

Report to the Greater Birmingham and Solihull Supervisory Board

November 2016

Snow Hill Growth Strategy

Purpose of the Report

To update on the decision made by the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) Director on the 7th November 2016, in relation to the HM Treasury grant funding for Snow Hill Growth Strategy, to the value of £2,000,000.

Recommendations

Supervisory Board members are asked to note the agreement to fund the LGF grant and the manner in which the funding will be defrayed.

Background and Key Issues

On 16th March 2016, the HM Treasury announced in the Budget 2016 that government had allocated £2m to develop a regeneration masterplan for Birmingham's Snow Hill district (*the Snow Hill Growth Strategy project*). The project is solely concerned with the production of the Snow Hill Growth Strategy and will not involve physical works, such as land remediation or construction.

On the 26 August 2016 the Cities and Local Growth Unit confirmed that the £2m HM Treasury funds would be made available to the GBSLEP as S31 capital grant to fund the project on the basis of the work specification. The project would therefore go through GBSLEP's Growth Deal governance processes, including those for project approval and programme management, with a pre-determined specification. Birmingham City Council is the applicant and will be the Grant Recipient.

The full business case, requesting a total of £2,000,000 for the project, was submitted in October 2016. The project was then recommended for approval by the Independent Technical Evaluator (ITE) in November 2016.

The Snow Hill district is identified in the Big City Plan (2010) as one of five areas for major transformation in Birmingham city centre, with significant potential to deliver sustainable growth, improved connectivity, environmental quality, new residential communities and a diversified economic base. This project seeks to support the realisation of this ambition.

The Snow Hill Growth Strategy project aims to create a development proposition focused on the transformation of Snow Hill Station and its immediate environment. The intention is that further investment opportunities for the private sector are 'de-risked' to stimulate investment, given the complexities of constructing around a live

railway station. Proposals will be designed to maximise private sector investment in order to bring forward the re-development and regeneration of the area.

The project entails several steps to produce the Growth Strategy by August 2018. These include commissioning of baseline studies; identifying a preferred growth option and developing a delivery vehicle; and production of the Outline Delivery Strategy, Outline Business Case and finally a prospectus.

As the project is the next step of a masterplanning exercise, the deliverable will be the production of the 'Snow Hill Growth Strategy', which will holistically join and present the work undertaken for each of the work packages which will outline the most appropriate way forward. This undertaking will identify the investment options that will maximise the economic growth for the area.

The LEP Director approved the £2,000,000 capital grant under delegated authority on 7th November 2016.

Financial & Legal

A spend profile indicated within the full business case for Snow Hill Growth Strategy project is shown in the table below.

Cost Category	2016/17	2017/18	2018/19	2019/20	Total
HMT Capital Grant (£)	£66,625	£1,865,891	£67,484	0	£2,000,000
BCC Revenue Funding (£)	£69,661	£533,482	£27,857	0	£631,000
Total	£136,286	£2,399,373	£95,341	0	£2,631,000

The GBSLEP Programme Delivery Team will monitor the project performance against expected deliverables.

Conclusion

The Supervisory Board is asked to note the decision made by the LEP Director on the 7th November, to approve the funding for the Snow Hill Growth Strategy to the value of £2,000,000 and the manner in which it will be defrayed.

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