

Head of Curzon and Enterprise Zone Development
Birmingham City Council
10 Woodcock Street
Birmingham
B7 4BL
Email: james.betjemann@birmingham.gov.uk

Gerard Ludlow
Director
Stoford Properties Ltd
26-28 Ludgate Hill
Birmingham
B3 1DX

g.ludlow@stofords.com (sent via email only)

10 October 2023

Dear Gerard

Enterprise Zone Additional Project Delivery Funding – Former Typhoo Tea Factory Redevelopment

Further to your submission of a request for an additional £3,300,000 of Enterprise Zone (EZ) Capital Funding, and subsequent discussions following EZ Partnership Board on 21 September 2023, I am pleased to inform you that EZ Partnership Board have now approved £2,300,000 EZ grant with the additional gap of £1,000,000 being covered by Stoford Digbeth Limited.

Of this £2,300,000 grant, £1,000,000 will be on a repayable basis if future profits above 15% are crystallised on any Gooch Estate developments in the wider Typhoo Wharf being realised up to 31 December 2029. The funding will be paid as capital grant in accordance with the EZ Assurance Framework process. Stoford Digbeth Ltd as the grant recipient, is solely responsible for meeting any expenditure over this grant amount.

The award of this additional £2,300,000 will be provided under the terms and conditions detailed in a variation to the grant agreement for the original £14,300,000 EZ grant funding already approved and sent under separate cover. Acceptance by Stoford Digbeth Ltd of the award is acceptance of those terms and conditions.

This approval by EZ Partnership Board will require S151 spending control and Cabinet approval on 14 November 2023. Once BCC Cabinet approval has been given and cleared, a permitted modification request to the subsidy already offered will also need to be submitted.

This additional EZ funding is approved in recognition of the worsening of the financial markets, the token land value and the lower than standard development profit weighed against the risk of the project unravelling and the implications this would have for Digbeth and the city. The BBC, located directly alongside the studios of MasterChef and Steven Knight, are the game changers that will put Digbeth on the map.

The revised BCR calculated because of this additional grant funding request will need to be independently verified.

Outputs and Outcomes

The project outputs and outcomes detailed below which are expected to be delivered as presented in the FBC remain unchanged. However, the timing of achieving them is now expected in November 2025 (was previously April 2025) and November 2036 (previously April 2036) and is tied to the availability and approval of EZ funding.

The Social Action Plan you previously submitted will also need to be reviewed and updated to reflect this additional grant funding amount.

Output Description	Quantity	By When
New office space (Grade A, BREEAM 'Outstanding', EPC A)	7,804sqm (GIA)	21 November 2025
New retail space (Grade A, BREEAM 'Outstanding', EPC A)	258sqm (GIA)	21 November 2025
Construction jobs taken up by local workers	28	21 November 2025
Construction jobs taken up by workers from the region	69	21 November 2025
Construction Apprenticeships (young people in the local area)	5	21 November 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
Improved Amenity benefits	£683,925 (Impact value)	30 April 2036
Increase in Business Rates Income of £1.5m per annum from 2026	£1.5m annually	Annually from March 2026

Table 2: Former Typhoo Redevelopment Project Outcomes

Key Milestones

The revised dates to the key milestones from within the Full Business Case are shown below and will be agreed within the variation to the grant agreement. Once agreed any variance from these key milestones should be discussed with the EZ Programme Team and may be subject to a change control process.

Milestones	Completion Date
Detailed Planning Application submitted	21 November 2022
RIBA Stage 3 (Spatial Coordination)	14 July 2023
Site Surveys complete	30 June 2023 (some will continue until start on site)
Detailed Planning Consent	16 March 2023
RIBA Stage 4 (Technical Design)	15 September 2023

Contractor Appointment	24 November 2023
Mobilisation	27 November 2023
Demolition works commence	27 November 2023
Main construction works commence	27 November 2023
Demolition works complete	30 June 2024
Main construction works complete	8 August 2025
Typhoo Shell and Core complete	8 August 2025
BBC Cat A Fit Out	21 November 2025
BBC Technology Install (by BBC direct)	26 March 2027

Table 3: Former Typhoo Redevelopment Project Milestones

Funding profile

The revised funding allocation and claims delivery profile for the £16,600,000 will be finalised as part of the variation to the grant agreement, and once agreed will be considered fixed, and variances from that profile should be discussed with the EZ programme Team and will be subject to a change control process.

Publicity requirements

As part of the funding conditions, you will be required to acknowledge Birmingham City Council as the Funder and Enterprise Zone funding within all publicity materials. Please can you confirm your communications lead by 30 October 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, EZ and Legacy Consultant Programme Manager, will act as the principal point of contact for the project.

Yours sincerely



James Betjemann
Head of Curzon and Enterprise Zone Development

cc. Kerry Billington, Birmingham City Council