

BIRMINGHAM CITY COUNCIL

PUBLIC REPORT

Report to:	THE LEADER OF THE COUNCIL AND THE STRATEGIC DIRECTOR OF PROGRAMMES & PROJECTS	
Report of: Date of Decision:	DIRECTOR OF PROPERTY SEPTEMBER 2016	
SUBJECT:	WELL LANE CAR PARKS, BEORMA, DIGBETH, BIRMINGHAM	
Key Decision: No	Relevant Forward Plan Ref:	
If not in the Forward Plan: (please "X" box)	Chief Executive approved	<input type="checkbox"/>
	O&S Approved	<input type="checkbox"/>
Type of decision	Executive	
Relevant Cabinet Member(s):	THE LEADER – CLLR JOHN CLANCY	
Relevant O&S Chairman:	CLLR MOHAMMED AIKHLAQ - CORPORATE RESOURCES AND GOVERNANCE O&S COMMITTEE	
Wards affected:	NECHELLS	

1. Purpose of report:
<p>1.1 This report provides an update on the proposal to enter into a conditional option to dispose of the Council's land at Well Lane, Digbeth as part of the Beorma Quarter scheme. The incorporation of the Council's land into this scheme will help to secure the delivery of wider regeneration and significant inward investment for the city.</p> <p>1.2 The Council's land is shown shaded on the plan attached as Appendix 1 of this report and the larger Beorma Quarter development site is shown edged black as Appendix 1 of this report also.</p> <p>1.3 An accompanying Private report provides commercially confidential information regarding the transaction.</p>

2. Decision(s) recommended:
<p>It is recommended that:</p> <p>2.1 The Leader of the Council and the Strategic Director of Programmes & Projects notes this report.</p>

Lead Contact Officer(s):	Basit Ali
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3. Consultation

3.1 Internal

3.1.1 Nechells Ward Members have been consulted in the preparation of the report. Cllr Tahir Ali has responded to the consultation and would like Officers to advise the developer to engage with all land owners within the site area whose land is being acquired.

3.1.2 Officers, Legal and Democratic Services, Planning and Regeneration and City Finance have been involved in the preparation of this report and approve this report going forward.

3.2 External

3.2.1 None.

4. Compliance Issues:

4.1 Are the recommended decisions consistent with the Council's policies, plans and strategies?

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 regeneration through continued investment, regeneration and development of Digbeth. As part of the Big City Plan, Digbeth is undergoing redevelopment that will regenerate the old industrial buildings into apartments, retail premises, offices and arts facilities.

4.2 Financial Implications

4.2.1 The disposal of the site generates a capital receipt for the Council which will be utilised in accordance with the City Council corporate capital receipt policy.

4.3 Legal Implications

4.3.1 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.

4.4 Public Sector Equality Duty

4.4.1 An Equality Assessment (EA) was undertaken for this proposal, which confirms that a full EA is not required for the purposes of this report.

5. Relevant background/chronology of key events:
<p>5.1 The Council's land extends to approx. 0.4 acres and is intended to form part of the Beorma Quarter development site. The Beorma Quarter development site is controlled by an International property investment and development company called Salhia who are based in Kuwait. Salhia will be purchasing the Council's land via Salhia Investments (Birmingham) Limited, which is a wholly owned subsidiary of Salhia.</p> <p>5.2 The developer of the Beorma Quarter development site proposes a 3 phase 600,000 sq. ft. mixed use scheme. In January 2009 the developer secured detailed planning consent for phase 1 of the scheme. Phase 1 comprises a hotel and ground floor commercial uses in a eight storey building that is positioned on the corner of Digbeth and Allison Street. Phase 1 also includes the refurbishment and development of the existing four storey grade II listed Cold Store premises. Phase 1 is now built.</p> <p>5.3 In December 2015 the developer obtained detailed planning consent to develop the rest of the site, including the Council's land, for phases 2 and 3 of the scheme. This consolidated previous consents.</p> <p>5.4 Phase 2 includes up to 195,000sq.ft of offices in a tall tower, approx.175 apartments and associated ground floor retail and new public realm linking the development to Phase 3 and the Bullring. Phase 3 will include 39,000 sq.ft. of offices, affordable apartments, live/work units and associated ground floor retail in an eight and an eleven storey building. Phase 2 and 3 require the incorporation of the Council's land.</p> <p>5.5 The economic outputs of the Beorma Quarter development include new jobs, new business rates and regeneration of the site in line with the Digbeth master plan and the Big City Plan. The site also forms part of the City Centre Enterprise Zone.</p> <p>5.6 The developer is in the process of completing their land assembly enabling implementation of the December 2015 planning consent. The developer is committed to entering into a construction contract to commence development of phase 2 – the 28 to 32 storey tower. The programme suggests that the developer is aiming to be on site in 2017 with practical completion of the tower due in 2020. Construction of phase 3 will commence on a phased basis in 2020 and the developer expects practical completion of phase 3 in December 2023.</p> <p>5.7 The terms of the option and subsequent disposal of the Council's land are included in the private report.</p>

6.	Evaluation of alternative option:
6.1	Given the site's location, the Council's land is unlikely to come forward for development in isolation from the Beorma Quarter proposal.
6.2	In doing nothing with the site the opportunity to include the site into a major regeneration development scheme to leverage development would be missed.
6.3	By including the site into the wider Beorma development a major scheme is unlocked.
7.	Reasons for Decision(s):
7.1	To note the intention to enter into a conditional option to dispose of the Council's land to Salhia Investments (Birmingham) Ltd who is the developer of the Beorma Quarter development scheme.

Signatures		<u>Date</u>
John Clancy, Leader of the Council
Peter Jones, Director of Property

List of Background Documents used to compile this Report:
1. Officers file save for confidential

List of Appendices accompanying this Report (if any):
1. Appendix 1 – site plan