

**18 October 2016**

**Black Country Enterprise Zone - Darlaston: Update Report**

**Ward(s) Bentley and Darlaston North  
Pleck**

**Portfolios:** Cllr L Jeavons – Cabinet Member for Regeneration

**Executive Summary:**

The purpose of this report is to provide an update to the Panel on delivery of the Black Country Enterprise Zone (BCEZ), specifically those sites located within the Darlaston / M6 Jct10 locality, and provide an opportunity for the Panel to discuss progress.

**Reason for scrutiny:**

Members have requested an update on delivery of the Darlaston sites within the BCEZ and the opportunity to scrutinise progress and challenges faced.

**Recommendations:**

That the Committee note the content of this report.

**Background papers:**

Not applicable.

**Resource and legal considerations:**

There are no resource considerations beyond the continuing provision of Council staff within the Regeneration and Development service area. The Council resource is supported by external consultants Cushman & Wakefield and public sector land owners and statutory bodies, including the Homes and Communities Agency (HCA), Environmental Agency (EA), and Coal Authority (CA).

Legal considerations and staffing support is being provided by the Council's Legal Services team on EZ wide matters and by external legal advisors, DWF specifically in regards to Phoenix 10. This legal expertise is being utilised on a site by site basis to look at a range of compliancy matters including but not exclusively procurement, property and planning law and state aid.

**Citizen impact:**

Delivery of the BCEZ will bring underutilised and vacant brownfield land (approx 34ha) into productive economic use; thereby creating business and job opportunities, as well as enhancing the local environment.

**Environmental impact:**

Delivery of the BCEZ sites has the potential to improve the local environment through addressing existing ground conditions as part of remediation and redevelopment activities, and also visually enhancing the area. Environmental Impact Assessments will be considered on a site by site basis and undertaken where required as part of the planning process.

**Performance management:**

The delivery of the BCEZ is identified as a strategic priority by the Black Country Local Enterprise Partnership (BCLEP) in the Strategic Economic Plan (SEP) and the sites are allocated within the emerging Site Allocation Document (SAD) and associated delivery plan for high quality employment use.


**Equality Implications:**

An Equality Impact Assessment was completed in August 2012 for the overall BCEZ programme. No actions were identified as part of the EqIA and it was agreed that site specific assessments would be considered and undertaken if required as a result of individual site decisions/actions.

**Consultation:**

This report has been prepared by officers in the Development and Delivery team in consultation with the EZ consultants, Cushman & Wakefield.

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## **1. Report**

### **1.1 Site Delivery**

The BCEZ programme in Darlaston is being managed in two parts;

- *Phoenix 10* – the Council as part land owner and driving site delivery.
- *M6 Jct 10 Cluster* – the sites in various third party ownerships and the Council are actively engaging and working with land owners to advance site development.

#### **1.1.1 Phoenix 10**

Following a competitive tender process, the land owners – Council and Homes and Communities Agency (HCA)- jointly appointed Cushman & Wakefield (C&W) in spring 2015 to lead the procurement of a delivery partner for Phoenix 10.

The procurement process commenced in July 2015 and a series of dialogue meetings have been held with the two bidders since October 2015 to discuss their proposals in the context of the project objectives. Due to the complexities of the project, mainly relating to funding approach and liabilities, dialogue has continued for an extended period. Once the Council and HCA have collectively concluded that a solution has been identified which is capable of meeting the land owner needs and project objectives, dialogue will formally close – it is currently anticipated that this will take place before the end of 2016.

Following the closure of dialogue the next stage of the process will be the submission of formal tenders by the bidder(s). However, if the dialogue stage has not resulted in an acceptable solution then the procurement process will pause to enable the Council and HCA to consider their position.

#### **1.1.2 M6 Jct 10 Cluster**

The Council have individual Memoranda of Understanding (MoUs) in place with five private landowners in relation to six EZ sites, and an established land owner relationship for a further site; these sites are referred to collectively as the M6 Junction 10 cluster. The MoUs and land owner engagement have set out the site specific provisions for how the parties have agreed to work together to achieve site redevelopment for commercial use. The sites within the M6 Jct 10 cluster are:

- Gasholders and land to the rear
- Tempus 10 - Opal and Onyx
- Parallel 9/10
- Aspect 2000
- Boxpool

Following the expiry of the previous consultancy support contract, a competitive procurement process was undertaken in spring 2016 and Cushman & Wakefield (C&W) were subsequently appointed in July 2016 to provide multi-disciplinary consultancy support to aid delivery of the Darlaston EZ sites. The consultancy appointment has been made for an initial 3 year

period and will require the consultants to take forward the MoU provisions for each site in the cluster.

The works required to progress delivery are specific to the circumstances of each site and land owner aspirations. The range of provisions include:

- Completion of site investigations;
- Preparation / review of potential remediation requirements and costings;
- Liaison with Statutory Bodies (e.g. Local Planning Authority, Highway England, EA and CA) in regard to remediation, infrastructure and development options;
- Discussions with potential end-occupiers and investors;
- Preparation of site valuations to inform potential public sector acquisition;
- Advice on marketing approaches and delivery structures and lead where appropriate;
- Preparation of site specific business cases and guidance through the approvals process to secure grant funding through the BCEZ business rates mechanism.

Since their recent appointment C&W have re-engaged with all land owners (building on existing relationships previously established through their previous EZ work) and are progressing site specific activities. These works are managed by a work programme for each site and regular formal progress meetings are held between the Council and C&W to monitor actions, outcomes and adapt or agree additional next steps as required. Where any key decisions and interventions are required by the Council to progress site delivery these will be reported for approval through the appropriate mechanisms (e.g. Cabinet).

## **1.2 Supporting Works**

To inform site delivery, there are two parallel work streams currently on-going which are being delivered through the C&W EZ consultancy commission and their sub-consultant teams. These being site access and investors and end-occupier works.

### **1.2.1 Site Access**

In consultation with the Council's Strategic Transport team, C&W and their transport sub-consultants, Fore, have commenced work to review the site access requirements for the M6 Jct 10 cluster sites, particularly following the completion of the Darlaston Access Project. This work will aid understanding on how the positioning of potential site access points and estimated trip generations for each EZ site in this locality will impact on local traffic flows and junctions in totality, and therefore help establish optimum access positions for each site. The first stage of this work is due to complete in December 2016 and will begin to inform the on-site highways infrastructure requirements and potential level of funding that may be required through the EZ business rates mechanism.

### **1.2.2 Investors and Occupiers**

To achieve readily available and redeveloped sites, it is essential that complementary work is undertaken to target investors (e.g. institutional banks, pension funds), and end users/occupiers to locate to the BCEZ. Having already completed an update market demand report (Aug 2016), C&W have also commenced an analysis of possible investors and end-occupiers, linked to the LEP priority sectors (automotive, aerospace and building technologies), which will be refined into a targeted short list for direct engagement.