

Initial Proposal - For all Projects requesting Black Country LEP funding

(Max 2 pages)

Project Name: De-risking the Challenge Block, Walsall**1. What opportunity or barrier will this investment unlock? (approx. 300 words)**

The Challenge Block site presents a major Town Centre development opportunity and is widely recognised as a site of strategic importance. The Walsall Town Centre Area Action Plan (AAP), which is currently at preferred options stage, recognises this site as a key medium term (2-5 years) opportunity site in a prominent location, suitable for a range of town centre uses including offices, convenience / bulky goods retail, a community hub, and a multi-storey car park.

The Challenge Block site (area of approx 12,000sqm) is within the boundary of Walsall Gigaport and is the least advanced ring-road-fronting opportunity within the masterplan area. A significant amount of high quality redevelopment has recently taken place in the vicinity, namely Walsall College's Business and Sports Hub and the Jhoots Pharmacy Head Office, both fronting Littleton Street West (the former opened at the end of September 2015 and the latter is nearing completion). Both schemes have benefitted from varying levels of public intervention.

In the past, the Council has acquired three land interests within the Challenge Block and subsequently undertook demolition of one building in order to assemble a more obvious and comprehensive development opportunity in this key strategic location.

The Council has received interest in the site to deliver a comprehensive development fronting the ring-road and Hatherton Street, creating jobs and supporting local economic growth. Whilst still in the early stages, this proposal demonstrates that market interest in the site does exist. However, it is considered that public funding is required in order to understand the ground conditions (which is necessary to retain this interest or attract an alternative investment if this interest does not proceed) and to secure and improve the appearance of the site with hoardings. The Council wishes to demonstrate to the prospective developer that proposals can be formulated on the basis of a mainly cleared site the condition of which is fully understood by the results of an intrusive site investigation. The site investigation will be comprehensive, including creating boreholes, ground and surface water samples, gas monitoring, and the relevant technical analysis, as well as 3D topographic survey, utilities mapping and ground probing radar survey.

Further to the above, a separate interest has come forward looking at the Challenge Building, which is Council-owned and fronts the block to Hatherton Road. This potential end occupier is proposing the demolition of the building and redeveloping the footprint for office and service uses. A desktop and, as far as is practicable, an intrusive site investigation will be required to enable as detailed an understanding of the site as possible at this stage. If redevelopment proceeds then effective coordination with the proposals for the balance of the site referred to above will need to occur, particularly in matching the two developers' timescales.

The former Bonser building within the Challenge Block site is owned by the Council and has largely been vacated by its tenant. It is recognised that the building is in a poor state of repair and its demolition would be essential in securing the future redevelopment of the wider site; however, Local Growth funding for the demolition of the building is not now sought at this time due to the risks involved impacting on timescale for spend, but is likely to be the subject of a future bid.

Therefore, this initial de-risking proposal is for:

- Intrusive Site Investigation works;
- Any necessary site security, i.e. hoardings;
- A desktop / intrusive site investigation survey of the Challenge Building,

2. Which of the BCSEP growth objectives and Measures of Success does this project address? (approx. 300 words)

The Gigaport project fits within the PL4 Local Distinctive Economies 'Place' SEP project pipeline which aims to create and safeguard jobs, as well as support the viability and growth of existing businesses. The redevelopment of this site will:

- Create new local jobs;
- Increase the number of visitors to the town centre;
- Bring brownfield land into use;
- Attract private sector investment;
- Transform the environment.

3. How will this project unlock the specified BCSEP growth objectives (approx. 200 words)

The prospective development interest(s) would create a large number of jobs for local people in the town centre. It will also generate employees and attract visitors to use the town centre from within and outside the Borough, who will utilise the town's offer of shops and services, therefore benefitting the economy of the wider town centre. It will also help to stimulate market interest in investing further in the Gigaport area and the wider town centre.

Ultimately, the remediation and redevelopment of a brownfield, largely vacant site will transform the environment in this area by complementing and reinforcing the recent developments on the opposite side of the ring road. The site is in a key, prominent location and its transformation will provide a positive impression to people entering the town via the ring road.

The current interest is understood to have negotiated option agreements to acquire the two remaining private interests in completing the assembly of the site, and has approached the Council regarding acquisition of its interest in the balance of the site. A fuller understanding of ground conditions will increase certainty for the current interest(s) and contribute to the de-risking strategy which will provide confidence in taking investment decisions.

4. What are the expected tangible Outputs/Outcomes to be realised?

Outputs/Outcomes	Metric	2015 / 16	2016 / 17	2017 / 18	2018 / 19	2019 / 20	2020 / 21
Business assisted	no.		1				
Business created	no.		1				
Employment – Jobs created	no.						
Employment – Jobs safeguarded	no.						
Skills – Learners assisted (exc. Apprenticeships)	no.						
Skills - Apprenticeships	no.						
Place – New Dwellings	units						
Place – Land remediated	Hectares						
Place – New floor space	Sq mtr						
Other (please specify)							

Note: Whilst the proposed site investigation works and site security do not directly give rise to any tangible outputs as above, these interventions are considered an integral part of securing the future redevelopment of the site that will deliver business, jobs and place outputs. The '2 Businesses Assisted / Created' output is on the expectation that the current interested parties will both move forward with their proposals as a result of the planned interventions creating new jobs, commercial floorspace, and 2.9 acres of remediated land.

For Learners Assists/Apprenticeships please specify the course offering and the level of learning supported

Course Details	Level of Learning Supported

5. Expected TOTAL Project Cost & Source of Funding £m

	% of Total Cost	2015 / 16 £m	2016 / 17 £m	2017 / 18 £m	2018 / 19 £m	2019 / 20 £m	2020 / 21 £m
Total Project Cost		0.045					
Applicants own funds	%	0					
Other Public funds (Specify)	%	0					
Private sector funds	%	0					
Funding requested from Black Country LEP	%	100					

For the BCLGF element of the funding only, please specify the projected costs using summary spend areas. What will the grant be spent on?

Projects costs	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m
Site Investigation work and site security	0.045					

Note: Walsall Council agrees to underwrite this funding should the projects not be delivered by 2021.

6. Main Issue (s) likely to derail the Project.

- None that would impact on the delivery of the activities that comprise this bid.

7. Main Risks the Project will need to manage.

- The site investigation costs are estimated based on previous similar work which the Council has undertaken elsewhere. There is some degree of certainty around the costs for the site investigations as a quotation has already been received. However due to the nature of the work, it is possible that once these works have commenced the costs may increase and become higher than anticipated. This will be mitigated at the procurement stage when quotes for the survey are received, and a contingency has been built in to the funding to allow for any further unexpected costs.

- We will need to procure technical assistance and the subsequent contractor(s) for these works; there is no guarantee that we will be able to appoint suitably qualified professionals within the desired timescales for this project. However, this will be mitigated so far as possible by exploring the use of appropriate frameworks.

8. Please indicate how your project complies with State aid Regulations without contravening the State Aid Legislation.

Aid awarded will be in accordance with General Block Exemption Regulations 2014-2020 (GBER), specifically Article 45 aid for the remediation of a contaminated site which allows aid of up to 20 million euro towards remediation costs required to bring back into productive use contaminated sites. Specifically, we will be looking at the potential for utilising the English Aid for Local Infrastructures Scheme which covers the West Midlands. Further legal advice will be taken to ensure eligibility and conformance. It should be noted that this bid is for investigative works only and not the undertaking of remediation works.

9. Any other Significant Constraints to delivering the Project not mentioned above.

None other than those noted under points 6 and 7.

Applicant Details				
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Local Authority area (please highlight)	Dudley	Sandwell	<u>Walsall</u>	Wolverhampton