

**Greater Birmingham and Solihull Local Enterprise  
Partnership Limited**

**Supervisory Board**

The Supervisory Board for the 12<sup>th</sup> December 2019 was cancelled and instead Board members have been asked to endorse decisions (which are specified as being within the coverage of the Supervisory Board Terms of Reference set out in the GBSLEP Local Assurance Framework) by either the LEP Board, the Programme Delivery Board or the LEP Director utilising a written procedure, with an appropriate deadline for responses. The papers sent for noting and endorsement are attached.

This written procedure allows Supervisory Board members to either endorse or to refuse to endorse the decisions, with a nil response treated as an endorsement.

If the Supervisory Board are unable to endorse the decisions, the escalation process indicated set out in the GBSLEP Local Assurance Framework will be followed.

**Supervisory Board members noted and endorsed the decision paper attached.**

In addition, these endorsements will be formally ratified at the next full meeting of the Supervisory Board.

Edward Scutt

Head of Governance, GBSLEP

## **Report to the Greater Birmingham and Solihull Supervisory Board**

**By Written Procedure 27 November 2019**

### **Notification of Investment Decisions**

#### **1. Purpose of the Report**

- 1.1. To inform members of project investment decisions in relation to;
- 1.1.1. Cannock Chase Engineering Academy
  - 1.1.2. Quantum Technology Innovation Hub
  - 1.1.3. Precision Health Technology Accelerator

#### **2. Recommendations**

The Supervisory Board is recommended to note:

- 2.1. Approval of the allocation of £500,000.00 [five hundred thousand pounds] Local Growth Fund to South Staffordshire College (SSC) for the delivery of **Cannock Chase Engineering Academy** project, the decision was made by the GBSLEP Director in accordance with the GBSLEP Assurance Framework
- 2.2. Approval of £3,021,000 (three million, twenty-one thousand pounds) to the University of Birmingham (UoB) for the delivery of the **Quantum Technology Innovation Hub** (QTIH) project, the decision was made by Programme Delivery Board in accordance with the GBSLEP Assurance Framework.
- 2.3. The approval of the allocation of £1,941,000 (one million nine hundred forty-one thousand pounds) as development funding to the University of Birmingham (UoB) to progress the **Precision Health Technology Accelerator** (PHTA) project from Outline to Full Business Case and the conditional allocation of an overall maximum capped capital funding contribution of £10,000,000 (ten million pounds) against a total project cost of £64,752,000 (sixty-four million seven hundred and fifty-two thousand pounds) in accordance with the Assurance Framework, the approval is subject to the submission and approval of a satisfactory Full Business Case (FBC) as well as LGF funding being available.

### 3. Cannock Chase Engineering Academy

#### 3.1. Background

- 3.1.1. An initial Expression of Interest (Eoi) for LGF was submitted to GBSLEP in October 2018 by SSC resulting in a 'B' strategic fit assessment against the Strategic Economic Plan (SEP) in December by the LEP Executive and Sector Skills Champion.
- 3.1.2. A final Outline Business Case (OBC) was submitted in April 2019 and Independent Technical Evaluation (ITE) was completed 21 May 2019.
- 3.1.3. SSC submitted a Final Business Case (FBC) to the GBSLEP on 05 August 2019, and the ITE was finalised on 19 September 2019 with all areas complete and minor issues addressed.
- 3.1.4. The process followed is compliant with the GBSLEP Assurance Framework

#### 3.2. Case for change

- 3.2.1. The percentage of working age population qualified to NVQ Level 4 in the Cannock Chase area is low when compared to other areas within Staffordshire and the West Midlands.
- 3.2.2. The Cannock Chase Engineering Academy aims to work closely with employers, universities, and research institutes to strengthen business survival and growth rates by focusing on upskilling local industry and encourage more engagement in 'high growth' activities. In turn the ambition is to strengthen the innovative capacity of local industry by providing much needed higher skills capital.

#### 3.3. Outputs and Outcomes

- 3.3.1. The project is expected to result in the following outputs and outcomes:

Output Description	Output quantity
Area of new or improved learning/training floorspace (sqm)	190
Specialist capital equipment	£500,000

Outcome Description	Outcome Quantity
L4 & L5 Engineering qualifications over 5 years	294
Apprenticeships over 5 years	156

#### 3.4 Funding Profile

- 3.4.1 The project has the following funding structure:

	2019/20	2020/21	Future Years	Total
	£	£	£	£
<b>Capital (GBSLEP)</b>	500,000	0		500,000
<b>Capital (Other Public Sector)</b>	357,096	145,000	0	502,096
<b>Revenue (name other)</b>	0	0	0	0

<b>Total</b>	857,096	145,000		1,002,096
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## 4. Quantum Technology Innovation Hub

### 4.1 Background

- 4.1.1. The Expression of Interest to GBSLEP's Local Growth Fund (LGF) for the above project was submitted in May 2018 and was assessed as category "B – a strong Strategic Fit" against the Strategic Economic Plan (SEP).
- 4.1.2. An Outline Business Case (OBC) was submitted on 28 January 2019 seeking £3,021,000 LGF grant against a total project cost of £6,813,284, this was approved by the Programme Delivery Board (PDB) on 29<sup>th</sup> May 2019 for Programme Level Entry and conditional allocation, subject to submission of a satisfactory FBC by 31 July 2019 and availability of funding.
- 4.1.3. The final FBC was submitted on 25 September 2019 and has undergone Independent Technical Evaluation (ITE) which states the FBC has been strengthened and that the scheme will deliver high value for money but recommends aligning with best practice through clarification of GVA from start-up businesses. PDB granted a full approval of the project on 31 October 2019 based on the evaluation report from ITE.
- 4.1.4. The process followed is compliant with the GBSLEP Assurance Framework

### 4.2. Case for change

- 4.2.1. This project aims to maximise the benefit of quantum technology for the region, the approach aligns with the government strategy for commercialising quantum technologies. The outcomes of the project will support key sectors including life science, manufacturing, engineering and transportation contributing to the aims of the GBSLEP SEP and Local Industrial Strategy.
- 4.2.2. The QTIH will provide a 'local' demonstration, test and validation facility for entrepreneurial researchers, sensor technologists, systems engineers and businesses, with links to the National Physics Laboratory expertise. Collectively, these facilities will help to accelerate the development of proof of concepts & prototypes for innovative, new scientific instruments and products which are built around commercial applications of quantum technology and advanced metrology.
- 4.2.3. This facility will act as a catalyst to attract commercial scientific instrument and metrology firms to the region, to further translate the region's expertise and assets into economic benefit.

## 5. Funding Profile

5.1. The project has the following funding structure:

	2019/20	2020/21	Future Years	Total
	£	£	£	£
<b>Capital (GBSLEP)</b>	£2.42m	£0.60m		£3.02
<b>Capital UoB</b>	£3.79m	0		£3.79
<b>Total</b>	£6.21m			£6.81.

## 6. Outputs and Outcomes

6.1. The project is expected to result in the following outputs and outcomes:

Output Description	Output quantity
Jobs - Direct	56
Jobs - Indirect	29
Apprentices	10
Skills – new learners assisted	56
Commercial / employment floorspace refurbished	300m2
Outcome Description	
8 Collaborative Research Projects initiated to benefit companies in the LEP area by 2027	
£10million Growth in GVA contribution from the QT sector by 2030	
Improved utilisation of key national research infrastructure from 3.5% to 5.0% (like NPL).	

## 7. Precision Health Technology Accelerator

### 7.1. Background

- 7.1.1. An Expression of Interest for the PHTA was submitted to Greater Birmingham and Solihull Local Enterprise Partnership in September 2016. This was assessed as an “A” Strategic Fit
- 7.1.2. An Outline Business Case (OBC) was received on 6<sup>th</sup> June 2019 for the PHTA project, requesting a development funding of £1,941,000 as part of a total LGF request of £10,000,000. The total project cost is £64,752,000.
- 7.1.3. The OBC was independently appraised and the GBSLEP executive recommended to PDB and GBSLEP board that the project be granted a conditional approval for LGF and development funding of £1,941,000.
- 7.1.4. On 18<sup>th</sup> July 2019, the GBSLEP board granted the approval.
- 7.1.5. The Development Funding applied for will enable UoB to complete relevant capital design works, surveys and specialist design inputs necessary for FBC submission.
- 7.1.6. The process followed is compliant with the GBSLEP Assurance Framework

### 7.2. Case for Change

- 7.2.1. Life science is a key sector for GBSLEP, and delivery of the SEP and LIS. Birmingham and the West Midlands has no dedicated life sciences incubation or innovation space for the development and translation of new innovations in health and life sciences. In addition, the region currently has no appropriate accommodation for the grow-on, expansion or attraction of health and life science businesses. This is a major barrier to establishing a growing and thriving cluster of health and life science businesses in our region.
- 7.2.2. PHTA, an 18,000m2 innovation hub (estimated 55% lab, 45% office) extending capabilities in genomics medicine & diagnostics, clinical trials, medical technologies evaluation and healthcare data informatics & systems, to accelerate delivery of new data-enabled healthcare innovations around early diagnosis and precision medicine to our regional population, will be the key differentiator to similar sites nationally.
- 7.2.3. The project creates opportunity to overcome barriers to development of the sector. The aim is to create a unique opportunity to spin out, develop and attract life and health sciences into the region and catalyse a new high-growth cluster for the City and the region.

### 7.3. Outputs and Outcomes:

- 7.3.1. The following are the project outputs and outcomes:

Output Description	Output quantity
Employment – Jobs created / safeguarded	500
Skills and Education – Number of new learners assisted (in courses leading to a full qualification)	40 per year
Commercial – Commercial floor space completed	8,000sqm
Business and Enterprise – Number of enterprises receiving non-financial support	1085

Outcome Description
Scale of commercial suppliers' employment increase due to Research Infrastructure - 280
GVA increases in firms collaborating with the facility - £20m per year
Total amount of funding generated from services, grants and joint projects - £5m per year
Individuals receiving Level-4 CPD Training – 100 per year
Increase volume of collaborative R&D investment £1.5 per year
Number of technologies, prototypes, industrial designs developed and transferred – 26
New spin outs created - 30

## 7. Financial Implications:

7.1. The project is expected to result in the following outputs and outcomes:

7.2. The allocation of Development Funding will be included in the total capital grant allocated to the project, subject to the approval of the FBC. Should the FBC not be approved or delivery of the project does not commence, the project sponsor will be required to return the funds to GBSLEP. The below table profiles the funding allocation for the project, reflecting the Development Funding allocation (FY2019/20) and the balance of LGF subject to FBC approval.

£000	Previous years	2019/20	2020/21	Future years	Total
Capital (GBSLEP)		£1,941	£8,059		£10,000
Capital (UoB)	£10,158	£695	£473	£477	£11,803
Capital (other Public)			£550	£50	£600
<b>Total</b>					<b>£22,403</b>
<i>* Still to be secured</i>			£38,845	£3,504	£42,349
<b>Project Total</b>	<b>£10,158</b>	<b>£2,636</b>	<b>£47,927</b>	<b>£4,031</b>	<b>£64,752</b>

## 8. Conclusion

8.1. The above projects have been developed and approved in line with the GBSLEP Assurance Framework and Local Growth Fund criteria therefore the Supervisory Board is requested to note the above allocations

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