

# BIRMINGHAM CITY COUNCIL

## PUBLIC REPORT

**Report to:** LEADER JOINTLY WITH CORPORATE DIRECTOR,  
ECONOMY  
**Report of:** ASSISTANT DIRECTOR DEVELOPMENT  
**Date of Decision:** 25<sup>th</sup> October 2018  
**SUBJECT:** WEST MIDLANDS GROWTH COMPANY - UNDERTAKING  
OF A RELOCATION PROJECT FOR THE ENTERPRISE  
ZONE  
**Key Decision:** No  
**If not in the Forward Plan:** Relevant Forward Plan Ref:  
(please "X" box) Chief Executive approved ☐  
O&S Chairman approved ☐  
**Relevant Cabinet Member:** Councillor Ian Ward – Leader of the Council  
**Relevant O&S Chairman:** Councillor Tahir Ali – Economy and Skills  
**Wards affected:** Ladywood and Nechells

### 1. Purpose of report:

- 1.1 To provide a revenue grant to the West Midlands Growth Company (WMGC) on behalf of the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) to undertake a relocation project to stimulate business growth in the City Centre Enterprise Zone (EZ) area at a total cost of £0.240m.

### 2. Decision(s) recommended:

That the Leader jointly with the Corporate Director; Economy:-

- 2.1 In the City Council's role as the Accountable Body for the Greater Birmingham and Solihull LEP (GBSLEP), provides a revenue grant to the West Midlands Growth Company (WMGC) for up to £0.240m to support a business relocation project as per the attached offer letter at Appendix 1 subject to completion of a funding agreement.
- 2.2 Notes that the WMGC has already delivered a relocation project between April 2016 to September 2018 at a cost of £0.500m and stage 2 will extend the service until March 2020.
- 2.3 Authorises the City Solicitor to negotiate, execute, complete and seal all necessary documents to give effect to the above recommendations.

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### **3. Consultation**

#### **3.1 Internal**

- 3.1.1 Officers in Finance and Legal Services have contributed to the preparation of this report. The City Council's representative on the Board of the WMGC, the Leader, has been consulted on the proposal.

#### **3.2 External**

- 3.2.1 The Enterprise Zone Directors Board and Executive Board, comprising GBSLEP officers and Board members have been consulted on the proposal and approved the commission as part of the EZ governance process on 07<sup>th</sup> March 2018. A copy of the offer letter is attached at Appendix 1.

### **4. Compliance Issues:**

#### **4.1 Are the recommended decisions consistent with the Council's policies, plans and strategies?**

- 4.1.1 The recommendations in this report are consistent with the City Council Plan: 2018-2022 specifically Outcome 1 "we will create opportunities for local people to develop skills and make the best of economic growth" Priority 2 "we will strive to maximise the investment in the city and engage local employers to create quality jobs and opportunities for citizens."
- 4.1.2 The proposals will contribute to the Council's policies of creating and enabling the growth of sectors where Birmingham has competitive strengths. The services provided by the WMGC will assist in the delivery of the inward investment and business growth.

#### **4.2 Financial Implications**

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

- 4.2.1 Within the EZ all business rates are collected by the City Council with any net uplift in the business rates collected within the Zone allocated to the GBSLEP for a period to 31 March 2046. It is the GBSLEP who decide how and where these funds are deployed and will make the investment decisions over the resource in line with the investment plans for the EZ. As Accountable Body for the GBSLEP, the City Council has responsibility for financial governance over the EZ.
- 4.2.2 The City Council will administer the funding in the form of a grant to the WMGC. A funding agreement will be issued to the WMGC which will set out the terms and conditions on which funding is being offered (including all EZ funding conditions) and confirm that the payment of the grant will be by monthly instalments based upon evidence of defrayal and output achievement. There are no VAT implications as it is zero rated on grant expenditure.
- 4.2.3 Attached at Appendix 1 is the GBSLEP's offer of funding dated 23<sup>rd</sup> May 2018 to the City Council to provide a relocation service up to 31st March 2020. Acting as Accountable Body for the GBSLEP, the City Council will provide a revenue grant to the

WMGC to support the relocation project at a cost of £0.120m per annum covering 2018/19 and 2019/20 i.e. a total of £0.240m.

4.2.4 The EZ funding will enable the WMGC to employ the staff and undertake the following project work:

- 1 x full time Project Manager
- 1 x full time Project Marketing Executive
- **Total Approximate Cost: £70,000**
  
- Continued hosting, maintenance and content management of the existing Relocate to Birmingham website, app and tool ([www.relocatetobirmingham.co.uk](http://www.relocatetobirmingham.co.uk))
- Corporate support – Familiarisation events and trips for inward investment clients/ employees
- **Total Approximate Cost: £30,000**
  
- Promotional activity of Relocation Services and the EZ, providing collateral to support both location and service sales process, including:
  - New Relocation Services overview sales deck in hard and soft copy detailing the service offering and testimonials from service users. This will be used by the sector sales team to promote the service.
  - Digital and printed sales collateral offering an overview of Relocation Services
  - Video of Relocation Services tools - website, app, enquiries service
  - In-depth case studies from clients and employees
  - Video of client employees providing testimonials of support from Relocation Services
- **Total Approximate Cost: £20,000**

#### 4.3 Legal Implications

4.3.1 Under the general power of competence, Section 1 of the Localism Act 2011, the Council has the power to enter into the arrangements set out in this report, which are also within the boundaries and limits of the general power of competence Section 2 and Section 4 of the same Act.

4.3.2 The City Council has a responsibility through the GBSLEP to manage EZ funding as an Accountable Body. The EZ Investment Plan included £3.2m of investment for Business Development and Support, which was agreed by the GBSLEP Board in July 2014 and approved by Cabinet in July 2014.

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

4.4.1 The WMGC relocation project will help encourage more businesses to relocate to the city thereby contributing to equality of opportunity for all through creating the conditions for economic growth and job creation. The project is not provided to benefit any one particular protected group and are in fact designed to reach the maximum number of people and / or businesses as possible. The initial assessment (attached at Appendix 2) is that delivering the relocations project will not disproportionately disadvantage one protected group over another.

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

5.1 Acting as Accountable Body for the GBSLEP, Cabinet at its meeting of 22<sup>nd</sup> March 2016 approved EZ funding of £0.500m for the WMGC to deliver a relocation project.

- 5.2 The relocation project consists of a dedicated team that provides soft landing support to businesses relocating to the EZ as well as a relocation website and tool, enquiries service and familiarisation events. The relocation service offering within the EZ has since become a highly competitive incentive and an attractive offering in helping to secure new occupiers to the EZ. The project has been utilised by HSBC, HS2, PwC and the Prince's Trust.
- 5.3 The relocation project support provided to HSBC directly resulted in:
- 400 existing HSBC employees relocating to Birmingham from the South East
  - 3,700 people engaged with the relocation website and support tools.
  - 1,300 HSBC colleagues from across the UK who are not impacted by the relocation of the HQ expressed a desire to move to Birmingham
- 5.4 Currently the relocation project offering is the only soft landing support offering which can be utilised by the WMGC sector sales team to attract new occupiers to the EZ. The project is a unique offering for the GBSLEP EZ and is a service, not offered to the same level by any of our competitors across the UK. Without the support of funding from the EZ, the WMGC sector sales team will not have any soft landing offers for new occupiers.
- 5.5 The three-year pilot project has now come to the end of its initial funding period. As new office stock comes online the service needs to amplify its efforts to attract and support occupiers to take up the opportunities from new EZ sites completing in 2019 and 2020 (Chamberlain Square 2, Snowhill 3 etc.).
- 5.6 In order to build on the project's success in supporting new occupiers into the Enterprise Zone the WMGC has successfully applied to the EZ for an additional £120,000 per annum for a two year period covering 2018/19 and 2019/20. Continuing the service for an additional two years will deliver the following outputs:
- Continue to deliver the relocation project support and maintain a service provision to a minimum of 4 inward investment clients during any 12 month period.
  - Continue to promote the EZ to inward investment clients and provide evidence and testimonials of businesses which have benefited from the support of the service. Continue to service approximately five relocation enquires on average per week from service users who are relocating to Birmingham. This will vary depending on the clients and number of roles relocating.
  - Achieve an average of 100 visitors engaging with the relocation website and app on a 12-month average.
- 5.7 The above outputs will support the overall EZ in attracting new inward investment clients and providing soft landing support to staff of clients relocating. The project provides a valuable incentive to attracting businesses to the EZ and its importance will only grow as new office stock comes online.

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

- 6.1 The option to do nothing, i.e. do not release EZ grant funding for WMGC to deliver the project, will mean that the EZ outputs and Council strategic objectives are not achieved.

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

- 7.1 Approves the award of a grant to WMGC from the Council acting as Accountable Body on behalf of the GBSLEP to support the WMGC's relocation project which will also support the Council's strategic priorities relating to jobs and skills, by attracting businesses to locate within EZ sites.

### **Signatures**

### **Date**

Councillor Ian Ward –  
Leader of the Council

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Waheed Nazir  
Corporate Director, Economy

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

Enterprise Zone Project Proposal Forms

City Centre Enterprise Zone – Revised Investment Plan – Cabinet report dated 28th July 2014

Marketing Birmingham Provision of Relocation and Support Services to the Enterprise Zone –  
Cabinet 22<sup>nd</sup> March 2016

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

1. Enterprise Zone Offer of Funding Letter
2. Equality Assessment Ref EQUA151

## 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 The Council must, in the exercise of its functions, have due regard to the need to:
  - (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by the Equality Act;
  - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
  - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 2 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:
  - (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
  - (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;
  - (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.
- 3 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.
- 4 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:
  - (a) tackle prejudice, and
  - (b) promote understanding.
- 5 The relevant protected characteristics are:
  - (a) marriage & civil partnership
  - (b) age
  - (c) disability
  - (d) gender reassignment
  - (e) pregnancy and maternity
  - (f) race
  - (g) religion or belief
  - (h) sex
  - (i) sexual orientation