

<b>Report to:</b>	<b>CABINET</b>
<b>Report of:</b>	<b>Director of Planning and Regeneration</b>
<b>Date of Decision:</b>	<b>20<sup>th</sup> October 2015</b>
<b>SUBJECT:</b>	<b>ADVANCED MANUFACTURING HUB – LOCAL GROWTH FUND: FULL BUSINESS CASE</b>
<b>Key Decision: Yes / <del>No</del></b>	<b>Relevant Forward Plan Ref: 000709/2015</b>
<b>If not in the Forward Plan: (please "X" box)</b>	<b>Chief Executive approved <input type="checkbox"/></b> <b>O&amp;S Chairman approved <input type="checkbox"/></b>
<b>Relevant Cabinet Member:</b>	<b>Councillor Tahir Ali - Development , Transport and Economy, Jointly with Councillor Stewart Stacey - Commissioning, Contracting and Improvement</b>
<b>Relevant O&amp;S Chairman:</b>	<b>Cllr Victoria Quinn, Economy, Skills and Sustainability</b>
<b>Wards affected:</b>	<b>Aston, Nechells and Perry Barr</b>

<b>1. Purpose of report:</b>
1.1 To seek acceptance to £4.45m of Local Growth Fund (LGF) grant from the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) towards the Advanced Manufacturing Hub (AMH). The AMH is one of six Economic Zones in the City and is designated as a Regional Investment Site (RIS) in the Aston, Newtown and Lozells Area Action Plan which was adopted by the City Council in July 2012.
1.2 To seek approval to the Full Business Case to use the LGF grant to acquire key properties within the AMH at JB Foods and Concentric Business Park and pay all related disturbance compensation and basic loss payments. The proposal also includes the demolition of the JB Food site as well as the remediation of the Rylands Garage site and Adventurers Public House which are already in the City Council's ownership.
1.3 An accompanying Private report contains commercially confidential information.

<b>2. Decision(s) recommended:</b>
2.1 Accepts £4.45m of Local Growth Fund (LGF) grant from the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) to support land acquisition and site remediation at the Advanced Manufacturing Hub (see Appendix 2 for £2m offer and subject to receipt of a second offer letter for £2.45m due shortly).
2.2 Approves the Full Business Case (attached as Appendix 1) for the Advanced Manufacturing Hub - Local Growth Fund project at a cost of £4.45m to acquire and demolish the JB Foods site, pay all statutory compensation payment in respect of Concentric Business Park, and remediate the City Council owned Ryland Garage and Adventurers Public House sites.
2.3 Notes that a separate report for the procurement of a suitable contractor for the demolition and remediation of Concentric Business Park using a Growing Places Fund repayable grant will be produced at a later date.
2.4 Authorises the Director of Property to dispose of the land acquired at open market value once remediated, consistent with the objective of providing developable plots for businesses supporting the manufacturing supply chain.
2.5 Authorises the Director of Legal and Democratic Services to negotiate, execute, complete and seal all relevant documents necessary to give effect to the above recommendations.

<b>Lead Contact Officers:</b>	Ian MacLeod – Development Planning Manager and AMH Project Lead  Mohammed A Islam - Regeneration Officer
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<b>3. Consultation</b>	
3.1	<p><u>Internal</u> The development of the project has been overseen by the Advanced Manufacturing Hub Project Board and its advisors with representation from Planning and Regeneration, Acivico, Transportation, Savills, Marketing Birmingham, Birmingham Property Services, and Legal Services. Officers from Corporate Procurement and City Finance have been involved with the preparation of this report. Ward Members for Aston, Nechells and Perry Barr are being consulted on the recommendations in this report and have previously been supportive of the AMH.</p>
3.2	<p><u>External</u> The Regional Investment Site (RIS) that is now branded as the Advanced Manufacturing Hub (AMH) project is one of the key proposals within the Aston Newtown and Lozells Area Action Plan (AAP), which was subject to widespread consultation with all interested parties at each stage of its preparation. Amongst others, consultation included residents; local businesses; community and voluntary groups, as well as statutory bodies such as the Environment and Highways Agencies. The owners of the JB Foods site are aware of the AMH proposal and have engaged on a voluntary basis with both the City Council and Savills (the agents for the AMH programme on behalf the City Council) in relation to the acquisition of their premises. The Homes and Communities Agency (HCA) is a joint partner in realising the AMH and is supportive of this proposal.</p>
<b>4. Compliance Issues:</b>	
4.1	<p><u>Are the recommended decisions consistent with the Council's policies, plans and strategies?</u></p> <p>4.1.1 The RIS has been prepared in the context of the Birmingham Unitary Development Plan – the City's Statutory Land Use Plan, and the Local Development Framework. It also consistent with the emerging Birmingham Development Plan. The RIS is also a key proposal in the adopted Aston, Newtown and Lozells Area Action Plan which was adopted by the City Council in July 2012. The RIS proposal is also consistent with other strategies including the Economic Zones Prospectus 2012.</p> <p>4.1.2 The requirements of the Birmingham Business Charter for Social Responsibility (BBC4SR) were incorporated as part of the tender exercise for a special remediation contractor and prior to contract award, an action plan proportionate to the contract sum will be agreed with the contractor on how the Charter principles will be implemented and monitored during the contract period. In identifying a general demolition contractor the BBC4SR will be a requirement of the conditions of appointment.</p>

## 4.2 Financial Implications

(Will decisions be carried out within existing finance and Resources?)

- 4.2.1 The estimated capital cost of this proposal is £4.45m over 2 years (2015/16 and 2016/17). This is within the timescales for the delivery of developable plots as part of the AMH project. These costs will be fully funded from LGF grant approved by the GBSLEP (see Appendix 2 approved 6<sup>th</sup> August 2015 for £2m and subject to receipt of a second offer of £2.45m which is expected shortly). The profile of spend is shown in the attached FBC at Appendix 1.
- 4.2.2 The acquisition of Concentric Business Park was identified in the Cabinet report dated 18<sup>th</sup> November 2013 'AMH-Phase 2 and 3: Full Business Case' to be funded from Growing Places Fund (GPF) repayable grant, however the opportunity to utilise LGF means that the funding does not have to be repaid. The GPF funding will be used to demolish Concentric Business Park at a later date, subject to a separate report and procurement, with any underspend being returned to the GPF.
- 4.2.3 In order to be compliant with state aid, the JB Foods and Concentric Business Park sites will be acquired at open market value and sold at open market value. The LGF grant is being provided under Section 31 of the Local Government Act 2003 and as such, there is no potential for claw back. However, Government has made clear that future allocations as part of the Local Growth Fund will be dependent on the delivery of the projects to which GBSLEP has committed in the Growth Deal, and so failure to do so will limit future funding opportunities. The capital receipt received from the sale of the land will be used to reinvest in further acquisitions as part of the AMH.

## 4.3 Legal Implications

- 4.3.1 The relevant legal powers for land acquisition and disposal powers are contained in Section 120 – 123 of the Local Government Act 1972 and Section 111 of the Local Government (Miscellaneous Provisions) Act 1982. The Council has already made a Compulsory Purchase Order (CPO) under section 226(1)(a) of the Town and Country Planning Act 1990 in respect of Concentric Business Park and has acquired most of the interests in the Business Park, except a few remaining short term tenancies that have been allowed to remain until January 2016. The Council has a duty to compensate the owners it has acquired applying the relevant compulsory purchase compensation legislation known as the compensation code. In respect of the JB Foods land, Cabinet has authorised the making of a CPO for this and other land on 18 November 2013 should the owner not be willing to allow the Council to acquire voluntarily.
- 4.3.2 Investment in economic development is made pursuant to the general power of competence contained in Section 1 of the Localism Act 2011.

## 4.4 Public Sector Equality Duty (see separate guidance note)

Equality Impact Assessments were undertaken in relation to Phase 1 AMH proposals reported to Cabinet on 30<sup>th</sup> July 2012 as well as subsequent Phases 2 and 3 agreed by to Cabinet on 18<sup>th</sup> November 2013. These assessments recognises that whilst there will be a wide range of positive impacts from the AMH, due to the transformational nature of the proposals for the site there will be some negatives too. In order to mitigate impacts as much as possible, all stakeholders including residents and businesses will be consulted throughout the whole AMH implementation period.

## 5. **Relevant background/chronology of key events:**

- 5.1 The AMH is a 20ha regeneration scheme in East Aston, Birmingham to deliver serviced plots for occupiers in the Advanced Manufacturing Sector. It is a joint City Council and HCA initiative.
- 5.2 Identified as a RIS the project is the key proposal within the Aston, Newtown and Lozells AAP. Following its examination in public the final plan was adopted by the Full Council on 3rd July 2012 as a Development Planning Document with statutory planning powers. The RIS subsequently branded as the AMH is also identified in the Council's published Economic Zones Prospectus 2012, which is a marketing document that seeks to maximise opportunities for economic growth across the City through the promotion of 6 economic zones.
- 5.3 Since the site was launched as the AMH in 2012 it has been successful in attracting significant foreign direct investment from the manufacturing sector. US owned Hydraforce Hydraulics Limited opened their new £10 million, 120,000 sq ft manufacturing facility in August 2015. This scheme will create over 220 new jobs by 2018 and safeguard a further 280. The German owned company Guhring exchanged contracts in July 2015 to become the second occupier at the AMH. Construction of their new facility will begin in Spring 2016. The £12 million investment will enable the company – which supplies global brands including BMW, Ford, JLR, Nissan, Airbus and BAE Systems – to create 50 new jobs and safeguard a further 75. A £2million highway improvement scheme to the Lichfield Road was also completed in September 2015, providing a significantly improved access to the site.
- 5.4 Building on the success of the AMH, City Council officers have successfully bid for £4.45 million of LGF grant to enable further development plots to be provided (see offer letter in Appendix 2). The LGF will be used to acquire and demolish the JB Foods site and complete the compensation payment to Concentric Business Park which has been the subject of a CPO. Both sites currently consist of old poor quality industrial property within the RIS/AMH.
- 5.5 The acquisition of the JB Foods site, in combination with Concentric Business Park (see Appendix 3), will create an opportunity to accommodate a larger industrial development that will make an important contribution to the city's industrial land supply. There is currently a significant shortage of industrial land in the city. The shortage of land is particularly acute for plots that could accommodate large high quality international investment such as Hydraforce. The acquisition of JB Foods in combination with Concentric Park will help to ease this supply situation and present the market with a high quality opportunity adjacent to the Hydraforce site of 150,000 sq ft with potential to create 400 jobs.
- 5.6 The LGF will also fund the remediation of the cleared Rylands Garage site together with the demolition and remediation of the adjoining Adventurers Public House creating a development opportunity of around 55,000 sq ft (see Appendix 3). Both sites are already in the City Council's ownership. The Rylands site is contaminated from its previous industrial use and it is important that these issues are addressed before the site is brought to the market for development. The site once developed has potential to create around 150 jobs. Businesses affected by redevelopments within the AMH are being supported by the City Council to relocate in the local area.

- 5.7 White Young Green (WYG) were procured on behalf of the City Council under officer delegation to provide specialist remediation advice and also undertake a tendering exercise in liaison with Corporate Procurement to identify a suitable specialist contractor to undertake the remediation works to the Rylands Garage and the adjoining New Adventurers Public House. Following a pre-qualification questionnaire four companies were shortlisted to provide quotes for the work, and following an evaluation exercise VHE were recommended as the preferred contractor.
- 5.8 The AMH Project has been supported by a number of funding streams including GPF, Pinch Point and City Deal. However, both the JB Foods and Rylands Garage sites are not covered by these existing funding sources. In the case of Concentric Business Park, a GPF repayable grant had been secured to fund the acquisition and it is now intended that the GPF grant will be used for the demolition and remediation of Concentric Business Park and any unspent GPF is returned to the GBSLEP.
- 5.9 Specialist external remediation advice was sought, for the contaminated Rylands Garage site via White Young Green (WYG), following quotations through FindItInBirmingham. In addition, they have assisted the City Council in carrying out a tender exercise using FindItInBirmingham and a site specific pre-qualification questionnaire with support from Corporate Procurement. VHE Construction were selected to remediate both Rylands Garage and the adjoining Adventurers Public House site. In respect of the JB Foods and Concentric Business Park, a suitable general demolition contractor will be appointed via Acivico's Frameworks.
- 5.10 The timescales for project delivery are as follows:

<b>Activity</b>	<b>Timescales</b>
Exchange contracts to acquire JB Foods	Nov 2015
Complete acquisition JB Foods	Jan 2016
Site demolition – JB Foods site	Spring 2016
Site remediation – JB Foods site	Summer 2016
Site demolition – Adventurers Public House	Spring 2016
Site remediation – Adventurers Public House	Summer 2016
Complete acquisition of Concentric Controls Business	Nov 2015
Site demolition – Concentric Controls Business Park (subject to separate report)	Spring 2016
Site remediation – Concentric Controls Business Park.	Summer 2016
Site remediation – Rylands Garage site	Begin on site Nov 2015

**6. Evaluation of alternative option(s):**

6.1 **Do Nothing** – Not to utilise LGF funding. There is no funding to acquire the JB Food site, which will mean that the City Council will fail to produce a consolidated land assembly attractive to potential businesses and developers. The Economic Zone aspirations will not be realised for the location. The opportunity to attract large scale employment opportunity will be lost. The remediation of the Rylands Garage, Adventurers Public House and JB Food sites are an imperative as they blight the AMH site and therefore cannot be ignored.

**7. Reasons for Decision(s):**

7.1 To enable further development plots at the RIS-AMH to be brought forward for development in line with the objectives of the Aston, Newtown and Lozells AAP.

**Signatures**

**Date**

Councillor Tahir Ali Cabinet Member Transport and the Economy	.....	.....
Councillor Stewart Stacey Cabinet Member for Commissioning, Contracting and Improvement	.....	.....
Wahid Nazir Director of Planning and Regeneration	.....	.....

**List of Background Documents used to compile this Report:**

- East Aston Regional Investment Site – Growing Places Funding. Cabinet report dated 30<sup>th</sup> July 2012
- Advanced Manufacturing Hub: Phases 2 & 3 Full Business Case. Cabinet report dated 13<sup>th</sup> November 2013.
- Birmingham City Council acting as the Accountable Body for funding received by the GBSLEP through the Growth Deal. Cabinet report 8th December 2014.

**List of Appendices accompanying this Report (if any):**

1. Full Business Case
2. LGF offer letter
3. Site Plan – JB Foods/Concentric Business Park/Rylands Garage/Adventurers Public House Sites

<b>Report Version</b>		<b>Dated</b>	
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## **PROTOCOL PUBLIC SECTOR EQUALITY DUTY**

- 1 The public sector equality duty drives the need for equality assessments (Initial and Full). An initial assessment should, be prepared from the outset based upon available knowledge and information.
- 2 If there is no adverse impact then that fact should be stated within the Report at section 4.4 and the initial assessment document appended to the Report duly signed and dated. A summary of the statutory duty is annexed to this Protocol and should be referred to in the standard section (4.4) of executive reports for decision and then attached in an appendix; the term 'adverse impact' refers to any decision-making by the Council which can be judged as likely to be contrary in whole or in part to the equality duty.
- 3 A full assessment should be prepared where necessary and consultation should then take place.
- 4 Consultation should address any possible adverse impact upon service users, providers and those within the scope of the report; questions need to assist to identify adverse impact which might be contrary to the equality duty and engage all such persons in a dialogue which might identify ways in which any adverse impact might be avoided or, if avoidance is not possible, reduced.
- 5 Responses to the consultation should be analysed in order to identify:
  - (a) whether there is adverse impact upon persons within the protected categories
  - (b) what is the nature of this adverse impact
  - (c) whether the adverse impact can be avoided and at what cost – and if not –
  - (d) what mitigating actions can be taken and at what cost
- 6 The impact assessment carried out at the outset will need to be amended to have due regard to the matters in (4) above.
- 7 Where there is adverse impact the final Report should contain:
  - a summary of the adverse impact and any possible mitigating actions (in section 4.4 or an appendix if necessary)
  - the full equality impact assessment (as an appendix)
  - the equality duty – see page 9 (as an appendix).

## Equality Act 2010

The Executive must have due regard to the public sector equality duty when considering Council reports for decision.

The public sector equality duty is as follows:

1	<p>The Council must, in the exercise of its functions, have due regard to the need to:</p> <ul style="list-style-type: none"><li>(a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by the Equality Act;</li><li>(b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;</li><li>(c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.</li></ul>
2	<p>Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:</p> <ul style="list-style-type: none"><li>(a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;</li><li>(b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;</li><li>(c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.</li></ul>
3	<p>The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.</p>
4	<p>Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:</p> <ul style="list-style-type: none"><li>(a) tackle prejudice, and</li><li>(b) promote understanding.</li></ul>
5	<p>The relevant protected characteristics are:</p> <ul style="list-style-type: none"><li>(a) age</li><li>(b) disability</li><li>(c) gender reassignment</li><li>(d) pregnancy and maternity</li><li>(e) race</li><li>(f) religion or belief</li><li>(g) sex</li><li>(h) sexual orientation</li></ul>

<b>Full Business Case (FBC)</b>			
<b>1. General Information</b>			
<b>Directorate</b>	Economy	<b>Portfolio/Committee</b>	<i>Development, Transport and the Economy</i>
<b>Project Title</b>	ADVANCED MANUFACTURING HUB - LOCAL GROWTH FUND	<b>Project Code</b>	CA-02421-05
<b>Project Description</b>	<p>Birmingham remains one of the key manufacturing areas in the UK and is home to some of the country's most successful manufacturing companies, particularly within the automotive and aerospace sector. In order to ensure that Birmingham can accommodate the significant growth in this sector, the East Aston Regional Investment Site (the RIS) has been designated as an 'Advanced Manufacturing Hub' in the Leaders Policy Statement of 12 June 2012.</p> <p>The RIS is a 20 hectare employment site located by Spaghetti Junction on the M6 and is the key proposal in the Aston Newtown and Lozells Area Action Plan 2007-2012, (the AAP), recently approved by Government and adopted by the Council on 3rd July 2012. The AAP and the RIS in particular have been strongly supported by the Secretary of State following the public examination into the AAP as a key driver for economic change in the Aston area.</p> <p>The key strength of the Aston RIS is its accessibility. It lies at the centre of the UK motorway network and occupies a strategic position adjacent to the A38M, Junction 6 M6 and Heartlands Spine Road. Aston railway station, which adjoins the site, also provides a direct link to the City Centre and suburbs such as Sutton Coldfield. The site's strategic location provides efficient and easy access for staff and for incoming raw materials/products and outgoing finished goods. The site also lies within 2 miles of the main Jaguar Plant at Castle Bromwich and is ideally positioned to accommodate the supply chain growth from investment in Jaguar Land Rover and other companies.</p> <p>This proposal builds on the success achieved in Phase 1 of the East Aston RIS by assembling further land and property which once acquired will be brought forward for development in line with the objectives of the RIS. The project will create 3.22 hectares of development land creating and safeguarding up to 550 jobs. In terms of Concentric Business Park, support is being provided to existing tenants through BPS and Savills to help them find alternative accommodation within the local area where possible.</p>		
<b>Links to Corporate and Service Outcomes</b>	<p><b>Policy Context</b> The RIS was designated as an 'Advanced Manufacturing Hub', in the Leader's Policy Statement (June 2012).</p> <p><b>Birmingham Unitary Development Plan (2005)</b> The RIS proposal has been prepared in the context of the adopted Unitary Development Plan, which supports the provision of a range of employment sites and the diversification of the City's economic base.</p> <p><b>Emerging Birmingham Development Plan</b> The emerging Birmingham Development Plan (BDP) supports the provision of Regional Investment Sites at Longbridge and East Aston, as part of a portfolio of key employment sites.</p> <p>It states that it is essential that Birmingham is able to compete for investment in new employment sectors, and to provide opportunities for Birmingham-based companies to expand. To achieve this will require high-quality sites to be available within the city. These sites will be high quality and attractive to international and national investors and will support the diversification and modernisation of the economy.</p>		

	<p><b>Aston, Newtown &amp; Lozells Area Action Plan (AAP)</b>  The RIS is a key proposal within the AAP (a statutory land use plan) which proposes uses such as B1 (a) offices, (b) research and development, studios, laboratories, high technology, (c) light industry and high quality B2 uses.</p> <p>The AAP was examined in public by the Planning Inspectorate (January 2012). The Inspector, Mike Fox (appointed by the Secretary of State for Communities and Local Government) released his report on the 13th March 2012. The Inspectors Report categorically confirms support for the proposed RIS, subject to a number of minor modifications to the AAP. With specific regard to the RIS the Inspector states:</p> <p><i>“I consider that the RIS is the ‘critical path’ for the effective delivery of the regeneration of the plan area as a whole, and that there are no insurmountable obstacles in bringing forward the delivery of Phase 1 of the proposed RIS by 2015, with the implementation of the remaining phases by the end of the plan period.</i></p> <ul style="list-style-type: none"> <li><b><i>On the basis of the above considerations I conclude that, subject to the modifications referred to above, the proposed RIS is justified, both in relation to the RSS strategic criteria, the estimates of likely employment creation and its phasing and overall development parameters, including its traffic impacts on the surrounding road network. The proposed delivery arrangements and available resource planning set out in the plan are endorsed on the grounds of effectiveness... The proposed RIS, as modified, is endorsed as justified, effective and in accordance with national policy.”</i></b></li> </ul> <p><b>Economic Zones Prospectus 2012</b>  The AMH features within the 2012 Economic zones Prospectus, and has been identified to support the cities spatial strategy to enable high growth sectors to flourish and to encourage some of the biggest development opportunities in the UK.</p> <p>The Economic Zones provides particular dispensations to developers which include;</p> <ul style="list-style-type: none"> <li>• Simplified Planning</li> <li>• Access to finance</li> <li>• Gap Funding</li> <li>• Business Development Programmes</li> <li>• Tailored training and recruitment packages</li> <li>• The services of Business Birmingham</li> </ul> <p>The focus of the AMH is to provide opportunities for the growing automotive supply chain as well as other advanced manufacturing activity.</p>		
<p><b>Project Definition Document Approved by</b></p>	<p>N/A</p> <p>Part of Economic Zones Policy Statement</p>	<p><b>Date of Approval</b></p>	<p>June 2012</p>
<p><b>Benefits</b></p>	<p><b>Measure</b></p>		<p><b>Impact</b></p>

<b>Quantification- Impact on Outcomes</b>	<p>The project will deliver;</p> <ul style="list-style-type: none"> <li>▪ Acquisition and demolition of JB Foods site</li> <li>▪ Acquisition and remediation of the Concentric Controls Business Park site</li> <li>▪ Remediation of Rylands Garage plot and demolition/remediation of Adventurers Public House site.</li> </ul>	<p>The project will bring forward Phases 2 &amp; 3 of the RIS-AMH, Providing;</p> <ul style="list-style-type: none"> <li>▪ 3.2 hectares (8 acres) of brownfield land, immediately available for development.</li> <li>▪ Creation of up to 205,000 Sqft of high quality business / industrial floorspace and;</li> <li>▪ Creation and safeguarding of potentially 550 jobs</li> </ul>
<b>Project Deliverables</b>	<p>- unlock a further 8 acres (gross) brown-field land provided for development</p> <p>- create and safeguard a further 550 jobs between the assembled sites.</p> <p>- 205,000 sq ft of new commercial floor-space created across the assembled land.</p>	
<b>Scope</b>	<p>Due to strong market interest Local Growth Fund grant has been secured to unlock further land in the RIS. The funding is seen as essential as it will enable a number of development plots to be assembled and brought to the market - delivering significant economic benefits. Part of the bid relates to land already within City Council ownership and due to this it would be possible to progress some elements of the scheme immediately, including the delivery development plots which following remediation works could be made available for development.</p> <p><b>Concentric Business Park</b> This site has been vested by the City Council through a Compulsory Purchase Order which has been confirmed by the Secretary of State. The City Council continues to negotiate an appropriate level of business compensation. The site will be demolished once existing tenants vacate the property in January 2016.</p> <p><b>JB Foods</b> Heads of terms have been agreed with the company and solicitors instructed with a view to exchanging contracts by the end of October 2015 and completing the purchase in January 2016. The site will then be demolished and remediated.</p> <p><b>Rylands Garage and Adventurers Public House</b> Both these sites are within the ownership of the City Council. WYG were appointed to manage a tendering exercise to identify a contractor for this specialist remediation work and VHE Construction were identified as the preferred contractor.</p>	
<b>Scope exclusions</b>	<p>This FBC concerns all phases of the RIS. Further development plots outside of the scope of this project will be taken forward following the making of a second Compulsory Purchase Order in late 2015.</p>	
<b>Dependencies on other projects or activities</b>	<p>The acquisition of the JB Food site will depend on the negotiations to acquire the property being completed. All other land is already in the ownership of the City Council. Bat surveys have been undertaken and have confirmed there is no potential for roosting bats.</p> <p>Appointment of and placing orders with demolition/remediation contractors.</p>	
<b>Achievability</b>	<p>The Concentric Business Park site has been acquired by the City Council through a Compulsory Purchase Order so the completion of this acquisition and the sites subsequent demolition will occur before April 2016. Similarly, the Rylands Garage site and adjoining Adventurers Public House are owned by the City Council so remediation works can begin this year. Heads of Terms to acquire the JB Food site have been agreed with the objective of completing this purchase in January 2016.</p>	
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<b>Budget Holder</b>	<p>Waheed Nazir, Director of Planning &amp; Regeneration</p>	

	0121 303 3705 <a href="mailto:waheed.nazir@birmingham.gov.uk">waheed.nazir@birmingham.gov.uk</a>		
<b>Sponsor</b>	Ghaz Hussain, North-West Area Planning and Regeneration Manager, 0121 464 7738 <a href="mailto:Ghaz.Hussain@birmingham.gov.uk">Ghaz.Hussain@birmingham.gov.uk</a>		
<b>Project Accountant</b>	Rob Pace, Finance Manager, Development Directorate 0121 303 3817 <a href="mailto:rob.pace@birmingham.gov.uk">rob.pace@birmingham.gov.uk</a>		
<b>Project Board Members</b>	City & North West Project Board		
<b>Head of City Finance (HoCF)</b>	Alison Jarrett	<b>Date of HoCF Approval:</b>	06/10/2015

<b>2. Budget Summary (Detailed workings should also be supplied)</b>					
	<i>Voyager Code</i>	<i>2015/16</i>	<i>2016/17</i>	<i>Later Years</i>	<i>Totals</i>
<b>Capital Costs &amp; Funding</b>		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<u><b>Expenditure:</b></u> <i>Acquisition and Development costs</i>		<b>3,920</b>	<b>525</b>		<b>4,450</b>
<b>Totals</b>		<b>3,920</b>	<b>525</b>		<b>4,450</b>
<u><b>Funding</b></u> Local Growth Fund		3,920	525		4,450
<b>Totals</b>		<b>3,920</b>	<b>525</b>		<b>4,450</b>
<b>Revenue Consequences</b>					
Expenditure					<b>NIL</b>
Income					
Savings					
<b>Totals</b>					<b>NIL</b>
<b>Funded By:</b>					<b>NIL</b>
<b>Totals</b>					<b>NIL</b>
<b>Planned Start date for delivery of the project</b>	<i>November 2015</i>		<b>Planned Date of Technical completion</b>	<i>December 2016</i>	

<b>3. Checklist of Documents Supporting the FBC</b>		
<b>Item</b>	<b>Mandatory attachment</b>	<b>Number attached</b>
<b>Financial Case and Plan</b>		
<ul style="list-style-type: none"> <li>Detailed workings in support of the above Budget Summary (as necessary)</li> </ul>	Mandatory	See Private report
<ul style="list-style-type: none"> <li>Statement of required resource (people, equipment, accommodation) – append a spreadsheet or other document</li> </ul>	Mandatory	Existing Planning and Regeneration staff resources
<ul style="list-style-type: none"> <li>Milestone Dates/ Project Critical Path (set up in Voyager or attached in a spreadsheet)</li> </ul>	Mandatory	See below
<b>Project Development products</b>		
<ul style="list-style-type: none"> <li>Populated Issues and Risks register</li> </ul>	Mandatory	Annex 1
<ul style="list-style-type: none"> <li>Stakeholder Analysis</li> </ul>		Annex 2

## Project Milestones

<b>Activity</b>	<b>Timescales</b>
Exchange contracts to acquire JB Foods	Nov 2015
Complete acquisition JB Foods	Jan 2016
Site demolition – JB Foods site	Spring 2016
Site remediation – JB Foods site	Summer 2016
Site demolition – Adventurers Public House	Spring 2016
Site remediation – Adventurers Public House	Summer 2016
Complete acquisition of Concentric Controls Business	Nov 2015
Site demolition – Concentric Controls Business Park	Spring 2016
Site remediation – Concentric Controls Business Park.	Summer 2016
Site remediation – Rylands Garage site	Begin on site Nov 2015

## East Aston Regional Investment Site: Risk Register Report

Serial	Description	Likelihood	Impact	Grade	Action	Managed by:
	<b>DELIVERY STAGE</b>					
1	Risk of project delay due to having to undertake CPO process.	Low	Low	Low	The CPO for Concentric Business Park has been confirmed by the Secretary of State and a deal to acquire JB Foods is well advanced and agreed in principle. The City Council already owns the Rylands and Adventurers Public House sites.  Given the planning framework in place the City Council is in a strong position to advance a CPO if necessary.	Development Manager
2	Delays in gaining approvals	Low	Low	Low	Colleagues from other disciplines (Planning Management / Transportation / BPS / Housing and Legal) are supporting the RIS and the proposed works. There are no concerns with gaining approvals for implementing the works once acquisitions have been made.	Development Manager
3	Repayment of Growing Places Fund	Low	Medium	Low	The collaboration agreement between HCA and BCC will determine the share of capital receipts from disposal. In the event that BCC's share is insufficient to repay the GPF conditional grant then S106 monies from additional schemes will be used to fund any balance.	Development Manager
4	Additional Revenue Costs	Low	Low	Low	Contingency has been made within the project costs for ongoing maintenance of City Council owned sites including site security. Warranties will be provided to the City Council in relation to the demolition and remediation work.	Development Manager
5	Increased Acquisition Costs	Medium	Low	Low	Expert advice has been obtained from Savills in respect of the property valuations to ensure that they accurately reflect current market value. Compensation to the occupiers and disruption to the businesses has been built into the project costs. The site remediation contractor will provide the necessary warranties to cover their work.	Development Manager
6	Marketing strategy fails to dispose of the assembled land	Low	High	Low	This presents a unique opportunity for a consolidated site and there has been interest from developers in bringing forward this site to support the manufacturing sector of the city.	Development Manager

## East Aston Regional Investment Site – Stakeholder Analysis

<b>Stakeholder</b>	<b>Stake in Project</b>	<b>Potential Impact on Project</b>	<b>What does the Project expect from Stakeholder</b>	<b>Perceived attitudes and/or risks</b>	<b>Stakeholder management strategy</b>	<b>Responsibility</b>
Ward Councillors	Knowledge of issues affecting local community	High	Political support for project	Supportive/ Concerns over quality of works.	Ongoing involvement through consultation	Planning & Regeneration Project Officer
Cabinet Member for Development, Transport and the Economy	Portfolio holder. Wants job creation and business growth	High	Political support for project	Supportive / wants greater strategic approach	Ongoing involvement through consultation	Planning & Regeneration Project Officer
Cabinet Member for Commissioning, Contracting and Improvement	Ensuring that social benefits and value for money is achieved from procurements	High	Political support for project	Supportive/ ensure value for money and compliance with Birmingham Business Charter for Social Responsibility	Ongoing involvement through consultation	Planning & Regeneration Project Officer
Homes & Communities Agency	Development Partner	High	Support	On-going support	Collaboration Agreement	Planning & Regeneration Project Officer
Private Business	Land Holding	High	Support to acquire property via voluntary negotiation	Not willing to sell	On-going involvement	Birmingham Property Services Planning & Regeneration Savills



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Ian MacLeod,  
Development Planning Manager,  
Birmingham City Council,  
1 Lancaster Circus Queensway,  
PO Box 14439, Birmingham,  
B4 7DQ

6 August 2015

Dear Ian,

**Local Growth Fund Approval – Advanced Manufacturing Hub**

Following the independent technical evaluation, this letter confirms that your request for grant has received full approval.

As part of this approval, the Local Growth Fund will provide a maximum capped funding contribution of £2,000,000 (Two Million Pounds), paid as a capital grant towards an estimated total project cost of £10,000,000. Birmingham City Council, as the grant recipient, is solely responsible for meeting any expenditure over and above this maximum amount.

Birmingham City Council, as the GBSLEP's accountable body, will issue you with a draft Service Level Agreement (SLA) for review shortly. It is anticipated that the award of £2,000,000 will be claimed by way of a phased breakdown during 2015/16 which will be reflected under the terms and conditions of the SLA.

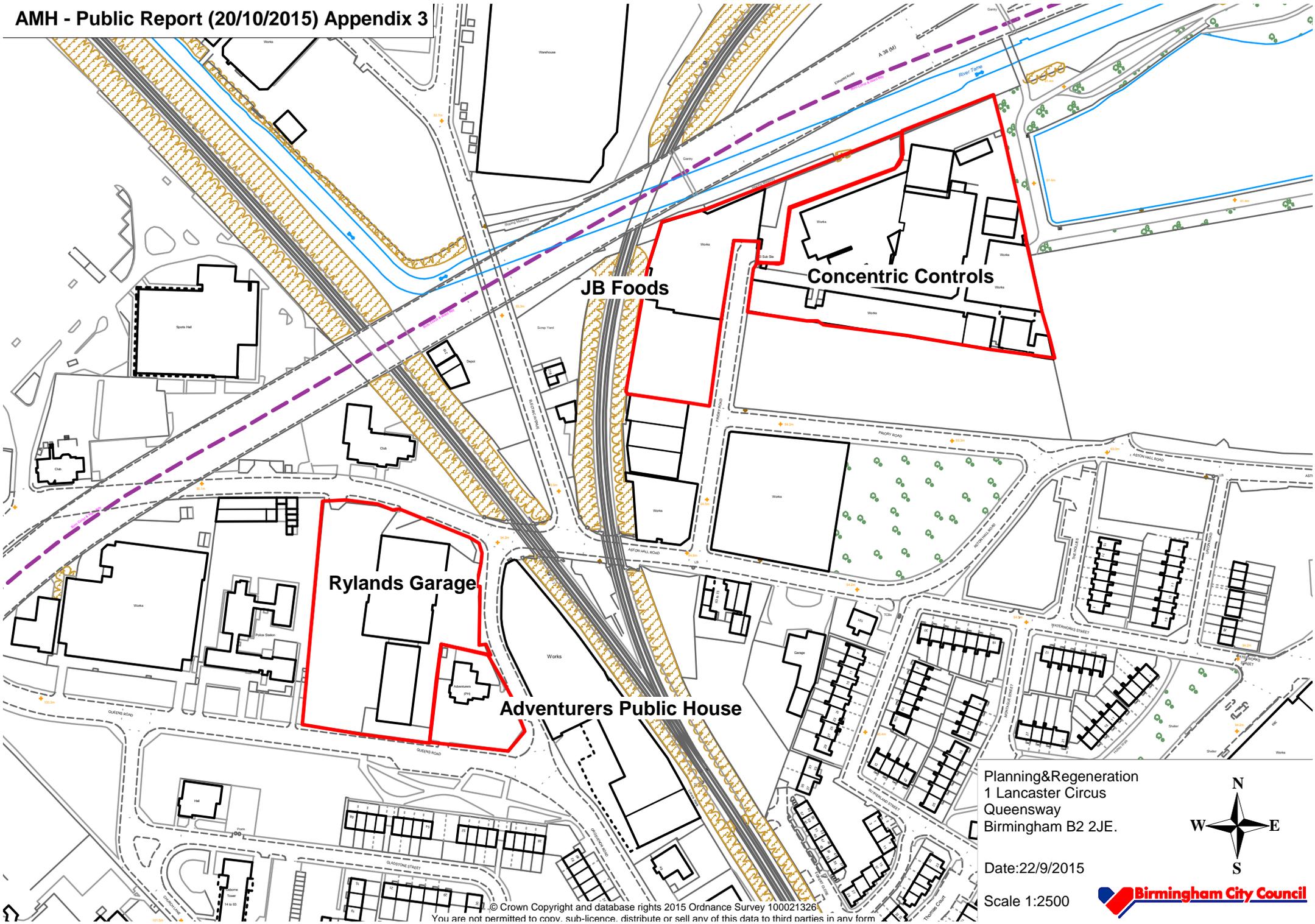
The quarterly Grant Claim and Monitoring Forms will be provided once the SLA has been signed off by all parties and a Monitoring Officer will be assigned to assist you with the claims and monitoring process.

The Local Growth Funds contribution to the project should be advertised in any publicity information you produce. Please note in particular the Clause within the SLA which describes in detail the publicity required.

Please contact Lesley Edwards, Local Growth Fund Programme Manager on 0121 303 8797 or by email at [Lesley.edwards@birmingham.gov.uk](mailto:Lesley.edwards@birmingham.gov.uk) if you have any queries regarding the contents of this letter.

Yours Sincerely

Michael F Carr  
Programme Delivery Director



Planning & Regeneration  
1 Lancaster Circus  
Queensway  
Birmingham B2 2JE.

Date: 22/9/2015

Scale 1:2500

