

A Housing Growth Plan for Birmingham

October 2013

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Introduction by Sir Albert Bore

In my Leader's Policy July 2013 I set a clear vision for the future of the city.

Three words capture our mission:

Fairness – to protect the most vulnerable in our city, open up opportunities to the most excluded and narrow the gap in life chances between our citizens

Prosperity – to help make Birmingham the 'Enterprise Capital of Britain' and create a Green City and a Smart City that provides growth and jobs for all

Democracy – to deliver on our vision for devolution and localisation and to rebuild engagement in local democracy by putting local people and communities at the heart of everything we do.

Deciding what housing we need and where is part of securing our inclusive economic agenda. Our aim is for individuals and families to be proud to live in Birmingham in a quality home at a price they can afford whether they rent or buy.

Birmingham is a great place to invest. We have a demand for new homes across a range of diverse housing markets.

The financial climate is not as favourable for new housing development as it was a few years ago. For that reason we have set out in this Plan a range of measures which we hope will encourage developers to build new homes in our city

We don't claim to have all the answers.

This Plan sets out the tools that we have identified to encourage new development, but equally we are open to further new and innovative ideas and proposals.

Sir Albert Bore
Leader, Birmingham City Council.

The Purpose of the Housing Growth Plan by Councillor Tahir Ali, Cabinet Member for Development, Jobs and Skills

My role is to take a strategic view towards meeting the needs of our city for homes and jobs and ensuring that the infrastructure is in place to support new developments.

Historically the challenge of creating enough homes for the people of our city is nothing new.

In the nineteenth century, the jobs and factories created through the Industrial Revolution created an unregulated housing growth in private sector housing in our city.

The Second World War, in which thousands of Birmingham homes were destroyed, was followed by a period in which the Council tried to deal with the housing needs of the city through the development of hundreds of high rise blocks and “overspill” arrangements with surrounding local authorities.

Now in the first quarter of the 21st century we again face the challenge of providing enough homes for the people of our growing city.

I believe that this Housing Growth Plan sets out clearly and coherently the challenge that we face, and more importantly the mechanisms that we have to put in place to face that challenge.

We understand the scale of new housing that we need to achieve and the actions that we take now will ensure that the new homes we need will be provided over the next 20+ years.

The City Council has a key role to play. As a provider of new homes we are doing more than any other Council in the country, and I am keen for our recent success in developing new homes for rent and sale to continue.

But while the Council can show a lead to other providers of new housing, the Council cannot and should not aim to meet the housing growth challenge alone.

Delivery of the new homes that the city needs will need support from all housing providers – the Housing Association movement, the house builders and developers and the institutional investors.

It is also important that these new homes are energy efficient so that they minimise fuel costs for residents and reduce the city’s carbon footprint in accordance with the Your Green City Supplementary Planning Document.

Councillor Tahir Ali
Cabinet Member for Development, Jobs and Skills

Part 1 - The Context

Introduction

The provision of a good range of high quality homes is essential for the future of the city. Housing is a key part of the city's "offer" in terms of quality of life which both attracts new residents and ensures that those who live here remain within the city rather than migrating out from the conurbation. Housing is also a key element in ensuring the health and educational attainments of our children. Warm, high quality homes, Wi-Fi enabled with space for study activities clearly offer the best possible opportunities for our children to study in the home environment. The provision of high quality housing plays a major part in the health preservation agenda.

The Birmingham Housing Growth Plan sets out the Council's ambitions to achieve housing growth in the city over the next 5 years and beyond. The Council will use its resources and influence to work with other partners in the housing sector to deliver the kind of new homes that the growing population of the city needs. The priority actions will be set out in an action plan appended to this document.

The Housing Growth Plan (HGP) is divided into four sections:

- About Birmingham – describes the key characteristics of the city's housing market, the role of partners in delivering housing growth and the challenges for the future to which the Housing Growth Plan responds.
- Working with Developers – describes how we will work with developers to deliver more homes.
- Options to Increase Delivery – describes how the Council will look to use its own resources to help deliver the levels of growth that are needed.
- Action Plan.

Objectives for this Plan

In the context of the growing need for new homes in the city, the current rate at which homes are being provided and the issues around land supply, the Council has established 3 key objectives for housing growth in the city.

These objectives are:

- Ensure that sites identified for housing growth are developed out. Land is the raw material on which development is dependent and creating an adequate land supply will be crucial to ensuring sufficient housing can be built.
- Work closely with the private sector and Housing Associations to make it easier for housing providers to build new homes in the city;
- Directly intervene to provide additional new homes. The Council has a limited but still significant role to play as a developer of new homes in its own right and as the possessor of statutory powers which enable it to intervene to bring empty homes in the private sector back into use.

A series of initiatives will be introduced which will proactively drive forward the issue of housing growth up the agenda of all housing providers in the city. The detail of how this will be achieved will be set out in Part 2 and Part 3 of this document.

Birmingham

Birmingham is England's second city with a population of over one million people and a heritage which both looks back to the industrial revolution in the nineteenth century and faces the future with a diverse and multi-cultural population. Birmingham is also one of Europe's youngest cities in demographic terms with 45.6% of Birmingham residents under 30, compared with 37.6% for England. Located at the heart of the UK, Birmingham is uniquely well-connected to the rest of the country by the national transport infrastructure which will be enhanced in the future by the development of High Speed 2. The city is characterized by the diversity of its environments, which range from the cosmopolitan and European style city centre to the traditional outlying suburbs.

Population

Birmingham's population is growing and the number of households in the city is also increasing. This is a change from the early 1990s when the population decreased for several years. The city's population is expected to increase by 150,000 by 2031. These extra numbers will be generated not only from people living longer, but also from an increase in younger people.

Birmingham continues to benefit from growing levels of diversity, both as a result of economic migration from Europe and wider afield.

A detailed analysis of the future projected population growth is given below in the section **Assessing the Need**.

Housing and the Economy

Homes and jobs are the principal drivers of economic growth and as such are key priorities of the City Council. The Council's economic strategy aims to modernise the city's economy, promote growth in both the service and manufacturing sectors, support existing businesses and reduce the level of worklessness, whilst the development of new homes and the creation of high quality neighbourhoods is essential to attract and retain people who wish to live and work in the city. The Council's Big City Plan has underpinned the city centre's role as an economic powerhouse of the region.

Housing development has a direct and beneficial impact on the Birmingham economy and that of the UK as a whole. Government's own analysis (National Housing Strategy) estimates that 12 jobs are sustained in the construction or supply chain industry for each million pounds spent on residential development.

House building makes a uniquely valuable contribution to the UK economy - construction imports less than 8% of resources – that means more UK jobs supported, and 90p of every £1 spend on construction stays in the UK (Modern Masonry Alliance). At the macro level, the development of 100,000 homes adds 1% to the Gross Domestic Product (GDP) of the UK.

Housing markets in Birmingham

Birmingham occupies an area of over 100 square miles, most of which is developed.

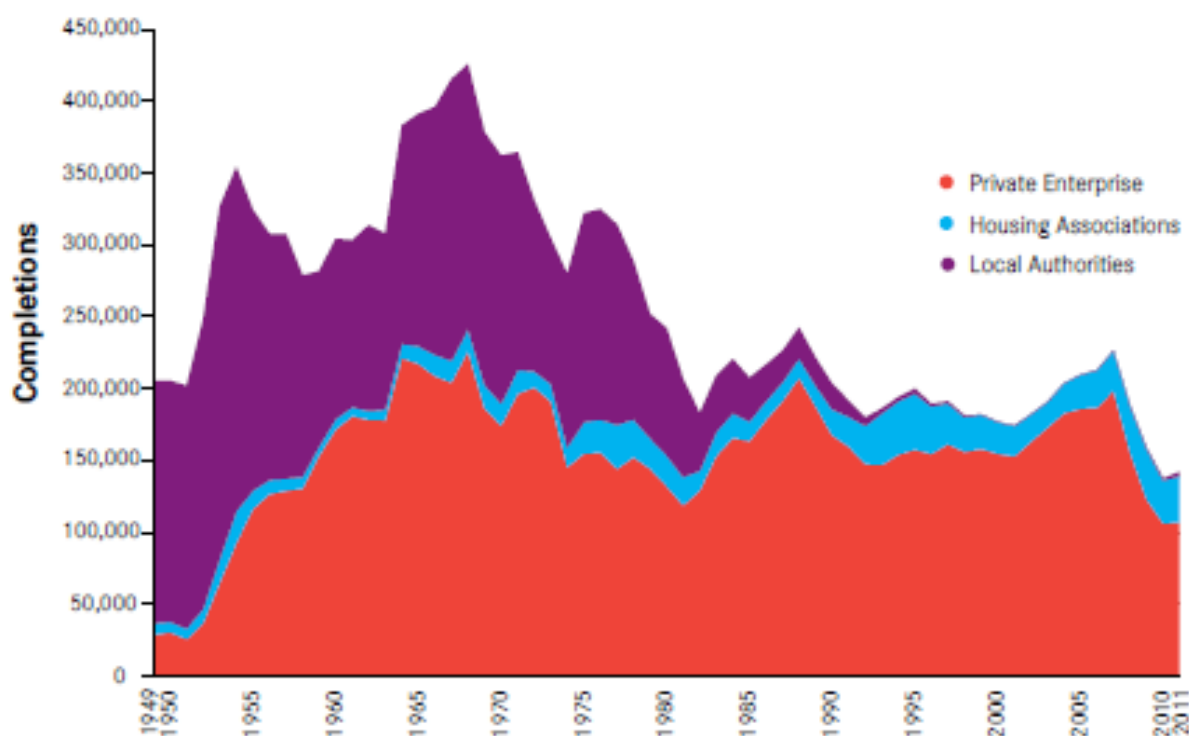
It would be misleading to treat the city as a single housing market. The reality is that there are a plethora of different housing markets across the city, each with its own unique set of circumstances, needs and challenges. The city centre core is dominated by privately owned and rented apartments mainly developed during the 1990s and early 2000s. The Council estates across the city tend to consist of large interwar semidetached and terraced homes typical of that era, or the later 1960s developments which include a greater mix of housetypes with monolithic tower blocks developed amid public open space. There are a number of recognised aspirational areas across the city, notably the suburbs of Edgbaston, Harborne, and

Sutton Coldfield, where house prices are well above the average. However there is demand for housing across the city and in every local housing market area and there are no areas of low demand or abandonment.

New Homes

Arguably, the private sector and housing associations have not picked up the gap which was left when the public sector housing programme disappeared in the 1980s. Current government forecasts suggest that we need to build 232,000 new homes per year in England alone to keep up with projected household growth. But as the graph below shows, house building in the UK as a whole has only exceeded 232,000 once in the last 30 years. By comparison, in the 30 years prior to 1981, the contribution of public sector building meant that it only fell below this level once.

Housing completions by tenure, 1949-2011



Source: DCLG Live Table 241: Housing Completions by tenure (historical).

The primary providers of new homes in Birmingham over the last 30 years have been the private sector.

However following the peak of the housing market in 2007, activity by this sector has significantly reduced. At the same time, provision of affordable homes has also reduced since the changes made by the Government to the funding made available to Housing Associations in 2010 made the development of new homes far more challenging for these organisations. The reduction in new development, together with the impact on overall housing numbers resulting from the Council's demolition programmes, means that the current rate of new provision is well below what is required to meet the demands of a growing city. In order to meet the growing housing need, the Council needs to take action to increase the supply of new housing coming forward over the next 20 years.

Key Targets

The changing tenure patterns in the city are set out in the table below. The most notable change is the increased number of homes in the private rented sector.

	Birmingham 2001 per cent	Birmingham 2011 number of households	Birmingham 2011 per cent	England 2011 per cent
Owner Occupied	60.4	230, 556	56.2	64.2
Rented from local authority	19.4	63, 458	15.4	9.4
Rented from other social registered landlord	8.4	36, 134	8.8	8.3
Privately rented	7.8	73, 405	17.9	16.8
Living rent free	4.0	7, 183	1.7	1.3
Totals	100	410, 736	100	100

Meeting Birmingham’s Strategic Housing Challenge

The Housing Growth Plan is one of a suite of documents that support the Birmingham Development Plan (BDP).

The Birmingham Development Plan will set out the statutory planning framework for the growth of Birmingham up to 2031. It will guide decisions on development and regeneration and it will set out how and where the homes, jobs, services and infrastructure will be delivered and the type of places and environments we want to create in Birmingham.

By 2031 Birmingham’s population is projected to grow by 150,000. The Draft Birmingham Development Plan forecasts that from a baseline position in 2011 an estimated 80,000 new homes will be needed to accommodate this growth.

New housing development also needs to reflect the changing needs of the Birmingham’s population alongside their aspirations for a home.

Assessing the Need

The 80,000 dwellings estimate is taken from the city’s most recent Strategic Housing Market Assessment (SHMA), completed in 2012. The SHMA provides further detail on the estimated numbers of different property sizes and tenures that are required in the city. The table below shows the estimated overall housing requirement broken down by size of dwellings and the tenure that households who require housing are able to afford.

Tenure	Dwelling Size				
	One Bed	Two Bed	Three Bed	Four Bed	Total
Market	6,498	11,982	13,847	17,564	49,891
Shared Ownership	908	991	1,725	243	3,866
Affordable Rent	3,006	9,325	4,268	709	17,308
Social rented/Require Subsidy ¹	1,419	2,434	1,250	4,033	9,135
Total	11,831	24,731	20,089	22,549	80,200

The greatest need is for homes in the private sector but the need for affordable homes is also significant at 38%. This profile sets a number of challenges in the current economic cycle – access to home ownership is reduced by limited access to mortgages and the deficit reduction strategy means that there is less public funding available for social housing. Also it should be noted that one result of the Government’s welfare reform programme may be an increasing demand for one bedroom properties.

Land Supply

Birmingham’s Strategic Housing Land Availability Assessment (SHLAA) 2012 identifies the land available for new homes within the city. It has identified a potential supply of 44,898 dwellings up to 2028, comprising capacity for 35,113 homes on named sites with the remaining 9,785 from windfall sites and returning empty homes to use.

While the identification of these sites is a positive step, clearly the number of sites identified so far is not sufficient to accommodate the housing growth expected within the city up to 2031. The development of these sites is also affected by the current economic conditions which do not encourage private developers or indeed the Housing Association sector to bring forward new homes.

Recent housing completions

The table below details gross and net completions since 2002-3. Net completions are the number of additions to the housing stock less the number of losses. Essentially these are new homes built less obsolete homes demolished – although other factors such as empty homes brought back into use are also relevant.

Financial Year	Gross Dwelling Completions	Of Which Private	Of Which Affordable	Dwellings Demolished	Net Additional Dwellings
2002-03	2,742	2,111	631	1,704	1,038
2003-04	3,343	2,538	805	1,930	1,413
2004-05	3,181	2,501	680	734	2,447
2005-06	4,000	2,828	1,172	859	3,141
2006-07	3,079	2,309	770	1,240	1,839
2007-08	3,649	2,766	883	661	2,988
2008-09	3,228	2,253	975	772	2,456

¹ The group “social rented/require subsidy” contains households who could afford to pay a social rent or who will require a subsidy/benefits to pay for their housing costs irrespective of which tenure they occupy. All other groups are based on the number of households who can afford the respective form of tenure.

2009-10	1,750	757	993	817	933
2010-11	1,920	939	981(81)	945	975
2011-12	1,558	944(66)	614(183)	371	1,187
2012-13	1698	1175	523 (121)	236	1462
Total	30148	21121	9027 (385)	10269	19879

Completions peaked in 2005-6. From 2009-10 onwards, both gross and net completions have significantly reduced, with the relative importance of affordable housing delivery increasing as a proportion of total completions. This includes completions by Birmingham Municipal Housing Trust (BMHT), shown in brackets. BMHT rented completions accounted for nearly 30% of affordable dwellings and 16% of gross dwellings in 2011-12.

While it is clear that through the BMHT the Council is making a significant contribution to housing growth, this is not enough to meet the need for new housing and it is essential that other housing providers play their part in bring forward new supply.

From the analysis above, it is clear that the number of new homes being built is not sufficient for the current and future demand for new homes in the city. Given the projected need for new homes in the city, a net completion rate of 1,200 homes per year is well below the 4,000 per annum target that we need to achieve,

Role of partners

It is our intention to take positive steps to increase the levels of house building so that we can achieve the levels of growth needed for our city. Achieving this will require strong partnership working across all of those partners who provide new homes, and especially with the private developers and the Housing Associations who are in the strongest position to develop large numbers of new homes in the city.

Birmingham City Council

The Council has a key role to play in the provision of new housing in the city. The Council is the strategic housing authority with the statutory responsibilities that role entails, the Planning Authority and a direct provider of new homes in the city.

For the success of the city, it is essential that the Council ensures the development of thriving sustainable communities where people want to live and to prosper.

To achieve this objective the Council will work with partners in the public and private sectors across the housing community in order to pool resources and achieve the best housing outcomes for the city.

The Birmingham Municipal Housing Trust (BMHT)

The Council is also supporting housing growth by acting as a provider of new homes. The BMHT was set up by the Council in 2009 to build new council homes. The changes to the Housing Revenue Account (HRA) subsidy system made by the then government made it financially viable for local authorities to build new council homes for the first time in 30 years.

Since 2009, the BMHT has developed over 600 new homes, 400 for rent and 200 for sale. The development programme for the BMHT projects the development of 3,500-4,000 new homes over a ten year period 2012-22, subject to the availability of sites.

The new Council house building programme is limited by the amount of funding available through the Housing Revenue Account. The comparatively low debt cap imposed by the Housing Revenue Account self-financing settlement means that the Council's ability to borrow to fund new housing is constrained up to 2015-16.

The Private Sector

Historically the majority of new homes in the city have been provided through the private sector, and the private sector dominates housing provision in the city, with around 74% of homes being either owner occupied or privately rented.

This pattern is projected to continue in the future, with projections indicating that 62% of future housing need should be met by the private sector.

However private house-building in the city has been severely affected by the economic downturn and private sector completions are still less than half of the peak that they achieved in 2005-6. Reduced availability of mortgage finance, economic uncertainty, and lack of confidence amongst both buyers and housebuilders have combined to reduce activity in the housing market, with a decline in prices and land values and consequent impacts on the viability of development sites.

The impact of these trends has been particularly severe on the apartment market, because of the higher risks associated with this form of development.

The key issues affecting the development of new homes by the private sector are as follows –

Affordability – in 2001 the average price of a house in the UK was £121,769 and the average individual salary was £16,557 (a ratio of 1:7). In 2011 the average house price was £236, 518 and the average individual salary was £21, 130 (a ratio of 1:11);

Access to lending – credit agencies and financial institutions consider the UK housing stock to be overvalued – credit agency Forth estimate 25% overvalued, Deutsch Bank 34%, Morgan Stanley 15-20%, and the IMF some 30%. As a consequence UK banks require deposits of at least 25% for a mortgage, which reflects the overvaluation of the housing stock;

Supply and demand – in a market where access to mortgages is restricted, housebuilders have moved their business model away from volume towards maximising margins on each new house constructed to provide adequate supply to those who can access mortgage finance. This business model naturally restricts supply.

Supply of development land – the LGA estimates that there are 400,000 plots with planning permission awaiting development across the country; the biggest housebuilders – Berkeley, Persimmon, Taylor Wimpey all have a land supply sufficient for 6-7 years; however these are being developed out only in sufficient numbers to meet the demand from those households who can readily access mortgages;

Workforce – the reduction in the construction sector since 2007 has led to a shortage of skilled labour across all trades, and limited numbers of new entrants to the industry. It is very clear that any significant upsurge in the construction industry in the UK could not be resourced by the UK workforce.

Ensuring that private sector activity in Birmingham recovers from the downturn and that completions return to pre-recession levels must therefore be a key priority for the Council in meeting the housing growth agenda.

Despite the factors noted above, there has been a significant recent improvement in the housing market in the city and the appetite for land in the right places for the right schemes is growing as the UK economy recovers. The Government's Help to Buy scheme has without doubt increased the number of sales of new build homes and this trend seems set to continue, although this scheme is time limited and the resources associated with it are capped.

Housing Associations (Registered Providers)

Housing Associations in Birmingham own around 36,000 homes, 8% of the city's housing stock as a whole. For the last 30 years, Housing Associations have been the major providers of new affordable homes in the city.

The number of new affordable homes provided by Housing Associations in the city increased over recent years to a peak of 933 in 2009-10. However since that time the numbers provided have declined. The reasons for this decline are two fold – firstly the introduction by Government in 2010 of a much less generous grant regime; secondly, a reduction in the amount of discounted land made available to them by the Council which has recently prioritised the development of new Council homes on its own land.

Total new homes completed by Housing Associations in Birmingham 2009-13

	2009-10	2010-11	2011-12	2012-13
Rent	537	509	290	327
Shared ownership	396	382	226	219
Total	933	891	516	546

Greater Birmingham and Solihull Local Enterprise Partnership

The Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) extends over an area with an overall population of nearly 2 million people and 840, 000 jobs.

For a densely built up area like Birmingham, there are significant challenges in identifying appropriate sites to accommodate and deliver the levels of housing growth needed. The Council will need to work with its partners in the wider LEP area to address where need is best located.

The GBSLEP is seeking to harness collective energy across the region to drive economic growth in what has historically been one of the most important economic regions in the country. The challenge of housing growth is one that is being tackled through a partnership approach across the LEP, recognising that local authority boundaries are porous and do not always coincide with housing market boundaries.

The Strategy for Growth is the plan that underpins all of the GBSLEP's activity. The Plan for Growth sets out the goal of creating jobs and growing the economy and through these actions to raise the quality of life of all the LEP's population. The vision is to re-establish Greater Birmingham's role as the major driver of the UK economy outside London. This means overcoming the area's output gap and establishing the preconditions for economic leadership on a wider scale.

The City Deal for the GBSLEP "Greater Birmingham; A city region powered by technological innovation"; focused on delivering a diversity of economic benefits for the LEP. This included "in excess of 2,800 additional new homes through the use of public assets".

A key component of the proposal is the development of an approved rolling asset-based development vehicle based on the value of a precisely-defined set of GBS LEP assets and/ or matched sums. This is established on a 60:40 ratio GBS LEP assets to the value of Homes and Communities Agency (HCA) assets.

The £23 million receipts from disposal of the HCA assets will be invested in a fund to unlock the value of the assets dedicated by authorities within the LEP. The rationale for Birmingham and other authorities dedicating assets to the Assets Accelerator is to use the £23 million of HCA receipts to unlock Council owned sites which require significant investment before they can be developed. It is estimated that the sites included within the Assets Accelerator will create approximately 1200 new homes and therefore make a significant contribution to meeting the need for new additional homes in the city.

The National Policy Perspective

While the Government has clearly recognised the importance of the housing supply issue, its response has been in the form of a range of programmes and policy responses rather than a coherent strategy to deal with the issue of housing growth. These programmes are many and varied, however the key themes are these –

- Encouraging the growth of owner occupation – for example by increasing Right to Buy discounts and introducing the Help to Buy scheme;
- Reforming the Planning system through the National Planning Policy Framework (NPPF) in 2012 in order to accelerate development, though the fact that there are already 400,000 undeveloped sites with Planning Permission suggests that this is not needed;
- Encouraging the growth of the Private Rented Sector (PRS) through the PRS Task Force and the “Build to Rent” scheme;
- Seeking to capture Housing Association surpluses by reducing grant levels to Housing Associations and moving Homes and Communities Agency programmes away from grant and towards loan based models.

However the main element of Government spending nationally is on Housing Benefit, which in 2011-12 totalled £22.7 billion per annum. Around £9 billion of this total supports tenants in private sector housing, more than the £7.95 billion which supports households in the Housing Association sector or the £5.48 billion which supports households in Council houses.

These figures contrast sharply with the £4.5 billion which has been allocated by Government to build new affordable homes over the period 2011-15, and suggests that money that Government is currently spending on paying the rents of tenants in the private sector could more usefully be used to provide new affordable homes.

Part 2 – Working Together

The housing needs of the city can only be met by working in partnership with those organisations that provide new housing. As the strategic housing authority for the city and the Planning authority, the Council has a key role to play in forging innovative relationships with public and private sector providers and harnessing the expertise across the housing sector to meet the housing growth challenge.

Reviewing the affordable housing policy and ensuring flexibility in the Planning system

It is important that the planning process is positive in encouraging the right development in the right place. It is also important that the system provides as much certainty as possible to developers, both in terms of where planning permission will be granted (and where it will not) and in terms of any requirements, for example in relation to design, sustainability, affordable housing and infrastructure requirements, which will need to be satisfied.

At the same time the system needs to be applied flexibly, with a view to facilitating desirable development wherever possible.

Birmingham has a good record in this respect – and this has recently been reflected in the Planning Charter which was one of the first outputs of the GBSLEP.

The preparation of the Birmingham Development Plan provides an opportunity to ensure that a clear and up-to-date planning framework is in place. It provides an opportunity to revise policies to ensure that they will be effective in delivering the strategy and guiding development in the city until 2031.

One such policy is the affordable housing policy.

The 2013 Strategic Housing Market Assessment shows that 38% of all housing built in the city needs to be affordable but this level of provision cannot be met by affordable housing providers such as BMHT, Registered Social Landlords and Housing Associations. The affordable housing policy is the principal mechanism for addressing the shortfall in provision after the likely contribution from other delivery mechanisms has been assessed.

Historically the Council's affordable housing policy has asked new private sector development of 15 or more dwellings to provide 35% affordable housing. The evidence indicates that 35% provision on private sector sites of 15 or more dwellings remains appropriate, as 35% has the potential, when combined with other delivery mechanisms, to deliver sufficient affordable housing to meet the level of need identified in the 2013 SHMA.

At the same time, comparison with neighbouring local authorities demonstrates that most of them have a lower affordable housing requirement than Birmingham. While Solihull operates an affordable housing requirement of 40%, Dudley, Sandwell, Walsall and Wolverhampton all asking for 25%. This variation is reflective of the different levels of demand for affordable housing in different local authority areas.

Actual delivery of affordable housing through the policy over recent years has been around 50% of that sought principally due to viability reasons.

The key points are:

Firstly in the current market the Council needs to continue to exercise flexibility in the implementation of its affordable housing policy in order to ensure that developers are not deterred from developing in the city. In

some cases it will be appropriate to seek affordable housing provision which is below the policy aspiration of 35%, and this will be acceptable provided that the case is supported by a robust financial viability assessment which demonstrates that a policy compliant contribution is not financially viable.

Secondly, the best outcome may not necessarily mean achieving the highest percentage. With relatively few schemes being brought forward at the present time the City Council could choose to negotiate with developers to revise the mix of affordable dwellings in order to meet the most pressing affordable housing needs (i.e. to secure additional family dwellings). Such negotiations can reduce the percentage achieved (as family dwellings are more expensive to provide) even though the developer subsidy remains unchanged.

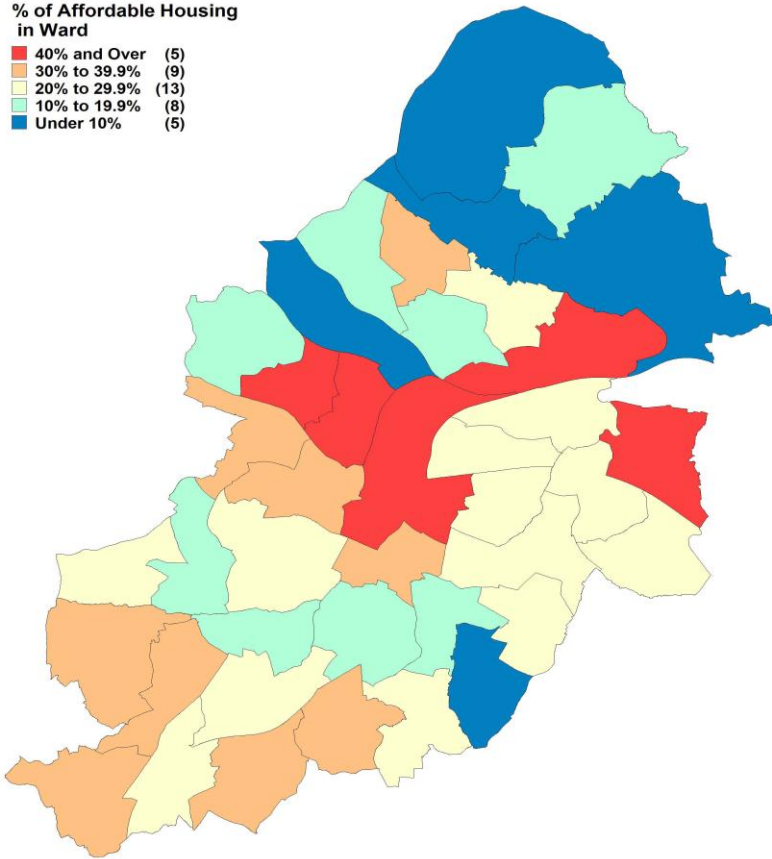
Thirdly the affordable housing contribution needs to be measured in the context of local housing needs. The existing provision of affordable housing varies significantly across the city; the need for additional affordable housing is similarly more acute in some areas than in others. There is therefore a case to take into account the existing provision of affordable housing, and the tenure of that affordable housing, within different areas when assessing the need for additional affordable housing as part of planning applications. It may be that in some parts of the city where there is an adequate supply of affordable housing of appropriate tenures to meet local demand, a more pragmatic policy would be to require the contribution of a commuted sum in lieu of provision of affordable housing on site. Such a commuted sum could then be used to provide affordable housing in areas where the need for this form of provision is more acute.

Finally, affordable housing can encompass a wide range of tenures including intermediate rent and shared ownership/equity. In applying an affordable housing policy, full cognisance should be given to the various forms that affordable housing can take, some of which are more deliverable (as some tenures require a greater subsidy than others) from a developer's point of view.

In summary, flexibility and pragmatism need to be the key features of the operation of an affordable housing policy. Implementation of policy needs to sensitively balance the aspiration to meet demonstrated need for affordable housing with the economic realities of the current housing market.

% of Affordable Housing in Ward

40% and Over	(5)
30% to 39.9%	(9)
20% to 29.9%	(13)
10% to 19.9%	(8)
Under 10%	(5)



Action points

- Adopt these principles in the affordable housing policy in the Birmingham Development Plan and its strategy for growth.
- Review all existing Supplementary Planning Guidance and revoke any which is no longer relevant.
- Implement the affordable housing policy in accordance with the principles set out above.

Using New Homes Bonus to incentivise development

The New Homes Bonus (NHB) is a grant paid by central government to local Councils for increasing the number of homes and their use. The New Homes Bonus is paid each year for 6 years. It is based on the amount of extra Council Tax revenue raised for new build homes, conversions and long-term empty homes brought back into use. There is also an extra payment for providing affordable homes. Local councils can decide how to spend the New Homes Bonus.

The NHB is available for the period of the Comprehensive Spending Review – 2011-15 and replaces the previous grant regime - the Housing Development Grant and an element of Revenue Support Grant.

If it is used to create new housing supply, that new housing supply then generates more NHB for the Council. In the recent Spending Review, the Government decided to consult on the proposal that 35% of NHB will now be allocated to LEPs rather than to local authorities as part of the Single Local Growth Fund.

Alternative uses of this funding stream therefore might include –

- match-funding for other funding sources
- revolving fund to finance a grants programme to developers
- grant scheme to bring more empty homes back into use

The power to do this lies entirely within the Council's gift – no Government approval is required.

Action Points

- Consider making an element from the Councils' NHB allocation to fund programmes that will increase the NHB allocation.

Using the Council's land to deliver new housing

The Council has experience of working with developers and has been the source of significant land supply for housing development.

Action Points

- Continue to identify and release surplus land and work with private developers

Creating additional supply through Housing Associations

Housing Associations are key partners in delivering housing growth, especially in relation to affordable homes. The demographic projections set out above demonstrate that 38% of new homes provided in the city need to be affordable homes. With only a limited supply of these affordable homes being generated by section 106 requirements, the Council will look to the Housing Association sector to help to meet the shortfall in supply.

The following principles are proposed to govern how the Council will work with Housing Associations to deliver housing growth:

- **The Council will work with Housing Associations to develop new innovative models for the development of new homes, across a range of housing markets.**

Building on the recommendations of the report *Funding Future Homes* produced by Cambridge University and the National Housing Federation, we will work with Housing Associations to develop the new innovative funding models identified within that report.

- **The Council will continue to sell HRA land to Housing Associations for the development of affordable homes.**

In selling HRA land to Housing Associations the general principles will be that;

- The Council will expect in most cases to receive open market value or its equivalent in kind, for its land.
- The Council will consider discounted HRA land sales for the development of specialist/supported housing. The Council has in the past generously supported the development of new Extra Care schemes in the city by providing HRA land at a nil cost in recognition of the contribution of such schemes to meeting the Council's housing need and the high cost of developing such schemes.
- The Council will not offer discounted HRA land to Housing Associations which hold substantial uncommitted balances on their accounts. Discounted sales will only be considered when supported by a robust financial appraisal which demonstrates the need for a discount.

- **The Council will explore alternative models for the disposal of land to Housing Associations**

In selling HRA land to Housing Associations, the Council recognises that in cash flow terms an “up front” capital receipt may be more of a financial challenge than a revenue cost. The Council may therefore be willing to consider models in which it receives an income stream over a period of time rather than a capital receipt.

Alternatively it may be prepared to consider a deferred premium model of a similar nature to that used for the development of homes for sale through the BMHT model. Under this approach, the receipt for the site would be received after the development has taken place and the Association is receiving an income either from rents or has generated receipts through the sale of homes for shared ownership or open market sale.

The Council may also be willing to consider models receiving tangible and measurable benefits in kind for the local community in lieu of a capital receipt. The Housing Associations need to be imaginative in coming forward with proposals to offer creative forms of payment for the Council’s land, or offer the provision of services to the community as an alternative. Housing Associations can offer an integrated range of local services - with affordable housing production at its core - and help to turn around disadvantaged communities and support people out of poverty.

- **The Council will encourage Housing Associations to charge rents which are genuinely affordable**

Rent levels on new developments are a key consideration for the Council.

With the changes under Welfare Reform, the rent levels charged by Housing Associations are a matter of keen interest for the Council. The risk of higher rents is that families are trapped in benefits and disincentivised from seeking paid employment which has both economic and social consequences for the city as a whole.

- **The Council will encourage Housing Associations to make use of their reserves to subsidise new housing development**

The HCA’s global accounts show that the surpluses in the Housing Association sector increased by £0.7 billion to £1.8 billion in 2012 while turnover increased by 9 per cent to £13.8 billion. Surplus from sales of properties increased by 61% to £516 million while the surplus from shared ownership increased 69% to £83 million. An average 5.1% increase in rents helped to create a strong financial position for Housing Associations. The amount of money raised by Associations on the bond market doubled from £940 million in 2010/11 to £1.8 billion in 2011/12.

There is clearly an argument that these significant resources should be harnessed to deliver extra new homes that the city needs.

At the same time, the Council recognises that these are figures across the sector, and that not all Housing Associations are “cash rich”. Association reserves may not be available cash, and may be needed to leverage borrowing. However the Council will encourage Housing Associations to make maximum use of their usable reserves to subsidise the cost of bringing forward new development schemes.

- **The Council will work with Housing Associations to help them to deliver tenures other than social rent.**

The private rented sector has grown significantly over the last 5 years, mainly through the activities of small investors, but the Council believes that Housing Associations should become fully engaged in this market for the following reasons –

- Proven expertise in housing management;
- Ability to develop a higher quality offer than currently available in the market;
- More accountability;
- The financial model for the development of market rent is more attractive than that for social rent;
- Access to finance should enable a substantial quantum of development.

The private rented sector market represents an opportunity for Housing Associations to diversify their traditional role while still making a significant contribution to meeting housing need. This is a field where a number of Housing Associations operating outside Birmingham – for example Places for People – have made an impact, and the Council is keen to see those associations operating within the city follow this lead. The Council is also keen to encourage Associations who are breaking into new markets such as the Private Rented Sector to develop new homes in the city.

- **The Council will work with Housing Associations to bring forward sites identified for housing in the Strategic Housing Land Availability Assessment (SHLAA).**

The SHLAA 2012 identifies potential housing sites for 43,000 new homes, 19,000 with Planning permission. The Council will work with the Housing Association movement to bring forward development on these sites in time to support bids made by Housing Associations to the HCA under the 2015+ Affordable Homes Programme announced in the 2013 Spending Review.

Action Points

- That the Council adopt the principles set out above for working with Housing Associations;
- That the Council encourage discussions with Housing Associations who are currently not operating within the city.

Assisting potential owners to purchase homes

A number of local authorities have developed their home ownership access schemes as part of their overall housing and economic strategies. Such schemes include Liverpool City Council's Local Authority Mortgage Scheme whereby lenders providing mortgages to applicants meeting the agreed criteria are indemnified for up to 20% of the value of the mortgage. The Greater London Authority Scheme. has been developed in response to a lack of housing mobility for households in work facing affordability issues and is supported by a £100m development fund and the Local Lend a Hand scheme; a new partnership from Lloyds TSB and Local Authorities allows first-timers to buy a home with a deposit of as little as 5%.

Action Points

- That the Council consider the adoption of a scheme to assist homebuyers using the models already successfully adopted by other local authorities

Marketing the housing offer of the city

Incentivising development is not just about dealing with risk and reward.

It is more than just trying to help the private sector overcome the current issues in the housing market. Incentivising the private sector to develop in the city is also about actively marketing the city as a location where they can successfully build new homes.

Birmingham should be a hugely attractive area for the private sector to build new homes. It benefits from a significant number of advantages:

- The 'regional capital' with an economic output of £20bn and ranked as the most attractive UK regional city for quality of life;
- A growing population with insufficient housing supply to meet its needs;
- Centrally located in the UK with good access to highway infrastructure and supply chains;
- A mix of housing markets across the city, ranging from city centre apartments, to starter homes in the suburbs and aspirational areas of high value housing;

Only a small proportion of the UK's house builders are active in the city and there is a clear opportunity to encourage such developers to build new homes in Birmingham

What has become clear from the Council's own recent experience of house building is that many house builders simply do not understand the housing market within the city. Many house builders work on the basis that new homes will only sell in aspirational areas of the city and do not bid for development opportunities elsewhere.

However through the development programme of the BMHT we can see that there is a strong demand for new housing for sale in areas that may not be regarded as aspirational and that developers who are willing to take a sales risk in these areas find that the sales that they achieve exceed their expectations. The reality is that there are strong communities within areas such as Newtown and Lozells who wish to remain there but aspire to higher quality housing.

We need to use the benefit of this experience to convince those developers who are not working in the city that there are opportunities to successfully build new homes for sale here. This requires the Council to be far more proactive in marketing the city through Marketing Birmingham and other forums as somewhere where developers can successfully build new homes to meet the needs of a growing population.

Action Points

- That the Council actively markets the opportunities for developers to build new homes in the city through a series of high level marketing events and forums with national developers.

Incentivising the Private Rented Sector and examining what contribution it can make.

Recent research demonstrates that the highest proportion of households within the Private Rented Sector (PRS) consists of higher income working age households at 47%. Families now make up around one in six households in the private rented sector, with a significant rise in the number of families renting privately over the last decade. In Birmingham the PRS has grown in accordance with the national trend, and at the 2011 Census 17.9% of households were living in the PRS.

Most of the provision in the city is through small scale landlords and there are fewer of the larger PRS landlords operating in the city than there are in London.

A key consideration here is margin. At the moment it is likely that the level of yield that a PRS investor can achieve on their portfolio of private rented properties in the city is not sufficient to justify the perceived risk in this sector rather than in the commercial property sector. The Council has met with a number of potential investors in the PRS sector and all of them are looking for some way in which their initial risk can be reduced.

The recent announcement by the Government of the Build for Rent fund has helped in this regard and several PRS providers in the city have bid for funding to support their PRS schemes totalling 434 new homes. However clearly more needs to be done if this sector is to be encouraged to meet its full potential.

The offer to PRS providers is essentially similar to that to private developers described above – sites derisked and financial incentives. To encourage more development through the PRS, the Council has already agreed to make three sites available on different areas of the city for development with new PRS homes on a pilot basis. These sites can accommodate around 200-250 new homes. If this approach is successful this approach can be replicated on additional sites.

Action Points

- That the Council pursue its strategy of making sites available specifically for the PRS;
- That more work is done to engage with major PRS providers and encourage them to invest in the city.

The Council maximising its role as provider

The number of new homes that the Council can directly provide is based on what it can afford and land supply. This is restricted by the availability of capital finance which is limited by the HRA debt cap.

If the borrowing cap were raised or removed, the Council could use this borrowing power to build more homes. The Council already has a highly effective delivery mechanism for the delivery of new homes for both rent and sale. BCC has an unparalleled track record in maximising the delivery of affordable rented homes in partnership with the HCA.

The Council has consistently argued that the debt cap should be removed entirely, as it is inconsistent with the philosophy underpinning the Self-Financing HRA debt settlement, and there are sufficient affordability controls already in place through the Prudential Code.

If this option is considered to be too radical, there are a number of other options that could allow an element of control over overall HRA borrowing levels, but still give local authorities the flexibility to increase their investment in new affordable housing.

The removal of the debt cap would enable the Council to double the number of new homes it provides. In 2013-14 the Council will deliver around 200 new homes for rent and 200 for sale; with the debt cap revised or lifted this could have been increased to 600 and 400 respectively. Up to 2031, this would give a total number of new homes developed by the Council as high as 18,000, almost a quarter of the new homes that the city requires.

Action Points

- The Council should continue to lobby for the relaxation of the HRA debt cap;
- That officers model in detail how many new homes could be built up to 2031 within the existing debt cap as headroom within the debt cap increases over the next two decades.

Developing new models to increase HRA funded development

In the medium to longer term, the HRA will generate significant surpluses for reinvestment as debt is paid off. A number of creative solutions are being investigated to determine if there are vehicles which would enable borrowing against these future surpluses. Such mechanisms would need to be “off balance” sheet so as not to count against the Council capital commitments.

Action Points

- Assess the financial viability of models which enable future surpluses on the HRA to be used now.

Developing new partnership models with the private sector

Consider the development of co-investment partnership models with the private sector which would enable schemes to lever in private investment into new housing. Joint venture models may be appropriate in some cases.

Action Points

- Identify the most viable partnership models for schemes with the private sector.

Driving forward major regeneration schemes

The Council has an excellent track record in delivering major housing regeneration schemes. Over the last 20 years, major projects such as the redevelopment of Pype Hayes, Perry Common, Castle Vale and Attwood Green have achieved transformational change to neighbourhoods across the city. Such major schemes create a much greater impact on local areas and enable a wider regeneration programme which can not only create a larger quantum of new homes in a range of types and tenures, but also achieve wider community benefits in terms of new community, retail, and educational facilities.

The framework for the delivery of major regeneration schemes is well established. A masterplan for the area is created which sets out the key principles for the redevelopment, including the density of development, location of Public Open Space and community facilities, and having taken on board the views of all relevant stakeholders. The scheme is then developed out through one or more development partners on a phased basis.

Key major regeneration housing schemes in the city include Icknield Port Loop, St Luke's estate in Highgate, Kings Norton and Druids Heath in Brandwood Ward.

Major schemes on this scale allow for the opportunity of long term relationships with developer partners over a period of years as the development scheme is being built out. This approach is beneficial from the partners' point of view as it enables long term financial planning over a period of years. From the Council's point of view this approach is also beneficial as contractors are keen to offer competitive rates for schemes which offer them a guaranteed work programme over a period of several years.

Addressing issues of empty homes in the city

As at April 2013, there are approximately 6000 homes in Birmingham that have been empty for longer than 6 months. These are deemed to be 'true empties' with cases that fall into the less than 6 month category being deemed temporary reasons such as sale, probate, care home entry and people working away.

From 1/4/13 the Council Tax levied on an empty home has risen to 150% from the date it becomes empty. It will take 6-12 months to evaluate if this acts as a disincentive to leaving a home empty.

There is a revolving fund to support Compulsory Purchase Orders of £786,000. In over two-thirds of all cases, the very threat of CPO resolves the issue of an empty home coming back into use.

The Council has been awarded £500,000 by the HCA to bring 35 homes back into use by the end of March 2015.

Action Points

Continue to use a variety of measures, including potential Compulsory Purchase Order (CPO) action to bring empty homes back into use.

Part 3 – Making it happen

Creating adequate land supply

Identifying additional sites within the Council’s ownership that may be suitable for housing development

The Council is a major landowner in the city. While the majority of this land is in use and supports the whole range of council services, there are three categories of land that would benefit from review. This includes land of indeterminate use, such as former allotment sites that have fallen into disuse, underutilised public space and smaller infill sites.

In relation to all of the above options, the potential obstacles should be recognised. In many cases, if sites have not been developed, this is due to factors that render their development challenging or even impossible.

So far, an initial scoping exercise has identified a number of areas where disused allotments and poor quality public open space might be made available for housing development. It should be noted that some of these sites will already have been identified in the SHLAA.

While some sites have already been identified as set out above, a systematic and methodical approach is required that ensures that the Council fully realises the value of these assets both in financial and development terms.

Action Points

The Council will carry out a review of its land and property assets on a District by District basis within a set timescale

Creating additional sites through clearance and redevelopment

The City Council currently owns and manages a portfolio of 65,000 residential properties. This includes a high proportion of non-traditionally built homes and the average age of the properties is around 60 years. Changes in demographic patterns also mean that some forms of stock will become less in demand. The provision of new stock to replace obsolete properties will therefore become essential to support the overall financial viability of the HRA Business Plan as individual archetypes become “worn out”.

Over the last 20 years the Council has delivered a programme of clearance and redevelopment of its own housing stock. Clearance has been driven by the need to demolish properties that were either structurally unsound, or failed to meet residents’ aspirations.

In 2011, the Council developed a strategic asset management model that enables the Council to project the financial viability of every one of its 65,000 homes and to make investment decisions accordingly. As part of this work, some 1200 properties which were financially not viable were identified for clearance over the period 2012-17.

Traditionally redevelopment schemes on the Council’s land, whether carried out by the Council or private sector partners have achieved a marginal increase in numbers in comparison with the original number of homes on the site. However, the need for increased housing numbers means that the Council and its

partners will need to aim at increased housing density on redevelopment sites, which will require the development of new housing typologies.

Action points

- A review of non-viable properties with the HRA to establish which require demolition;
- Provision to be made in the HRA Business Plan for clearance of these properties post 2017 on expiry of the current clearance programme;
- Redevelopment on these sites to take into account the need for increased densities where acceptable.

Building Homes at Higher Density in appropriate locations

There are areas of the city where building homes at higher density in both urban and suburban locations presents the opportunity to replace obsolete housing stock. Delivering greater housing density requires more homes on the same area of land, potentially by reducing or omitting private gardens and open spaces, reducing car parking provision or putting parking underground or in multi-storey car parks.

High quality is an essential criterion for any higher density housing scheme and in order to make higher density residential development possible and attractive, alternative ways of providing private amenity space and private car parking will be required. Balconies, roof gardens, small courtyard gardens, underground and multi-storey car parking are some measures. Balconies and smaller gardens could be acceptable under current Planning Policy if there was sufficient good quality local public open space. Reduced car parking standards could also be acceptable if there was good local public transport and unallocated on street car parking was provided.

Action points

- That further work is undertaken to determine which sites might be suitable for this approach.

Ensuring the release of Government land across the LEP as part of the City Deal to support housing growth in Birmingham

Government is very keen to unlock and accelerate the release of surplus public land for the creation of new homes and employment opportunities. Access to land which can be developed is vital in driving successful economic growth. This includes developing and implementing strategies to bring brownfield or previously used land back into productive use, much of which is publicly owned.

The Homes and Communities Agency (HCA) is providing technical assistance across government to support the government's ambition that land with capacity for more than 100,000 homes should be released within the 2011-15 Spending Review Period.

The HCA is one of a number of Government departments which has published a Land Development and Disposal Plan. Other departments which have published land release strategies include the Ministry of Defence, Department of Health, Department of Transport, and the Department for Environment, Food and Rural Affairs.

Very few sites in Birmingham have been identified through these strategies as surplus by Government departments. The Council has suggested as part of the City Deal that the HCA should take a lead role in identifying and facilitating the development of public sector land owned by other agencies both within the city and within the wider LEP area.

Action points

- HCA to take a lead role as part of the city Deal in identifying other public land within the city and across the LEP.

Identifying why sites in the SHLAA are not coming forward for development

The SHLAA identifies capacity for up to 43,000 dwellings that could be brought forward for residential development by 2031². Of these 37,000 are on identified sites with a further 6,000 being from other non site specific sources such as windfalls and returning vacant dwellings into use. The SHLAA is a technical exercise not a formal allocations document so some of the sites within it could also be suitable for other non-residential uses if planning applications were to come forward for consideration.

Sites within the current analysis of the SHLAA are covered in 3 separate categories:

- sites assumed to be brought forward in the next 5 years
- sites assumed to be developed in a 5-10 year timeframe
- sites deemed to be not available until 10 years time (or longer)

Sites assumed to be brought forward within 5 years

This comprises sites for approximately 9,500 new homes and has the most certainty of being actually delivered. It includes sites which are currently under construction, sites with detailed planning permission and free from major constraints, sites within the first part of the BMHT ten-year forward programme (2012-2022) and other sites where the best information available indicates that development will take place within 5 years.

Sites assumed to be developed in a 5-10 year timeframe

This comprises sites for approximately 16,000 dwellings and includes sites where an indication of future availability is known to the council. These include sites with detailed planning permission but where there are constraints on the site, sites with outline planning permission, sites allocated in development plans and frameworks and the residual figures from the BMHT forward programme. This category will also include some sites with no formal status within the planning system but where developers or agents have indicated that the site will come forward for development. Many of these sites are in the city centre.

Sites deemed to be not available until 10 years time (or longer)

This comprises sites for approximately 16,000 dwellings and represents the most uncertain element of development opportunities. It includes sites with significant constraints, sites which have previously had planning permission but where those permissions have now lapsed and other sites which are suitable for housing but which currently have no developer interest.

Analysis of Land Supply

Very few city centre schemes are included in the first five years supply. The city centre apartment market was particularly badly hit by the recession and it is likely to take longer for this market to recover than others.

There will be various factors that affect new sites coming forward. Most of these centre around risk management, the value paid by developers to land-bank sites prior to the economic down turn (and then

² 2011 SHLAA covered the period 2011-28. Additional windfalls added to reflect the revised Development Plan Period of 2011-31

hoping that a further upturn will enhance values again) and many of these will prevent sites being developed for a significant time unless the council chooses to help de-risk the proposals.

Volume house-builders do not have any significant land-bank in Birmingham and have chosen to purchase options on land in higher value areas including London and the South-East. Feedback from developers is that they see the Birmingham market as risky, with the least risk being the development of 4+ bedroom houses in outlying suburban areas.

Providing new homes outside Birmingham

It is clear that there are limited opportunities to increase the supply of land for new housing within the built-up area of Birmingham – and even if these opportunities are pursued vigorously it will not be possible to meet the full requirement for new homes in this way within available resources.

This means that it is necessary to consider options for providing new housing to meet some of the city's needs elsewhere.

Birmingham's Green Belt

The first option is to allocate land for new housing from within Birmingham's Green Belt.

The mechanism for doing this would be The Birmingham Development Plan – the statutory land use plan for the city which is currently being prepared. Between November 2012 and January 2013 a consultation took place on options for increasing housing provision within the city, including options for 5-10,000 new homes within the Green Belt on the edge of Sutton Coldfield. This is the only location within Birmingham's administrative boundary where sufficient land exists to accommodate this scale of development.

If new housing on this scale were to be proposed it would need to be supported by other facilities – such as schools, shops, health care and community facilities

The response to this consultation is currently being assessed, and a decision on whether to pursue this option will be taken later this year. If it is decided to pursue this approach, it will need to be taken forward through the statutory development plan process which will involve further consultation and a public examination into the proposals. This is likely to take another 18 months to complete. It would therefore be several years before any new housing could be delivered.

Housing in adjoining Local Authority areas

The second option is to seek to secure the provision of additional housing to meet Birmingham's needs in the areas of adjoining local authorities. The changes to the planning system introduced by the current government have removed the regional planning structures through which such issues used to be resolved and replaced these with the 'Duty to Co-operate' under which adjoining authorities are required to work together to address cross-boundary issues – such as levels of new housing provision.

The emerging shortage of land for additional housing in Birmingham is already being raised with adjoining Councils under the Duty to Co-operate and we are seeking recognition of this in adjoining development plans.

The issue is also being addressed through the Greater Birmingham and Solihull Local Enterprise Partnership, which has embarked on the process of preparing a Spatial Framework for the LEP area. As part of this work we are seeking to secure agreement to commission work to identify housing requirements across the LEP area and how these should be met.

Conclusion

There are options for delivering new housing to meet Birmingham's needs outside the existing built-up area of the city. In time these options could deliver a significant number of homes, but they will take some time to develop and will not begin to deliver new homes for several years.

Action points

- Work with the GBSLEP to identify housing requirements across the LEP area
- Work with private developers and the Housing Association sector to try to bring forward for development sites within the SHLAA which have secured Planning approval
- Respond to relevant consultations seeking to influence emerging development plans in neighbouring authorities

Part 4 - Conclusion and Action Plan

This Plan sets out a number of actions that the Council is committed to taking in order to meet the challenge of housing growth.

These will be monitored through the Action Plan set out below to ensure that these commitments are achieved. Responsibility for achieving these targets will be shared between the Leader, Deputy Leader and the Cabinet Member for Development, Jobs and Skills.

Theme	Action	Timescale	Potential Output
The Council maximising its role as provider			
Accelerating the BMHT programme	The Council should continue to lobby for the relaxation of the debt cap;	2013-2015	Increased number of new homes provided through BMHT.
	That officers model how many new homes could be built up to 2031 within the existing debt cap as headroom within the debt cap increases over the next two decades.	December 2013	Increased number of new homes provided through BMHT.
Developing new models to increase HRA funded development	Assess the financial viability of models which enable future surpluses on the HRA to be used now.	November 2013	Report to EMT setting out the options for new models to increase HRA funded development
Developing new partnership models with the private sector	Identify the most viable partnership model	December 2013	Report to EMT setting out the options for new models
Addressing issues of empty homes in the city	Continue to use a variety of measures, including potential Compulsory Purchase Order (CPO) action to bring empty homes back into use.	To be monitored annually.	Increased number of new homes brought back into use.
Creating adequate land supply			
Identifying additional sites within the City boundaries	Review all land and buildings ownerships across the Council in detail.	This exercise to be completed for all Districts by March 2015.	Identification of additional potential development land.
Creating additional sites through clearance and redevelopment	A review of non-viable properties with the HRA to establish which require demolition;	September 2014	Cabinet approval to clearance programme of unviable properties 2017+, sites created to be redeveloped with additional new homes.
	Provision to be made in the HRA Business Plan for clearance of these properties post 2017 on expiry of the current clearance programme;	September 2014	Cabinet approval to clearance programme of unviable properties 2015+, sites created to be redeveloped with additional new homes.

Building Homes at Higher Density	Redevelopment on these sites to take into account the need for increased densities where acceptable.	To be monitored annually.	Additional new homes on clearance sites.
Ensuring the release of Government land across the LEP as part of the City Deal	Ensure that HCA take a lead role as part of the city Deal in identifying other public land within the city and across the LEP.	To be monitored annually.	Sites for additional new homes identified within the LEP area.
	Work with the GBSLEP to identify housing requirements across the LEP area	December 2013	To be implemented through the HEG group and monitored as part of the City Deal.
Building outside of B'ham – Green Belt, Duty to co-operate	Respond to relevant consultations seeking to influence emerging development plans in neighbouring authorities	December 2013	Work with neighbouring local authorities to meet the housing needs of the city.
	Work with private developers and the Housing Association sector to try to bring forward for development sites within the SHLAA which have secured Planning approval	October 2013 onwards	Accelerating stalled sites
Reducing Risk for developers			
Reviewing the affordable housing policy and ensuring flexibility in the Planning system	<p>Work to adopt the Plan principles in the affordable housing policy in the Birmingham Development Plan and its strategy for growth.</p> <p>Review all existing Supplementary Planning Guidance and revoke any which is no longer relevant.</p> <p>Implement the affordable housing policy in accordance with the principles set out in the Plan.</p>	To be monitored annually.	As part of Birmingham Development Plan.
New Homes Bonus	Consider using an element available from the Councils' NHB allocation to fund programmes that will increase the NHB allocation;	March 2014	To be approved as part of the Council's overall financial plan. This funding will increase housing supply and create additional NHB.
Using the Council's land to deliver new housing	Continue to identify and release surplus land and work with private developers	Review use of derisking methodology on an annual basis.	Annual review of sites as part of the Council's strategy for land sales.
Working with Housing Associations	That the Council adopt the principles set out above for working	November 2013	To be agreed with the Birmingham Social Housing Partnership.

	with Housing Associations; That the Council encourage discussions with Housing Associations who are currently not operating within the city.		
Assisting potential owners to purchase homes	That the Council consider the adoption of a scheme to assist homebuyers using the models already successfully adopted by other local authorities	February 2014	Report back to Director of Resources.
Marketing the housing offer of the city	That the Council actively markets the opportunities for developers to build new homes in the city through a series of high level marketing events and forums with national developers.	January 2014	Marketing plan to be compiled.
Encouraging the private rented sector	That the Council pursue its strategy of making sites available specifically for the PRS;	December 2013	Sites already identified for PRS as a pilot. Further sites to be considered following the results of this first phase.
	That more work is done to engage with major PRS providers and encourage them to invest in the city.	December 2013	Progress to be reported back to Cabinet Member December 2013.