

**BIRMINGHAM CITY COUNCIL**

**PUBLIC REPORT**

<b>Report to:</b>	<b>CABINET</b>
<b>Report of:</b>	<b>Director of Planning and Regeneration</b>
<b>Date of Decision:</b>	<b>16 March 2015</b>
<b>SUBJECT:</b>	<b>MOVING FORWARD THE MEADWAY REGENERATION PROGRAMME</b>
<b>Key Decision: Yes</b>	<b>Relevant Forward Plan Ref: 516169/2015</b>
<b>If not in the Forward Plan: (please "X" box)</b>	<b>Chief Executive approved</b> <input type="checkbox"/> <b>O&amp;S Chairman approved</b> <input type="checkbox"/>
<b>Relevant Cabinet Member(s):</b>	<b>Councillor Tahir Ali, Cabinet Member for Development, Transport and the Economy Councillor Stewart Stacey – Cabinet Member for Commissioning, Contracting and Improvement</b>
<b>Relevant O&amp;S Chairman:</b>	<b>Councillor Victoria Quinn, Chair of The Birmingham Economy and Transport, Overview and Scrutiny Committee</b>
<b>Wards affected:</b>	<b>Stechford &amp; Yardley North</b>
<p><b>1. Purpose of report:</b></p> <p>1.1 To inform Cabinet of an exciting opportunity to lead a major regeneration programme, working with the Homes and Communities Agency, for the redevelopment of the Meadway. The programme will provide new mixed tenure housing, new retail premises and significant improvements to the public open space.</p> <p>1.2 To seek Cabinet approval to the Full Business Case for the first phase of the Meadway regeneration, and to seek Cabinet approval to the site assembly and procurement processes necessary to drive the project forward.</p> <p>1.3 To seek approval to accept grant from the Homes and Communities Agency for the value of £6.5million under the Public Asset Accelerator Programme subject to the approval of funding conditions.</p>	
<b>Lead Contact Officer(s): Telephone No:</b>	<p>Clive Skidmore, Head of Housing Regeneration and Development, Economy Directorate 0121 303 1667</p> <p>Bali Paddock, Regeneration Project Manager Economy Directorate 0121 303 3968</p>

## **2. Decision(s) recommended:**

That Cabinet:

- 2.1 Approves the Full Business Case for the first phase of a major redevelopment scheme at Meadway as set out in Appendix 2 of this report;
- 2.2 Approves the acceptance of grant of approximately £6.5 million from the Homes and Communities Agency (HCA) to support the regeneration programme under the Public Asset Accelerator Programme and authorises the Director of Planning and Regeneration to accept the grant conditions from HCA;
- 2.3 Authorises the Director of Legal and Democratic Services to make a compulsory purchase order under Section 226(1)(a) of the Town and Country Planning Act 1990 and Section 13 Local Government (Miscellaneous Provisions) Act 1976 in respect of land and new rights within the area single hatched black on the plan at Appendix 1;
- 2.4 Authorises the Director of Property to negotiate the acquisition of all interests and rights in land shown single hatched black on the plan attached at Appendix 1, either voluntarily or through the use of Compulsory Purchase Orders if voluntary negotiations are unsuccessful;
- 2.5 Authorises the cessation of lettings, the rehousing of tenants and the serving of initial and final demolition notices for properties within the area single hatched black on the plan at Appendix 1, in accordance with Schedule 5A of the Housing Act 1985;
- 2.6 Authorises the Director of Planning and Regeneration to instruct Acivico to appoint contractors for the demolition of properties within the area single hatched black on the plan at Appendix 1;
- 2.7 Approves the appropriation of 11.2 acres of General Fund land, held within the Place Directorate (current public open space land held under the Open Spaces Act 1906) shown cross hatched black on the plan at Appendix 1 to the Housing Revenue Account;
- 2.8 Approves the appropriation of the Council land within the CPO area on the plan at Appendix 1 in current use as Council offices from the Economy Directorate to the Housing Revenue Account;
- 2.9 Authorises the Director of Property to follow the procedure required under section 122(2A) and 122(3A) (as required) of the Local Government Act 1972 for placing of advertisements and consideration of objections in respect of appropriation and disposal of any open space cross hatched black on the plan at Appendix 1, any objections being reported to the Cabinet Member for Development, Transport and the Economy;
- 2.10 Authorises the marketing and disposal of any land within the land edged black on the plan at Appendix 1 in furtherance of the Meadway scheme with authority delegated to the Deputy Leader and the Cabinet Member for Development, Transport and the Economy, jointly with the Director of Property, to accept bids for the retail element of phase one, which achieves best consideration and to amend or vary the terms of the bid by up to 10%;
- 2.11 Approves the procurement strategy to undertake the residential development for one or more housing developers using the Homes and Communities Agency Developer Partner Panel 2 Framework Agreement.
- 2.12 Notes that the contract award for the housing developer will be subject to approval by Cabinet in autumn 2016;
- 2.13 Authorises the Head of Landscape Development to progress the retained open space to detailed design stage to support the redevelopment of the Meadway and to procure the open space works, subject to funding availability, with a specialist landscape construction contractor through an approved tendering procedure;
- 2.14 Authorises the Head of Transportation Services to develop the highway proposals and progress the preferred option to detailed design.
- 2.15 Authorises the making of appropriate agreements or the exercising of powers under the Highways Act 1980 (including but not limited to section 38 and section 278 agreements if required) and the submission of applications under section 247 of the Town and Country Planning Act 1990 to stop up highway as well as make appropriate Traffic Regulation Orders under Section 1 of the Road Traffic Regulation Act 1984 as are necessary for the Meadway scheme;
- 2.16 Authorises the Director of Legal and Democratic Services to take all necessary steps to give effect to the above recommendations.
- 2.17 Notes that a further Report, including an update on phase 1, will be presented in due course seeking approval to phase 2 of the Meadway development.

### 3. Consultation

#### 3.1 Internal

Elected Ward Members, the Executive Member for the District and the Member of Parliament have been engaged on an ongoing basis on the overall proposals for the regeneration of the Meadway and support this report going forward for an executive decision. The local Councillors requested reference to a number of points within this report: public open space; library and community facilities; local shops; drainage works; new bungalows and housing allocations. The Council will endeavour to rehouse existing tenants into new build where possible, subject to the timing of the new build programme and in line with the Council's allocations policy. The land for the new retail will be sold on the open market and efforts will be made to facilitate the relocation of existing traders.

3.2 The Strategic Director of Place has been consulted regarding the contents of this report and supports the recommendations coming forward for an executive decision.

3.3 Officers in Legal Services, City Finance, Procurement, Transportation Services and Place Directorate have been involved in the preparation of this report.

3.4 In accordance with the Gateway Process and the Projects and Programmes methodology the Quality Assurance and Governance Team has appraised this project and recommends it for approval

#### 3.5 External

The consultation with the local community was undertaken during September 2014 and included 3 indicative options for the regeneration of the Meadway. The area covered 1,069 households and business addresses. The methods used were: a team of trained researchers undertaking door to door visits with households and businesses filling in questionnaires, working in the afternoons, evenings and weekends. Questionnaires were also sent in the post with a prepaid envelope. Residents were able to access the consultation information on the Be Heard website. The recommendations within this report support the aspiration of the local community with delivery in phases to include a first phase of retail development of 27,250 sq.ft, (approximately 14 retail units), 127 new homes, 40% reduction in POS and significant improvements to the remaining public open space and a second phase which will consist of a combination of retail (up to 108,750 sq.ft), and residential (up to 150 new homes) development.

### 4. Compliance Issues:

#### 4.1 **Are the recommended decisions consistent with the Council's policies, plans and strategies?**

4.1.1 The development of new homes for a growing city is a key objective of the Leader's Policy Statement 2014. The development of new affordable housing within the city is in accordance with the objectives of the Council Plan 2015+. The proposals also respond to the Leader's Policy Statement Implementation Priorities of :

4.1.2 A fair city, promote social cohesion across all communities in Birmingham, and ensure dignity, in particular for our elderly and safeguarding for children, by providing new affordable homes, apprenticeships and bursary programme placements;

4.1.3 A prosperous city, built on an inclusive economy by stimulating the construction industry through the Council's house building programme;

4.1.4 A democratic city by involving local people and communities in the future of their local areas and their public services, by consulting communities about proposals for new developments and ensuring that new homes meet local needs.

4.1.5 The proposed phased development of both retail and housing provides the opportunity for the aspiration of the Birmingham Development Plan to be delivered.

#### 4.1.6 **Birmingham Business Charter for Social Responsibility (BBCSR)**

Compliance with the BBC4SR will be a mandatory requirement for tenderers and form a non-negotiable part of the conditions of any contracts let in support of this development. Prior to contract award and during the delivery of this scheme, an action plan will be agreed with the proposed service provider on how the charter principles will be implemented and monitored during the contract period. The actions on the plan will be monitored and managed throughout the contract period to ensure they are delivered.

## 4.2 Financial Implications

4.2.1 The total capital cost of phase 1 of the Meadway Development is estimated at £23.12 million, which is planned to be incurred between 2014/15 and 2020/21 (the breakdown of these costs is detailed in Appendix 2). These costs will be funded from a combination of HRA resources identified within the approved Council Plan 2015+, HCA grant and additional capital receipts, as set out in the following table.

Description	£'m	Comments
Planned Capital Expenditure	23.12	Includes Site Assembly, Infrastructure, POS and Phase 1 Construction costs
Previously Identified Funding	(14.27)	Includes Useable RTB receipts, HRA Revenue Contributions and Sale Proceeds
HCA Grant	(6.50)	From Public Asset Accelerator
Capital Receipts - Retail	(1.00)	
Capital Receipts – Homes for Sale	(1.35)	
Net Funding (Surplus) / Deficit	0.00	

4.2.2 By law, any appropriation of land or buildings into the HRA results in a transfer of debt of an equivalent value into the HRA, generating an interest cost to the HRA and a corresponding saving to the General Fund. The total value of the land and neighbourhood office to be appropriated into the HRA is £4.6 million. The land (value £4.5 million) is to be appropriated in 2015/16 and the neighbourhood office (value £0.1 million) is to be appropriated in 2017/18. Assuming average borrowing costs of 4% per annum, these appropriations will result in total additional interest costs to the HRA of £5.42 million over the 30 year period from the beginning of the development, with equivalent savings to the General Fund (£0.09 million in 2015/16 and £0.18 million per annum thereafter).

4.2.3 The revenue cost of the Meadway Development, relating to security and other site assembly costs together with CPO legal costs and compensation costs, is £0.54 million. These costs can be met from within the existing approved HRA Budget. The revenue implications for the highways infrastructure and maintenance of public open space are included within the FBC.

4.2.4 Between 2015/16 and 2019/20 HRA savings of £0.60 million will need to be identified to contribute to the HRA revenue costs arising from the appropriation as set out in paragraph 4.2.2 (£0.09 million in 2015/16, £0.18 million in 2016/17, £0.16 million in 2017/18, £0.12 million in 2018/19 and £0.05 million in 2019/20). It is anticipated that it will be possible to achieve these savings as a result of particularly low short term interest rates resulting in a net reduction in interest charges to the HRA.

4.2.5 The Council rented homes that will be built through the Meadway Development will provide an estimated net revenue surplus of £3.85 million over the 30 year period from 2015/16, after accounting for ongoing revenue costs, cyclical maintenance, appropriation interest and the specific development costs identified above. This net rental income is included in the approved HRA Business Plan 2015+, and partially offsets the total HRA capital investment in the development of £16.62 million (excluding HCA grant).

4.2.6 The site affected by this report and in the Council's ownership currently can be identified by the Fixed Asset Register references 00084, 00918, 00157, 02503 and 02120

#### 4.3 **Legal Implications**

4.3.1 Compulsory Purchase of land under Section 226 (1) (a) of the Town and Country Planning Act 1990 allows a local authority to acquire land compulsorily to facilitate development, redevelopment or improvement of the land, so long as this is likely to contribute to the achievement of one or more of the well-being objects in section 226(1A).

ODPM Circular 06/04 sets out further requirements that must be met before a CPO will be confirmed. The Justification for the CPO (i.e. how it meets the legislative and Circular requirements) is set out in more detail in Appendix 3. The Planning and Policy context is set out in Appendix 4, Human rights are considered in Appendix 5. A Risk Register is set out in Appendix 6. In addition the Highways Act 1980 sets out the relevant legal powers for adoption of new roads and changes to existing highway. Section 247 of the Town and Country Planning Act 1990 sets out the powers of the Secretary of State to make a stopping up order (on an application made to him) if satisfied that it is necessary to do so in order to enable development to be carried out in accordance with planning permission. Section 174 of the Localism Act 2011 enables the Council to retain 100% of the receipts generated from the sale of new rented homes subsequently sold under the Right to Buy.

4.3.2 The legal power to dispose of land held within the Housing Revenue Account is contained within the section 32 of the Housing Act 1985, General Consent A.

4.3.3 The Council has powers to hold and appropriate land under Sections 120-122 of the Local Government Act, 1972 where satisfied it no longer required for the purpose for which it is held immediately before the appropriation.

4.3.4 Sec 122(2A) requires that where land is existing open space, notice of the change of use must be advertised and any objections considered prior to the appropriation taking place. Section 123(2A) contains a similar requirement for advertisement and consideration of objections in respect of disposals of open space.

4.3.5 Section 19 of the Local Government (Miscellaneous Provisions) Act 1976 gives powers to provide recreational facilities.

4.3.6 Schedule 5A of the Housing Act 1985 allows the Council to serve initial demolition notices or final demolition notices which have the effect of either suspending or terminating the right to buy, preventing a tenant being able to buy a house at a discount under the right to buy (when they know it will be demolished) and then forcing the Council to rebuy it at market value. There is a prescribed procedure that must be followed before serving notices which includes giving notice to the tenant, publishing notice in the newspaper and on the Council's website.

4.3.7 The HCA commissioned Brown Jacobson to undertake a State Aid compliance review. Their report concluded that BMHT through BCC are considered an 'undertaking engaged in economic activity', as a result there is a State Aid risk from HCA funding potentially being used to subsidise the construction of the affordable housing. In practice the site assembly costs associated with this scheme are particularly high and therefore BCC are proposing to invest their own resources alongside HCA investment to secure the acquisition of the commercial long leases. Therefore the risk of HCA money subsidising the affordable rent element of the scheme is low. However to ensure that the HCA funding is compliant with State Aid requirements, it will include a claw back clause to recover HCA investment, if it is deemed to have contributed to an increase in value for the BMHT element. This will be calculated using scheme completion valuations.

#### 4.4 **Public Sector Equality Duty**

4.4.1 There are currently around 28,000 people on the council's waiting list for affordable housing. Many of these live in overcrowded conditions across the housing sector. Evidence from allocating properties previously developed under the Birmingham Municipal Housing Trust (BMHT) banner has revealed the extent of this problem, many families being allocated from accommodation that was too small for their needs, with a disproportionate percentage falling into protected characteristic groups contained within the Equality Act, 2010.

- 4.4.2 This development delivers homes that reflect the Strategic Housing Market Assessment for Birmingham with an emphasis on 2 bedroom and 4 and 5 bedroom houses. Whilst there is a clear driver for family homes the programme also looks to meet other needs, such as people without children and elderly residents who need to down-size from under- occupied homes.
- 4.2.3 The initial assessment reveals that there is no requirement for a Level 2 equality assessment as Meadway Regeneration will impact on the community that live there, however there is no differential impact as there are existing policies in place within the function area. For the demolition process, contract documents comply with Standing Order and Equal Opportunity requirements, new build programmes also comply with existing procurement regulations. Re-housing will be undertaken in line with the current allocations policy. A Level 1 equality assessment is appended at Appendix 7.

**5.0 Relevant background/chronology of key events:**

- 5.1** The area referred to in this report as the Meadway regeneration currently comprises the Poolway Shopping Centre with 38 retail units, 84 residential flats, separate neighbourhood office and a cleared housing site of 3.77 acres. The adjoining Kent's Moat recreation ground extends to 28 acres of public open space, however this space is not used to its full potential with very limited play equipment/facilities. The shopping centre does not meet current aspirations as a retail destination and suffers from a falling footfall. Though the centre is currently financially viable with most of the units rented out, the future for this to continue is uncertain. Overall the site represents a major opportunity to bring forward a high quality retail and housing development to serve this part of the City.
- 5.2** On 23 October 2013 Cabinet approved the Public Asset Accelerator. This mechanism, agreed with Government as part of the City Deal, enables the Council to use the proceeds from the disposal of former AWM assets now in the stewardship of HCA to fund housing and economic growth on a number of major development sites across the city. The Meadway regeneration programme is one of the schemes identified as part of the Public Asset Accelerator and represents a major redevelopment opportunity which not only will provide a significant quantum of much needed new high quality homes in the area, but will also ensure the provision of a new retail offer and significant improvements to the remaining existing public open space. This funding will provide the catalyst to drive forward the regeneration programme.
- 5.3** The Neighbourhood Office at the Meadway has already closed and these services are now provided from Lea Hall Neighbourhood Office. There is a library within the existing centre and there is scope for one of the new retail units to accommodate this service subject to revenue funding being available.
- 5.4** The Birmingham Development Plan (BDP) envisages a District Centre at the Meadway with up to 136,000 square feet of comparison retail. The Council's intention remains to achieve this aspiration however delivery is affected by two factors – firstly the current economic climate; secondly, the presence of the existing, out dated shopping centre hampers any attempt to present a development opportunity to any prospective developer. It is considered that such an opportunity can more effectively be promoted once the existing shopping centre has been demolished.
- 5.5** The development will therefore proceed in two phases as shown on the plan attached as Appendix 9. The option recommended for approval comprises a first phase of retail development of 27,250 sq.ft, (approximately 14 retail units), 127 new homes, 40% reduction in POS and significant improvements to the remaining public open space. There are no impediments to the delivery of Phase 1 as all of the necessary site assembly for this phase has been completed and the land is in the ownership of the City Council. This option is the most financially advantageous for the Council, most deliverable as the programme will be delivered direct by the Council, and also enables the Council to draw down £6.5 million in funding from the HCA.
- 5.6** The development of the first phase of retail will potentially enable the relocation of a number of the businesses currently accommodated in the existing centre and provide an opportunity to determine the level of interest in a second phase of retail at this location and to develop market confidence. The retail element will be delivered by selling the land to a developer, who will build out and let the retail units.
- 5.7** The second phase is likely to result in the development of additional retail at this location, which could be up to the BDP aspiration of a further 108,750 sq. ft, bringing the total retail provision up to 136,000 sq. ft., or could be a smaller quantum. However this will be determined by market conditions and developer appetite at the time of tendering the second phase which is likely to be in 2019. A Full Business Case for the second phase will be submitted to Cabinet once this tendering exercise has been completed. The balance of the second phase will be developed with new housing. This approach will ensure consistency with the BDP, respond to residents' aspirations, and ensure that the opportunity to market the site for retail once site assembly has been carried out provides the opportunity to create a new local centre in East Birmingham.



5.8 It is recognised that the loss of 40% of the existing public open space for the residential development places extra demand for open space and children's play facilities in the Stechford and Yardley North Ward. The ward figure is 1.67hectares per 1000 population against a minimum target of 2 hectares per 1000 population. The Meadway regeneration initiative therefore will compensate for the loss through significant improvements to the quality and recreational value of the remaining area in close proximity to the development site. The emphasis will be on good quality, over-looked, accessible open space that people want to use and feel safe to use, which currently is not the case. An indicative layout is attached at Appendix 9.

This scheme would be delivered by Birmingham City Council under the Birmingham Municipal Housing Trust brand for the residential element, the land identified for retail development would be advertised for sale (using appropriate procurement procedures) and improvements to the public open space will be undertaken through Landscape Practice Group. With regards to the Neighbourhood Office, this had recently closed on this site and will not be replaced. The existing library facilities could operate from the new units that will be built as a part of the retail offer, subject to funding being available. Attached is a stakeholder engagement plan at Appendix 10.

#### 5.9 Service Requirements

Developers are required to develop the site, shown as Appendix 9, which will include the construction of new housing, infrastructure, retail, and market sale of new properties.

#### 5.9.1 Procurement Options

5.9.2 Part of the agreement condition of funding from the Homes and Communities Agency (HCA) is that the housing developer is appointed following a further competition exercise using the HCA Developer Partner Panel 2 (DPP 2 Framework Agreement).

#### 5.10 Duration

5.10.1 The contract will be for a period of 3 years commencing from 2016 until the completion of phase 1 of the scheme.

#### 5.11 Scope and Specification

- Work with Birmingham City Council on the overall master plan for the area and develop detailed design proposals for the area;
- Apply for detailed planning permissions for individual plots for new housing/infrastructure, retail and discharge all planning conditions and obtain other statutory approvals;
- Liaise with Employers' Agents already procured by and working for Birmingham City Council
- Build the Council's affordable housing and open market sale properties in line with agreed specification supplied;
- Build the new retail development;
- Market and sell the open market sale properties on behalf of the Council;
- Provide training and employment opportunities including apprenticeships as per the requirements of the Council;
- Co-ordinate alongside other works which may run concurrent with the proposed development in the area;
- Provide new highway infrastructure to adoptable standards supported by commuted sums.

#### 5.11.1 Tender Structure

The tender structure for the further competition exercises will be in line with the requirements of the HCA framework.

#### 5.12 Evaluation and Selection Criteria

5.12.1 The quality / price balances below were established having due regard for the corporate document 'Advice and Guidance on Evaluating Tender on Quality and Price' which considers the complexity of the services to be provided.

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

5.12.3 The evaluation of tenders for each lot for the framework agreements will be assessed as detailed below:

Assessment A (Pass / Fail)

- Section A – Information about the Applicants
- Section B – Financial Information (including Insurances)
- Section C – Health and Safety
- Section D – Environmental
- Section E – Compliance with BBC4SR (or any other relevant local policy)
- Section F – Company Accreditation / Qualifications
- Section G – References

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

Assessment B – Quality – Written Proposals (Weighting 40%)

Criteria 40%	Overall Weighting	Sub-Weighting
Experience and Competency – Build programmes	<b>100%</b>	40%
Design Quality and Specification		20%
Management of programme		20%
Organisational Management and resources		20%

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

5.12.5 Tenderers who score more than the quality threshold of 60% i.e. a score of 300 out of a maximum quality score of 500 will proceed to Assessment C – Social Value.

Assessment C – Social Value (Weighting 10%)

Tenderers will be required to state how they propose to deliver social value as a result of their being awarded a framework agreement. The proposed social value will be proportionate to the value of contracts awarded.

Assessment D – Pricing (Weighting 50%)

Tenderers for the housing element of the scheme will be expected to state their proposed cost for constructing the new council properties plus the guaranteed minimum price to be paid for the land on which the successful developer will construct and sell the homes for outright sale.

**5.13 Overall Evaluation**

5.13.1 The evaluation process will result in comparative quality, social value and price scores for each tenderer. The maximum score will be awarded to the tender that demonstrates the highest for quality and the highest score will go to the tenderer whose response is considered to provide the most social value. Similarly the maximum price score will be awarded to the lowest acceptable price. Other tenderers will be scored in proportion to the maximum scores in order to ensure value for money.

### 5.13.2 Indicative Timetable

Cabinet Approval	16 March 2015
Preparation of Tenders	June 15 to Sept 15
Information sent to contracts on DDP2	Oct 15
Outline Planning Application	December 2015
ITT Deadline Submission	January 16
ITT Evaluation Period	Feb – March 16
Cabinet Approval	September 16
Contract Award	October 16
Contract Start	October 16
Completion of Phase 1	September 2019

### 5.14 Evaluation Team

5.14.1 The evaluation of tenders will be undertaken by officers from:

- Housing Regeneration and Development
- Homes and Communities Agency
- City Finance
- Employers Agent
- Planning
- Corporate Procurement Services

5.14.2 Approval to appoint the housing and retail developers will be subject to a further Cabinet report in September 2016

5.14.3 The procurement of the design and delivery of the retained open space will be through the Landscape Practice Group, the City Council's in-house service provider.

## 6. Evaluation of alternative option(s):

- 6.1 The option to dispose of land to Housing Associations has been considered. This approach would produce a capital receipt for the Council and homes developed by Housing Associations would provide nomination rights at 100% on first letting and up to 75% thereafter. However, this option is discounted as the approved HRA Business Plan relies on a development programme of new general needs homes across its 30 year life. In December 2014 Cabinet approved the 5 year development programme for the BMHT new build scheme which included development of the Council homes at the Meadway. The development of new homes for rent and sale through BMHT will generate both capital receipts and a long term income stream estimated at £11.6m over 30 years.
- 6.2 The option to develop all of these sites exclusively with homes for sale has been considered. However this option would also only produce a "one-off" capital receipt whereas the development of the sites with new rented homes for Council will create an ongoing revenue stream to the HRA for the next 60+ years.
- 6.4 The preferred option comprises a first phase of development of 27,250 sq.ft, (approximately 14 retail units), 127 new homes, 40% reduction in POS and significant improvements to the remaining public open space. A second phase, which will be subject to a further Cabinet Report, will consist of a combination of up to 108,750 sq.ft, of retail and up to 150 new homes, with the mix to be finalised following completion of phase 1. An indicative layout showing phase 1 is attached at Appendix 9.

**7.0 Reasons for Decision(s):**

7.1 The recommended comprehensive regeneration approach for the Meadway will provide:

- A renewed District Centre for outer east Birmingham an improved retail offer with a minimum of 27,250sq.ft with the opportunity for further expansion to 136,000 sq. ft. in the second phase.
- A more appropriate mix of housing types and tenures which better meet the housing needs of local residents.
- An enhanced quality of retained open space.

7.2 The construction of new homes facilitates local employment opportunities and will inject much needed stimulus into the local economy and improves the lives for citizens of Birmingham, supports the East Birmingham Growth agenda and recovery of the housing market

<b>Signatures</b>	<b><u>Date</u></b>
Councillor Tahir Ali, Cabinet Member of Development, Transport and the Economy .....	.....
Councillor Stewart Stacey – Cabinet Member for Commissioning, Contracting and Improvement .....	.....
Waheed Nazir Director of Planning and Regeneratio .....	.....

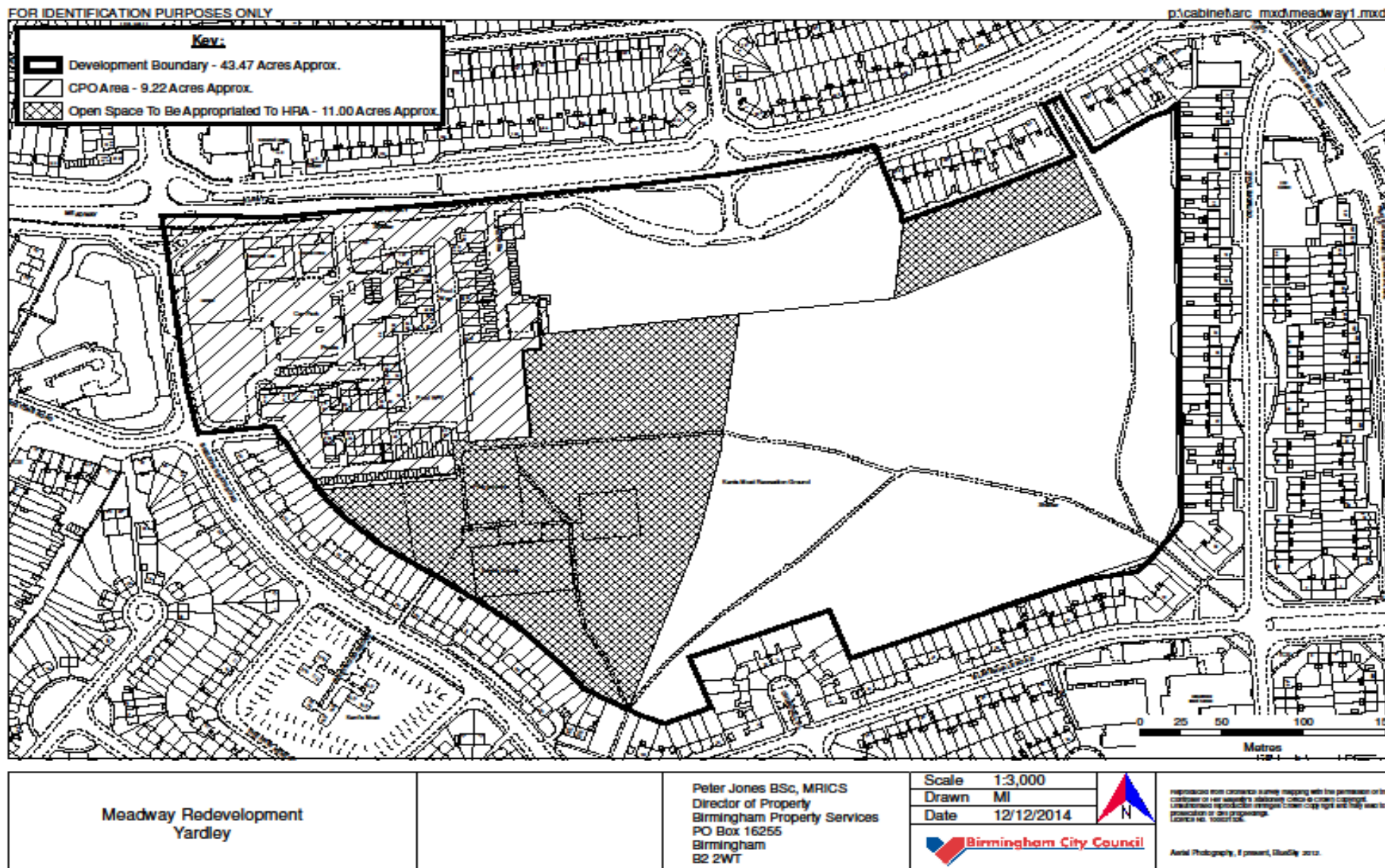
**List of Background Documents used to compile this Report:**

1. Meadway Regeneration Proposals – Cabinet Report December 2011
2. Meadway Regeneration-Options Viability Study – produced by GVA
3. Meadway Regeneration Options – Study produced by Jones Lang LaSalle 2014
4. Meadway Consultation Report – September 2014

**List of Appendices accompanying this Report (if any):**

1. Map of area
2. Full Business Case – Meadway
3. Justification for CPO
4. Planning Policy
5. Human Rights
6. Risk Register
7. Equality Analysis
8. Further Background Information
9. Indicative Plan for new proposals
10. Stakeholder Management Plan

# Appendix 1, map of regeneration area



## Appendix 2

<b>Full Business Case (FBC)</b>			
<b>1. General Information</b>			
<b>Directorate</b>	Economy	<b>Portfolio/Committee</b>	Planning and Regeneration
<b>Project Title</b>	Meadway Regeneration Programme	<b>Project Code</b>	RHTAF L670 A00
<b>Project Description</b>	<p>The area referred to as the Meadway comprises the Poolway Shopping Centre with 38 retail units amounting to approximately 7060 sq. m including a Co-op supermarket, 82 residential properties (mix of Council, Housing Association and leasehold 'right to buy') a council Community Centre, Neighbourhood Office and Kents Moat recreation ground ( total 28 acres- 11.33 hectares).</p> <p>The shopping centre was built in the 1960s and comprises ground floor retail units with residential units above. The centre is inward facing and has poor visibility from the Meadway (road). It is understood that trading in the centre has suffered significantly since the demolition of the adjoining tower blocks 2009/10. The community centre and neighbourhood office adjoining the centre are also in poor condition and library services have been delivered from one of the shop units. The surrounding open space – Kents Moat recreation ground is also poor quality and as none of the existing residential property surrounding the space overlooks it, and the perception is that the area is seen as hostile and unsafe.</p> <p>This project looks at 3 different elements for the improvement of the Meadway area and includes: new housing, improvements to retail, improvements to the existing public open space and the integration of all of these elements.</p> <p>Two feasibility studies have been undertaken, one in 2011 by GVA and the second in 2014 completed by Jones Lang LaSalle. Different Options were investigated which included, possible part refurbishment and demolition, various options for location/size of retail and residential and options for the public open space. Following financial viability, market reality and consultation the following option was agreed upon:</p> <p>New homes to be delivered by Birmingham Municipal Housing Trust</p> <p>Approximately 11 acres of the public open space to be released for new housing            Significant Improvements to the remaining POS            Demolition of existing retail and new build of a first phase of development of 27,250 sq.ft, (approximately 14 retail units), 127 new houses, 40% reduction in POS and significant improvements to the remaining public open space and a second phase which will consist of up to 108,750 sq. ft, of retail and up to 150 new homes</p>		



	<p><b>Delivery model</b>  Birmingham City Council to acquire all interests, initially on a voluntary basis and followed on with the support of CPO powers. The existing retail units will continue to trade during the construction of the first phase and it is planned that the new retail is developed to allow transfer some of the businesses before demolition of the existing site(indicative timescale 2015 to 2020). BCC to carry out all surveys, further develop the master plan and obtain outline planning permission (2015/16)  BCC working with the Homes and Communities Agency to appoint housing developer (2016) who will obtain planning permission in phases. First phase planning to be obtained in 2016/17  Birmingham Municipal Housing Trust to deliver the new council housing and working with a developer for the sale of the private properties (2016 to 2022)  First build to be in year 2017/18  The sale of land to a retail developer and the delivery of the first phase of retail development (2016/17)  Improvements to Public Open Space – Design to be undertaken in 2014/15, followed by detail design  Installation of equipment by Landscape Practice Group – 2018 to 2020.  Second phase of development potentially including additional retail provision starting 2019-2020.  Indicative completion of phase one 2019</p>		
<p><b>Links to Corporate and Service Outcomes</b></p>	<p>This project will make a direct contribution to both Corporate and Directorate outcomes, including the following:</p> <ul style="list-style-type: none"> <li>• Leader’s Policy Statement 2014</li> <li>• Council Plan 2015+</li> <li>• Housing Revenue Account Business Plan 2015+</li> <li>• Enjoy a High Quality of Life – by providing high quality new affordable rented homes</li> <li>• Stay Safe in a Clean, Green City – by providing homes that will achieve the Code for Sustainable Homes level 4 and improved open spaces</li> <li>• Succeed Economically – by providing training and employment opportunities for local people</li> <li>• Housing Plan 2010 refresh</li> <li>• Homelessness Strategy 2012</li> </ul>		
<p><b>Project Definition Document Approved by</b></p>	<p>Cabinet</p>	<p><b>Date of Approval</b></p>	<p>8 December 2011</p>
<p><b>Benefits Quantification- Impact on Outcomes</b></p>	<p><b>Measure</b></p>		<p><b>Impact</b></p>
	<p>68 New affordable homes for rent</p>		<p>Enjoying a High Quality of Life with the provision of new homes</p>
	<p>59 New homes for sale</p>		<p>Enjoying a High Quality of Life with more appropriate mix of housing types and tenures</p>
	<p>First phase of retail development of 27,250 sq.ft</p>		<p>Succeed Economically with a renewed centre that better reflects the changing patterns</p>

		of shopping provision
	Improvements to POS	Stay Safe in a Clean, Green City with enhanced quality to the public open space
	15 Apprenticeships	Succeed Economically with new opportunities for employment
<b>Project Deliverables</b>	127 New Homes First phase of retail development of 27,250 sq.ft, Improved Public Open Space Apprenticeship Opportunities	
<b>Scope</b>	Birmingham City Council, working with the Homes and Communities Agency will be undertaking the following; <ul style="list-style-type: none"> <li>• Rehousing and acquisition - properties includes 37 retail units(long and short leases, 1 freehold unit, 56 Council properties, 13 Waterloo Properties, 15 private properties</li> <li>• Master plan development and outline planning</li> <li>• The use of Compulsory Purchase powers</li> <li>• Highways and infrastructure: provision of new highway and infrastructure for the new development</li> <li>• Demolition of existing housing and retail units</li> <li>• Appointment of housing developer</li> <li>• Construction of new housing</li> <li>• Sale of land for new retail development</li> <li>• Developer to deliver new retail units</li> <li>• Improvements to public open space</li> </ul>	
<b>Scope exclusions</b>	This programme will be rebuilding new retail units which are flexible spaces and could be used for community and library facilities. The scope does not include designated buildings for these purposes	
<b>Dependencies on other projects or activities</b>	<ul style="list-style-type: none"> <li>• There is an interdependency of all of the elements to deliver a comprehensive and strategic approach to this project.</li> <li>• Funding sources - continuing to work with HCA</li> <li>• Planning permission will need to be gained</li> <li>• Advertising the loss of part of the POS</li> <li>• Infrastructure works and highways</li> <li>• Procurement of development partners &amp; market sale of new properties</li> <li>• associated legal agreements signed</li> <li>• clearance of the existing shopping centre to enable the development of a second phase of retail</li> </ul>	
<b>Achievability</b>	<ul style="list-style-type: none"> <li>• The Council through the Birmingham Municipal Housing Trust (BMHT), has a proven track record with schemes completed</li> </ul>	
<b>Project Manager</b>	Bali Paddock/ Regeneration Project Manager Tel 0121 303 3968 <a href="mailto:bali.paddock@birmingham.gov.uk">bali.paddock@birmingham.gov.uk</a>	
<b>Budget Holder</b>	Clive Skidmore / Head of Housing Regeneration and Development/ Tel 0121 303 1667/ <a href="mailto:clive.skidmore@birmingham.gov.uk">clive.skidmore@birmingham.gov.uk</a>	
<b>Sponsor</b>	Waheed Nazir / Director of Planning and Regeneration / 0121 464 7735/ <a href="mailto:waheed.nazir@birmingham.gov.uk">waheed.nazir@birmingham.gov.uk</a> .	
<b>Project Accountant</b>	Guy Olivant / Head of City Finance (HRA) / Tel 0121 303 5742 /	



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<b>Project Board Members</b>	<ul style="list-style-type: none"> <li>• Waheed Nazir / Director of Planning and Regeneration</li> <li>• Clive Skidmore / Head of Housing Development</li> <li>• Sharon Freedman/ Assistant Director Regeneration</li> <li>• Guy Olivand / Head of City Finance (Housing )</li> <li>• Darren Share/ Head of Parks</li> </ul>		
<b>Head of City Finance (HoCF)</b>	Guy Olivand	<b>Date of HoCF Approval:</b>	

<b>Key Inputs</b>			
<b>Construction</b>		<b>Running Costs (2015/16 prices), etc.</b>	
Grant Contribution	£6.50m	Weekly rent	£93-£137
Site Assembly Costs	£9.58m	Annual rent increase (after 2016/17)	3.0%
Total Build Costs (including infrastructure and fees)	£13.54m	Rent loss - voids / arrears	3.0%
RTB Activity	None	Management Costs	£685
<b>Key Outputs</b>		Repairs Costs	£833
(Surplus) / Deficit after 30 years	£(3.85)m	Capital Works (5-yearly)	£4,365
		Interest rate	4.0%
		Annual Cost Increase	2.5%

<b>HRA Extract</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>Total Year 0 to Year 30</b>
	<b>Year 0</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>	
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	
Rental Income	0.00	0.00	0.00	(0.05)	(0.14)	(0.28)	(0.43)	<b>(16.29)</b>
Voids and arrears	0.00	0.00	0.00	0.00	0.00	0.01	0.01	<b>0.49</b>
Repairs and Maintenance	0.00	0.00	0.00	0.02	0.03	0.06	0.06	<b>2.30</b>
Management Costs	0.00	0.00	0.00	0.01	0.02	0.05	0.05	<b>1.89</b>
Revenue Development costs	0.00	0.06	0.20	0.25	0.01	0.02	0.01	<b>0.54</b>
Contribution from Approved HRA Revenue Clearance / Demolition Budgets	0.00	(0.06)	(0.20)	(0.25)	(0.01)	(0.02)	(0.01)	<b>(0.54)</b>
Appropriation Revenue Cost	0.00	0.09	0.18	0.18	0.18	0.18	0.18	<b>5.42</b>
Cash-backed Depreciation	0.00	0.00	0.00	0.00	0.02	0.03	0.07	<b>2.34</b>
<b>HRA Cumulative (Surplus)</b>	<b>0.00</b>	<b>0.09</b>	<b>0.18</b>	<b>0.16</b>	<b>0.12</b>	<b>0.05</b>	<b>(0.05)</b>	<b>(3.85)<sup>1</sup></b>

Capital Account	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 0 to Year 30
	£m	£m	£m	£m	£m	£m	£m	£m
Site Assembly Costs	0.00	1.40	2.82	2.45	1.41	1.45	0.05	<b>9.58</b>
Pre Contract Costs	0.18	0.33	0.03	0.00	0.00	0.00	0.00	<b>0.54</b>
Build Costs (Incl. Post Contract)	0.00	0.00	0.64	4.26	3.95	0.62	0.02	<b>9.49</b>
Infrastructure and park costs	0.01	0.03	1.35	2.07	0.00	0.0.05	0.00	<b>3.51</b>
Capital Investment / Renewals <sup>2</sup>	0.00	0.00	0.00	0.00	0.00	0.00	0.11	<b>1.96</b>
HCA Grant	(0.19)	(1.51)	(2.82)	(1.98)	0.00	0.00	0.00	<b>(6.50)</b>
Resources (per HRA BP 2015+) <sup>3</sup>	0.00	(0.25)	(2.02)	(6.03)	(4.37)	(1.53)	(0.07)	<b>(14.27)</b>
Additional Capital Receipts – BMHT Sales	0.00	0.00	0.00	(0.27)	(0.49)	(0.59)	0.00	<b>(1.35)</b>
Additional Capital Receipts - Retail	0.00	0.00	0.00	(0.50)	(0.50)	0.00	0.00	<b>(1.00)</b>
Cyclical Maintenance Reserve Release	0.00	0.00	0.00	0.00	0.00	0.00	(0.11)	<b>(1.96)</b>
<b>Capital Account Cumulative (Surplus) / Deficit</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

Balance Sheet Extract	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2044/45
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 30
	£m	£m	£m	£m	£m	£m	£m	£m
Land & Buildings	0.00	0.00	0.00	2.55	4.81	9.48	9.48	<b>16.73</b>
Cyclical Investment Reserve	0.00	0.00	0.00	0.00	0.02	0.05	0.00	<b>0.49</b>
Funding Contributions	0.00	(0.25)	(2.27)	(8.30)	(12.67)	(14.20)	(14.27)	<b>(14.27)</b>
Capital Reserve	0.00	0.25	2.27	5.75	6.49	4.67	4.79	<b>(2.95)</b>
<b>Net</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

Properties	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	
Affordable Rented Properties	0	0	0	18	15	35	0	<b>68</b>
Sale Properties	0	0	0	17	14	28	0	<b>59</b>
<b>Total Properties</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>35</b>	<b>29</b>	<b>63</b>	<b>0</b>	<b>127</b>

Note:

1. Surpluses generated in subsequent years will be available as funding within the HRA for service improvements, further capital investment (whether new build or improvements to existing dwellings) or for HRA debt repayment.
2. Formal approval to the ongoing capital investment / renewals programme (at a total value of £1.96 million over the coming 30 years) will be sought in due course as a part of the overall HRA capital programme as details of elemental investment needs emerge over time.
3. These resources will be a combination of RTB Receipts (General and 1-4-1) and Revenue Contributions. The resource split will be calculated annually in order to optimise the resource allocation, and slipped / accelerated to reflect actual expenditure phasing.

<b>3. Checklist of Documents Supporting the FBC</b>		
<b>Item</b>	<b>Mandatory attachment</b>	<b>Number attached</b>
<b>Financial Case and Plan</b>		
<ul style="list-style-type: none"> <li>Detailed workings in support of the above Budget Summary (as necessary)</li> </ul>	Mandatory	
<ul style="list-style-type: none"> <li>Statement of required resource (people, equipment, accommodation) – append a spreadsheet or other document</li> </ul>	Mandatory	
<ul style="list-style-type: none"> <li>Whole Lifecycle Costing analysis ( as necessary)</li> </ul>	Mandatory	
<ul style="list-style-type: none"> <li>Milestone Dates/ Project Critical Path (set up in Voyager or attached in a spreadsheet)</li> </ul>	Mandatory	
<ul style="list-style-type: none"> <li>Partnership Funding Proposal</li> </ul>		
<ul style="list-style-type: none"> <li>Specific Funding (Grant) outline</li> </ul>		
<b>Project Development products</b>		
<ul style="list-style-type: none"> <li>Populated Issues and Risks register</li> </ul>	Mandatory	
<ul style="list-style-type: none"> <li>Stakeholder Analysis</li> </ul>	Mandatory	
<ul style="list-style-type: none"> <li>Technical Feasibility Assessments</li> </ul>		
<ul style="list-style-type: none"> <li>Partnership Agreement</li> </ul>		
<ul style="list-style-type: none"> <li>Non-Financial Benefits</li> </ul>		
<b>Other Attachments (list as appropriate)</b>		
<ul style="list-style-type: none"> <li></li> </ul>		
<ul style="list-style-type: none"> <li></li> </ul>		

The powers provided in the amended section 226(1) (a) enables acquiring authorities to exercise their compulsory acquisition powers if they think that acquiring the land in question will facilitate the carrying out of development, redevelopment or improvement on, or in relation to, the land being acquired and it is not certain that they will be able to acquire it by agreement. The acquisition of all interests in the existing Poolway centre will allow comprehensive development to take place in a phased manner which will enable the local relocation of existing businesses and rehousing of residents.

The wide power in section 226(1)(a) is subject to subsection (1A) as amended by Section 99 of the Planning and Compulsory Purchase Act 2004. This provides that the acquiring authority must not exercise the power unless they think that the proposed development, redevelopment or improvement is likely to contribute to achieving the promotion or improvement of the economic, social or environmental well-being of the area. The proposed redevelopment of the Meadway will contribute to all three of these objectives in the following ways:

**Economic** – the delivery of new retail and community facilities will provide opportunities for existing and new businesses. The promotion of new development will benefit the construction industry with opportunities for job creation and related training and apprenticeship programmes.

**Social** – a new local centre and housing that resolves current poor design and layout issues will contribute to an improved and safer environment. The poor design relationships between the existing centre, housing and the open space will be improved. This will have benefits for residents, businesses and their customers, the users of the open space as well as those who pass by or through the area.

**Environmental** - the redevelopment provides the opportunity to deliver a wide range of measures that will improve the local environment such as the provision of new housing, local centre and reconfigured and enhanced open space with additional sporting, recreational and play facilities.

#### **Circular 06/04 Compulsory Purchase and the Crichel Down Rules**

Circular 06/04 provides guidance to acquiring authorities in the preparation and submission of compulsory purchase orders and the matters that the Secretary of State can be expected to take into consideration when reaching a decision on whether to confirm an order.

The Circular sets out that a compulsory purchase order should only be made where there is a compelling case in the public interest. The shopping centre is in design terms now poor and outdated. Its relationship with adjoining sites and the open space, as well as the main road is not satisfactory. Access to the flats above is poor and the car park serving the centre is poorly accessed and located. Acquisition will allow the delivery of a new local centre as part of a wider regeneration initiative delivering economic, social and environmental benefits. The public benefit to be achieved will exceed the private loss to the individual owners who will receive financial compensation for their interests.

Further the Circular provides that the CPO should be a last resort in the event that attempts to acquire by agreement have failed. The Council will try to acquire the interests within Appendix 3 voluntarily before it implements compulsory purchase powers.

The Circular provides that the Council should have a clear idea of how it intends to use the land which it is proposing to acquire. The work that the Council has already undertaken in appointing consultants to present options for the scheme, and procurement of a developer as well as an indicative timetable for a planning application is set out at sections 5, 6 and 7 of this report as well as Appendix 2 (Full Business Case).

The Circular provides that the Council should be able to show that all necessary resources are likely to be available to achieve its proposals within a reasonable timescale. Reference to the resources being made available are outlined at (iii) above, and at section 4 financial implications in the main report.

The Circular provides that the Council should be able to show that the scheme is unlikely to be blocked by any impediments to implementation. Reference to planning policy support and indicative programme

for making a planning application is set out at Appendix 4 Stopping up orders or other consents required for the scheme will be sought at the appropriate time to ensure this requirement of the Circular is met.

In addition to the above, Appendix A of the Circular sets out factors to which the Secretary of State can be expected to consider when deciding whether to confirm an order made under section 226(1)(a).

These include :

- (i) Whether the purpose for which the land is being acquired fits in with the adopted planning framework. The Birmingham Plan (UDP) does not include any site specific proposals for the Meadway, but does contain a number of policies regarding the condition of the housing stock, the delivery of new housing and maintaining a network of local centres across the city. The proposals are in accordance with Policy GA8 "The Eastern Triangle" of the emerging Birmingham Development Plan which promotes the regeneration of the Meadway centre and the delivery of new housing and improvements to the Kent's Moat open space.
- (ii) The extent to which the proposed purpose will contribute to the achievement of the promotion or improvement of the economic, social or environmental wellbeing of the area. The redevelopment has potential to deliver with respect to each of these elements as outlined above.
- (iii) The potential financial viability of the scheme for which the land is being acquired. It is acknowledged that the funding of a regeneration project such as this is challenging. There will be ongoing assessment of viability issues as the development opportunity is marketed and as detailed proposals are advanced with development and investment partners. The Council has an excellent record of delivering new housing through the Municipal Housing Trust and promoting and implementing mixed use development and regeneration projects.
- (iv) Whether the purpose for which the acquiring authority is proposing to acquire the land could be achieved by any other means. The City Council owns the majority free hold of the Poolway centre as well as the majority of the flats above. Regeneration is likely to be only delivered by the city council leading the development process and facilitating the consolidation of ownerships and to do this CPO is necessary unless the interests can be acquired voluntarily. No alternative proposals have been put forward for the regeneration of the area by any other party.

## PLANNING AND POLICY CONTEXT

### National Planning Policy Framework (NPPF) (2012)

The NPPF promotes sustainable growth and development, seeking positive improvements in the quality of the built environment including the improvement of conditions in which people live, work, travel and take leisure.

The Framework recognises the importance of town centres and how local authorities should consider policies that address management and growth.

The Framework also aims to significantly boost the supply of housing – and guidance is provided in achieving a wide choice of high quality homes and the creation of sustainable, inclusive and mixed communities.

The NPPF also promotes healthy communities, which includes recognising the importance of open space and playing fields. Any proposed development of open space or playing fields should only be undertaken if an assessment has been undertaken that shows the land to be surplus.

The land at Kent's Moat Recreation Ground currently occupies an area of 12 hectares. The majority of this space has no active frontage and is bounded by the rear gardens of residential properties. This has led to a sense that the open space is hidden from view and neglected. Consequently the facilities provided, a small play area and multi-use games area, are vulnerable to misuse and the recreation ground fails to fulfil its potential as a welcoming space for local residents to visit and enjoy. The injection of resources through the development of part of this space will serve to reverse this trend with the provision of functional and sustainable facilities that people will want to use and will attract new visitors to participate in outdoor recreation. At the same time a new active frontage to a greater percentage of the open space will create a safer environment and begin to build a sense of place that the whole community will benefit from. The reduced quantity of open space will be compensated through an emphasis on improved access, better design and quality of materials in keeping with the principles set out in the Birmingham Development Plan.

### The Birmingham Plan (Unitary Development Plan (UDP)) (adopted 1993, alterations approved 2005).

The UDP promotes housing regeneration and the delivery of new housing to meet needs across the city. It also supports a network of local centres – with centres being encouraged to evolve in line with local circumstances. The Meadway centre is acknowledged as showing signs of decline. There are also a number of policies that seek to protect open space from development unless exceptional circumstances are identified. Any loss would be subject to appropriate recreational community benefit.

### Local Centres Strategy (2006)

The Meadway is identified as a large Neighbourhood Centre but was categorised as weak in a centre health check at the time. The Strategy identifies Gaps in provision of local centres and the area south of the Cole Valley was identified as such an area with the Meadway suggested as offering greatest potential in addressing this shortfall. A range of measures are outlined to address local centres in decline including those with inherent design problems.

### Shopping and Local Centres SPD (2012)

This defines centre boundaries along with the primary shopping areas and sets out a number of policies that aim to protect the primary shopping function and ensuring an appropriate balance of non-retail uses. The Meadway is confirmed as a District Centre.

### Emerging Birmingham Development Plan (Submitted July 2014)

The Meadway is covered by Policy GA8 - The Eastern Triangle - which promotes development of new housing and the regeneration and improvement of key local centres, including the Meadway. Within GA8 Meadway as a local centre with opportunities for redevelopment to provide an improved centre, regeneration and a reconfigured and enhanced area of open space. Under Policy TP20 The Network and Hierarchy of Centres, Meadway is identified as a District Growth Point. Check codes



Local Design Policies Places for All, and Places for Living SPG (2001).

Emerging proposals will accord with the Council's design policies and particularly focus on the quality of design and layout, addressing the poor design quality of the existing centre and relationships between uses – particularly how development relates to the open space and road frontages.

Previous design feasibility and consultation.

The City Council has commissioned a number of feasibility studies exploring the regeneration potential of the area and initial interest from the development industry.

Other regeneration initiatives are underway in the area, including a Light Rapid Transit scheme through East Birmingham from the City Centre to the airport via Bordesley Green, Heartlands Hospital, Meadway, and Birmingham Business Park which includes the Meadway. There are housing development initiatives at Stechford and Shard End, which includes Cole Hall Lane with the potential development of the former Yardley Sewage Works.

## Appendix 5

### **COMPULSORY PURCHASE - THE HUMAN RIGHTS ACTS 1998 AND THE EUROPEAN CONVENTION ON HUMAN RIGHTS**

Section 6 Human Rights 1998 Act prohibits public authorities from acting in a way that is incompatible with the European Convention on Human Rights (“The Convention.”) There are 2 main articles of The Convention, which are applicable to the recommendations in this report.

#### **ARTICLE 8**

1. “Everyone has the right to respect for private and family life, his home and his correspondence.”
2. “There shall be no interference by a public authority with the exercise of this right except such as is in accordance with the law and is necessary in a democratic society in the interests of national security, public safety or the economic well-being of the country, for the prevention of disorder or crime, for the protection of health or morals, or for the protection of the rights and freedoms of others.

#### **ARTICLE 1 of the FIRST PROTOCOL**

“Every natural or legal person is entitled to the peaceful enjoyment of his possessions. No one shall be deprived of his possessions except in the public interest and subject to the conditions provided for by law and by the general principles of international law.

The preceding provisions shall not, however, in any way impair the right of a State to enforce such laws as it deems necessary to control the use of property in accordance with the general interest or to secure the payment of taxes or other contributions or penalties. “

#### **Guidance**

Article 8 applies where a local authority is considering disturbing residents’ private and family lives and removing them from their homes. It may also be relevant where residents who, although not directly affected by removal or dispossession, suffer significant disruption to their lives as a consequence of the authority’s actions.

Article 1 of the First Protocol applies where a local authority is considering the use of CPO powers to acquire private interests, and where it is proposing to dispossess residents of their homes.

The approach to be taken to give effect to rights under The Convention is also reflected in paragraph 17 of ODPM Circular 06/2004:-

*“A Compulsory Purchase Order should only be made where there is a compelling case in the public interest. An acquiring authority should be sure that the purposes for which it is making a Compulsory Purchase Order sufficiently justify interfering with the human rights of those with an interest in the land affected, having regard, in particular, to the provisions of Article 1 of the First Protocol to the European Convention on Human Rights and, in the case of a dwelling, Article 8 of the Convention”.*

The European Court of Human Rights has recognised in the context of Article 1 of the First Protocol that “regard must be had to the fair balance that has to be struck between the competing interests of the individual and of the community as a whole”, i.e. compulsory purchase must be proportionate. Both public and private interests are to be taken into account in the exercise of the Council’s powers. Similarly, any interference with Article 8 rights must be “necessary in a democratic society” i.e. the proposed interference must be necessary. In pursuing a CPO, the Council has to carefully consider the balance to be struck between individual rights and the wider public interest having regarded also the availability of compensation for compulsory purchase.

#### **Consideration of Human Rights Issues**

Article 8(1) provides that everyone has the right to respect for his/her property but Article 8(2) allows the State to restrict the rights to respect for the property to the extent necessary in a democratic society and for certain listed public interest purposes e.g. public safety, economic well-being, protection of health and protection of the rights of others.

In considering Articles 8 and Article 1 of the First Protocol of The Convention in the context of dispossession and compulsory purchase, it is necessary to answer the following:

1. Does a right protected by these Articles apply?
2. Is the interference in accordance with law?
3. Does the interference pursue a legitimate aim?
4. Is the interference necessary in a democratic society?

### **Does a right protected by these Articles apply?**

#### **ARTICLE 1 of the FIRST PROTOCOL**

“Every natural or legal person is entitled to the peaceful enjoyment of his possessions...”

Clearly the dispossession of an owner of their property through CPO and enforced rehousing will impinge on this right. Also, as a tenancy is a possession under this provision, the rights of tenants must be taken into consideration. The Council must therefore consider all the possible justifications for this interference as detailed in considerations (b), (c) and (d) set out below.

#### **ARTICLE 8**

Article 8.1 provides that everyone has the right to respect for his/her private and family life, home and correspondence. Article 8.2 allows the State to restrict these rights to respect to the extent necessary in a democratic society and for certain listed public interest purposes.

The essence of this right lies in the concept of respect for the home as a right to privacy, in the same context as private and family life and correspondence. Article 8.1 does not concern itself with the person’s right to the peaceful enjoyment of their home as a possession; this is dealt with under Article 1 of the First Protocol.

Clearly Article 8 does apply and therefore it is necessary for the Council to consider the possible justifications for the interference (Article 8(2)) as follows:

#### **Is the interference in accordance with law?**

There is a clear legal basis for making the CPO under section 226 of the Town and Country Planning Act 1990

#### **Does the interference pursue a legitimate aim?**

The CPO is necessary to implement a redevelopment scheme to which there is no impediment to implementation.

#### **Is the interference necessary in a democratic society?**

This requires a balanced judgement to be made between the public interest and the rights of individuals, and the rights and freedoms of others.

#### **Conclusion**

The Council has considered the effect of the above articles of The Convention and decided that, on balance, it is in the general public interest and of benefit to the community to make the CPO over and above the interest of the individuals affected.

Interference with Convention rights is considered by the Council to be justified. The Council in making this Order has had particular regard to meeting the alternative housing needs of the affected households, and the rights of individuals to compensation in accordance with the Land Compensation Act 1973 (as amended.) and the Land Compensation Act 1961 and Compulsory Purchase act 1965 is considered to be both necessary and proportionate in that the land to be acquired is the minimum to achieve this Scheme’s objectives

Description of Risk	Impact	Probability	Score	Mitigation Measures	Adjusted risk	Risk Owner
Unable to achieve Vacant possession through negotiation	4	3	12	Use of CPO powers early	2	BCC
Difficulty in appointing a Housing Developer	4	1	4	Highlighting early the opportunity to developers Use of BMHT to build Council Properties	1	BCC
Difficulty in appointing a retail developer	4	1	4	Take into account recent market testing when choosing the option taken forward Keeping retail size flexible to reflect the market need	2	BCC
Planning permission not gained	4	1	4	Working closely with planning and highways to ensure policies and procedures are adhered to	2	BCC
Infrastructure costs are estimates	4	2	8	Work closely with highways and use costs from other sites	2	BCC
City Deal Funding not coming forward for this project	4	2	8	HCA and BCC working on a programme approach for receipts	2	HCA & BCC
Non compliance to State Aid	4	1	4	BCC are proposing to invest their own resources alongside HCA investment to secure the acquisition of the commercial long leases. Therefore the risk of HCA money subsidising the affordable scheme is low. However to ensure the HCA funding is State Aid compliant the funding agreement will include a claw back clause to recover HCA investment if it deemed to have contributed to an increase in value for the BMHT element.	1	HCA & BCC
<b>IMPACT</b>	<b>Probability</b>		<b>SCORE</b>			
1 - Insignificant	1 - Unlikely		1 - 4			
2 - Minor	2 - Possible		5 - 8			
3 - Moderate	3 - Likely		9 -12			
4 - Major	4 – Almost Certain		13 -16			

# Equality Analysis

## Birmingham City Council Analysis Report

**EA Name** Meadway Regeneration

**Directorate** Economy

**Service Area** P&R Planning and Development

**Type** New/Proposed Function

**EA Summary** This assessment shows that Meadway Regeneration is supported within the Council's existing policies. For example rehousing and new build programmes are included within existing allocation policies.

**Reference Number** EA000207

**Task Group Manager** bali.paddock@birmingham.gov.uk

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**Quality Control Officer** Richard.Woodland@birmingham.gov.uk

### Introduction

The report records the information that has been submitted for this equality analysis in the following format.

### Overall Purpose

This section identifies the purpose of the Policy and which types of individual it affects. It also identifies which equality strands are affected by either a positive or negative differential impact.

### Relevant Protected Characteristics

For each of the identified relevant protected characteristics there are three sections which will have been completed.

Impact, Consultation, Additional Work

If the assessment has raised any issues to be addressed there will also be an action planning section.

The following pages record the answers to the assessment questions with optional comments included by the assessor to clarify or explain any of the answers given or relevant issues.

### 1 Activity Type

The activity has been identified as a New Function.

### 2 Overall Purpose

#### 2.1 What the Activity is for

What is the purpose of this Function and expected outcomes?

The Meadway area comprises the Poolway Shopping Centre with 38 retail units including a Co-op supermarket; 82 residential properties (a mix of 56 council, 13 Housing Association and 15 privately owned units); public car park serving the shopping centre; a community centre; separate neighbourhood office and a cleared housing site of 3.77 acres approximately. The adjoining Kents Moat recreation ground extends to 28 acres of public open space. The City Council owns the freehold interest in the majority of this site, with only one building being freehold and the remainder being subject to a number of leasehold interests.

Meadway regeneration proposal includes the rehousing and demolition of the existing retail and residential at The Poolway and rebuild a new centre. The new centre will include a mix of new housing, a new retail centre, 40% new build on the public open space and significant improvements to the remainder of the public open space in terms of access, relationship with adjoining development, safety, range of facilities

**For each strategy, please decide whether it is going to be significantly aided by the Function.**

Public Service Excellence Yes

Fairness Yes

Prosperity Yes

Democracy Yes

#### 2.2 Individuals affected by the policy

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

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

Will the policy have an impact on employees? Yes

There are businesses operating currently which may not transfer to the new development, resulting in the loss of jobs

Will the policy have an impact on wider community? Yes

Stechford and Yardley North ward is situated in the east of the city and in Yardley district. It has a similar age profile to the city average whilst the percentage of ethnic minority residents is below. Unemployment is similar to the city average, but the worklessness rate is higher than for the city.

Circa 60% of residents are owner occupiers and 20% rent from the local authority, whilst 50% of properties are semi-detached houses and 15% flats.

### **Community Consultation**

In September 2014 consultation for the different options were undertaken with local residents and retailers on the Meadway. The consultation methods included, door knocking and filling in questionnaires, exhibitions with council officers present, including a video flythrough of what the new area could look like, postal questionnaires and information on the Be Heard website.

Consultation packs were posted to 1069 residents and contact was made with 682 (63%). However not all these people filled in a questionnaire, 360(33%) residents filled in a questionnaire, informing Birmingham City Council of their preferred option.

The options included the following:

Option 1: To include a retail development of approximately 17,500 sq.ft, this would be approximately nine small/medium separate units, 287 new homes and a 40% reduction and significant improvements to the public open space.

Option 2: To include a retail development of approximately 15,730 sq. ft, which would be approximately 9 small/medium retail units, 373 new homes, 63% reduction and significant improvements to the public open space.

Option 3: To include a retail development of 136,500 sq. ft., which would include 6 large retail units and 1 superstore, 142 new houses, 43% reduction and significant improvements to the public open space.

The option preferred by the community was option 3, however three separate studies have shown that the level of retail in option 3 is unlikely to be delivered within the Meadway area, taking this and local communities wish for a high number of retail units, into consideration a fourth option has been developed. The fourth option and the option being taken forward for recommendation includes:

To include a first phase of development of 27,250 sq.ft, (approximately 14 retail units), 127 new homes, 40% reduction in POS and significant improvements to the remaining public open space

All options include the demolition of the existing buildings and this includes the council building (previous Neighbourhood Office) and the Community Centre. BCC will be working with the retail developer to advise on future uses for the new retail units. These units will be flexible and subject to funding these services could operate from the new units.

### **2.3 Analysis on Initial Assessment**

The rehousing, demolition and subsequent new build programme for the Meadway Regeneration will impact on the community that live there. However there is no differential impact as there are existing policies in place within the function area. For the demolition process, contract documents comply with Standing Order and Equal Opportunities, new build programmes also comply with existing procurement regulations. Re-housing will be undertaken in line with the current allocations policy.

### **3 Concluding Statement on Full Assessment**

Meadway Regeneration includes the rehousing and demolition of the existing retail and housing on the Poolway. This will be replaced with new mixed tenure housing, new retail and significant improvements to existing public open space. Working with the Homes and Communities Agency and external organisations, feasibility work has been undertaken, these include viability and deliverability of the schemes and will support the decision making process for the agreed way forward. In addition consultation has been undertaken with the local community in 2009, further consultation was undertaken in September 2014 to discuss current proposals and the scheme will reflect any changes that may be required. Local members and MP have been and will continue to be consulted as part of the approval process for the scheme. With regards to the differential impact on the protected characteristics, when rehousing, one to one interviews are undertaken with all concerned to establish current housing needs, allocations for properties are made in line with BCC allocations policy. The appointment of contractors for the demolition process and for new build programme, works within the existing procurement procedures and standing order regulations. These processes and procedures are equality compliant; therefore no adverse impact has been identified.

### **4 Review Date**

04/04/16

### **5 Action Plan**

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

## **Further Background information**

- 1.0 The shopping centre was built in the 1960s and comprises ground floor retail units with residential units above. The centre is inward facing and has poor visibility from the Meadway (road). Despite investment in the 1990s, the centre has suffered from a declining footfall. There is a community centre and neighbourhood office adjoining the centre and library services are delivered from one of the shop units.
- 1.1 The regeneration area is ideally placed for connections across the city and beyond for employment and other purposes. It lies on a key route (The Meadway) between the 2 regional economic drivers, of Birmingham City Centre and the NEC/Airport/M42 corridor. Lea Hall station is located in close proximity to the north of the site providing additional convenient connectivity for communities to employment opportunities. Transport links will be further enhanced by the proposed provision of a new high quality light rapid transit route through east Birmingham. There is the opportunity to bring together a number of factors to create a major regeneration opportunity at this location offering a significant quantum of benefits to the local community. On this basis the Meadway site was identified as a high priority in the Unlocking Additional Housing Growth through the City Deal Public Assets Accelerator (PAA) Cabinet Report approved in October 2013. Investment from HCA is expected to realise a land receipt to go back into the Public Assets Accelerator funding programme.
- 1.2 In addition the project also enjoys a significant measure of support from the HCA. In February 2011 a contribution of £40,000 was received from the HCA towards consultancy fees and associated costs to undertake development option appraisals for the Meadway area and GVA Grimley were appointed with a brief to focus on the development of viable and deliverable options for a comprehensive and integrated approach to regeneration of the Meadway area. In January 2014 a further contribution was received from HCA to appoint Jones Lang LaSalle and relook at the options and agree upon a final preferred option and way forward. Financial support was also provided to appoint an independent organisation called Black Swan to undertake community consultation within the area.
- 1.3 A number of broad options were explored and refined down to 3 options. Each of these indicative options includes the rehousing of residents and relocation of traders from, and demolition of the current Meadway/Poolway centre area and redevelopment.
- In Option 1: To include a retail development of approximately 17,500 sq. ft, this would be approximately nine small/medium separate units, 287 new homes and a 40% reduction and significant improvements to the remaining public open space
- Option 2: To include a retail development of approximately 15,730 sq. ft, which would be approximately 9 small/medium retail units, 373 new homes, 63% reduction and significant improvements to the remaining public open space
- Option 3: To include a retail development of 136,500 sq. ft., which would include 6 large retail units and 1 superstore foodstore, 142 new houses, 43% reduction and significant improvements to the remaining public open space
- A fourth option was developed after consultation, which has reviewed option 1 and increased the shopping retail area and decreased the number of houses built, as outlined in paragraph 6.4
- 1.4 Previous consultation was undertaken in 2008 and 2009 and more recently in September 2014. Local ward members have been involved in the consultation processes and have supported the methods that have been used. This has comprised
- The Homes and Communities Agency provided funding to appoint Black Swan, an independent organisation to support the consultation progress
- Questionnaires were sent out to the Meadway and surrounding area with a prepaid envelope

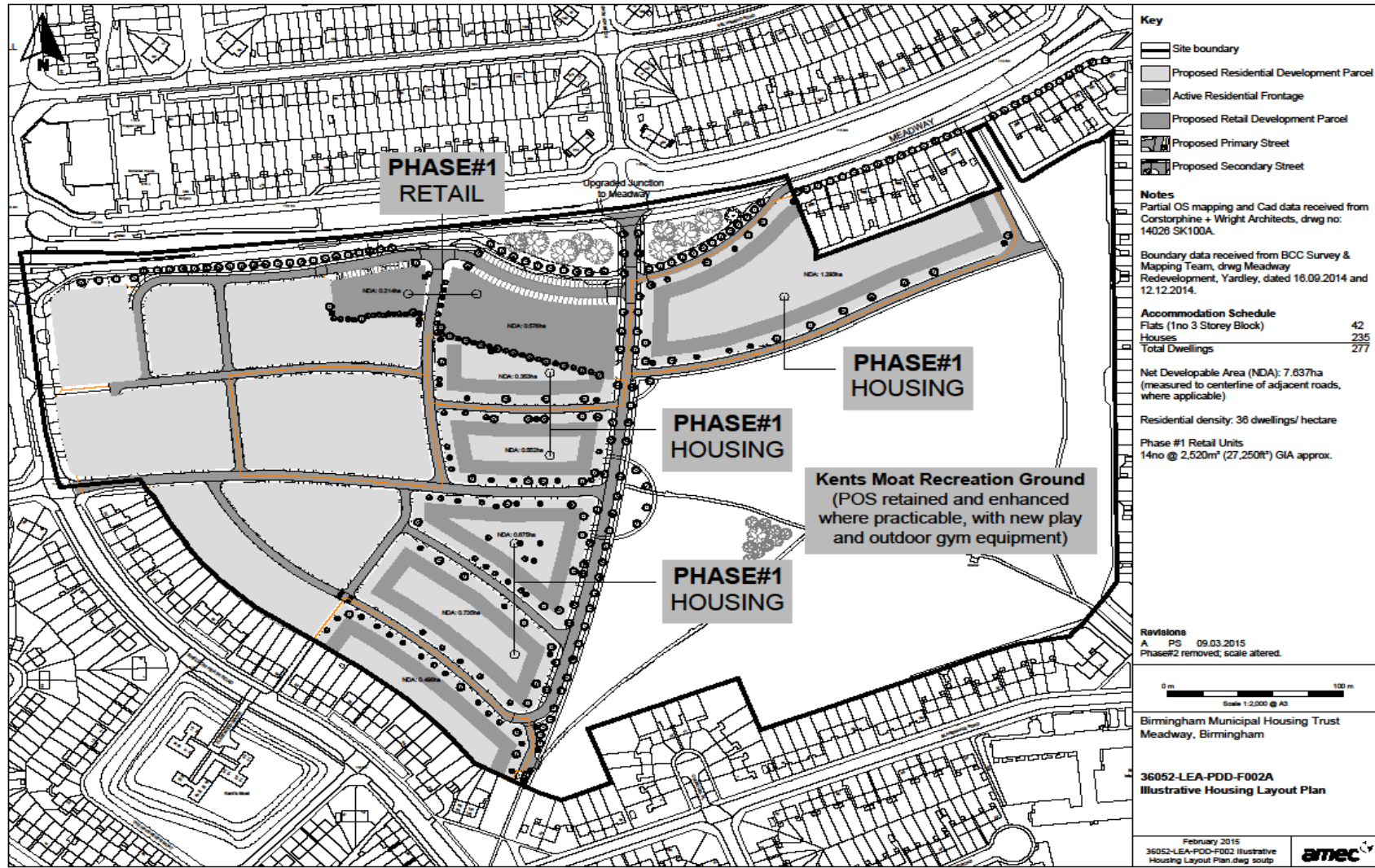
Exhibitions were held at the local community centre with 4 separate events including evening and weekend sessions. Birmingham City Council Officers were present to inform and answer questions on the options for local people and businesses  
Black Swan undertook door step interviews and Information was available on the Be heard Website

1,069 questionnaires were sent out to residents and businesses, and a total of 360 questionnaires were returned, representing a 33% response rate. Contact was made with 682 people that included door to door, questionnaires received by post and exhibition events, and this is a total of 63%. With regards to the options listed in 6.6 the feedback from the consultation showed the following results; 19.5% chose Option 1, 20.4% chose Option 2 and 55% chose option 3.

- 1.5 The land at Kent's Moat Recreation Ground currently occupies an area of 12 hectares. The majority of this space has no active frontage and is bounded by the rear gardens of residential properties. This has led to a sense that the open space is hidden from view and neglected. Consequently the facilities provided, a small play area and multi-use games area, are vulnerable to misuse and the recreation ground fails to fulfil its potential as a welcoming space for local residents to visit and enjoy. The injection of resources through the development of part of this space will serve to reverse this trend with the provision of functional and sustainable facilities that people will want to use and will attract new visitors to participate in outdoor recreation. At the same time a new active frontage to a greater percentage of the open space will create a safer environment and begin to build a sense of place that the whole community will benefit from. The reduced quantity of open space will be compensated through an emphasis on improved access, better design and quality of materials in keeping with the principles set out in the Birmingham Development Plan. The overall programme includes different elements and partners working together to bring the regeneration of the area to fruition, see attached appendix 9 which sets out a stakeholder management plan.
- 1.6 There is already a cleared site available within the overall scheme and it is anticipated that a start on site can be achieved in 2016.



Appendix 9 – INDICATIVE PLAN FOR PHASE ONE PROPOSALS



## Appendix10 – Stakeholder Management

Stakeholder	Stakeholder's Interest	Influence Impact	What does the project board expect from the stakeholder	Perceived attitudes and/or risks	Stakeholder management strategy	Responsible
Cabinet Member - Development Transport and the Economy	Endorses Full Business Case	High	Political support	Supportive	Consult during development stage and provide progress reports during delivery as required	Regeneration Project Manager
Cabinet Member – Commissioning, Contracting and Improvement	Endorses Full Business Case	High	Political support	Supportive	Consult during development stage and provide progress reports during delivery as required	Regeneration Project Manager
Stechford and Yardley North Councillors	Regeneration of the Meadway	High	Political support	Supportive	Consult during development stage and provide progress reports during delivery as required	Regeneration Project Manager
MP Yardley	Regeneration of the Meadway	High	Political support	Supportive	Consult during development stage and provide progress reports during delivery as required	Regeneration Project Manager
District Chair	Regeneration of Meadway	High	Political support	Supportive	Consult during development stage and provide progress reports during delivery as required	Regeneration Project Manager
Homes and Communities Agency	Meadway is a high priority in unlocking additional Housing Growth through the City Deal Public Assets	High	Joint funder through the City Deal Public Assets Accelerator	Supportive	Consultation throughout the life of the programme	Regeneration Project Manager

	Accelerator					
Existing Retailers on the Meadway	Business and employment	High	Communication	Some supportive during consultation, others apprehensive about new development and how that would work for their businesses	Ensure that engagement, communication with retailers is maintained  Work for the early development of the new retail for the transfer of businesses before demolition  Voluntary acquisition, followed by use of Compulsory Purchase Powers	Birmingham Property Services – Management Surveyor  Retail developer  Regeneration Project Manager
Existing housing and private tenants on the Meadway	Provision of new homes	High	Communication	Supportive and has been consulted during development phase	Provide development updates  Plan for early development of new housing and operating within existing rehousing policy  Voluntary acquisition of private properties, followed by use of Compulsory Purchase Powers	Regeneration Project Manager Housing developer  Rehousing team  Regeneration Project Manager
Wider local community	Redevelopment of Meadway with new houses, retail, public open space and new infrastructure	High	Communication and support	Consultation has shown support for the Meadway development	Provide development updates	Regeneration Project Manager