

Level

Tier

Scope

Service

District, Unitary

Housing

Innovation in housebuilding



Characteristic(s) / CSF(s):
Managing Expenditure



Problem and Approach

- Birmingham City Council established the BMHT in 2009. Its purpose is to bring forward and help develop local authority-owned sites for council homes and market sales. The sites range from being relatively small (such as former garage courts) up to around 300 homes in neighbourhoods that require regeneration. Construction costs depend upon the type and size of home being built and range from around £85,000 per unit for a flat to around £185,000 for a four or five bedroom house. Each scheme is appraised financially and submitted as a full business case to the cabinet of the council

Outcomes

- The initial programme in 2009 was small-scale (129 properties) so as to test the approach and build up the necessary in-house expertise and skills.
- In 2016/17, there were 872 council housebuilding starts (and an equal number of market sale starts). The new financial freedoms and flexibilities under self-financing provided a major stimulus to the programme.
- The council housebuilding properties are a mix of social rent (average rent in 2018/19 of £100 per week) and affordable rent (social rent + £3 per week, around 70 per cent of market rent).

<https://www.local.gov.uk/topics/housing-and-planning/innovation-council-housebuilding/innovation-council-housebuilding-8>



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