

**BIRMINGHAM CITY COUNCIL  
PUBLIC REPORT**

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| <b>Report to:</b>   | <b>CABINET</b>   |
| <b>Report of:</b>   | <b>Assistant Director, Planning</b>                      |
| <b>Date of Decision:</b>  | <b>09<sup>th</sup> October 2018</b>                      |
| <b>SUBJECT:</b>   | <b>HS2 INTERCHANGE, ARDEN CROSS, SOLIHULL</b>            |
| <b>Key Decision:</b>  | <b>No</b>  |
| <b>If not in the Forward Plan:<br/>(please "X" box)</b>             | <b>Relevant Forward Plan Ref: N/A</b>                    |
| <b>Relevant Cabinet Member(s) or<br/>Relevant Executive Member:</b> | <b>Chief Executive approved <input type="checkbox"/></b> |
| <b>Relevant O&amp;S Chair:</b>                                      | <b>O&amp;S Chair approved <input type="checkbox"/></b>   |
| <b>Wards affected:</b>  | <b>Councillor Ian Ward - Leader of the Council</b>       |
|   | <b>Councillor Tahir Ali – Economy &amp; Skills</b>       |
|   | <b>N/A</b>   |

**1. Purpose of report:**

- 1.1 To enable the Council to continue its support for the delivery of the HS2 Interchange site under the High Speed Rail ( London-West Midlands) Parliamentary Bill.
- 1.2 The subject property is shown edged black on the plan attached as Appendix 1.
- 1.3 A report on the private agenda considers the commercial elements of this decision.

**2. Decision(s) recommended:**

That Cabinet:

- 2.1 Notes this report.

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| <b>Lead Contact Officer(s):</b> | Kathryn James, Assistant Director Property   |
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**3. Consultation**

3.1 Internal

- 3.1.1 The property is outside the city boundary. Internal consultation has taken place with Finance Department , Legal Services and Corporate Governance.

3.2 External

- 3.2.1 No external consultation has taken place regarding the content of this report.

**4. Compliance Issues:**

- 4.1 Are the recommended decisions consistent with the Council's policies, plans and strategies?  
The proposal contributes towards producing a balanced budget as per the Council Plan and Budget 2018+ in delivering a capital receipt or capitalised income and rationalising the Council's property portfolio as part of its asset management programme.
- 4.2 Financial Implications (How will decisions be carried out within existing finances and Resources?)  
The disposal will generate a capital receipt for the Council to help support the Council Plan and Budget 2018+ and contribute to key business priorities.

#### 4.3 Legal Implications

The power to acquire, dispose and manage assets in land and property is contained in Section 120 and 123 of the Local Government Act 1972 and cost commitment incidental thereto is authorised by Section 111 Local Government Act 1972.

#### 4.4 Public Sector Equality Duty

Having carried out initial screening, Equality Analysis ( EA attached at Appendix 2 ) there is no requirement to undertake a full equality analysis as the initial screening disclosed that the report recommendations do not have an adverse impact on the Protected Characteristic groups as identified in the Equality Act 2010.

### **5. Relevant background/chronology of key events:**

- 5.1 Arden Cross is a 350 acre strategic development opportunity formed in a triangular shape by the M42, A45 and A452 in Solihull to the immediate east of Birmingham NEC and Birmingham Airport. The entire Arden Cross site area is divided by four ownerships, of which the City Council owns a major proportion of 29.9% of land in one parcel measuring a gross area of 99.6 acres as shown edged black on the plan attached at Appendix 1.
- 5.2 The HS2 Bill gained Royal ascent in February 2017 for the delivery of a parkway rail station with 7,500 surface level car parking spaces at the HS2 Interchange site situated within the centre of Arden Cross. The line of the track splits the Arden Cross site between east and west and the proposed location of the large scale surface car parks breaks the City Council land between north and south reducing efficient use and design potential.
- 5.3 Solihull Metropolitan Borough Council (SMBC) recognises the opportunity to enhance the HS2 Bill scheme design. A mixed use development will support delivery of the economic growth for the region that both central and local Government desire. SMBC established UK Central as inward investment portal that identifies, coordinates and promotes key economic assets connected along the M42 corridor and unlocks growth opportunities. The UK Central Hub Area comprises of and promotes the NEC, Airport, Birmingham International Rail Station, Birmingham Business Park, Jaguar Land Rover and the intended HS2 Interchange site and combined is seen as the catalyst for driving growth within the adjoining area.
- 5.4 The Arden Cross site is currently designated as Green Belt in the SMBC Local Plan. SMBC are currently undertaking a review of the Local Plan which recommends that the Arden Cross properties adjacent and around the HS2 Interchange are taken out of the Green Belt. The potential scale of the growth envisaged by SMBC was outlined in their 'Garden City' prospectus and recognises the opportunity to create more than 2,000 new homes, 246,000 sq2m of quality commercial, retail, leisure and public realm.
- 5.5 The four landowners are working collaboratively to deliver an alternative design than that initially proposed by HS2, based on the premise that a more efficient layout will enhance development opportunities and create a high quality, viable mixed use location. The Urban Growth Company is funding adaptations and options to the HS2 base design for further consultation.
- 5.6 The Cabinet report of the Assistant Director of Property ( Interim) titled HS2 Birmingham Interchange in July 2017 authorised the Council to enter into a joint venture limited company with the other three landowners with the purpose of bringing legal formality to its intentions and to facilitate future proposals for collaborative transactions.
- 5.7 A full review of the Consortium's budget, findings and programme has been undertaken prior to the Council's final commitment to the formation of the joint venture Arden Cross Limited company. Revised work streams, outputs and timelines are now in place with an emphasis on an updated

development framework and viability, and submission of a planning application leading to the identification of a suitably capable preferred development partner.

- 5.8 Significantly it has been agreed by the Consortium that Birmingham City Council play a prominent and lead role in delivering the Arden Cross vision and that the Corporate Director, Economy be appointed Chairman of the new company, Arden Cross Limited. Direction will be focused upon more specific market research to establish demand and values, an updated masterplan, a realistic programme of delivery and market engagement up to contracting with a suitably resourced and capable development and investment partner during 2019 / 2020.
- 5.9 HS2 are now accelerating key design decisions that greatly influence the efficiency and development potential of all of the adjoining Arden Cross land. Collaborative engagement by Arden Cross Limited will assist to maximise the opportunity for achieving recognised development outputs.

#### **6. Evaluation of alternative option(s):**

- 6.1 To not continue supporting the delivery of the HS2 Interchange site could mean that the land may not be developed to its full potential in terms of value achieved, mixed use community and quality of built environment and therefore the opportunity to maximise economic policy growth may be lost.
- 6.2 An alternative option would be for the Council to pursue the development of its land after the HS2 station has been designed and committed. Acting in isolation however, may be unlikely to provide sufficient net developable land to deliver appropriate funds to pay for the necessary infrastructure works to service the site. The collaborative approach with HS2 and the other landowners creates a significantly larger economy of scale and efficient land mass, where the costs can be shared.

#### **7. Reasons for Decision(s):**

- 7.1 The proposed disposal of the BCC property asset will generate a capital receipt for the City Council.

#### **Signatures**

#### **Date**

Councillor Ian Ward  
Leader of the Council

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Ian Macleod  
Assistant Director, Planning

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#### **List of Background Documents used to compile this Report:**

Relevant Officers file(s) save for confidential documents

#### **List of Appendices accompanying this Report (if any):**

Appendix 1 – Site Plan

Appendix 2 – Equality Analysis

## **PROTOCOL PUBLIC SECTOR EQUALITY DUTY**

- 1 The public sector equality duty drives the need for equality assessments (Initial and Full). An initial assessment should, be prepared from the outset based upon available knowledge and information.
- 2 If there is no adverse impact then that fact should be stated within the Report section 4.4 and the initial assessment document appended to the Report duly signed and dated. A summary of the statutory duty is annexed to this Protocol and should be referred to in section 4.4 of executive reports for decision and then attached in an appendix; the term 'adverse impact' refers to any decision-making by the Council which can be judged as likely to be contrary in whole or in part to the equality duty.
- 3 A full assessment should be prepared where necessary and consultation should then take place.
- 4 Consultation should address any possible adverse impact upon service users, providers and those within the scope of the report; questions need to assist to identify adverse impact which might be contrary to the equality duty and engage all such persons in a dialogue which might identify ways in which any adverse impact might be avoided or, if avoidance is not possible, reduced.
- 5 Responses to the consultation should be analysed in order to identify:
  - (a) whether there is adverse impact upon persons within the protected categories
  - (b) what is the nature of this adverse impact
  - (c) whether the adverse impact can be avoided and at what cost – and if not –
  - (d) what mitigating actions can be taken and at what cost
- 6 The impact assessment carried out at the outset will need to be amended to have due regard to the matters in (4) above.
- 7 Where there is adverse impact the final Report should contain:
  - a summary of the adverse impact and any possible mitigating actions (in section 4.4 or an appendix if necessary)
  - the full equality impact assessment (as an appendix)
  - the equality duty (as an appendix).

## 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