

Public Report
Birmingham City Council
Report to Cabinet
13th November 2018



Subject: **NEC MASTERPLAN**

Report of: **CORPORATE DIRECTOR, ECONOMY**
Relevant Cabinet Member: **Councillor Ian Ward, Leader**

Relevant O &S Chair(s): **Councillor Tahir Ali, Economy and Skills**
Report author: Ian MacLeod, Assistant Director, Planning
Telephone No: 0121 303 3959
Email Address: ian.macleod@birmingham.gov.uk

Are specific wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If yes, name(s) of ward(s): Outside city boundary		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 005055/2018		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential :		

1 Executive Summary

- 1.1 The venues operated by The National Exhibition Centre Limited (The NEC Ltd) are some of the UK's most successful live events facilities. The City Council as landowner, in conjunction with The NEC Ltd, is seeking to ensure this continued success and to contribute to the region's growth. This will be aided by the publication of a Masterplan for the National Exhibition Centre site in Solihull, the endorsement of which is sought in this report.
- 1.2 The City Council has a freehold interest in assets held and operated by The NEC Ltd. The successful implementation of the NEC Masterplan can be supported by the City taking a proactive approach to maximising the value of its landholdings. The associated private report sets out further detail in relation to this.

2 Recommendations

- 2.1 That Cabinet endorses the publication of the NEC Masterplan attached at Appendix 1.

3 Background

- 3.1 Birmingham City Council sold The NEC Group to Lloyds Development Capital (LDC) (the private equity arm of Lloyds Banking Group) in 2015. The NEC Ltd operates the National Exhibition Centre and Genting Arena in Solihull and the ICC and Arena Birmingham in the City Centre. Birmingham City Council retains the freehold ownership of these sites and The NEC Ltd holds various leases.
- 3.2 The NEC site, including the Genting Arena, lies within Solihull, to the east of Birmingham. It is at the heart of the UK Central growth area which includes the NEC, Birmingham Airport, the Arden Cross site (which will accommodate the HS2 Interchange Station), Birmingham Business Park and Jaguar Land Rover. This area has significant growth potential over the coming years.
- 3.3 It was agreed in March 2016 by the Cabinet Member for Development, Transport and Economy jointly with the Acting Strategic Director, Economy, under delegated authority, that the City Council and The NEC Ltd would jointly develop a Masterplan to establish both the scale of the opportunity, and the principles to guide development and connectivity in order to fully realise the potential of the site including the development potential of the existing surface car parking areas.
- 3.4 The Masterplan document sets out a vision for the future of the NEC site as “nec•city” – an internationally unique destination with global appeal that fuses entertainment, leisure, exhibition space, commercial and residential offers across a 175ha campus with the existing NEC at its heart.
- 3.5 This vision will be secured through the delivery of five big moves:
 - Strengthening and diversifying the offer of the NEC as a global exhibition centre. A series of reimagined entrances will create new opportunities for activity and provide high quality gateways and routes. The Piazza entrance will be framed by an iconic hotel; hospitality and leisure uses will front an enhanced public square which will offer an animated space to host events and activities as well as provide space for people to meet and relax, and will link the NEC with Lakeside. The Atrium entrance will see new hospitality development framing routes between the NEC and the Entertainment Zone. The international entrance, from Birmingham International rail station, will be enhanced through internal improvements and will provide a gateway commensurate with the high-quality image and environment of nec•city.
 - An ‘entertainment zone’ providing a unique business and visitor destination, offering a range of experiential leisure opportunities alongside a potential film and television production facility.

- Lakeside - a leisure destination to expand on the existing Arena and Resorts World offer, and with the introduction of a residential community.
- A commercial gateway of business and mixed use development.
- A rapid transit loop connecting across destinations within the site and to the wider transport offer. The NEC will be served by the Metro Extension which runs through East Birmingham and connects the two HS2 stations at Curzon and the Interchange site. A series of Sprint routes linking UK Central with Birmingham and Solihull are also proposed.

3.6 These big moves will be guided by the principles of connectivity, activity and design. The NEC Masterplan identifies the potential to redevelop 75 hectares of brownfield land creating 315,000sqm of new floorspace, 10,000 new jobs, and up to 2,000 new apartments. The scale of the opportunity means that development will be phased over a number of years. This allows for the detail of development to react to market conditions (particularly the impact of HS2) and also for development to be released on a phased basis. Early phases of the development over the next 5 years could include the Film Studio, initial phases of residential development and infrastructure improvements including the realignment of Pendigo Way to release development opportunities. The proposals in the NEC Masterplan were informed by a series of technical commissions jointly funded by BCC and the NEC Group.

4 Options considered and Recommended Proposal

- 4.1 Option 1 – not to endorse and publish the NEC Masterplan: Should Cabinet choose not to endorse and publish the Masterplan the opportunity to maximise development opportunities will be reduced, which will have impacts on the City's asset management and the delivery of the regional growth agenda.
- 4.2 Option 2 – to endorse and publish the NEC Masterplan: The decision to prepare a Masterplan was taken in order to maximise the development opportunities and attract investment to the site. Endorsing the NEC Masterplan will deliver on this aim.
- 4.3 Recommended Proposal – that Cabinet endorse the NEC Masterplan for publication.

5 Consultation

Internal

- 5.1 Officers from the Economy Directorate, including Planning and Development and Birmingham Property Services, have been involved in the development of, and have endorsed, the NEC Masterplan.
- 5.2 Officers from Finance and Legal Services have been involved in the preparation of this report.

External

- 5.3 The NEC Ltd has worked closely with the City Council in developing the NEC Masterplan.
- 5.4 Consultation has been undertaken with Solihull MBC as the Local Planning Authority and officers from the City Council and the Chief Operating Officer from the NEC attended Solihull's Executive Management Team to brief them on the NEC Masterplan.
- 5.5 Other Stakeholders in the area, including Jaguar Land Rover and Birmingham Airport have also been consulted. The Urban Growth Company, the special purpose vehicle established by SMBC to lead and develop major infrastructure investment at the UK Central Hub, has been consulted and is supportive.
- 5.6 The West Midlands Combined Authority (WMCA) and the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) have supported the proposals.

6 Risk Management

- 6.1 The Masterplan has already been prepared, as per the report under delegated authority referred at 8.1 below. The NEC Masterplan was developed with benefits to the Council in mind and agreed with partners including the operator and relevant local planning authority. As such the risk presented by its endorsement and publication is low.
- 6.2 Risks are addressed elsewhere in this report, including section 4 on the risks of not having a Masterplan in place for the NEC, and section 7.3 on the financial implications.

7 Compliance Issues:

7.1 How are the recommended decisions consistent with the City Council's priorities, plans and strategies?

7.1.1 The proposals set out in this report will support the delivery of the Birmingham City Council Plan 2018-2022, particularly in respect of Outcome 1: Birmingham is an entrepreneurial city to learn, work and invest in, and Outcome 2: Birmingham is an aspirational city to grow up in.

7.1.2 The proposals are also consistent with the GBSLEP's Strategic Economic Plan and the WMCA's Strategic Economic Plan.

7.2 Legal Implications

7.2.1 Section 1 of the Localism Act 2011 contains the City Council's general power of competence. The power to manage assets in land and property is contained in Sections 120 and 123 of the Local Government Act 1972.

7.3 Financial Implications

The decision to endorse the NEC Masterplan does not have any direct financial implications. A budget of £0.425m was allocated for the production of the NEC Masterplan, and its publication will be funded through that budget. Beyond this the NEC Masterplan does not entail any specific financial commitments for the Council

at this stage, however where the approach to delivery of proposals set out in the NEC Masterplan does have financial implications these will be addressed through the Council's financial approval process at the appropriate time.

7.4 Procurement Implications (if required)

7.4.1 No implications have been identified.

7.5 Human Resources Implications (if required)

7.5.1 No implications have been identified.

7.6 Public Sector Equality Duty

7.6.1 An Equality Analysis screening has been undertaken and is attached at Appendix 2. The initial assessment has not identified any specific impacts the NEC Masterplan will have on the protected characteristics. The development of the NEC site in line with the Masterplan will lead to improvements for the local population including new homes, job opportunities and infrastructure delivery.

8 Background Documents

8.1 Report under delegated authority – National Exhibition Centre: Planning Masterplan, 17th March 2016

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

- 1. NEC Masterplan
- 2. Equality Analysis

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