Birmingham City Council and Homes and Communities Agency

BIRMINGHAM LOCAL INVESTMENT PLAN

2010-2014

Birmingham City Council

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Glossary of abbreviations

AWM = Advantage West Midlands
BCC = Birmingham City Council
BEDP = Birmingham Economic Development Partnership
BSHP = Birmingham Social Housing Partnership
BMHT = Birmingham Municipal Housing Trust
BSF = Building Schools for the Future programme
CAA = Comprehensive Area Assessment
CHP = City Housing Partnership or Combined Heat and Power
CIF = Community Infrastructure Fund
FAP = Forward Allocation Pool
GND = Green New Deal
HCA = Homes and Communities Agency
HGS = Housing growth
HMRA = Housing Market Renewal Area (Urban Living)
JSA = Job Seekers Allowance
KS = Kickstart
LAA = Local Area Agreement
LANB = Local Authority New Build Programme
LCIF = Low Carbon Infrastructure Programme
LDF = Local Development Framework
LIA = Local Investment Agreement
LIFT = Local Improvement Finance Trust
LIP = Local Investment Plan
LLTI = Limiting Long-Term Illness
LSP = Local Strategic Partnership
MAA = Multi Area Agreement
NAHP = National Affordable Housing Programme
ONS = Office for National Statistics
P&R = Property & Regeneration Programme
PFI = Private Finance Initiative
PMS = Place-making
PRSI = Private Rented Sector Initiative (or separate BCC led activity)
PSA 16 = Public Service Agreement 16 (socially excluded adults)
PSLI = Public Sector Land Initiative
PWLB = Public Works Loans Board
RFA = Regional Funding Advice
RSL = Registered Social Landlord (housing association)
RSS = Regional Spatial Strategy
SCS = Sustainable Community Strategy
SHMA = Strategic Housing Market Assessment

1.0 Executive Summary

Birmingham's Local Investment Plan (LIP) provides a strategy for investment in housing from Birmingham City Council (BCC) and the Homes and Communities Agency (HCA) over 2010-2014. It has been developed as part of the Single Conversation process which began in 2009, and has involved BCC, HCA and Advantage West Midlands (AWM).

It sets out the key priorities, both spatial and thematic for Birmingham's future until 2014, with a longer term scope projecting to 2026. This provides a strong alignment with the regional strategic context (West Midlands Regional Spatial Strategy projects forward to 2026) as well as local strategies including the Sustainable Community Strategy (SCS) and associated Local Area Agreement (LAA), and emerging core strategy as part of the Local Development Framework (LDF). Consideration and time has been given to developing an extensive evidence base which underpins the priorities.

The shared investment priorities (as outlined within Table 5, page 28) span across the city's boundary and are located within each of the Area Delivery Board regions. The key priorities include the redevelopment of an existing homeless hostel in Snow Hill, sites for extensive housing growth (Egg Hill), renewal areas focusing on existing housing stock (Lozells), and areas to achieve a high-quality of place (Newtown).

Each spatial location has the opportunity of meeting key cross-cutting thematic priorities, including:

- addressing the need for specialist housing for vulnerable groups, such as people with learning disabilities, older people and gypsies and travellers
- tackling worklessness
- improving existing housing stock
- creating quality and sustainable communities and meeting the needs for new housing, including affordable provision.

These priorities have considered the present socio-economic context of the city, as well as the potential for delivery over the plan period.

The strategic objectives of the Local Investment Plan (LIP) are aligned to BCC priorities as well as the HCA West Midlands Business Plan and are set out as follows:

1. *To increase the **supply of new housing** and **new affordable homes**, and contribute to Birmingham's housing targets*

   The West Midlands Regional Spatial Strategy (RSS) Phase 2 Revision sets out a target for the delivery of 50,600 new homes in Birmingham over 2006-2026, with the potential for an additional 6,900 new homes following the Panel Report Update in September 2009. This LIP has the ambition to support housing growth of 10,120 (reflected in the LAA and RSS) over the four-year plan period, including up to 3,200 affordable homes (minimum of 800 per annum) to meet and extend the current Local Area Agreement (LAA) target. The LIP will also help address the provision of specialist housing for vulnerable people. Whilst current economic conditions mean that house building activity in the private sector is at a low level, BCC and HCA are working together to stimulate the housing market through innovative programmes such as the Birmingham Municipal Housing Trust (BMHT) and the Private Rented Sector Initiative (PRSI).

2. *To develop an investment strategy for the **sustainable improvement of existing housing stock** to decent homes standard and beyond*

Investment in existing public and private housing stock is crucial in meeting housing need, addressing deprivation and ill health, and tackling climate change. The LIP sets out the renewal areas within Birmingham where BCC and HCA aim to target future investment through the HMR Pathfinder programme, Decent Homes Plus and future retro-fit initiatives. Building on the success of Birmingham's existing Decent Homes Programme, and the HCA Low Carbon Infrastructure Programme.

3. *To deliver a **comprehensive place-making approach** and identify opportunities for capital investment which will maximise the impact of public and private capital expenditure in local authority priority areas*

   A number of place-making priority locations in Birmingham reflect Regional Funding Advice (RFA) priorities but also include other key areas where BCC and HCA commitments are well established. Place-making encompasses jointly prioritised themes of equality and diversity, aiming to create high-quality, sustainable mixed communities, characterised by increased employment levels, social cohesion, quality housing, education and health outcomes. HCA and BCC will work collaboratively with partners to ensure investment is focused on place-making to the benefit of the local community.

   The key place-making locations are as follows:
   - **East Birmingham**: up to 3,000 new dwellings
   - **North and West Birmingham**: Erdington, Newtown, Lozells, Ladyport (7,330 new dwellings)
   - **South West Birmingham**: Egg Hill, Longbridge, Kings Norton (3,050 new dwellings).

4. *To contribute to the **economic wellbeing** of the region and the growth of Birmingham as the regional capital*

   This strategic objective supports the ambition of the Regional Economic Strategy (RES) and the BCC overarching vision, which sees Birmingham as a global city. This is linked closely with place-making and the need to provide well connected places which function well for the communities that live and work in Birmingham. The provision of housing across a range of tenures and unit sizes, excellent social infrastructure and the creation of employment opportunities for local people will all help to support economic development. HCA and BCC are using housing investment to create apprenticeships and local employment through existing Local Authority New Build (LANB) and Kickstart programmes. Economic development will be integral to joint investment and encouraged throughout all investment locations.

These strategic objectives underpin Birmingham's Local Investment Plan and reflect those jointly held with other agencies. As part of the ongoing review of the LIP, key stakeholders will be engaged and work together to achieve Birmingham's vision, creating synergy by aligning resources and ambitions.

The primary delivery mechanism of the LIP will be through existing Area Delivery Boards within the overview of the Housing and Infrastructure Sub Board and the Be Birmingham Local Strategic Partnership. The four Area Delivery Boards for the East, South West, City Centre & North West will take an active role in the delivery of this LIP. The HCA and BCC will adopt a strategic commissioning approach using this LIP as a means of delivering agreed priorities.

BCC and HCA will work collaboratively to deliver 10,120 dwellings, with this figure being annually reviewed. The annual review will be informed by changes to the local strategic framework including an update to the SHLAA anticipated in 2010, which will primarily address the Eastern corridor.

2.0 Introduction to the Local Investment Plan

The Local Investment Plan (LIP) for Birmingham sets out the principles and priorities for joint investment by Birmingham City Council (BCC) and the Homes and Communities Agency (HCA) to deliver the city's overarching vision and related strategies for regeneration, renewal and growth. The plan identifies the strategic context for investment and summarises the evidence base that will be used to direct investment and determine the outputs and outcomes expected by HCA, BCC and wider stakeholders.

The LIP should not be seen as a stand-alone document. It has been developed within the context of existing national, regional and local strategic and policy frameworks. The function of the LIP is to detail how investment in housing and regeneration will help to deliver shared strategic outcomes in a way that is integrated with investment from other funding streams such as transportation, education and health.

The LIP is intended to provide a strategy for four years from 2010 to 2014, to enable alignment with HCA West Midlands Business Plan as well as complementing and supporting partners' existing and proposed activities. Its initial focus will be for 2010/11, given the information of existing commitments currently available, although it should have a longer term ambition up to 2026.

The plan's initial scope will cover the following:

- spatial priorities identified across the city targeting investment for regeneration, growth and renewal
- thematic priorities within and beyond spatial priority areas, to address the needs of vulnerable people and to deliver specific policy objectives
- consideration of sustainability and design
- governance arrangements to enable plan implementation
- delivery roles and responsibilities, with outlined costs and timing of activities
- risks and opportunities.

The LIP should not be seen as a fixed plan and will be subject to an annual review to take into account changing policy context as well as to reflect wider stakeholders' priorities (such as health, education and highways).

The Local Investment Plan for Birmingham will be aligned to the council's existing strategies, creating synergy through a collaborative partnership approach. The overall ambition of the LIP is to add value to the city council's existing strategies (Appendix 1) and establish an agreement between HCA, BCC and other public and private sector bodies to achieve the overarching vision.

At present the LIP and subsequent Local Investment Agreement (LIA) will provide an agreement between HCA and BCC. Stakeholder consultation has been undertaken through existing BCC governance arrangements and future development partner workshops will be held through area delivery boards. Future reviews of the LIP will enable further 'buy-in' from key stakeholders through an area-based approach.

2.1 Birmingham's Vision

The overarching vision for Birmingham is established within the Sustainable Communities Strategy (SCS), 'Birmingham 2026: Our Vision for the Future':

> *"Birmingham is the first sustainable global city in modern Britain. It is a great place to live, learn, work and visit:* ***a global city with a local heart****."*

The vision is defined by five outcomes to enable Birmingham's residents to:

- **succeed economically** – benefit from education, training, jobs and investment
- **stay safe in a clean, green, city** – living in clean and safe neighbourhoods
- **be healthy** – enjoy long and healthy lives
- **enjoy a high quality of life** – benefit from good housing and renowned cultural and leisure opportunities
- **make a contribution** – value one another and play an active part in the community.

Birmingham's Local Investment Plan will be focused on achieving this overarching vision through HCA, BCC and key stakeholder investment.

3.0 Strategic and local context

3.1 Birmingham – the place and its people

Birmingham is the major urban centre of the West Midlands conurbation, which also comprises Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton (Appendix 2). It is the UK's second largest city with a population of 1,010,247, covering an area of 26,777 hectares. The city is now experiencing strong population growth, having reached a low point in 2001 with a population of 984,000 after a half century of persistent decline. Based on data from the Office for National Statistics (ONS), the population is projected to grow to around 1.1 million by 2026. A further two million people live in the surrounding travel-to-work area, making Birmingham the focal point of one of the largest conurbations in Europe. Birmingham provides more than 20 per cent of the jobs in the West Midlands; over 160,000 people commute to Birmingham from outside the city.

Birmingham contains a relatively young population with about 45% of residents under 30 compared with the national average of 37%. Demographic trend projections from the National Statistics Office for the period 2006-2026 point to growing numbers in all age groups except 15-29. The projections show a 12% growth in the number of Birmingham's residents aged 65 or older, but this is noticeably lower than the 43% national increase. In contrast the number of children in Birmingham is shown to increase by 10%, compared with the national growth of only 2%.

Birmingham's growth was originally driven by economic prosperity linked to large-scale manufacturing, but economic restructuring that occurred between the 1970s and 1990s led to a loss of manufacturing businesses and jobs. Manufacturing, increasingly focused on highly specialised work remains important to the city, but Birmingham has also developed a substantial business and financial services sector through the transformation and growth of the city centre. As a designated Science City and a Digital City, Birmingham is attracting investment from new industries based on science and technology such as high technology manufacturing sectors, medical technologies, advanced materials and nanotechnology. However, in 2009 unemployment rose more steeply in the West Midlands than in any other region.

Birmingham is predominantly densely developed with approximately 15,200 hectares in residential use. There are an estimated 409,533 homes across all tenures in the city, with 302,430 (70 per cent) in the private sector. The average household size is larger in Birmingham, at 2.46 persons, compared with the England average of 2.36. There is a growing number of one-person households and also a relatively high proportion of households containing five or more people. Overall, the city has relatively low proportions of detached housing and higher proportions of terraced housing and flats. In recent years the city has seen major new residential developments and substantial clearance programmes. Between 2001 and 2006 about 16,000 dwellings were completed, many of which are new apartments in the city centre.

Birmingham’s residents are from a very diverse range of national, ethnic and religious backgrounds with BME groups forming over 30% of the city’s population. This is one of the highest proportions of BME communities outside London. Just over 10% of the population is of Pakistani origin with the next largest groups being Indian and Black Caribbean. BME communities are mainly concentrated in the inner parts of the city with the highest proportion found in the inner city wards of Lozells and East Handsworth, Sparkbrook and Aston. BME groups are projected to contribute significantly to the future population growth of Birmingham.

3.2 Birmingham's housing

Birmingham City Council is acknowledged within the recent Comprehensive Area Assessment (CAA) as working well to raise the quality of housing and widen the choice of homes available across the city. Housing services for vulnerable people, including those who are homeless, have also been improved. Many of these improvements are a result of the success of Birmingham's City Housing Partnership which enables many different organisations to work better together. BCC has exceeded its affordable housing target with 975 affordable homes delivered in 2008/9 (against a LAA target of 600), which is a significant achievement given the economic downturn. Following inspection by the Audit Commission the council's strategic approach to housing was rated as a two star service with excellent prospects for improvement.

3.3 Deprivation and worklessness within Birmingham

The city is the tenth most deprived in England using the Government's IMD 2007 data with approximately 38% of residents living in areas that are in the most deprived 10% of areas in England.

Birmingham's employment figure is now the lowest of all of the local authority areas in the West Midlands. The adjusted claimant count unemployment rate in Birmingham of 12.3% is significantly above the English Core Cities average of 9.5%. Youth unemployment (16-24 year olds) has grown at a higher rate than other age groups, which is heightened by the high percentage of 16-24 year olds with no qualifications, 18% compared to the UK average of 11%. In the current recession, the largest increases in unemployment have occurred in some of the most deprived wards. Birmingham has four of the top five Parliamentary constituencies with the highest % of Job Seekers Allowance (JSA) claimants in the country, that is: Ladywood, Hodge Hill, Sparkbrook & Small Heath and Erdington. These negative trends may also reflect the outward migration of more economically active households. In effect this means that the city exports its economic success and wealth to the surrounding shires. Research locally and nationally identifies the key drivers of outward migration as being neighbourhood quality, environment and fear of crime.

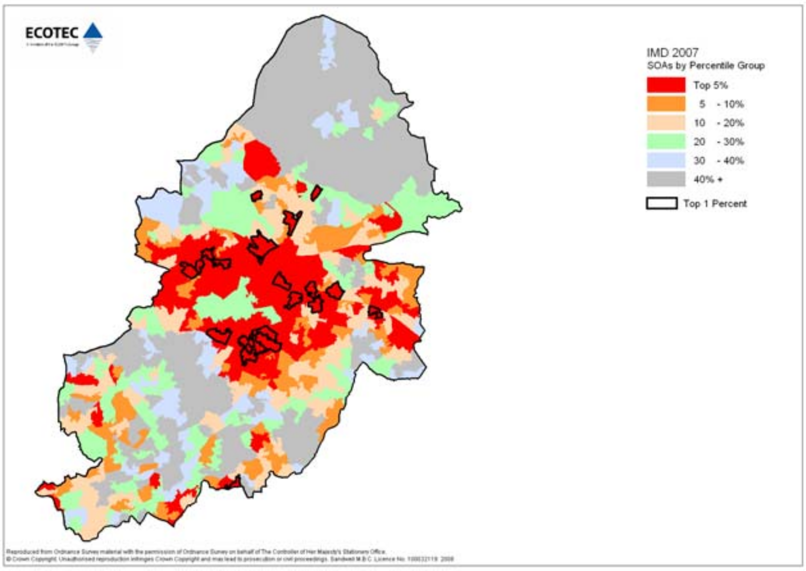
The scale of deprivation in Birmingham (and its focus within young and BME sectors of the population) is a key issue to address in looking to the future. Using the Housing Index of the Index of Multiple Deprivation, Figure 1 (page 10) highlights the spatial extent of severe deprivation in the city. While the scale of the problem of deprivation in Liverpool, Manchester or Tower Hamlets (relative to their population) is greater than Birmingham, Birmingham has a much larger number of residents living in such circumstances and Birmingham's position is becoming proportionately worse:

Table 1: Comparison of Selected Local Authorities' Population within top 5% IMD

Local Authority	Total Population (2007)	Population within the top 5% IMD	% of Population within the top 5% IMD
Birmingham	1,002,615	267,681	26.7%
Liverpool	436,392	189,246	43.4%
Manchester	444,1442	132,792	29.9 %
Sheffield	522,381	67,137	12.9%
Tower Hamlets	209,361	59,889	28.6%
Islington	183,390	15,546	8.5%

Deprivation affects most parts of the city and all ethnic groups, with the inner city areas experiencing rapid population and household growth and new waves of immigration. The income of many of the current households will be insufficient to buy open market property without public sector intervention. The largely council-owned social housing estates on the periphery of Birmingham suffer from a lack of community facilities, social isolation, and economic inactivity.

Figure 1: **Deprived neighbourhoods in Birmingham, 2007**



The LIP will need to ensure that public-sector investment is targeted in a manner that will deliver transformative change in areas of greatest need. Appendix 3 examines a range of socio-economic indicators of deprivation across the city to reveal which wards show the greatest levels of deprivation. Within these wards, concentrated areas of severe deprivation, coupled with continued population growth and inadequacies in housing supply result in distinct communities in Birmingham exhibiting unique circumstances of housing market need.

Strategic policy context

3.4 Regional strategic context

The LIP is a further addition to an already well developed regional and local strategic framework. As such it is not intended to set a new policy direction but to detail how investment in housing will be targeted to help deliver existing strategic priorities.

Birmingham's success is fundamental to the achievement of regional strategies. The forthcoming West Midlands Regional Strategy provides an opportunity to further align thematic strategies for housing, economic development and transport to improve the performance of the region and to reduce the growing disparity in prosperity between the region, and Birmingham in particular, and other parts of the United Kingdom. The West Midlands Regional Strategy will draw upon the existing policy direction set out in the Regional Spatial, Economic and Housing Strategies - to support the economic wellbeing of Birmingham and promote its role as the regional capital and as a global city.

Urban Renaissance is a key regional priority that will be supported through the LIP. This theme prioritises investment in neighbourhood regeneration and place-making within the major urban area to counter unsustainable patterns of out-migration. Improving the choice and quality of housing will be a major component of the place-making approach, such as that being piloted through the Total Place pilot in East Birmingham. Urban renaissance and place-making are key themes to drive forward spatial prioritisation, as shown within Table 5, page 28.

3.5 Local strategic context

At a local level, the city's Sustainable Community Strategy (SCS) – Birmingham 2026: A Global City with a Local Heart, reflects regional aspirations for the economic prosperity and global role of the city, and sets out Be Birmingham's (the Local Strategic Partnership's) vision of better outcomes for residents.

This vision is to be delivered through the Local Area Agreement (LAA), and is supported by two complementary plans: the Council Plan, which transforms the vision into strategic priorities and outcomes; and the Housing Plan 2008+, which translates both the SCS vision and housing partnership vision into specific actions (Figure 2, page 11). The SCS and the LAA identify patterns of neighbourhood deprivation in the city and have prioritised 26 neighbourhoods for delivery through the LAA (Appendix 3).

Figure 2: Birmingham's wider strategic policy context

Source: Birmingham Housing Plan 2008+

The Housing Plan 2008+ establishes how the housing sector will contribute to each of the five outcomes within the Sustainable Community Strategy (Appendix 4).

Below the Housing Plan 2008+ are two core strategies (Supporting People and homelessness strategies) and associated supporting strategies such as Planning for Housing in Later Life and the Private Sector Housing Strategy. These form a comprehensive suite of strategies to address the housing and support needs of vulnerable people and other key housing issues.

The overarching Supporting People Strategy, and the six supporting strategic review and commissioning strategies recently produced, identify the housing related support needs of a wide range of vulnerable client groups in the city. The LIP will complement this work by establishing priorities for investment to meet the accommodation requirements of vulnerable groups.

The delivery plan for the Sustainable Community Strategy (and its subsidiary Housing Plan 2008+) is Birmingham's Local Area Agreement 2008-2011, formally agreed in 2008 between central government and BCC. Categorised under the five core themes, the LAA consists of 19 action areas (monitored against a framework of 51 nationally designated targets) to deliver the objectives of the LSP. Action areas most relevant to the Single Conversation process are outlined in Appendix 5.

3.5.1 Planning framework

The spatial planning framework for the city will reflect the vision set out in the SCS. BCC is producing the Birmingham Core Strategy and a number of major studies have been completed as part of the evidence base, including a Strategic Housing Land Availability Assessment, Strategic Housing Market Assessment, review of employment land, a Retail Capacity Study and Strategic Flood Risk Assessment.

A key overarching theme of the emerging core strategy is the need for growth as BCC aims to increase the city's population by up to 100,000 by 2026. To reflect this, Birmingham and Solihull is designated as a growth point and the main locations for new development are centred around the Eastern Corridor, North West Birmingham, Western Growth Corridor and South West Birmingham, including Longbridge.

The overall number of new dwellings to be provided in Birmingham 2006 – 2026 will be determined through the Regional Spatial Strategy Phase 2 Revision.

In autumn 2008 BCC undertook a Core Strategy Options consultation exercise to seek views on three 'Options for Growth'. One option (enabling 55,000 to 60,000 new dwellings without encroaching upon the green belt, spatially mapped at Appendix 6) would appear to have the most technical, political and community support. If this option is taken forward it would necessitate:

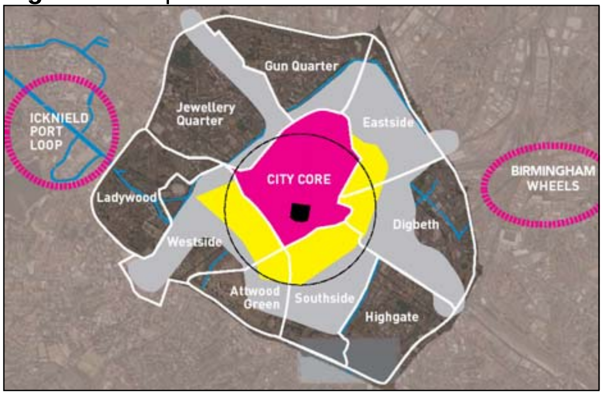
- significant housing redevelopment/ renewal within East Birmingham (the Eastern Growth Corridor)
- the Eastern Corridor and the Western Growth Corridor (including major opportunities at Ladyport and within the Aston Newtown and Lozells Area Action Plan) would act as a focus for regeneration activities
- further provision of new housing within the city centre, which would seek to maintain the momentum of 'city living' but in a manner which will deliver a much wider choice of housing types (including family housing)
- the creation of Sustainable Urban Neighbourhoods in a range of locations (Ladyport, Meadway, Shard End, Stechford & Bordesley Park, and Druids Heath)
- three existing centres (Perry Barr, Selly Oak, and Meadway) would be further developed to act as a focus for new development and investment, seeking to achieve transformational change in a suburban context
- growth of these centres will also be complemented by expansion of Sutton Coldfield Town Centre, as proposed by the RSS.

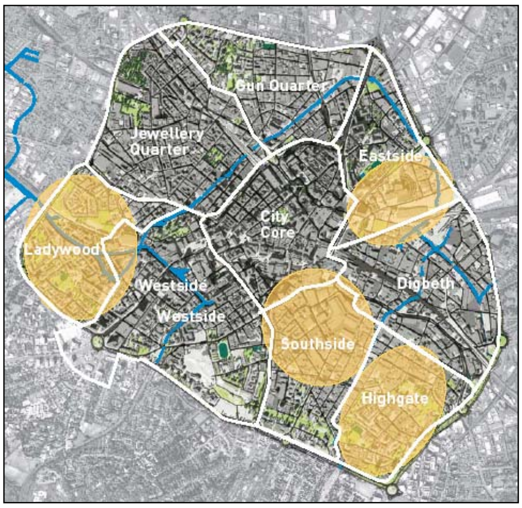
The next stage in the preparation of the core strategy will be the publication of a preferred option or 'emerging strategy'. This is expected in the summer of 2010.

The core strategy will also reflect the thinking in the Big City Plan which has been developed as a prospectus for the city centre, and a key driver of the city and wider regional economy. This proposes to expand the city's central area uses. The plan identifies possible "transformation areas", including the mainly residential Ladywood and Highgate areas (Figure 3 and 4, below).

Other area-based policies programmed by BCC include the adopted Longbridge Area Action Plan and two emerging Area Action Plans: Aston, Newtown and Lozells and Bordesley Park.

Figure 3: Proposed expansion of Central Activities Transition Zone and Corridors (enabled by redevelopment of New Street Station)
Figure 4: Proposed transformation areas





3.5.2 Local economic strategy

Birmingham's Local Economic Strategy (2005-2015) establishes the need for:

- **development and investment** (transport, employment opportunities, area-based development opportunities)
- **creating a skilled workforce** (increase skills and employment, reduce worklessness)
- **fostering business development and diversification** (development and growth of new enterprise)
- **creating Sustainable communities and Vibrant Urban Villages** (employment hubs, physical environment, local centre improvement/, affordable housing)

The Local Economic Strategy clearly demonstrates the broader links between housing, the delivery of sustainable communities and the local and regional economy.

3.6 Homes & Communities Agency strategic context

The HCA's vision is twofold, to create opportunities for:

- **people** - by improving their access to high-quality accommodation across tenures, transforming the physical fabric of communities, and by helping to build the basis for economic prosperity
- **places** - through supporting the delivery of quality places and increased supply by helping to bridge national targets and local ambitions.

Delivering this vision translates into a challenging agenda of activity, grouped around four strategic objectives which are as follows:

- **Growth** - to contribute to the delivery of housing growth to meet current and future need
- **Affordability** - to secure the delivery of new affordable housing (for social rent and as affordable home ownership) and to ensure that existing social rented stock is made decent
- **Renewal** - to support and accelerate the regeneration of under-performing areas and the renewal of deteriorating estates
- **Sustainability** - to maintain and extend the high standards of design in buildings, public spaces and places, and to embed sustainability (economic, social and environmental) across the development programme.

In addition to these strategic objectives, there are a number of essential cross-cutting policies, themes and approaches which form a central consideration within all of the HCA's work. These include:

- delivering greater accessibility to the housing market (through intermediate housing choices)
- improving capacity and skills in housing and regeneration
- vulnerable and older people
- equality and diversity.

At a regional level, HCA has produced a draft Business Plan for the West Midlands (2010-14) which sets out the following core objectives:

1. to increase the supply of **new housing and new affordable homes** and contribute to the housing targets of the local authority

2. to develop an investment strategy for the **sustainable improvement of existing housing stock** to decent homes standard and beyond

3. to deliver a comprehensive **place-making approach** and maximize the impact of public and private expenditure in the agreed target areas

4. to contribute to the **economic wellbeing** of the region and the growth of Birmingham as the regional capital.

3.7 Strategic policy context summary

There is a large degree of commonality between regional and local strategic objectives, and those of the HCA. In broad terms, the distinction made by the HCA between people and places (or spatial and thematic) is useful for the development of the LIP and for considering the implementation of regional strategies (RSS, RHS, RES), local strategies (SCS, LAA, Housing Plan, LDF) and achieving the goals of the HCA. Priorities in the LIP are therefore presented as spatial or thematic, although it is recognised that there will be some overlap between the two categories.

Spatial – priorities that are focused on locations for housing growth and the regeneration of neighbourhoods with a weak housing market, lack of sustainability and high levels of deprivation and worklessness.

Thematic – investment to support vulnerable groups living in the city or to deliver against a particular policy objective, such as addressing climate change and economic wellbeing.

Investment Priorities

4.0 Spatial priorities

4.1 Housing growth and priority locations

The Regional Spatial Strategy Phase 2 Revision sets out ambitious and challenging targets for housing growth for the region and for Birmingham. This target is the primary driver for investment in new housing development for the city.

Table 2: Levels of Net Housing Provision allocated within Regional Spatial Strategy Phase 2 Revision Preferred Option

Area	2006 – 2016	2016- 2026	Totals
Birmingham	2,530 pa	2,530 pa	50,600*
West Midlands	Rising trajectory to 19,000 pa	17,800 pa	365,600

*Numbers subject to increase by 6,900 - RSS Panel Report 09.

In addition to the levels of housing provision set out above, the RSS assumes that a further 26,000 dwellings will be required in Birmingham in the period 2006-26 to replace properties demolished (94% of housing growth is to be delivered on previously developed land). Many of the demolitions are obsolete, affordable dwellings, therefore highlighting the need for more affordable units to be delivered as part of the growth strategy. The Phase 2 Review of the RSS is likely to result in an increase in the level of housing provision required for the city. The Examination in Public Panel has recommended an increased figure of 57,500 and the Secretary of State’s response to this is expected in 2010.

For the period 2010-14 the current preferred option target translates into a housing requirement of 10,120 new homes in Birmingham. If the review panel’s recommendations are accepted, this target is reduced (as a result of phasing which recognises the impact of the recession on housebuilding) to 9,270 dwellings.

Although the RSS does not relate to affordable provision, the Local Area Agreement (LAA) target for 2008-11 outlines an ambition to deliver 2,400 affordable homes. BCC are on track to deliver this LAA target and have achieved 975 homes in 2008/9. It is anticipated that the annual target for 2009/10 will also be exceeded.

In advance of the Single Regional Strategy, engagement with Advantage West Midlands has led to the RDA’s commitment to aligning their resources with BCC and HCA to support the delivery of the West Midland’s Regional Economic Strategy. Work has already progressed through the Regional Funding Advice (RFA) process to align public sector capital investment. The RFA identifies 20 large-scale development and regeneration projects across the region, deliverable within a 3-4 year timescale, as Impact Investment Locations (IILs). It is anticipated that at least 27% of total public expenditure on economic development, housing and transport from 2009-2019, within the West Midlands, will be focused on these IILs.

BCC and HCA are working with AWM and partners to seek to accelerate development and secure investment within the IILs and Regional Funding Advice delivery plan for the West Midlands.

IIL priorities with a significant housing component are Longbridge, Eastside and Icknield Port Loop (Ladyport). AWM have already invested £112m in these IILs and will invest a further £22m in future years. In addition, AWM and the city council have begun to strategically assemble land for employment uses in Aston, for example Birmingham Core Strategy issues and options identifies Aston as a Regional Investment Site RIS, and in Tyseley within the Eastern Corridor (Appendix 6).

To assist the planning and delivery required to meet RSS targets and accommodate the forecast population growth, the city has been designated with Solihull MBC by CLG, as a growth point. The main locations for housing growth are:

- Eastern Corridor
- North West Birmingham
- South West Birmingham including Longbridge.

These correlate with HCA and BCC place-making proposals.

Appendix 8 highlights the specific locations for housing growth.

4.2 Housing type and mix

The Strategic Housing Market Assessment (SHMA) undertaken in 2007 provides detail on the nature of the housing development that is required in the city to meet its housing requirement. The study identified a net requirement for 20,168 additional homes over 2008-2013, which is in excess of the RSS preferred option minimum requirement of 12,650 new homes

In terms of market housing, the SHMA identifies that 27% of new provision should be 1 bedroom, 55% 2 or 3 bedrooms and 18% 4 or more bedrooms. The findings show a relative undersupply and consequently a premium price for 4 bed+ properties. On average 2 and 3 bed properties are similarly priced – with a notional oversupply of 3 bed properties. Larger 3 bed properties are likely to be popular given the shortage of 4 bed homes.

The requirements for affordable housing are complicated by a gross requirement for 14,500 4 bed+ affordable properties over the five year period. This requirement highlights a mismatch between supply and demand in the affordable housing stock, with a notional oversupply of smaller property types. In practice these smaller properties are occupied by households who require larger homes. A number of larger affordable properties, a sample survey indicates 60%, are under-occupied. These findings present a policy challenge and suggest the need for creative thinking and investment, focused on the best use of existing stock, to meet the requirement for larger homes.

Table 3 is a pragmatic attempt at identifying a recommended housing mix for new development in the city, recognising that the net requirements for housing combined with the overwhelming need for 4+ bed affordable homes do not readily translate into viable or sustainable developments. For affordable housing the suggested mix also makes provision for the replacement of obsolete dwellings.

Fundamentally the table uses the gross requirement for housing by tenure to determine a 60:40 split between market and affordable housing. The requirement for 4+ intermediate properties is likely to be difficult to deliver at a level that is affordable to residents. Therefore it is likely that the latter requirement will be substantially met through social rented provision.

Table 3: 5 year Adjusted Net Housing Requirement

Size	Market	Intermediate	Social rented	Total
1 bedroom	**16%**	**3%**	**4%**	**23%**
2 bedroom	**33%**	**9%**	**4%**	**46%**
3 bedroom		**5%**	**2%**	**7%**
4+ bedroom	**11%**	**8%**	**5%**	**24%**
Total	**60%**	**25%**	**15%**	**100%**

In examining affordability issues on a citywide basis, Birmingham has 104,983 units of affordable housing, 40,000 units of RSL housing stock, and 64,983 units of local authority stock. Waiting list data shows that the need for affordable housing provision in the city rose from 14,614 persons in 2006 to 19,190 by 2009. Annual completions for new affordable housing units, 975 in 2008/09, have been insufficient to reduce waiting list figures. Work undertaken by Savills on behalf of HCA indicates that there is a clear mismatch between the type of housing needed to meet this rising demand, and the housing currently available, reinforcing the conclusions of the SHMA.

4.3 Land capacity

In April 2007 the city had planning commitments for 18,474 dwellings and had identified the potential for a further 32,000 dwellings in the published SHLAA. A recent HCA commissioned Housing Market Study, undertaken by Savills, further explores Birmingham's capacity to contribute to RSS residential targets through providing both a demand and supply side analysis of current housing markets in Birmingham, and identifying individual sites on which intervention can occur.

4.4 Neighbourhood regeneration

A recent HCA commissioned study (undertaken by GVA Grimley) examining the need for Neighbourhood Housing Regeneration within the city identifies distinct neighbourhoods and estates within Birmingham. The study ranks the 41 distinct neighbourhoods and estates within the city which are in most need of targeted intervention, through criteria based upon housing conditions, socio-economic conditions and potential to enact transformational change. The following communities are indicated as potential priorities, and as such have been focal points of discussion between HCA and partners:

- **South West Birmingham –** Frankley; Egghill; Kings Norton; Druids Heath
- **North West Birmingham –** Lyndhurst; Kingstanding; Hockley, Lozells, Newtown, Birchfield, Aston, Witton; Ladywood
- **East Corridor** – Meadway, Garretts Green, The Radleys; Shard End; Saltley, Washwood Heath, Alum Rock.

These findings have been used to help identify investment priorities for growth and renewal, although the final priority list has been influenced by deliverability within the plan period. Future renewal areas will be scoped from this initial research and any future policy updates.

4.5 Placemaking

High quality design and place-making is an important part of creating sustainable homes and communities, especially the links between good design and environmental sustainability.

Placemaking and Quality of Place is promoted by HCA and BCC in the process of building balanced communities. This will help to enable the creation of viable areas and support social cohesion. At a strategic level place-making should identify and address existing imbalances and failings, and work to provide the four elements required for creating a balanced community and quality of place. Where proposals are at neighbourhood level, then place-making will need to focus on achieving the seven objectives of Urban Design.

HCA's Business Plan outlines key areas for which place-making will be a core focus:

- **East Birmingham -** Proposals are emerging for a new neighbourhood in the east of the city, integrating investment in new housing with the refurbishment of existing homes, the creation of a new health, education and community facilities hub, and potentially an extracare scheme. This is a development from Birmingham City Council's Total Place pilot initiative to save both capital and revenue resources whilst providing improved service outcomes for residents. Partners are considering joint venture approaches to maximise co-investment, progress delivery and ensure comprehensive community engagement.
- **North and West Birmingham -** Erdington, Newtown, Lozells and Ladyport will be the focus for renewal, growth and retro-fitting, and integrate a shortlisted PFI project to deliver mixed tenure homes, Housing Market Renewal activity, Building Schools for the Future funding, lottery funding for social facilities, and HCA investment through low carbon infrastructure and affordable housing, in an overall programme of improvement. Urban Living, the HMR Pathfinder for Birmingham and Sandwell has invested significant CLG funding which has now become part of the HCA programmes. The HMR programme has featured strongly in community cohesion and capacity building and this plan will ensure that this work continues beyond April 2011.
- **South West Birmingham -** Egg Hill, Longbridge and Kings Norton have focused on the renewal of large local authority built housing stock. This is now mixed tenure as a result of right-to-buy activity. South West Birmingham also includes the regeneration of the former Rover factory site. With the commitment of private sector development partners, Advantage West Midlands, the local authority, RSLs and the local college we will create a mixed use, mixed tenure development including 3000 new homes.

4.6 Total capital

Birmingham is one of the HCA's five Total Capital case studies. Within Birmingham the focus has been on the three wards of East Birmingham (Shard End, Yardley North and Stechford) and existing work in Newtown. The HCA have expressed a commitment that the Total Capital approach will be supported and progressed in East Birmingham and rolled out within other place-making areas.

The objective of Total Capital is for HCA, BCC and other partners to deliver effective alignment and sequencing of major capital investment to deliver desired outcomes in a particular area. In East Birmingham it is proposed to achieve this by the delivery of housing which will be supported by a Shared Services Hub and associated infrastructure, incorporating improved public realm. The Total Capital approach is intended to align capital investment within the area, provide opportunities for common procurement and provide a shared asset allowing common asset management.

Newtown, which is also an exemplar of Total Capital and used as part of the Birmingham case study, illustrates the number of key delivery partners that can be involved in any scheme and in Newtown these include:

- **BCC** - development on HRA land and Decent Homes funding
- **HCA** - investment in low carbon infrastructure in Manton and Reynolds House, NAHP funding for Crocodile Works scheme, potential NAHP investment in Pannel Croft Extra Care
- **Urban Living** (now HCA programme) – investment in Manton and Reynolds House, Crocodile Works, Pannel Croft (Site assembly), clearance of NE Newtown and land assembly
- **BSF programme** – New Holte School and low carbon energy centre
- **National Lottery –** Funding for 'My Place' youth facility
- **Midland Heart (RSL)** – Crocodile Works Scheme.

The council has an established track record in place-making, facilitating projects such as the housing-led regeneration of Attwood Green and Castle Vale through the use of Special Purpose Vehicles, whilst Pype Hayes and Great Park are just two examples of projects that have been delivered "in-house". The council has recently been successful in the preliminary stages of securing PFI funding for Lyndhurst and remains committed to the transformation of the Kings Norton "Three Estates" through the conclusion of the New Deal for Communities programme. These neighbourhoods are key spatial priorities for the LIP.

In line with 'Total Place' and 'Total Capital' thinking and the requirements to achieve better outcomes for public sector resources. It is vital to promote the synergy of investment through the alignment of different funding streams. Alignment will enable the measurement of the overall impact that the public sector can have in shaping an area. The LIP looks to identify existing public sector spending in Birmingham and has begun this process by reviewing the Building Schools for the Future (BSF) programme, Local Improvement Finance Trust (LIFT) programme and Hospital PFI (Appendix 8).

- **Building Schools for the Future (BSF) -** Birmingham is the largest urban Building Schools for Future (BSF) project in the country involving a programme of development taking place over six phases. In phase one, £140 million has been secured to redevelop ten schools.

- **Local Improvement Finance Trust (LIFT) and Hospital PFI -** Birmingham and Solihull Local Improvement Finance Trust (LIFT) is also the largest in the country. There is a £200 million programme of projects in the pipeline to be completed over the next five years. Hospital PFI has commissioned £627 million for the University Hospital Birmingham NHS Foundation Trust and Birmingham and Solihull mental health NHS Trust.

5.0 Thematic priorities

5.1 Economic wellbeing and addressing worklessness

The importance of economic wellbeing cannot be overstated as the UK exits severe recession. Whilst growth returns to the UK economy, unemployment is expected to continue rising for some time. Previous periods of recession have shown that unemployment tends to lag behind recovery and that unemployment continues to rise even after recovery begins. The ability to create jobs and link residents to opportunities emerging from the recovery is crucial.

As a city with 23% of its population being under 25, Birmingham has a key focus on the provision of training and skills leading to employment for residents. Currently unemployment and NEET (Not in Employment, Education or Training) numbers in the under 25 group are unacceptably high. This presents a challenge to be addressed if the city is to improve its performance against other core cities.

In terms of deprivation, 4 out of the top 10 most deprived wards nationally are located in Birmingham. A number of initiatives are being progressed to tackle this challenge; the CATE initiative (Community Access into Training and Employment) uses forward planning through development control and regeneration to work with developers to identify new economies and growth sectors. Linking physical development activity with training provision and employment opportunities can enhance the capture of benefits for local residents.

The WNF (Working Neighbourhood Fund) is being used to support this on a spatial basis, managed by area managers linking training and employment support for the benefit of residents and current and future employers. Capture and retention of apprenticeship provision through development activity both in the construction phase and post development is a specific focus of funding support. This together with capacity building is intended to ensure the maximum benefits of regeneration are captured, creating positive impacts for local communities and the local economy. This has been recognised in the emerging Lozells Regeneration Framework which includes a commitment to create approximately 5000 new jobs for the local community, and to improve access to the city centre for work opportunities.

Ongoing collaboration of the organisations involved in regeneration, education and training, skills and employment is absolutely critical in ensuring that strategic links maximise the social and economic benefits of independent activity going forwards. This will be aided by the Multi Area Agreement for the City Region which sets key targets to tackle worklessness and low skills, such as:

- 0.25% reduction in the gap between working age population in receipt of out of work benefits in the City Region and the national average (from a baseline of 4.1% to 3.85% in 2013)
- 12% increase in the percentage of adults with at least a Level 2 qualification and above (to 75% in 2013)
- 11% increase in the percentage of adults with at least a Level 3 qualification and above (to 54% in 2013).

Additional BCC initiatives are helping to tackle worklessness:

- the development of a Birmingham Construction Employment and Training Charter, together with voluntary agreements relating to existing construction-related contracts

- with the support of a Birmingham CEI model, the application of best practice in respect of the definition and application of “community benefit” within all Housing Department and RSL construction-related contracts. This would oblige successful tenderers to recruit a mixture of redundant skilled and experienced ex-tradesmen and young trainees and apprentices

- the development of appropriately resourced processes, and associated protocols, to help Birmingham-based SMEs to open up supply chains and maximise local employment

- the marketing of this policy alongside other approaches to inward investment

- the simplification of public sector procurement processes for contracts of a relatively low value to encourage competition from local SMEs, for example by

- the creation of an Intermediate Job Brokerage Agency linked to the creation of additional capacity within the council and RSL sector to monitor contractor adherence to “community benefit” aspects of construction-related contracts. Both functions could be co-supported by the city council and Birmingham-based RSLs and could be funded in the short-term through Government “special” funding (such as WNF), and in the longer-term through a MAA or Total Place initiative

- a co-ordinated procurement function for RSLs, (perhaps with that of the city council), with a view to sharing the cost of the above (initially scoped via the proposed WNF-funded Birmingham Social Housing Partnership “SHARE” bid).

Across the city there are a number of proposals to be delivered through a collaborative agency approach along with WNF, CATE and AWM Skills Strategy Work. There are several opportunities for the future which can help to tackle worklessness including substantial investment and expansion of BCC housing stock, the climate change agenda (Green New Deal), a growth in the knowledge economy and the knowledge assets which Birmingham has, including Aston Science Park development.

HCA and BCC are committed to promoting local labour and apprenticeships through housing investment. This has been embodied in the Kickstart and Local Authority New Build Programmes.

This LIP also prioritises investment in Places of Change. Prevention is at the core of BCC’s strategy to tackle homelessness. Places of Change are a vital element in enabling people to break the cycle of homelessness through linking accommodation to training and employment opportunities – giving people the skills to be more self-sufficient and to realise their potential.

5.2 Infrastructure and economic wellbeing

Economic wellbeing is also influenced by ensuring that the appropriate infrastructure is in place to facilitate large scale mixed used development, including employment and housing. HCA’s Community Infrastructure Fund (CIF) recognises this and has allocated funding to two transport infrastructure schemes in Birmingham:

- Cole Hall Lane Bridge (located in East Birmingham) - £2.1 million
- Icknield Port Loop (Ladywood Middleway/IPL Roundabout) (Edge of City Centre) – £2.87 million

Icknield Port Loop has been defined as an Impact Investment Location (ILL) within the Regional Funding Allocation and as such this CIF investment will enable the future development of a significant regeneration site (allocated as spatial priority within the LIP). It is envisaged this initial investment will be complemented by other public sector funding streams and private sector contributions through S.106 to enable further highway capacity enhancements on Ladywood Middleway and Dudley Road. This transport scheme will help to address severe traffic congestion issues and help to build the capacity of IPL for future development.

Investment at Cole Hall Lane is the first stage of enabling investment to bring forward redevelopment for the East of Birmingham.

Scoping work for the proposed High Speed Rail Link (from London to the North West, including Birmingham City Centre), and its various routes has been completed.

Investment in support of development proposals, if required and appropriate, will be co-ordinated trough the processes outlined in this LIP.

5.3 Housing with support

Birmingham's Supporting People Strategy Update 2007-2010 evidences the need for a significant change in the model used to deliver housing related support. In summary this means a move from a predominantly accommodation based support model, to a floating support model which can be delivered across all tenures. The rationale for this change is to assist vulnerable clients to move on from supported housing schemes and to sustain their independence. With regard to accommodation based schemes, whilst there has been no overall appraisal of stock condition it is accepted that a number of current supported housing schemes are in an inadequate or inappropriate condition. In some cases redevelopment is required, in others refurbishment, including a reduction of shared facilities, may be sufficient.

Investment should therefore be targeted at those client groups where:

- there remains an ongoing need for accommodation based services
- there is an understanding of the stock condition across providers and schemes,

and at schemes where the provider has demonstrated:

- clear application of an asset management strategy across their supported housing stock
- that a range of investment options have been evaluated.

A model for such investment is the domestic violence refuge sector in Birmingham. In 2000, less than 40% of the refuges were in purpose built accommodation, with self contained units and specific facilities for children. By the end of 2010, all the refuges in Birmingham will meet these standards. Close partnership work between the domestic violence service providers, Birmingham City Council and the Homes and Communities Agency has been key to securing this investment and transformation.

By applying the above model, older people and people with a learning disability have been identified as two of key priority groups. Learning disabled people also comprise one of the vulnerable groups within the national PSA 16 target. Offenders, Care Leavers and people with mental illness are the other vulnerable groups highlighted by PSA 16 as being particular priorities to manage the transition from long-term care or institutions and to ensure access to suitable, settled accommodation and employment, education and training.

5.4 Older people

The forecast growth in Birmingham's population of an additional 100,000 residents is not consistent across all age groups. In line with the national picture Birmingham's residents are forecast to live longer leading to disproportionate increases in the number of very old residents. Longer life expectancy is associated with greater prevalence of health conditions, such as strokes, dementia, mobility problems and ability to manage "self-care" tasks, that impact upon housing, support and care requirements. Some key issues are:

- a forecast increase of 40% (7,000 people) in the number of residents aged 85 and over up to 2026 – this is significant because we know that this age group are much more likely to require "communal" accommodation
- hgher than average rates of Limiting Long-Term Illness (LLTI) in the city – 45% of older people compared with a national average of 38%. Two-thirds of people aged over 75 report a LLTI

- increasing demand for adaptations as older residents experience difficulties coping in their current homes
- an estimated 50,000 older households in the city who have limited access to transport and therefore services, who potentially experience social exclusion and isolation
- a forecast growth in the number of residents who require a care home environment from 3995 residents in 2008 to 4772 in 2025. This needs to be considered in the context of commissioning intentions to close unsuitable existing care homes and to replace them with better quality extra-care housing options
- a forecast increase of 16% between 2008-2025 in the number of people over 65 with dementia
- a forecast increase of 13% between 2008-2025 in the number of people over 65 who are unable to manage all self-care activities (such as bathing, dressing, personal care) on their own
- delayed transfer of care is a key issue for the city, highlighted as a Red Flag in the recent CAA report. There is a housing perspective to this in terms of people being unable to leave hospital as a result of their accommodation being unsuitable for their occupation either in terms of physical layout or due to a lack of support to live independently
- older people in the city disproportionately live in properties that are poorly heated and maintained
- older people disproportionately under-occupy their homes – often living in only a part of the property. This should be seen in the context of a shortage of housing in the city and high levels of overcrowding amongst households who are unable to access accommodation that is large enough for them.

The evidence strongly suggests an increasing older and more frail population who require housing options, located across the city, that meet their requirements in terms of:

- warm and safe accommodation
- access to support, social interaction and services
- flexibility to respond to changing health, care and support needs.

The City Housing Partnership has developed a Planning for Housing in Later Life Strategy to respond to the changing demographics, requirements and expectations of residents of the city. A key theme is the strategy is to provide older citizens with a choice of affordable, accessible and high-quality housing.

One of the issues identified in Planning for Housing in Later Life is an imbalance in the supply of traditional sheltered and extra-care properties. Extra-care options only account for 6.4% of the total housing stock for older people. Increasing the supply of extra-care housing has been identified as a priority within the strategy in order to increase choice for residents and to provide an environment where older residents can enjoy healthier and more independent active lifestyles. HCA are looking to invest in 5 extra-care facilities across the city, including Pannelcroft (within Newtown), Longbridge, Hagley Road and Meadway as part of the Total Place pilot.

5.5 People with learning disabilities

Valuing People Now was published by the Department of Health in January 2009. It sets out the cross-government strategy for people with learning disabilities. The strategy builds on existing programmes including Supporting People and 'Putting People First' to transform and personalise care and support. This includes establishing provision to ensure more people are supported to live in their own home and retain independence. Increasing housing options for people with learning disabilities is imperative to securing personalised key outcomes. Personalisation aims to enable more people with learning disabilities to commission their own services to live independently and have real choice about the way they live their lives.

Key actions include:
- local authority care managers to have an increased focus on facilitating ‘Supporting Living’ models with a reduction on the reliance on more traditional residential models. This includes more home ownership and assured tenancy housing options with care and support delivered as part of a package
- local authorities to have an appropriate housing strategy reflecting local population housing needs, including those of people with learning disabilities
- every local area to have a multi-agency employment strategy, linked to Public Service Agreement 16 (PSA 16).

In 2009 the Supporting People Commissioning Body approved a Strategic Review and Commissioning Strategy for People with a physical, sensory and/or learning disability. Within the latter an estimate of the number of people with a learning disability was arrived at, using prevalence rates of 4 per 1000 population with severe or profound learning disabilities, and 25 per 1000 population with mild/moderate learning disabilities, as suggested in the Department of Health White Paper. After applying national ethnicity and mortality adjustments it is estimated that in 2011 Birmingham will have:

- 21,002 people with a mild or moderate learning disability over 15 years of age
- 3,360 people with a severe or profound learning disability over 15 years of age
- the number of people with a learning disability from South Asian communities will rise dramatically.

A new Joint Commissioning Strategy for Services for People with Learning Disabilities is being developed and this will have a sustained focus on housing options and independent living. Currently the city council spends 44% of its budget for adults with learning disabilities on residential care. Identified best practice suggests that a target of 25% of budgetary spend on residential care is the level of spend to which the city council should aspire. To help achieve this a number of people with learning disabilities need to be supported in the transition from residential to supporting living and the current Local Area Agreement contains a target of 400 people.

There is a need to expand the range of housing available in the city for people with learning disabilities, both within the existing housing stock and within new developments. Through a review and reassessment programme, people living in care homes will be given the opportunity to live more independently with changes on the basis of person centred planning. Housing options should include the following:
- small clusters of rental, shared ownership and full ownership, and dispersed housing
- adult family placements, Homeshare and housing support networks
- support and guidance available for families and people with learning disabilities to purchase property in full or in part.

This will directly replace care home living for many. BCC’s Supporting People Team will commission growth in the volume of floating housing related support services for people with learning disabilities in preference to less flexible accommodation based support. An expansion in use of Assistive Technology to support people to live more independently is also proposed.

The council's long stay care homes are currently being de-commissioned. However some housing stock such as sheltered housing schemes for older people is being considered for their suitability for people with learning disabilities. One example of such a conversion is Ludford Close (in Sutton Coldfield), and it is intended to identify further former or under utilised sheltered housing schemes across the city that will replicate the model at Ludford Close.

5.6 PSA 16 vulnerable groups

Public Service Agreement 16 aims to increase the proportion of socially excluded adults in settled accommodation and employment, education or training. It focuses on four at risk client groups:

- care leavers
- adult offenders under probation supervision
- adults in contact with secondary mental health services
- adults with moderate to severe learning disabilities.

For adults with learning disabilities, PSA 16 defines residential care as "non-settled" accommodation and the housing and support options outlined above as "settled" accommodation. Further work will be undertaken between the HCA and Birmingham's Supporting People team to identify barriers to settled accommodation and employment for all four client groups, to highlight good practice and target investment.

5.7 Gypsies and travellers

A study undertaken by CURS (2008) found that 46% of gypsies and travellers living in settled accommodation are owner-occupiers, 28% are social housing tenants and 26% private tenants.

Estimates of current need in Birmingham for residential caravan pitches suggest a requirement for 16 pitches plus an additional 3 pitches in the medium term for newly arising need. There is also a requirement for 15 transit pitches. In terms of planning for new provision it is anticipated that up to two residential sites and one transit site will be needed. A number of potential sites have been identified and it is intended to develop a firm proposal for the 2010 HCA bid round for a residential site.

The report also identified a requirement for 65 plots for travelling show-people across Birmingham, Solihull, Coventry and the Black Country. Potentially 30 of these could be located in Birmingham, although this will be subject to further consideration and the requirements of the specific funfair operator.

5.8 Sustainable improvement and investment in existing stock

As well as adding to the supply of new specialist and affordable housing, existing stock will need to be improved through the Decent Homes programme and other supporting mechanisms. Birmingham City Council does not receive Decent Homes funding as this programme has been funded largely from the sale of the council's capital assets. The city council's decision to self fund its Decent Homes Programme represents a significant saving to CLG.

Whilst the council is on track to achieve the target of all dwellings meeting the decent homes standard during 2010 it should be recognised that significant ongoing capital investment is required to maintain the stock in this condition, to further improve homes – particularly in terms of modernising kitchens and bathrooms – and to address issues of potential structural failure within the housing stock. The forecast investment required for the next 10 years is £850m.

The Housing Plan 2008+ identifies the provision of larger family homes, based on evidence provided by the Strategic Housing Market Assessment, as a key strategic priority. The deconversion and adaptation of existing properties represents an effective way, in terms of time and cost, to increase the supply of larger homes. The City Housing Partnership has set aside £1.3m WNF and invited bids for funding for appropriate properties from RSLs and the city council's Landlord Services Department.

There is also emphasis in the Housing Plan 2008+ and HCA's Business Plan for the need to provide sustainable housing to reduce carbon emissions. This relates to both new and existing stock (both public and private), which provides opportunities for retro-fitting low carbon infrastructure. HCA has committed support to two pilots in the city to retro-fit sustainable infrastructure to existing city council housing stock: Cambridge and Crescent Towers in the City Centre and the Manton and Reynolds Towers in Newtown.

To meet national targets new homes constructed after 2016 should be 'carbon zero', such as achieving code level 5 for Sustainable Homes. Current HCA and BCC investment is funding code level 4 as part of the Local Authority New Build Programme, going above and beyond the minimum requirements (CSH level 3).

Initiatives to reduce domestic carbon emissions need to reflect that the majority of housing in the city is owner-occupied. Be Birmingham are launching Green New Deal, a large scale initiative to retro-fit housing and small business premises across the city. It plans to deliver short-term jobs, reduce carbon emissions, and create long-term competitive advantage (and more jobs) for Birmingham-based supply chains in the transition to a low carbon economy.

The Green New Deal (GND) is a five year project with a pilot phase across four areas of the city up to March 2011 (including North West Birmingham and Northfield). The project aims to create a legacy that lays the foundations for a 10 year programme of retro-fitting of the entire city, as will be necessary to meet global targets of 80% reductions in carbon emissions by 2050. BCC are striving to meet a target of 60% carbon reduction by 2026. It is also intended to give Birmingham a demonstrated position of global leadership in this specific field bringing more jobs and investment to the city.

There is a challenge to improve the sustainability of BCC owned stock thus reducing carbon emissions and helping to tackle the issue of fuel poverty amongst deprived communities.

A number of peripheral BCC estates were constructed using non-traditional methods. The impact of this is that despite Decent Homes investment programmed up to 2010, many of these properties are hard to heat and without further intervention they may not be sustainable in the longer term of 20-30 years. This includes 125 electrically heated council-owned tower blocks which have been identified as having potential to link in with the BSF scheme and the creation of Combined Heat and Power (CHP) energy networks across the city.

Data collected on SAP ratings for all tenures illustrates the energy efficiency of the stock. SAP ratings of below 35 represent a very low level of energy efficiency, meaning that the property is expensive and hard to heat. It is notable that despite significant investment in decent homes programmes, 14% of both council and RSL properties have a SAP level of below 35.

Table 4: Percentage of properties with low, mid or high SAP ratings (by tenure)

	Owner-occupied	Renting from council	Other (unknown)	Private rented	Housing Association	Total
Lower than 35	4.6%	14.0%	11.1%	12.2%	14.3%	9.8%
35 - 64	57.8%	44.7%	77.8%	61.0%	34.3%	51.7%
Greater than 65	37.6%	41.3%	11.1%	26.8%	51.4%	38.5%

Whilst a higher proportion of owner-occupied properties fall into the middle SAP band there are significant issues of poor housing conditions in the private sector. The 2006 Private Sector Stock Condition Survey estimated that upwards of 80,000 vulnerable households were living in non-decent homes in the private sector. This represents a significant challenge to the city. Up-to-date stock condition information for the private sector will be available during 2010 with the completion of a new stock condition survey.

HCA will work together with BCC and other key partners to develop a business plan for future investment in the refurbishment of existing stock over the plan period. The key priorities for investment in existing stock will be:

- increasing the supply of larger family properties through deconversion and adaptation of existing stock
- maintaining and building on the Decent Homes Standard for city council and RSL owned stock
- addressing fuel poverty in the private sector
- re-modelling sheltered housing to provide one housing option to meet the need of different client groups, for example people with learning disabilities
- addressing stock condition in the private sector, priorities for investment will be identified following the completion of the 2010 Private Sector Stock Condition Survey.

6.0 Investment priorities

Table 5, page 28 provides a summary of HCA and BCC investment priorities for the plan period across the city. Whilst focused on key areas, there is a significant overlap between thematic and spatial priorities. For example, Egg Hill will help to deliver the core cross-cutting themes (affordable housing, growth and place-making) as well as having the potential to provide an extra-care scheme for the elderly. This site will be developed through existing HCA investment mechanisms (Public Sector Land Initiative, Private Rental Sector and the National Affordable Housing Programme (NAHP)) and any relevant future initiatives which are introduced, along with BCC investment and private sector funding.

Investment priorities have been categorised as:

- **Spatial -** Housing growth (HGS), place-making (PMS)
- **Thematic -** Older people (OPT), learning disabilities (LDT), gypsy and traveller (GTT), carbon reduction (CRT), public sector stock improvement (SIT), private sector stock improvement (SPT), economic wellbeing and worklessness (EWT).

Table 5: Joint investment priorities for Birmingham

Priority area	Deliverability	Area Delivery Board	Addressed through HCA Business Plan	Investment priority	Proposed HCA investment mechanism
Snow Hill Hostel redevelopment	**A**	**City Centre**	**Renewal and place-making**	**EWT**	**Places of Change, NAHP**
Egg Hill	**A**	**South West**	**Growth**	**HGS PMS OPT (Potentially)**	**PSLI, PRSI, NAHP**
Hagley Road Extra-care	**A**	**South West**	**Growth**	**OPT**	**NAHP**
Kings Norton	**A**	**South West**	**Growth, Renewal and place-making**	**HGS PMS SIT**	**LANB, PRSI, P&R**
Longbridge	**A/B**	**South West**	**Growth/ Employment and place-making**	**HGS PMS EWT LDT**	**NAHP, KS, P&R**
Druids Heath	**C**	**South West**	**Growth and Renewal**	**HGS PMS**	**NAHP**
Newtown	**A**	**North West**	**Growth, Renewal and place-making**	**HGS PMS OPT**	**HMRA, LCIF, PRSI, LANB**
Lozells	**A**	**North West**	**Renewal/ employment opportunities**	**HGS PMS SIT/ CRT EWT**	**HMRA, NAHP**
Lyndhurst (Erdington) (PFI)	**A/B**	**North West**	**Growth, Renewal, place-making**	**HGS PMS SIT**	**PFI (potentially NAHP, P&R)**
Icknield Port Loop (IPL)/ Ladyport	**B**	**North West**		**HGS PMS**	**HMRA, CIF (potentially NAHP, P&R)**
Birchfield	**C**	**North West**		**HGS PMS**	**HMRA**
Aston (South)	**C**	**North West**		**HGS PMS**	**NAHP**
Alum Rock Road	**B**	**East**		**PMS**	**NAHP**
Meadway	**A/B**	**East**		**HGS PMS**	**P&R, NAHP**
Yardley Brook Former Sewage Works	**C**	**East**		**HGS PMS**	**P&R, NAHP, CIF**
Shard End Urban Village	**A**	**East**	**Growth and place-making**	**HGS PMS**	**NAHP, P&R**

Deliverability Categorisation **A** = High: intervention proposed in the short-term (within 3 yrs) **B** = Medium: intervention proposed in the medium-term (3-6 years (scoping 0-2yrs)) **C** = Long: intervention proposed in the longer-term (7yrs + (scoping 1-3 years))

The proposed HCA investment mechanisms are:

- NAHP – National Affordable Housing Programme
- PSLI – Public Sector Land Initiative
- PRSI – Private Rented Sector Initiative (or separate BCC led activity)
- LANB – Local Authority New Build Programme
- KS – Kickstart
- PFI – Private Finance Initiative
- P&R – Property & Regeneration Programme
- HMRA – Housing Market Renewal Area (Urban Living)
- LCIF –Low Carbon Infrastructure Programme
- CIF – Community Infrastructure Fund.

The above investment priorities operate at the strategic level. However these do not preclude BCC and HCA taking forward or investing in regeneration in other areas of Birmingham, where there is an evidenced need to do so.

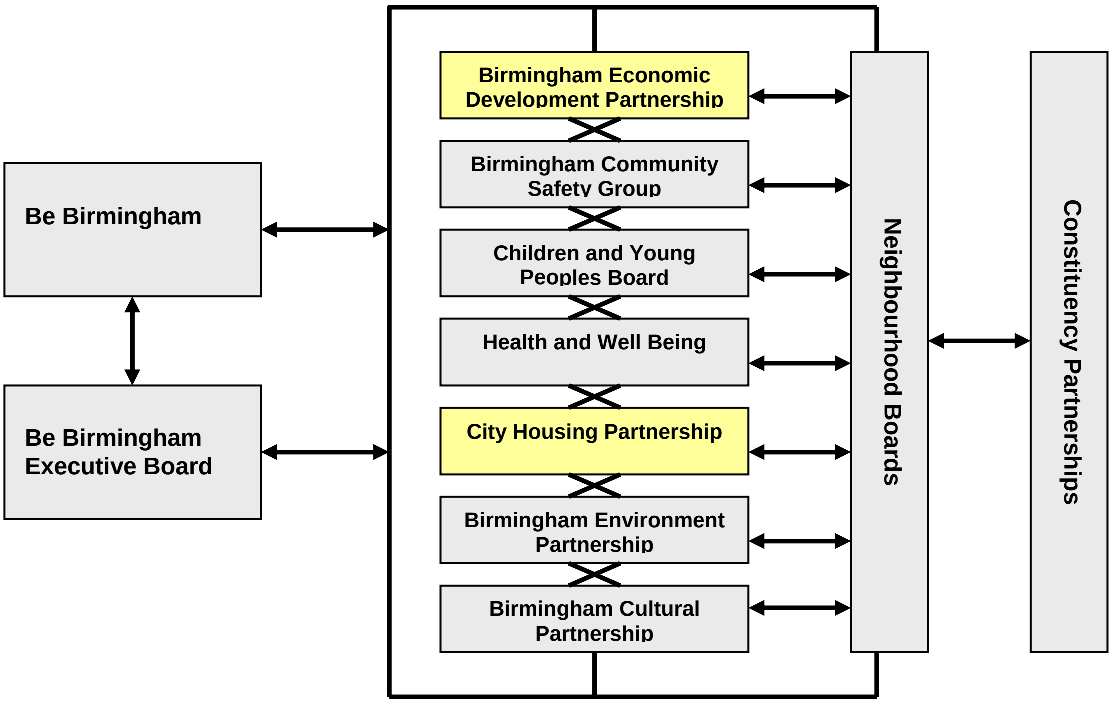
The inclusion of digital technology and connectivity will be actively promoted in areas of growth as these locations will offer the most cost effective opportunities.

7.0 Governance and delivery arrangements

A Local Strategic Partnership (LSP) structure has been developed by the city council to address Local Area Agreement (LAA) and Multi Area Agreement (MAA) issues.

Delivery of the LIP will be managed through the Be Birmingham governance arrangements. Be Birmingham aligns decision making within seven Thematic Partnerships (Figure 5).

Figure 5: Governance Structure for Delivery of the LAA, showing 7 Thematic Partnerships

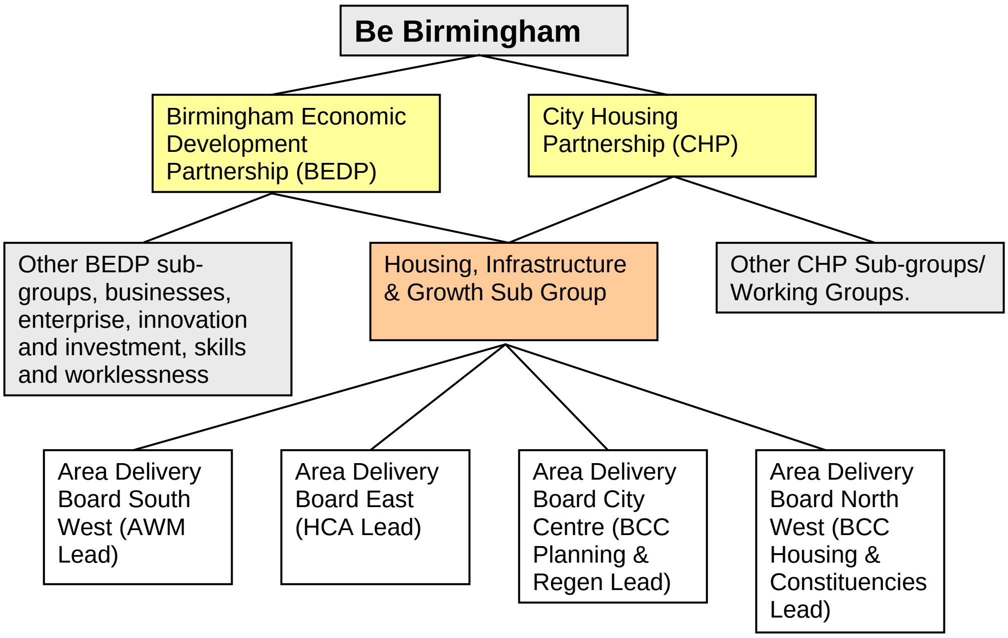


Membership of the thematic partnerships includes key public, private and third sector organisations. The thematic partnerships have responsibility for delivering against specific action areas and LAA targets. The LIP process will occur predominantly in the Birmingham Economic Development Partnership (BEDP) and the City Housing Partnership (CHP). Also critical are two cross-cutting partnerships: the Neighbourhoods Board and Constituency Partnerships, which have responsibility for delivering LAA Outcome 16.

The Housing, Infrastructure and Growth Sub-Board (HIG), shown in the following diagram, is the primary governance structure for taking forward the LIP. Membership of the HIG is drawn from the HCA, Birmingham City Council and Advantage West Midlands (AWM). It is a sub-board of the City Housing Partnership and Birmingham Economic Development Partnership.

The HIG governance structure further sub-divides responsibility for activity into 4 geographical areas of Birmingham. The HIG has delegated responsibility from the City Housing Partnership for LAA Outcomes 1 and 15 (Appendix 5).

Figure 6: Area Delivery Boards and their relationship with Be Birmingham



Each Area Delivery Board has a designated lead partner to lead and co-ordinate activity, as shown above (Figure 6) and the Boards provide a structured framework through which the LIP will be delivered. The priority for the Area Delivery Boards is to focus on delivery, ensuring that key projects are identified, that their scoping is progressed, appropriately resourced, and subject to robust scrutiny, monitoring and review. The Area Delivery Boards will also ensure that their work reflects Birmingham's longer-term vision as set out in the emerging core strategy.

Joint work between the partners (HCA, BCC and AWM), is therefore now in operation through the HIG sub-group structure. Scoping of interventions has started in each area group, enabling partners to jointly identify locations and mechanisms for collaborative investment that marry strategic objectives and targets. The following process will guide the identification of priority locations for intervention:

1. The partners will be clear from the outset about the shared strategic objectives and outcomes for housing development and regeneration subsidised by public finance. Links to other public investment will be addressed, in particular those that address worklessness, training and promoting sustainable communities. Option analysis will identify opportunities that range from addressing individual sites to considering comprehensive area based interventions.
2. The partners will work in partnership, as required, with AWM, RSLs, private sector and other partners to identify the most appropriate mechanisms for consultation, and the creation of a site and/or buildings ready for development and/or regeneration.
3. The site-specific roles for both the HCA and BCC will be developed and further clarified as the regeneration process progresses through to development. At an appropriate point a development-specific decision may be taken to formalise this relationship through contractual arrangements.
4. The roles of BCC and HCA may take the form of support (through expertise and established processes), assets and funding.

5. Funding may take various forms, including risk-associated loan finance, non-returnable gap funding and the contribution of publicly-owned land. In respect of the latter, BCC have significant capacity to contribute, owning 17% of housing land in the city.

A project team has been set up to support the development of the Local Investment Plan (LIP).

Through working together, HCA and BCC will adopt a strategic joint commissioning approach to align resources for future investment. This LIP will act as a framework to establish whether schemes and programmes are in line with HCA, BCC and AWM strategic priorities. The HCA will act as an enabler of regeneration, providing investment to priority areas.

The delivery of developments will be undertaken through various stakeholders, including Registered Social Landlords (RSLs), Birmingham Municipal Housing Trust and developers.

7.1 Shared principles of investment

Through the LIP and its implementation, HCA and BCC will invest in specific schemes and programmes which adhere to either spatial or thematic priorities following a joint commissioning strategic approach. In the interim period, before the spatial priorities come on stream, a transitional approach will be taken to ensure the delivery of HCA Business Plan Priority 1 (growth of housing and delivery of affordable homes) as well as BCC Local Area Agreement (LAA) outcomes.

The city council's key asset is land for housing development. A Land Strategy is being developed to streamline the approval process by which land is brought forward for development. For supported housing schemes, housing related support (funded by Supporting People or Area Based Grants) can be provided to eligible, individual residents on a floating support basis.

All capital receipts generated by the council prior to April 2002 were used to support regeneration in Birmingham. The policy was partially revised following the stock transfer ballot in April 2002 when 80% of housing land receipts and 100% of Right-to-Buy receipts were allocated to housing – primarily to resource the key decent homes priority. The 20% retained corporately is used to invest in the council's wider strategic and regeneration priorities – which could include investment in housing. The value of capital receipts retained for housing investment is affected by any discounts made in the disposal of land to facilitate strategic objectives – such as the delivery of affordable housing. The council pursues a policy of assessing individual sites on their merits to determine whether it is necessary to discount the value of land in order to achieve an outcome that meets our strategic objectives. From 2006/7-2008/9 the council contributed £19m to affordable housing development through discounts on land disposals.

The current economic conditions have had a major impact on the level of receipts generated and medium term forecasts indicate that capital receipts will be significantly reduced.

The LIP needs to be sufficiently flexible to enable short term outcomes to be achieved as well as the delivery of medium to long term place-making objectives. In the short-term, existing Forward Allocation Pool (FAP) schemes and bids under the National Affordable Housing Programme (NAHP) will still be considered under the parameters of strategic fit, value for money and deliverability. The HCA has moved to a strategic joint commissioning approach, with the city council, which will be aided by the adoption of the Local Investment Plan.

The LIP establishes key conditions under which funding will be provided. The conditions to which potential schemes should adhere are as follows:

- schemes will need to provide opportunities for local employment and training or apprenticeship opportunities in line with a partnership approach with JCP and LSC
- promote synergy between different public and private sector funding streams to provide additionality
- where appropriate, investment in schemes should help to achieve quality of place and the creation of sustainable communities through the alignment of complementary individual projects (Primary Care Trust, education, etc) to create synergy, thus adding value to individual projects
- ensure high-quality standards in line with HCA minimum standards on design and sustainability
- help the achievement of RFA priorities or other strategic priorities.

In addition to capital investment for growth and development, HCA and BCC will invest in communities by engaging residents in masterplanning, design workshops and capacity building programmes. Involving and consulting a wide range of local residents is an area in which the city council can evidence good practice. An example is the recent UK Housing Awards 2009 in which the city council won awards in the following two categories:

- Raising the Standards of Customer Services – awarded to the South Lozells Housing Regeneration Consultation Project

- Meeting the Needs of Vvulnerable People – presented to the Service User Involvement/Lay Assessors section of the Supporting People team, Housing and Constituencies Directorate.

7.2 Roles and responsibilities in the delivery of the LIP

Birmingham City Council and the Homes and Communities Agency have committed to a protocol which sets out our shared values and principles, clarifies respective roles and accountabilities and describes shared and agreed high level operational arrangements, necessary to facilitate improved partnership working and more effective delivery of housing growth and regeneration in Birmingham.

Key strategic principles

- BCC and HCA commit themselves to maximising impact by working in collaboration, consulting with each other on key developments and policies.
- In acknowledging the lead role of different partners, each partner agrees to refer to the lead co-ordinating partner on key developments or policies which might impact upon that area of responsibility prior to taking decisions.
- The lead co-ordinating partner has responsibility for co-ordinating the contributions of other partners in the development of policies and interventions, acknowledging the interdependence of interventions and contributions of other partners in achieving overall success and agrees to actively engage with other partners to bring maximum impact.
- BCC and HCA will communicate this protocol through their respective operational channels and actively commit at all levels of their organisations to these values and principles.

For the delivery of the key projects and proposals outlined within the Local Investment Plan, key partners will work together through the sharing of resources and capacity with delivery being directed through the Area Delivery Boards. At present this document has been jointly agreed (following Cabinet approval) between HCA and BCC, although in order to achieve the overarching vision and strategic objectives there is the recognition that buy-in is required from other public agencies, RSLs and developers to enable delivery of priorities and the exploration of ‘bending’ resources is crucial in the achievement of regeneration. Through the development of the Local Investment Agreement (LIA) we will define key partners and the specific delivery roles for each.

There is also a need to recognise the role of the current HMR Programme (Urban Living) post 2011. Urban Living will concentrate on community cohesion and utilising land sale receipts from assets vested in local authorities estimated at £6m.

8.0 The LIP delivery mechanisms in Birmingham

The scale of Birmingham, and the unique nature of the numerous challenges inherent within it, means that a range of approaches to determining and delivering investment are required to bring about transformative change within the city.

Existing HCA programmes are currently delivering infrastructure and mixed-tenure housing in some of the priority investment locations. The primary programme for HCA investment currently is the National Affordable Housing Programme (NAHP) 08-11 although the flexibility of this investment tool is limited to providing affordable housing only, and scheme proposals must be within regional efficiency targets. HCA also has existing commitments in Birmingham under the Property and Regeneration Programme (P&R) (eg Shard End) and the Housing Market Renewal Pathfinder (Urban Living programme in North West Birmingham) is now within the HCA remit. Since its inception, Birmingham has benefited from £29 million of direct interventions and received a substantial share of £41 million paid to other delivery partners. The direct investment from the HMR programme has delivered 694 acquisitions, 302 demolitions, 4.16 hectares of land and refurbished 7862 homes.

<u>Delivering Social Housing</u>
BCC and HCA has long experience of working in partnership with RSLs to deliver new social housing. The Birmingham Social Housing Partnership (BSHP) takes this relationship a step further by providing RSLs with a mechanism to contribute to strategic housing policy. HCA has established a wide-range of pre-qualified development partners, both developers and RSLs, who are active within the West Midlands and Birmingham, in particular from which BCC and HCA can commission the delivery of schemes.

Kickstart (Round 1) and Local Authority New Build (LANB) Round 1 & 2 are providing £32.1m into various locations across the city (note that LANB is being delivered through BCC's Municipal Housing Trust.

<u>Birmingham Municipal Housing Trust - (Local Authority New Build Programme)</u>
Council tenants have twice voted against the proposal to stock transfer to a different landlord. The city council has respected these views and has a strong policy commitment to the retention and, as appropriate, the expansion of its directly owned and managed housing stock. In response to this policy objective and to the proposed relaxation of Housing Revenue Account rules the Birmingham Municipal Housing Trust (BMHT) has been established. The BMHT will be one of the delivery mechanisms available to BCC and HCA for developing new affordable and intermediate market housing.

The Birmingham Municipal Housing Trust is not a separate legal organisation to the city council. It will borrow money from the Public Works Loans Board (PWLB), via the city council. HCA will provide appropriate support and resources (as resources permit) for rental and, potentially, intermediate home ownership accommodation.

HCA Delivery Partner Panel

HCA has procured a Delivery Partner Panel which can act as a 'one stop shop', to enable procurement of development management services, physical development and construction. The panel is available to local authorities, Regional Development Agencies and other public sector agencies and can be used to help deliver a range of initiatives including Public Land Initiative and Local Authority New Build.

Along with existing investment programmes, HCA are exploring new models of delivering mixed tenure housing, including affordable housing, through the Public Sector Land Initiative (PSLI) and Private Rental Sector (PRS). BCC are also exploring innovative methods of housing delivery (Box 3).

Innovative Methods of Housing Delivery

Public sector land initiative (PSLI) – BCC is one local authority with whom the HCA is working to deliver the Public Sector Land Initiative as a means to increase the supply of new housing and improve existing stock to address housing need and aspirations across Birmingham. An initial programme comprising sites to deliver approximately 200 mixed tenure units is being explored.

Private rented sector and pension fund initiatives (PRS Approach) - The city council is exploring a Joint Venture (JV) approach to support private sector led development of housing on city council owned land with the potential to deliver 1,000 homes. A gap in the existing housing market has been identified for market and sub-market quality rented accommodation in a mixed tenure approach to help deliver a balanced community. The city council has identified pension funds as a source of long term funding and is working on a model to implement. The potential for HCA assistance and involvement is to be developed.

Private sector led site assembly - A number of mechanisms could be explored with the aim of spreading the development risk and sharing the rewards. One mechanism to bring sites forward with the private sector is to consider JV investment with private sector developers and landowners. HCA would consider forward funding infrastructure and remediation work, sharing the development risk through a JV with a share of any land receipt. HCA would work with developers to commission a preferred RSL to deliver the affordable housing on sites.

Community Land Trust – BCC and HCA are testing the feasibility of establishing a Community Land Trust using Urban Living HMR Pathfinder owned land in the Lozells Priority Neighbourhood. The idea would be to vest assets in the community and use mechanisms such as a JV or the BMHT to develop it for new housing. In this way, the housing would generate a capital receipt and income stream to enable the community to provide more housing and/or community facilities.

Total Place, Community and Capital Pilot

This initiative looks at how a 'whole area' approach to public services can lead to better services at less cost, seeking to identify and avoid duplication between organisations. Total Community is focused around East Birmingham, with a core influence in Sheldon, Stechford, Yardley North and Shard End. Work strands within the Total Community Pilot include the public service offer, housing growth and regeneration and community consultation and participation. Total Capital draws on the Single Conversation Work and looks to secure more effective alignment and sequencing of major capital investment to deliver desired outcomes in Birmingham. This allows common procurement and asset sharing with common asset management. This concept will be taken forward in East Birmingham.

During the transition period of the LIP, investment opportunities that arise which do not meet the spatial and/or thematic priorities as listed above, will be commissioned jointly by BCC and HCA to enable HCA and BCC targets to be met in the interim.

8.1 Area based delivery

This LIP sets out the framework for an area based approach in Birmingham. It sets out the four areas where BCC and HCA will work with AWM and other partners to deliver growth and renewal: namely East, South West, City Centre and the North West.

The LIP has the ambition to support Housing Growth of some 10,120 dwellings within the 4 year plan period and to enable the delivery of 3,200 affordable dwellings. The current SHLAA for Birmingham has a capacity of 32,136 dwellings by 2026, showing sites that are likely to come forward for residential development. A major update of the SHLAA will be completed by mid 2010, to consider the potential for additional housing sites, as well as the capacity of sites already identified. This will help inform the LIP and help to guide future investment.

Each area has the potential to contribute to improving housing supply.

- **East Birmingham led by HCA.** Over the period 2006 – 2009, 523 dwellings were built. The area could be expected to accommodate up to 9,500 dwellings of the RSS target. Planning commitments in the East are currently 1,010 dwellings. The SHLAA currently identifies an additional 3,015 dwellings.
- **South West Birmingham led by AWM.** The area could be expected to accommodate up to 19,000 dwellings of the RSS target. The SHLAA currently identifies 6,250 dwellings for the same period demonstrating the shortfall of supply in the area. Planning commitments in the South West are currently 5,028 dwellings.
- **City Centre led by BCC.** The City Centre could be expected to accommodate up to 11,000 dwellings of the RSS target. Over the period 2006 – 2009, 4,700 dwellings, mainly apartments, were built. Planning commitments in the City Centre are currently 12,871 dwellings. The SHLAA currently identifies additional capacity of 9,605 dwellings. There is recognition of the need to redress the City Centre/suburban split of development in future years.
- **North West Birmingham led by BCC.** The area could be expected to accommodate up to 18,000 dwellings of the RSS target. Planning commitments in the North West are currently 4,160 dwellings. The SHLAA currently identifies additional capacity of 5,404 dwellings.

8.2 Stakeholder consultation

Stakeholder engagement has been carried out through existing BCC and HCA governance arrangements, as the investment priorities established have been previously agreed through existing strategic consultation (e.g. Supporting People Strategy). This LIP has been subject to broader consultation following a review at the Housing, Infrastructure and Growth Sub-Group (HIG). The LIP will be considered by the four Area Delivery Boards as well as to the Local Strategic Partnership (Be Birmingham) to ensure a broad representation of key public agencies have been captured.

Following the endorsement of the LIP through strategic guidance arrangements, development partner workshops will be undertaken as part of the strategic commissioning approach.

8.3 Resourcing the delivery of the LIP

The LIP sets out existing and emerging projects and programmes that have been identified within the city, and which will support the future sustainable growth of Birmingham. Table 6, page 39, provides a summary of currently committed HCA investment for 2009/11 and the level of indicative funding required for 2010-2014. This has been divided across the four Area Delivery Boards and reflects the identified spatial and thematic priorities.

- 2009/10 HCA funding is based on existing programmes (NAHP, Kickstart 1, Local Authority New Build, HomeBuy Direct, Mortgage Rescue, Community Infrastructure Fund, Growth, Places of Change and Low Carbon Infrastructure Fund) which have currently been committed. These programmes remain subject to slippage and actual investment may deviate as a result.
- 2010/11 HCA funding provides an assessment of existing committed programmes as well as those anticipated to be brought forward in the next financial year, such as Kickstart Round 2 sites and P&R Growth bid as well as indicative resources for infrastructure and affordable housing determined on an identified need basis.
- Future projections of funding (2011-14) are indicative only and are based on the assumption of 35% affordable housing and likely infrastructure requirements, and a consideration of the likely phasing of proposed developments. Indicative figures also assume a low contribution of affordable homes delivered through Planning Gain (15%). It is suggested that the remainder be met through HCA investment to meet the aspirations and needs of the community (such as 800 affordable units per annum).

These figures do not commit HCA and BCC to invest but will act as a guideline for future investment priorities. The £60m indicative investment need in the North West for 2013-14 includes £52m of PFI capital credits which requires approval by CLG/ Treasury. All future funding remains subject to appraisal and is dependent on resource availability.

In order to deliver successful places it is acknowledged that further buy-in from key public sector agencies will be required along with private sector investment.

A more detailed analysis of the projects and programmes will be contained within the Local Investment Agreement (LIA), which will identify the level of funding and delivery mechanism(s) that is anticipated to be required in order to secure the delivery of each project or programme in the future.

The annual review of the LIP, and the Local Investment Agreement (LIA), will provide an opportunity to refresh and update funding commitments each year as part of a rolling process. BCC and HCA will progress increasing the alignment with other stakeholders' investment to the LIP programme.

Table 6: Summary of joint investment in priority sites and existing stock 2009-2014

Area Delivery Board	2009/10		2010/11 Committed and indicative		2011/12 Indicative investment*		2012/13 Indicative investment*		2013/14 Indicative investment*		Estimated number of new build units**	Estimated number of refurbished units
	£m		£m		£m		£m		£m			
	HCA	BCC	HCA	BCC	HCA	BCC	HCA	BCC	HCA	BCC		
City Centre	21.4	0.6	5		3		0		0		428	208
East	6.6	24	7	1.3	3		13		11		572	
North/North West	26	25.1	22	4.1	7		7		60		1151	134
South West	23	42.3	15	1.4	8		5		9		2275	
Citywide/ thematic	3	11.4	2	96.4	7.9	87.9	3.9	87.9	6.9	87.9	380	44000***
Total	**80**	**106.5**	**51**	**106.3**	**28.9**	**87.9**	**28.9**	**87.9**	**86.9**	**87.9**	**4806**	**44342**

*Note that investment shown from 2011/12 onwards is purely indicative based on investment required to progress currently identified priority sites and programmes. It should not be viewed as committed resources.
** Outputs are across all tenures including completions on sites where joint investment has facilitated site assembly for private sector housing development
***Outputs from Structural, Kitchen and Bathroom and Secured by Design door programme in HRA stock and private sector decent homes programmes.

Whilst Table 6 shows indicative investment for the period 2010/11 onwards it should be noted that the investment required to meet the ambitions of this LIP will be in excess of the investment shown. To meet the ambition of achieving 10,120 new homes over the plan period a substantial amount of funding will be required through private sector investment as well as other regeneration resources through wider public sector investment.

The bulk of investment indicated for BCC is for improvements to the existing council-owned stock. The BCC figures do not include the £2.5bn Building Schools for the Future programme. BCC's figures for 2010/11 onwards are forecast resources based on current funding regimes. There is a gap between the investment required in the stock and the indicative investment. In particular there will be a requirement for an additional £50m at least for structural works over the period which is not reflected in the above table.

8.4 Risk management

Birmingham's Local Investment Plan (LIP) has the ambition to meet LAA targets as well as contributing to the achievement of regional and local strategies. The ability of the LIP to enact change is subject to the following risks:

- **lack of financial resources -** The LIP has been able to provide information on existing HCA, BCC and wider stakeholders' commitments for a two year period. The rest of the funding identified is indicative only, based on potential need. Actual financial resources available for public bodies are dependent on the next Comprehensive Spending Review (CSR) period. The annual monitoring and review of the LIP will help to ensure that investment figures are updated in light of policy changes
- **full buy-in from key stakeholders -** The first publication of the LIP has been jointly written with BCC and HCA and has been subject to consultation with AWM and GOWM. To enable the achievement of BCC's vision other stakeholders will need to fully engage in the Single Conversation process. Given the scale of Birmingham, it has not been possible to engage all partners in the development process and there is the risk that they may not wish to engage or commit investment to align with the LIP priorities. This has been mitigated through previous consultation processes undertaken by BCC to establish the thematic and spatial priorities and will be part of the LIP's ongoing development
- **economic conditions -** The changing economic context of Birmingham will impact on the ability to deliver the LIP's objectives. Targets can be revisited following an annual review to ensure that they are achievable over the plan period.

9.0 Monitoring and performance arrangements

The proposed monitoring arrangements are to ensure an ongoing review through the HIG sub-groups, supplemented by joint HCA and Birmingham City Council performance updates to the City Housing Partnership (CHP) and Birmingham Economic Development Partnership (BEDP). Ongoing monitoring will also influence the annual review of the LIP and influence its future development.

Over the plan period the Local Investment Plan has the ambition to influence the delivery of the LAA targets and it will be monitored against these (Appendix 5).

10.0 Key milestones

Key milestone	Date for completion
Broader consultation with BCC departments	**Feb/Mar 2010**
LIP to be presented at HCA Investment Committee	**18 Feb 2010**
LIP presented to BCC Cabinet	**March 2010**
Final LIP to be formally signed off (BCC and HCA region)	**31 March 2010**
Stakeholder Engagement Workshop	**Following review at BEDP and CHP**
Summary LIP published and **launched** within the region.	**May 2010**
Draft LIA produced	**31 July 2010**
BCC's SHLAA to be updated	**July 2010**
Final LIA produced with key stakeholders endorsement	**30 September 2010**
Ongoing review to meet key actions from LIP/LIA	**Ongoing through SC process**
Formal annual review	**Mar 2011**

11.0 Lists of tables and figures