Birmingham's Growth Agenda

A report from Overview & Scrutiny

Contents

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Preface

By Councillor Alistair Dow, Chair, Co-ordinating O&S Committee

Birmingham has ambitious plans for its future over the next twenty years. That is only what we would expect of our city.

My prime aim in undertaking this review was to bring these plans to Members' attention and to encourage your involvement. Through debate, discussion and the generation of ideas, these plans can only be improved. The clearer and more resolute we can be about the changes we want to see in Birmingham, particularly in uncertain times, the more likely we are to succeed in attracting investment.

There is also a local angle to these plans. Big projects capture the imagination and attract headlines. But each new project will actually be situated in a local area. Reconciling the city-wide interest and the local interest, and obtaining the maximum benefit for both, is an important job. It needs to be thought about early on in the planning stages of projects and acted upon during the implementation phase. With Members involved it is more likely that the locality, as well as the wider city, share in the benefits that follow from the investment.

My Committee's main interest is in growing the prosperity of Birmingham's people and businesses, rather than in population growth for its own sake. As the plans come to fruition over time, there will be new buildings and activities to see in Birmingham, but that is not my main aim. Rather it is for a future in which people's day-to-day lives and experiences are further enriched by the increasing variety and liveliness of our city.

1 Summary

1.1 The Reasons for the Inquiry

1.1.1 The starting point for this inquiry was the publication in early 2007 of the Birmingham Prospectus. This key document formally sets out the shared vision of local partners for the future development of our city.

1.1.2 Following the Audit Commission's Comprehensive Performance Assessment of 2007, the City Council decided it needed to develop a clearer, more quantified and more challenging long term vision for the city, fully shared by partners. The Executive invited Overview and Scrutiny to play a role in this. Our approach was to give the current proposals a "health check" to make sure that all relevant factors are being considered and are being tackled coherently.

1.1.3 We were particularly concerned to test whether the proposals were comprehensive, with the various parts of the City Council working together, and to assure ourselves that partners are supportive, engaged and contributing to the agenda.

1.1.4 During the review we have heard from the Leader and the Chief Executive, and City Council officers from Development, Housing and Children, Young People and Families Directorates. We also heard from key partners – such as the Chamber of Commerce, three of Birmingham's Universities, and Centro. We held some interesting discussions with neighbouring Solihull.

1.1.5 It was clear from the outset that this inquiry was strategic in nature with a very broad scope. It could not be comprehensive. However, our work has been and continues to be complemented by other scrutiny work, such as the Children and Education O&S Committee's work on attainment and on Building Schools for the Future; the Housing and Urban Renewal O&S Committee's work on affordable housing; and the Regeneration O&S Committee's work on Regeneration in South West Birmingham; on Employment Strategies; and on the economic impact of regional airports.

1.2 Changing Circumstances During the Review

1.2.1 During the course of our inquiry, key factors have changed. The City Council and its partners have developed fuller statements of policy, for example through the Sustainable Community Strategy and its delivery plan, the Local Area Agreement; and continue to do so, with the Core Strategy and the Big City Plan currently being shaped through public consultation.

1.2.2 There have also been changes to the machinery of government at regional level, continuing interest in city-region possibilities, and the changes around Passenger Transport Authorities/ Integrated Transport Authorities. Most obviously, the economic situation in 2009 is much worse than when our inquiry started. This poses new dangers and challenges to Birmingham's future, as well as slowing the pace of change in the short term.

1.3   Findings

1.3.1   Through the second half of the twentieth century, Birmingham had a declining population, to just below one million people at the time of the 2001 census. This has now changed; the population grew by 16,600 from 2001 to 2005. The projection is that the population will reach 1.1 million by 2026. Providing homes, jobs and supporting infrastructure to this increasing population is a key element in the growth agenda.

1.3.2   An important contributor to the decline from 1961 to 2001 was the movement, often of families, from the city to the surrounding region. This is expected to continue to be a large factor, even though outweighed by others.

1.3.3   We spent some time clarifying the nature of these projections. Sometimes they were described as "ambitions"; sometimes as a trend based on past changes. We understand that both international migration, and migration within the UK, will be influenced by economic factors and the availability of housing.

1.3.4   Past trends in development do not of course guarantee that future targets will be met, but they do provide some guidance on what rates are sustainable. We see that the current trend for housing completions is above the existing target. On the other hands, targets for the future have yet to be agreed, following central government's intervention in the regional planning process.

1.3.5   There are still £11.8 billion of planned developments in the economically vital city centre of Birmingham, whilst to spread development wider the City Council launched Area Investment Prospectuses in September 2007.

1.3.6   Even before the beginning of the economic recession, Birmingham's employment rate of 63% of the working age population was significantly below the national average of 74%. Another 187,000 jobs would be needed by 2026 to cope with the expected population increase and to raise the employment rate to the 80% aimed for by central government.

1.3.7   Employers told us that a key priority for them is to achieve a well skilled workforce. While school leavers in Birmingham are achieving improved GCSE results, a smaller proportion of the workforce has qualifications than the average nationally. Increasing graduate retention and providing quality housing to encourage highly skilled people to live in Birmingham will be important, particularly given the increasing importance of the knowledge economy. Employers told us of their difficulties in recruiting and retaining employees with skills relevant to the world of work, including functional literacy, numeracy and communication skills.

1.3.8   Representatives of Aston University, Birmingham University, and Birmingham City University discussed with us the contributions of the universities to the future prosperity of Birmingham. These range from providing highly qualified and skilled people, through research and transferring knowledge and innovation to local businesses, to encouraging local children to aim for a university education and helping small firms provide opportunities for graduates.

1.3.9   Another priority for the business community is to improve transport in the city and the region. As well as significant infrastructure developments and an integrated transport system giving proper weighting to public transport, cars and freight, the Chamber of Commerce suggested that a strong regionally focussed transport body in the West Midlands is essential to implementation.

1.3.10   Implementation was also the theme of our discussions with Solihull. In Birmingham there are proposals for the rejuvenation of town centres. We visited the Chelmsley Wood area of North Solihull, where a regeneration company is taking a holistic approach to the improvement of the whole area. This includes rebuilding 10 primary schools; improving existing housing and providing an net increase of 4,500 homes; and providing new village centres, including retail, health services and community facilities.

1.4   Conclusions

1.4.1   The Birmingham Prospectus sets out a framework for public and private investment, to secure long term prosperity and improve Birmingham's competitive position nationally and internationally. It is a simple way of letting Birmingham people and potential investors know of the progress the city is making and the next set of planned changes.

1.4.2   While the sudden economic deterioration of 2008 may mean that the shorter term steps may be very different from those originally planned, it does not in itself mean that the ultimate vision needs to be adjusted. Arguably, the deeper the economic downturn turns out to be, the more necessary it will be to maintain clear strategic thinking and the precise communication of the long term vision.

1.4.3   We therefore conclude that a similar document to the Prospectus should be updated and published every three years.

1.4.4   The growth agenda should be understood and communicated primarily as concerned with growing prosperity for Birmingham people and businesses, rather than as having any particular target for population growth. This means growing prosperity and improving the quality of life of everyone in Birmingham, including tackling disadvantage as set out in the city's sustainable community strategy.

1.4.5   Whilst the national and European populations will on average continue to age, Birmingham's population will be increasingly diverse and also younger than average. Projects in future editions of the Prospectus should seek to take social and economic advantage of these demographic characteristics, as well as promoting sustainability and tackling climate change.

1.4.6   There are many facets to improving the quality of life of Birmingham people. Good quality housing is clearly one. The government continues to debate raising the housing target but with the higher figures suggested there are questions about the subsequent quality of life for residents. We prefer, therefore, to emphasise the needs for both more housing of the type and quality which will encourage families and highly-skilled people in particular to stay in the city and not move

elsewhere; and for more affordable housing. The Executive has said that it intends to provide more of the latter. That is welcome, and we look forward to seeing a more detailed programme. Attractive neighbourhoods, with green spaces, are also necessary.

1.4.7 We cannot but agree with the Chamber of Commerce that looking over the period to 2026 improved transport is essential. New approaches will be needed to make the ambitious scale of change that is required. There are positive signs with New Street Station, high speed rail and Birmingham Airport. Much more is necessary. We ask the Executive to respond thoughtfully but ambitiously to the hopes and requirements of local people and businesses over transportation.

1.4.8 Strong efforts are already being made to strengthen the economy, for example through attracting new businesses, supporting small and medium sized firms, developing skills and getting people into jobs (although with rising unemployment, this would be an opportune time to review whether existing programmes to reduce worklessness provide the best value for money). Birmingham's schools, colleges and universities perform well. But Birmingham is an ambitious city and we need to be ambitious for still better performance here.

1.4.9 GCSE results have improved dramatically over the recent past. But the current set of Government national targets expires in the next couple of years. This provides the opportunity for Birmingham to set its own ambitious targets for attainment in the future, within the time scale of the growth agenda. At the same time we must remember what employers have said to us about functional literacy and numeracy, and see what opportunities there are to improve the skills of those who will not attain the GCSE targets.

1.4.10 Similarly there are opportunities to increase the co-operation between businesses, universities and schools to raise educational ambitions and attainment, improve graduate retention and apply university research to benefit local companies.

1.4.11 No matter how well designed are the projects contained in future editions of the Prospectus, they are nothing until implemented. Careful attention needs to be paid to efficient and effective implementation. While the example of North Solihull is inspiring, no one model will be suitable on all occasions – but thought needs to be given and clarity achieved about the best way to deliver each project. Equally, each project – although contributing to the city's strategic future success – will take place in a specific locality, with tensions between the project and local requirements. Early and continuing involvement of elected Members is key to negotiating these tensions successfully.

1.4.12 Finally we recognise that all Overview and Scrutiny Committees have a role to play in taking forward the growth agenda. By undertaking focussed inquiries, they can provide evidence to suggest relevant policy developments, identify blocks to progress, and support Directorates and partners in taking action today which moves Birmingham towards its longer term goals.

1.4.13 Our detailed recommendations follow.

2 Summary of Recommendations

	Recommendation	Responsibility	Completion Date
R1	That every three years the Executive update and publish the Prospectus, showing progress, the next key projects and areas of policy development.	The Leader	January 2010
R2	That future editions of the Prospectus emphasise the central objective is to grow prosperity and improve the quality of life of all Birmingham residents, and to tackle disadvantage in ways consistent with the city's sustainable community strategy.	The Leader	January 2010
R3	That future editions of the Prospectus contain projects which directly and explicitly play to Birmingham's demographic characteristics, including: a) Its diversity; b) Its youthfulness; c) Its growing population of older people.	The Leader	January 2010
R4	That future editions of the Prospectus contain only projects which directly and explicitly contribute to the city's sustainability and climate change strategy.	The Leader	January 2010
R5	That through the Core Strategy the Executive identify ways in which a range of good quality housing can be provided in Birmingham, particularly aimed at encouraging more highly skilled people to come to and stay in the city.	Cabinet Member for Regeneration	January 2010
R6	That through the Core Strategy and associated work the Executive make firm proposals for enhancing the quality of parks and open spaces thus adding to the attractiveness of Birmingham's residential areas.	Cabinet Member for Leisure, Sport and Culture	January 2010
R7	That the Executive with partners bring forward a programme for increasing the availability of affordable housing in the city.	Cabinet Member for Housing	January 2010
R8	That in particular the affordable programme should highlight actions by the city Council to increase availability in the short term, since the economic situation has led to a reduction in other sources of supply.	Cabinet Member for Housing	January 2010

R9	That the Executive commence a fresh assessment of transport requirements and then set out clearly its intentions for improving all forms of transport in Birmingham, private as well as public, including funding mechanisms.	Cabinet Member for Transportation and Street Services	January 2010
R10	That as an early element in that new plan the Executive support Centro in bringing forward an enhanced programme of provision of Park and Ride facilities in and around Birmingham.	Cabinet Member for Transportation and Street Services	January 2010
R11	That the Executive, through the Digital Birmingham Partnership or other routes, identify and start to address any blockages to expanding and exploiting digital infrastructure in the city.	Deputy Leader	January 2010
R12	That the Executive, with partners, review whether the approach taken to worklessness in the current LAA provides the best value for money at a time of rising unemployment in the city.	Deputy Leader	September 2009
R13	That the Executive adopt a realistic but stretching target date, with clear improvement plans, for the achievement of the aspiration that at least 60% of Birmingham pupils obtain 5 or more A*-C grades at GCSE including English and Maths; and that no school should accomplish less than 40%.	Cabinet Member for Children, Young People and Families	January 2010 (for feedback from the Cabinet Member on a realistic target date)
R14	That the Executive clarify, with appropriate targets, how the introduction of Functional Skills qualifications in September 2010 can be used to improve the literacy and numeracy of Birmingham's school leavers who do not attain A*-C at GCSE.	Cabinet Member for Children, Young People and Families	January 2010
R15	That the Executive and partners investigate ways of supporting the work of Birmingham's schools and partners to raise the educational ambitions of more young people in the city.	Cabinet Member for Children, Young People and Families	January 2010
R16	That the Executive and partners investigate ways to increase cooperation between local businesses and Birmingham's universities on the application of universities' research particularly into more sustainable products and processes.	Deputy Leader	January 2010

R17	That the Executive and partners investigate ways to increase graduate retention in the city by:		January 2010
	a) Supporting businesses in offering more graduate placements; b) Improving university and college students' knowledge of short- and long-term employment opportunities in the city.	Cabinet Member for Regeneration Cabinet Member for Children, Young People and Families	
R18	That with the aim of easing the implementation of the new transport strategy for Birmingham, the Executive work with city-region partners and report on progress towards an integrated strategic plan and a co-ordinated delivery structure for transport investment.	Leader	January 2010
R19	That in successive editions of the Birmingham Prospectus, as actions move from aspirations to firm projects, the Executive show how each project will be implemented.	Leader	January 2010
R20	That local Elected Members (including when relevant Members of neighbouring authorities) be appropriately involved from the very start in the planning and implementation of each major project to help manage the local issues which inevitably arise.	Leader	January 2010
R21	That when deciding on the annual scrutiny review programme, the Co-ordinating O&S Committee encourage the identification of pieces of work to support the achievement of the city's ambitions for growth and prosperity.	Chair, Co-ordinating O&S Committee	July 2009
R22	Progress towards achievement of these recommendations should be reported to the Co-ordinating O&S Committee in February 2010. Subsequent reports will be scheduled by the Committee thereafter.	The Leader	February 2010

3 The Birmingham Prospectus

3.1 Birmingham's Future Growth and Prosperity

3.1.1 The starting point for this inquiry was the publication in early 2007 of the Birmingham Prospectus. This key document formally sets out the shared vision of local partners for the future development of our city. In its own words, the Prospectus "represents an ambitious long-term strategy to secure Birmingham's position as a leading world city and as a place in which people wish to live, learn and work."

3.1.2 The Prospectus goes on to say:

"Birmingham has a 20-year vision to secure long-term, sustainable growth in its population, rising from around 1 million people now to a population of up to 1.1 million. This will be matched with increased investment and new employment opportunities. To achieve this vision it is vital that we improve the quality of life for all of Birmingham's citizens and address inequalities within the city. Furthermore, plans for Birmingham's future development must be sustainable and integrated.

Realising this vision will require sweeping change across wide areas of the city. Growth will be concentrated in east Birmingham, south-west Birmingham, the Urban Living Housing Market Pathfinder in the north-west of the city, as well further expansion in the city centre and the sustainable growth and development of three suburban centres. Environmental and design quality must be at the heart of the vision since they are critical for providing a full range of housing and neighbourhoods that will attract and retain both people and investment for the longer term."

3.1.3 In this and elsewhere in the Prospectus the City Council and its partners recognise that achieving growth and prosperity is not just a development agenda – addressing inequalities, strengthening social enterprise and neighbourhoods, helping young people to express their energy constructively are all important in realising these ambitions.

3.2 The Terms of Reference and Conduct of the Review

3.2.1 Following the Audit Commission's Comprehensive Performance Assessment of 2007, the City Council decided it needed to develop a clearer, more quantified and more challenging long term vision for the city, which is fully shared by partners. As a contribution to this, the Executive invited Overview and Scrutiny "to play a role in identifying gaps between what we aim to do and what we are actually delivering."

3.2.2 It was in this spirit – of supporting the development of this clearer and challenging long term vision – that we embarked on this work. Our approach was to give the current proposals a "health check" to ensure that all the relevant factors have been considered and are being tackled in a coherent fashion.

3.2.3   For example we were looking to:

- make sure that Birmingham's ambitions are clear and well-founded;

- check that all the key agencies (both partners and within the City Council) are engaged with the agenda and are following through;

- ensure that the agenda in practice is well-rounded in terms of covering economic, social and environmental issues, e.g. covers issues such as social cohesion and the provision of public services as well as physical development;

- make sure that both planning and delivery work are carried out efficiently and effectively, and that resource assumptions, e.g. the availability of capital investment, are realistic.

3.2.4   We took evidence in full Committee most of the time, supported when needed by a small group consisting of Cllrs Alistair Dow, James Hutchings and Ian Ward. Our support team included staff from the Scrutiny Office; Veronica Docherty, Head of Economic Strategy, and Dave Carter, Head of Planning Strategy, acted as our links to Directorates; and first Sue Whitehead and latterly Dave Smith provided committee support.

3.2.5   During our inquiry we heard from the Leader of the Council; from a number of partners, in particular from the Chamber of Commerce, from Birmingham's three major Universities and from Centro; from the neighbouring authority of Solihull (which like Birmingham is a Government-recognised growth point); and from a number of City Council officers. We are grateful to them all.

3.3   The Review Programme

3.3.1   It was clear from the outset that the inquiry we had in mind was strategic in nature with a very broad scope. It was neither necessary nor desirable for us to attempt a comprehensive look at every aspect, and accordingly we deliberately drew on work by other O&S Committees on topics such as community cohesion or specific housing topics. There is also other work done by our own Committee and review groups, such as considering the draft Community Strategy and Local Area Agreement, and previous reviews such as that on Sustainability. We saw no point in repeating that work, and have drawn on it in considering our conclusions.

3.3.2   In particular, during our inquiry the Regeneration O&S Committee undertook two related reviews. The first was a review of Regeneration in South West Birmingham, which was accepted by the City Council in April 2007. This complements and provides evidence for our own broader inquiry, by considering:

- the vision for regeneration in south west Birmingham;

- development and regeneration activity in the area;

- the particular opportunities and challenges in the area; and

- the potential for partners, including various parts of the City Council, to work together better.

We will return to this particular piece of work later in our report.

3.3.3   The second, relating to Employment Strategies, has been looking at partners' work to increase employment in priority wards and whether this has narrowed the gap in worklessness rates between those wards and the average for the city.

3.3.4   The Regeneration O&S Committee has completed its work on this review, and its recommendations are is due to be published concurrently with our own report.

3.3.5   Returning to our approach to our own inquiry, it was clear from the outset that Birmingham's growth agenda, which looks ahead some twenty years, is not and should not be captured already in a set of firm, detailed and unchanging policies and action plans. There should be, as indeed there are, some firm intentions for the immediate future; but the longer term policy must be in a state of being moulded and articulated. Inevitably this would be continuing as we conducted our review, and this posed some challenges to the way we did our work. We will return to this subject later in our report.

3.3.6   But it was also clear that our first necessity was to understand the forecasts for the future size and make up of Birmingham's population. These forecasts support the whole agenda and form the starting point for the Birmingham Prospectus. It is to this subject that we now turn.

4   Demographic Change

4.1   Birmingham – A Growing City

4.1.1   According to the Birmingham Prospectus:

"Birmingham has a 20-year vision to secure long-term, sustainable growth in its population, rising from around 1 million people now to a population up to 1.1 million."

4.1.2   This is indeed a significant change. Successive 10-yearly census results show declined from nearly 1.2 million in 1961 to slightly below 1 million in 2001. This was a time of natural growth, that is there were more births than deaths, and of course significant international in-migration and the arrival of many new communities from abroad.

4.1.3   The balancing factor, in common with many major cities in the UK, was that in the same period many people left the city, many for other areas in the West Midlands region. In the early post-war period, such movement was promoted by policy, with the development of new and expanded towns, and peripheral estates. Later on, according to the evidence we received, such movement reflected economic circumstances and lifestyle choices, together with constraints on development within the city's boundary.

4.1.4   Since the last census was taken in 2001, however, the Office of National Statistics estimates that the long-term trend of population reduction has reversed, resulting in population growth. The Office calculates that by 2005 Birmingham's population had again reached 1 million.

More births than deaths	+ 22,400
Overall international migration	+ 32,400
Other changes	+ 1,300
Overall migration within UK	- 39,500
Total net population change	**+16,600**

Box 1: Population Changes 2001 – 2005

4.1.5   We were informed that the main factor leading to the change of trend was an increase in inward international migration. However we noted that this was still outweighed by out migration to the rest of the UK.

4.2   Expectations for the Future:

4.2.1   Trend population projections prepared by the Office for National Statistics show that if recent trends were to continue, then by 2026 the city's population would reach 1.1m. This would be a combined result of strong natural growth and continued immigration flows outweighing the continuing sizeable migration out to the rest of the UK.

More births than deaths	+206,700
Overall international migration	+173,400
Overall migration within UK	-259,600
Total net population change	**+120,600**

Box 2: Trend Population Projection 2001-2026

4.2.2   We were told that the city currently has the youngest population of any EU city and it is currently set to retain a similar position going into the future with the majority of future growth predicted in age groups under 45 years of age.

4.2.3   The composition of the city's population, we were informed, is also changing. By 2026, about 48% of residents will be from one of the white ethnic groups, 31% from the Pakistani, Bangladeshi and Pakistani groups, and 21% from other groups.

4.2.4   The Government has also issued projections of household numbers, which is key information in predicting the number of additional homes which should be provided. The number of households is projected to increase by 105,000 between the years 2001 -2026; 47,000 as a result of population growth and 58,000 as a result of household trends with the average household size in Birmingham falling from 2.48 in 2001 to 2.20 in 2026.

4.3   Uncertainties in the Projections

4.3.1   We were particularly keen to clarify the status of these projections. Officers confirmed to us that the underlying assumption is of recent trends continuing to 2026.

4.3.2   This includes the trends in migration, both internationally and within the UK. These are sensitive to changing economic and social conditions. Whereas the summary above shows net migration figures, these are of course the result of bigger gross flows into and out of Birmingham:

Migration within the UK	in	125,600
	out	165,000
	net	-39,500
International migration	in	59,400
	out	27,000
	net	32,400

Box 3: Components of migration to Birmingham 2001-2005

4.3.3   Gross flows can certainly be influenced by policy changes, such as the balance between housebuilding inside or outside the city's boundary. Whereas it is the state of the economy and national policy changes which have the most policy-driven effect on demography, local policy within the purview of the City Council will have some influence, albeit at the margins.

5 Current Prospects for Growth

5.1 Introduction

5.1.1 These demographic trends and projections give a starting point in evaluating Birmingham's ambitions and plans for the next twenty years, the scale of change involved and what policies and actions will be needed to realise them. But of course there is need also to consider the current pace of change – the rates of construction of buildings, the changes of land use, the provision of facilities and the adequacy of infrastructure. Much of this activity is governed by the existing planning policy for Birmingham – the Unitary Development Plan (UDP). Essentially this is the current 20-year strategy but is nearing the end of its period – the 20 years in question being 1991-2011.

5.1.2 The City Council produces an Annual Monitoring Statement setting out progress on key development planning outcomes and the Core Strategic policies of the UDP. The most recent was published in December 2008. The report's conclusions are shown in Box 4 below.

- Levels of new house building continue to be above target. There are no indications of land supply constraints that could prevent this from continuing. However, the credit crunch is likely to impact on completions in the short term.

- Levels of employment development have declined from the previous year and were below average for the period since 2001. The overall supply of industrial land has increased with several large sites within the "best urban" category, including Prologis Park by Minworth Sewage Works, being brought forward for development. However, there is still a significant shortage of readily available "good urban" industrial land as compared to UDP targets.

- Overwhelmingly, new development in Birmingham is on brownfield sites.

- Almost all new housing development is in locations with good public transport access to employment and essential local services.

- The City Centre continues to attract new investment to strengthen its role.

- Good progress is being made in delivering most of the core strategic policies of the UDP.

- The majority of new office development is taking place in centres.

- The take up of office floorspace in the City Centre has been at record levels with 831,290 square feet let in the first three quarters of 2008 (as reported by Birmingham Office Market Forum).

Box 4: Progress on the current Development Plan policies

5.1.3   So this evidence is that current targets are being met. The Regional Spatial Strategy – the development plan for the West Midlands region, in effect – is currently being revised, as the table indicates. The development policy for Birmingham – now called the Core Strategy – is also in course of updating through statutory processes, and will in due time replace the UDP.

5.1.4   These current formal targets, though, since they expire in 2011, do not address the ambitions of the Growth Agenda. In addition, as we came to the end of our work, the effects of the tightening of the economic situation and the national slowdown in the housing market became clear. So the fact that previous targets have been met, whilst reassuring, does not of itself guarantee the future. We therefore looked at the record in some more detail.

5.2   Housing Developments

5.2.1   When considering future population growth, one of the first factors which springs to mind is that there must be sufficient, and sufficiently attractive, housing; and that people must find it affordable, using the word in a general sense, not as the official Government term.

Whilst the Prospectus' action plan does not contain actions which concern housing alone, the more strategic text reflects the importance of housing. We have already reported a relevant quotation, at paragraph 3.1.2, which emphasised the need for a full range of attractive housing and neighbourhoods.

Later on, in the chapter concerning The Birmingham Brand we find:

"In an increasingly global marketplace, the reputation and perceptions of Birmingham underpin our ability to attract and retain more skilled workers and entrepreneurs and to secure private sector investment. Quality of life factors, including the city's range of housing choices, are especially important in determining such decisions and we must boldly promote our strengths in this area."

5.2.2   We took evidence to help us test both Birmingham's recent record in housing development and its future prospects.

5.2.3   The current housing target (taken from the 2004 Regional Spatial Strategy (RSS)) covers the period 2001 to 2021 during which time there should be gross completions of 55,800 dwellings, partly offset by 24,000 demolitions. The net target therefore is 31,800 dwellings. The Annual Monitoring Report (referred to in the previous section) shows:

Gross dwelling completions 2001-2008	22,744
Demolitions in the same period	8,634
Net additional dwellings	14,110

5.2.4   Completions over this period are therefore well up with the target. Indeed the rate of completions averaging over 3,000 per year since 2001 is ahead of what is needed to meet the 2021 target.

5.2.5   The Annual Monitoring Report comments that the recent high completion rates are in part due to the encouragement of housing in the city centre.

5.2.6   At the time we took evidence, discussions were underway to look further into the future. The suggested revised Regional Spatial Strategy target was for 50,600 net dwellings during 2006-2026. The assumption was for 26,900 demolitions in that time, giving a gross figure over the 20 years of 76,800 – an average of 3,840 per year.

5.2.7   This is a still higher rate of completions, higher even than that achieved in the last few years. Even so, central government intervened in these regional discussions, proposing a still higher target. We will return to this issue later in this report.

5.2.8   The evidence we heard also stressed the importance of achieving the correct character of housing growth – a mixture of types and tenures, with good quality design movement towards carbon neutral housing by 2016. The current thinking was that this would be achieved through the continuation of city centre growth, a focus on new sustainable centres and the renewal of unsustainable estates. There would be increased Government funding for affordable homes and also "growth point" funds.

5.2.9   Officers also emphasised to us that they did not see this as a separate "housing" agenda. They spoke of developing new skills in the construction work force, and of recreating social infrastructure so that opportunities to tackle worklessness could be taken. The evidence we heard was couched in generalities, showing a desired direction of change, rather than specific proposals and projects; and at this stage this is understandable.

5.2.10   We were interested to explore the links between the type and tenure of housing provision and the demographic projections – for instance, whether the ambition to grow the population might be more easily met if, say, family housing rather than one- and two-person flats were provided. The officers replied that there now will be a greater ability to be more precise about the types of housing preferred on specific sites, but this would need to be evidence based.

5.2.11   The affordability of housing is also a concern. On the official definition, "affordable" housing is subsidised housing – the cost to the occupier is less than the market cost. In everyday speech, "affordable" housing comes at a price which people can actually afford. Both usages are important when thinking about the future of Birmingham.

5.2.12   We received a paper originally produced for the Housing and Urban Renewal O&S Committee in February 2007. That concentrated on affordable housing as officially defined. Amongst its conclusions were:

- that despite determined efforts, recent years have not produced enough affordable housing and thus the amount of "backlog" in unmet need has grown;

- affordable homes of the right tenure, type and size need to be built. More houses are needed but a very large proportion of all new dwellings are flats. One approach to this problem may

be to encourage high-density developments around local centres that will allow larger homes to be built further away.

5.2.13   More recently, we note that the City Council's Housing Plan 2008+ says:

"Setting a target for affordable housing completions is complex and dependent upon a number of variables including land availability and the mix of land supply in terms of ownership and size; the level of funding to support delivery – both in terms of social housing grant and discounted public sector land and the size and type of dwellings that are being delivered on privately owned sites. In addition it is vital that our planning for housing is aligned with economic development. This is being brought together through the Programme of Development that we are required to develop, by 1 August 2008, for CLG to progress our proposals for growth. Developing a target for affordable housing will be progressed as a priority action."

5.2.14   In the accompanying action plan, there is an action:

"Increase the amount of new affordable homes provided each year, with early progress on the amount of affordable housing agreed on private sites."

The target milestones are given as:

1.   Review affordable housing policy December 2008.

2.   Set target for gross affordable housing in light of Regional Spatial Strategy. Target date to be confirmed."

5.2.15   We will return to the issue of updating the Regional Spatial Strategy later in this report, but at this point should note pending changes in the central government machinery. In April 2009 the new Homes and Communities Agency is expected to start work, combining English Partnerships, the investment programme of the Housing Corporation, and various housing and regeneration programmes currently run through the Department of Communities and Local Government. The new Agency will be a significant source of funds for local housing and regeneration work, and an important partner for the City Council to influence and work with.

5.2.16   The quantity and quality of housing, whilst important, is not the only factor governing whether Birmingham will attract growth and prosperity over the next twenty years. We wanted to examine what the city's ambitions implied for the pace of development and re-use of land and buildings generally.

5.3   Area Investment Prospectuses

5.3.1   The bare figures indicate that there is plenty of development activity either underway or planned over the next few years across Birmingham.

5.3.2   According to Locate in Birmingham, the city's inward investment service, as shown on its website in February 2009:

"There is currently of £17.5 billion worth of investment over the next 10 years in Birmingham. Over £11.8 billion worth of investment is either planned or underway in the city centre alone."

5.3.3   The breakdown of this total by development use is shown in Box 5, below, which is again taken from the Locate in Birmingham website.

Development Use Type	Value (£m)
Education	200.00
Health	2.50
Hotel	26.00
Industrial	1.08
Infrastructure	677.80
Leisure	33.00
Mixed Use	9473.00
Office	989.50
Residential	369.00
Total	**£11.8 billion**

Box 5: value of planned developments in Birmingham City Centre

5.3.4   The economic importance of Birmingham city centre to the city and the region cannot be exaggerated, and over the last twenty-five years it has been the subject of a strong focus to ensure its regeneration. Continuing attention and improvement will be key, and the preparation of the Big City Plan – the new master plan for the city centre – was launched during our inquiry. To complement this, we decided to look in particular at how development could be stimulated beyond the city centre.

5.3.5   In September 2007, the City Council launched a set of three Area Investment Prospectuses – one for each of the east (including Erdington and Sutton Coldfield), north west, and the south of the city. The documents highlight the strategic development opportunities available in each of the three areas, outside the city centre, with the aim of stimulating developer interest. There are details on each individual strategic site, along with a description of the measures the City Council can take when necessary to help achieve development (measures such as land assembly, site

investigation and reclamation, and gap funding), and an outline of the services available from the City Council and its partners to help employers, developers and local people access and fill available vacancies.

5.3.6   In our session devoting to examining the Area Investment Prospectuses, it was confirmed that these documents are indeed aimed at realising the potential for growth and prosperity outside the city centre. The majority of the sites listed are in private ownership; the key audience for the material therefore consists of private developers. City Council officers provide support through pre-planning discussions and technical advice on matters such as gap funding and option appraisal.

5.3.7   In discussion with officers we tested a number of issues:

- Why is there little material in the AIPs concerning improvements in transport infrastructure?

- Many former employment sites were now being marketed for housing – was there sufficient emphasis on developing major employment opportunities?

- The Prospectuses also gave little impression of close working between the Planning and Regeneration service and the Housing Directorate – how real was this impression?

5.3.8   From the documents provided to us we can see that the Planning and Regeneration service sees itself as leading on the "transformational change" of parts of Birmingham. Indeed this is a key objective in the Planning and Regeneration Service Plan for this year.

5.3.9   "Transformational change" is undoubtedly a phrase redolent of ambition. However we were not convinced that all the conditions are yet in place to bring about that transformation. The aim of the Area Investment Prospectuses to bring about renewal and development outside the city centre is welcome. But at the moment they feel more about piecemeal development than a focused and sustained approach to reach the overall and linked aims of the Birmingham Prospectus, such as the development of three town centres in the north, east and south of the city. It was therefore reassuring to hear that the AIPs would be reviewed each year, and that the next revision would reflect ongoing work between officers in the Planning and the Housing services.

5.4   The Index of Multiple Deprivation – An Overall Indicator?

5.4.1   After we had concluded taking evidence for this inquiry, the Government published updated data on multiple deprivation in England. The data had previously been revised in 2004.

5.4.2   Many Members are familiar with the concept of this index. It is an attempt to put together a map of England which shows the degree to which different types of disadvantage (such as poor housing conditions, low educational qualifications, poor health, and crime) coincide and affect people in particular areas. This is done by combining data on 38 indicators, on the basis of "lower-layer super output areas" (LSOAs). Each LSOA contains about 1500 people, so it is of neighbourhood size.

5.4.3   Government uses the index to allocate programme resources between different areas of the country. Local authorities can use the data to compare living conditions across the country.

5.4.4   The Government figures also describe deprivation according to six summary measures at the Local Authority district level.

5.4.5   These six summary measures are:

- **The local concentration** measure shows the severity of multiple deprivation in each authority, measuring 'hot spots' of deprivation.

- **The extent** measure is the proportion of a district's population that live in the most deprived LSOAs in England.

- **The 'average scores'** and **'average ranks'** measures are two ways of depicting the average level of deprivation across the entire district.

- The **income scale** and **employment scale** measures show the number of people experiencing income and employment deprivation respectively.

5.4.6   This allows local authority districts to be ranked according to how deprived they are relative to other districts. The summary measures at district level focus on different aspects of multiple deprivation in the area - no single summary measure is favoured over another.

Rank	Local Concentration	Extent	Average Score	Average Rank	Income Scale	Employment Scale
Birmingham	15	12	10	14	1	1
Liverpool	1	4	1	5	3	2
Manchester	4	5	4	4	2	3
Leeds	48	67	85	114	5	4

Box 6: 2007 Multiple Deprivation Scores for selected Core Cities

5.4.7   The importance of these figures lies in the message that amongst the forms of disadvantage affecting Birmingham residents, it is economic disadvantage which is particularly strong. As can be seen from the figures, this is not unique to Birmingham but affects other core cities too. Nor has the position changed much since the figures were last published in 2004.

5.4.8   The scores remind us that, when trying to increase the prosperity of all Birmingham people, many forms of disadvantage need to be tackled at once through coherent programmes; but that in particular any regeneration programme which does not contain a strong economic element is unlikely to succeed.

5.4.9   During our inquiry, therefore, we made a particular point of hearing from partners active in the economic field; and also looked for examples of coherent regeneration programmes.

6 Key Prospectus Theme – Business and Economy

6.1 Introduction

6.1.1 One of the areas identified at the outset as presenting key challenges and opportunities for the city over the next 20 to 30 years was the strand comprising business and the economy. A successful economy is needed to underpin the whole of the Growth Agenda.

6.1.2 The Birmingham Prospectus sets out a vision that the city will both continue the growth of its service sector and modernise and diversify its manufacturing base, capitalising on its skills and expertise to develop modern manufacturing technologies alongside the wider knowledge economy. It talks about encouraging a 'culture of enterprise' in all communities, supporting the creation of new and sustainable businesses.

6.1.3 The successes and challenges in developing Birmingham's economy over the last twenty-five years are well-known. Since the Birmingham Prospectus was published in 2007 the impact of the credit crunch and the onset of economic recession have renewed concerns over Birmingham's competitive position, coupled with determination that the city will emerge from recession more competitive than ever. It was not our role in this inquiry to undertake a fresh assessment of Birmingham's strengths and weaknesses, nor to suggest new strategic directions. Rather it was to test whether the actions in the Prospectus were addressing the major issues, and whether the necessary partnership working to deliver the growth agenda is sufficiently coherent and strong.

6.1.4 Working with business partners will obviously play a key role in creating and maintaining a high-quality environment and services to attract and retain investment and enable sustainable business growth. Members took evidence on these issues from the Birmingham Chamber of Commerce on two occasions, firstly on the priorities for action identified by business leaders across the city, and latterly on the specific issues on the skills of the city's workforce.

6.1.5 Another key partnership aspect entails fully exploiting the economic potential of the academic excellence of its colleges and universities and the Prospectus contains a commitment to working closely with Birmingham's universities to develop a joined-up approach to attracting and growing businesses. We therefore held a wide-ranging discussion with representatives from Birmingham, Aston and Birmingham City Universities.

6.2 What are the Major Economic and Employment Challenges?

6.2.1 For an overview, we were briefed by economic development officers on some of the major economic and employment issues facing the city.

6.2.2 **Employment Issues** – We were told that at approximately 63% of the working age population, Birmingham's employment rate is significantly below the national rate of 74%. It is estimated that (holding commuting patterns constant) employment in Birmingham would have to grow by approximately 187,000 by 2026 to cope with the expected increase in the population and to reach the government's employment rate target of 80%.

6.2.3 **Worklessness** – Evidence was given that nationally the government set out its long-term agenda for welfare reform in a 2006 Green paper ('A New Deal for Welfare') and more recent policy developments, particularly the recent Green Paper 'No-one written off', aim to address inactivity and long-term welfare dependency through changes in benefit conditionality and out-of work support, particularly for the key client groups of incapacity benefit claimants and lone parents. Tackling worklessness is crucial to addressing long-term issues such as Birmingham's relatively high levels of deprivation and child poverty – a key indicator in Birmingham's LAA. The relatively poor level of skills of the resident population is one of the barriers holding Birmingham's employment rate down and contributing to worklessness.

6.2.4 **Skills and Qualifications** – While school leavers are attaining improved GCSE results, Birmingham has 22% of its working population with no qualifications, more than the UK average or 15%. We were told that Birmingham also has a significantly lower proportion of the working age population educated to degree level or higher, as well as a smaller percentage attaining trade apprenticeships.

6.2.5 **Future Job Growth in Birmingham –** Although there will be job growth in lower skilled, lower wage service sector occupations, much of future growth will be in high-income, skilled, knowledge intensive jobs that include managerial, professional and associate professional occupations. Whilst some manufacturing sub-sectors will see future growth, most of the city's future employment growth will be in the service sector, particularly in financial and business services, public services and retailing and wholesaling.

6.2.6 **High Levels of In-Commuting** – The result of having a resident population with a comparatively poor skills base and high levels of inactivity is that more than 160,000 of the city's 451,000 jobs are taken up by people who live outside Birmingham and commute into the city for employment. Of these, more than 130,000 are taking up skilled jobs. To reduce this reliance on in-commuters and ensure that local residents benefit from future job opportunities the following factors need to be addressed:

- Given the increasing importance of the knowledge economy and future job growth, it is vital that the skills levels of the resident population are increased.

- It is also necessary for the right conditions (including the housing offer) to be created to encourage and retain highly skilled people to want to live and spend in Birmingham, rather than live outside the city and commute in.

6.3   Priorities for Business

6.3.1   In their first discussion with us, representatives of the Birmingham Chamber of Commerce and Industry set out their priorities. These originated in November 2005 when business leaders from across the city met to assess the state of Birmingham business and to produce a view of what needed to happen in the city to make success happen.

6.3.2   Those present agreed on a plan of priorities for action. Their vision was that, for Birmingham to be a world-class city, it would need a world-class built environment, world-class business education offering, an ability to create wealthy businesses and individuals faster and more often than its competitors and a business community that spoke with one voice.

6.3.3   The six business membership organisations in the city (the Birmingham Chamber of Commerce and Industry, Birmingham Forward, the Confederation of British Industry, EEF which is the organisation for engineering, manufacturing and technology based businesses, the Institute of Directors and the Federation of Small Businesses) identified a common "one voice" agenda for Birmingham, at the heart of which is an overarching objective to maximise the competitiveness of Birmingham. The One Voice Group priorities are:

1. **A Well Connected City** – Birmingham must become a well-connected and accessible city that boasts a world-class transport and communications infrastructure and offers access to its cosmopolitan population.

2. **A World-Class Built Environment** – Birmingham must have a world-class skyline and aesthetic appeal and must demonstrate a good standard of housing stock throughout the city. It must take advantage of the demand for office space and take steps to provide high quality, sustainable office accommodation.

3. **An International School –** Currently, the most convenient international school for the families of international businesspeople working in Birmingham to use is located in Oxford. The city must have its own international education facility to make it an attractive residential location for overseas businesspeople and their families.

4. **A Well Skilled Workforce –** The city must increase the number of individuals appropriately skilled to match the changing labour demand of the Birmingham economy. It must also improve the linkage and understanding between its school population and its business community. And its universities must promote Birmingham as a world-class destination for business education.

5. **A World-Class Marketing Strategy** – Birmingham must promote itself as a cosmopolitan city and maximise the potential of its proximity to London.

6.3.4   There is a high degree of correlation and overlap between the priorities for action identified by the One Voice Group and the priorities raised in the evidence which was subsequently presented by the universities and in relation to digital infrastructure.

6.3.5   Specifically:

- **A Well Connected City** – links directly to the point made at 6.4.12 about establishing the necessary communications infrastructure for the digital future.

- **An International School** - the need to provide an international school in Birmingham supports the point made at 6.3.6 highlighting the important role universities can play is raising the city's international profile and in attracting investment and expertise and would make it easier to attract and retain people with the requisite expertise.

- **A Well Skilled Workforce** - increasing the number of individuals appropriately skilled to match the changing labour demand of the Birmingham economy and improving the linkage and understanding between schools and the business community reinforces the points made by the universities at 6.3.11 about the need for early contact with school pupils and at 6.4.15 about working with schools, further, higher and adult education bodies to ensure that the requisite information age skills are in place to encourage inward investment, at 6.3.8 about improving graduate retention which would clearly be an important means of addressing skills deficits in the local economy and at 6.3.5 about the need for universities to collaborate with business.

- **A World-Class Marketing Strategy** – is reflected at 6.4.17 about the need to apply additional resources to promotion and marketing to ensure positive national and international press coverage.

6.4   The Role of Birmingham's Universities

6.4.1   Noting the increasing numbers of references to the contributions of the city's universities in developing and achieving the growth agenda, Members asked for an opportunity to discuss such issues directly with representatives of the universities.

6.4.2   Many of these contributions lie in the economic field, but it is important to recognise the broader contribution of universities and their graduates to the social, cultural and democratic facets of the city.

6.4.3   There are a number of key documents which all agree that the future economic prosperity of Birmingham will be dependent on its ability to compete as a knowledge-based economy. These documents include:

- The Regional and Local Economic Impact Assessment of the University of Birmingham published in July 2007;

- The Birmingham Prospectus published in early 2007;

- The West Midlands Regional Economic Strategy 'Connecting to Success' published in December 2007;

- The Visioning Study undertaken by Professor Michael Parkinson of John Moores University and published in February 2007 and the City Centre Masterplan – now referred to as the Big City Plan which is being developed by Urban Initiatives consultancy during 2008 with the aim of being submitted for adoption as statutory planning guidance in early 2009; and

- 'Aston 2012 – An Inspirational Place' which is essentially Aston University's strategic plan for the next five years.

A number of Birmingham University students have worked with the Scrutiny Office on projects looking at aspects of graduate retention. During their work they have interviewed fellow students, employers, careers advisers and university staff.

Some relevant conclusions include:

- Historically there has been a shortage of information and resources available to students both about many employers within Birmingham and about living in the city.
- In particular, there has been a shortage of information available about Graduate opportunities with Small and Medium Size Enterprises (SMEs) in Birmingham.
- The Universities have been taking some important steps with local partners to address these issues. This has included the establishment of a scheme called Graduate Advantage, which seeks to match graduates with SMEs and facilitate both work placements and recruitment.
- There is still more that could be done to address gaps in information and resources that would encourage graduates to take up employment in the city. In the future it would be helpful if the City Council, Universities and other partners, were able to co-ordinate their actions together more effectively;
- SMEs have reported benefiting from the expertise that graduates have brought into their companies, especially in fields such as marketing and IT. Graduates have also encouraged both businesses and their employees to broaden their aspirations and understand the value of new technologies and certain forms of expertise.
- The Graduate Advantage scheme has highlighted how assisting with gaps in capacity and information that prevent SMEs and graduates linking up together could be a very important mechanism for raising the city's economic performance.
- Barriers to involvement of graduates in local SMEs include salary expectations, resources and capacity required to recruit and support a graduate, the risks involved, difficulties in accessing finance to fund it, a natural short-termism of many SMEs, negative perceptions of SMEs and graduates of each other, and a lack of readily available information.
- Enabling SMEs to recruit students for work experience has been proven by Graduate Advantage to be a criticial step towards getting them to recruit graduates in the long term, and encourages students to consider working in SMEs and the city after graduation.

Box 7: Summary Research Findings of Birmingham Students

6.4.4   Whilst Birmingham has some significant competitive advantages and opportunities, some major challenges remain. Universities have a vital role to play in addressing many of these challenges. These documents, together with the evidence presented to the Committee by the representatives from the universities in the city, identify some of the key roles for universities which are outlined below.

6.4.5   **By collaborating closely with business, universities have the potential to facilitate structural changes in the economy with the transfer of knowledge, innovation and workers.** This will be vital for the growth of the city's service sectors, modernising manufacturing businesses and developing new high technology sectors and creative industries. It was clear from the evidence that there is already considerable work in progress in this area.

- In her evidence, Mary Martin from Birmingham City University referred to the fact that the university was working with small businesses, including working on a knowledge transfer initiative.

- Pam Waddell from Birmingham University advised that collaboration was taking place on large scale projects between the universities of Birmingham and Warwick in relation to the Birmingham Science City initiative concentrating on three areas – translational medicine, knowledge transfer and advanced materials.

- Peter Shearer drew attention to the Aston University 'Index' project involving collaboration between local universities and small businesses.

- In his evidence Professor Michael Clarke reinforced the importance of close collaboration with business by highlighting the particular importance of a good working relationship between the universities and the Birmingham Chamber of Commerce and also the importance of good partnership working between the universities, local business and the City Council. He advised that Birmingham University was developing conference facilities which should help to improve relations with business in the area.

6.4.6   **Universities have international visibility and the ability to attract specialists from around the world. They therefore can play an important role in raising the city's international profile and attracting investment and expertise.** This view was supported by evidence from Peter Shearer from Aston University who advised that 20% of its students were drawn from outside the European Community and he believed that, if overseas students enjoyed their experience in Birmingham, it gave the city a good profile when overseas students returned to their own country.

6.4.7   **Universities provide a constant output of highly qualified and skilled workers on the city's door-step.** In his evidence to the Committee, Professor Michael Clarke drew attention to some statistics from the Economic Impact Assessment referred to previously at 6.4.3, to the effect that 33% of the university graduates obtained jobs in the city while 44% of graduates found jobs in the West Midlands Region.

6.4.8   **Improving graduate retention would clearly benefit the local economy.** If the city were able to retain more of these workers then this could be an important means of addressing skills deficits in the local economy. This in turn would raise the productivity of existing businesses and attract new businesses to the city.

- Professor Clarke expressed the view that graduate retention, although good, could be better and said that the way that employers build relationships with students was important.

- He gave the example that a high proportion of medical students stay in the city as they have worked locally while they were students.

- He stressed the need for employers to think imaginatively about how they could involve students in their business prior to graduation.

- Peter Shearer gave evidence that students at Aston University are encouraged to undertake an employment placement in the third year of a four-year course.

6.4.9 **Universities are significant investors in Research and Development**. This has obvious potential to provide a focus for innovation-based workers and businesses. Professor Clarke in his evidence drew attention to the fact that the university's research income was approximately £130 million which was approximately 88% of the city's research income and approximately 46% of the regional income. In collaboration with the University of Warwick, that research income rose to approximately 90% for the region. Concern was expressed that producers needed to have strong research and development capabilities and the importance of encouraging private sector involvement in research and development in order to create marketable goods and encourage entrepreneurial collaboration was also highlighted in evidence.

6.4.10 **Knowledge-based economies are much more dependent on social cohesion and a critical mass of highly skilled professionals** who are able to feed-off each other when it comes to generating innovative ideas and then applying them. Universities and their staff and students can make an important contribution in this context.

6.4.11 **The necessity for early contact with school pupils** was another key role identified for universities. Professor Clarke stressed the importance of early contact to raise aspirations and encourage entrance to a university. He advised that the university had set out to build bridges with all areas of the city and to encourage pupils to visit the university campus. He also advised that the university had a scheme to identify pupils with potential and worked with schools to provide additional support. Peter Shearer advised that Aston University worked with local schools to encourage more pupils from deprived areas to attend the university.

6.5   Major Skills and Qualifications Issues

6.5.1   We have already referred to Birmingham's relative low proportion of qualified people in the resident working age population. We were interested by what the Universities had to say about that. But we also asked the Chamber of Commerce about the background to the skills agenda in the West Midlands.

6.5.2   AWM and LSC in conjunction with key delivery partners have developed a three-year Skills Action Plan. Some of the statistics quoted in evidence by BCCI help to quantify the scale of the challenge:

- 71,735 more people need to achieve level 1 numeracy

- 171,779 more people need to achieve entry Level 3 numeracy

- 209,440 more people need to achieve Level 2 and

- 106,640 need to achieve Level 4

6.5.3   BCCI believe that better communication between the business community and educationalists in Birmingham will ensure that all parties are more informed about the current and future developments in the skills agenda within the city. Birmingham Chamber is well positioned to facilitate this dialogue for example by helping to resource business representation on steering groups at Birmingham City Council, at local schools and colleges and well as on university groups as appropriate.

6.5.4   The BCCI evidence was that skills shortages and gaps in Birmingham directly affect the productivity and bottom line of business. This is reflected in a BCCI survey where 92% of respondents thought that the skill levels of their employees were crucial to the success of their business.

6.5.5   This view was reinforced by the evidence given to us directly by two employers running very different types of businesses but experiencing similar types of skills issues.

6.5.6   The smaller employer has recruited at graduate, post graduate and administrative and clerical level and had found that literacy and numeracy skills were inadequate at all qualification levels.

6.5.7   The larger business employs 150 people in the region using local agents. They had experienced problems in recruiting people with the right skills and cultural values. They valued a willingness to work and had invested in training within the workplace and had been successful in recruiting from migrant communities and training them in the workplace.

6.5.8   When recruiting graduates both employers emphasised the importance of transferable skills and valued people who were flexible, had good IT skills, were able to work in teams and could manage people.

6.5.9   We were very interested in this evidence, rooted as it was in the everyday experience of employers. It suggests that the City Council, businesses and the education sector could work together beneficially to address some skills issues which formal qualifications, valuable as they are, do not reach.

6.6   Digital Infrastructure – A Birmingham Strength?

6.6.1   What emerges very clearly from the evidence presented on the role of Birmingham's universities and from the evidence presented by the Chamber of Commerce is the necessity for universities to have a mutually beneficial relationship with the city, leading to industries built on research strengths, transfer of knowledge to businesses and the retention of graduates.

6.6.2   It is also clear that the knowledge economy has been, and will continue to be, critically important for the future economic prosperity of Birmingham and the wider city-region and that Information Technology makes a significant contribution to this economic prosperity. Glyn Evans, Corporate Director of Business Change, gave us some interesting evidence on this issue.

6.6.3   He referred to a report by the Work Foundation which has developed the concept of an 'Ideopolis'. It argued that increasing the volume of knowledge intensive economic activity is essential if developed countries are to remain prosperous reflecting "a transition from an economy based on land, labour and capital to an economy where the source of comparative advantage is likely to be found in the production of information and knowledge."

6.6.4   Within this context, the Ideopolis is "the vision of a sustainable knowledge intensive city that drives growth in the wider city-region. It gives cities a framework for developing knowledge-intensive industries that will be economically successful and improve quality of life."

6.6.5   In addition to this mutually beneficial relationship between the universities and the city, Ideopolises are characterised amongst other things by:

- high levels of economic success;

- a diverse industry base including distinctive specialist niches;

- strong communications infrastructure and good transport links within the city and to other cities;

- a distinctive long-term 'knowledge city' offer to investors and individuals created by public and private sector leaders; and

- strategies to ensure that all communities benefit from the economic success associated with knowledge.

6.6.6   The report identified London and Edinburgh as existing Ideopolises, with Bristol and Manchester fast moving towards this status and Newcastle and Glasgow not far behind. It identified Birmingham as a 'potential Ideopolis' and said that we have some successful niche industries but currently have relatively low levels of knowledge intensity. The implication therefore is that Birmingham is lagging behind others in the UK in this field, at least in terms of perception.

6.6.7   In terms of policy recommendations the report suggests that we need an integrated vision of what a good and distinctive city looks like in its region: how to ensure that growth in Birmingham will not mean decline in the Black Country. It also says that we need to invest in a diverse economic base.

6.6.8   Birmingham also lags behind nationally in diversifying its industries and taking up high technology industries and services. This lack has helped to keep Birmingham's economic growth rate (and ability to create jobs) below that of the UK for the last 25 years. (Source: University of Birmingham, Digital Birmingham Research report).

6.6.9   Given this evidence, there is a strong argument that more activities are required. These might include some or all of the following:

6.6.10   **Governance** - Within the City Council, there is no forum that brings together the breadth of interests that have a role to play in developing the knowledge economy in the city, including regeneration, education, culture, libraries, planning, policy etc. It would be sensible to establish a group of senior officers with a remit to develop a strategic direction and action plans for consideration by members. It is possible that the Digital Birmingham Partnership could take on this role.

6.6.11   **Projects**

- Establish one of more high profile projects which gain widespread national and international publicity. These might include, for example, creating corridors of connectivity/information to provide seamless access for citizens, businesses or visitors e.g. linking Birmingham International Station, the NEC and Airport, the train to New Street and the A45 route and the city centre.

- Developing an integrated approach to providing information to the public would be of widespread value and, if delivered in partnership, cost effective. There are already many outlets typically with plasma screens in public buildings, health centres, building societies etc. and there are managed television services in local trains and buses, betting shops and pubs which form a potential channel for people difficult to contact.

6.6.12   **Infrastructure –** Working in partnership with BT, the Council has recently launched the Wi-fi city centre which includes free access to tourist, travel and other 'public' information. This is a good example of working with the private sector to establish the necessary infrastructure for the 'digital future'. A comprehensive perspective on future infrastructure requirements needs to be established and a development 'pipeline' established to deliver these.

6.6.13   **Integrated Policy** - Ensure that Council policies are aligned to work together to help develop the digital economy. For example, planning policy could be shaped to help deliver the infrastructure needs identified above.

6.6.14   **Levering Investments**

- Ensure the digital aspects of major developments. E.g. the potential new Library is an obvious example of an opportunity for levering investment to support the digital economy.

- There are further opportunities across the city e.g. through programmes such as Building Schools for the Future and the Council's probable investment in the 'hubs' and 'spokes' for the Customer First transformation programme.

6.6.15 **Education**

- Working with Schools, further and higher education and adult education bodies to ensure that the requisite quality and quantity of information age skills are in place to encourage inward investment.

- As many future jobs in the digital economy are likely to come from start-up businesses, develop additional opportunities for encouraging entrepreneurship e.g. by establishing graduate retention programmes which support digital innovation.

6.6.16 **Building on our Strengths –** The diversity of Birmingham's population means that we have people who have contacts, understanding and the language of many countries across the world. There is an opportunity here to link to 'home' countries in order to foster trade with manufacture in the developing world and finishing and marketing in Birmingham. The richness of cultural background means that in music, literature and drama we can draw on a major range of traditions to create entertainment packages for an international market.

6.6.17 **Promotion and Marketing**

- Apply additional resources to ensure that activities that the Council and its partners undertake gain positive national and international press coverage and that they reinforce the city's digital image.

- On the back of the Council's buying power and transformation programme, establish partnerships with key international technology companies that can be used to profile and promote the Council's activities.

6.7 Tackling Economic Issues

6.7.1 We first heard from the Chamber of Commerce in July 2007, at a time of confidence and optimism in Birmingham's growth and economic health. When we reviewed the position our inquiry had reached a year later it was plain that the economic cycle was turning, but the speed and degree of change was far from clear. This was one of the reasons why we extended our inquiry, and heard again from the Chamber of Commerce during the autumn of 2008.

6.7.2 It would be easy but mistaken to believe that the only changes during this time were associated with recession. We also must record changes in how some economic issues are being tackled locally.

6.7.3 Many relevant targets are contained in the 'Succeed Economically' theme of Birmingham's Local Area Agreement (LAA), agreed in 2008. Six strategic outcomes are identified within this theme:

- Create the conditions for sustainable economic and population growth and regeneration through transformational change in the city centre and local neighbourhoods.

- Increase the city's economic output and productivity through expansion of key growth sectors, greater enterprise and innovation in high value-added activity.

- Provide high quality infrastructure to support improved local and regional connectivity and accessibility, enhance global competitiveness and underpin future economic and population growth.

- Increase employment and reduce poverty across all communities through targeted interventions to support people from welfare into work activity.

- Create a vibrant low carbon, low waste economy through the best use of environmental technologies and ensure that Birmingham is prepared for the impact of climate change.

- Improve Birmingham's educational attainment and skills base to meet the economic needs of the city now and in the future.

6.7.4   From September 2008, responsibilities for the Youth Service, Youth Offending, Education Welfare Service and Targeted Prevention Services have been aligned under an Assistant Director (Head of Integrated Youth Support) with a management structure that sits within Inclusion Services. The transition of Connexions within the new framework took place on 1 October 2008. This will give the Council more influence over Schools Careers Services in the future.

6.7.5   The expectation is that Local Authorities will work with partners to deliver this through the development of an Integrated Youth Support Service (IYSS). The IYSS will establish a youth offer for all young people describing how young people can access, enjoy and get involved in shaping service delivery. The youth offer will encompass the widest possible entitlement for young people, including both a sporting and cultural offer and will focus on activities both in universal and targeted settings.

6.7.6   Within this universal context the new service will also be responsible for integrated prevention and targeted intervention activity focusing on teenage pregnancy, substance misuse and prevention and reduction of anti-social behaviour and crime through targeted youth support. It will align closely with the work of Extended Services in the city ensuring that school clusters provide a varied menu of activities for young people outside of the school day and working with partners to ensure there are safe places for young people to be.

7 Key Prospectus Theme – Beyond the City Centre

7.1 Introduction

7.1.1 Birmingham's recent renaissance has focused heavily on the city centre, which is acknowledged as the economic heart of the region.

7.1.2 Whilst reinforcing the strength of the city centre through the implementation of a city centre master plan, the Prospectus also contains a commitment to drive forward transformation in other parts of the city, providing a wider range of economic and social opportunities for all local communities.

7.1.3 To this end, one of the aims of the Prospectus is to create a strong network of vibrant urban villages across Birmingham which will provide high quality, clean and safe environments in which people want to live, work and invest.

7.2 Three New Town Centres

7.2.1 The Prospectus says that to begin this rejuvenation three centres will be identified, in the north, east and south of the city which will act as a focus for new investment.

7.2.2 Concern was expressed by Members at the apparent lack of progress in relation to bringing forward these proposals and identifying the preferred locations.

7.2.3 The Assistant Director (Development Strategy) accepted in his evidence to the Committee that it had taken some time to draw all the issues together and that some important decisions needed to be made in the near future which would need to be justifiable.

7.2.4 Members also emphasised the importance of departments within the City Council working together on these proposals and the importance of having a holistic comprehensive plan similar to the North Solihull Strategic Framework (referred to at 7.3.4).

7.2.5 The Assistant Director also acknowledged the need for the City Council to break down barriers in order to achieve a holistic approach similar to the approach taken by the North Solihull Partnership described below.

7.2.6 He advised that the three key areas of Housing, Education and Lifelong Learning and Planning and Regeneration were working together to create an integrated approach leading to implementing an agreed strategy across the city's growth areas.

7.3 North Solihull – An Example of Holistic Regeneration

7.3.1 **Introduction** – The North Solihull Programme is driven by the objectives of transforming the educational provision for young people, providing accessible services people want and restructuring the local housing market and its environment. The Partnership is well established, with committed partners and a dedicated team in place to deliver the project. The Strategic Regeneration Framework provides a robust planning policy context, with the detailed activity agreed with local residents through a neighbourhood planning process.

7.3.2 **The North Solihull Partnership** was created in May 2005. Four partners signed a 15 year Regeneration Agreement with the aim of bringing about the physical, social and economic regeneration of North Solihull.

7.3.3 The agreement sets out a number of key objectives on how and what partners will do to regenerate the area, create a distinctive place and a community with a long term future. Activities range from community engagement, housing, education, environment and open spaces, economic development and business, to employment and skills development, transport, accessibility and leisure.

7.3.4 **The North Solihull Strategic Framework** sets out the principles for the regeneration of the area. It sets out a vision for North Solihull which is consistent with and conforms to the Regional Spatial Strategy and the Council's development plan: the UDP. It is a vision which contributes to the urban renaissance agenda for North Solihull, the Sub Region and the Region as a whole and which sees North Solihull as a place with:

- quality of life and choice;

- an engaged and active population;

- a place of first class connections; and

- a distinctive character defined by open space.

7.3.5 The Strategic Framework identified the following priorities in order to deliver on the regeneration principles: rebuilding the primary schools, open up neighbourhoods, improve community safety, remove unsuitable housing stock, improve housing choice, create better transport links and facilitate pedestrian, cycle and vehicular movement throughout the area.

7.3.6 **The North Solihull Model** is based on the belief that rebuilding 10 primary schools and transforming primary education to provide brand new, state of the art primary schools for every child in the area will, along with radical improvements in the housing offer, drive the regeneration of the area. The challenge has been to regenerate the whole community including schools, health services and business.

7.3.7   **Transforming Education -** All the schools will be extended primary schools providing a comprehensive range of educational, health and support services to the community in one, central location.

7.3.8   **Housing and Design -** The investment in education is complemented by significant investment in new housing, improving the condition and efficiency of existing housing and the surrounding physical environment.

- The new housing creates a variety of houses for sale, shared ownership and rent which invigorates the local housing market by enabling local people to buy new homes in their area as well as attracting new residents. The project will result in a net increase of 4,500 homes.

- New housing developments and remodelling of existing housing follows best practice to ensure the principles of creating sustainable communities are followed. The partnership has adopted a Design Code which requires that all buildings should be a minimum of Ecohomes Very Good/level 3 or the BREEAM equivalent and requires the use of energy efficient products and new buildings to reduce waste and promote sustainability.

- Affordable housing is replaced on a one to one basis.

7.3.9   **Accessibility –** North Solihull is poorly served by public transport and has limited accessible employment opportunities, exacerbated by a lack of good quality, affordable child care and low educational attainment. Access to facilities and employment within and outside the area will be improved to connect North Solihull back into the Borough and neighbouring areas.

7.3.10 **Creating Opportunity** – The implementation of the programme will reduce the gap between North Solihull and the rest of the borough and create a cohesive community across the borough. The vision is to:

- create strategically located village centres within carefully planned public realm and green spaces;

- integrate schools/child care, health, leisure and children centres in the heart of the community with extended hours;

- make training and employment opportunities locally accessible, linked to employers and their recruitment policies;

- to this end, partner bodies are trying to support local industries and a new business park is being developed close to the area in partnership with Solihull Metropolitan Borough Council including the development of employment schemes.

7.3.11   **Village Centres** – The vision includes the creation of five Village Centres or Community Hubs. These are at the heart of the community and will include a mix of public and private uses that provide facilities and services for the whole community. They will also bring support services and vocational training to the heart of the community and will encourage and help residents acquire

skills for better jobs. A strategic partnering board has been established to ensure involvement in and the wider use of facilities by local residents.

7.3.12 Community Engagement

- Consultation and engagement of local people and stakeholders is integral to the Partnership's approach to regeneration.

- The involvement of residents has taken the form of intensive consultation. Community focus groups were used to discuss how to take forward the approved plan and the Partnership involved local residents in decision-making and listened to their concerns although they were not always able to address concerns fully.

- Neighbourhood Managers and Area Panels will give local communities the opportunity to influence the way statutory agencies deliver services in the area and the voice and power to respond to the challenging local economic, social and cultural changes that are taking place.

7.3.13 **Visit to North Solihull Project –** A small group of Members visited the North Solihull project in April 2008. By touring the area, Members were able to see some of the problems and opportunities the area presents and some of the first completed developments in the regeneration programme. The Members were interested in teasing out principles for policy development and for delivery which could be applied to areas in Birmingham. Three main themes emerged from the visit.

7.3.14 **The Holistic Approach –** There was ample evidence that the desired holistic approach was being delivered in practice with the active participation of schools, housing providers, health services and community bodies as well as physical development. Improving education and improving and diversifying housing and improving transport and community engagement and development are all being tackled together.

7.3.15 **The Delivery Vehicle** – All regeneration initiatives require choices to be made about the best delivery vehicle. In this case there is a partnership between Solihull M.B.C and three others. However, whilst Solihull M.B.C was sure that a partnership model was necessary, it did not prescribe the form of the partnership; this emerged through a tendering process with a fairly open brief.

7.3.16 **Funding** – Against the background that Solihull M.B.C has often not been in the position of attracting external regeneration funding, the partnership approach has successfully attracted private and public funding, either loans or grants. The regeneration activities result in increases in land values, which are captured by the partnership and recycled to fund further regeneration projects in the area.

8 Key Prospectus Theme – Connectivity

8.1 Introduction

8.1.1 When the Members began this review their main focus was the 'Birmingham Prospectus'. The Prospectus is clear that good transport links are integral to the Growth Agenda and highlights the value of schemes such as the extension of Birmingham International Airport's runway and the Birmingham New Street Gateway development, both of which will underpin economic growth in the West Midlands and provide Birmingham with world class gateways to the city.

8.1.2 Birmingham needs a transport system that:

- encourages people to live, work and stay here and connects people with employment, learning and leisure opportunities;

- improves and extends our bus, rail and Metro networks;

- reduces traffic congestion; and

- delivers key infrastructure projects such as the redevelopment of New Street Station and the expansion of Birmingham International Airport.

8.1.3 During the course of the review, the Sustainable Community Strategy – Birmingham 2026 was published, setting out the long-term vision and priorities for the Council and its partners. Surveys have highlighted the importance of improving the connectivity of the city as a matter of priority for the city:

- In a major survey of over 6,000 local people one of the issues considered to be vitally important to quality of life in Birmingham was integrated transport and as a result one of the goals contained in the strategy is to have the best pedestrian, cycling, road, rail and air access to, and within, the city.

- Repairing roads and pavements and reducing traffic congestion were among the top five issues identified in the annual resident survey as needing improvement.

8.1.4 The vision recognises the importance of transforming the connectivity of the city and the first outcome, 'Succeed economically' is expressly stated in the Sustainable Community Strategy to mean:

"Road, rail and air access to, and within, the city will improve – congestion in the city will be managed."

8.2   Views and Priorities of the Business Community

8.2.1   In their second evidence session the Birmingham Chamber of Commerce and Industry gave evidence on the BCCI major transport priorities. They were represented by Katie Teasdale, a Policy Adviser with the Chamber who was accompanied by Brian Summers, who is a BCCI member, former Chief Executive Officer of Birmingham International Airport and Vice-Chair of the Regional Transport Partnership on the Regional Assembly.

8.2.2   They expressed the view that the issue of transport in the West Midlands is of vital importance in tackling the region's GDP deficit. They said that the city is disproportionately affected by transport congestion which, it is estimated, costs the West Midlands region £2.2 billion per annum and that the problem is due to get worse.

8.2.3   It was made clear that the BCCI members consistently rank the transport infrastructure as one of their top three concerns, citing it as one of the key barriers to improving the economic competitiveness of Birmingham.

8.2.4   The BCCI position calls for the development of an integrated transport system to match the region's economic aspirations.

8.2.5   BCCI have identified the following five major transport policy priorities, all of which carry equal weighting:

- Significant infrastructure developments: New Street Station Gateway Scheme and the expansion of Birmingham International Airport.

- Recognition and accommodation of car and freight within the context of an integrated public transport system, incorporating modal interchange infrastructure.

- A co-ordinated Road Traffic Management System to maximise the benefits of existing road infrastructure, including quick wins.

- Capacity increases across the Midlands motorway system and

- Promoting Green Travel initiatives and sustainable transport to help protect the environment by reducing unnecessary business travel.

8.2.6   BCCI believes that the introduction of a strong regionally focussed transport body in the West Midlands is key to the implementation of the region's transport priorities. They have called for the introduction of a genuinely integrated transport strategy produced by a city region areas transport governance body which needs to engage with all transport modes and have a statutory business voice.

8.2.7   BCCI believes that the UK as a whole has suffered as a result of systematic under-investment in transport infrastructure compared to our European counterparts. To compound matters, within the West Midlands, transport spending by the government is disproportionately lower than in London

and is further under threat due to the cost of delivering the transport infrastructure needed for the Olympic Games in 2012 and the ongoing economic downturn.

8.3 Centro's Transport Priorities

8.3.1   We were told that Centro believes that the Birmingham Prospectus and Birmingham City Council's evolving Core Strategy need to give equal priority to the transport connectivity within Birmingham and to key centres and growth areas across the West Midlands.

8.3.2   This includes new high quality local rail and rapid transit links between Birmingham city centre and its suburbs as well as the proposed new major urban centres outlined in the Prospectus. This is a fundamental plank of a wider transport strategy for Birmingham.

8.3.3   Centro recognise the important role of public transport in promoting sustainable development. Centro's vision for public transport is one of an integrated system comprising:

- A rail and rapid transit network

- Modernised bus network

- Complementary travel services.

Such a system would provide sustainable accessibility within Birmingham and between Birmingham's population and jobs across the wider West Midlands. However, delivering this vision will require Centro and Birmingham City Council to work in partnership towards a single vision for public transport which recognises the challenges and future opportunities Birmingham faces such as housing and economic growth. Supporting the 'Connected City' objective will mean providing a high quality public transport network which provides a rapid and reliable offer which includes rail, rapid transit and local bus services.

8.3.4   Centro supports the approach that traffic congestion and car dependence need to be reduced in order to improve the quality of life for people and offer an attractive place for businesses to locate and invest. We were told that congestion in Birmingham needs to be tackled by the current three-point plan approach of:

- Regional Transport Priorities

- Congestion tackling measures including red routes and 'quick wins' traffic management measures

- Smarter Choices.

8.3.5   Centro believe that the development of a high quality integrated public transport system, incorporating many of the Regional Transport Priorities is an important building block in any larger transport strategy to manage congestion more effectively.

8.3.6   It is Centro's belief that a world class, integrated public transport system can only be delivered in partnership with the West Midlands districts and especially Birmingham with its international city

status and as the focal point of the city region, public transport operators, Network Rail and also economic and regeneration partners such as Advantage West Midlands and business.

8.4 Main Issues

8.4.1 There was a large degree of consensus amongst the witnesses and the Members of the Committee about the main issues.

8.4.2 The view that the region has suffered from a lack of investment on transportation infrastructure was highlighted by the BCCI and was supported both by Brian Summers in his evidence and by the Members. There was general agreement by Members that underinvestment was a key issue. Capital funding is being allocated from central government, but authorities in the region are failing to utilise that funding due to a fragmented structure for decision making which is leading to poor performance.

8.4.3 **Integrated Transport Authority for the Region** - There was unanimous agreement from all sides that there is a problem with a fragmented decision making process and on the need to improve governance. There is a need for an integrated strategic plan and a co-ordinated delivery structure. There was consensus on the need for the establishment of an integrated transport authority for the region linked to an innovative delivery mechanism and that there should be a role for business and public/private partnerships in that structure.

- In the evidence given by John Sidebotham, Head of Strategy, on behalf of Centro, we were told that Centro are managing a project looking at governance models and the Local Transport Bill, expected to receive Royal Assent in November or December, could present an opportunity to improve governance but that it needs to be linked to an effective delivery mechanism.

- This was supported by the evidence presented on behalf of BCCI which highlighted the need for a strong, regionally focussed transport body.

- The Centro evidence summarised in section 3, also presented a vision of a world class, integrated public transport system which can only be delivered in partnership with the other districts in the region, with public transport operators, Network Rail and economic and regeneration partners such as Advantage West Midlands and business.

- A range of issues was raised by the Members, which included:

  ○ the implications of a high speed rail link for New Street Station;

  ○ disappointment that BCCI had not put emphasis on Metro and Light Rail Services;

  ○ the need for the re-establishment of freight services on public transport with warehouses and businesses situated close to railway lines to facilitate this;

  ○ concern that the technology belt was being planned close to the road network rather than railway lines;

○   the need for twin tracking on railway lines and better car parking at local railway stations to increase the provision of local trains; and

○   concern that more needs to be done to address anti-social behaviour on buses which discourages greater use of public transport.

These illustrated the problem of a lack of a co-ordinated structure for planning and delivery. There was general recognition of the need to work together in addressing the longer term road capacity and rail capacity and the fact that this is not just an issue for the city – it needs to be addressed as a region.

8.4.4   **Park and Ride Facilities –** There was also consensus around the need for the development of park and ride facilities.

- Support for the development of Park and Ride facilities had previously been expressed by Members (in particular by Cllr Deirdre Alden).

- Brian Summers advised Members that the BCCI believed that park and ride facilities would be an important element of the future transport network and that there was considerable scope for park and ride initiatives in the conurbation which could contribute massively to the development of the network in the region.

- Members were advised that Centro has a strategy to develop Park and Ride facilities but that it could take some time to progress and that they have experienced some difficulties in trying to develop Park and Ride terminals in rural areas. We were told that spend per head in metropolitan areas tends to be higher than in the surrounding shire areas which can lead to some difficulties in developing Park and Ride in shire areas which will benefit the metropolitan area as well as the immediate area.

8.4.5   **Possible future use of the Pebble Mill site and the redundant buildings at the Queen Elizabeth Hospital –** Attention was drawn (by Cllr Deirdre Alden) to the possible future use of the Pebble Mill site and the redundant buildings at the Queen Elizabeth Hospital. It was felt that the Pebble Mill site would be ideal for quality housing and that, in view of the covenant requiring medical use of the Queen Elizabeth Hospital buildings, technology facilities would be better placed on the Queen Elizabeth Hospital site. Members were advised that planning permission had been given for the Pebble Mill site, but that no construction had commenced to date.

9 The Developing Policy Background

9.1 The Prospectus and its Action Plan

9.1.1 In its own words, the Birmingham Prospectus "formally sets out the shared vision of local partners for the future development of our city. It represents an ambitious long-term strategy to secure Birmingham's position as a leading world city and as a place in which people wish to live, learn and work."

9.1.2 But actually it is rather more than a vision statement. It contains the statement of ambition: "to secure long-term, sustainable growth in Birmingham's population, rising from around 1 million people now to a population of up to 1.1 million." It has short sections setting out strategy, and is complemented by an Action Plan.

9.1.3 It is the Action Plan which is the most interesting part of the document. Reflecting faithfully the progress that Birmingham partners had made in their thinking by the beginning of 2007, it consists of a mixture of types of action. Some relate to clear projects, such as the redevelopment of New Street Station, or the expansion of Birmingham International Airport. Some are items of policy development, such as "bring forward proposals to develop three urban centres within the city". Still others have a breadth which indicates that they are at the very early stages, e.g. "Encourage a vibrant 'enterprise culture' within Birmingham." It is also noticeable that not all elements set out in the strategy pages had counterparts in the Action Plan.

9.1.4 There is nothing intrinsically to be criticised in statements of broad vision and strategy being linked to a mixed set of actions in this way. Indeed it is a realistic way to proceed. What we as a Committee did wish to see, however, was evidence that the broader policy statements in the Action Plan were indeed developing and would in due course give rise to distinct, definite, implementable projects. Only in this way can the Prospectus inject the pace in the next stages of Birmingham's regeneration of which the Leader wrote in his foreword to the document.

9.2 The Community Strategy

9.2.1 One of the actions identified in the Prospectus is to integrate its vision and priorities into the revised Community Strategy for Birmingham. At that stage the completion date was April 2008.

9.2.2 It is undoubtedly correct and necessary to aim to integrate the two. It is the Community Strategy which is the more wide-ranging policy document, and it is the statutory expression of partners' ambitions for Birmingham. As we have already said, the Prospectus is clear that it is not limited to a physical and economic development agenda, but requires action on a number of fronts, including health improvement, crime reduction and ensuring that all Birmingham's young people fulfil their potential.

9.2.3   This is a reminder that in fact Birmingham's ambitions for growth do not rest in attracting up to 100,000 people and catering for them. In actuality the ambitions involve improving living standards and conditions for all Birmingham people – it is an agenda for both growth and prosperity.

9.2.4   At the time of taking evidence for this inquiry, the City Council and the Strategic Partnership were consulting on the draft of a revised Community Strategy. The final version, entitled Birmingham 2026, was debated and approved by the City Council in September 2008. As was intended, it is indeed based on the same demographic forecasts as the Birmingham Prospectus, and in its "Succeed Economically" chapter in particular bears a close resemblance to the strategic material in the Prospectus.

9.2.5   Often described as an "over-arching" strategy, the Community Strategy is central to a number of policies and programmes. It is expressed spatially in formal planning documents – the Local Development Framework. Housing and economic strategies also have to be consistent with the Community Strategy. The Birmingham 2026 document lays out the key strategies which will help deliver the five outcomes of the Community Strategy. Box 8 below gives an example, and we will return to this topic in our conclusions:

Birmingham Prospectus
Birmingham Economic Strategy
Science City Prospectus
Regional Economic Strategy
Regional Spatial Strategy
Core Strategy
Area Investment Prospectuses
Housing Strategy
Local Transport Plan
City Region Joint Investment Plan
Worklessness Delivery Plan
Children And Young People's Plan
Adult Skills Plan
Climate Change Strategy
Sustainable Procurement Compact
Connectivity Strategy
Regional skills Action Plan

Box 8: key strategies contributing to the Succeed Economically outcome

9.2.6   Very importantly, the Local Area Agreement (LAA) is now seen as a three-year action plan to implement the longer-term aims set out in the Community Strategy. We might therefore expect to see actions in the LAA which deliver some of the Prospectus' goals.

9.3   The Local Area Agreement

9.3.1   The LAA 2008-11 is a three-year agreement between the City Council and its partners and central government setting out agreed priorities. It was "signed off" by Ministers at the end of June 2008.

9.3.2   The document – "Working Together for a Better Birmingham" states that it represents a three-year programme to transform the city and to deliver the first steps of Birmingham 2026, the new sustainable community strategy.

9.3.3   The LAA is made up of:

- a three-year sub-strategy of the Community Strategy;

- an Outcomes Framework made up of outcomes and targets;

- a Delivery Framework made up of Delivery Plans and a planning and performance cycle; and

- a supporting infrastructure through Be Birmingham and the family of partnerships.

9.3.4   The highest level aspirations for Birmingham, the five strategic outcomes, are consistent across the Community Strategy, the Council Plan and the new LAA.

9.3.5   The Outcomes Framework contains priorities and indicators which will measure progress towards the achievement of goals set out in the Prospectus.

9.3.6   In the LAA Outcomes Framework, the first crucial 'landmarks' that need to be reached if the strategic outcomes are to be realised, are referred to as priority outcomes. Each of the priority outcomes has indicators which measure progress with a specific issue which contributes to the achievement of the priority outcome and ultimately to the strategic outcome.

9.3.7   Most of the targets which address the issues raised in this inquiry are contained in the 'Succeed Economically' theme , within which six priority outcomes are identified:

- Create the conditions for sustainable economic and population growth and regeneration through transformational change in the city centre and local neighbourhoods.

- Increase the city's economic output and productivity through expansion of key growth sectors, greater enterprise and innovation in high value-added activity.

- Provide high quality infrastructure to support improved local and regional connectivity and accessibility, enhance global competitiveness and underpin future economic and population growth.

- Increase employment and reduce poverty across all communities through targeted interventions to support people from welfare into work activity.

- Create a vibrant low carbon, low waste economy through the best use of environmental technologies and ensure that Birmingham is prepared for the impact of climate change.

- Improve Birmingham's educational attainment and skills base to meet the economic needs of the city now and in the future.

9.3.8   For example, the Birmingham Prospectus contains an action:

"Continue to diversify Birmingham's economy by keeping under review the prospects for all sectors and to reflect the key growth opportunities particularly within the knowledge economy."

with an associated sub-action:

"Encourage a vibrant 'enterprise culture' within Birmingham."

9.3.9   Much the same sentiments can be read in the LAA document under the second priority outcome listed above. But this is now supported by indicators showing export activity, the growth of small firms, innovation, graduate employment, export activity and so on.

9.3.10   It is encouraging to see evidence of broad policy statements in the Prospectus Action Plan reflected in identifiable priorities with appropriate indicators to measure progress, contained in the LAA.

9.4   Development Policies for the City and the Region

9.4.1   Of direct relevance to the achievement of the growth agenda will be the quality of a suite of key policies – land-use planning, economic development and transportation – at strategic and detailed levels. Indeed, when it comes to promoting, influencing and controlling proposals for new buildings or changes of use, up to date and robust formal planning policies will be essential if the Growth Agenda is to succeed.

9.4.2   Several of the actions in the Birmingham Prospectus Action Plan relate to this work, such as:

"commence the development of the Core Strategy for Birmingham's Local Development Framework – target February 2007."

The proposals for identifying new town centres in the east and north of the city would be developed through the Core Strategy. The existing plans for the future of Northfield would be re-examined by July 2007.

As well as integrating the Prospectus' vision and priorities into the Sustainable Community Strategy (as mentioned in section 8.2, above), the Prospectus's action plan also aims to influence the reviews of Regional Economic Strategy, Regional Spatial Strategy and the city-region's strategy and investment plans.

9.4.3   It was important for us to check that this important work was being carried out expeditiously. We were informed that work has already started on the Core Strategy for Birmingham – which will set out the overall vision, objectives and spatial strategy for the city – and a Centres Development Plan document, a statement of the City Council's overall strategy in relation to the location and scale of new retail and other urban centre uses.

9.4.4 Public consultation on the Core Strategy Issues and Options paper took place in autumn 2008. A preferred option will now be designed, with further consultation during 2009. At the time we discussed this, the timetable was for them to be adopted as formal planning policy in mid-2010. But they needed to follow on from, and be consistent with, the Regional Spatial Strategy revision, a process which is not under the City Council's control.

9.5 Regional Planning Policy

9.5.1 Land-use planning policy for the West Midlands region is set out in the document called the Regional Spatial Strategy. This is being reviewed in three phases, and we concentrated on Phase 2 since this will establish the scale, type and distribution of growth and development across the region up to 2026. We understand that once the revised Regional Spatial Strategy is approved it will form part of the statutory development plan for the city, alongside such documents as the Core Strategy referred to above. It is therefore a key vehicle for delivering the Growth Agenda.

9.5.2 Officers drew our attention to various positive elements of the updating, including:

- reflecting Birmingham's role as a global city and its aspirations for population growth;

- new policies to tackle climate change and environmental issues;

- strengthened protection of employment land from other competing uses;

- quantification of office and retail growth in the region's strategic centres, including Birmingham city centre and Sutton Coldfield.

9.5.3 The major issue, however, concerned the level of housing provision. The region had reached agreement on a net housing requirement of 365,000 dwellings across the region during 2006 – 2026, with Birmingham's share being 50,600 over the same period. However, central government intervened at the beginning of 2008, unilaterally commissioning work from consultants on higher housing numbers, potentially increasing the regional target by over 50,000.

9.5.4 There is vigorous debate regionally about this issue, which we do not particularly wish to add to. We note that in a letter of 8th December 2008 to the current Minister for Housing, the Chairman of the West Midlands Regional Assembly outlined the Assembly's serious concerns about the consultants' work, including the effect of increased housing provision in the shire areas on the current strategy of "urban renaissance" (including growth in Birmingham) and the piecemeal approach of considering housing as a single subject separate from proper consideration of infrastructure requirements. But in the context of Birmingham and implementing the Growth Agenda, the knock on effect of the Government's intervention has been to add at least a further 6 months to the review of the Regional Strategy, with consequent delays for our own local planning policy revisions.

9.6 Future Economic Development Powers

9.6.1 The policy and delivery framework set for local authorities by central government rarely seems to stay constant. Obviously the City Council needs to be aware of these changes as they come about, and ideally be able to use them as positive opportunities for delivering local priorities. This is, however, not always straight forward.

9.6.2 In July 2007 the Government published its review of sub-national economic development and regeneration. Major points included:

- to move to a single integrated regional strategy which sets out the economic, social and environmental objectives for each region;

- to give the Regional Development Agency the responsibility for producing the regional strategy;

- not to continue regional assemblies in their current form;

- to give local authority leaders responsibility for agreeing the regional strategy with the RDA and for effective scrutiny of RDA performance;

- to consult on the creation of a statutory economic duty for local authorities;

- to move most funding for 14-19 year olds' education and skills to local authorities (previously announced);

- to explore establishing statutory sub-regional arrangements for economic policy areas beyond transport;

- to develop proposals for Multi-Area Agreements to allow groups of local authorities to agree collective targets for economic development issues.

9.6.3 As elected Members of the City Council, our starting points for considering proposals such as these is to welcome the prospect of more local control and influence; to welcome the prospect of cheaper, quicker and more effective policy and decision making; and to be wary of increasing central control. The last two bullet points, for example, seem to chime with local proposals for the city-region, and thus be positive. The concept of a single regional strategy may lead to streamlined working; the prospect of that strategy being prepared by the Regional Development Agency may presage increased central control over regional matters. In particular, the prospect of a clear statutory economic duty for local authorities appeared promising at first sight.

9.6.4 Consultation on the changes to regional machinery ended in June 2008, and the City Council's formal response was given in a letter from the Chief Executive of 23 June 2008. Many of the points made fit with our own thinking. For example, Mr. Hughes points out that the proposal to give local authorities a statutory economic development duty appeared to have been watered down – in the consultation documents it became a duty to carry out an economic assessment. That assessment would clearly be of limited use unless the local authority and partners could act on the results.

Similarly the initial proposals that Regional Development Agencies would delegate delivery functions to local authorities had become subject to a test of capability – that is clearly not appropriate for an organisation with the City Council's track record over the past 25 years in economic development and regeneration.

9.6.5   In addition, the Chief Executive raised questions about the robustness of central government's approach, which are highlighted in Box 9 below.

A Co-ordinated Approach to SNR Implementation

We support the principle underpinning moves towards a SIRS (single integrated regional strategy), since this should help to promote a more joined-up approach to economic development and regeneration policy. However, for this approach to succeed it is vital that central government and its agency bodies improve their own co-ordination, rather than putting additional burdens on local partners.

We are already concerned that there is a lack of co-ordination in taking forward key aspects of the SIRS proposal. *Prosperous Places* states that the negotiation and agreement of regional housing needs and targets will be undertaken with the RDAs as a part of the SIRS process, whilst DCLG's current consultation on the Growth Fund says local authorities will have a "single conversation" with the new Homes and Communities Agency on their housing and regeneration ambitions. The forthcoming national regeneration framework has potential to add further confusion, rather than integrating these agendas. Similarly there will be a need for relevant Government departments/agencies (in particular the Planning Inspectorate) to have sufficient capacity to deliver against the ambitious timetable proposed for completing the SIRS.

There is also a fundamental need to address potential tensions between the regional agenda driven by BERR and the local government and local empowerment agendas promoted by DCLG. In particular this could pose difficulties where there will be both an expectation that regional funding delegated to local partners will support the delivery of regional priorities/outcomes set out in the SIRS and an expectation that regional partners will have a "duty to co-operate" to deliver the local priorities determined through their LAA. There is a danger that the SIRS will impose a top-down approach to priorities rather than reflecting the needs of local communities as determined in LAAs.

The importance of working at sub-regional level, particularly through city-regions, risks making this picture even more complex.

Box 9: Extract from Chief Executive's letter to DBERR

9.6.6   The Government has now introduced legislation, the Local Democracy, Economic Development and Construction Bill, to affect these changes. The "statutory economic development duty" is indeed a duty to prepare an economic assessment. The new Regional Strategy will replace the existing Regional Economic Strategy and the Regional Spatial Strategy, and will form part of the statutory development plan. It will be drawn up by the Regional Development Agency and a new Regional Leaders' Board (such a Board now exists in shadow form in the West Midlands). At sub-regional level (i.e. city-region level) the Bill provides three options for co-operation: economic prosperity boards; an economic prosperity board combined with an integrated transport authority; and multi-

area agreements with statutory duties. It will need careful thought to identify the correct way ahead for Birmingham in all this

9.6.7   Our conclusion from this is sombre, rather than gloomy. Birmingham, as a self-confident city, needs to assert its agenda for growth and prosperity, and to move as quickly as possible to implementation. Full implementation, in turn, requires up to date, formally approved planning and economic development policies. Yet civil service processes affecting the regional level look set to delay their production. The City Council and its partners will have to work purposefully and with fresh thinking if such delay is not to adversely affect the Growth Agenda.

10 Conclusions and Recommendations

10.1 Our Viewpoint and Some Key Questions

10.1.1 When we started this inquiry in 2007 we recognised the importance of the Growth Agenda in shaping the city and its constituent neighbourhoods and villages over the next 20 years, and in driving the actions of the City Council and its partners during that time. We also recognised that knowledge of and involvement in the developing agenda was at that time limited, particularly perhaps amongst elected Members. Stimulating that interest was a fundamental aim for us in carrying out this review.

10.1.2 At the heart of the Agenda is the desire to improve the quality of life of Birmingham's population, creating sustainable communities where people will want to live, work, visit and invest. This in turn requires:

- more good job opportunities matched by more residents with higher levels of skills;

- good housing choice within the city;

- significantly improved infrastructure – such as transportation, ICT, and local services;

- good choice of leisure facilities and activities.

10.1.3 During the course of our inquiry, key factors have changed. The City Council and its partners have developed fuller statements of policy, for example through the Sustainable Community Strategy and its delivery plan, the Local Area Agreement; and continue to do so, with for example the Core Strategy currently being shaped through public consultation. Changes to the machinery of government at regional level, continuing interest in city-region possibilities and potential redefinition of the powers of Passenger Transport Authorities (now formally renamed Integrated Transport Authorities) may also provide new opportunities to pursue Birmingham's vision.

10.1.4 Most obviously, the economic situation in 2009 is, one hopes temporarily, much worse than in 2007 and poses new dangers and challenges to Birmingham's future. As part of our "healthcheck", therefore, we have asked four key questions:

1. what now is the status of the population projections and other targets which underlie the Growth Agenda?

2. how, given the prospects in the short term, can the best quality of life for Birmingham people be secured in the longer term?

3. what now are the prospects for delivering key aspects of the growth agenda and what mechanisms need to be considered?

4. what is the best format for articulating and communicating the city's ambitions and plans?

10.2 Providing Clear Direction

10.2.1   The Birmingham Prospectus sets out to provide a framework for public and private investment, to secure long term local prosperity and improve Birmingham's competitive position nationally and internationally. Since the time of its publication, however, it has been joined by others such as the strategic documents mentioned in paragraph 10.1.3. This argues that it is no longer necessary to produce a Prospectus – all the material within it could either be found elsewhere, or has been superseded by more up to date documents. With a wide-ranging subject such as the Growth Agenda, moreover, there is a myriad of more detailed policy documents which are addressed to specialised audiences. A small example, shown in Box 10 below, arose in relation to the Area Investment Prospectuses.

> "To achieve transformation, the development process relates to key economic strategies and the framework for measuring impact, including:
> - Brownfield Action Plan
> - Local Development Plans
> - Employment Hub Strategy
> - Development of the economic Local Area Agreement and local Public Service Agreement targets in the 5 priority wards of Aston, Washwood Heath, Sparkbrook, Nechells, Lozells and East Handsworth"
> - Local Centres Strategy and Plans
> - Worklessness Strategy
> - ESF Co-Financing Programme

Box 10: extract from evidence relating to Area Investment Prospectuses

10.2.2   The overall effect, however, can seem almost labyrinthine to the lay person. This therefore suggests the counter-argument; that alongside the detailed documents there will remain a need for an efficient and understandable way of letting Birmingham people and others interested in Birmingham as a place to invest time or money know of the progress Birmingham is making and the next set of changes it is making.

10.2.3   The sudden deterioration in economic prospects which developed in 2008 does not in itself mean that the ultimate vision needs to be adjusted – but the shorter term steps may well be very different from those previously planned.

10.2.4   Arguably the deeper the current economic downturn turns out to be, the more necessary will be clear headed strategic thinking, precise communication of the long term vision, and the patient and repeated application of strategy in the face of short term turbulence.

10.2.5   The original Birmingham Prospectus, drawn up towards the end of 2006, did this sort of job. The regular (but not frequent) publication of a similar document, updated as time goes by, would usefully provide the basis for a successful, continuing, effort.

	Recommendation	Responsibility	Completion Date
R1	That every three years the Executive update and publish the Prospectus, showing progress, the next key projects and areas of policy development.	The Leader	January 2010

10.3 Building on Birmingham's Strengths

10.3.1   The next stage of the "health check" is to consider the content of the Prospectus and the underlying assumptions. Birmingham, through the City Council and its strategic partners, is developing a consistent set of policy documents aimed at delivering a more prosperous city in 2026, and indeed defining what is meant by that.

10.3.2   It is a strength of Birmingham that it is a growing city. One assumption underlying all the policy documents is that the population of the city will grow by "up to 100,000". At times in our inquiry this tended to be described as a vision, or as an ambition. For example, the City Council's Core Strategy Issues and Options report, which is the basis for public participation, states:

"Birmingham's ambitious growth agenda, agreed by the Council in March 2006, aims to increase the city's population by up to 100,000 by 2026."

However, when we directly questioned officers towards the close of the inquiry, they stated firmly that the projected population growth was essentially the result and continuation of past changes, rather than a policy target which the City Council was setting.

10.3.3   We have spent some time investigating the underlying demographic figures and processes. The size of Birmingham's population is the result of a variety of changes – not only of people being born or dying, but also of people coming to live in the city from the rest of the country or abroad, and of people leaving the city to live elsewhere.

More births than deaths	+206,700
Overall international migration	+173,400
Overall migration within the UK	-259,600
Total net population change	+120,600

Box 11: Trend Population Projection 2001-2026

10.3.4   According to the evidence we received (summarised in Box 11), the largest component of population change will continue to be people deciding to leave Birmingham to live elsewhere in the UK, particularly surrounding areas such as Solihull, Warwickshire and Worcestershire, and also the south east. To some degree therefore improving the living conditions for existing residents might be expected to reduce the out-flow, and thus contribute to growth.

10.3.5   This is a very important point. As a note from the City Council's Head of Economic Strategy in October 2008 reminded us:

"It is necessary for the right conditions (including the housing offer) to be created to encourage (and retain) highly skilled people to want to live (and spend) in Birmingham rather than live outside the city and commute in."

Altering the pattern of movement, albeit marginally, is probably more important than attaining any particular overall population growth target. We will return to the issue of the housing offer later in this chapter.

10.3.6   It must also be remembered that these net figures result from much larger gross flows; for example the net migration within the UK obviously consists of the difference between very large numbers of people moving in and out of Birmingham. Slight changes to either of the gross flows can result in a large change to the net figure. These migration figures in particular may be expected to be sensitive to economic changes including the onset of the credit crunch and recession, a further reason for not treating any specific population growth figure as a firm target.

10.3.7   Our conclusion therefore is that the growth agenda must be understood, and communicated, primarily as growing prosperity for Birmingham residents and businesses, to which a growing population can contribute; and not first and foremost as having any particular target number for population growth.

10.3.8   This should of course be read as aiming to increase prosperity for everyone. There is a common official formulation referring to "closing the gap", which is found for instance as one of the principles underpinning Birmingham's Sustainable Community Strategy, in which it states:

"Targeting — protecting and nurturing vulnerable people, and tackling disadvantaged communities in the city. We call this 'closing the gap' between different sections of the city, in terms of issues like prosperity, safety, health, education, and social and digital exclusion."

Logically the gap could be narrowed by reducing the prosperity of the better off, and for the avoidance of doubt we should state that this is not what we would wish to see.

10.3.9   This issue is also central to the companion review of Employment Strategies, produced by the Regeneration O&S Committee and due for discussion by the City Council today. The first recommendation of that report concerns the need to measure the gap between the city average and those areas with higher rates of worklessness, in order to assess whether employment strategies are succeeding.

10.3.10 Within the overall population figures, there are important trends. As the Sustainable Community Strategy states:

"We are already the youngest European city, with 24,000 more under-18 year - olds expected by 2026. The greatest forecast increase is in over - 85s; a 38% increase by 2026 from 18,750 people to 25,950.

Our population is becoming increasingly diverse – by 2026 no single ethnic group will form a majority of the city's population.

By 2026, the city is likely to have 228,300 more people belonging to black and minority ethnic groups and 128,200 fewer white people."

10.3.11 In the context of the growth agenda, we see the importance of such statements again more in the trends than in the specific figures. It is the trends which embody opportunities for growing and spreading prosperity. We would like to see a future Prospectus highlighting specific projects to capitalise on these opportunities.

	Recommendation	Responsibility	Completion Date
R2	That future editions of the Prospectus emphasise the central objective is to grow prosperity and improve the quality of life of all Birmingham residents, and to tackle disadvantage in ways consistent with the city's sustainable community strategy.	The Leader	January 2010
R3	That future editions of the Prospectus contain projects which directly and explicitly play to Birmingham's demographic characteristics, including: a) Its diversity; b) Its youthfulness; c) Its growing population of older people.	The Leader	January 2010
R4	That future editions of the Prospectus contain only projects which directly and explicitly contribute to the city's sustainability and climate change strategy.	The Leader	January 2010

10.4 Quality of Life: Housing, Transportation and Digital Infrastructure

10.4.1 Closely connected with demographic issues are the topics of housing supply, targets and quality. Housing targets at regional level have been the subject of dispute between central government and regional authorities, with the government pressing for higher targets. In the case of Birmingham, apparently the government target would require 60-65,000 extra homes in Birmingham over the next twenty years, against a local preference for 50,600.

10.4.2 However, one question is whether the economic recession has already led to such a reduction in activity that any of these housing targets for 2026 are unlikely to be met. The City Council Planning Committee's latest Annual Monitoring Statement (December 2008) says the following:

"The current economic downturn is having a significant impact on the housebuilding industry and is likely to impact on housebuilding rates for a number of years. It is therefore necessary to adjust the estimated annual completion rates to take account of these challenging times.

The best information available in relation to the impact of the economic slowdown on housebuilding rates is the work undertaken by Nathaniel Lichfield and Partners on behalf of the Government Office for the West Midlands (published October 2008) which considered options for increasing housing provision in the West Midlands Region. This study considered indicative build rates per year up to 2012/13 as a percentage of actual completions in 2006/7. For Birmingham this results in the trajectory shown (below).

Year	Dwellings
2009/10	920
2010/11	1,287
2011/12	1,655
2012/13	2,022
2013/14	2,206
2014/15	2,391
Source: BCC	

Box 12: Indicative (Net) Build Rates 2009/10 to 2014/15

Once the city has emerged from the economic downturn it is anticipated that build rates will increase significantly to at least the level set out in the Regional Spatial Strategy review Preferred Option."

10.4.3   This may be the best available information; but our overwhelming impression is that most economic forecasts have worsened since October 2008. Perhaps it is best to conclude that the length and depth of the recession, and the subsequent speed of recovery, are too uncertain to make firm forecasts at the moment.

10.4.4   The question of long-term housing targets for Birmingham will be dealt with as the Core Strategy develops following public consultation. The issues and options document states:

"The Regional Spatial Strategy Phase 2 Revision currently requires Birmingham to provide an additional 50,600 dwellings between 2006 and 2026. This figure is a minimum. A higher aspirational target of around 65,000 dwellings would increase the likelihood of achieving the population growth in the context of the 'Growth Agenda'.

Ensuring a good supply of sustainable, well designed, affordable homes to suit a range of housing needs is key to future growth."

10.4.5   We would emphasise the second of these points. The practicality and desirability of the targets in the first sentence above are uncertain. Particularly with the higher figure preferred by the Government, there are serious questions about the subsequent quality of life for residents.

10.4.6   What are clear are the needs to provide in the city both more affordable housing, and more of the type and quality of housing which will encourage families and highly-skilled people in particular not to move away. We would emphasise the importance of finding ways of doing this in the future rather than analysing the desirability of any particular target figure. The Executive is of course working on proposals to provide some affordable housing; we look forward to seeing the details both of any immediate scheme and of schemes to tackle the issue throughout the period to 2026.

10.4.7   Housing quality is extremely important but there are other considerations too. The environmental quality of the surrounding neighbourhood is closely bound up with the quality of life experienced by residents. There is increasing evidence of the links between environmental quality, particularly the accessibility and quality of green spaces, individuals' physical and mental health. These considerations emphasise the need to include the provision and improvement of parks and open spaces within considerations of the growth agenda.

10.4.8   Another key element in improving Birmingham's prosperity will be to improve the transport system. The Sustainable Community Strategy has highlighted how important local people consider this to be, ranging from the strategic issues of access to and within the city, to operational matters such as repairing roads and pavements. We heard first hand that Chamber of Commerce members consistently rank transport infrastructure among their top three concerns, citing it as one of the key barriers to improving the economic competitiveness of Birmingham.

10.4.9   The key issues for the Chamber of Commerce, certainly, are under-investment in key infrastructure projects and the fragmentation of decision-making across the region. We will return to this later. At this stage we should note that good progress is of course being made on some projects – for example, there has been significant progress with the changes to New Street Station and Birmingham International Airport since the original Prospectus was published. In the same policy area, the possibility of high speed rail links between Birmingham and the South East has been an area of attention for the City Council for some time, and it has been gratifying to see this reflected first in political programmes, followed by the Government's announcement of the formation of a new company, *High Speed Two*. That company's purpose is to help consider the case for new high speed services from London to Scotland. As a first stage the Government has asked the company to develop a proposal for an entirely new line between London and the West Midlands. To reach a view on this, the company will need to assess the likely environmental impact and business case of different routes in enough detail to enable the options to be narrowed down. That work should be completed by the end of 2009. The Government will thereafter assess the options put forward for the development of the new line.

10.4.10 Locally, Centro has proposals, supported by the City Council, for enhancements to the rail infrastructure. A headline scheme is to re-open the Camp Hill Line in Birmingham to passenger

services between Kings Norton and Bordesley and provide a connection into Birmingham Moor Street via a new 'chord' at Bordesley. We would like to see the City Council support Centro in vigorously pursuing this, moving it from a proposal to a project. Alongside this we would also like to see a more ambitious programme of Park and Ride facilities, both for rail and bus services.

10.4.11 There is progress in these and other areas. The Chamber of Commerce, for instance, in their written evidence referred to "the highly regarded Birmingham Quick Win scheme". But these steps on their own are not enough. Transportation is the key factor which always arises in any discussion of Birmingham's future. We call on the City Council to respond thoughtfully, carefully but ambitiously to the concerns and aspirations of local people and businesses over transportation.

10.4.12 Transportation is of course only one communications technology of economic and social importance. Digital infrastructure is another, and needs attention if Birmingham's competitive position is not to suffer during the economic downturn. There are good elements of digital infrastructure already in this city; more needs to be done to support Birmingham to compete in the knowledge economy.

	Recommendation	Responsibility	Completion Date
R5	That through the Core Strategy, the Executive identify ways in which a range of good quality housing can be provided in Birmingham, particularly aimed at encouraging more highly skilled people to come to and stay in the city.	Cabinet Member for Regeneration	January 2010
R6	That through the Core Strategy and associated work the Executive make firm proposals for enhancing the quality of parks and open spaces thus adding to the attractiveness of Birmingham's residential areas.	Cabinet Member for Leisure, Sport and Culture	January 2010
R7	That the Executive with partners bring forward a programme for increasing the availability of affordable housing in the city.	Cabinet Member for Housing	January 2010
R8	That in particular the affordable programme should highlight actions by the City Council to increase availability in the short term, since the economic situation has led to a reduction in other sources of supply.	Cabinet Member for Housing	January 2010
R9	That the Executive commence a fresh assessment of transport requirements and then set out clearly its intentions for improving all forms of transport in Birmingham, private as well as public, including funding mechanisms.	Cabinet Member for Transportation and Street Services	January 2010

		Recommendation	Responsibility	Completion Date
R10		That as an early element in that new plan the Executive support Centro in bringing forward an enhanced programme of provision of Park and Ride facilities in and around Birmingham.	Cabinet Member for Transportation and Street Services	January 2010
R11		That the Executive, through the Digital Birmingham Partnership or other routes, identify and start to address any blockages to expanding and exploiting digital infrastructure in the city.	Deputy Leader	January 2010

10.5 Skills and the Economy

10.5.1   It must be a truism that Birmingham's prosperity can only be increased through more actions, public and private, to strengthen the economy. This is not to denigrate in any way the strong efforts already being made through a range of activities – attracting new businesses, supporting small and medium sized firms, developing skills and attacking worklessness for example.

10.5.2   The scale of the challenge was neatly summed up for us in October 2008:

- Birmingham's employment rate is 63% of the working age population, compared with a national rate of 74% and a government long-term target of 80%. So if commuting patterns stay the same, employment in Birmingham needs to grow by 187,000 by 2026 to meet both the population increase and the government employment target;

- 22% of Birmingham's working age population has no qualifications compared with a UK figure of 15%. Proportions of the same population with degree level skills, or trade apprenticeships, are also lower.

10.5.3   Hence the emphases given to improving the skill levels of the resident population and to encouraging highly skilled people to live and stay in Birmingham.

10.5.4   We heard evidence not only from City Council officers but also from the Chamber of Commerce and individual employers, as well as from representatives of Aston, Birmingham and Birmingham City Universities.

10.5.5   Over the past year, obviously the short-term economic prospects have worsened severely. On the other hand, Birmingham's Local Area Agreement is in place and the Connexions service has become part of the broader Integrated Youth Support Service. Both of these promise more co-ordinated action.

10.5.6   Again the question arises as to whether the speed of the onset of recession means that the policies and targets already in place are no longer sufficient. The Local Area Agreement's approach

to worklessness is a prime example. That concentrates on moving the most difficult cases from worklessness to work, and involves substantial amounts of public money. Strong voices among our Committee have questioned whether this is the best use of that money, or whether some would be better used helping the recently redundant find new jobs quickly.

10.5.7   We have not formed a considered view on this, but the question does need to be asked.

10.5.8   The City Council and its partners are clearly working hard to encourage skills development. Universities are involved in trying to raise the aspirations of young people whose background does not include further or higher education. Similarly there are interesting schemes under which the Chamber and the Universities encourage graduate placements with local firms.

10.5.9   Birmingham's GCSE results have improved significantly over several years, and this is of great credit to our teachers, schools and education service. But the national targets are unambitious and more needs to be done. This lack of national ambition has three facets:

- the national targets are for lower skills levels than important international competitor countries;

- the average attainment level is set too low, with the national threshold target for 2011 being for only 53% to achieve 5 A*-C GCSE grades and equivalent including GCSEs in English and Maths;

- the "tail" of underachievement is too long, with the Government target that by 2012 there should be no schools where less than 30% of pupils achieve 5 A*-C grades including English and Maths.

10.5.10 This set of Government targets will expire in the next few years. This provides an opportunity for an ambitious city like Birmingham to move ahead of the curve and first consider, and then announce, stretching local targets for GCSE attainment in English and Maths, to take over from the current centrally-derived figures. We must also keep in mind that there are very many school leavers who will not obtain 5 A*-C GCSEs; their literacy and numeracy standards need to be as good as possible, too. We note the Government's introduction over the next few years of Functional Skills qualifications and invite the Executive to consider whether these will provide useful opportunities to raise standards.

10.5.11 Employers have told us that young people need to have much more relevant skills if they are to be "work ready", particularly in literacy, numeracy and communication. This applies, apparently, to all levels of formal education – GCSE, A levels, graduate and postgraduate. There could be a role for the City Council in bringing the correct partners together to clarify and tackle the problems here. As we have already said, there is certainly a role in adopting local targets which are more stretching than the national ones. But there is also a role in helping into work those young people who do not obtain these qualifications. We are pleased to see examples of relevant small schemes being developed in constituencies, and would urge that more is done.

	Recommendation	Responsibility	Completion Date
R12	That the Executive, with partners, review whether the approach taken to worklessness in the current LAA provides the best value for money at a time of rising unemployment in the city.	Deputy Leader	September 2009
R13	That the Executive adopt a realistic but stretching target date, with clear improvement plans, for the achievement of the aspiration that at least 60% of Birmingham pupils obtain 5 or more A*-C grades at GCSE including English and Maths; and that no school should accomplish less than 40%.	Cabinet Member for Children, Young People and Families	January 2010 (for feedback from the Cabinet Member on a realistic target date)
R14	That the Executive clarify, with appropriate targets, how the introduction of Functional Skills qualifications in September 2010 can be used to improve the literacy and numeracy of Birmingham's school leavers who do not attain A*-C at GCSE.	Cabinet Member for Children, Young People and Families	January 2010
R15	That the Executive and partners investigate ways of supporting the work of Birmingham's schools and partners to raise the educational ambitions of more young people in the city.	Cabinet Member for Children, Young People and Families	January 2010
R16	That the Executive and partners investigate ways to increase cooperation between local businesses and Birmingham's universities on the application of universities' research particularly into more sustainable products and processes.	Deputy Leader	January 2010
R17	That the Executive and partners investigate ways to increase graduate retention in the city by: a) Supporting businesses in offering more graduate placements; b) Improving university and college students' knowledge of short- and long-term employment opportunities in the city.	Cabinet Member for Regeneration Cabinet Member for Children, Young People and Families	January 2010

10.6 Delivery

10.6.1   Achieving our ambition – the growth and prosperity of Birmingham and its people – will require wise choices of development projects and service improvements, and the expenditure of large sums of private and public money. It will be essential for this investment to work as hard as possible, in terms of maximising social, economic and environmental benefits per pound.

10.6.2   One way of achieving this is for the City Council and its partners to be as clear as possible about what exactly they are trying to achieve. Within Birmingham, with the publication of the original Prospectus, and provided it is not seen as a one-off initiative but is constantly and consistently developed as we suggest, then we are well on the way to doing this. There are, however, issues which naturally apply at a regional level where this is not yet the case.

10.6.3   The prime example here is transport. The Chamber of Commerce believes that the introduction of a strong regionally focussed transport body in the West Midlands is key to the implementation of the region's transport priorities. They have called for the introduction of a genuinely integrated transport strategy produced by a city region areas transport governance body which needs to engage with all transport modes and have a statutory business voice.

10.6.4   We are attracted by this proposal. Careful thought would need to be given to the details, to ensure for example that local and neighbourhood transport issues were not overwhelmed by top-down dictation. But the overall lack of sufficient transportation investment over many years must be addressed and this is a promising approach. It could, for example, help marshal resources and overcome inertia in implementing any refreshed Birmingham transport plan (see recommendation 9 above).

10.6.5   There are similar opportunities to clarify and strengthen regional and city-region economic strategies, with the aim of more efficient delivery. The Government has recognised that the regional machinery needs to change; it is legislating for a joint body comprising Local Authority Leaders and representatives of Advantage West Midlands. At city region level the possibility of a Multi-Area Agreement could be a useful opportunity.

10.6.6   Clear and consistent strategy is of course not sufficient on its own. Success also requires that all public services, including the various parts of the City Council, maintain the same purpose and take complementary action.

10.6.7   We saw an excellent example of this at North Solihull, where a single programme and delivery agency is improving housing, school buildings, local centres including other public service facilities and community activities. The City Council can work in this way, and when it does so it achieves substantial positive change.

10.6.8   However, this is not always the case. Individual Members are aware of examples in their wards where individual services are taking unilateral, silo-based actions, without any apparent awareness of other, more comprehensive possibilities. On a larger scale, our colleagues on the Regeneration

O&S Committee reported to the City Council on 1 April 2008 on their inquiry into Regeneration in South West Birmingham. That had a specific line of inquiry into whether stakeholders could work together better, and their concluding report (which was accepted by the City Council and welcomed by the Executive) made some useful suggestions for improving the situation (see Box 13 below).

In a progress report to the Regeneration O&S Committee on 18 November 2008, the Cabinet Member set out the various mechanisms he had then put in place to respond to Scrutiny's concerns.

Actions Suggested by the Regeneration O&S Committee

1. **That the Cabinet Member for Regeneration considers setting up mechanisms to bring partners and stakeholders together on a regular basis to further regeneration activity in the South West. These mechanisms could include:**

   a. **An annual event bringing together partners involved in delivering regeneration goals across South West Birmingham, including Be Birmingham (the Birmingham Strategic Partnership), private developers and community groups;**

   b. **Regular meetings with Ward Councillors in the South West, in consultation with other relevant Cabinet Members as appropriate;**

   c. **An officer/partner planning group, to ensure the visions are shared and actions are taken forward in full consultation.**

2. **That the Cabinet Member for Regeneration reflect on these new arrangements after 12 months, and, if found to be successful, consider the same approach for other areas of the city bearing in mind that each area has its own characteristics and prevailing conditions.**

Box 13: Actions Suggested in the Report on Regeneration in South West Birmingham

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10.6.9 These concerns, clearly shared by the Cabinet Member for Regeneration who has taken appropriate action, very much chime with our own findings. We were heartened by the words and attitude of the Chief Executive when he gave us his annual report in October 2008. In response to questions, he told us that immediately after the meeting he would be attending a Chief Officer seminar, at which they would be discussing ways of breaking down the "silo" mentality between Departments. This certainly needs to be done if the Growth Agenda is to be realised.

10.6.10 Regeneration O&S Committee's point about Member involvement and understanding is well made. But we must recognise that wards can be silos, too, and there needs to be greater recognition of what goes on over the border - both in neighbouring wards in Birmingham and across the city boundary, for instance in areas such as North Solihull.

10.6.11 The City Council accepted these suggestions made by the Regeneration O&S Committee in April 2008. They are useful and represent a significant step forward. But, in line with the ambitious nature of the Growth Agenda, we are interested in developing the theme further, moving through improved understanding to co-ordinated action.

10.6.12 The example of North Solihull is inspiring. It demonstrates that it is possible to modernise a neighbourhood by improving several public services at once, and indeed to reshape a neighbourhood around that improved provision to give the area a new heart and the community a new focus.

10.6.13 Officers advised us that the scale of change at North Solihull is smaller than that required for the Growth Agenda. But we see the Growth Agenda not as requiring a single approach, but as involving many actions at several different scales. Many smaller improvements as a few larger ones can all contribute to improving the prosperity of Birmingham and its people, and thus to achieving the Growth Agenda.

10.6.14 The trick will be to be sure, on as many occasions as possible, that silos are broken down and that opportunities for change involve several public services.

10.6.15 In North Solihull, a particular company structure was used as the delivery mechanism for the regeneration project. Whilst we were impressed with the progress made in the area, it is not our view that it all cases the same mechanism should be used. Whilst every project in the current or future editions of the Prospectus would inevitably be a partnership project to some degree, the extent to which a formal partnership was required, who the lead partner should be and similar issues would require analysis on a case-by-case basis.

10.6.16 In all cases, however, local elected Members should be involved in the planning and implementation of major projects. Even though each project may only be given the go ahead because of what it contributes to the city, it inevitably is placed in a particular locality and will pose local issues. Experience shows that the involvement of local Members at all stages will help to resolve those issues.

10.6.17 The final point here is similar. When a project is located near to the city boundary, consideration should be given to the involvement of neighbouring authorities, even when they have no immediate stake in the project. The approach taken at Longbridge is a high-profile example of where co-operation with the neighbouring District Council moved matters forward very constructively, although of course in that case Bromsgrove had a very important role in its own right. But that sort of inclusive approach could also be beneficial in other cases as well.

	Recommendation	Responsibility	Completion Date
R18	That with the aim of easing the implementation of the new transport strategy for Birmingham, the Executive work with city-region partners and report on progress towards an integrated strategic plan and a co-ordinated delivery structure for transport investment.	Leader	January 2010
R19	That in successive editions of the Birmingham Prospectus, as actions move from aspirations to firm projects, the Executive show how each project will be implemented.	Leader	January 2010
R20	That local elected Members (including when relevant Members of neighbouring authorities) be appropriately involved from the very start in the planning and implementation of each major project to help manage the local issues which inevitably arise.	Leader	January 2010

10.7 The Role of Overview and Scrutiny

10.7.1   We hope that Members now find that we have opened the door to the Growth Agenda. Rather like a famous biblical mansion, the Growth Agenda house has many rooms. Each room in this case represents a different policy area or service – such as cultural provision, community cohesion, the regional setting, or the opportunities available to Birmingham's young people. Each of these rooms can be explored in more detail than we have had the time to do during this review. Each will contribute to the ultimate success of the Growth Agenda.

10.7.2   But what the architects of the Growth Agenda house cannot do is dictate in detail the contents of the individual rooms. They can only provide general guidance. It will be for those responsible for each "room" to challenge themselves so that not only are their services working well in their own terms, but they are also positively contributing to the Growth Agenda. Earlier in the report we explained our view of Birmingham's agenda for growth and prosperity; that it is a question of detailing the ambition so that as soon as possible we move on to specific projects and programmes, developing momentum and producing results. We recognised that this is a process which will take time, and that it is dangerous to try to specify exact details too early.

10.7.3   All Overview and Scrutiny Committees can help with this agenda, suggesting relevant policy developments, identifying blocks to progress and supporting Directorates in taking action today which moves Birmingham towards its longer term goals. Examples which have already been carried out include the work of the Regeneration O&S Committee on the Regeneration of South West Birmingham, on Birmingham Airport and on Employment Strategies. Work currently

underway includes the Children and Education O&S Committee's inquiry into Building Schools for the Future, and Housing and Urban Renewal O&S Committee's look at Affordable Housing.

10.7.4 Future pieces of work need to be identified and undertaken at the correct time, when they will be most effective. The responsibility for doing so must lie with the Chairmen of the O&S Committees, and in particular with the Chairman of the Co-ordinating Committee.

	Recommendation	Responsibility	Completion Date
R21	That when deciding on the annual scrutiny review programme, the Co-ordinating O&S Committee encourage the identification of pieces of work to support the achievement of the city's ambitions for growth and prosperity.	Chair, Co-ordinating O&S Committee	July 2009
R22	Progress towards achievement of these recommendations should be reported to the Co-ordinating O&S Committee in February 2010. Subsequent reports will be scheduled by the Committee thereafter.	The Leader	February 2010

11 Appendix 1: Background Documents

1. The Birmingham Prospectus, Birmingham City Council and Birmingham Strategic Partnership, January 2007.

2. Birmingham's Growth Agenda – Project Brief, report of the Head of Scrutiny to the Co-ordinating O&S Committee, Birmingham City Council, 15th June 2007.

3. Regeneration in South West Birmingham, report of the Regeneration O&S Committee to Birmingham City Council, 1st April 2008.

4. Birmingham Demographic Briefing Issue 2006/02, Migration, Birmingham City Council December 2006.

5. Birmingham Local Development Framework Annual Monitoring Report 2008, Birmingham City Council, December 2008.

6. Providing Affordable and Sustainable Housing to Meet Current and Future Needs in the City, Report of the Acting Strategic Director of Housing and Constituencies to the Housing and Urban Renewal O&S Committee, Birmingham City Council, 20 February 2007.

7. Housing Plan 2008+, Birmingham City Council, April 2008.

8. Key Developments, Locate in Birmingham,

   www.locateinbirmingham.com/birmingham_offer/key_developments as at 2 February 2009.

9. Invest in Birmingham, the Area Investment Prospectuses, Birmingham City Council, September 2007.

10. The Area Investment Prospectuses, report to the Co-ordinating O&S Committee, Birmingham City Council, 7 December 2007.

11. Birmingham 2026, the Sustainable Community Strategy, Birmingham City Council and BeBirmingham September 2008.

12. Birmingham Local Area Agreement 2008/2011, Working together for a better Birmingham, BeBirmingham June 2008.

13. The West Midlands Regional Spatial Strategy, Phase 2 Revision, Overview, West Midlands Regional Assembly, December 2007.

14. West Midlands RSS Phase 2 Revision, letter from Baroness Andrews OBE, Parliamentary Under Secretary of State, Department for Communities and Local Government, to Cllr Rex Roberts, Chairman, West Midlands Regional Planning Partnership, 7 January 2008.

15. West Midlands Regional Spatial Strategy: Phase Two Revision, letter from Cllr David Smith, Chairman, West Midlands Regional Assembly, to the Right Honourable Margaret Beckett MP, Minister of State for Housing, 8th December 2008.

16. Prosperous Places: Taking Forward the Sub-National Review, letter from Stephen Hughes, Chief Executive, Birmingham City Council, to the Department for Business, Enterprise and Regulatory Reform, 23 June 2008.

17. The healing powers of the great outdoors, Prof. Jules Pretty, (Professor of Environment and Society, Essex University), New Scientist, issue no. 2635, 22 December 2007.