

and the financial management position, and was considered by the LEP Board at its meeting on 27 January 2017.

7.

Maintaining this affordability in future years will be dependent on sites completing and business rates being paid.

20. The forecast contained in the Investment Plan remains on track to be able to see a significant increase in income from 2020/21. Whilst the revised income forecast for 17/18 to 19/20 is lower than the estimate in the Investment Plan, it will provide for an average cumulative surplus for these years of £1m - 5m and therefore an affordable programme. However in October 2016 the financial model for the Curzon extension was incorporated with the existing model and therefore careful monitoring and management will be required in order for the programme to remain affordable.
21. The EZIP Progress Report will be taken to the LEP Supervisory Board on 8 February 2017 following consideration by the LEP Board. This is in accordance with the EZ Governance arrangements.
22. The EZ was established in 2011 with 26 designated sites based on the economic growth strategy of the Big City Plan. Following work with partners, developers and landowners an Investment Plan was launched in June 2012, which set out a £128m programme to kick start development over a five year period up to 2017.
23. In July 2014 the Investment Plan was updated to reflect a longer term approach to development and the emerging plans for HS2. The delivery period was also extended to 2022/2023 and the investment programme increased to £275m, including an allocation of £30m to support the delivery of the HS2 Curzon Station within Birmingham and £40m for wider LEP priorities, including £20m for UK Central.
24. As the Accountable Body for the EZ, Birmingham City Council has undertaken prudential borrowing on behalf of the LEP for approved capital projects and ensures that individual business cases for capital and revenue investments are sound. Prudential borrowing costs will be financed by the revenue resources provided by the uplift in business rates within the EZ.

Policy Development/linkages with Existing LEP Strategy or Key Priorities

25. supporting business, people and place and contributing toward the delivery of the targets that the LEP has set including increasing jobs and GVA. The financial resources available through the EZIP are key to the delivery of the LEPs Strategic Economic Plan.
26. A number of the projects identified in the EZIP are also funded by the Growth Deal that the LEP have negotiated with Central Government, including the New Wholesale Markets, Metro Extension to Centenary Square and a number of the Connecting Economic Opportunities projects. There is an opportunity to closer align projects funded by both the EZ and the Growth Deal, to maximise the available spend from the Growth Deal in 2016/17.

Conclusion

27. The Supervisory Board is being asked to note the positive progress made so far in the delivery of the EZIP which has seen 694 new jobs created since March 2016 and an increase of forecasted income of £3m from 14/15. The EZ Executive board will continue to manage and monitor the affordability of the programme, especially with the inclusion of the Curzon EZIP and through the years 17/18 to 19/20 where expenditure needs to be controlled within the income generated.

Prepared by:

Richard Cowell
Assistant Director of Development
Planning and Regeneration, Birmingham City Council
0121 303 9880 / richard.cowell@birmingham.gov.uk

Date Created: 30 January 2017