

BIRMINGHAM CITY COUNCIL

ECONOMY, SKILLS & TRANSPORT O&S COMMITTEE –

PUBLIC MEETING

**1030 hours on 29th January 2020, Committee Room 2, Council House – Action
Notes**

Present:

Councillor Lou Robson (Chair)

Councillors Maureen Cornish, Chaman Lal, Simon Morrall, Julien Pritchard and Lucy Seymour-Smith.

Also Present:

Councillor Ian Ward, Leader

Ian MacLeod, Interim Director, Inclusive Growth

Jane Trethewey, Assistant Director, Inclusive Growth

Baseema Begum, Research & Policy Officer

Rose Kiely, Group Overview & Scrutiny Manager

1. NOTICE OF RECORDING/WEBCAST

The Chairman advised the meeting to note that members of the press/public may record and take photographs.

2. ELECTION OF DEPUTY CHAIR

Following a proposal and seconding Cllr Lal was appointed as Deputy Chair for the remainder of the municipal year

3. DECLARATIONS OF INTEREST

None.

4. APOLOGIES

Councillor Tahir Ali.

5. LEADER'S PORTFOLIO UPDATE

(See document No. 1)

The Leader, Cllr Ward and officers highlighted the following key points from the two reports that were circulated to members on the 'Promotion of Sustainable Neighbourhoods' and 'Affordable Housing': -

- Projected growth in the population by 2031 as per the Birmingham Development Plan (BDP) means that an additional 100,000 jobs need to be created.
- This will require improvements to be made to infrastructure and better connectivity with the introduction of rapid transit (the extension of both the Metro and Sprint route network); improvements to existing rail stations; the opening of new rail stations; bus priority measures and improved bus services; and improvements to pedestrian and cycling routes across the City. This will allow for people to access jobs and other facilities.
- Investment in growth in 10 key areas across the city will be promoted in a sustainable way in line with the climate change emergency commitment agreed by the Council in June 2019. Further promotion of sustainable neighbourhoods and promoting employment across the City with a number of projects in key areas including Perry Barr, East Birmingham and Longbridge.
- The city centre attracts the highest amount of investment and regeneration due to its economic output and the number of jobs it supports. It is central to Birmingham's growth agenda and its role as an international city.
- As part of the BDP a total sum of 81,000 new homes need to be built by 2031 in line with the projected population growth. However only 51,100 of these can fit within the city's boundary with the remainder being built in neighbouring local authority areas. In addition, 38% (19,400) of the 51,100 new dwellings need to be affordable homes.
- The Council's Birmingham Municipal Housing Trust (BMHT) programme has been running successfully since 2009, building over 2,500 new social rented homes for the city. However, the ongoing disposal of affordable housing arising from the sale of Council housing through the Right to Buy is resulting in a year on year net loss of affordable homes of around 200 per year. The issue is further being exacerbated by the introduction of the Voluntary Right to Buy for Registered Providers and is being extended into their affordable housing stock too.
- Since 2011 18,324 net new dwellings were completed and the Council has exceeded its set target as listed in the BDP.

- The number of 1- and 2-bedroom dwellings has seen a significant increase in the last three years, reflecting the success of the city centre residential market and skewing the city's overall housing mix.
- Due to 'windfall' sites (those not anticipated as part of the BDP) such as the Athletes Village being built in Perry Barr the Council will be exceeding its target of 51,100 homes resulting in less pressure on neighbouring authorities to meet the city's need and that will mean that these authorities may not have to build on identified green-field sites that were earmarked for development.
- There is a need to increase affordable housing however this is a challenge and a new approach is needed as land supply is an issue. For BMHT to deliver the homes required there is a need to identify sites for residential development such as former school playing fields, disused allotment sites, and areas of under-used public open space. However, some of these sites are contentious at a local level and ward members need to be engaged with in a better way.

Members then made the following points: -

- Apart from the areas identified for growth how will other wards benefit?
- Is there a mechanism where local members can support this growth so that people in neighbouring wards also benefit?
- In terms of the sources of investment for the Commonwealth Games in Perry Barr what is the contingency plan and monitoring for the funding?
- Sutton Town Centre is identified as one of the 10 key areas for growth however there is a lack of narrative in the baseline report on certain assets and whether these will be considered for future development.
- The impact of housing being built in the city centre compared to the rest of the city. Also concern on the impact on the night-time economy affecting areas like Digbeth.
- If HS2 goes ahead this will have an impact on housing with people from other areas such as London buying here because of the affordable housing option.
- An economic assessment of the impact of the Clean Air Zone on businesses in the city centre hasn't been completed unlike the one for Brexit.
- Can Enterprise Zones be expanded to other parts of city such as Longbridge where significant regeneration has taken place?
- What is the hard evidence that investment in the city centre benefits other areas of the city?
- What is the contingency plan if HS2 doesn't go ahead and what will be the effect on the Washwood Heath project if the northern extension doesn't go ahead?
- How can the Council use planning to tackle the climate emergency?

- Will Brexit have an impact on the housing numbers with the population forecast in the BDP?
- How do urban centres benefit local areas? What support and investment is there for SME's in thriving areas outside the main core?
- Density targets set in the BDP are too low to meet the affordable housing requirement when compared to European cities and there is risk of losing open space to compensate for the net loss of social housing through regeneration. Density of housing would be helped if roads and car provision were reduced and this would allow more space for housing. There is also a need to challenge developers on social responsibility.
- Are there any safeguards in the BDP as it is being used as a measuring mechanism for all applications in relation to housing building?
- Planning applications are accompanied by a viability assessment. However, in reality numerous approved applications come back to Planning Committee because a low percentage of affordable housing is being requested and this is due to the viability no longer being sustainable.
- Will there be less impact on housing growth due to EU migration? Can we lobby government on moratorium on Right to Buy?

In response the Leader and officers made the following points: -

- There are opportunities for other neighbourhoods to benefit with the wider growth agenda as part of the Urban Centres Strategy. This is a toolkit that officers can work with. The toolkit sets out criteria for inclusion for an area to be considered.
- Growth in other neighbourhoods can be supported by involving more members in the growth strategy so that areas across the city can benefit especially those living in deprived areas can access the jobs being created.
- The investment in Perry Barr as part of the Commonwealth Games totals £600m. This includes Government funding of £165m. The Council has contributed funding for the Games Village from prudential borrowing and this will be paid back by the sale of properties (post Games). A solution is being worked on with the contractor, government and WMCA on the overspend issue due to an increase in the development costs of housing. Members will be kept updated.
- Sutton Town Centre is listed in the Urban Centres Strategy so there will be investment in the future. Meetings take place with Sutton Town Council regularly and the BID are also involved. Land in the area owned by the Council will form part of a solution.
- There is a Games contingency budget in the full business case for the Commonwealth Games and monitoring on spend is reported to the Organising Committee and the Capital board. A report will follow to a future cabinet meeting.

- Investment in the city centre is very important because it is the most connected part of the city. It attracts investment because there are jobs and people travel to these jobs so connectivity is hugely important.
- Trying to strike the balance between housing and the night-time economy in the city centre is a challenge. One issue is land ownership however the Council is not always the major landowner but does have planning powers to try and ensure the conflict is minimised and can use these to try and negotiate with developers.
- Support the complete HS2 network with the extension to the north meaning that Birmingham would be at the heart of the network. The Washwood Heath site to be used as the depot for HS2 can be utilised for industrial use to create jobs if HS2 is cancelled. Working closely with HS2 on preparing a masterplan for the site.
- The need to improve poor air quality was a directive from government and the Clean Air Zone (CAZ) addresses the need to reduce air pollution. The CAZ due to be implemented later this year is supported by the Chamber of Commerce.
- The R20 taskforce was set up following the declaration of a climate emergency by the Council and is made up of a variety of stakeholders from across the city. Cllr Zaffar is leading on this as the relevant cabinet member.
- In relation to the R20 taskforce on climate change and what can be done to tackle building regulations it was explained that the government consultation has removed the powers from local authorities to accelerate building standards. The Council is responding to this consultation and as previously tried to push the standards above the national requirements but have had push back on planning and nationally limited by building regulations. There will be a report to City Council on this in the near future.
- A review of the BDP is planned in the next 2 years and will be commissioning evidence this year looking at our housing need. This will be based on factors such as demographic trend, population inflow, migration trends and the impact of Brexit.
- Enterprise Zones need to be agreed by government. Longbridge is a mixed-use development and a significant area of regeneration. Further work to be done in Longbridge and a masterplan is being worked on for the site to support growth and investment in this area.
- The Greater Birmingham and Solihull Local Enterprise Partnership (LEP) undertake a functional economic geography of the region and this looks at where people travel from to access jobs in the city and wider area.
- The Council's Business Development Team provide support to businesses and SME's. SME's are targeted to provide support through accessing grants from LEP's in Birmingham and the wider area.
- 2000 jobs were created in Aston as part of the Advanced Manufacturing Hub. Businesses and the Council's Employment Access Team worked together to

get local labour mainly from the local community with 500 jobs in total secured. This also helped in attracting international businesses to the hub by having a good connection to the city centre.

- Viability assessments for house building in the city are carried out independently and at cost to the developer. The Council must abide by the National Planning Policy Framework (NPPF) otherwise there is risk of being open to legal challenge. Officers do push on viability negotiation however the Council is bound by government guidelines. Birmingham and other cities are lobbying government on this.
- Birmingham has the highest density levels outside of London and more than other core cities and cannot be compared with European cities as they use a different model.
- There are challenges with the current remaining housing blocks and officers are looking at ways for investment as most have been demolished. Further demolitions won't go ahead if there isn't an alternative that provides as many dwellings or more.
- The Council is lobbying government on the Right to Buy however do not expect a change in policy and this is making the housing problem in the country worse.
- The housing need of the city is based on population growth with a large number of people under 25 it is a young city. Do not expect Brexit or international migration to have much effect on this.
- Outer London boroughs have suffered additional pressure over the years, and this has meant more of their tenants have been moved to other local authority areas. This has seen an increase in people coming to Birmingham and does have an impact on council services such as education and social care. In addition, there has been migration from London by young families for the high quality of life here. The Council can engage with those London authorities to understand how these people are being supported.

RESOLVED: -

1. Housing need and affordable housing – comparison to mayor cities and London to be included as part of a future update.
2. Investment in public realm – 'Street Appeal' report to be circulated to members.

6. EAST BIRMINGHAM AND NORTH SOLIHULL REGENERATION STRATEGY UPDATE

Ian MacLeod informed the Committee that a report to request approval to consult on the strategy was due to be presented to a cabinet meeting shortly. As part of the consultation the Committee will be engaged with and it was agreed a fuller discussion could take place at a future meeting.

RESOLVED: -

1. Item to be rescheduled to a future meeting.

7. WORK PROGRAMME DISCUSSION – NOVEMBER 2019

(See document No. 3)

The Chair asked members to raise topics of interest for discussion that can be added to the work programme for future meetings. The following items were raised: -

- West Midlands Pension Fund update
- Promoting and communicating employment and skills opportunities to residents
- Commonwealth Games – in relation to building the work experience and skills of young people in the city
- Planning development – early input into review of the BDP.
- Engaging communities earlier in proposed developments.
- SPP guidance in relation to climate change – consultation on building regulations
- Cultural/Leisure economy – investment in facilities and investment in key areas including Digbeth
- Conservation in local areas – supporting heritage and local listings
- Careers Advice working group - future working

RESOLVED: -

1. The Chair confirmed that she would discuss the issues raised and adequate programming with scrutiny officers.

8. REQUEST(S) FOR CALL-IN/COUNCILLOR CALL FOR ACTION/PETITIONS RECEIVED (IF ANY)

None.

9. OTHER URGENT BUSINESS

None.

10. AUTHORITY TO CHAIRMAN AND OFFICERS

Agreed.

RESOLVED: -

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

The meeting finished at 12:22 hours.