

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

Supervisory Board

On the 28th April 2020, with the next scheduled meeting of the Supervisory Board not scheduled until the 20th May 2020, the Supervisory Board members were asked to endorse a decision (which is specified as being within the coverage of the Supervisory Board Terms of Reference set out in the GBSLEP Local Assurance Framework) by the Programme Delivery Board 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, any endorsements will be formally ratified at the next full meeting of the Supervisory Board.

Edward Scutt

Head of Governance, GBSLEP



Greater Birmingham & Solihull LEP Project Approval Report by Written Procedure 1st April 2020 5G Application Accelerator (OBC)

1. Recommendation

1.1. The GBSLEP Supervisory Board is recommended to note the:

Conditional Allocation of the capital grant of £2,000,000 (two million pounds) of Local Growth Funding (LGF) to West Midlands 5G (WM5G) for the delivery of the 5G Application Accelerator (5GAA) in accordance with the GBSLEP Assurance Framework following the approval of Programme Delivery Board on 1st April 2020.

2. Background

2.1. On the 23rd July 2019, the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) received an Expression of Interest from West Midlands 5G for support of the Urban Connected Communities (UCC) programme; it requested a £10m contribution towards a programme of c.£500m 5G technology related projects. A strategic fit assessment was completed (A Strategic Fit Rating) and a recommendation was made to WM5G to submit Outline Business Cases on a project by project basis so they can be considered individually.

3. Case for Change

3.1. The 5G UCC programme recognises the need for collaboration between the public and private sector in order to maximise the benefits that 5G technology can yield for the region; and as part of the WM5G UCC Programme, WM5G is now applying to GBSLEP for **£2m** of grant funding towards the £16.02m 5GAA project.

3.2. The 5GAA is a public/private partnership that provides both the infrastructure and business support to enable faster identification, development and scaling of a wide range of new 5G applications, and to subsequently provide opportunity for a range of organisations across the West Midlands region to engage in the new technology and capitalise on 5G opportunities. The £16.02m project is made up of £8.46m capital expenditure and £7.56m revenue expenditure and is aiming to support the public and private sector by achieving the following:

- 3.2.1. Helping to reduce the commercial risk of 5G investment;
- 3.2.2. Working with SME's and industry to explore the potential for 5G to deliver benefits for their business, including helping to identify and address barriers which could slow or prevent 5G deployment; and
- 3.2.3. Accelerating the testing and development of 5G applications and technology by providing safe and secure infrastructure and capability.

- 3.3. To be accessible, it is proposed that the 5G Application Accelerator will have three locations in the West Midlands, one in each LEP area. Each of the locations will have a building with flexible office space and presentation/workshop/engineering space, 5G network coverage (indoor and outdoor) and, in Birmingham, a cutting edge private 5G network. All three locations will have the latest 5G features for organisations to see and use before the technology is publicly released.
- 3.4. The proposed public funding for the 5G Application Accelerator is as follows:
 - 3.4.1. GBSLEP, £2.0m (Capital Funding Requested);
 - 3.4.2. European Regional Development Fund (ERDF), £1.0m from both the Black Country LEP and Coventry and Warwickshire LEP (Revenue Application Submitted); and
 - 3.4.3. Department for Digital Culture Media and Sport (DCMS), £4.0m (Capital Secured).
- 3.5. WM5G Ltd confirmed that the consortium of companies (Deloitte, Telefonica UK, Wayra and Digital Catapult) are committed to providing up to £7m funding (in-kind) to the scheme (majority of the revenue funding) and any remaining required funding will be provided by the consortium as part of the contract agreement. The contract agreement has been signed.

4. Business Case Evaluation Process

- 4.1. The Outline Business Case for the 5GAA has been reviewed externally and the report (dated 17th February 2020) is available on request. The ITE has no category red issues and eight category amber issues, majority of which can be addressed as part of the Full Business Case submission (recommendations already provided to WM5G).
- 4.2. The project is assessed as high Value for Money (VfM) with a Benefit Cost Ratio (BCR) of **4.7** in the West Midlands region and, based on only the GBSLEP region the BCR increases to **7.2**.

5. Outputs & Outcomes

Output and Outcome Description (Within the GBS LEP Region)	Output and Outcome Quantity
Jobs Created (Directly from the project)	5
Number of enterprises receiving non-financial support (2020/21 and 2021/22)	432
Number of enterprises receiving non-financial support (2022-25)	526
Commercial Floor Space Occupied	342

6. Funding Profile

- 6.1. The project funding breakdown can be referred to in the table below (first two years only). The project, however, is forecast (from the Preferred Supplier) to be delivered over five years and will be subject to the income received to deliver the support necessary.

6.2 Summary of Project Funding (From Outline Business Case)

Summary (Public Funding Period)	Total 2020-22	2020/21	2021/22	Future 2022-25
Costs	(Exc. Future Years)			
Capital Expenditure	8,460	8,460	-	-
Revenue Expenditure	7,562	3,581	3,982	10,119
Total	16,022	12,040	3,982	10,119
Funded by				
Income	2,005	645	1,360	15,775
Private Sector 'In Kind' (Preferred Supplier)	6,235*	5,063	1,172	-
GBS LEP (Requested)	2,000	2,000	-	-
Other Public 'ERDF' (Not yet secured)	1,000	500	500	-
DCMS	4,000	2,190	1,810	-
Total	15,240	10,398	4,842	15,775

Note: * Financial table taken from Outline Business Case, as S3.5 in this report the Preferred Supplier will provide up to £7.0m 'in-kind' funding to the project.

7. Conclusions

- 7.1 The 5GAA has the potential to be a significant contributor to the GBSLEP vision of becoming a “world leader in innovation and creativity: commercialising cutting edge research and innovation”. It will do this by stimulating demand for 5G and related technologies. The location of the Birmingham facility, near the GBSLEP Growth Hub, is also noteworthy due to the number of businesses, new start-ups and scale-ups it already accommodates.
- 7.2 Subject to the availability of remaining LGF funds the Programme Team recommend approval of the conditional allocation of £2,000,000 capital grant funding for the 5G Application Accelerator project.

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