

# Briefing Note

**Title: Update on i54 Business Park****Date: 22 November 2022****Prepared by: Chris Kirkland****Job Title: Head of City Investment****Intended Audience:**Internal Partner organisation Public Confidential 

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## Purpose or recommendation

To provide an update to Economy and Growth Scrutiny Panel on the achievements and success of i54 Business Park, including benefits and outcomes for the city to date and in the future.

## Overview

i54 is an integral part of the UK's most successful Enterprise Zone with over £1 billion already invested. It has direct access to UK motorway network (Junction 2 of M54 off junction 10a M6) following investment from partners of over £40 million to unlock the site which had remained undeveloped for many years.

The site has attracted significant multi-national investment resulting in Advanced Manufacturing creating thousands of new jobs across a high class, business park. i54 is home to international businesses and high value-added employers, including Jaguar Land Rover's Engine Manufacturing Centre alongside other global businesses including Moog, ERA and Atlas Copco. This investment has resulted in around 2,588 jobs to date, with in excess of 900 more on the way on the Western extension.

The 60-acre Western extension provides fully serviced development platforms capable of accommodating up to 100,000 sqm of B1 and B2 floorspace from August 2021. These are being marketed to further end users to ensure high quality occupiers that meet the site's regeneration objectives. In total, i54 and the Western extension will provide almost 350,000 sqm of commercial floorspace over 116 hectares (gross). The investment in the new access road for the Western extension has also opened up a further 40 acres of land for development owned by Midlands Land Portfolio Ltd (MLPL)/Severn Trent. The figures quoted in this report and associated presentation do not include any projections for the MLPL site.

i54 has seen a steady increase in high quality occupiers and it is expected that in the next 12 –18 months all plots on the existing i54 business park will be occupied becoming home to some great global manufacturers covering a variety of sectors from automotive to aerospace.

## Background and context

i54 is a major business park which sits on the border of Wolverhampton and South Staffordshire and is the result of a successful joint venture partnership between City of Wolverhampton Council, Staffordshire County Council formally established in 2012. Around this time i54 also became part of the Black Country LEP North Wolverhampton Enterprise Zone and is one of the most successful zones in the country.

In 2015 the Joint Venture Partners started to consider an extension to the west comprising 60 acres in the ownership of City of Wolverhampton Council and circa 40 acres in the ownership of Midlands Land Portfolio Limited which is a property arm of Seven Trent plc.

From 2015 through 2018 the necessary planning approvals were obtained, funding and delivery strategies were developed and agreed with the two Joint Venture Councils, the Black Country and Stoke & Staffordshire LEP's and in 2019 works commenced on the new access road which would link the existing i54 to the new extension. These works were completed on time and within budget. Subsequently, contracts were established for the preparation and delivery of the fully serviced development platform and despite the Covid Pandemic, pressures from fuel shortages and material price rises as well as prolonged periods of exceptionally wet weather the works were completed on time and within budget.

i54 Western Extension does not form part of the Enterprise Zone but a Business Rates Collaboration Agreement has been entered into with Staffordshire County Council, South Staffordshire Council who are the rates collecting authority. This agreement means surplus rates generated from the extension can be used initially to pay off the borrowing for delivering the access road and platform works and after that the rates will be shared equally between the three Councils for a period of 25 years up to circa 2044.

City of Wolverhampton Council Members and officers have played a key role in driving the project forward from inception through to the delivery of significant outcomes of the city and wider area. This has included making some bold early decisions and acting as a strategic influencer within the partnership. Those decisions enable the site to be brought forward and make the necessary investment in time and resource to develop the essential infrastructure. This ongoing commitment to invest and make ready much needed employment land which is advancing the North of Wolverhampton as an Advanced Manufacturing Cluster with a high-profile reputation.

The Council, along with partners, has played an important role in the assessment and selection of potential occupiers. It was agreed to prioritise advanced manufacturing for the i54 site and an eligibility criteria was developed taking into account the number of jobs, skill levels, capital investment and fit with the definition of Advanced Manufacturing. This inevitably meant that some interested parties were deemed not suitable, those in the distribution and logistics sector for example, but this strategy has paid dividends by returning many hundreds of high value jobs in advanced manufacturing.

As the accountable body for the project that council is responsible for financial management, funding strategies, financial reporting and project management to drive delivery. The City Development Team play a pivotal role in working with occupier interest to secure transactions and investment at i54 and the authority provide a dedicated resource to ensure the city benefits from the jobs created through construction phase to operations. The council is also land-owner of the 60 acre Western extension and was pro-active in bring forward this for development.

## Outcomes

The table below summarises the occupiers on the respective plots at i54 including some of the key economic outputs that have been realised. The cells in yellow remain a forecast at this stage but will be updated as and when we can obtain further information.

The table also shows the status of two occupiers the Council's are in discussion with on the Western extension, including likely outcomes and where the occupiers are currently in terms of works on site and operational dates. Like i54 the two occupiers have significant standing in their respective manufacturing sectors and will bring many benefits to the region as a whole not just to i54.

Plot / Occupier	Land Disposed (Acres)	Floor Area (m <sup>2</sup> )	Jobs (FTE's)	Investment (£M's)	Comments / Status
<b>i54</b>					
Moog Aerospace	10.9	20,475	469	20.00	Operational
Eurofins	2.6	3,715	605	8.00	Operational
Cartor Security Printers	4.5	6,598	53	8.00	Operational
ERA Home Security	7.7	12,600	193	9.00	Operational
JLR Engine Manufacturing Centre	104.2	192,366	854	950.00	Operational
Atlas Copco	3.0	4,273	56	10.00	Operational
Bilco Access Solutions (Apex unit)	3.2	5,500	80	5.00	Cat B Fitout / Operational early 2023
Barberry	5.8	9,290	168	26.50	Construction / Operational Spring 2023
Plot D	3.2	13,245	30	10.00	Negotiations with Occupier Construction 2023 Operational 2024
Plot E2	3.0	5,500	80	10.00	Owners London Metric currently marketing
Sub Total	148.10 (acres)	273,562 (m <sup>2</sup> )	2,588	1,056.50	
<b>i54 Western Extension (South)</b>					
Plot 1	24.7	46,451	600+	58.00	Contract Negotiations with Occupier. Construction 2023 / Operational 2024
Plot 2	16.8	26,528	300+	47.00	Contracts Exchanged with Occupier.

					Construction 2023 / Operation 2024 9,931m <sup>2</sup> of expansion space
Sub Total	41.5 (acres)	72,979 (m <sup>2</sup> )	900+	105.00	
Grand Total	189.6 (acres)	346,541 (m <sup>2</sup> )	3,488	1,161.5	Note that these figures include some forecast figures and will be subject to verification.

The Full Time Equivalent (FTE) job numbers reflect the latest 2022 post code mapping data which shows a decrease against the pre-pandemic 2019 figures. This reduction is not unexpected given the economic issues facing many organisations and we are now working with them to understand likely job number figures moving forward for example JLR are in the process of recruiting circa 200 new starters which are not included in the above figures.

Despite the pandemic some businesses on i54 have not seen a reduction in employment and indeed one has seen an increase. Also, the employees on i54 who live within a 10-mile radius has increased against the 2019 figures, to 56% compared to 50% previously.

Out of the 1,268 employees living within a 10-mile radius circa 927 (73%) have a WV Postcode.

The partners continually work with the existing occupiers as well as the new to support with recruitment and training to maximise local job opportunities for all areas of employment across i54 and i54 Western Extension.

Business rates:

i54 Enterprise Zone – In accordance with the Collaboration Agreement once the borrowing costs have been met the rates will be split 50:50 between the two LEPs (BCLEP and SSLEP) until 2037/38.

i54 Western Extension – In accordance with the Business Rates Collaboration Agreement, the rates receivable after payback are eligible to be split three ways between City of Wolverhampton Council, Staffordshire County Council and South Staffordshire Council. This is expected to start in 2023/24 once all borrowing costs have been covered and continue until July 2044.

Social Value:

Over the course of the construction work various community engagement initiatives were implemented. These included the contractor, Amey Highways, undertaking a 'Community Day' at Pendeford Nature Reserve in November 2019 which involved volunteers planting of Osier, Daffodil bulbs, and hedgerow saplings. They also provided the Ranger with assistance with clearance of dead wood and materials adjacent the River Penk.

During October to December 2019, Amey set out food/toiletries donation points and presented them to The Well Wolverhampton in time for Christmas.

Throughout the process the project team have regularly consulted with local people, listened to them and took action in various areas including:

- The creation of a 7-8 metre high acoustic and visual landscaped bund for the benefit of resident at Pendeford Hall Mobile Home Park.
- The construction of new footways and cycleways, to create circular walks including through the bluebell wood which for many years has been closed to the public. Great care and attention has been taken on the creation of habitats including the translocation of native bluebells, ancient soils from the woods and hedgerows to create extensive landscaped zones.
- Planting of over 10,000 new trees on the Western extension.
- New stools and benches crafted and installed by a tree surgeon to a local Primary School.

The council facilitated work experience placements with Amey for 5 students (College and University) and 3 graduates on site. Introductions were made with Enterprise Co-ordinators in Wolverhampton and Staffordshire for Amey to engage with local secondary schools to support Careers and Enterprise activities and give presentations to local primary school pupils. Amey are a Disability Confident employer and pledged to the Armed Forces Covenant.

#### Recruitment and Skills:

City of Wolverhampton Council employ an Employer Work Coach who is a dedicated resource to support businesses at i54 and in the wider Junction 2 area. A Workforce and Employment Support offer was agreed and available for use with occupiers. Jobs, graduate positions and apprenticeships with current i54 occupiers have been sourced and shared with partners and local colleges and universities have been contacted and made aware of the development and potential opportunities for them to be involved.

As a result of support provided to existing i54 occupants, 190 temporary production operatives were recruited at Jaguar Land Rover and in excess of 20 vacancies with Eurofins. The occupiers presented at Let's Talk Jobs events to highlight the opportunities available and the recruitment process to a wide network of advisers. Connections were facilitated with the University, College and local school enterprise advisors. Opportunities were also presented at two community events and on 'The Workbox'. Sector Based Work Academy Programmes (SWAPs) through the Department for Work and Pensions were put

in place to support recruitment plans. In July 2022, Eurofins supported the University's Scifest for the first time.

#### Learning Outcomes:

During the life of the i54 project and more recently the western extension the project has experienced many challenges emerging from either local, national or global issues and at times a combination of all three. The resilience of the project and its success to date has been realised through the following measures;

**Partnership People** – Like many projects i54 has a number of stakeholders with varying degrees and types of investment. Having the right people involved with a mindset to understand the collective objectives and commitment to deliver the same has been very important to the scheme.

**Political Boldness** – Originating with the early decisions to invest in i54 and make the necessary investment in time and resource to bring forward the essential infrastructure, including the new access bridge over the M54, to create an internationally recognised employment park. The ongoing commitment and decisions to invest to develop much needed employment land for manufacturing purposes has confirmed the North of Wolverhampton as a significant Advanced Manufacturing Cluster in the region.

**Robust Governance** – Adopting a consistent and transparent approach to managing and directing the scheme from elected members, strategic directors, officers and consultants and contractors.

**Financial Management** – Early engagement with Finance teams to help support, challenge and manage project budgets, delivery and funding strategies, financial reporting and decision making.

**Procurement & Supply Chain Engagement** – Early contractor involvement to address issues, establish a delivery plan and agree a cost envelope with a clear risk apportionment process linked back to the Robust Governance and Financial Management criteria above.

**Marketing Agent Input** – Sound agent advice at the outset to provide a market facing scheme coupled with a marketing and enquiry evaluation strategy.

**Project Management** – Dedicated Project Management with the correct level of time and experience to help establish, implement and drive forward the scheme. Early implementation of the success factors provided a strong foundation for the project with the ability to react positively to change.