm, to ensure the areas are safe, secure, accessible, easy to navigate and connected with the wider area especially to local facilities and public transport.
- 5.7 To the north, east and west, Druids Heath adjoins the existing built up and popular areas of Kings Heath and Kings Norton. The boundary with Bromsgrove District Council to the south of Druids Heath also forms the boundary of the West Midlands Green Belt land in this area.
- 5.8 Some of the key issues and challenges presented by the estate that will need to be considered in more detail include;
- Properties that require capital investment and modernisation
 - A high concentration of Large Panel System Blocks (LPS) high rise blocks (15 out of 49 across the City are in Druids Heath).
 - Anti-social behaviour particularly around the high rise blocks
 - Low levels of owner occupation despite occupiers taking advantage of the "Right to Buy"
 - Overcrowding and under occupation in houses
 - Future provision of housing options for the large elderly community
 - Isolated poorly connected neighbourhoods and local facilities
 - Below average levels of economic activity

- Poor layout of the various residential neighbourhoods
- Poor quality of the public realm generally and public open space and play facilities
- Poor quality and overall character of Bells Lane
- Addressing fuel poverty which is particularly relevant in the un-improved LPS tower blocks
- Developing a complementary mix of existing and new uses across the estate tackling transport, housing, businesses and recreation
- Increasing connectivity both within the estate but also considering how this would be improved in the context of a growth agenda in the wider Maypole area

5.9 The following key statistics help to illustrate the inter-related issues that affect Druids Heath;

5.9.1 Unemployment in Druids Heath is 13% which exceeds the Birmingham average of 8%

5.9.2 The level of retired, long term sick and disabled residents in the estate is either at or above the average for the rest of Birmingham.

5.9.3 Average (mean) Earnings for Selly Oak District are £23,537 compared with £24,092 for Birmingham and £28,103 for England

5.9.4 Druids Heath is in the top 10% most deprived areas in England. (IMD 2015)

5.9.5 Residents on Druids Heath with no qualifications total 44% compared to the Birmingham average of 28%.

5.9.6 Cabinet approved the development of a Youth Promise Plus project under European Structural Investment Fund (Youth Employment Initiative-YEI) in February 2016, therefore any future work in Druids Heath will align itself with the project.

5.9.7 Around half of the children on the estate are deemed to be living in poverty.

5.9.8 The average property price across the estate is £75,000 compared to up to £250,000 in the wider Kings Heath postcode area, demonstrating the weakness of the housing market in this area.

5.10 The statistics in the preceding sections illustrate the complex and inter-related issues that need addressing as part of the Investment options strategy for Druids Heath and point to the fact that a piecemeal approach will not address the issues identified.

5.11 The HCA is the government's housing, land and regeneration agency, and the regulator of social housing providers in England. The HCA are responsible for increasing the number of new homes built across the country, increasing supply and enabling building. Furthermore they help stimulate local economic growth by using their land and investment, and attracting private sector development. The HCA Midlands, Public Asset Accelerator Board, has given full support to assisting the Council in producing a Investment options strategy for Druids Heath and has agreed to fund and procure this piece of work in partnership with the Council.

- 5.12 The HCA maintains a number of technical framework panels to assist with the delivery of its various programmes and will advertise the Investment options strategy via these panels in June 2016. These panels are available for use free of charge by a number of other public sector bodies including Local Authorities. The panels have been procured through fully compliant Official Journal of the European Community processes, and offer a quick and efficient means to procure high quality, good value development related technical services, such as property and project management, engineering, planning, and multidisciplinary services. The contractor to develop the Investment options strategy will be competitively procured from one of these panels under a Strategic Director officer delegation.

6. Evaluation of alternative option(s):

6.1 Option 1 - Do Nothing

- 6.1.1 This will not allow the Council to identify priorities and options for addressing them.

6.2 Option 2 – Council Funds the Investment options strategy

- 6.2.1 The HCA have made appropriate funding available to allow this to be progressed without recourse to the Council's limited resources.

7. Reasons for Decision(s):

- 7.1 Druids Heath has been identified through the BDP as an area where the city wishes to promote comprehensive regeneration and renewal.
- 7.2 Land availability remains scarce, therefore it's important to ensure any investment made within the estate maximises the Council's limited resources and meets the strategic priorities of growth and renewal, with particular emphasis on tackling worklessness and fuel poverty.
- 7.3 To ensure that viable options for any regeneration are approached in a collaborative way and deliver high quality sustainable homes and environment for the citizens of the City.

Signatures

Cabinet Members

Date

Councillor Tahir Ali
Cabinet Member for Development,
Transport and the Economy

Councillor John Cotton
Cabinet Member for Neighbourhood
Management and Homes

Chief Officer

Waheed Nazir
Strategic Director of Economy

List of Background Documents used to compile this Report:

Birmingham Development Plan
Council Business Plan and Budget 2016+
Housing Prospectus 2015
Intelligence, Strategy and Prioritisation Data

List of Appendices accompanying this Report (if any):

1. Druids Heath - strategic context map
2. Project Initiation Document (PID)
3. Equality Impact Analysis (EA001190)
4. Druids Heath Regeneration Area

Appendix 3

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 at 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 the standard section (4.4) of executive reports for decision and then attached in an appendix 4; 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

Equality Act 2010

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

The public sector equality duty is as follows:

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