

14 Ashton Croft

Birmingham

B16 8EX

25 August 2023

**Councillor
Council House
Victoria Square
Birmingham
B1 1BB**

Dear Councillor

Birmingham City Council Cabinet – Ladywood Estate Regeneration Concerns

I represent Ladywood Unite which is a growing group of residents in Central Ladywood. The membership stands at over 270. This group was formed after the shambolic consultation meeting on 20 July at the Ladywood Community Centre. Although guarantees have been made that this project will be the “best resident-led regeneration project in the country” underpinned by 8 principles and that information will flow this is simply not the case. Apart from sporadic generic email responses from Birmingham City Council, the residents of Central Ladywood have been left seeking answers and feel let down.

I live in Central Ladywood within the red line area in one of the private housing estates completed in 1994. I moved into my brand-new property in October 1993 as a young teacher. Since then I have been working in schools in Birmingham and the surrounding areas and am due to retire from the teaching profession next year. I have made my property my forever home.

Lack of Consultation Prior to the Report to Cabinet 27 June 2023:

Consultation took place four years ago and only targeted around 50% of residents in the regeneration area. Even so consultation procedures were vague and well documented processes were ignored. The first consultation leaflet aimed at Council-built properties was published June 2019 and the last December 2019 (see attachment). Since then the residents of Central Ladywood have had no correspondence in relation to consultation until a letter from Cllrs Bore and Hartley 19 June 2023

In relation to the legalities and the ethics of the consultation process there are many unanswered queries that residents want answers to:

1. The private housing estates of Ashton Croft, Bellcroft and Knoll Croft and the Housing Association estates were not involved in the consultation process. The first residents knew that their home was in threat of being demolished was through an article presented in the Birmingham Mail about regeneration in Central Ladywood towards the end of June 2023. Surely this is illegal and is certainly unethical. When it was announced in June 2023 about the demolition of 60 hectares of Central Ladywood residents were told by BCC in a Radio WM interview 11 July that they had been involved in a consultation process which was completely untrue – *“the idea that the council has not consulted is*

quite wrong". As a member of the Cabinet in relation to making decisions on the most appropriate bidder were you aware of the absence of consultation? Were you provided with any information in relation to the views of the residents of Central Ladywood?

2. Residents cannot understand when and how the commencement of the compulsory purchase process was approved including non-Council-built private homes and Housing Association properties particularly as there was no prior inkling that the regeneration project would impact on these particular residents whatsoever? Were you given the information that good quality homes built from the 1990s onwards were targeted to be demolished?
3. *Central Ladywood the best resident-led regeneration in the country*. This was the message given in Labours Christmas Newsletter 2019 before voting took place on 12 December. It became very evident that this was not the case at the meeting on Thursday 20 July and quite the opposite which was reported on extensively through the media. As a member of the Cabinet, were you given the impression that plans were afoot to ensure that the Ladywood Regeneration Project would be the best resident-led project in the country and that the views of residents would be at the core of the process?
4. With regard to the consultation process for the Council-built properties as outlined in the 2019 leaflets these are the questions we have asked Birmingham City Council but had no response:
 - a. Did the council make the appointment of a person to support the Steering Group as mentioned October 2019?
 - b. Did the Steering Group meet? There is plenty of interest. The first meeting was planned Autumn 2019? If so we haven't seen agendas or minutes even though these have been requested
 - c. Did visits take place involving residents to other regeneration areas? If so what were the outcomes?

There is no evidence that the above happened. How do you feel about making such significant decisions that impacts on a whole community when fundamental consultation procedures and processes were ignored?

5. During the procurement stage two developers pulled out leaving one. Once the competitive element was removed this could potentially undermine the benefits of the project. What impact do you think this had on the 8 principles and processes and procedures outlined in the 2019 consultation information? Bearing in mind that two developers pulled out what strategies were put in to ensure that only having one applicant would not be to the detriment of the residents in the local community?
6. In the Report to Cabinet 27 July 2023 there is no mention of the 8 principles. Surely these are fundamental and the backbone to the whole project? What did you as a member of the Cabinet do to support and guarantee the 8 principles?

There is no evidence that consultation processes took place as outlined in the 2019 leaflets. It is the belief of residents that Birmingham City Council has breached its contractual duty to consult with residents in accordance with its own consultation procedures and 8 Principles as set out in 2019, and in doing so has violated the right for residents to voice their opinion.

Report to Cabinet 27 June 2023 – Birmingham City Council Riding Rough Shod Over Residents

The content of this document bears little resemblance to the information provided by both the Council and the Labour Party to Central Ladywood residents in 2019. In addition, we find out from the Report that the project extends beyond the remit of Council-built properties to include private built estates and recently built Housing Association properties. There are homes less than twelve years old targeted to be demolished in Phase 1 of the project. Out of 7531 new properties only 638 new council homes will be built and a meagre 427 new affordable homes and 146 housing association built in final phase 4 providing in total 16% new social and affordable housing.

Following concerns raised by residents about the consultation process and the Report to Cabinet 27 June 2023 Shabana Mahmood MP wrote to Cllr Cotton 7 July 2023 asking:

- What percentage of new homes in the Ladywood Estate regeneration scheme will be family homes?
- Why is the council not meeting its own targets for social housing or affordable rents as part of the scheme?
- What assessment has been made regarding the displacement of the existing community as part of the 20-year scheme?

Stating:

I will continue to back the regeneration agenda of the council provided it is not a backdoor for mass gentrification of Birmingham Ladywood. I trust that our shared Labour values will ensure that the planned regeneration puts residents first.

As far as residents are aware there has not yet been a response. What is your opinion as a member of the Cabinet?

On 2 August 2023 Shabana Mahmood published her 'red lines' for the Ladywood Estate Regeneration Plan:

- A full and transparent consultation process with residents throughout the project – appointing a specialist to support the community
- Residents who want to stay in Ladywood are guaranteed to stay in Ladywood, and they are rehoused in one move to prevent disruption
- A promise that new, quality community facilities are at the heart of the project and not an afterthought

Stating:

- Any regeneration of Ladywood should not leave the existing community worse off.
- I told the council leader the plans should not be a backdoor for mass gentrification of our neighbourhood, where people have put down roots and made their homes.
- Birmingham City Council only have one chance to get this right and secure the future of Ladywood for generations to come.
- I won't support any regeneration if the council step over my red lines."

In relation to the Regeneration Project there are many unanswered questions that residents need answers to including:

1. Why is Birmingham City Council Cabinet condoning the demolition of good quality homes that were not in the initial regeneration proposals? What is the rationale for this particularly when there are many housing estates in the City in urgent need of a rebuild?
2. Out of 7500 new properties around 11% will be social housing and in the region of 5% affordable housing. There is a national housing crisis that is being reported on in the media particularly around families not being able to afford homes. Why is Birmingham City Council significantly falling beneath its target of 35% affordable homes for this project? Only 5% of homes will be affordable and these are scheduled to be built in Phase 4 (2040) What is the Cabinet doing to support the building of affordable homes in Central Ladywood?
3. Cllr Francis stated on BBC Midlands Today interview 4 Aug that *"no one is going to be turfed out of the house"* and Cllr Bore stated on BBC Radio WM 16 July *"There is a promise to anyone who wants to remain in Central Ladywood for them to remain as residents for Central Ladywood. No one is going to be forced out. There will be new homes"*. Shabana Mahmood stated in her 'red lines' message to residents 2 Aug that *"Any regeneration of Ladywood should not leave the existing community worse off"*. This is welcoming news so please clarify

- a. What is going to happen to Housing Association residents are no provision so far has been made for them within the regeneration area until Phase 4?
 - b. Are private residents going to be offered like for like homes with all expenses covered?
4. What is the Cabinet doing to ensure that the project does not end up resulting in a backdoor for mass gentrification of Central Ladywood? Are you backing Shabana Mahmood?

Lack of Procurement Transparency

The Cabinet Report 27 June 2023 states the 'preferred bidder' was St Joseph Homes Limited. There was only one bidder as the other two bidders pulled out. Taking into consideration the stark contrast between what was initially proposed by Birmingham City Council and the Labour Party as 'the best resident-led regeneration in the country' - involving upgrading properties and building new homes - to the complete obliteration of nearly of all Central Ladywood including new and good quality homes, businesses, and other public buildings, raises the question of who really will benefit from this project? At the beginning of last month, Birmingham City Council stopped all non-essential spending after revealing it still faces a bill of up to £760 million. This was an issue brought on by the Council's inability to manage the public purse and has been an issue in the past. Birmingham City Council has already sold its family silver (NEC and NIA buildings) in relation to past claims. All that's left is its family gold, the residents! The financial benefits for St Joseph Homes Ltd for acquiring such prime land totalling 60 hectares would be enormous particularly looking at their portfolio of properties as outlined in the Cabinet Report June 2023 3.2.2. This would result in obliterating an entire community.

1. As part of the procurement process St Joseph Homes Ltd were required to produce an indicative Masterplan. Surely this should have been part of the consultation process, thus putting residents at the centre of decision-making processes? Why has this not been made available?
2. In the Cabinet meeting discussion 27 June 2023, the focus was on replacing dilapidated 1960s/70s homes and there was no mention about good quality recent built homes. Why was this the case? Why has social homes been left to get into such a poor state? What assessment has been made to ascertain the quality of homes in the area?
3. The Cabinet Report 27 June 3.1.4 states the Ladywood is amongst the 10% most deprived wards in England. The publication BCC Deprivation in Birmingham Economic Policy - The Indices of Deprivation Dec 2019 states that 43% of people in Birmingham live in areas that are ranked in the most 10% most deprived areas nationally. Out of 69 wards in Birmingham Ladywood is ranked 42 one above North Edgbaston and one below Moseley. Central Ladywood Estate is a culturally diverse community including residents from a range of professions including NHS workers, social care, paediatricians, Birmingham University lecturer, IT consultants, education, banking/finance and there are very close-knit communities. As a member of the Cabinet do you truly believe that the current residents of Central Ladywood will be better off from demolishing the entire estate?

Bribery Allegations

'Berkeley Group bosses were accused of engaging in years of bribery' - Guardian 21 November 2018

Were you aware of the out-of-court settlement of £9.5 million made by Berkeley Group to ex-finance director reported in several tabloids November 2018? The Guardian 21 November 2018 stated:

- *Berkeley Group bosses were accused of engaging in years of bribery Ex-finance director's allegations withdrawn after £9.5m out-of-court settlement*

According to Finance Uncovered 22 November 2018 bosses of Berkeley Group:

- *.....were accused by their own former finance director of repeatedly bribing a partner at a major estate agent, of corporate tax evasion and of unlawfully disclosing price sensitive information..... reached a £9.5m out of court settlement, a deal mentioned briefly in the company's latest annual report. It says*

the allegations were withdrawn as part of the deal. As the cases were settled, none of the allegations were ever tested and they remain unproven

There is a wealth of information on this case. I have used two sources in this letter (please see links below). From the information provided by these sources it would appear that Berkeley Homes were involved in a £9.5 million out of court settlement with an ex-employee. I know residents of Central Ladywood are concerned by these articles. Perhaps you could shed some light on your thinking:

1. As a member of the Cabinet were you aware of these allegations as outlined in various tabloids November 2018 and from an ethical perspective how do you feel about being in partnership with a developer who has paid out a £9.5m out-of-court settlement to a former employee?
2. I note that in the Cabinet meeting on 27 June 2023 there was no mention of Berkeley Group being involved in such a high stakes litigation? Why was this the case?
3. What due diligent procedures did the Cabinet put in place when deciding on the preferred bidder? Please can you share a copy of this?
4. What risk assessments are in place to mitigate any potential issues in the future in relation to the preferred bidder?

These are serious matters that concern the residents of Central Ladywood.

Inconsistent Judgements

It was reported in Birmingham Mail 18 August, that Birmingham City Council Planning Committee has decided not to go ahead with a proposed residential development near to the Anchor Pub in Digbeth. According to the Birmingham Mail the Planning Committee rejected the development as homes were too small and therefore unsuitable for meeting the requirements of families and also for being unaffordable (only 10% were affordable homes). As you are aware there are currently 21,000 people on Birmingham's council waiting list with nearly a third of these requiring three-bedroom and four-bedroom accommodation. The Ladywood Estate Regeneration Project falls well beneath the Council's target to provide 35% affordable homes with only 11% of new homes dedicated to social housing and 5% to affordable homes. According to this newspaper article there were several objections from members of the Planning Committee due to lack of affordable housing. There was much controversy made by the Planning Committee about building properties with one and two bedrooms. I assume that BCC Planning Committee gave the green light and granted permission for Neighbourhood Heights (Figure 1) to be built within the red line area of Central Ladywood which is very similar to the proposed flats in Digbeth (Figure 2)



Birmingham Heights Ladywood Figure 1

Figure 2 Proposed Flats Digbeth

According to the Birmingham Mail there were a range of views from members of the Planning Committee about the proposed one/two bedroom apartments in Digbeth including: "I think it's a really poor development"....."One-bedroom, one person flats is just an insult really, I don't support this at all"....."10 per cent affordability is disappointing"....."A pretty dreadful scheme that doesn't give us the degree of

affordable housing we need. I think it's a rotten deal and we ought to reject it" "It seems we're going further and further down the path of these small flats when what we need is family accommodation"

I note that Neighbourhood Heights within the red line has one/two luxury bedrooms. As mentioned, these two buildings are of a very similar design yet the Planning Committee rebuffs the proposals to build luxury one/two bedroom apartments in Digbeth. The reasons provided by the Planning Committee for rejecting the development in Digbeth are in line with the Ladywood Estate Regeneration 8 principles. Never-the-less permission was granted for an identical residential development (Neighbourhood Heights) to go ahead in Ladywood.

I took the liberty of making enquiries about Birmingham Heights and here are my findings: Firstly, I was asked about how much liquid cash I had available and my job title. I was encouraged to invest in the properties and was told that there was much profit to be made from the regeneration of Ladywood. I was then told that I met the criteria to speak with the Managing Director on a Zoom call. A few days later on the Zoom call with the Managing Director I was told that this was a very good investment opportunity particularly in relation to short-term occupancy and that the target audience were professionals and also overseas students particularly Chinese students studying at Birmingham University. I was told that Five Ways Railway Station was close by which was a direct train line to the University. The target rent would be around £1800 monthly and after 6 months the rent could be increased by up to 20%. I was also told that there would be yields up to 7.1%; out of 81 units 25 had already been reserved for investors even though building hadn't started and that should I purchase a unit I would need to pay in full but not to be concerned as it was envisaged that the apartments would be worth more once completed.

1. As a member of the Cabinet what are your thoughts on Birmingham Heights being the first newly built residential property within the red lines? What message do you think this gives to the residents of Central Ladywood?
2. Why do you think the Planning Committee rejected the development at Digbeth but granted permission for an identical residential development (Birmingham Heights) to be built in Central Ladywood? As a member of the Cabinet did you challenge the Planning Committee?
3. What benefits do you think Birmingham Heights will bring to the residents of Central Ladywood?
4. It would be helpful to know your thoughts on how Birmingham Heights meets the 8 principles as set out in the original regeneration documentation?
5. How does Birmingham Heights support Birmingham City Council to reach its target of 35% affordable homes?
6. The agents I spoke with viewed Birmingham Heights as an investment where there were profits to be made for private investors from the regeneration of Ladywood. What's your view of this as a member of the Cabinet?

Summary

There are three interrelated areas of concern:

1. Birmingham City Council did not adhere to its own well documented consultation procedures
2. The *Report to Cabinet 27 June 2023 – Full Business Case and Contract Award* does not reflect the initial regeneration concepts as the project now provides only 11% social housing and 5% affordable housing. There was no involvement from residents as set out in the 2019 consultation literature. There is a sense of shock from residents - who have been ill-informed throughout the process - that apart from seven towers that the Council had spent considerable funding replacing cladding, all homes, businesses, places of worship and public builds are to be bulldozed. The developers will be handed over 60 hectares of Ladywood Estate for which about 50% is Council owned and the remainder privately owned. The majority of properties in Phase 1 targeted for demolition are new builds from the 1990s onwards of high quality.
3. Procurement procedures lack transparency and there is a lack of competition due to two bidders pulling out leaving one. In addition, there are unanswered questions in relation to the successful

bidder. Furthermore, there appears to be inconsistencies in relation to decision making within the Council.

Residents of Central Ladywood are very concerned that the terms of the developer in the *Report to Cabinet 27 June 2023* are more in keeping with backdoor gentrification than a well thought out regeneration plan, which certainly does not put residents at the heart of the process as promised by Birmingham City Council and Labour Party. Feelings are very high amongst residents that enough is enough and that to BCC is failing the people of the City.

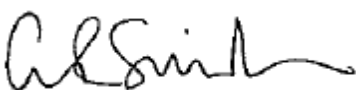
Birmingham Mail has published apologies from BCC about their shambolic approach to consultation. The Council promises to get it right and that "lessons have been learnt". However, most questions and queries directed to BCC by residents in relation to the project are ignored. Do you think the that the issuing of FAQs and factsheets at the end of this month will give residents the confidence they need that the Ladywood Estate Regeneration Project really is going to be the "best resident-led regeneration project in the country"? Thus, putting residents at the core of all decision-making processes as opposed to a top down model which puts the developers in control and where the focus is not on the people of Central Ladywood but on making profit.

Ladywood Unite residents have two outcomes:

- **Residents wish for the *Report to Cabinet 27 June 2023* to be recalled and then put out to tender once a full and proper consultation with residents has been conducted. The outcomes from the current report provide little means of opportunity to ensure a resident-driven regeneration project. Residents want to retain their communities and to be actively involved in all decision-making procedures to regenerate the area.**
- **Residents wish that the 8 principles, and in particular principles 7 and 8 that do not feature in the *Report to Cabinet*, are reinstated to become an integral part of the procurement process and therefore the Report.**

We therefore respectfully ask your support as a member of Birmingham City Council Cabinet and look forward to your response to the questions raised by residents.

Yours sincerely



George Smith

Media Sources used in this letter:

<https://www.theguardian.com/business/2018/nov/21/berkeley-group-bosses-were-accused-of-engaging-in-years-of-bribery-allegations-withdrawn-court-settlement>

<https://www.financeuncovered.org/stories/berkeley-group-bribery-allegations-court-papers>

<https://www.birminghammail.co.uk/news/digbeth-plans-700-flats-rejected-27548939>