

Delivering new homes for rent, sale
and the private rented sector.



Birmingham
City Council



The Birmingham Position

- Total housing stock of 410,000;
 - 227,000 owner-occupied
 - 63,000 Council;
 - 36,000 Housing Association;
 - 73,000 PRS
 - 7,000 others.
-
- 150,000 additional people and 9,000 additional households by 2031
-
- New homes completions in Birmingham have fallen from 4,000 in 2005-6 to 1,944 in 2016-17
-
- Insufficient delivery by other providers – quality and quantity



- Birmingham City Council builds new homes across all tenures –
- Social and affordable rent;
- New homes for sale;
- New homes for private rent.
- Key drivers are –
- Drive housing growth;
- Set higher quality standards;
- Provide truly affordable housing;
- Generate income for the Housing Revenue Account and the General Fund.



- Social and affordable rented homes are delivered through the HRA not through a Local Housing Company;
- HRA can access cheaper borrowing than a LHC;
- Less bureaucracy with HRA than an LHC;
- Properties built through HRA are subject to Right to Buy;
- But protected by the cost floor for 15 years – so far we have sold 6 new build through RTB;
- Government has signalled its intent to close the RTB loophole for LHCs building social and affordable rent;



- Birmingham Municipal Housing Trust (BMHT) set up in January 2009 to lead the development of the Council's new build housing programme
- BMHT is part of the Council – not arms length
- BMHT is a brand name for the Council's new build programme
- HRA subsidy reform made it viable for the Council to build new homes for the first time since the 1970s
- The Council can bid for HCA grant in the same way as a Housing Association
- BMHT builds homes for social/affordable rent and sale



Building Social/Affordable Rented Homes

- Over 1,500 new rented homes completed since 2009
- Council is the only developer of social rented homes in the city;
- Funded by Right to Buy receipts, borrowing, HCA grant, cross subsidy from sales programme, commuted sums, capital programme.
- Mainly family houses, small number of apartments



Building Homes for Sale



Planning already secured by the Council



Developer uses house types developed by the Council's own architects



We capture the developers profit



Council uses sales proceeds to fund social rented homes



Since 2009, over 1,000 homes built and sold under this programme.



Quality is key – competitive edge



Developing homes in the Privately Rented Sector

- Council sets up a WOC (wholly owned company) - InReach
- Council sells sites to the WOC at OMV
- Receives a capital receipt with more certainty than an open market sale
- Council borrows from PWLB and lends to the WOC
- But land and build out the scheme at a commercial rate – and pockets the interest
- First scheme of 92 units is on site, schemes totalling 300 units at feasibility stage



DIRECT DELIVERY MEANS

**THE COUNCIL ARE IN
CONTROL**



Benefits of Control



Control timing/phasing of developments



Directly control rents and customer service standards



Council controls build and design quality



Construction related activity benefits the city's economy and local businesses

Quality is our watchword



BIG NUMBERS



Over
1500
new rented
homes
completed
since 2009

Over
1000
homes for sale
completed
since 2010

Over
800
homes
currently on
site

1470
homes
completed
2014 - 17

Birmingham City Council builds over **20%** of all new homes
across the city

BENEFITS



Increased Council
Tax revenues

Local jobs and
apprenticeships

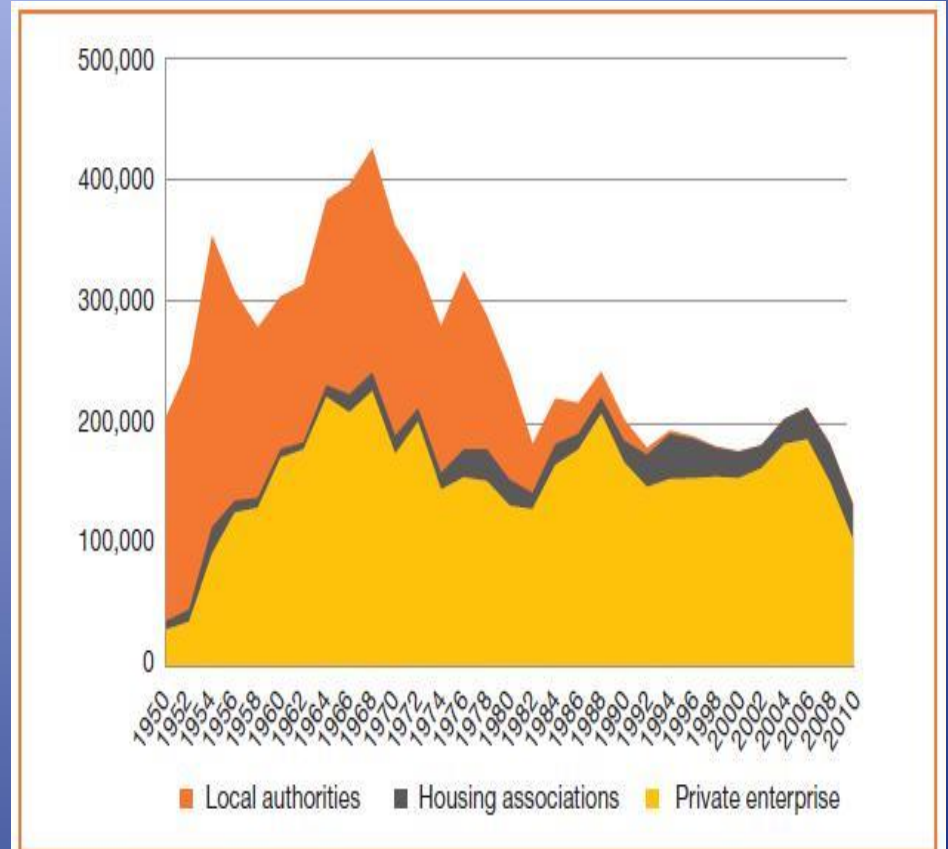
Benefits to local
economy and
supply chain

Direct funding of
young people
into higher
education

The Birmingham Charter for Social Responsibility maximises economic benefits for the city

The Future

- Council offers a range of tenures – social/affordable rent, open market sale, private rent;
- We will not compromise our high design and quality standards;
- Future Govt policy likely to support Affordable housing;
- Green paper on social housing due in Spring 2018;
- HAs and private sector have failed to deliver quantity and quality – a return to public sector house building is inevitable.



Source: DCLG, Live Table 241