

**3 March 2022**

**Phoenix 10**

**Ward(s):** Pleck

**Portfolios:** Regeneration

**1. Aim**

- 1.1 The aim of the Phoenix 10 project is to secure major investment in the borough that will enable substantial new employment floor space and significant job creation. Jointly owned by the Council and Homes England, Phoenix 10 is located within the Black Country Enterprise Zone (BCEZ) and is the key strategic employment development site in the borough and the Black Country Local Enterprise Partnership (BCLEP) area. The project benefits will make a significant contribution to economic recovery from the Covid 19 pandemic while providing significant investment and employment opportunities for Walsall. Its prominent location directly adjacent to the M6 Motorway will also raise the borough's profile and act as a catalyst for the development of other sites. However, the legacy of former uses of the land mean that public sector support is needed to achieve these outcomes. As joint landowners, the Council and Homes England have procured Henry Boot Developments as development partner to undertake the remediation and development of the site.
- 1.2 This report presents the Committee with a summary of the work undertaken to progress the project to its current position and information about the future programme towards completion.

**2. Recommendations**

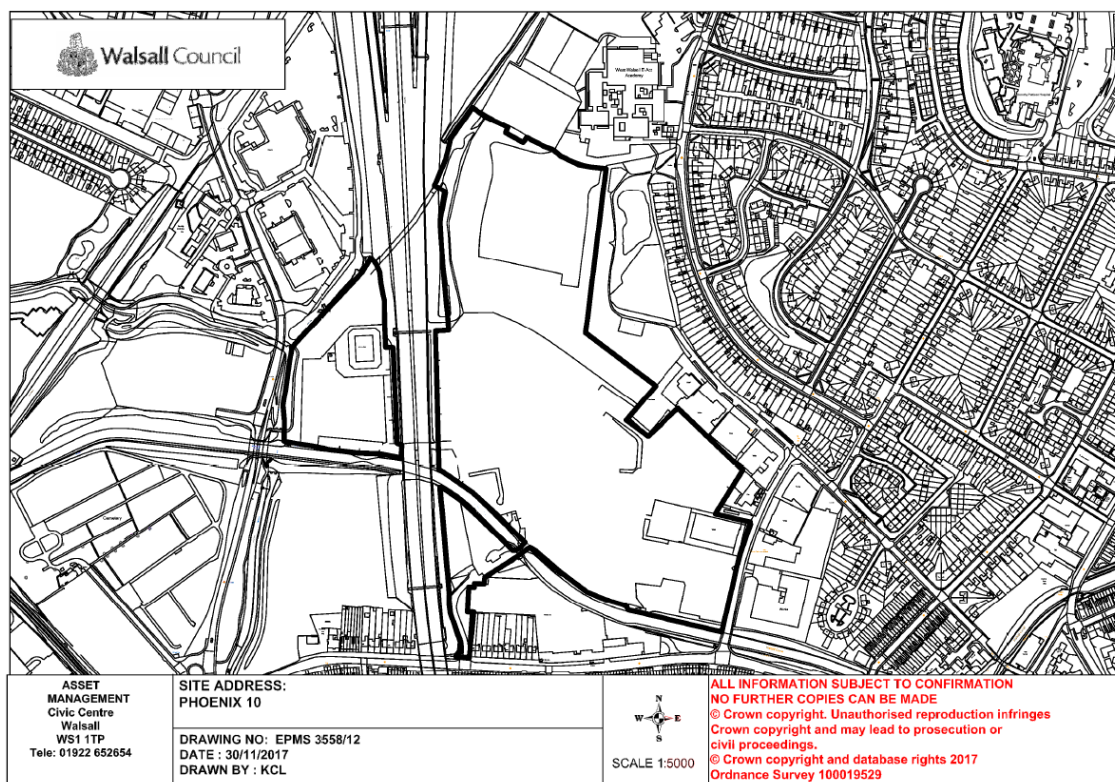
- 2.1 Committee is recommended to:
  - Consider the progress on this project to date.
  - Agree to receive a further report upon completion of the site remediation phase.

**3. Report detail – know**

- 3.1 The Phoenix 10 site is a key development opportunity in the BCEZ. This 44-acre site comprises:
- the former IMI Copper Works (circa 32 acres), owned by Homes England
  - adjoining Council owned land formerly used as a domestic and industrial refuse tip (circa 12 acres), and
  - an industrial unit on Reservoir Place that has been acquired by the Council.

The site is in a strategically important location that is considered to be attractive to potential occupiers given the proximity to J9 and J10 of the M6 at the centre of the UK's motorway network and other key routes.

Figure 1 – Phoenix 10 site



- 3.2 Delivery of this project will make a significant positive contribution to Walsall's employment land supply. The IMI Copper Works closed in 1999 and the site was cleared shortly afterwards and since that time the land has remained vacant. Bringing such a large area of land back into productive use can make a significant contribution to economic growth and employment in the borough while also enhancing the local environment.

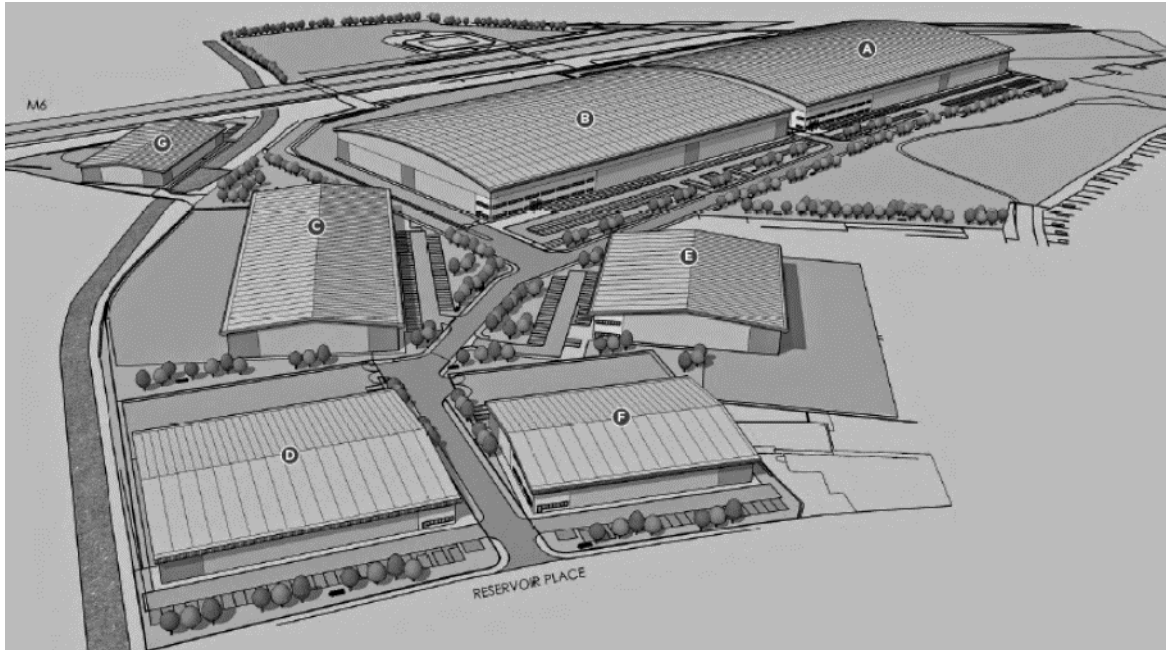
Figure 2 – Aerial photo of Phoenix 10 site



- 3.3 Phoenix 10 is the priority site for the BCLEP due to the scale of the opportunity the site presents and its contribution to economic growth objectives, as expressed in the Black Country Strategic Economic Plan. It can also act as a catalyst for development of the other BCEZ sites in the vicinity.
- 3.4 Prior to any development there is a need for significant remediation work to address contamination resulting from historic uses of the land. The abnormal costs associated with this remediation have a significant impact on the financial viability of the site and on this basis, public sector intervention is required to facilitate delivery. Since late 2012, the Council and the HCA have been working together on a project to secure the remediation and development of the Phoenix 10 site.
- 3.5 On 29 October 2014, Cabinet approved the commencement of a procurement exercise to appoint a private sector partner to undertake the remediation and development of the site. The Council published a contract notice in OJEU on 8 July 2015 to commence a competitive dialogue procurement process and the dialogue stage commenced on 5 October 2015.
- 3.6 The dialogue stage lasted for a much longer period than originally anticipated due to protracted discussions relating to the various complexities of the project. On the basis, that the position of each bidder had been fully explored and there was a solution capable of meeting the needs of the Council and Homes England an invitation to submit a final tender was issued on 6 January 2017.

- 3.7 On 10 February 2017, Henry Boot Developments (HBD) submitted its tender and following detailed review Cabinet selected HBD as preferred bidder at its meeting on 13 December 2017 while also agreeing to the submission of a bid to BCLEP Board for the maximum amount of Land and Property Investment Fund (LPIF) to support delivery of the project. HBD is part of the Henry Boot Group of Companies and was created in 1978 to become the expert design and development part of the business. HBD undertakes significant development projects throughout the UK and across various sectors.

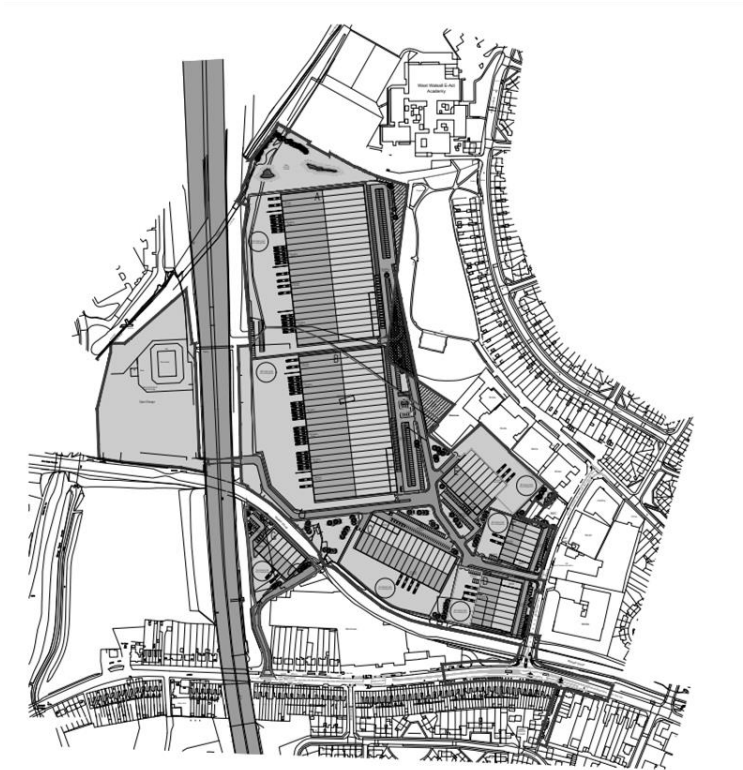
Figure 3 – Tender indicative scheme layout



- 3.8 To apply for LPIF the BCLEP required submission of a Full Business Case, which followed the recommended standard set by HM Treasury. Following detailed appraisal of the submitted Full Business Case the Black Country Joint Committee agreed to provide a grant to the project at its meeting on 26 September 2018 and at its meeting on 24 October 2018 Cabinet agreed to enter into a grant agreement. In view of funding being secured Cabinet also agreed to approve the award of a contract to HBD.
- 3.9 Following this Cabinet approval, discussions regarding the legal documents commenced between the Council, Homes England (HE) and HBD supported by respective legal advisors for each party. Given the scale, complexity and risk profile of the project these discussions took place over an extended period. At its meeting on 17 June 2020, Cabinet was advised that the parties were close to an agreed set of documents and delegated authority was given to enter the necessary legal agreements with HBD.
- 3.10 Following this the Council and Homes England concluded negotiations on the legal documents with HBD and contracts were then exchanged and completed on 23 November 2020. Since that time, work has been ongoing to enable the project to start on site:
- HBD submitted a hybrid planning application seeking full consent for site remediation and the creation of development platforms and outline consent for B2/B8 development with a maximum floor space of 57,575 sqm. The planning

application was approved by Planning Committee on 29 April 2021 subject to certain matters being resolved. The planning decision notice was subsequently issued on 12 November 2021.

Figure 4 – Illustrative site plan



- HBD has undertaken a two stage tender process to appoint a remediation contractor resulting in the selection of JF Hunt Regeneration. Part of the John F Hunt Group, JF Hunt Regeneration specialise in dealing with sites with an industrial legacy such as Phoenix 10 and have worked on a number of similar projects across the UK.
  - JF Hunt Regeneration carried out preliminary vegetation clearance works in January 2022 in order that this was completed ahead of the bird nesting season commencing in March 2022.
- 3.11 Subject to final satisfaction of contract conditions and discharge of pre-commencement planning conditions in it is expected that site remediation will commence in April 2022. The remediation phase is due to complete in May 2024 following which development will commence. HBD has appointed agents to market the opportunity and occupiers will be sought while remediation is taking place. It is anticipated that this multi-million pound development will create hundreds of new jobs for the borough.
- 3.12 HBD has also been working to develop a Corporate Responsibility Strategy for the remediation phase, which will focus on four key areas: Employment and Skills, Support for the Community, Environmental Management, and Health and Safety.

Figure 5 – Indicative scheme image (view from M6)



Figure 6 – Indicative scheme image (view from Reservoir Place)



#### **4. *Financial information***

- 4.1 The overall value of the project is circa £100m. The remediation of the site is supported by significant grant funding package comprising Local Growth Fund, BCLEP's Land and Property Investment Fund, the BCEZ funding mechanism and a Homes England contribution.

#### **5. *Reducing Inequalities***

- 5.1 The development of employment sites in the borough seeks to support economic growth for all people, communities and businesses. Enabling job creation, skills development and increasing incomes will contribute towards reducing inequalities.



## **6. Decide**

- 6.1 The Committee is asked to consider the content of this report, provide comments on progress to date and confirm any specific information required for a subsequent project update.

## **7. Respond**

- 7.1 Clearance works have now begun on site, with the main remediation expected to commence in April 2022 led by HBD and JF Hunt Regeneration. Given this activity is being grant funded the Council will have a role in overseeing the works and managing payments.

## **8. Review**

- 8.1 In order to progress the project to this stage the Council, Homes England and HBD have held regular project meetings and these will continue throughout the delivery phase to monitor progress and deal with any issues as they arise.

## **Background papers**

None

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