

GREATER BIRMINGHAM & SOLIHULL SUPERVISORY BOARD

Wednesday 1st July 2020 at 14:00
By Video Conference

AGENDA

<u>PART I – OPEN ITEMS</u>		
	(Open to the Press and Public)	
1.	Welcome and Apologies for Absence By GBS LEP Director	
2.	Explanation of AGM requirement as per Terms of Reference	Verbal
3.	Election of the Chair	Verbal
4.	Election of the Deputy Chair	Verbal
5.	Appointment of the Secretary	Verbal
6.	Membership and substitute members for 2020/2021	To Follow
7.	Notification of any declarations of interest	Verbal
8.	Ratification of decisions taken by written procedure	Attached
9.	Growth Programme Investment Decisions 1. The Outpost 2. Extension of MAC 3. Alliance House 4. A38 Bromsgrove 5. Old Print Works 6. 5G Application Accelerator	Attached
10.	Enterprise Zone Investment Decisions 1. EZ Belmont Works 2. Curzon Station Tram Stop	To Follow
11.	AOB	
	Day and Time of Meetings <ul style="list-style-type: none">• 6th August 2020 @ 14:00• 21st October 2020 @ 14:00• 26th November 2020 @ 14:00• 17th December 2020 @ 14:00	
	PART II – EXEMPT ITEMS No Exempt Items	

Report to the Greater Birmingham and Solihull Supervisory Board

1 July 2020

Membership & Nominated Substitutes of the Supervisory Board for 2020/21

1. Purpose of the Report

- 1.1 To note the updated membership of the Supervisory Board following the new appointments made by the nine Local Authority members' respective Authorities for the municipal year 2020/21.

2. Recommendations

Members are asked to:

- 2.1 Note the membership of the Supervisory Board as set out below.
- 2.2 Receive verbal updates on Cannock Chase and East Staffordshire membership at the meeting, if available.

3. Background

- 3.1 The Supervisory Board was established on 28th March 2014. An updated list of membership (including substitute members) is provided below, following the appointments made by the nine LEP local Authorities for the municipal year 2020/21 and is for noting and providing any update if required.

BIRMINGHAM

Councillor Ian Ward (Voting)

Councillor Brigid Jones (Substitute voting Member)

BROMSGROVE

Councillor Karen May (Voting)

Councillor Geoff Denaro (Substitute voting Member)

CANNOCK CHASE (*Alternate to be confirmed*)

Councillor George Adamson (Voting)

Councillor Tony Johnson (Substitute voting Member)

EAST STAFFORDSHIRE (*to be confirmed*)

Councillor Duncan Goodfellow (Voting)

Councillor George Allen (Substitute voting Member)

LICHFIELD

Councillor Iain Eadie (Voting)

Councillor Elizabeth Little (Substitute voting Member)

REDDITCH

Councillor Matthew Dormer (Voting)

Councillor Mike Rouse (Substitute voting Member)

SOLIHULL

Councillor Ian Courts (Voting)

Councillor Karen Grinsell (Substitute voting Member)

TAMWORTH

Councillor Jeremy Oates (Voting)

Councillor Daniel Cook (Substitute voting Member)

WYRE FOREST

Councillor Graham Ballinger (Voting)

Councillor Fran Oborski (Substitute voting Member)

Prepared by Helen Harper
 GBSLEP Growth Support Team Leader

Contact: helen.harper@gbslep.co.uk
 07483 078447

Date Created: 29th June 2020

Report to the Greater Birmingham & Solihull Supervisory Board

1st July 2019

**RATIFICATION OF THE DECISIONS TAKEN
BY WRITTEN PROCEDURE****Purpose of the report**

To note and endorse the decisions taken by the Supervisory Board by written procedure.

Recommendations

The Supervisory Board is recommended to:

1. Note and endorse the decisions taken since the last formal meeting of the Supervisory Board by written procedure as outlined in Appendix A

Background

2. Since the last formal meeting of the Supervisory Board on 20th June 2019, a series of key decisions have been made by written procedure in order to enable GBSLEP to proceed with priority and urgent interventions. The detail of those decisions is set out in Appendix A to this Report.

Conclusions

3. This paper seeks the ratification of the decisions made by written procedure since the last meeting of the Supervisory Board on 20th June 2019. The Supervisory Board is recommended to note and endorse those decisions.

Prepared by: Edward Scutt
Head of Governance

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Date: 23rd June 2020

Appendices

Appendix A	Summary details of Decisions Made by Written Procedure
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Item 8 Appendix – List of Schemes undertaken by Written procedure for Ratification

August 2019

Precision Health Technology Accelerator – University of Birmingham

Approval of the Outline Business Case by GBSLEP Board on 18 July 2019 for Programme level entry and conditional allocation of £10,000,000 (Ten Million Pounds) Local Growth Fund (LGF). Development funding of £1,941,000 (one million nine hundred forty-one thousand pounds) from the LGF allocation, repayable should full approval not be given, or the project not go ahead

Curzon Station Enhanced Public Realm - Birmingham City Council

Approval of the Outline Business Case by GBSLEP Board on 18 July 2019 for conditional allocation of £26,172,419 of Enterprise Zone (EZ) funding.

Future Resilience Programme – Midlands Arts Centre

Approval of the Outline Business Case by the GBSLEP Director on 27 June 2019 for conditional allocation of £350,000 of Local Growth Fund (LGF), including £35,000 Development Funding to support the development of the Full Business Case for the project.

October 2019

Commonwealth Games Stadium

Approval of £20,000,000 Local Growth Funding to support the delivery of the Commonwealth Games Stadium by the LEP Board on the 19th September 2019

The River Trent in Burton Town Centre Regeneration and Flood Defence Improvements

Approval of £3,000,000.00 (three million pounds) to East Staffordshire Borough Council (ESBC) for the delivery of The River Trent in Burton; Town Centre Regeneration and Flood Defence Improvements project. The decision was made by the Programme Delivery Board (PDB) in accordance with the GBSLEP Assurance Framework

Tyseley Sustainable Energy Systems Research and Innovation Centre (TSESRIC)

Approval of the allocation of £200,000.00 Development Funding to the University of Birmingham to progress the Tyseley Sustainable Energy Systems Research and Innovation Centre (TSESRIC) project from Outline to Full Business Case. The decision was made by the Programme Delivery Board (PDB) under the delegated authority and in accordance with the GBSLEP Assurance Framework

December 2019

Cannock Chase Engineering Academy

Approval of the allocation of £500,000.00 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

Quantum Technology Innovation Hub

Approval of £3,021,000 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.

Precision Health Technology Accelerator

The approval of the allocation of £1,941,000 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 against a total project cost of £64,752,000 in accordance with the Assurance Framework, the approval was subject to the submission and approval of a satisfactory Full Business Case (FBC) as well as LGF funding being available.

February 2020

Construction Skills for Work Readiness

The Approval of the allocation of £286,975 to Solihull College and University Centre subject to availability of LGF for the delivery of the Construction Skills for Work-readiness project, in accordance with the GBSLEP Assurance Framework following the submission of the Full Business Case (FBC) and its Independent Technical Evaluation (ITE).

April 2020

5G Application Accelerator OBC

The Conditional Allocation of the capital grant of £2,000,000 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.

May 2020

GBSLEP Pivot & Prosper Grant Fund Proposal

The Approval of the outline proposal for a pilot SME grant programme, 'Pivot and Prosper', together with the allocation of £2m of funding from the SEP (Strategic Economic Plan) Enabling Fund to fund the programme and the delegation of authority to the GBSLEP Recovery Taskforce to agree the final details of the Pivot & Prosper Grant Fund.

Report to the Greater Birmingham and Solihull Supervisory Board

1 July 2020

Growth Fund Investment Decisions

1. Purpose of the Report

1.1. To notify Supervisory Board of GBSLEP Growth Programme investment decisions in the period since the last meeting

2. Recommendations

For the Supervisory Board to note the approval of the following LGF investment decisions made in accordance with the Assurance Framework:

- The Outpost: Creative Technologies Hub - Approval of the allocation of £295,226 [two hundred and ninety-five thousand, two hundred and twenty-six pounds] to Solihull College and University Centre subject to availability of LGF for the delivery of The Outpost; a project to establish a creative technologies hub. The decision was made by the LEP Director in accordance with the GBSLEP Assurance Framework following the submission of the Full Business Case (FBC) and its Independent Technical Evaluation (ITE)
- Midlands Art Centre – Future Resilience - Approval of the allocation of £400,000 (four hundred thousand pounds) LGF capital grant to the Midlands Art Centre (MAC) for the delivery of the Future Resilience project. The decision was made by the LEP Director in accordance with the GBSLEP Assurance Framework following the submission of the Full Business Case and its Independent Technical Evaluation. This was subject to the condition that MAC structure the project in such a way that the State Aid rules are satisfied as described in the Pinsent Masons State Aid Advice, dated 17th December 2019.
- Alliance House Development - Approval of the allocation of £250,000 (two hundred and fifty thousand pounds) to the Heart of Worcestershire College for the delivery of the Alliance House Development project. The decision was made by the GBSLEP Director in accordance with the GBSLEP Assurance Framework following the submission of the Full Business Case and its Independent Technical Evaluation (ITE).
- A38 Bromsgrove Major Scheme, Package One (Phase Two, M42 Junction 1 and M5 Junction 4) FBC - Approval of the capital grant of £1,146,715, (one million, one hundred and forty six thousand seven hundred and fifteen pounds) of Local Growth Funding (LGF), to Worcestershire County Council (WCC) for the delivery of the Phase Two M5 Junction 4 and M42 Junction 1 project as part of the A38 Bromsgrove Major Scheme, Package One (Phase Two) in accordance with the GBSLEP Assurance Framework by the LEP Director.
- The Old Print Works (FBC) – Approval of the funding of £152,312 (one hundred and fifty-two thousand, three hundred and twelve pounds) of Local Growth Fund (LGF) capital grant towards the redevelopment of the Old Print Works at a total cost of

£183,654 (one hundred and eighty-three thousand six hundred and fifty-four pounds), in accordance with the GBSLEP Assurance Framework by the LEP Director.

- 5G Application Accelerator (FBC) - Approval of the capital grant of £1,000,000 (one 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 by the LEP Director

3. Background

- 3.1. The above projects have been developed by the respective project sponsors and independently appraised in line with the GBSLEP Assurance Framework.
- 3.2. Six projects were reviewed by the Programme Development Board and recommended for Approval by the LEP Director. Each of the projects were subsequently approved by the LEP Director.
- 3.3. Individual project reports are attached as appendices.

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Date Created: 12 June 2019

Appendices

Appendix 9.1	The Outpost: Creative Technologies Hub
Appendix 9.2	Midlands Art Centre (MAC) Future Resilience
Appendix 9.3	Alliance House Development
Appendix 9.4	A38 Bromsgrove Major Scheme, Package One (Phase Two, M42 Junction 1 and M5 Junction 4) FBC
Appendix 9.5	The Old Print Works (FBC)
Appendix 9.6	5G Application Accelerator (FBC)

Report to the Greater Birmingham and Solihull Supervisory Board

Project Approval Report

The Outpost; A Creative Technologies Hub

12th June 2020

Recommendation

The Supervisory Board is recommended to note the:

- Approval of the allocation of £295,226 [two hundred and ninety-five thousand, two hundred and twenty-six pounds] to Solihull College and University Centre subject to availability of LGF for the delivery of The Outpost; a project to establish a creative technologies hub. The decision was made by the GBSLEP Director in accordance with the GBSLEP Assurance Framework following the submission of the Full Business Case (FBC) and its Independent Technical Evaluation (ITE).

Background

1. An Expression of Interest (Eoi) for £450,025 LGF towards a total project cost of £995,362 was submitted to GBSLEP July 2018 by Solihull College and University Centre (SCUC). The Eoi received a 'B Strong Strategic Fit' rating through assessment against the Strategic Economic Plan in October 2018 by the LEP Executive and Sector Skills Champion.
2. The final Outline Business Case (OBC) was submitted April 2019 and ITE completed May 2019. The GBSLEP Director granted the project programme entry and a conditional allocation June 2019.
3. The FBC was submitted 25 October 2019 requesting £337,226 LGF out of a total project cost of £727,016. The ITE was finalised 31 December 2019 with all areas complete and issues addressed.
4. Due to the review of the LGF Programme the investment decision has been delayed and all conditionally approved projects re-assessed against Economic Impact and Deliverability, as an outcome of this, The Outpost remains a priority and was approved to progress.
5. Due to insufficient funds remaining to support all the LGF pipeline, the Programme Delivery Board, 27 May 2020 requested that conditionally allocated projects review projects costs and potentially reduce the ask of LGF in order to be able to provide funding for other investment ready projects.
6. SCUC re assessed the business case and managed to reduce the LGF ask by £42,000. The project total cost is now £658,016 and the reduced LGF investment £295,226 the project maintains the level of match funding and there is no impacting the overall outputs and outcomes.

Case for change

7. The aim of The Outpost aligns to the GBSLEP priority action “Skills for Growth and Employment for All” targeting those in education and training. SCUC have combined their Creative and Technologies areas creating a STEAM faculty and built on active employer engagement which identified that a portfolio of work-based experience would improve their employment potential.
8. Creating an employer responsive space with improved digital facilities, this project aims to enable effective business start-ups and maintain growth rates in the creative and digital sector enhancing the potential of cultural and creative assets to drive creative-led innovation.

Funding Profile;

	2020/21	Total
Capital (GBSLEP)	£295,226	£295,226
Capital (Other public sector)	£389,790	£389,790
Total	£658,016	£685,016

Outputs and Outcomes:

Output Description	Output quantity
Apprenticeship levels 2-6	28
Additional people participating within courses at levels 4-6	41
Upskill Creative and Digital Sectors workforce, work closely with 10 local companies and identify additional training for employees	192
Area of new or improved learning/training floorspace (sqm)	802
Number of enterprises receiving non-financial support	10
Jobs Created/safeguarded – additional teaching and technician jobs	5
Outcome Description	
Increased employment opportunities for adults by 20	
Increasing the delivery of subsidised or fully funded part-time courses to support Creative & Digital Technologies employees for adults by 8	
Increase the number of Small and Medium Enterprises successfully completing projects which increase employer engagement; and/or the number of people progressing into or within skills provision by 40	

Conclusions

The above project has 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

Reviewed by: Sally Agass – Interim Programme Director

Prepared by: Wendy Edwards – Project Champion

Contact:

Date: 12th June 2020

Report to the Greater Birmingham and Solihull Supervisory Board

Project Approval Report

MAC Future Resilience

19th June 2020

Recommendation

The Supervisory Board is recommended to note the:

- Approval of the allocation of £400,000 (four hundred thousand pounds) LGF capital grant to the **Midlands Art Centre (MAC)** for the delivery of the Future Resilience project. The decision was made by the GBSLEP Director in accordance with the GBSLEP Assurance Framework following the submission of the Full Business Case and its Independent Technical Evaluation. This was subject to the condition that MAC structure the project in such a way that the State Aid rules are satisfied as described in the Pinsent Masons State Aid Advice, dated 17th December 2019.

Background

1. An expression of interest was submitted by MAC in September 2018 and was rated as “B” strategic fit in December 2018.
2. The Outline Business Case (OBC) was submitted in May 2019 and an ITE was completed in May 2019. The GBSLEP Director granted the project programme entry and a conditional allocation of £350,000, subject to LGF funding being available, including a £35,000 request towards development of the Full Business Case (FBC) in June 2019. The total project cost was £1,000,000 at that time.
3. The FBC was submitted in September 2019 requesting £450,000 LGF out of a total project cost of £1,176,698. The costs had increased for several reasons including some further redesigns of areas which were needed to improve access and construction methods, meet student demand and improve digital infrastructure. Additional professional services were also identified, and irrecoverable VAT also increased as a result of these additional costs. MAC’s Board of Trustees concluded that any additional contribution from the organisation would have an adverse effect on its financial health leaving them vulnerable in a challenging economic climate. Project funders had already been asked to provide the maximum grant available so on this basis, MAC’s request for grant increased to £450,000 to fund the balance of the gap.
4. The final version of the FBC was submitted on the 16th January 2020 requesting £450,000 LGF grant. An ITE was finalised on 22nd January 2020, with all areas complete and issues addressed. As part of the ITE’s conclusion this it was recommended that MAC structure the project in such a way that the State Aid rules are satisfied as described in the Pinsent Masons State Aid Advice, dated 17th December 2019.
5. Due to the review of the LGF Programme the investment decision has been delayed and all conditionally approved projects re-assessed against Economic Impact and Deliverability, as an outcome of this, the MAC project remained a priority and was approved to progress.

6. Due to insufficient LGF funds remaining to support all the pipeline of projects, the Programme Delivery Board meeting on 27th May 2020 requested that conditionally allocated projects review projects costs and potentially reduce the ask of LGF in order to be able to provide funding for other investment ready projects.
7. The MAC have re-assessed the FBC and managed to reduce the LGF ask by £50,000. The project total remains at £1,176, 698 and this does not impact the overall outputs and outcomes and can deliver within the LGF funding timescales.

Case for change

8. MAC aims to vastly improve visitor experience to become a more financially resilient and innovative business in a challenging economic climate. Their broad offer needs to remain attractive to their growing 1million+ visitors. This project targets three key areas of capital improvements that support enhanced visitor experience, strengthen the Made at MAC brand (art presented, work made and food offer) and support positioning MAC as a leader in Birmingham on national and international stage. The creation of new accessible artist studios with a high standard of environmental performance and digital broadcast beyond the venue will strengthen MAC's role as a centre of excellence for participation and diversity in the arts.
9. This project will increase MAC's contribution to the cultural and creative sector. The creative economy is currently worth £4.1bn GVA and accounts for 50,000 jobs across the GBSLEP geography. In addition, creative innovation and creative skills, such as design, are an enabler of innovation and growth across all sectors. To realise the potential, GBSLEP has been working with industry and sector intermediaries on a creative sector delivery plan. GBSLEP's creative sector delivery plan aligns with the West Midlands Local Industrial Strategy Creative Sector Plan, which the LEP has been co-leading for WMCA. GBSLEP is also developing a Place Delivery Plan, which will include cultural actions.
10. The economic case demonstrates high value for money the project would generate as a result of its impacts on jobs, apprenticeships and skills, with wider unquantifiable benefits including: inclusion and support for people with disabilities, increased health and wellbeing of participants, removal of barriers to participation in the arts and the development of creativity knowledge and skills amongst the local community.

Funding Profile:

	To 31/3/20	2020/21	Total
	£	£	£
Capital (Development Funding GBSLEP)	35,000		35,000
Capital (GBSLEP)		365,000	365,000
Capital (Arts Council England)		400,000	400,000
Capital (Private Sector)	100,000	130,000	230,000
MAC's Own Reserves	46,682	65,015	146,698
Total Capital Cost	181,682	995,015	1,176,698

Outputs and Outcomes

Proposed outputs			
Number	Description	Quantity	Delivery Date
1.	Jobs created	15	March 2025
2.	Apprenticeships	3	March 2025
3.	Area of new or improved learning/training floorspace	277sqm	March 2025
4.	Commercial floorspace refurbished	212sqm	March 2025
Proposed outcomes			
Number	Description	Quantity	Delivery Date
1.	Jobs directly created or safeguarded	35	March 2025

Conclusions

11. The above project has 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

Prepared by: Kerry Billington, Consultant Programme Manager

Reviewed by: Sally Agass, Interim Programme Director

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Mobile number: 07711 314375

Date prepared: 18th June 2020

Report to the Greater Birmingham and Solihull Supervisory Board

Project Approval Report

Alliance House Development

18th June 2020

Recommendation

The Supervisory Board is recommended to note the:

- Approval of the allocation of £250,000 (two hundred and fifty thousand pounds) to the Heart of Worcestershire (HOW) College for the delivery of the Alliance House Development project. The decision was made by the GBSLEP Director in accordance with the GBSLEP Assurance Framework following the submission of the Full Business Case and its Independent Technical Evaluation (ITE).

Background

1. The Expression of Interest to GBSLEP's Local Growth Fund (LGF) for the above project was submitted in November 2018 and was assessed as category B – Strong Strategic Fit.
2. A Full Business Case (FBC) was submitted in May 2019 requesting £293,000 out of a total project cost of £596,000. The ITE recommended that the project be approved subject to planning permission being granted, as well as other issues being resolved by the applicant. In October 2019, the project sponsor informed the GBSLEP programme team that planning permission had been granted and an updated FBC was submitted in November 2019. The ITE was finalised in November 2019 with all areas complete and issues addressed.
3. Due to the review of the LGF Programme the LEP investment decision was delayed and conditionally approved project along with a number of other pipeline projects re-assessed against Economic Impact and Deliverability. As an outcome of this the Alliance House project remains a priority and was approved to progress.
4. Due to insufficient funds remaining to support all the LGF pipeline, the Programme Delivery Board meeting on 27th May 2020 requested that the projects review projects costs and potentially reduce the ask of LGF in order to be able to provide funding for other investment ready projects.
5. The HoW College re-assessed the FBC and managed to reduce the LGF ask by £43,000. The project total cost is now £500,000 and the reduce LGF investment £250,000, The project maintains the level of match funding with a slight delay to the achievement of the original outputs and outcomes by six months whilst only impacting the overall numbers with a reduction of one bespoke employer course from 10 to 9. The project can deliver within the LGF funding timescales.

Case for change

6. The Alliance house project falls within the GBSLEP Skills Delivery Plan. It aligns with the broad objectives and themes of the SEP and has a clear alignment with both WMCA and national policy, in terms of sector.
7. The project aims to build a new external brickwork teaching workshop in the grounds of Heart of Worcestershire College's Alliance House Campus and to also make adjustments to the current external teaching space and refurbishment of the brickwork external storage area. This will address the apparent issues of limited capacity at present, allow for growth within Brickwork

courses from level 1 to level 3, enable development of further Apprenticeship programmes and increase the number of bespoke employer programmes, part time courses and programmes with the aim of upskilling local people to access higher level roles within the Construction Industry.

8. The establishment of a level 3 programme in Brickwork will meet the needs of the local labour market and also produce the skilled workers required to support Redditch and Bromsgrove to deliver of the target number of new dwellings required between 2011-2030 of 6,400 and 7,000 respectively. Capacity on the course has been reached and it will enable the college to extend the range of learning provision. This is in response to the current and future skill need, increasing the level of skills and increasing capacity now in anticipation for higher levels of school leavers between 2020-25.

Funding Profile:

	Q2 (Jul – Sep 20)	Q3 (Oct – Dec 20)	Q4 (Jan – Mar 21)	Total
Capital (College Own contribution)	£100,000	£100,000	£50,000	£250,000
Capital (GBSLEP)	£0	£200,000	£50,000	£250,000
Total	£100,000	£300,000	£100,000	£500,000

Outputs and Outcomes:

Output Description	Quantity	By When
Area of new or improved learning/training floorspace	500sqm	December 2020
New Learners Assisted (in courses leading to a full qualification)	92	September 2025
Jobs created or safeguarded	1	September 2021
Outcome Description	Quantity	By when
Development of adult short courses leading to qualifications increasing skill levels (4 new programmes launched by 2021 engaging 20 new adult learners by 2022)	4	September 2022
To launch 2 new bespoke employer programmes in 2020/21 and increase this by 2 per year until 2024/25	9	September 2025

Conclusions

9. The above project has 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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Reviewed by: Sally Agass, Interim Programme Director

Date prepared: 18th June 2020



**GREATER BIRMINGHAM AND SOLIHULL LEP
PROJECT APPROVAL REPORT, SUPERVISORY BOARD
22nd JUNE 2020
A38 BROMSGROVE MAJOR SCHEME, PACKAGE ONE
(PHASE TWO, M42 JUNCTION 1 AND M5 JUNCTION 4) FBC**

Recommendation

The GBSLEP Supervisory Board is recommended to note the:

1. Approval of the capital grant of **£1,146,715**, (one million, one hundred and forty six thousand seven hundred and fifteen pounds) of Local Growth Funding (LGF), to Worcestershire County Council (WCC) for the delivery of the Phase Two M5 Junction 4 and M42 Junction 1 project as part of the A38 Bromsgrove Major Scheme, Package One (Phase Two) in accordance with the GBSLEP Assurance Framework following the approval of the GBSLEP Director on 22nd June 2020.

Background

2. The A38 Bromsgrove Major Scheme (the Scheme) was included in the 2016 Growth Deal 3 submission as part of the Breaking Down Barriers programme.
3. The Scheme comprises ten junction enhancements on the A38 corridor between Junction 4 of the M5 to the north and its junction with the B4091 in the south. These works have been split into five packages. Given the overall cost and limited availability of funding the Scheme will be delivered in stages, Package one is the first stage.
4. Package One, Phase One of the Scheme includes improvements to the A38 junction with the completed Barley Mow Lane to provide additional capacity at existing pinch-points on the corridor (received £115,227 LGF funding) and Phase Two which includes M42 Junction 1, the M5 Junction 4.
5. In November 2017 an Expression of Interest (EoI) for Package One was submitted to GBSLEP by WCC. The Scheme was assessed as a B strategic fit and an Outline Business Case (OBC) invited.
6. Given the geographical overlap of the project, the sponsor WCC requested LGF capital grant from Worcestershire LEP (WLEP) and GBSLEP as well as Highways England (HE) for Growth Housing Fund (GHF) as well as a Section 106 contribution.
7. An initial Conditional Approval Business Case; the WLEP equivalent of the GBSLEP OBC (referred to as OBC going forward), was submitted in May 2018. After further value engineering work this was revised, resubmitted and independently assessed in August 2018. Programme Entry and a Conditional Allocation were approved by GBSLEP in November 2018.
8. As a result of an oversubscribed LGF programme, and ensuing negotiation with the project sponsor, Programme Delivery Board approved a reduction in the conditional allocation of £1,000,000 to £1,146,715. The project sponsor has secured additional funding for the project and therefore the only impact on the business case is a reduction in outcomes proportionate to the reduced investment.

Case for Change

9. The A38 corridor has significant congestion with access to and from the M5 and M42 constrained due to limited capacity on the local road network particularly around Worcester and Bromsgrove. It has been reported through local planning work that this is constraining housing and economic growth. The improvements defined in the Scheme are identified as a priority within the Worcestershire Local Transport Plan (LTP), the Bromsgrove Development Plan and the Redditch Local Plan.
10. By addressing issues at the identified junctions, the overall Scheme aims to relieve current congestion and support planned housing and employment sites, 7,000 homes and 28Ha employment land for Bromsgrove and 6,400 homes and 55Ha employment land for Redditch. The Scheme also aims to improve access to employment opportunities in Birmingham and the West Midlands via the motorway network.
11. Funding partners have agreed that the outcomes supported by Package One will be reported by each party on a proportionality basis, in line with the overall financial contribution made by each to the Package.
12. It is estimated that Package One (Phase Two) will help to deliver/unlock:
 - 397 housing units directly related to the M42 Junction 1 and M5 Junction 4, of which 79 are apportioned to the funding contribution by GBS LEP;
 - 649 gross FTE directly related to the M42 Junction 1 and M5 Junction 4, of which 129 are apportioned to the funding contribution by GBS LEP;
 - 14,849 sqm employment floorspace directly related to the M42 Junction 1 and M5 Junction 4, of which 2,956 sqm are apportioned to the funding contribution by GBS LEP.
 - In addition to the above, the works to improve the M42 and M5 junctions aim to improve traffic efficiency and positively impact on the longer-term productivity outcomes for the region. Additionally, short term benefits will relate to construction employment and supply chain added value over the construction period.

Output Description	Output Quantity
M42 Junction 1	
Widening of the A38 southbound approach to Junction 1 to add a 3rd lane (flare) on the existing approach.	1
Widening of the A38 Birmingham Road N'Bound away from Junction 1	1
A service road for the properties facing the A38 southbound approach	1
M5 Junction 4	
Widening of the A38 Halesowen Road N'Bound approach to the R'bout	1
Widening of the A38 Halesowen Road S'Bound away from Junction 4	1
The repositioning of the footway to accommodate the S'Bound widening	1

Funding Profile (Phase Two)

	Previous Years	2018/19	2019/20	2020/21	Total
	£	£	£	£	£
HE GHF Contribution	-	-	790,570	1,893,430	2,684,000
S106 Contribution	176,990	-	-	1,164,557	1,341,547
Capital (GBSLEP)	-	-	-	1,146,715	1,146,715
Capital (WLEP)	-	509,376	15,525	1,404,543	1,929,444
Total	176,990	509,376	806,095	5,609,245	7,101,706

Conclusion

13. This project, through the wider scheme, supports delivery of housing, employment growth and expanding commercial floor space as outlined in local and regional plans. It directly reduces congestion and transport costs maximising the efficiency of the road network and increases journey time reliability.

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GREATER BIRMINGHAM & SOLIHULL LEP PROJECT APPROVAL REPORT, SUPERVISORY BOARD 22nd JUNE 2020 THE OLD PRINT WORKS (FBC)

Recommendation

The GBSLEP Supervisory Board is recommended to note the:

1. Approve the funding of £152,312 (one hundred and fifty-two thousand, three hundred and twelve pounds) of Local Growth Fund (LGF) capital grant towards the redevelopment of the Old Print Works at a total cost of £183,654 (one hundred and eighty-three thousand six hundred and fifty-four pounds). This is in accordance with the Greater Birmingham and Solihull LEP (GBSLEP) Assurance Framework following the approval of the GBSLEP Director on 22nd June 2020.

Background

2. On 14 November 2019 an Expression of Interest for The Old Print Works – Securing and Growing Our Creative Future (TOPW) was reviewed by the LEP Executive and allocated a Category B (Strong Strategic Fit). The Project Sponsor subsequently developed the project further, and due to the low value and simplicity of the project, the LEP Executive approved a direct Full Business Case submission.
3. The Full Business Case was received by the GBSLEP Executive on the 30 January 2020 and has been subject to an Independent Technical Evaluation (ITE) received by GBSLEP on the 18 March 2020.
4. As a result of an oversubscribed LGF programme, and ensuing negotiation with the project sponsor, Programme Delivery Board approved a reduction in the conditional allocation of £20,000 to £152,312. The project sponsor has reduced the scope of the project and therefore the proportionate reduction in the outputs and outcomes. The Project Sponsor confirmed that there will be no reduction in the match funding.

Case for Change

5. The Old Print Works is a charity run facility, Make IT Sustainable Ltd (MIS), that provides an affordable platform for digital and non-digital creative businesses to start up and grow in a cooperative shared space. As a centre for creativity, it provides essential facilities to one of the most deprived areas in the GBSLEP region and has the potential to create a greater impact on the local economy.
6. Located in Balsall Heath, the project aims to build on the existing success by adding additional lettable units, increasing the co-working space, creating additional business meeting space, installing improved connectivity and carrying out fire safety works. For the existing, and new, residents this will mean a new stable high-speed internet connectivity, expansion (scale-up) space for designer-maker businesses, double the amount of co-working space and a new conference facility for all local businesses in the area.
7. To date, The Old Print Works has received over £250,000 of private finance and a significant amount of voluntary resources to get to a stage where additional works can be considered. Works completed to date include making the building weather tight following large scale re-roofing works, the creation of new work units, improvements to the electrics, refurbishments to public facing, establishment of the co-working space, secondary glazing investment, improving bike parking and repair

facilities and a large number of small to medium repairs. The building, prior to the Covid-19 lockdown, was operating at almost capacity.

Funding Profile

8. The project funding profile is set out below:

Summary (Funding)	Approved Grant
Capital Funding (£)	
Private Sector Funding	31,342
GBSLEP Funding	152,312
Total	183,654

Project Outputs and Outcomes

9. The project outputs and outcomes are summarised below:

Output Description	Output Quantity
Jobs Created (c) Safeguarded (s)	32 (c) 43 (s)
Commercial Floorspace Created	170 sqm
Outcome Description	Outcome Quantity
Removal of H&S risks for charity	(Fire Safety)
Value Added	NPV £5.1m
Meeting Space Created	40-60 people

Conclusions

10. In summary, Make It Sustainable Ltd is a charity and are requesting a circa. 80% contribution to the total cost of the project, making it comparatively high when compared against other LGF projects but reflective of the size and capacity of the organisation;
11. The Strategic Case for the project is strong, with the case being made for investment in the building and the area to help support and stimulate local business development and entrepreneurs; and
12. The BCR is high, even with sensitivity applied, and demonstrates good value for money in terms of both jobs created/secured and commercial space created.

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GREATER BIRMINGHAM & SOLIHULL LEP PROJECT APPROVAL REPORT, SUPERVISORY BOARD 22ND JUNE 2020 5G APPLICATION ACCELERATOR (FBC)

1. Recommendation

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

Approval of the capital grant of £1,000,000 (one 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 GBSLEP Director on 22nd June 2020.

2. Background

- 2.1. On the 23rd July 2018, 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 the Full Business Case was submitted in April 2020. The ITE was finalised on 15th April 2020.
- 2.2. Due to the review of the LGF Programme the LEP investment decision was delayed and conditionally approved project along with a number of other pipeline projects re-assessed against Economic Impact and Deliverability. As an outcome of this the 5GAA project remains a priority and was approved to progress.
- 2.3. Due to insufficient funds remaining to support all the LGF pipeline, the Programme Delivery Board meeting on 27th May 2020 requested that the projects review projects costs and potentially reduce the ask of LGF in order to be able to provide funding for other investment ready projects.
- 2.4. WM5G re-assessed the FBC and reduced the LGF ask by £1,000,000. The project total cost is now £11,846,000 and the reduced LGF investment £1,000,000. The project maintains the level of match funding but with a reduction in the original outputs and outcomes (below). The project can deliver within the LGF funding timescales.

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. Subsequently, 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 furthermore provide opportunity for a range of organisations across the three LEP areas in the West Midlands region to engage in the new technology and capitalise on 5G opportunities.
- 3.2. The project is aiming to support the public and private sector by achieving the following:

- Helping to reduce the commercial risk of 5G investment and increase the flow of successful 5G enabled/use applications;
 - Working with SMEs and industry to explore the potential for 5G to deliver benefits for their business, including helping to identify new sources of demand and solutions and address barriers which could slow or prevent 5G deployment; and
 - 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 (GBS, Black Country and Coventry and Warwickshire). 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 locations will have flexible office space, workshop and engineering space and the latest 5G features for organisations to see and use before they are publicly released.
- 3.4 As a result of the revised allocation, WM5G has updated the business case and is now applying to GBSLEP for reduced grant funding of £1.0m towards the £11.85m 5GAA project (a circa. £1.0m reduction from the original business case). This is the cost of the project over the period of public funding to 31st March 2022, the total cost of the project over five years is estimated at £22.0m with the additional costs being primarily funded by the income generated from the project.
- 3.5 The £11.85m project cost is made up of £6.98m capital expenditure and £4.87m in revenue expenditure. The GBSLEP Birmingham facility, located at the Innovation Birmingham Campus at Holt Street, is estimated to have a capital cost of £3.0m and a revenue requirement of £1.22m, with match funding being provided by both the Department for Digital Media and Sport (DCMS) and a combination of private sector investment and income derived from the operation of the project as follows:
- 3.5.1 GBSLEP, £1.0m (Capital Funding Requested);
 - 3.5.2 European Regional Development Fund (ERDF), £1.0m from both the Black Country LEP and Coventry and Warwickshire LEP (Revenue Application Submitted, Project will commence without confirmation of ERDF funding);
 - 3.5.3 DCMS, £4.0m (Capital Secured);
 - 3.5.4 Private Sector 'in kind' contribution, £4.91m (Contract signed, time resource);
 - 3.5.5 Revenue Stream, £0.94m (Anticipated income from companies utilising the 5GAA).
- 3.6 WM5G Ltd confirmed that the consortium of companies (Deloitte, Telefonica UK, Wayra and Digital Catapult) are committed to providing the £5.85m funding (in-kind contribution and income) to the scheme and any remaining funds will be provided by the consortium as part of the contract agreement. The contract agreement has now been signed between WM5G and the Procured Supplier and a copy has been requested by GBSLEP.
- 3.7 The £4m contribution by DCMS has been approved and the first stage of the ERDF application has also been approved. The second stage has been delayed due to Covid-19 and a new submission date has been agreed. This will be later than the 31st May 2020 suggested in the Full Business Case.

4 Outputs & Outcomes

Output and Outcome Description (Within the GBS LEP Region) – (Revised £1.0m Contribution)	Output and Outcome Quantity
Jobs Created (Directly from the project)	4
Gross Jobs Created (2020-25)	444
Number of enterprises receiving non-financial support (2020-25)	504
Commercial Floor Space Occupied	200
5G Cells Upgraded	35

5 Funding Profile

5.1 The project funding breakdown for the publicly funded period is shown in the table below (first two years only). The project, however, is forecast to be delivered over five years but will be subject to the income received to deliver the support necessary. The project is assessed based on the two years publicly funded period only, as this is guaranteed as part of the contract with Telefonica UK and DCMS.

Summary (Public Funding Period)	Total 2020-22
Project Costs	(£ 000's)
Capital Expenditure	6,979
Revenue Expenditure	4,867
Total	11,846
Project Funding	
Income	938
Private Sector 'In Kind' (Procured Supplier)	4,908
GBS LEP (REDUCED £1.0m)	1,000
Other Public 'ERDF' (Not yet secured)	1,000
DCMS (Secured)	4,000
Total	11,846

6 Conclusions

6.1 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, at the Innovation Birmingham Campus near the GBSLEP Growth Hub, is also noteworthy due to the number of businesses, new start-ups and scale-ups it already accommodates.

6.2 Unfortunately, at this stage, the ERDF funding has yet to be confirmed and will be subject to an evaluation towards the later part of 2020/21 due to delays associated with COVID-19. The DCMS funding has been confirmed and the procured supplier contract has been signed, although the terms and conditions have yet to be shared with the GBSLEP, this will be reviewed prior to any grant agreement being entered into.

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**GREATER BIRMINGHAM AND SOLIHULL LEP
PROJECT APPROVAL REPORT, SUPERVISORY BOARD
1ST JULY 2020
ENTERPRISE ZONE INVESTMENT REPORT
HS2 CURZON STATION TRAM STOP (FBC)**

Recommendation

The GBSLEP Supervisory Board is recommended to note the:

1. Approval of the capital grant of **£8,000,000** (eight million pounds) Enterprise Zone capital funding to Birmingham City Council (BCC) towards the delivery of HS2 Curzon Station Tram Stop at a total cost of £11,913,709 (eleven million nine hundred and thirteen thousand seven hundred and nine pounds). This is in accordance with the Greater Birmingham and Solihull LEP (GBSLEP) Assurance Framework following the approval of Programme Delivery Board on 24th June 2020.

Background

2. In 2016, HS2 Delivery Board approved the integration of Birmingham Eastside Metro Extension (BEE) stop and the HS2 Curzon Street Station and subsequently secured formal approval from the Department for Transport (DfT) to change the station scope. This decision, whilst establishing an enhanced integrated multi-modal interchange, also resulted in additional costs associated with changes to the proposed building, metro alignment and the creation of a large public space underneath the HS2 station viaduct (due to the alteration of the HS2 Curzon Street station footprint and a change to the alignment of the metro line).
3. On 23rd May 2018, GBSLEP, following approval by the Enterprise Zone Executive Board on 7th March 2018, confirmed development funding for the project of £946,005. This was to assist with the production of the Full Business Case (FBC) and was subsequently increased to £996,005 on 25th April 2019, following receipt of a change request for additional contingency funding.
4. The Full Business Case was received by the GBSLEP Executive on the 20th December 2019 which has been subject to an Independent Technical Evaluation (ITE) received by GBSLEP on the 17th February 2020. The Curzon Tram Stop project is identified in the May 2019 Enterprise Zone Investment Plan as Phase 3-5: Maximising Early Opportunities from HS2.

Case for Change

5. Birmingham City Council (BCC) is applying for Enterprise Zone funding to support HS2 Ltd deliver an integrated multi-modal interchange between the Birmingham Eastside Extension (BEE) metro stop and the HS2 Curzon Street Station. The construction of both schemes in the same period allowed HS2 Ltd to reconsider the layout of both facilities and subsequently seek approval for design changes to both the HS2 Curzon Street Station and BEE metro stop. The changes, whilst delivering a significantly improved experience for passengers and pedestrians using the facility, did result in an increased cost to the project of up to circa. £11.9 million.
6. By altering the footprint of the HS2 Curzon Street station and changing the alignment of the metro line, the design changes transform a previously cramped narrow space into a high-quality interchange experience for passengers underneath the existing New Canal Street highway.

7. The changes and additional works have been fully integrated into the HS2 programme and will be procured and constructed by HS2 Ltd as part of the £531 million project. Whilst the estimated cost at the time of the decision to change the design was £11.9 million, the exact cost is not yet fully understood. Furthermore, as the changes have now been fully integrated into the main project even once the project has been fully procured and the main construction costs are known, this will not provide any additional clarity on the cost as a result of the change. As such, and acknowledging this position, Enterprise Zone funding is requested to cover the additional construction costs to HS2 Ltd, which are over and above those committed in the HS2 Hybrid Bill and funding package agreed with Government.
8. The EZ capital funding request for £8.0 million is a capped contribution based on the estimated cost of £11.9 million and is being made at this time to give assurance to HS2 Ltd that funding is available for these works before they commence the procurement of the main works.
9. The HS2 Station will be delivered by HS2 Ltd through their contractor arrangements and the completion of the BEE metro is being delivered by West Midlands Combined Authority (WMCA) outside of the main project. Both HS2 and BEE metro are currently scheduled to open between 2024 and 2028. Curzon Street Station works are expected to be completed by 2026 with commissioning and testing following.

Funding Profile

10. The FBC contains an application for £8,000,000 Enterprise Zone funding towards the total £11,913,181 estimated capital cost. The match funding element (£3,913,709) from HS2 Ltd is relatively low and has been included to demonstrate the commitment to the changes made in the project. This figure, as mentioned previously, could fluctuate and it is likely that the additional costs will never be fully identified and therefore the request for £8.0 million should be considered as a contribution to the project.
11. This has the benefit of changing the proposed cashflow for the project (the contribution has been moved to the final year of the project) and ensures that all cost overruns are the responsibility of HS2 Ltd as part of the main contract works. However, should the changes cost less than £8.0 million this will not be recoverable as it will not be possible to accurately identify the costs without considerable investigation once the works have been completed.
12. The project funding profile (shown below) has been agreed through negotiation with the project sponsor post submission of the FBC. The delayed capital funding, now reprofiled to 2025/26 (previously profiled over the five years of delivery), will reduce the cost pressure on the Enterprise Zone Funding Model affordability.

Project (Revised and Agreed) Funding Profile

Capital Funding (£)	Total	2020/21	2021/22	2022/23	Future Years
Other Public Sector - HS2	3,913,709	15,958	50,120	105,575	3,742,056
GBSLEP EZ Funding	8,000,000	-	-	-	8,000,000*
Total	11,913,709	15,958	50,120	105,575	11,742,056

Note * Previous forecast over five years (now all in 2025/26)

Project Outputs and Outcomes

13. The project outputs and outcomes are highlighted in the Full Business Case:

Output Description	Output Quantity
Enhanced Public Realm	1,700sqm
Outcome Description	Outcome Quantity
Improved Transport Interchange	500,000 passengers per annum by 2041
Users of Public Realm	

Conclusions

14. In summary, the Strategic Case is very strong, with the opportunity to transform the HS2 public realm and surrounding area clearly identifiable. The £8.0 million contribution to the project is facilitating the change in design and increasing the positive impact of the project.

Appendices (Available on Request)	
A	Independent Technical Evaluation, 17 th February 2020
B	Full Business Case, 24 th December 2019

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