



Assessing Current Operations & Conditions







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- 1.1.1 The City Council owns 26,000 acres, including 40% of all land within the municipal boundary, and around 6,500 property assets (excluding housing, infrastructure and schools). The property portfolio has an asset value of over £2.4 billion and generates £32 million in revenue and £30 million in capital receipts. Of those 6,500 property assets, 330 have historic interest and value.
- 1.1.2 In the foreword to the Property Strategy taken to Cabinet on 13 November 2018, the Leader and then Assistant Director for Inclusive Growth stated
- 1.1.3 This inquiry came about following cases raised amongst members of the Committee and their colleagues about the experiences of people or organisations seeking to buy or rent from the Council. The Committee considered what strategies form the basis of decisions taken by Birmingham Property Services (BPS) in managing the Council's assets and asked what improvements could be made to the service for the benefit of the Council, its tenants and prospective buyers.
- 1.1.4 Furthermore, the inquiry sought to ask what more could the Council do, through the use and management of its property estate, to ensure small and medium-sized businesses, community organisations and enterprises can play a full part in the city's economic development and regeneration.
- 1.1.5 In particular it sought to explore the weighting of social value as against financial gain applied by the Council in decisions taken regarding the Council's assets and estate management, both historically and in a post-Covid-19 economy.
- 1.1.6 Two years on from the launch of the Property Strategy, this inquiry additionally sought to scrutinise



- Explore, by comparison with other local authorities and reviewing research including into community wealth-building, how the Council, the cit





has been critically apparent during the Covid-19 pandemic where community organisations have proved to be the vital link between local residents and the Council.

- 1.3.3 Furthermore, the Council needs to think about how it can actively support communities to have a say in the future of their neighbourhoods and for smaller enterprises to have a fair chance to engage in property development opportunities.
- 1.3.4 The Property Strategy is structured around four key themes: Investment; Growth and Development; Community; and Operational which set out an approach to guide how assets will be utilised efficiently and effectively to achieve the identified objectives and outputs. The examples cited in Appendix 1 cross multiple categories, which has been acknowledged by Cabinet.



- 2.1.1 Members heard from the Leader of the Council and from the Assistant Director of Birmingham Property Services twice during the evidence gathering sessions and received a substantial amount of supporting information detailing assets contained within the community portfolio, sales figures and Cabinet reports pertaining to the inquiry. An analysis of the evidence and commentary from BPS can be found in more detail in Appendix 2.
- 2.1.2 Members appreciated that the experiences of organisations, businesses and individuals vary greatly and acknowledged that responses to a public call for evidence will invariably highlight more negative than positive experiences. BPS deal with thousands of properties, assets, tenants and developers on a daily basis, and the Committee recognised the excellent work being done to protect and gain best value for the city from its assets. Members wanted to identify what is good practice, as a landlord and a property manager, and where improvements might be made to maximise economic and social value, where appropriate, whilst acknowledging the good practice in existence already within the Council.
- 2.2.1 The inquiry was fortunate to also receive written submissions from several national and regional specialist organisations focusing on communities and asset management, ranging from the National Trust and Locality through to Localise West Midlands and West Midlands Urban Community Homes.
- 2.2.2 Interim Chief Executive, Chris Naylor, was joined by Jamie Ounan from Innercircle Consulting for a thought-provoking presentation and subsequent discussion on how the Council might “invest in our



2.2.3 They reflected on the current position of the Council and the city in terms of the impact of austerity



- 3.1.1 The Committee will add the recommendations as set out at the beginning of this report and below to its work programme and commit to tracking them to the deadlines agreed with the Executive.
- 3.1.2 Whilst there is evidence of good practice within the Council and a commitment to address issues identified, there are also examples of good practice in other local authorities, such as Preston and Manchester, as well as other organisations that Birmingham can learn from closer to home, like Witton Lodge Community Association. A joined-up approach with a strong asset transfer policy is imperative to successful community asset transfers and this includes good principles based on long term partnership collaboration and commissioning. This is something which the Committee would encourage the Executive to explore in more depth.
- 3.1.3 The Committee found issues with compliance and governance in particular with the overall Property Strategy and disposal reports to Cabinet, in that they were not aligned with other key drivers such as the Community Cohesion Strategy, Birmingham Development Plan, East Birmingham Growth



	inclusive growth, based on the Levelling Up strategy.		
	The Leader is asked to explore and implement transparent, open and consultative ways in which communities and ward councillors can be better involved in decisions around assets in the community portfolio. The Executive is also asked to think about how it can actively support communities to have a say in the future of their neighbourhood and report back to Committee in September 2022.	Leader of the Council  Cabinet Member for Homes & Neighbourhoods	September 2022

3.1.5 Communication is clearly key to relationships with tenants and prospective buyers, as well as with elected members, and the Committee welcomes the commitment made in the 27th January 2021 meeting by the Assistant Director of Property to address existing identified communications issues and seek w are732 841.92 reW\*ndde.980 G[ )]TJETQq0>1 Tm0 G[ )]TJETQq77.424 .86(buye)5(rs, )9Qq0.





Members of the Committee would like to thank all those who gave their time and contributed to this report with verbal or written evidence:

Cllr Ian Ward, Leader of the Council

Cllr Phil Davis as Jewellery Quarter Development Trust chair and Heritage Champion

Cllr Shabrana Hussain, Sparkbrook ward

Cllr Zhor Malik, Balsall Heath West ward

Cllr Karen McCarthy, Bournbook and Selly Park ward

Chris Naylor, Interim Chief Executive

Kathryn James, Assistant Director, Property Services, Birmingham City Council

Karen Cheney, Integrated Head of Services for the Neighbourhood Support and Development Unit

Jamie Ounan, Innercircle consulting

John Newson, Balsall Heath is our Planet

Birmingham Friends of the Earth (BFOE)

Aylesford Hall Committee

Patricia Hollinshead, Manningford Hall

Stuart Holt, Javelin Block

Barry Toon & Richard Batley, Community Partnership 4 Selly Oak (CP4SO)

Janet Down, Stechford Baptist Church

Mohammed Shafique, Ashiana

Alex McDonagh, Montgomery Street Cooperative

Sue Fownes, Friends Institute

Lois Maguire, Northfield Neighbourhood Network Scheme

Abigail Ryan, West Midlands Urban Community Homes

Meena Bharadwa, Locality

John Morris, Localise West Midlands

Matt Doran, Lucy Reid – National Trust

Joe Holyoak, Friends of Moseley Road Baths and Birmingham and West Midlands Group of the Victorian Society



The experiences witnessed by the inquiry are in large part reflective of cases raised with members locally and can be grouped into the broad categories set out below.

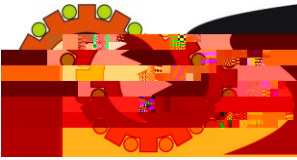
- 1.1.1 Much of the evidence presented suggested that communication with the service is clearly a key issue. Organisations, individuals and councillors repeatedly raised the frustration they experienced in obtaining consistent and helpful information from the service in respect of assets for sale or rental or in progressing maintenance issues.
- 1.1.2 Those giving evidence emphasised that a lack of communication and feedback on failed bids was also of major concern, especially when compared to their dealings with other core cities.
- 1.1.3 Members heard that those interested in acquiring a building for charitable and community benefit would find it helpful if a list of available assets and buildings were published ahead of being put up for sale. This would enable those interested (such as community groups, SMEs, entrepreneurs and others) to make an informed choice with advanced notice. This was a point reiterated by Matt Doran and Lucy Reid from the National Trust in their written submission. They also observed that providing clear signposting for organisations to know who to approach within the Council would be of great benefit. It would also help transparency as it was felt that currently there was no community or tenant consultation before buildings appear on an auction site.
- 1.1.4 Wide-ranging evidence was presented by community organisations and tenants that back this up:

Written evidence submitted by tenants of the Friends' Institute outlined a plethora of issues exacerbated by poor communication with them as tenants and then prospective buyers, ranging from lack of notice of closure of the building due to Covid-19 (when tenants could have provided much needed emergency help for the community from there if they had been permitted to access the building) through to not having been informed about the changes being brought about by disposal of the building through the "submission of interest" process, despite having made an initial submission, and exclusion of tenants from promotion of council-organised events highlighting the venue. Other issues are highlighted under the Maintenance of Assets section below from 1.3 onwards.

Montgomery Street Co-operative is a diverse group of around 25 enterprises employing up to 80 people. They rent small affordable units from Birmingham City Council (BCC) at the Montgomery Street Business Centre on the Grand Union Canal at Sparkbrook. The site is Birmingham's last remaining business start-up hub. Members heard from Alex McDonagh on behalf of the Co-operative about some of the issues in relation to the future of their premises







Janet Down is a management consultant who has been working with Stechford Baptist Church and others in the local community in bidding for the site of the former Stechford Cascades







house to its original era as a heritage project, with a functioning educational community kitchen with a low carbon retro-refit; re-instate the original fireplace/range and use the



It is taking far longer to get agreement for local community groups in the same area to take on the old Selly Oak library building, despite the conditions and covenants ruling out most other uses.

- 1.4.4 Community Partnership 4 Selly Oak (CP4SO) wanted to revive a cluster of Grade II listed buildings including the abandoned Selly Oak Library as an Asset of Community Value. They stated that there









- 1.5.10 While BCC was initially positive about and willing to discuss this pioneering initiative (CLTs are still considered a much-overlooked housing solution in the UK), it always stated that "disposal of this small piece of land could only go to the highest bidder, and the social and environmental benefits could not be taken into consideration".<sup>5</sup> The consortium found this frustrating, but then the Council eventually ceased all discussions about the future of this land when HS2 was confirmed as going ahead. Since then, the submission from BFOE contends, positive and small-scale developments all across Digbeth have been blighted, as have many existing businesses as the area has felt as if it was waiting in semi-dereliction.
- 1.5.11 BFOE would like to see a more positive attitude within the Council about social and environmental impacts of land use within its asset strategy. They said:

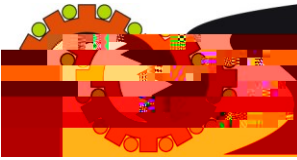


- 1.6.4 In fact, community ownership could play a pivotal role in local economic regeneration and recovery. It is estimated that community-owned assets contribute £220million<sup>6</sup> to the economy per annum and offer opportunities for local job creation and training<sup>7</sup>.
- 1.6.5 In his presentation to the inquiry, Interim Chief Executive, Chris Naylor, outlined his vision of the Council's assets and estate as a "means to an end". He maintained that there remains untapped opportunity in the city that can benefit those who need it, and that as one of the largest landowners in the country the Council can use that land and asset base to help achieve the Council's aims, such as helping our Route to Zero Carbon objective, supporting culture and the creative and digital industry and building more homes that people need. Moreover, he maintained that more of the financial gains from public sector regeneration investments can be captured and recycled for social reinvestment and that we have an opportunity to reconsider what we mean by "value for money" and "return on investment", citing East Birmingham Growth Strategy as a good local example, and the Youth Zone in Barking and Dagenham.
- 1.6.6 Presenting alongside Mr Naylor, Jamie Ounan shared examples of good practice in taking a different view of "value", such as North Somerset Council & Weston General Stores, who sought to reverse the decline in a traditional retail setting by reusing units as workspaces. This approach was rooted in the community and tapped into the existing creative energy to transform an underutilised asset through new ways of working and community wealth building. The Committee were told that this leaves North Somerset Council well-positioned for the world post-Covid when people are looking at

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<sup>6</sup> From submission by Locality, Archer, T. et al. 2019. 'Our assets, our future.' Available at: <https://www.powertochange.org.uk/research/assets>







1.2.1



utilising these networks and venues, as well as their use as testing centres, and for providing PPE to our frontline workers, as well as for a variety of other health and wellbeing activities linked to Covid.

- 1.2.7 A key point clarified by Ms James was what was a community asset within the property strategy and how this was not the same as the commercial property portfolio, highlighting how people often confuse the distinction. In addition, she outlined the high levels of SMEs within the commercial portfolio and the work that will be done to support entrepreneurs through reaching out to them and marketing more of what is on offer and what BPS can do to help them.
- 1.2.8 In response to criticism about not knowing who to speak to in the Council around Assets of Community Value (ACV) decisions she was able to identify the creation of a single responsible post within the new Neighbourhood Directorate and promised a more joined-up approach across Council service areas, which will also prevent delays in the process.
- 1.2.9 Work is also underway on developing a 'lighter' Community Asset Transfer (CAT) process that is less time intensive for both the Council and community groups and will be co-ordinated by the Neighbourhoods directorate.
- 1.2.10 Ms James agreed that better engagement was needed for operation and community assets and that decision-making for these would sit with the Cabinet, and that the opportunity for the community to be involved would be via their ward members on surplus declarations.
- 1.2.11 Vitally, she acknowledged that communication had historically been poor and noted the need for improved communication and feedback for unsuccessful bidders. Feedback needs to be improved and streamlined to ensure bidders receive a constructive response on why a bid has been unsuccessful. However, one of the challenges with this is that an asset selected for disposal needs to be reported on to Cabinet to decide on before discussions can take place with bidders. The Cabinet reporting process therefore had implications for commercial confidentiality. BPS are streamlining their reporting process and feedback accordingly and will report back to the Committee on progress.
- 1.2.12 Prior to auctions, a marketing flyer is to be sent to ward members and groups on their mailing list,(for)15



1.2.15 Ensuring information is digitally accessible will ensure that a wider audience is reached. In addition, tenants' surveys will be reintroduced through the website to collect valuable data on tenant experience and feedback on what people are looking for from the Council.

1.2.16



The following information was considered as part of the Inquiry and has been used to compile this report: -

Birmingham City Council Cabinet Report – Property Strategy 2018/2019-2023/24 approved by Cabinet on 13 November 2018

Birmingham City Council Investment Property Portfolio Strategy approved by Cabinet on 30 July 2019

Birmingham City Council Strategic Review Investment Portfolio July 2020 – Avison Young

Birmingham's Collaborative Neighbourhoods: a snapshot of the community-led response to coronavirus and what this means for resetting the civic and community relationship (2020) – report by Locality, commissioned by the Neighbourhood Support and Development Unit at Birmingham City Council

Better Services, Stronger Economy: A keep it local guide for community organisations (2018) – Locality

West Midlands Urban Community Homes (wMUCH) written submission by Abigail Ryan (2020)

Localise West Midlands written submission by Jon Morris, Chair (2020)

National Trust written submission by Matt Doran and Lucy Reid, also referencing the Protecting Community Assets Inquiry: <http://www.protecting-community-assets.org.uk/> which is a useful inquiry into exactly this sort of question that National Trust participated in.