

BIRMINGHAM CITY COUNCIL

PUBLIC REPORT

Report to:	CABINET
Report of:	STRATEGIC DIRECTOR - MAJOR PROGRAMMES AND PROJECTS
Date of Decision:	26 JULY 2016
SUBJECT:	BIRMINGHAM LIFE SCIENCES CAMPUS, SELLY OAK – IMPLEMENTATION OF THE DEVELOPMENT STRATEGY
Key Decision: YES	Relevant Forward Plan Ref:
If not in the Forward Plan: (please "X" box)	Chief Executive approved X O&S Chairman approved X
Relevant Cabinet Member:	THE LEADER OF THE COUNCIL – CLLR JOHN CLANCY
Relevant O&S Chairman:	CLLR MOHAMMED AIKHLAQ - CORPORATE RESOURCES AND GOVERNANCE O&S COMMITTEE
Wards affected:	SELLY OAK AND EDGBASTON

1. Purpose of report:
<p>1.1 This report updates Members on the strategy to develop out part of the former Battery Site, Selly Oak as a Life Sciences Campus.</p> <p>1.2 To inform Cabinet of the disposal terms that will bring the reclaimed site forward for development. The disposal and development strategy and terms of the transaction are set out in the report on the private agenda.</p> <p>1.3 The site is shown edged black on the plan attached as Appendix 1 of this report.</p> <p>1.4 This matter was not included in the Forward Plan because the decision to go to Cabinet was only taken on 29th June following a meeting with the University of Birmingham.</p>

2. Decision(s) recommended:
<p>That Cabinet:</p> <p>2.1 Notes this report</p>

Lead Contact Officer(s):	Basit Ali Birmingham Property Services
Telephone No: E-mail address:	0121 464 6771 basit.ali@birmingham.gov.uk

3.	Consultation
3.1	<u>Internal</u>
3.1.1	The Chief Executive and Chair of Corporate Resources and Governance Overview & Scrutiny Committee have been consulted on and approved the submitting of this report to the July Cabinet meeting.
3.1.2	Selly Oak and Edgbaston ward members, the Leader of the Council have been consulted with no comments received. Senior officers in Birmingham Property Services, Legal and Democratic Services and City Finance have been involved in the preparation of this report.
3.2	<u>External</u>
3.2.1	None
4.	Compliance Issues:
4.1	<u>Are the recommended decisions consistent with the Council's policies, plans and strategies?</u>
4.1.1	The proposal contributes towards the strategic outcomes outlined in the 'Council Business Plan and Budget 2016+', specifically Outcome One: A strong economy, by supporting regeneration through continued investment and development of the Life Sciences site. The proposal also generates a capital receipt for the Council.
4.2	<u>Financial Implications</u>
4.2.1	The disposal and development of the site on commercial terms will attract a receipt for the Council which will contribute towards repaying the costs of remediating and bringing the site forward for development. Details of the project finances, capital receipt and delivery of development of the site are contained in the private report.
4.3	<u>Legal Implications</u>
4.3.1	The Council has a duty to efficiently manage its assets and has the power to hold and dispose of land under Sections 120 and 123 of the Local Government Act 1972. S1 of the Local Government Act 2011 contains the Council general power or competence.
4.4	<u>Public Sector Equality Duty</u>
4.4.1	An Equality Assessment (EA) was undertaken for this proposal, which confirms that a full EA is not required for the purposes of this report.

5.	Relevant background/chronology of key events:
5.1	In April 2013, Cabinet approved the acquisition of the site comprising 9.8 acres of the former 29 acre Birmingham Battery site from the Harvest 2 Partnership in order to facilitate the development a Life Sciences Campus. Remediation is progressing to a planned completion date of August 2016. When this is satisfactorily completed the City Council will take ownership. The site will provide the opportunity to develop accommodation for life and health sciences businesses including grow-on companies in a campus format.
5.2	The Life Sciences site is shown edged black on the plan at Appendix 1. The adjacent 19 acres will be brought forward as mixed use retail led development by Harvest 2 Partnership. This together with the completion of the final phase of the Selly Oak New Road will result in the wider regeneration of Selly Oak as well as successfully addressing a long standing derelict contaminated site.
5.3	In agreeing the optimum development strategy for the site the Council has continued to collaborate and work jointly with the strategic alliance of the Birmingham Health Partnership. This is a formal partnership which also includes University Hospital Trust, Birmingham Children's Hospital and University of Birmingham to develop an Economic Zone in the Selly Oak and Edgbaston area and to build on the concentration of existing Life Science sector assets in the City. Some of these assets include the Birmingham Research Park, which has been developed in collaboration between the Council and the University of Birmingham.
5.4	Now that remediation is approaching completion the Council is taking active steps to ensure that the appropriate infrastructure is put in place to open up the site for the development and implement a delivery process for the build out of lettable space.
5.5	By undertaking to dispose the site to the University of Birmingham (UoB), parties will continue to work collaboratively to install the infrastructure. UoB then working with the Council will lead the delivery of buildings over a period of time. UoB are best placed to do this in light of their track record and commitment to Life Sciences at a national level. UoB also forms an integral part of the Birmingham Health Partnership.
5.6	The structure of the transaction enables UoB to deal with securing detailed planning consents and together with the council to procure and manage construction of the site access road and installation services. UoB will also deliver the parking solution and construct buildings directly or indirectly via private sector developers and owner occupiers.
6.	Evaluation of alternative option:
6.1	Not to proceed would mean that the opportunity to develop the site is delayed.
6.2	Not to seek a development partner and to develop the site alone. This is not recommended as working with a development partner will reduce the financial risk and development risk to the Council.
7.	Reasons for Decision(s):
7.1	Completion of the transaction will bring this strategic site forward for Life Sciences development.
7.2	To progress the development of the Selly Oak Life Sciences Campus.

Signatures	<u>Date</u>
Leader of the Council – Cllr John Clancy
Paul Dransfield, Strategic Director - Major Programmes and Projects

List of Background Documents used to compile this Report:
1. Cabinet Report – Selly Oak Life Sciences Campus: Local Growth Fund 22 March 2016 2. Cabinet Report – Selly Oak Life Sciences Campus 16 March 2015 3. Cabinet Report – Life Sciences Campus: Site Acquisition Full Business Case 22 April 2013 4. Cabinet Report – Delivering The Life Sciences Economic Zone 10 December 2012

List of Appendices accompanying this Report (if any):
1. Appendix 1 – Site plan