

Meeting date: 11 March 2021

Report to: Full Cabinet



Subject/report title: Urban Growth Company Business Plan 2021-22

Report from: Director of Economy & Infrastructure

Report author/lead contact officer: Perry Wardle – Assistant Director, Growth and Development

Wards affected:

All Wards | Bickenhill | Blythe | Castle Bromwich | Chelmsley Wood |
 Dorridge/Hockley Heath | Elmdon | Kingshurst/Fordbridge | Knowle |
 Lyndon | Meriden | Olton | Shirley East | Shirley South |
 Shirley West | Silhill | Smith's Wood | St Alphege

Public/private report: Public

Exempt by virtue of paragraph:

1. Purpose of Report

1.1 To seek approval of the UK Central Urban Growth Company (UGC) Business Plan for the period 2021-22.

2. Decision(s) recommended

2.1 To approve the Urban Growth Company Business Plan 2021-22.

3. Matters for Consideration

3.1 The M42 Economic Gateway Masterplan report (2013) set out the compelling case for UK Central as a key driver of the local, regional and national economy. One of the key recommendations was the creation of a delivery vehicle to promote and push forward the planning, funding and coordination of infrastructure delivery in the UK Central Hub. In 2016, following a review of potential options, the Council established the wholly-owned Urban Growth Company for this purpose.

3.2 The UGC is required to present an annual business plan to SMBC, and this report presents the UGC Business Plan for 2021-22 (Appendix 1). The UGC is governed by a Board, with an Independent Chair (Nick Brown) and two Non-Executive Directors. The Council has two seats on the Board, being the Cabinet Portfolio Holder for Resources and the Director of Economy and Infrastructure. The UGC Board approved

the Business Plan earlier this year.

- 3.3 Section 2 of the Business Plan highlights some of the achievements of the UGC and Section 4 sets the priorities for the coming year, as it continues to deliver on its overall objectives. Cabinet is recommended to approve the Business Plan, thereby providing the UGC with the confidence that its priorities and approach are supported by the Council as sole shareholder.
- 3.4 The Business Plan highlights that the realisation of plans for The Hub has the potential to create and safeguard 70,000 jobs across the West Midlands and deliver an economic uplift of £6.2bn Gross Value Added (GVA) per annum.
- 3.5 Last year's Business Plan noted that the economic impact of HS2 and the UK Central Hub will be unlocked by the delivery of seven prioritised work packages. These continue to form the key building blocks of the new Business Plan:
- a) Birmingham International Station – redevelopment of the station as a class-leading multi-modal transport interchange;
 - b) Realignment of Automated People Mover (APM) – working with HS2 to ensure an appropriate solution and securing the changes necessary to accommodate the redevelopment of Birmingham International Station;
 - c) New roundabout over the HS2 track – known as the 'Roundabout over the Trace'. Funding for the necessary enhancement has been secured from the West Midlands Combined Authority and construction is underway;
 - d) Appropriate Arden Cross Car Parking – delivering a multi-storey car parking solution in place of the proposed surface car park to maximise the amount of development land and make best use of greenbelt release;
 - e) M42 public transport and pedestrian bridge (the M42 overbridge) - this will provide vital connections between the Arden Cross site and the wider UK Central Hub;
 - f) Transport pinch point improvements and parking strategy – to better manage expected growth in traffic movements across The Hub;
 - g) Electricity network – to ensure The Hub has suitable power supplies to facilitate future growth plans
- 3.6 Section 2 notes that 2020/21 marked a significant shift in the work of the UGC, with construction activity now being delivered. Progress highlighted in the review of the last 12 months includes the signing of the Construction Framework Agreement with HS2 (the first in the country), the publication of the Arden Cross Masterplan following significant engagement with Arden Cross Ltd, the launch of the Birmingham International Station proposal and construction work at the Roundabout over the Trace. The significance of the ongoing work to conclude the Collaboration Agreements and Land Capture Agreements is also highlighted.
- 3.7 Some of the main activities identified for 2021/22 include:

- a) Birmingham International Station – supporting the case for the transformational investment in the station as it proceeds through the DfT Rail Network Enhancement Pipeline;
- b) Multi-storey Car Park solution for the HS2 Interchange Station – progress the multi-storey through design and planning;
- c) Formalising the funding ‘waterfall’, drawing on funding sources from a range of government, other public and private sources for vital infrastructure to support development
- d) Following the publication of the Arden Cross Masterplan, work with Arden Cross Ltd to bring the site to the market;
- e) On-the-ground delivery of infrastructure projects.

3.8 The relationship between the UGC and partners is briefly described in section 5 of the Business Plan, in addition to an overview of the internal governance arrangements of the company and the profiled financial budgets (noting that this latter section is Confidential and Commercially Sensitive).

4. What options have been considered and what is the evidence telling us about them?

4.1 Cabinet can decide not to approve the Business Plan or request changes to the Business Plan, which the UGC Board would need to consider.

5. Reasons for recommending preferred option

5.1 To enable the UGC to progress with confidence that it is delivering in line with the aims of the Council.

6. Implications and Considerations

6.1 State how the proposals in this report contribute to the priorities in the <https://www.solihull.gov.uk/About-Solihull/Solihull-Council-Plan>

Priority:	Contribution:
Economy: 1. Revitalising our towns and local centres. 2. UK Central (UKC) and maximising the opportunities of HS2. 3. Increase the supply of housing, especially affordable and social housing.	The business plan sets out the work required to deliver the huge economic opportunity at the UK Central Hub and will lead to an increase in the supply of housing. The Business Plan draws out the links between the work of the UGC and the Council’s COVID Economic Recovery Plan.
Environment: 4. Enhance Solihull’s natural environment.	Given the ability of the UGC to take a strategic overview, alongside the fact that much of the proposed development can be

<p>5. Improve Solihull's air quality. 6. Reduce Solihull's net carbon emissions.</p>	<p>masterplanned with climate change, local energy generation and the transition to a low carbon economy in mind, means that there are good prospects for meeting these priorities.</p>
<p>People and Communities: 7. Take action to improve life chances in our most disadvantaged communities. 8. Enable communities to thrive. 9. Sustainable, quality, affordable provision for adults & children with complex needs.</p>	<p>The Hub will generate significant employment opportunities which, through the Council's approach to inclusive growth, should help improve employment levels and life chances for communities across the borough.</p>

6.2 Consultation and Scrutiny:

6.2.1 The UGC has worked with the key stakeholders in the UK Central Hub to inform the content of the Business Plan

6.3 Financial implications:

6.3.1 None directly arising from this report. The UGC and its work programme is wholly funded through external resources.

6.4 Legal implications:

6.4.1 None directly arising from this report.

6.5 Risk implications:

6.5.1. Risk registers identify appropriate mitigation and kept by the UGC for all of its key activities and projects. These are reviewed by the UGC Board and the Audit and Risk Committee on a regular basis.

6.6 Equality implications:

6.5.2. None directly arising from this report

7. List of appendices referred to

7.1. Appendix 1: Urban Growth Company Business Plan 2021-22

8. Background papers used to compile this report

8.1 None.

9. List of other relevant documents

9.1 None