

BIRMINGHAM CITY COUNCIL

PUBLIC REPORT

Report to:	CABINET
Report of:	STRATEGIC DIRECTOR, ECONOMY (INTERIM)
Date of Decision:	14 FEBRUARY 2017
SUBJECT:	PEDDIMORE – EMPLOYMENT SITE
Key Decision: YES	Relevant Forward Plan Ref: 001943/2016
If not in the Forward Plan: (please "X" box)	Chief Executive approved O&S Chairman approved
Relevant Cabinet Member:	THE LEADER OF THE COUNCIL – CLLR JOHN CLANCY
Relevant O&S Chairman:	CLLR MOHAMMED AIKHQAQ - CORPORATE RESOURCES AND GOVERNANCE O&S COMMITTEE
Wards affected:	SUTTON NEW HALL
1. Purpose of report: 1.1 The Peddimore site in Sutton Coldfield is allocated in the Birmingham Development Plan (BDP) for employment development. The BDP which was adopted by the City Council on 10 January 2017. The developable area of Peddimore site is approx. 71 hectares of which approx. 65 hectares (approx. 160 acres net developable) is in the ownership of the City Council. 1.2 The future disposal and development of the site represents an opportunity to provide a major high quality employment site that will attract significant investment into the City providing thousands of jobs and boosting inclusive economic growth in the City and the wider West Midlands. 1.3 This report seeks approval to progress a process to develop detailed options appraisals that will enable the site to come forward for development following the installation of the main access and key infrastructure. 1.4 The site is shown edged black on the plan attached as Appendix 1 of this report.	
2. Decision(s) recommended: It is recommended that Cabinet:	
2.1 Approves a budget of £400,000 to cover the cost of professional services associated with the preparation of options appraisals and authorises the Director of Property to place orders up to this amount. 2.2 Notes that in April 2017 a further Cabinet report will be presented seeking approval to implement the preferred delivery option enabling full marketing of the site to commence. 2.3 Authorises the Acting City Solicitor to appoint external solicitors to support the project and to negotiate, execute, complete and seal the relevant documents necessary to give effect to the above recommendations.	
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<p>3. Consultation</p> <p>3.1 <u>Internal</u></p> <p>3.1.1 Sutton New Hall Ward Members have been consulted in the process of adopting the Birmingham Development Plan which was formally adopted by the Council on 10 January 2017. Further consultation with Sutton New Hall Ward Members has been undertaken to advise them of the purpose of this report. Officers will continue to update the Ward Members so that they remain involved and updated on the project. The Leader of the Council and Councillor Stewart Stacey have been consulted and support the matter proceeding. The Strategic Directors for Economy, and Programmes and Projects have been involved in the preparation of the report. Officers in Birmingham Property Services, Legal and Democratic Services and City Finance have also been involved in the preparation of this report.</p> <p>3.2 <u>External</u></p> <p>3.2.1 Extensive public consultation regarding the development of the site for employment use was carried out as part of the Birmingham Plan.</p>	<p>4. Compliance Issues:</p> <p>4.1 <u>Are the recommended decisions consistent with the Council's policies, plans and strategies?</u></p> <p>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 development of a major strategic site, jobs creation; specifically Outcome Four: Creating Thriving Communities through the installation of new highways infrastructure improving connectivity</p> <p>4.2 <u>Financial Implications</u></p> <p>4.2.1 The options appraisal and future development of the Peddimore site will prioritise the installation of a new junction, access and associated infrastructure to service the entire site.</p> <p>4.2.2 A project budget of £400k has been identified to cover the cost of development consultancy advice, technical and legal advice including preparation of the supporting legal and technical documents detailing required outputs from the proposed infrastructure. These costs are incidental to the future disposal and development of the site or part thereof and can therefore be funded from capital receipts in accordance with Government regulations and can be accommodated within the existing plans for the use of capital receipts.</p> <p>4.3 <u>Legal Implications</u></p> <p>4.3.1 Under the general power of competence in Section 1 of the Localism Act 2011 (The Act) the Council has the power to enter into arrangements set out in this report. They are within the boundaries and limits of the general power of competence set out in sections 2 and 4 of the Act.</p> <p>4.3.2 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.</p> <p>4.4 <u>Public Sector Equality Duty</u></p> <p>4.4.1 An Equality Assessment (EA) number EA001787 is annexed at appendix 2.</p>
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5. Relevant background/chronology of key events:

- 5.1 The preparation of the Birmingham Development Plan (BDP) demonstrated a shortage of large, high quality employment sites to meet the needs of the City's expanding industrial sector. Having considered the availability of sites within the urban area it was demonstrated that the shortage of employment land represented exceptional circumstances which justified the release of the Peddimore site from the Green Belt. This conclusion was supported by the independent Planning Inspector and the BDP has now been adopted by the Council, the Local Planning Authority is currently preparing a Supplementary Planning Document (SPD) which will provide details to guide the form of development at Peddimore. The SPD will be subject to public consultation later this year.
- 5.2 Now that the release has been confirmed the Peddimore site needs to be brought forward for development as quickly as possible given the pressing need to address the current shortage in employment land supply. It is widely recognised that due to its size and location Peddimore is the most significant opportunity in the West Midlands for major employment generation and investment.
- 5.3 In order for the Peddimore site to be developed new infrastructure needs to be installed including a new access point from the A38. In addition to this utilities and services will need to be brought on to the site and distributed to allow development plots to come forward.
- 5.4 This report seeks authority to commence a process to continue engaging commercial consultants, technical and legal advisors. The project team will be tasked with producing a range of development options which will be tested and the recommendation of a preferred option presented for consideration by the Council in April 2017. The advisory team will also prepare all of the technical documents that are needed to support the next stages including site marketing. The legal advice will cover a range of disciplines including development, contracts, construction, procurement and state aid. The services will be procured through existing frameworks. As part of this ongoing process in relation to the project the Peddimore development and Prior Information Notice (PIN) will be launched at MIPIM in March 2017.
- 5.5 The Council will then implement the preferred delivery option that will be the best strategic fit taking on board the risks and opportunities associated with the project. The preferred delivery option will be reported to Cabinet in April 2017 with site marketing and implementation of the recommendations anticipated to commence from May 2017.

6. Evaluation of alternative option:

- 6.1 Not to proceed would mean that the opportunity to deliver a key allocation in the Birmingham Development Plan is delayed and or missed which given the limited land supply available could result in a material loss of investment into the City.

7. Reasons for Decision(s):
<p>7.1 To seek approval to commence the next stage of the project to complete details options appraisal of the various development options that can be implemented.</p>

Signatures	<u>Date</u>
Leader of the Council – Cllr John Clancy
Strategic Director, Economy (Interim) – Waheed Nazir

List of Background Documents used to compile this Report:
1. Birmingham Development Plan

List of Appendices accompanying this Report (if any):
1. Appendix 1 – Site plan 2. Equality Assessment EA001787