**Item 11i**

**STOKE-ON-TRENT AND STAFFORDSHIRE**

**LOCAL ENTERPRISE PARTNERSHIP**

**EXECUTIVE GROUP MEETING**

**19th September 2019**

**Restricted – due to the confidential detail relating to named businesses and financial detail included)**

**Report of Philip Atkins, Leader, Staffordshire County Council**

**I54 South Staffordshire – Enterprise Zone Update**

1. **Background**
	1. The i54 South Staffordshire development is a key part of the Black Country Enterprise Zone, forming part of a collection of sites known as “Wolverhampton North which became operational in April 2012.
	2. Through a collaboration agreement between Staffordshire County Council, City of Wolverhampton Council and South Staffordshire Council signed in 2013, there was agreement that any uplift in business rates from the site would be used to repay the borrowing incurred by partners in funding and delivery of the access to the site and the servicing and development of the site to enable it to be occupied by end users.
	3. The infrastructure works to service and access the site were materially completed in 2015.
2. **Delivery of site**
	1. Following the partners’ original investment and since 2013, significant economic outcomes have been delivered at i54 South Staffordshire and are set out in further detail below.
	2. Of the total developable area of the site (148.4 acres) some 136.1 acres have been developed out or are committed, with a total developed floor area of 245,954 square metres of the total anticipated floor area on the site of circa 267,800 square metres.
	3. The most recent plot to come forward is Plot C which is being brought forward by Morris Site Machinery, a company which is focused on construction technologies and lighting. The company expect construction of a 60,000 sq ft unit to start on site in October 2019 with completion of the premises due in July 2020.
	4. Detailed employment figures for each occupier are set out below, and to date around 2750 FTE jobs are on site, with further jobs expected on the site when it is fully built out.
	5. When fully built out, the site is anticipated to have levered in private sector investment in excess of £1 billion.

**Table 1 – Key Site Information – i54 South Staffordshire**

|  |  |  |  |
| --- | --- | --- | --- |
| Site/ Plot | Key Deliverables | Project / Occupier | Status  |
|  | Acres | Floor Area (M2) | Jobs FTE | Investment Value (£m’s) |  |  |
| i54 |  |  |  |  |  |  |
| 1E7 | 10.90 | 20,475 | 459 | 20 | Moog | Operating |
| 1E6 | 2.62 | 3,715 | 263 | 8 | Eurofins | Operating |
| 1E6 | 4.44 | 6,598 | 87 | 8 | ISP | Operating |
| 1E6 | 7.70 | 12,600 | *168* | 9 | ERA  | Operating |
| 1E3 | 3.0 | 4,100 | *64* | 10 | Atlas Copco | Operating |
| 1E4 | 4.0 | *6,950* | *150* | 12 | Plot 2 (E) | Market |
| 1E5 | 8.25 | *14,864* | *300* | 20 | Plot 3 (D) | Market |
| 1E2 | 3.2 | *6,100* | *60* | 5 | Morris Site Machinery | In Legals |
| 1E1 | 104.24 | *192,366* | *2,700* | 500 | JLR (Module 1/1a) | Operating |
| 1E8 | 450 | JLR (Module 4) | Test & Commission |

Source: City of Wolverhampton Council

Note: Entries in *italics* are estimates at this stage

1. **Financial overview**
	1. The final spend on the Enterprise Zone scheme was £56.5m which has been funded from a combination of capital receipts, grants, other funding, and borrowing which is being repaid from additional business rates generated from the site. The latest forecasts estimate that the outstanding debt will be repaid in 2025/26.
	2. The SSLEP has subsequently approved that the business rates receipts beyond that date will be used to part fund the I54 western extension to a value of circa £10m on a net present value basis (i.e. matching the grant contributions from the Black Country LEP). It is estimated that by 2025/26, assuming the remaining plots are sold and developed, the annual business rate take for the SSLEP will be circa. £3.2m.
2. **I54 Western Extension Update**
	1. Following the approval in December 2018 of the SSLEP to part fund the I54 Western Extension, a significant amount of progress has been made.
	2. Following planning approval in January 2019, a start on site for the access road to the site and associated bridleway diversion and ecological enabling works was made on 24th June 2019 with completion due in spring 2020.
	3. Project partners are now considering the designs for the plot preparation works which are proposed to follow on from the first contract.
	4. In addition to the project investment of the SSLEP, funding for the project has been secured from Black Country LEP and prudential borrowing from Staffordshire County Council and City of Wolverhampton Council, to be paid back through capital receipts from the i54 Extension and business rates receipts from the site when it is developed out. The SSLEP has also agreed to underwrite the project with retained business rates receipts from the existing i54 site in the event that there is a detrimental change to business rates policy from central government.
3. **Recommendations**
	1. The SSLEP note the latest position on the I54 Enterprise Zone including the key deliverables, which are extremely positive, the financial position and progress update on the i54 Western Extension.

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