

## **Inclusive Growth: Local Centres, Economic Zones, Urban Centres Framework**

**30<sup>th</sup> January 2019**

This note provides an update on the activities of the Economy Directorate which are contributing towards inclusive growth through the delivery of the Birmingham Development Plan.

The Council's overarching strategy for economic growth, development and infrastructure is set out in the Birmingham Development Plan (BDP) which was adopted in January 2017 as the Council's principal statutory planning policy document. The BDP sets out how the needs of the city's growing population will be met for the period up until 2031, by which time Birmingham's population will have increased by 156,000 people.

The Plan sets out proposals for 51,100 additional homes and 100,000 jobs. These strategic requirements will be met through new development focussed on ten Growth Areas including the City Centre, five Economic Zones, Urban Extensions at Langley and Paddimore, two Regional Investment Sites (RIS) and the city's Local Centres. The BDP sets out how major growth proposals will be delivered in a sustainable and inclusive manner through a holistic approach which balances diverse factors including infrastructure and connectivity, place making, environment, sustainability and the economy.

The BDP is supporting the achievement of the City Council's Plan 2018-2022 key outcomes:

- Birmingham is an entrepreneurial city to learn, work and invest in
- Birmingham is an aspirational city to grow up in
- Birmingham is a fulfilling city to age well in
- Birmingham is a great city to live in
- Birmingham residents gain the maximum benefit from hosting the Commonwealth Games

Sitting within the context of the BDP are a series of initiatives which are delivering the strategy for growth. In delivering these initiatives the Council is working alongside partners including the West Midlands Combined Authority (WMCA), Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) and Homes England to maximise benefits for strategic priorities such as local employment and skills, and to capture benefits for local people through mechanisms such as The Birmingham Business Charter for Social Responsibility. The following section provides an overview of these initiatives.

### **Housing Delivery**

The BDP provides for 51,100 additional homes to be delivered within the city over the plan period, with growth concentrated in ten Growth Areas including the City Centre, in local centres, housing renewal areas and at Langley Sustainable Urban Extension.

#### *Progress*

To date, housing delivery accords with the BDP delivery trajectory: between 1<sup>st</sup> April 2011 to the 1<sup>st</sup> April 2018 14,047 new homes have been built against a target of 14,100. In the latest monitoring year (17/18) 3,160 dwellings were built.

This is the highest number of homes built so far since the start of the BDP plan period (2011). Approximately 9,000 dwellings are recorded as under construction at April 2018 and it is expected that this will translate into a high number of completions in 18/19.

Of the total number of homes built, 24% have been affordable dwellings. Through its housing delivery vehicle Birmingham Municipal Housing Trust (BMHT), the City Council has contributed significantly to the delivery of affordable housing, accounting for 47% of all affordable housing completions. BMHT is also the main provider of social rented housing.

The city's most recent housing supply study (Strategic Housing Land Availability Assessment 2018) identifies a supply of around 61,000 dwellings. The increase in supply in the last two years is due new sites coming forward and being identified; increased densities on existing sites (predominantly in the city centre); a significant increase in the number of dwellings under construction; an increase in the number with detailed planning consent; and a high number of completions. The remaining shortfall between the housing supply and housing need will be met by other authorities in the Greater Birmingham and Black Country Housing Market Area. The City is on track to meet its target as set out in the BDP.

### **Big City Plan and Enterprise Zone**

The City Centre is Birmingham's primary economic asset, representing a third of the city's economy, and will be the location of a significant proportion of the city's growth. The overall vision for the growth of the City Centre is set out in the Council's Big City Plan (2010) which identifies within the City Centre seven distinctive Quarters and five Areas of Transformation where significant levels of growth will be delivered. The BDP sets out how the City Centre will grow sustainably including:

- Further development of the strong Financial and Professional Services sector
- Improved cultural and leisure offer
- Diversification of the employment base
- City centre living

Each of these aspects of growth will be supported by significant investment in infrastructure and connectivity.

Strategic opportunities to deliver growth have been identified at the new HS2 terminus at Curzon and nearby at Smithfield. The City Council is working to ensure that in each case the benefits are maximised.

The Curzon area is focused on the 141 ha of land surrounding the new city centre terminus for the national HS2 rail network which is set to open in 2026. Curzon is the subject of the £724m Curzon Investment Plan which will ultimately deliver major new public spaces, a new Midland Metro extension to Digbeth, a package of local transport improvements, the stimulation of investment in strategic development sites and the refurbishment of the historic grade 1 listed Curzon Station. Major enabling works are underway on site and station construction is expected to commence in 2020.

Birmingham Smithfield is an £1.5bn redevelopment to deliver a new destination in the heart of the city centre with over 300,000 sqm of floor space including new leisure, culture and vibrant retail

markets in addition to 2000 homes and a network of streets, squares and spaces. The City Council own 9ha of the 17ha site and is promoting the scheme and Enterprise Zone funding is allocated to deliver infrastructure and enabling works. The Council has recently completed procurement of a development/investment partner to deliver the site as part of a JV vehicle and it was announced in January 2019 that Lendlease has been chosen as the preferred bidder. This partnership includes a significant social and community value contribution, including the development of the local supply chain to create local jobs. The anticipated date for formation of partnership is September 2019 and the delivery of the development is expected to commence during 2022.

The City Centre Enterprise Zone (EZ) was structured to support the accelerated delivery of growth in the city centre. A range of incentives were, and are, on offer for investors and businesses including rates relief, simplified planning, digital infrastructure, business support and investment in infrastructure. The EZ enables the retention of business rates to invest in infrastructure and over £15M is earmarked for site enabling works, public realm, and public transport including the East Birmingham to Solihull Midland Metro extension. The EZ is expected to create a total 71,000 jobs by 2046.

#### *Progress*

Growth and investment activity in the City Centre has been consistently strong and significant progress has been made towards the growth targets set out in the BDP. A number of landmark major developments are currently on site, including Arena Central, 3 Snowhill, 103 Colmore, Paradise and Exchange Square. To date the Enterprise Zone has delivered 60 ha of land developed or redeveloped, including 9,345 new homes and 240 new enterprises, and creating 3,733 jobs.

#### **Economic Zones**

In addition to the Enterprise Zone the BDP sets out five further Economic Zones which are designed to promote specific sectors:

##### Aston RIS/Advanced Manufacturing Hub (AMH)

The Advanced Manufacturing Hub is based at the Aston Regional Investment Site (RIS). It provides opportunities for the growing automotive supply chain as well as other advanced manufacturing activity. In total the Advanced Manufacturing Hub offers the opportunity for 100,000sqm of new floorspace, accommodating approximately 3,000 jobs.

#### *Progress*

A total of £20M of public sector investment has been utilised to de-risk the site, enabling site assembly and access improvements. Developments are on site which will deliver employment uses totalling 15,000 sqm and proposals are coming forward for a further 12,000 sqm. The Council has utilised Compulsory Purchase powers to acquire the remaining land which will be released for development later this year.

##### Longbridge

Within the Longbridge Area Action Plan area, the Longbridge RIS presents a unique opportunity for businesses requiring large floorplates with high-spec fittings in an accessible town centre location. Overall Longbridge offers more than 140 hectares of available land as a Regional Investment Site

#### *Progress*

The Longbridge Connectivity package is approaching completion with seven packages of works on site (Longbridge Lane & A38). A £1.7m package of upgrade works at Longbridge Station is currently in progress including improvements to the station frontage, concourse, and entrance area. A 640-space car park for the station is also proposed.

In 2018 St Modwen secured planning permission for infrastructure (roads and environmental works) to service the RIS site and create development ready plots and also for the erection of four employment units within use classes B1 (excluding offices) and/or B2.

#### Life Sciences Campus at Selly Oak

The Queen Elizabeth Hospital Birmingham and the University of Birmingham in Edgbaston provide the focus for the clustering of activity associated with medical technologies. Up to 50,000 sqm of new floor space is proposed across a number of 3-4 storey buildings, in an attractive and accessible campus setting, creating some 2000 jobs. The space will be suitable for research and development, clinical trials, pharmaceutical manufacturing, and regional headquarters, providing opportunities for export rich growth and employment.

#### *Progress*

Since its designation the £7m Bio-Medical Innovation Hub and the £24m Institute of Translational Medicine have opened, creating around 600 jobs.

Planning approval has been given for a new Specialist Hospital Facility (14,728 sqm) on Mindelsohn Drive. The hospital will provide both private and NHS facilities with specific services in haematology, oncology and neurosurgery.

4 hectares of land have been remediated at the Birmingham Battery site with the site purchased by the University of Birmingham for a new Birmingham Life Sciences Park with the potential for up to 40,000 sqm of floor space and 1500 jobs. At the remainder of the Battery site (8 ha) development is on site with the supermarket and retail parade opened Autumn 2018, with 418 student accommodation units on site to follow in Spring 2019.

The final phase of Selly Oak New Road is being progressed with a start on site programmed for March 2019. Proposals are also being advanced for a new University Rail Station to be operational by 2022

#### Tyseley Environmental Enterprise District

The BDP designates Tyseley as the city's Environmental Enterprise District, the principal location for the low carbon economy in Birmingham, encouraging recycling, energy production and renewables including manufacturing and supply chain development. Opportunities identified included proposals at Tyseley Wharf and Energy Way for new high-quality business park environments, and

redevelopment or refurbishment of vacant and underutilised sites in the area, with the potential to provide in excess of 100,000 sqm of new floor space, creating 1,500 jobs.

#### *Progress*

The Council adopted the Tyseley Local Development Order (LDO) in 2017 to streamline the planning process and stimulate economic growth. A property assistance programme has also helped to improve the range and quality of property available to businesses. Network Rail and the Council are continuing to progress proposals to replace and strengthen Tyseley Hill Rail Bridge and delivery is programmed for 2020/2021.

At Tyseley Energy Park (TEP) - Phase 1, the construction of a £47m 10-megawatt wood biomass station known as the 'Tyseley Waste Recovery Centre' is complete. Planning approval has been granted for phase 2, a low/zero emission refuelling hub and LGF funding has also been secured to deliver the access road that will run from the A45 (Small Heath Highway) to TEP. Both the refuelling hub and access road are due to open during 2019. Future phases of TEP are programmed to deliver up to 17,000 sqm of development.

At Kingpin Industrial Park 1,500 sqm has been completed and a further 18,800 sqm is on site. At the former Atlas Works site a planning application has been submitted for a new Incinerator Bottom Ash (IBA) plant to replace the City Council's current facility at Tameside Drive which is affected by the route of HS2.

#### Food Hub at Witton

To capture interest in the city from the food industry the Hub was proposed as a site for clustering of food processing, manufacturing and distribution businesses. The former IMI site in north Birmingham has good access to the motorway network and availability of serviced plots for bespoke development.

It offers the flexibility of accommodating a range of different size units up to 70,000 sqm that could be used for production, processing, packaging and distribution. In total the Food Hub could accommodate more than 140,000 sqm of new floor space.

#### *Progress*

The relocation of the wholesale markets to the Food Hub has safeguarded 620 jobs. The wholesale markets opened in 2018, delivering a purpose-built facility serving a local, regional and national catchment. A 25,000 sqm development for Kitchencraft is currently under construction with completion anticipated during autumn 2019, and an estimated 200 jobs created. A further 10,000 sqm building (HUB1) is also currently under construction and anticipated to complete during March 2019.

#### **Peddimore**

The BDP sets out the Peddimore site as a key opportunity to provide land for the city's employment needs. One of the most significant industrial development opportunities within the UK, Peddimore will provide 71Ha of employment land with the potential to accommodate 265,000 sqm of new industrial development including space for small and medium enterprises. Peddimore is adjacent to

the Langley Sustainable Urban Extension and will share the benefits of new infrastructure including improved junctions on the A38 and M42, Sprint Rapid Transit route and a network of walking and cycling routes.

### *Progress*

A Supplementary Planning Document for Peddimore is due to be adopted by Cabinet in early 2019. This document will guide the delivery of the development and ensure that the highest standards of quality and sustainability are achieved. The development will be brought forward in phases and the Council has appointed IM Properties as the Council's development Partner for the first phase of 37 Hectares.

As part of this arrangement IM Properties has made a commitment to support communities by helping disadvantaged people into work, funding people onto the Building Birmingham Scholarship, and directing 50 per cent of its spend with local suppliers and small and medium size enterprises. The planning application for the scheme was submitted early 2019, with a start on site expected during the summer.

### **East Birmingham/North Solihull**

East Birmingham along with parts of North Solihull has historically faced a number of economic, social and environmental challenges including persistently high levels of deprivation. The City Council has established the East Birmingham Board to address these issues, bringing together partners including the West Midlands Combined Authority, Solihull Council, the NHS and the Department for Business, Energy and Industrial Strategy.

The key objectives of the Board are twofold: to deliver growth; and to bring forward the key interventions to enable local residents to benefit from the jobs and opportunities created. The approach will be to use major infrastructural investments including HS2 and the East Birmingham to Solihull (EBS) Midland Metro extension as catalysts to maximise the regeneration and development of East Birmingham.

The Council is working with the East Birmingham Board to prepare a Strategy for East Birmingham which will set out a holistic approach to growth and regeneration, focussing on three key themes: Health; Employment and Skills; and Infrastructure and Development. It is anticipated that the draft Strategy will be published for consultation during summer 2019.

### **Corporate Property Strategy**

In September 2018 the Council adopted the Property Strategy 2018/19-2023/24, setting out how the Council's property and land assets will be used in a strategic way to deliver its priorities. The Strategy seeks to maximise commercial and social returns by re-aligning the City Council's property to act as a catalyst for development and underpin the social fabric of communities across the city.

### *Progress*

A review of Council assets is currently underway which will assess each asset to determine the appropriate approach to maximise their contribution towards City Council priority outcomes. The Strategy sets out four portfolios with distinct functions as follows:

- Investment: To drive an increase in revenue and capital value
- Growth and Development: To enable strategic development and economic growth
- Operational: To provide 'fit for purpose' accommodation for delivery of services
- Community: To encourage 3rd party service delivery and neighbourhood development

### **Business & Enterprise Support**

The City Council has delivered and continues to deliver a series of initiatives to support local business and create jobs. £33m ERDF funded Business Growth Programme has been successfully delivering since July 2016. The Programme provides grant aid to eligible Small & Medium-size Enterprises (SMEs) to support their growth plans and stimulate the creation of new jobs. The Business Growth Programme involves working across three Local Enterprise Partnership areas: Greater Birmingham & Solihull, Stoke & Staffordshire and The Marches. It is due to be completed March 2019.

#### *Progress*

- 1,000 applications
- 451 applications approved
- £13.3m of grant funding awarded
- £36m of private sector investment generating
- Creating 1,461 new jobs
- 281 (62%) of applications approved are within the GBSLEP area.

The City Council is due to bring forward a £22m extension of Business Growth Programme (BGP2) funded by the Government. The new programme will run to the end of March 2022, growing a further 500 businesses and creating 1,000 new jobs.

To address the growing skills gap, BCC has led the development and will manage major new initiatives, GBSLEP Skills Fund funded through European Social Fund to train staff across the GBSLEP area. The fund will engage with 2,000 SME's and upskill 7,030 individuals over a 3-year period.

### **Local Centres and the Urban Centres Framework consultation**

Birmingham has an extensive network of centres: with over 70 Urban Centres and more than 100 parades, this network acts as a vital hub for activity in the city, providing places for people to shop, socialise, live and work. In order to support the sustainable development of the key local centres the Council is bringing forward the Urban Centres framework.

#### *Progress*

The Council is currently consulting on the content of the draft Urban Centres Framework which sets out strategic principles that all Urban Centres and parades in the city can utilise to become successful multifunctional places. 10 Centres of Transformation are identified for directing investment decisions and actions so that places can evolve to meet the city's growth agenda.

The core themes of the document are:

- Activity – diverse mix of uses

- Connectivity – accessible public transport, walking and cycling routes, safe and resilient road network and digital connectivity
- Design and Local identity – character and history, building at higher densities, attractive streets and spaces, environmental quality, active communities

Following the completion of the consultation the Framework will be brought forward for adoption during summer 2019. The Council will look at localised delivery models to support the growth and vitality of centres and is also exploring the potential for a bid to the Future High Streets fund.

The draft Urban Centres Framework consultation is available online at the following address:

<https://www.birminghambeheard.org.uk/economy/urbancentres/>

### **Commonwealth Games Athlete's Village**

Following Birmingham's successful bid for the 2022 Commonwealth Games, the City Council is leading the delivery of a series of projects linked to the wider regeneration of the Perry Barr area. The former Birmingham City University campus and adjacent land is the site of the Commonwealth Games Athlete's Village. The development will deliver major transformation within the Perry Barr centre including infrastructure and public realm and a mix of apartments and family housing totalling up to 1,400 new homes.

#### *Progress*

£185m investment has been secured from Government and WMCA towards site assembly and preparation, development of the Athletes' Village residential scheme, transport and highway schemes.

The Council has produced a masterplan to guide the development of the area and Lendlease have been confirmed as the lead contractor to deliver the residential scheme. A compulsory purchase order has been made to ensure all the land required for the Games-time village, infrastructure and legacy developments can be secured.

Planning consent has now been granted for 1400 new homes on the former BCU campus to provide the residential element of the Commonwealth Games Athletes' Village. Discussions are underway relating to the 'phase 2' residential scheme, which will also provide for non-residential uses within the Games-time Village.

A design team has been appointed for the improved Rail Station and Multi-modal Interchange project.

### **Building Birmingham Scholarship**

The Building Birmingham Scholarship provides access to a wide range of education, employment and training opportunities for local young people aged 16 to 24, who wish to pursue a career in the construction and built environment industries. This includes mentoring and coaching, work placements, internships, apprenticeships and financial support to help towards tuition fees for those who wish to continue their studies at HE level at a local college or university on relevant courses



The scholarship is funded by a levy paid upon each unit of housing built by developers on the Birmingham Municipal Housing Trust (BMHT). The Council invests up to £9,500 per student.

### *Progress*

To date there have been 89 successful applicants for scholarships, 101 work experience placements and 20 students recruited into full time employment. 94% of BBS students are from priority wards.

### **Birmingham Connected**

Birmingham Connected is the Council's plan for taking forward the Birmingham Connected White Paper which sets out a 20 year transport strategy. The overall goal is to create a transport system that puts people first, and delivers better connections for citizens and businesses, making travel more accessible, more reliable, safer and healthier.

Major improvements to transport and connectivity will facilitate the delivery of the City's growth agenda, and these improvements are being delivered via a wide range of projects including the Clean Air Zone, Birmingham Cycle Revolution and improvements to key routes and junctions such as Ashted Circus, Iron Lane and Battery Way. The City Council is working in partnership with the WMCA to bring forward the Sprint Rapid transit network and further extensions to the Midland Metro, and with HS2 Ltd to deliver the Birmingham Curzon station and associated connectivity package.