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29 March 2023

Dear Gerard

Enterprise Zone Project Delivery Funding – Former Typhoo Tea Factory Redevelopment (FBC)

Following the findings of the Independent Technical Evaluation (ITE) and approval by the GBSLEP Programme Delivery Board on 23 March 2023, this letter confirms that your request for Enterprise Zone funding has received approval. This approval is based on the evidence provided in the Full Business Case submitted on 24 February 2023. This letter is to confirm that approval.

As part of the approval, the Former Typhoo Redevelopment project has been allocated a maximum funding contribution of up to **£14,300,000** (fourteen million and three hundred thousand pounds) of Enterprise Zone (EZ) funding towards a total project cost of £69,300,000. The funding will be paid as capital grant in accordance with the GBSLEP Assurance Framework process. Stoford Digbeth Ltd as the grant recipient, is solely responsible for meeting any expenditure over this maximum amount.

This capital grant funding is subject to the satisfactory approval of the project by the GBSLEP Supervisory Board which is anticipated within two weeks of this letter, and satisfactorily providing any additional or outstanding information highlighted in the ITE.

The award of £14,300,000 will be provided under the terms and conditions detailed in the Grant Agreement, sent under separate cover. Acceptance by Stoford Digbeth Ltd of the award is acceptance of those terms and conditions.

Outputs and Outcomes

The grant agreement will also highlight the outputs and outcomes proposed in your approved Full Business Case and the monitoring and evaluation period proposed. These can be summarised as:

Output Description	Quantity	By When
New office space (Grade A, BREEAM 'Outstanding', EPC A)	7,804sqm (GIA)	30 April 2025
New retail space (Grade A, BREEAM 'Outstanding', EPC A)	258sqm (GIA)	30 April 2025
Construction jobs taken up by local workers	28	30 April 2025
Construction jobs taken up by workers from the region	69	30 April 2025
Construction Apprenticeships (young people in the local area)	5	30 April 2025

Table 1: Former Typhoo Redevelopment Project Outputs

Outcome Description	Quantity	By when
Direct Land Value Uplift	£633,389	30 April 2036
Wider Land Value Uplift (regeneration impact)	£36,979,517	30 April 2036
Labour supply impacts (people (re-) entering the labour market)	£2,625,232	30 April 2036
Reduction in crime	Reduce incidents of crime by 10% (Impact value £1,045,804)	30 April 2036
Improve Amenity benefits	£683,925 (Impact value)	30 April 2036

Table 2: Former Typhoon Redevelopment Project Outcomes

Key Milestones

Key milestones from within the Full Business Case will be agreed within the grant agreement and any variance from these key milestones should be discussed with GBSLEP and may be subject to a change control process.

Milestones	Completion Date
Detailed Planning Application submitted	21 November 2022
RIBA Stage 3 (Spatial Coordination)	31 December 2022
Site Surveys complete	31 March 2023
Detailed Planning Consent	16 March 2023
RIBA Stage 4 (Technical Design)	31 May 2023
Contractor Appointment	31 May 2023
Mobilisation	31 May 2023
Demolition works commence	31 May 2023
Main construction works commence	31 May 2023
Demolition works complete	30 November 2023
Main construction works complete	31 May 2024
Typhoon Shell and Core complete	30 April 2025
BBC Cat A Fit Out	30 April 2025
BBC Technology Install (by BBC direct)	28 February 2026

Table 3: Former Typhoon Redevelopment Project Milestones

Funding profile

The agreed maximum funding allocation and claims profile for the delivery of the project is detailed below. All funding is allocated to 2023/24 financial years onwards and is considered fixed by the GBSLEP. Therefore, any potential variance from this profile should be discussed with GBSLEP and will be subject to a change control process.

	2023/24	2024/25	2025/26	Total
	£'000	£'000	£'000	£'000
Enterprise Zone Capital Grant	5,788	8,244	268	14,300
Capital (Private Sector)	22,265	31,712	1,023	55,000
Total Project Costs	28,053	39,956	1,291	69,300
BCC Client Role Costs (3% of grant)	174	247	8	429
Total Capital Cost	28,227	40,203	1,299	69,729

Table 4: Former Typhoo Redevelopment Project Financial Profile

Conditions

This grant award is subject to you satisfying the conditions as set out in the independent technical evaluation referred to above and will be included in the Conditions Precedent of the Grant Agreement to ensure compliance prior to any expenditure being funded by the EZ programme. This letter confirms this requirement.

Subsidy Control

In putting forward this grant offer, GBSLEP and BCC have assessed and determined that this is a subsidy, which is above the level which is required to be published on the Subsidy Control Database in accordance with the Subsidy Control Act 2020 and is also a Subsidy of Particular Interest, which means that it must be referred to the Subsidy Advice Unit. A material part of this assessment, the referral to the Subsidy Advice Unit and the publication of the details on the Subsidy Control Database is based upon information which you have provided to us. If it is subsequently determined that this assessment is incorrect due to inaccurate information which has been provided, then this may give rise to an element, or all of the grant being withdrawn or being recovered from you. In the event of publication, this will be a matter of public record and the decision can be the subject of challenge by 3rd parties and review by the Competition and Markets Authority.

Publicity requirements

As part of the funding conditions, you will be required to acknowledge GBSLEP and Enterprise Zone funding within all publicity materials. Please can you confirm your communications lead by 14 April 2023, so that we can provide a full briefing on these marketing and publicity requirements.

Monitoring and reporting

From acceptance of this offer, you will be required to continue to report on progress through regular Project Management Reports. Kerry Billington, Consultant Programme Manager, will act as the principal point of contact for the project.

Yours sincerely



Henriette Breukelaar
Chief Executive

cc. James Betjemann, Birmingham City Council