



Investment Board

Date: Thursday 1 November 2018

Time: 9.30 am **Public meeting** Yes

Venue: The Hive, 1st Floor, 16, Summer Lane, Birmingham, B19 3SD

Membership

Councillor Bob Sleigh (Chair)
Nick Abell

Councillor Mike Bird
Paul Brown
Councillor Steve Eling
Councillor Robert Hulland
Councillor Tony Jefferson
Councillor Jim O'Boyle
Councillor Brett O'Reilly
Councillor Roger Lawrence
Sue Summers
Gary Taylor

Portfolio Lead for Finance & Investments
Coventry & Warwickshire Local Enterprise
Partnership
Walsall Metropolitan Borough Council
Black Country Local Enterprise Partnership
Sandwell Metropolitan Borough Council
Solihull Metropolitan Borough Council
Stratford-on-Avon District Council
Coventry City Council
Birmingham City Council
City of Wolverhampton Council
West Midlands Development Capital
Greater Birmingham & Solihull Local Enterprise
Partnership
Dudley Metropolitan Borough Council

Judy Foster

Quorum for this meeting shall be four members.

If you have any queries about this meeting, please contact:

Contact Carl Craney Governance Services Officer West Midlands Combined Authority
Telephone 0121 214 7965
Email Carl.Craney@wmca.org.uk

AGENDA

No.	Item	Presenting	Pages
Meeting Business Items			
1.	Apologies for Absence (if any)	Chair	None
2.	Nomination of Substitutes (if any)	Chair	None
3.	Declarations of Interests (if any)	Chair	None
4.	Minutes of last meeting [For approval]	Chair	1 - 6
Business Items for Consideration			
5.	Investment Programme - Update	Sean Pearce	7 - 16
6.	West Midlands 5G - Structure, Governance and Funding	Henry Kippin	17 - 26
7.	Wolverhampton Interchange Programme	Sean Pearce	27 - 62
Business Items for Noting			
8.	WMCA Collective Investment Fund (CIF) - Dashboard	Nick Oakley	63 - 64
9.	WMCA - Brownfield Land and Property Development Fund (BLPDF) - Dashboard	Nick Oakley	65 - 66
10.	Exclusion of the Public and Press [To pass the following resolution: That in accordance with Section 100(A) of the Local Government Act, 1972 the press and public be excluded from the meeting for the following items of business as it involves the likely disclosure of exempt information relating to the business or financial affairs of any particular person (including the authority holding that information)]	Chair	None
Business Items for Consideration			
11.	Investment Programme Prioritisation	Sean Pearce	67 - 72
12.	Investment Programme - Change Process	Sean Pearce	73 - 78
13.	Land & Property Investment Fund: Phoenix 10 Strategic Employment Site, Walsall	Paul Brown/Lara Cragg	79 - 84

Business Items for Noting			
14.	Wednesbury - Brierley Hill Metro Extension Scheme	Nafees Arif	85 - 88
15.	WMCA Collective Investment Fund (CIF) - Dashboard	Nick Oakley	89 - 94
16.	WMCA Brownfield Land and Property Development Fund (BLPDF) - Dashboard	Nick Oakley	95 - 100

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**West Midlands
Combined Authority**

Investment Board

Monday 17 September 2018 at 9.30 am

Minutes

Present

Councillor Bob Sleigh (Chair)
Nick Abell

Portfolio Lead for Finance & Investments
Coventry & Warwickshire Local
Enterprise Partnership

Councillor Mike Bird
Councillor Robert Hulland
Councillor David Vickers

Walsall Metropolitan Borough Council
Solihull Metropolitan Borough Council
Dudley Metropolitan Borough Council

In Attendance

Martin Clayton
David Harris
Liz Grove
Jacob Bonehill
Nick Oakley
Tim Davies
Sukhy Dhanoa
Sean Pearce
Claire Jones
Carl Craney

Solihull Metropolitan Borough Council
Solihull Metropolitan Borough Council
Solihull Metropolitan Borough Council
West Midlands Combined Authority
West Midlands Development Capital
West Midlands Combined Authority
West Midlands Combined Authority
West Midlands Combined Authority
West Midlands Combined Authority
West Midlands Combined Authority

Item Title No.

27. Apologies for Absence (if any)

Apologies for absence had been received from Paul Brown (Black Country Local Enterprise Partnership), Councillor Steve Eling (Sandwell Metropolitan Borough Council), Councillor Patrick Harley (Dudley Metropolitan Borough Council), Councillor Tony Jefferson (Stratford on Avon District Council), Councillor Jim O'Boyle (Coventry City Council), Councillor Brett O'Reilly (Birmingham City Council), Councillor Roger Lawrence (City of Wolverhampton Council) and Sue Summers (West Midlands Development Capital).

Apologies for absence had also been received from Sarah Middleton (Black Country Local Enterprise Partnership), David Cockroft (Coventry City Council) and Ed Bradburn (West Midlands Development Capital).

28. Nomination of Substitutes (if any)

Councillor David Vickers had been nominated as the substitute member for Councillor Patrick Harley (Dudley Metropolitan Borough Council).

29. Declarations of Interests (if any)

The Chair (Councillor Bob Sleigh) and Councillor Robert Hulland declared Non-Pecuniary interests in Agenda Item No. 11 – Change Request – Strategic Outline Business Case (SOC) UKC Infrastructure Phase 1 – Chelmsley Wood Town Centre insofar as they were elected members of Solihull Metropolitan Borough Council.

30. Minutes of last meeting

Resolved:

That the minutes of the meeting held on 20 August 2018 be confirmed as a correct record and signed by the Chair.

31. Matters Arising

With reference to Minute No. 18 (Matters Arising) and with particular reference to the Wednesbury – Brierley Hill Metro Extension scheme, Councillor David Vickers reported that Councillor Patrick Harley, Leader of Dudley Metropolitan Borough Council had written to the WMCA Mayor seeking confirmation of the funding from the WMCA towards this scheme. Sean Pearce confirmed that the WMCA Mayor had received such a letter albeit following the last meeting of the Board and that he understood that a response had been sent.

32. Investment Programme - Update

Sean Pearce presented a report on the status of the Investment Programme to help set out the context for any decisions made by the Board. He advised that an informal session with the Leaders of the Metropolitan Authorities was scheduled to be held on 28 September 2018 to consider prioritisation of the Investment Programme and that a report on this matter would be presented to the next meeting of this Board.

Resolved:

1. That the status of the Investment Programme as detailed in the report be noted;
2. That a report on the funding position with the Wednesbury – Brierley Hill Metro Extension scheme, the contents of the response of the WMCA Mayor to the Leader of Dudley Metropolitan Borough Council on this matter and the outcome of the prioritisation exercise in relation to the Investment Programme be submitted to the next meeting of this Board;
3. That a report on the comprehensive review of the existing governance and assurance framework for the Investment Programme including the recommendations emerging from the Arcadis review and the formalisation of the 'Change Request' process be submitted to the next meeting of this Board;
4. That in the event that any scheme which has been allocated funds by this Board and any such scheme fails subsequently or receives 100% funding from an alternative funding source, the allocated sum be returned to the Investment Programme for re-allocation.

33. Arcadis Review - Update

Sukhy Dhanoa presented a set of slides which updated the Board with the present position with the 'Enhanced Assurance Framework' and responded

to various questions from members of the Board.

Councillor Mike Bird commented that many of the suggested changes were already operated by partner local authorities and Local Enterprise Partnerships and suggested that the best practices of these bodies and especially the Local Enterprise Partnerships be adopted. He outlined the need for a consistent approach across the board to project appraisal. The Chair assured the Board that there was an alignment between the proposed 'Dashboard' and the Assurance Frameworks operated by the Local Enterprise Partnerships. Sukhy Dhanoa explained that there had been a number of changes to the 'Green Book' and that best practice would be used and shared with partners.

In response to a question from Nick Abell, Sean Pearce explained the composition of the Investment Programme and that the proposed overview report would provide greater detail under the proposed revised arrangements. Nick Abell commented on the need for a two way flow of information rather than the Board being requested to allocate additional funds once a point of no return had been reached. Sean Pearce assured the Board that this was an integral part of the revised arrangements.

Resolved:

That the support of the Board to the following principles be agreed:

- Commitment to an Enhanced assurance Framework for the Investment Programme;
- Socialisation / promotion of the above within respective organisations;
- Approval of Enhanced Assurance Framework for Investment programme; and
- Examples of best practice to be provided and shared between partners.

34. WMCA Collective Investment Fund (CIF) - Dashboard

Nick Oakley presented the CIF Dashboard (public iteration) as at 15 September 2018.

Resolved:

That the Dashboard be received and noted.

35. WMCA - Brownfield Land and Property Fund (BLPDF) - Dashboard

Nick Oakley presented the Brownfield Land and Property Dashboard (public iteration) as at 15 September 2015.

Resolved:

That the Dashboard be received and noted.

36. Exclusion of the Public and Press

Resolved:

That in accordance with Section 100A4 of the Local Government Act 1972, the press and public be excluded from the meeting during the consideration of the following items of business as they involve the likely disclosure of exempt information relating to the business affairs

of any particular person (Including the authority holding that information).

37. Change Request Strategic outline Business Case (SOC) - UKC Infrastructure Phase 1 - Chelmsley Wood Town Centre

Councillor Robert Hulland presented a report which detailed a need to delay the consultation exercise on the masterplan to align with that proposed for the Metro extension scheme and on an urgent need to bring forward funding allocated in the Devolution Deal from the UKC Infrastructure Package ahead of the submission of an Outline Business Case (OBC) to enable the early acquisition of a property in Chelmsley Wood Town Centre in order to prevent delays to a potential 'One Public Estate Agenda' case and/or a potential Compulsory Purchase Order. David Harris explained the strategic economic reasons for this unorthodox approach.

Jacob Bonehill, on behalf of Gareth Bradford, WMCA Director of Housing and Regeneration, reported that the application was supported by the WMCA in principle subject to the following:

- i) The provision of a Red Book valuation being provided to the WMCA prior to completion of any acquisition;
- ii) A longstop date to be agreed with the WMCA director of Housing and Regeneration beyond which, should the purchase not be concluded, then the allocation reverting back to the approval in an FBC;
- iii) The income from the rental of the property being payable to the WMCA minus a reasonable management fee being paid to Solihull Metropolitan Borough Council and the WMCA retaining the proportion of any capital value of the leasehold interest, with the mechanism for calculating any capital uplift share from combining the leasehold and freehold interests to be agreed;
- iv) That the interests against the legal title being in favour of the WMCA with a Heads of Terms to be agreed prior to and being presented to the next meeting of this Board.

David Harris and Jacob Bonehill responded to various questions raised by members of the Board including matters pertaining to the remaining length of the lease on the property in question, the condition of the property and obligations for repair, the method of valuation and the availability of independent and in-house qualified surveyors and valuers.

Resolved:

1. That the revised timescale for the submission of the Outline Business Case (OBC) to allow consultation on the masterplan to be aligned with Metro;
2. That agreement in principle for bringing forward of £2.5 million of Devolution Deal funding from the UKC Infrastructure Package requested ahead of Full Business Case (FBC) to enable the early acquisition of property in Chelmsley Wood Town Centre be approved subject to:
 - a) The provision of a Red Book valuation being provided to and agreed by the WMCA prior to completion of any acquisition;
 - b) A longstop date to be agreed with the WMCA Director of Housing

and Regeneration beyond which, should the purchase not be concluded, then the allocation reverting back to the approval in an FBC;

- c) Solihull Metropolitan Borough Council submitting an acceptable proposal to the WMCA for sharing of rental income and capital value change; and
 - d) An agreement in relation to the legal title being reached
3. That delegated authority be granted to the WMCA Director of Housing and Regeneration to conclude the commercial arrangements with Solihull Metropolitan Borough Council in relation to securing the appropriate agreement of matters detailed in 2. above.

38. WMCA Collective Investment Fund (CIF) - Dashboard

Nick Oakley presented the CIF Dashboard (private iteration) as at 15 September 2018.

Resolved:

That the Dashboard be received and noted.

39. WMCA Brownfield Land and Property Development Fund (BLPDF) - Dashboard

Nick Oakley presented the Brownfield Land and Property Dashboard (private iteration) as at 15 September 2015.

Resolved:

That the Dashboard be received and noted.

The meeting ended at 10.26 am.

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WMCA Investment Board

Date	1 November 2018
Report title	Investment Programme Update
Portfolio Lead	Councillor Bob Sleigh - Finance & Investments
Accountable Chief Executive	Deborah Cadman Email Deborah.Cadman@wmca.org.uk Tel 0121 214 7200
Accountable Employee	Sean Pearce Email Sean.Pearce@wmca.org.uk Tel 0121 214 7936
Report has been considered by	Investment Board

Recommendation(s) for action or decision:

The WMCA Investment Board is recommended to:

- 1 Note the status of the Investment Programme delivery as detailed within this report.
- 2 Approval of supplementary Investment Programme Dashboard.

1. Purpose

The Investment Board agreed on 26 March 2018 to receive a monthly report on the status of the Investment Programme to help set the context for any investment decisions being made by the Board. This report fulfils that requirement.

2. Background

The Investment Board was established as part of the approvals process across the Investment Programme. The Investment Board was not originally set up to consider the progress being made across the Investment Programme as a whole. However, what has become clear is the need for the Investment Board and the West Midlands Combined Authority Board to consider appropriate information across funding, expenditure and approvals to support it in relation to its decision making process.

3. Investment Programme Assurance Summary

- 3.1 Previous reports to Investment Board have summarised the programmes which make up the £8 billion Investment Programme showing an analysis of the £2.026 billion intended to be generated by the West Midlands Combined Authority. A detailed analysis is available within the funding summary (Appendix 1).
- 3.2 Funding approvals to the value of £495.4 million have been through the assurance process by 30th September 2018. Costs incurred by projects against these funding commitment as at 31st August 2018 are £41.8 million.
- 3.3 An analysis of the commitment profile for the full £2.026 billion is included within Appendix 4 with a forward plan of commitments expected to be made under the Assurance Process shown within Appendix 2.
- 3.4 Appendix 4 documents the value of approvals WMCA is able to make based on known and secure income streams. This shows that the current pipeline of approvals totals £963.9 million to 31st March 2020.
- 3.5 The Mayor and Metropolitan Leaders met on 28 September and agreed to establish Joint teams, through Finance Directors/Regeneration Directors, to work together and develop and deliver a number of strategies to close the remaining gap of £200m with a view to providing the Investment Board with final report in March 2019. The WMCA PMO team will monitor the progress of the strategies and provide the Investment Board with periodic progress reports.
- 3.6 Since the last report, the following Strategic Outline Cases have received approval from WMCA Leadership Team via the Assurance Process:
 - SOC - UKC Infrastructure A34 Enhancements (£782k);
 - SOC - UKC Infrastructure A452 Enhancements (£881k);
 - Change Request - UKC Int. HS2 Hybrid Act Change – Multi-Story Car Park Planning Application – Scope Addition (No Additional Cost)
 - SOC - Innovation - 5G (£250k);
- 3.7 Following Investment Board approval in August, the following Full Business Case was presented to WMCA and approved:

Full Business Case:

- Coventry South - A46 Link Road P1 (£6.6m);
- A45 to Town Centre & UKC Hub Strategy Cycle Link (£2.0m);

4. Investment Programme Expenditure

- 4.1 The financial results for the Investment Programme run one month behind the normal reporting month due to the requirement to consolidate outputs across the metropolitan area. The August results are shown in Appendix 3.
- 4.2 The financial summary continues to highlight increased spend against the Wednesbury to Brierley Hill and Birmingham to Solihull Interchange Metro extensions. An exercise is ongoing via the Metro Delivery Board to review and verify the costs to completion for the Metro Programme. A separate paper providing an update in respect of Wednesbury Brierley Hill Extension is included in this month's report pack under the Private Section.
- 4.3 The cost to completion against UK Central Interchange remain red status due to the funding gap of circa £205m relating to the Birmingham International Station redevelopment project. Funding sources continue to be progressed by Solihull MBC/Urban Growth Company.
- 4.4 The 2018/19 full year forecast underspend of £51.8m for the HS2 Growth Strategy relates primarily to the following projects:
- UKC HS2 Interchange (£2.7m) - delayed spend relating to the Birmingham International Station redevelopment project;
 - Brierley Hill Metro Extension (£22.0m) - the Network Rail corridor acquisition has been rescheduled to December 2018, in tandem with the Target Cost, leading to a re-profiling of detailed design into 2019/20;
 - Bham Eastside Metro Extension (£10.1m) - the 3G Tram contract has gone out to tender, however negotiations and contract award originally scheduled for February 2019 will now take place in May 2019;
 - East Birmingham to Solihull Metro Extension (£2.8m) - reflects a reduction owing to ongoing modelling & survey work, resulting in a rescheduling of the public consultation and the Transport & Works Order submission into Q1 2019/20;
 - Metro Edgbaston Extension (£5.3m) - primarily as a result of the ongoing complementary highway works;
 - Coventry City Centre First (£5.1m) - primarily delay to Ring Road improvements as a result of revised plans to deliver City of Culture;
 - Coventry VLR (£3.1m) - delayed vehicle development spend and Dudley retaining wall spend;
 - Sprint Hagley Road (£0.7m) - delays in utilities work due to land acquisition.
- 4.5 Appendix 4 details the commitments made against the Investment Programme which totalled £495.4m to the end of September 2018.

5. Investment Programme Assurance Framework

- 5.1 Detailed planning is underway to enhance the Investment Programme Assurance Framework, ensuring that any enhancements to the current process align with Green Book best practice.
- 5.2 A high level implementation plan for the Assurance Framework enhancements will be presented to Investment Board 19 November.

6. Investment Programme Dashboard

- 6.1 WMCA PMO have drafted a revised Investment Programme Dashboard which supplements the existing Investment Board Report.

7. Financial Implications

7.1 There are no financial implications as a result of the recommendations within this report to note the status of the Investment Programme and provide approval of the supplementary Investment Programme Dashboard.

8. Legal Implications

8.1 There are no legal implications as a result of the recommendations within this report to note the status of the Investment Programme and provide approval of the supplementary Investment Programme Dashboard.

9. Equalities Implications

9.1 There are no equalities implications as a result of the recommendations within this report to note the status of the Investment Programme and provide approval of the supplementary Investment Programme Dashboard.

10. Inclusive Growth Implications

10.1 There are no inclusive growth implications as a result of the recommendations within this report to note the status of the Investment Programme and provide approval of the supplementary Investment Programme Dashboard.

11. Geographical Area of Report's Implications

11.1 There are no geographical implications as a result of the recommendations within this report to note the status of the Investment Programme and provide approval of the supplementary Investment Programme Dashboard. The Investment Programme which is the subject of this report, focuses mostly on the Constituent Area Local Authorities but also reaches out to some non-constituent areas.

12. Other Implications

Not applicable

13. Schedule of Background Papers

WMCA Investment Programme Funding Summary (as at 30th September 2018)

WMCA Investment Programme – Investment Board Forward Plan

WMCA Investment Programme Financial Summary (as at 31st August 2018)

Investment Programme Commitment Profile (as at 30th September 2018)

APPENDIX 1 : WMCA Investment Programme Funding Summary (as at 30th September 2018)

Portfolio £000		WMCA	DfT	EZ	Private Sector	DFT Block Grants	TBC	Highways England	Network Rail	LGF	Private Leverage	LSTF / LGF / OLEV Additional Funding (Not Secure)	CIF	EU	HIF	Local Authority	Other	Grand Total
HS2 Growth Strategy	Coventry Centre First Package	51,000	5,000							25,147						10,922	1,545	93,614
	Coventry Very Light Rail	55,000								2,460								57,460
	Metro Centenary Square Extension	14,178		20,424	4,700					10,700							1,000	51,002
	Metro Edgbaston Extension	42,520	58,300							1,500								102,320
	Wolverhampton Metro Extension	27,400								13,500						40,900		81,800
	Bilston Road Track Replacement	15,029														688		15,717
	Sprint Programme	212,685	35,050		22,268					8,378						950		279,331
	Rail Programme	186,100							198,500							40,500		425,100
	UK Central Interchange	398,000					205,650								736	31		604,417
	UK Central Infrastructure	288,001			783,314			300,000								3,320	12,115	1,386,750
	Curzon			556,300														556,300
	Metro Birmingham Eastside Extension		129,260								7,940							137,200
	Midland Metro East Birmingham to Solihull Extension			183,300			551,700											735,000
	HS2 Governance Team	3,032																3,032
National College for High Speed Rail										7,052							18,497	25,549
Brierley Hill Metro Extension	103,000	207,000				33,200				400							343,600	
High Speed Suply Chain and Business Support											350,000							350,000
SUB TOTAL HS2 GROWTH STRATEGY		1,395,944	434,610	760,024	810,282	-	790,550	300,000	198,500	77,078	350,000	-	-	736	-	97,311	33,157	5,248,192
Other Investment Programme Schemes	Coventry City Centre South	156,450	80,850		16,300			65,000		500					35,130		7,000	361,230
	Coventry North Package	21,600	68,800		52,500													142,900
	Coventry City Centre Regeneration	153,939			207,831													361,770
	Land Remediation Funds	200,000																200,000
	Business Innovation	50,000																50,000
	Employment, Education & Skills	20,000																20,000
	Commonwealth Games	25,000																25,000
	Collective Investment Vehicle													1,000,000				1,000,000
Devolved Transport Investment					429,000							870,000					1,299,000	
EZ Expansion Excluding Curzon			20,000															20,000
Grand Total		2,022,932	584,260	780,024	1,086,913	429,000	790,550	365,000	198,500	77,578	350,000	870,000	1,000,000	736	35,130	97,311	40,157	8,728,091

APPENDIX 2: WMCA Investment Programme – Investment Board Forward Plan

Investment Board - Forward Plan		
2018		
1st October	1st November	10th December
2019		
21st January	18th February	18th March
FBC - Cov UKC+ Coventry City Centre First	OBC - Rail Camp Hill Lines (p2) OBC - Rail Willenhall to Darlaston (p1)	FBC - Metro Wednesbury to Brierley Hill OBC - Cov UKC+ Tile Hill Station Improvements OBC - Sprint Sutton to Birmingham
15th April	May	3rd June
OBC - Cov UKC+ A46 Link Road p2 OBC - Rail Sutton Coldfield Gateway FBC - Innovation CDIS		FBC - UKC Int. HS2 Hybrid Act Change - Construction FBC - UKC Int. HS2 Hybrid Act Change - M42 Bridge FBC - UKC Int. HS2 Hybrid Act Change - M6 J4 Improvements OBC - UKC Inf. P2 Accelerating Housing Delivery Utilising Solihull Assets
		OBC - Cov UKC+ M6 Junction 3 OBC - Cov UKC+ Keresley Link Road OBC - UKC Inf. P2 Sustainable Energy – Solihull Town Centre Low Carbon Heat Network OBC - UKC Inf. P2 Solihull Town Centre Development & Investment
July	August	September
FBC - Rail Willenhall to Darlaston (p1) FBC - Rail Camp Hill Lines (p2)	OBC - Cov UKC+ A46 Link Road p3 OBC - Cov UKC+ Coventry South Interchange	OBC - UKC Inf. P1 Kingshurst Village Centre OBC - UKC Inf. P1 Accelerating Housing Delivery - Simon Digby
October	November	December
FBC - Brownfield Longbridge West		FBC - Sprint Birmingham to Airport OBC - Sprint Hall Green to Interchange OBC - Sprint Hagley Road P2 and Halesowen
		FBC - Sprint A34 Walsall to Birmingham FBC - Sprint Sutton to Birmingham OBC - UKC Inf. P2 Local Strategic Network Resilience Connectivity & Enhancements
2020		
January	February	March
OBC - UKC Inf. P2 Low Carbon Future Mobility		FBC - Rail Sutton Coldfield Gateway FBC - UKC Birmingham International Station FBC - UKC Birmingham International - West Coast Main Line Bridge
April	May	June
		OBC - UKC Inf. P1 A34 Stratford Road Enhancements OBC - UKC Inf. P1 A452 Chester Road Enhancements FBC - UKC Inf. P2 Solihull Town Centre Development & Investment

APPENDIX 3: WMCA Investment Programme Financial Summary (as at 31st August 2018)

WMCA Investment Programme Financial Summary

Period Ending 31st August 2018

	2018 / 2019 YEAR TO DATE			2018 / 2019 FULL YEAR			COST TO COMPLETION					
	ACTUAL	BUDGET	VARIANCE	BUDGET	FORECAST	VARIANCE	PRIOR PERIOD SPEND	2018/19 FORECAST	FUTURE YEARS FORECAST	TOTAL FORECAST OUTTURN	TOTAL BUDGET	VARIANCE
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
UK CENTRAL : HS2 INTERCHANGE	3,231	4,171	940	12,718	10,019	2,699	3,947	10,019	590,451	604,417	604,612	195
UK CENTRAL : HS2 INFRASTRUCTURE	1,131	3,113	1,983	16,494	16,532	(38)	2,155	16,532	1,368,063	1,386,750	1,386,543	(207)
CURZON STREET STATION MASTERPLAN	0	600	600	4,406	4,406	0	0	4,406	551,894	556,300	556,300	0
METRO BIRMINGHAM EASTSIDE	2,295	4,029	1,735	22,859	12,751	10,108	6,217	12,751	118,232	137,200	137,200	(0)
METRO BIRMINGHAM TO SOLIHULL INTERCHANGE	3,554	6,162	2,609	13,273	10,488	2,785	4,102	10,488	720,410	735,000	675,000	(60,000)
HS2 WIDER CONNECTIVITY PACKAGE	26,069	46,285	20,216	112,197	97,912	14,286	106,997	97,912	901,435	1,106,344	1,106,303	(41)
BRIERLEY HILL METRO EXTENSION	4,638	7,250	2,612	34,510	12,489	22,021	7,368	12,489	323,743	343,600	310,000	(33,600)
NATIONAL COLLEGE FOR HIGH SPEED RAIL	73	78	5	78	118	(40)	25,431	118	0	25,549	25,509	(40)
HS2 GROWTH STRATEGY PROGRAMME MANAGEMENT	102	99	(2)	239	244	(5)	615	244	2,173	3,032	3,032	0
HIGH SPEED SUPPLY CHAIN & BUSINESS SUPPORT	0	0	0	0	0	-	11,270	0	338,730	350,000	350,000	0
HS2 GROWTH STRATEGY TOTAL	41,093	71,789	30,697	216,774	164,959	51,816	168,102	164,959	4,915,131	5,248,192	5,154,499	(93,693)
COVENTRY UK CENTRAL PLUS CONNECTIVITY	1,043	1,956	912	8,922	7,722	1,200	2,341	7,722	494,067	504,130	504,130	(0)
COVENTRY CITY CENTRE REGENERATION	762	919	157	25,394	25,394	0	5,821	25,394	330,555	361,770	357,770	(4,000)
COLLECTIVE INVESTMENT VEHICLE	2,289	939	(1,350)	20,000	20,000	0	20,785	34,008	945,207	1,000,000	1,000,000	0
LAND RECLAMATION	0	0	0	20,000	27,394	(7,394)	0	27,394	172,606	200,000	200,000	1
COMMONWEALTH GAMES	0	0	0	0	0	0	0	0	25,000	25,000	25,000	0
DEVOLVED TRANSPORT INVESTMENT	0	0	0	0	0	0	0	0	1,299,000	1,299,000	1,299,000	0
EZ EXPANSION EXCLUDING CURZON	0	0	0	0	0	0	0	0	20,000	20,000	20,000	0
EMPLOYMENT EDUCATION & SKILLS	0	0	0	2,000	2,000	0	0	2,000	18,000	20,000	20,000	0
BUSINESS INNOVATION	0	0	0	5,000	5,000	0	25	5,000	44,975	50,000	50,000	0
OTHER INVESTMENT PROGRAMME SCHEMES	4,094	3,813	(280)	81,316	87,510	(6,194)	28,972	101,518	3,349,410	3,479,899	3,475,900	(4,000)
GRAND TOTAL	45,186	75,603	30,416	298,090	252,468	45,622	197,074	266,476	8,264,541	8,728,091	8,630,399	(97,692)

The financial results for August 2018 are shown above.

In respect of full project costs to completion, the financial summary continues to highlight increased spend against the Wednesbury to Brierley Hill and Birmingham to Solihull Interchange Metro extensions. An exercise is ongoing via the Metro Delivery Board to review and verify the costs to completion for the Metro Programme and the results will be reported in due course.

For 2018/19, the YTD spend to August is £30.4m behind budget. This includes £20.2m relating to the HS2 Connectivity Programme. The key projects making up the HS2 Connectivity element of this variance are: Metro Extensions for Edgbaston (£4.3m), Wolverhampton (£3.5m) and Centenary Square (£1.6m); Coventry Station Masterplan (£6.1m); VLR (£3.2m); and, SPRINT Hagley Road (£1.2m). The remaining YTD underspend includes the following major variances: Metro Birmingham Eastside (£1.7m); Metro East Birmingham to Solihull (£2.6m); Metro Wednesbury to Brierley Hill (£2.6m); and HS2 infrastructure of £2.0m. For the majority of these projects the reasons for the YTD underspends are covered in the full year commentary below, the remaining element being in-year timing differences.

The 2018/19 full year forecast underspend of £51.8m for the HS2 Growth Strategy relates primarily to the following projects:

- * UKC HS2 Interchange (£2.7m) - delayed spend relating to the Birmingham International Station redevelopment project, FBC now scheduled for approval in 2020/21 and UGC main focus is on the HS2 Hybrid Act changes;
- * Brierley Hill Metro Extension (£22.0m) - the Network Rail corridor acquisition has been rescheduled to December 2018, in tandem with the Target Cost, leading to a re-profiling of detailed design into 2019/20;
- * Bham Eastside Metro Extension (£10.1m) - the 3G Tram contract has gone out to tender, however negotiations and contract award originally scheduled for February 2019 will now take place in May 2019;
- * East Birmingham to Solihull Metro Extension (£2.8m) - reflects a reduction owing to ongoing modelling & survey work, resulting in a rescheduling of the public consultation and the Transport & Works Order submission into Q1 2019/20; and included in HS2 Connectivity-
- * Metro Edgbaston Extension (£5.3m) - primarily as a result of the ongoing complementary highway works;
- * Coventry City Centre First (£5.1m) - primarily delay to Ring Road improvements as a result of revised plans to deliver City of Culture;
- * Coventry VLR (£3.1m) - delayed vehicle development spend and Dudley retaining wall spend;
- * Sprint Hagley Road (£0.7m) - delays in utilities work due to land acquisition.

The other major full year variance to forecast is an over spend regarding Land Reclamation (£7.4m) relating to the timing of grant payments given the pipeline approved in 2017/18 currently awaiting developments progressing and contracts to be prepared.

The cost to completion against UK Central Interchange remains red due to the funding gap of c.£205m relating to the Birmingham International Station redevelopment project. Funding sources are being progressed by UGC.

Appendix 4: Investment Programme Commitment Profile (as at 30th September 2018)

£m	Committed	2018 / 2019		2019 / 20				2020/21	2021/22	2022/23	2023/24	2024/25	Post 2025	TOTAL
		Q3	Q4	Q1	Q2	Q3	Q4							
UKC Interchange	29.8		0.2		175.3			141.7		10.0	41.0			398.0
UKC Infrastructure	12.1	16.5	2.7	2.0	1.5		2.2	43.7	34.2	76.3	96.9			288.0
HS2 Connectivity (Sprint)	4.1		23.5			10.0	48.9	34.8	60.6	30.7				212.7
HS2 Connectivity (Metro)	102.3													102.3
HS2 Connectivity (Rail)	4.0		2.4	0.5	35.9		1.0	21.1	16.4				104.8	186.1
HS2 Connectivity (City Centre First incl. CSMP)	39.4		11.6											51.0
HS2 Connectivity (Coventry VLR)	12.2						9.0	33.8						55.0
HS2 Programme Governance	0.7		2.3											3.0
Wednesbury Brierley Hill Metro				103.0										103.0
SUB TOTAL INVESTMENT PROGRAMME	204.5	16.5	42.7	105.5	212.7	10.0	61.2	275.2	111.1	117.0	137.9		104.8	1399.1
Coventry North	0.2						0.4		21.0					21.6
Coventry South	7.4			0.6	0.5		0.7	23.9	26.8		46.7		50.0	156.5
Coventry Regeneration	154.0													154.0
Land Remediation	103.0									97.0				200.0
Business Innovation	0.5	1.0	4.0		3.9			11.4	12.9	16.4				50.0
Employment Education & Skills	0.8						9.0	8.0	2.2					20.0
Commonwealth Games	25.0													25.0
OTHER INVESTMENT PROGRAMME	290.9	1.0	4.0	0.6	4.3		10.1	43.3	62.9	113.3	46.7		50.0	627.0
Approval commitment profile based on September 2018 PMO prioritisation exercise														
CUMULATIVE APPROVALS	495.4	512.8	559.5	665.6	882.7	892.7	963.9	1282.4	1456.4	1686.7	1871.3	1871.3	2026.1	

INVESTMENT PORTFOLIO DASHBOARD REPORT

Reporting Date: 18.10.18



KEY HEADLINES

Key Headlines Summary

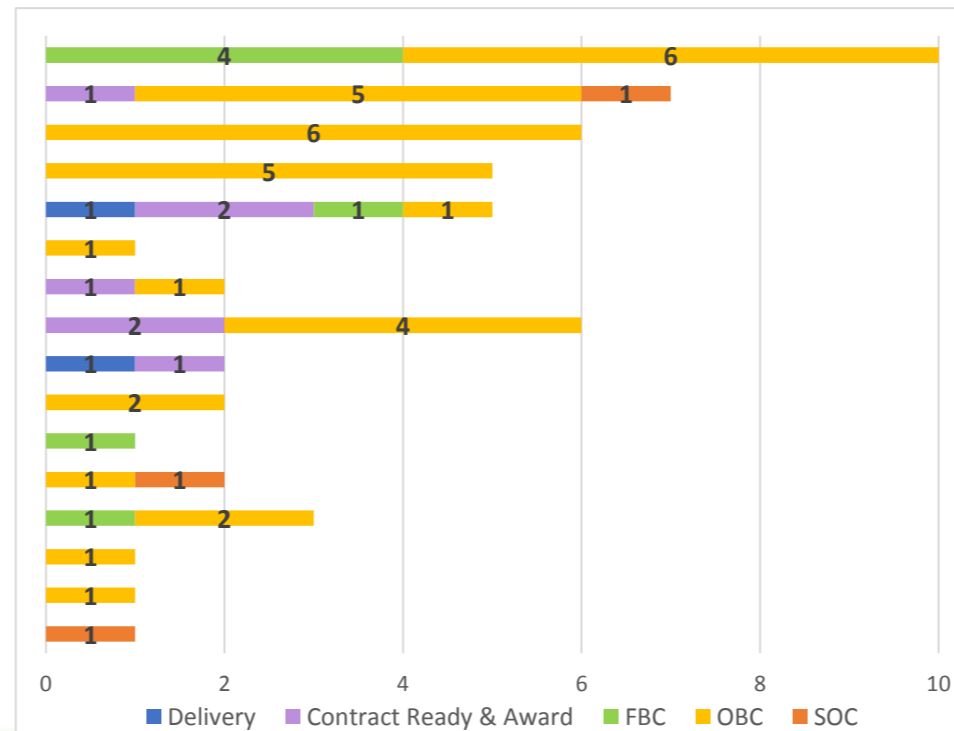
- Since the last report the following SOC's and Change Request have received approval from WMCA Leadership Team via the Assurance Process:
 - SOC - UKC Infrastructure - A34 Enhancements (£782k) and A452 Enhancements (£881k)
 - SOC Innovation 5G (£250k)
 - Change Request - UKC Int. HS2 Hybrid Act Change - MSCP planning application - scope addition (No additional cost)
- Following Investment Board approval in August, the following FBC's was presented to WMCA and approved:
 - Coventry South - A46 Link Road P1 (£6.6m)
 - A45 to Town Centre & UKC Hub Strategy Cycle Link (£2.0m)
- Change request - reallocate (unsecure) funding from Coventry South for City of Culture bid. An FBC for this proposal has been submitted for review under assurance.
- Prioritisation strategies being developed in partnership with key stakeholders. Strategy owners identified and tasked with developing a solution by March 2019. A significant challenge of around £200m still remains.
- A high level plan to develop the enhanced assurance framework is being developed by PMO.

56 Projects 8 Full Business Cases Approved	£495million Expenditure Commitment	18 Risks 8 Red Risks
231 SEP objectives targeted	0% Benefits Realised	0 Projects Completed

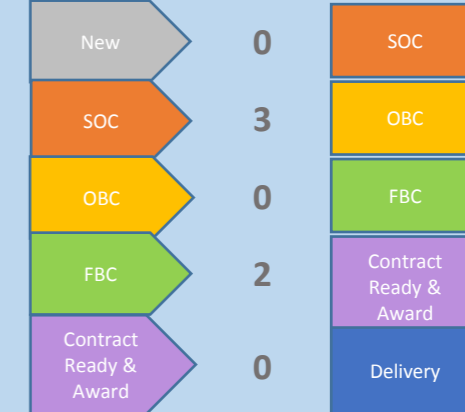
GATEWAY STAGES

Investment Projects by Programme and Current Phase

Programme	Programme Lead
UKC Interchange	Perry Wardle
UKC Infrastructure	Philip Farrell
HS2 Connectivity (Sprint)	Angela Hosford
HS2 Connectivity (Rail)	Richard Booth
HS2 Connectivity (Metro)	Phil Hewitt
HS2 Connectivity (Coventry VLR)	David Cockroft
HS2 Connectivity (Coventry Rail)	David Cockroft
Coventry South	David Cockroft
Coventry Regeneration	David Cockroft
Coventry North	David Cockroft
Wednesbury Brierley Hill Metro	Phil Hewitt
Land Remediation	Lara Cragg / Nick Oakley
Innovation	Jane Holmes / Andrew Browning
HS2 Programme Governance	Craig Wakeman
Employment Education & Skills	Julie Nugent
Commonwealth Games	Martin Easton



Phase Movement in Period



PMO Commentary

Programme naming structure has been amended to align with Finance. Reviews of the PMO Forward Plan for Business Case approvals against Finance commitments forecast are ongoing.

RISK

Portfolio Level Risk Trend in Period

New	Improved	Worsened	Same	Closed
2	0	2	14	0

Total Portfolio Level Risks

Risk Rating	Current	Previous	Difference
Red	8	4	4
Amber	9	10	-1
Green	1	2	-1
Total	18	16	0

Risk Commentary

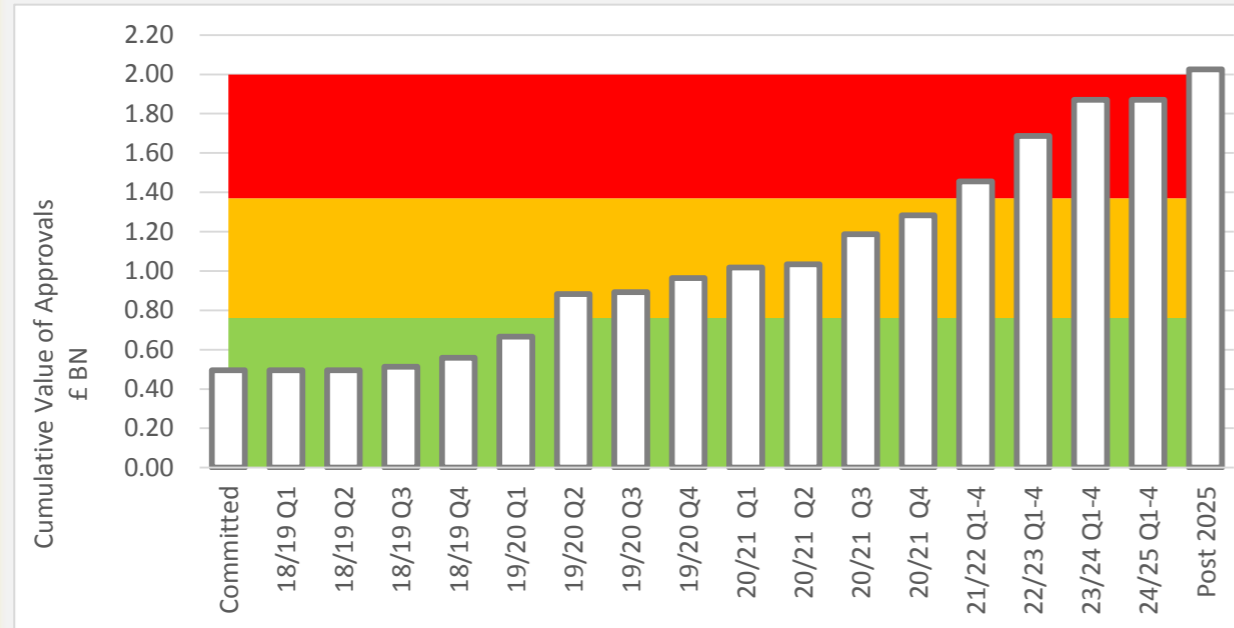
IP risks have been reviewed by the PMO Risk Manager. The IP Risk Register has been supplied as part of the papers for both Investment Board and the Performance Meeting. A review with Corporate Assurance has been undertaken.

Top Five Investment Portfolio Risks

Risk Ref.	Risk Description	Probability	Impact	Current Score
IP-001	Funding shortfall due to reduced or delayed BRS income	HI	HI	56
IP-016	Funding shortfall due to reduced or delayed 3rd Party Funding	HI	HI	56
IP-020	Funding shortfall due to reduced Business Rates post 2020	HI	HI	56
IP-023	Monitoring and evaluation planning not completed in a timely manner.	HI	HI	56
IP-024	SQW gainshare review has a negative evaluation outcome	HI	HI	56

FINANCIAL

Investment Portfolio Commitments vs Available Funding



Summary of Investment Portfolio Approvals by Programme (£m)



Funding Commentary

Funding data updated following prioritisation exercise. Graphs have been supplied by WMCA Finance and reflect the position as at 30 September 2018.

BENEFITS

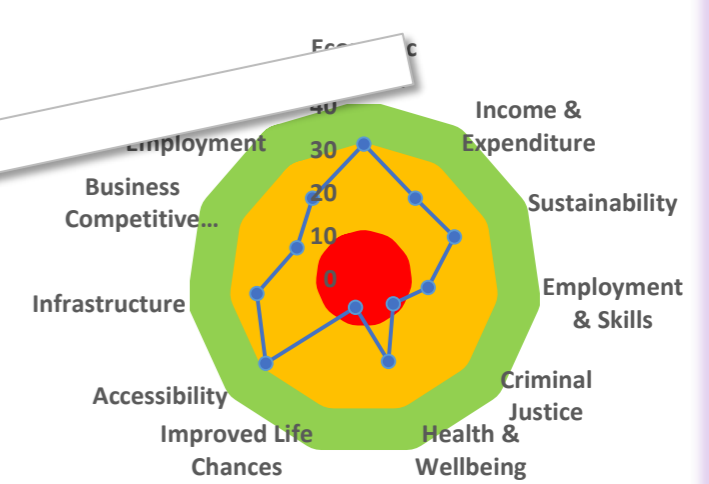
Benefit Profiling by Programme

Investment Programme	Benefit Outcome		
	Current	Previous	Trend
Example	40%	10%	↑ 30%
Coventry CCS Regeneration			
Coventry UKC Plus			
Sprint			
Rail			
Innovation			
Land Reclamation & Remediation			
Metro			
UKC Infrastructure			
UKC HS2 Interchange			

Benefit Profiling by Strategic Goal

Strategic Goal	Benefit Outcome		
	Current	Previous	Trend
Example	25%	25%	→
Transport			
Homes			
Communities			
Employment			
Health & Wellbeing			
Environment			
Economic			

Targeted SEP Priorities



DRAFT REPORTING PROPOSAL UNTIL SUCH TIME AS SUFFICIENT BENEFITS DATA BECOMES AVAILABLE

Benefits Commentary

The above format shows the proposed Benefits Management MI put forward by the Programme Benefits Manager. Targeted SEP Priorities are taken from Business Case Documentation received to date.



Investment Board

Date	1 November 2018
Report title	West Midlands 5G – Structure, Governance and Funding
Portfolio Lead	Cllr Ian Ward, Leader Birmingham City Council Cllr Steve Eling, Leader Sandwell Council
Accountable Chief Executive	Deborah Cadman, CEO WMCA
Accountable Employee	Henry Kippin, Director of Public Service Reform
Report has been considered by	Programme Board – 26 th October 2018

Recommendation(s) for action or decision:

The Investment Board is recommended to:

- Endorse the participation by the WMCA in the WM5G Project as set out in report.
- Endorse for approval the proposed governance structure for the WM5G Project and grant permission for the Joint Venture and Delivery Entity to be incorporated and the Enduring Grant Agreement entered into (including any associated ancillary documentation) in conjunction with the Department for Digital, Culture, Media & Sport.
- Endorse for approval an allocation of £4.75 million to the Delivery Entity to be allocated to projects using the governance structures set out in this paper.

1. Purpose

- 1.a The West Midlands has successfully bid for regional test-bed status as part of the Government's Urban Connected Communities programme (UCC). The benefits and implications of this for the region are substantial (outlined in brief below). This is a national effort to accelerate the deployment of next-generation mobile connectivity in the UK – with the West Midlands leading the way.
- 1.b Over the last month an interim project team has been established to work alongside our Department of Digital, Media, Culture and Sport (DDCMS) partners as part of a mobilisation and setup phase. The purpose of this phase is to prepare long-term funding, contracting and project planning; develop necessary business cases; and build the regional and commercial relationships that will be necessary for success.
- 1.c The WM5G programme will report regularly to WMCA Board over the coming months and years. The purpose of this early-stage report is as follows:
- Request Board approval to participate in this programme
 - The WM5G UCC Project (the **Project**) has reached a stage where confirmation and approval of the governance structure is required. The governance model will be used to implement the 5G infrastructure and roll-out test-bed projects as highlighted within the Project Initiation Document dated 2 October 2018 [Appendix 1].
 - The report therefore proposes a governance structure and potential funding model (including WMCA funding allocation), with a view to receiving approval of both from the WMCA Board.
- 1.d This is a national project hosted in the West Midlands with global significance. We want to make sure the governance of this project reflects our way of working in the region – ambitious, collaborative, and with inclusive growth and ambition for our citizens at its heart.
- 1.e Our proposition – developed with DDCMS and outlined below – means to continue the spirit of collaboration and mutual benefit that characterised our successful bid. We are already engaging with WMCA members and the public, business and social sectors across the region to ensure they are plugged in to governance and advisory functions to the extent that is appropriate and desirable. This process will be accelerated pending approval of the governance model from WMCA Board.

2. Current Status and Proposed Structure

Background

- 2.a The West Midlands has been selected to become the innovative home to the UK's first multi-city 5G test bed. The multi million pound trial of new high speed mobile connectivity will pave the way for the future rollout of 5G across the UK, making the West Midlands the first region in the UK ready to trial new 5G applications and services at scale. 5G is short for 'fifth generation mobile networks' and is set to be significantly faster than previous generations, as well as providing reliable and flexible connectivity.

- 2.b The project will develop a large-scale 5G prototype across the region, with potential hubs in each of the regional clusters of Coventry/Solihull, Birmingham, and the Black Country. A key aspect of the design phase will involve exploring options for shared infrastructure.
- 2.c Up to £75m of public funding is available for the project, subject to further development and approval of the business plan. This includes £25m from the Department for Digital, Culture, Media and Sport (DCMS) and £25m match funding from regional partners. An additional £25m may be made available from DCMS at a later stage.
- 2.d 5G mobile connectivity is expected to revolutionise the digital environment across the UK, with massive attendant benefits to business, public services and society. But the current market environment for the introduction and uptake of 5G mobile coverage is not optimal. Market demand, competitive mobile operator environment and 5G network deployment approach are not yet clear enough to lower the barriers to investing in the technology at scale.
- 2.e The Government introduced the Urban Connected Communities programme to facilitate the successful introduction of 5G, overcoming the barriers of scale and the current competitor market in the UK. The Government has introduced a 5G Testbeds and Trials programme, through which it will provide funding for a series of projects to explore 5G connectivity solutions and business models. WMCA has been selected as the preferred partner for the implementation of their Urban Connected Communities (UCC) – to test 5G across a broad urban area.
- 2.f As part of this project we seek to:
- Increase the rate of adoption and deployment of new technologies needed to support higher productivity growth.
 - Act as a large-scale prototype for the UK in the deployment of 5G; evolution of market structures; and development of new business models and services.
 - Enable full digital inclusion to accelerate the move towards the digital delivery of inclusive public and commercial services.
- 2.g WM5G is the catalyst for shaping and scaling the deployment of 5G across the region and ultimately the country, with WMCA being the first region to receive the benefits this revolution will bring. The project will support the strategy of inclusive growth: driving fast economic growth, with the benefits of that growth shared across the region through participation in new digital technologies.
- 2.h As an evolution of this concept, WM5G will:
- Make the West Midlands the “go to” region for innovating and testing scalable use cases for 5G - attracting investment and talent to the region, spurring economic growth and development.
 - Provide opportunities for locally based businesses to contribute to the innovation ecosystem that will evolve to make the project a success; and
 - Improve connectivity to support our small and social enterprises, such as social enterprise communities, social impact movements and the region’s blossoming digital and creative SME sector.

Strategic objectives and benefits

- 2.i In light of the context to WM5G outlined above, the overall strategic objectives for the project are to:
- Increase the rate of adoption and deployment of new technologies needed to support higher productivity growth;
 - Act as a large-scale prototype for the UK in the deployment of 5G; evolution of market structures; and development of new business models and services; and
 - Enable digital inclusion to accelerate the move towards the digital delivery of better, more cost effective public and commercial services in the West Midlands and UK.
- 2.j The achievement of these overarching objectives will enable the delivery of key strategic and economic benefits for the region – WM5G will enable faster and better coverage across the West Midlands, lowering the cost of communications for the public sector, and positioning us as a national and global leader.
- 2.k The project ambitions and proposed deliverables are outlined more fully in Appendix 1

Current status

- 2.l At present the West Midlands Combined Authority (**WMCA**) has entered into a Mobilisation Grant Agreement which has awarded grant funding from DCMS for the Project until the end of November. Additional match funding has been provided by GBSLEP and the WMCA in equal shares. It is a condition of future grant funding from DCMS that a joint venture vehicle owned by the WMCA and the Department for Digital, Culture, Media & Sport (**DCMS**) be established. This joint venture company will have a subsidiary that will engage in delivery activity. The two companies will both be limited by guarantee (a diagram of the proposed structure is set out below).
- 2.m The proposed corporate governance model is intended to ensure a fair and transparent vetting process for business cases whilst providing sufficient procedural mechanisms to permit only the strongest of business cases to be successful in receiving funding.
- 2.n A combination of the WMCA and 3 LEPs in the area need to match the £25 million funding being provided by DCMS.

2.1. West Midlands UCC Joint Venture (the JV)

- 2.1.a *The following paragraphs outline the proposed joint-venture that will govern the WM5G Programme.*
- 2.1.b WMCA and DCMS will both be equal members in the JV. The JV will act as the highest level of governance within the proposed model where WMCA, representatives from the local authorities, LEPs and DCMS will have the final comment on each business case.
- 2.1.c Incorporating companies limited by guarantee as the preferred corporate form for both the JV and Delivery Entity, ring fences risk for the parties whilst allowing appropriate flexibility and the companies not to be on 'balance sheet' for DCMS. A Members' Agreement will be entered into between WMCA and DCMS which will set out how the relationship will be governed in more detail. This agreement is currently being developed

by DCMS. It is anticipated that the Members' Agreement will contain the mechanics of how the parties will interact with each other, enact decisions, quorum for meetings, notice periods and exit arrangements.

- 2.1.d The JV board will be appointed by agreement between WMCA and DCMS, comprising representatives from each of the 7 constituent authorities, local enterprise partnerships, DCMS and other governmental departments, who are involved in the 5G Project. This allows for all the public sector partners to have visibility on the progress of the Project. The board will meet on a quarterly basis, and will act as the highest authority and final sign-off for each business case wishing to draw funding from the Project. The board will be chaired by the Mayor of the West Midlands.
- 2.1.e Once established, the JV will enter into an Enduring Grant Agreement with DCMS to receive the necessary funding in relation to the Project.

2.2. WM5G Limited (the Delivery Entity)

- 2.2.a The Delivery Entity will be set up as a wholly-owned subsidiary of the JV. The general role of the Delivery Entity will be to govern the delivery and associated operational aspects of the Project by obtaining private sector investment to match the public sector contributions, reviewing business cases before grant of funding and guiding funded business cases.
- 2.2.b The Delivery Entity board will consist of the following members:
- a non-executive chairman;
 - an employee representative from within the Delivery Entity;
 - 6 independent non-executives; and
 - 2 representatives from the JV (1 appointed each by DCMS and WMCA).
- 2.2.c The Delivery Entity board will meet on a monthly basis to approve each business case prior to progression to the JV board. The use of the Delivery Entity is to allow for the adoption of a more business focus at the delivery level, granting a greater degree of flexibility to react to market changes, especially in light of the dynamic nature of the telecoms and technology sectors.
- 2.2.d Before business cases reach the Delivery Entity board, an internal Investment Sub-committee will review each submission. Investment Sub-committee meetings will also be convened on a monthly basis. These meetings will be interspersed with the Delivery Entity board meetings meaning that there will be a meeting of some capacity every 2 weeks at this level of governance. The membership of such Investment Sub-committee is yet to be agreed although it will be on a transparent basis with the view to appointing the right skills set.
- 2.2.e A number of Advisory Taskforces will scrutinise and provide feedback on each business case in order that well-reasoned recommendations may be made to the Investment Sub-committee. The Advisory Taskforces will comprise of representatives from regional, national and international stakeholders and collaborators allowing an input in the governance process from any interested parties (subject to any confidentiality and conflict restrictions).
- 2.2.f The role of the various Advisory Taskforces and the Investment Sub-committee will be to provide a more technical and in-depth review of the business cases. Therefore the variety

of organisations involved at this level will be broader. This will lend to an inclusive governance structure, encouraging ideas and involvement in the Project. Proposed Advisory Taskforces currently anticipates a technical taskforce, a citizen taskforce and a funding and financial taskforce. These Advisory Taskforces will be more informal and therefore flexible.

- 2.2.g Subject to the nature and scope of the Project as time progresses, further subsidiaries may be formed, wholly owned by the Delivery Entity, to provide further involvement from sector specific experts where necessary. The key here is the flexible nature of the governance structure which may be adapted to meet the needs and requirements of the Project.
- 2.2.h For ease of reference, please see appended a diagram illustrating the proposed governance structure.

3. Timescales

- 3.a The WM5G UCC has a finite timescale which concludes on 31 March 2021.
- 3.b From inception of a business case to final approval by the JV board, the process is envisaged to last between 6 to 12 months.

4. Financial Implications

- 4.a The local partners are required to contribute £25 million to the project to match DCMS's initial investment. Of this £25 million, £5 million in total is required from the WMCA. £250,000 has already been allocated to the mobilisation phase of the project and therefore £4.75 million is required to be ring-fenced for the Enduring Grant Phase.

5. Legal Implications

- 5.a The WMCA has authority and would be acting within its powers by creating this governance structure. The legal authority for such a conclusion is as follows:

Article 10 of the West Midlands Combined Authority Order 2016 (the Order) states that:

- a) the functions of the constituent councils set out in Schedule 3 are exercisable by the Combined Authority in relation to its area;
- b) the functions are exercisable concurrently with the constituent councils; and
- c) any requirement in any enactment for a constituent council to exercise such a function may be fulfilled by the exercise of that function by the Combined Authority.

Paragraph 1 of Schedule 3 of the Order goes on to state that 'the functions of the constituent councils under section 1 of the Localism Act 2011 to the extent that those functions are exercisable for the purpose of economic development and regeneration.'

Section 1 of the Localism Act 2011 (the Act) states that a local authority has power to do anything that individuals generally may do; this is regarded as the general power of competence. However, under Section 4 of the Act where, in exercise of the general power, a local authority (and therefore the Combined

Authority pursuant to Article 10 of the Order) does things for a commercial purpose, the authority must do them through a company.

Additional powers are also granted to the Combined Authority under the West Midlands Combined Authority (Functions and Amendment) Order 2017 which refers further to the powers granted in Local Democracy, Economic Development and Construction Act 2009.

- 5.b Therefore, WMCA may legally approve and grant authority to create this governance structure if it is satisfied that it is appropriate.

6. Equalities Implications

- 6.a The equalities implications will be considered on a business case by business case basis.

7. Inclusive Growth Implications

- 7.a The inclusive growth implications of the programme will be considered on a business case by business case basis. At the heart of the proposition is a benefit to citizens from improved connectivity, a closing of the 'digital divide', and a lowering of the barriers to access for public and private services. We will be explicitly focusing on public services and inclusive growth within at least one of our test bed areas, and will be using the Inclusive Growth Framework to analyse potential impacts as the programme rolls out.

8. Geographical Area of Report's Implications

- 8.a Ultimately the entire WMCA region will benefit from the investment that will be accelerated as a result of the WM5G UCC project. This will happen through a combination of underlying infrastructure development and geographical test-beds which will give each area of the West Midlands an opportunity to benefit (focused initially on constituent WMCA geography). The long term benefit to all (constituent and non-constituent authorities) is a rapidly growing 5G market across the region as a whole.

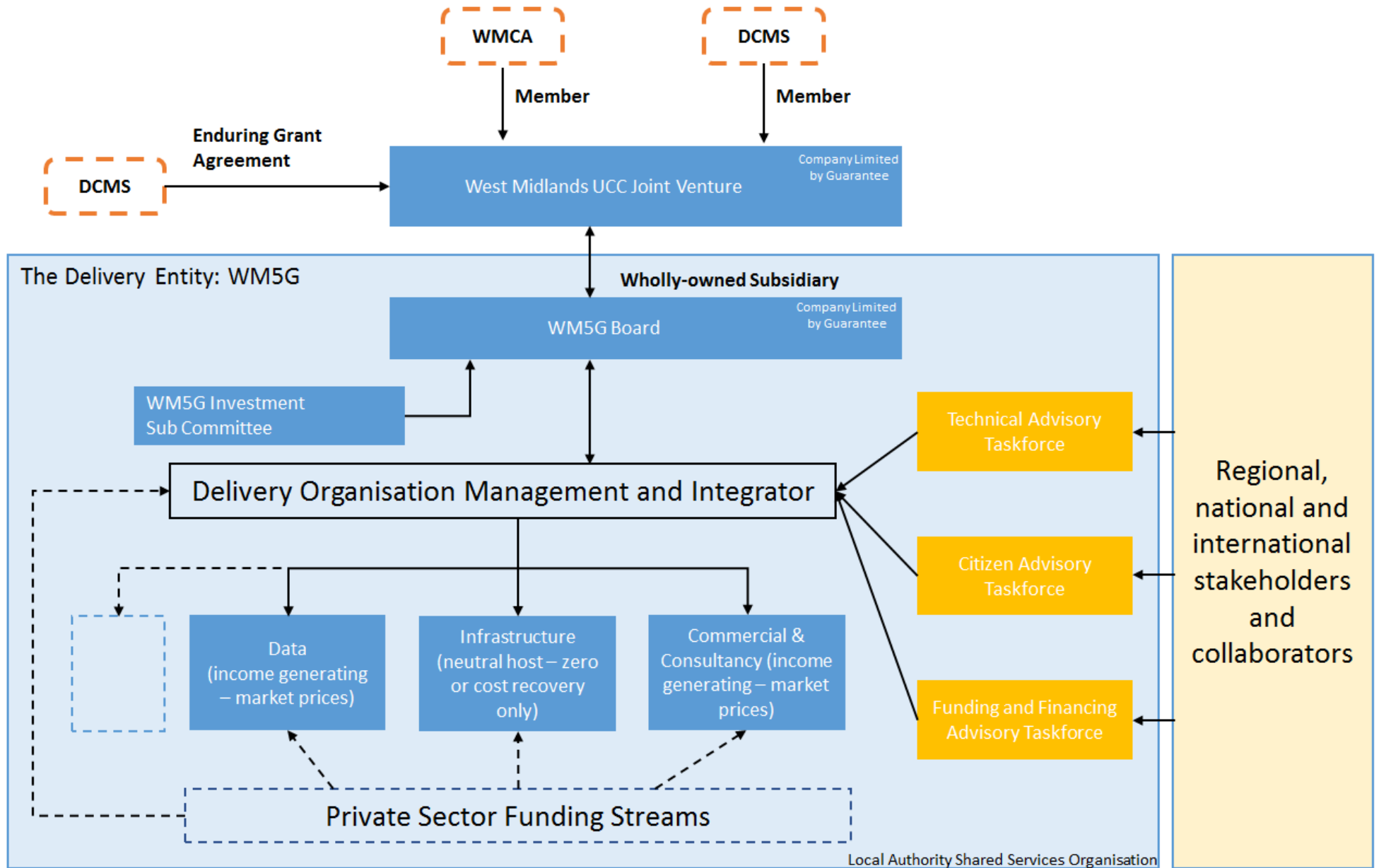
9. Other Implications

10. Schedule of Background Papers

Governance Structure Diagram;

Project Initiation Document;

Governance Structure Diagram



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WMCA Board

Date	1 November 2018
Report title	WMCA Review of Wolverhampton Interchange Lessons Learned Report
Portfolio Lead	Councillor Bob – Finance and Investments
Accountable Chief Executive	Deborah Cadman, OBE Chief Executive of the WMCA Deborah.Cadman@wmca.org.uk Tel: 0121 214 7552
Accountable Employee	Sean Pearce, WMCA Director of Finance Tel (0121) 214 7936 Email Sean.Pearce@wmca.org.uk
Report has been considered by	None.

Recommendation(s) for action or decision:

The WMCA Board is recommended to:

1. Note that actions undertaken by West Midlands Combined Authority (WMCA) to address the lessons learned highlighted in the Wolverhampton Interchange Train Station Lessons Learned Report (2017-18).

1. Purpose

- 1.1. The purpose of this report is to briefly summarise the WMCA's considerations following the publication of the Wolverhampton Interchange Train Station Lessons Learned Report (2017-18). This report is written from a governance control perspective in respect of the organisational changes and controls strengthened.
- 1.2. WMCA would like to thank the City of Wolverhampton Council (CWC) for sharing the report with the West Midlands Combined Authority.

2. Background

- 2.1. The Wolverhampton Interchange Programme and its governance pre-dates the West Midlands Combined Authority's formation. This programme was initiated in partnership with City of Wolverhampton Council, Centro and other project stakeholders who have worked in collaboration to deliver this facility in support of regeneration around the Wolverhampton City vicinity.
- 2.2. Centro through the Metro Alliance team were accountable leads for delivery of the Metro Extension element of this programme. City of Wolverhampton Council were and continue to be accountable for the delivery of the Train Station / Interchange and Multi-Story Car Park.
- 2.3. The West Midlands Combined Authority (WMCA) was established in June 2016. It was recognised that the Wolverhampton Interchange Programme and the Metro Expansion Programmes would form part of the WMCA Investment Programme. The Investment Programme appraisal, assurance and governance processes also established at the same time would apply to these programmes which differed from the Centro governance requirements.
- 2.4. The West Midlands Combined Authority operated under interim-leadership arrangements until the permanent Chief Executive and Leadership team had been appointed. The permanent WMCA Finance Director was appointed in October 2017, becoming the accountable lead for the Investment Programme. This has now been supplemented by the appointment of the Head of Strategic Programme Delivery role, filled by Sukhy Dhanoa (from July 2018).
- 2.5. In November 2017 a WMCA internal audit report was presented to the WMCA Audit, Risk & Assurance Committee highlighting areas in the Investment Programme's governance and assurance arrangements that could be strengthened. At this time, the Finance Director also commissioned an independent detailed review of this area by programme management consultancy firm Arcadis.
- 2.6. In June 2018, the Finance Director presented a report to the WMCA Audit, Risk & Assurance Committee summarising the actions taken to date to strengthen the assurance and appraisal processes for the Investment Programme. The proposed changes to the Investment Programme governance would be subject to approval from the Investment Board. The newly appointed Head of Strategic Programme Delivery will be accountable for leading on the implementation of Investment Programme assurance and governance review will be initiated in Autumn 2018 following the finalisation of the Investment Programme prioritisation exercise.

- 2.7. A number of changes have already been made to strengthen the WMCA’s Investment Programme appraisal and assurance processes since Autumn 2017. In October 2017 when the Wolverhampton Interchange business case had been presented to the WMCA Technical Appraisal Panel, it was only the third FBC the panel had reviewed since the establishment of the WMCA.
- 2.8. Laura Shoaf (Managing Director Transport for West Midlands) has also given assurances that more robust controls are now in place for Midland Metro Alliance.
- 2.9. The Finance Director is further assured due to the measures already taken that there are now greater controls in place. These controls would have helped identify and address the issues highlighted in the report at an earlier stage when they were risks, and appropriate mitigations could have been developed to have greater visibility of the risk and ensure sufficient mitigation and monitoring arrangements were in place to reduce the impact if the risk was to materialise.
- 2.10. Appendix A summarises how the WMCA has addressed the risks highlighted through the lessons learned report.

The WMCA Programme Assurance function have developed a new way of working, agreed in principle by the Director of Finance. The new approach will enable assurances to be sought alongside Investment Portfolio appraisal processes on interventions from internal and external delivery organisations (TfWM, Local Authorities and appointed contractors). Assurance will be sought throughout Business Case development (SOC, OBC & FBC) and thereafter in delivery identifying that sensible project / programme structures and capabilities are in place relative to the size and complexity of the scheme. With negotiation with the Head of Strategic Programmes, the implementation of this approach will be synchronised to the implementation of the Investment Programme enhanced framework.

3. Financial Implications

None.

4. Legal Implications

None.

5. Equalities Implications

N/A.

6. Inclusive Growth Implications

N/A

7. Geographical Area of Report’s Implications

Wolverhampton Interchange Train Station Lessons learned.

8. Other Implications

None.

9. Schedule of Background Papers

Appendix B provides the link to the original lessons learned report produced by CWC.

In Summary, Appendix A will demonstrate that the West Midlands Combined Authority's Investment Programme Governance, Assurance and Appraisal controls have been strengthened considerably since Autumn 2016. These controls are scheduled to be strengthened further as further planned enhancements have been embedded.

It would be rare at this time for a Full Business Case to be submitted to the WMCA for appraisal by a Delivery Organisation that had not previously submitted at earlier project/programme development stages. Progression of a business case for omission of a business case stage would need to be authorised by the Head of Strategic Programme Delivery and then endorsed by the Technical Appraisal Panel.

Financial and project due diligence monitoring would be undertaken on a monthly basis to highlight any discrepancies or growing variances that could trigger further review and risk discussions with WMCA.

Greater challenge and detailed appraisal reviews are now undertaken by WMCA and assurance processes are to be enhanced further. The intention is to work more closely and collaboratively with Delivery Organisations to share WMCA's standard expectations for business cases which need to comply with Treasury Green Book guidance/ National Single Pot Assurance compliant. This should support Delivery Organisation's improve their own Local Assurance arrangements where the majority of these lessons learned should firstly have been addressed.

Appendix A: WMCA Risk Mitigations in place to address Wolverhampton Interchange Programme Lessons Learned:

No.	Lessons Learned Theme	WMCA Risk Mitigation	Lessons Learned Reference
1.	Business Case Appraisal Processes	<ul style="list-style-type: none"> • Business Case appraisal processes have been strengthened since October 2016 • In October 2017, the FBC for the Wolverhampton Interchange Programme was submitted for appraisal. The project presented a Full Business Case (FBC). Ordinarily, the more common approach for subsequent business cases have been to submit Strategic Outline Business Case (SOBC) and Outline Business Case (OBC) prior to a FBC. Cost variances or earlier risks will initial costs compared to confirmed costs would be understood earlier through strengthened appraisal • Now a consistent set of pre-determined questions are asked as part of the appraisal process at all business cases stages • This was introduced in June 2018 in Technical Appraisal Panel (TAP) • Prior to the Business Case being reviewed at TAP, subject matter experts take a lead on reviewing the 5 Green Book business case areas to score the evidence presented in the business case • The Corporate Assurance Team review the whole business case and previous business case submissions for the Programme as part of the independent challenge 	1, 2, 5, 11, 14, 15, 16, 17, 18
2.	Independent Assurance	<ul style="list-style-type: none"> • The Programme Assurance arm of the Corporate Assurance Team is independent of the PMO and Programme Delivery teams • The principals of the Programme Assurance team's operating model and role within the Investment Programme has been approved by the Finance Director (June 18) • A Major Programmes Assurance Specialists undertakes a detailed review of business case submissions and provides an independent summary of the assurance findings – as part of the assurance review the Subject Matter Experts appraisal scores are taken into consideration • Any differences of views are shared with the Head of Strategic Programme Delivery ahead of Technical Appraisal Panel and aid in focus review of business cases in TAP • The Programme Assurance Manager will submit an independent assurance report to the Investment Programme Performance group which will be appended to the Investment Board reports where business case approval is being sought. A summary of programme assurance activity will also be shared with the Audit, Risk & Assurance committee as part of the 6 monthly reporting cycle • Any significant risks that need to be addressed will be highlighted in real time and reported to appropriate stakeholders and governance structures • The independent appraisal should have picked up if the costs submitted in earlier business cases had changed or the risks around tentative costs in the business cases should be made clear/ subject to change prior to the approval process. 	2, 5, 11, 13, 14, 15, 16, 17

3.	Strengthened Governance in Technical Appraisal Panel	<ul style="list-style-type: none"> The membership of Technical Appraisal has been improved since November. In additional attendance and part of the appraisal processes now (not in place previously) are, Head of Strategic Programme Delivery, Programme Assurance Manager, Benefits Manager, Programme Risk Manager, Investment Programme Accountant, Procurement Manager and Legal Services Manager. 	1, 4, 11, 15, 16, 17, 18
4.	Financial Due Diligence	<ul style="list-style-type: none"> Financial Due Diligence processes have continued to evolve and be improved with a dedicated Investment Programme Accountant. This is not the direct result of the Wolverhampton Interchange Programme, but in support of the Investment Programme. The WMCA Finance team work more closely with the Delivery Organisation's Finance team to understand finance monitoring/ expenditure forecast vs planned. Further evidence would now be received to understand if there is going to a variance in expected costs. The WMCA Finance team through the metro accountant were always closely monitoring costs on metro projects and reported the cost escalation as soon as it emerged through metro programme board Further evidence of financial due diligence will be requested by the WMCA from the Delivery Organisation as assurance processes are further strengthened Metro accountant and Metro Head of Projects attend monthly WIP Finance Review 	11, 18
5.	Monitoring & Evaluation	<ul style="list-style-type: none"> Monitoring and evaluation plans are now required and appraised for all projects that submit FBCs Ongoing monthly project monitoring to be undertaken by WMCA PMO As part of the WMCA Programme Assurance Operating Model – independent Project/ Programme reviews will be undertaken throughout the project/ programme lifecycle 	11, 13, 14, 15, 18
6.	Collaboration with Delivery Organisations	<ul style="list-style-type: none"> As part of the further improvements to be embedded it is intended that the WMCA work much more collaboratively with the Delivery Organisations this is from a PMO, Programme Assurance and Financial perspective. This closer working relationship should support both parties having a better appreciation of risks before they become issues Visibility of potential cost escalation/ time slippages should in the future become clearer much sooner New WIP Governance arrangements were implemented in May 2018 which incorporate a Senior Programme Board, Programme Board, Finance Board and Communications Board 	11, 13, 14, 15, 16, 17
7.	Specialists Roles & Skills to support Investment Programme	<ul style="list-style-type: none"> Since October 2017 when the Wolverhampton Interchange Business Case was initially reviewed under the WMCA governance, the following permanent appointments have been made which strengthens the controls and governance to appraise business cases for funding from WMCA. Through these roles which complement the existing teams, they further act in undertaking detailed reviews of business cases: <ul style="list-style-type: none"> Director of Finance (WMCA) Head of Strategic Programme Delivery 2 Programme Officers (in WMCA Programme Management Office) 	13, 14, 15, 16, 17, 18

		<ul style="list-style-type: none"> • Programme Benefits Manager – WMCA PMO • Programme Risk Manager – WMCA PMO • Programme Assurance Manager (in Corporate Assurance Team) • Major Programme Assurance Specialist (in Corporate Assurance Team) • Investment Programme Accountant (in Finance Team) 	
8.	Local Assurance	<ul style="list-style-type: none"> • Since February 2017 the WMCA PMO checks that Local Assurance has been undertaken to prior to business case submission reviews by WMCA • It would have been the expectation that a number of issues raised in the lessons learned report would have been addressed through this process prior to the WMCA Review • As part of the WMCA appraisal, the appraisal processes now would have established if there were urgent issues that need to be addressed before approval could be granted for the business case to proceed. • Head of Strategic Programme Delivery and Corporate Assurance Manager are taking a lead in evaluating any changes required to strengthen WMCA Local Assurance arrangements for WMCA led programmes such as the Metro Expansion, SPRINT programme and Rail/ New Stations Programme. 	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 16, 17, 18
9	Change Control	<ul style="list-style-type: none"> • Formal Change Control Processes are now contained within the new WIP Governance Plan • Delivery Organisations now develop a Change Request if there have been changes to time, cost, scope and benefits at all stages of the project/ programme lifecycle. 	6, 11, 14, 15, 17

Appendix B – Link to City of Wolverhampton Council Lessons Learned Report

<https://wolverhampton.moderngov.co.uk/documents/s77997/Wolverhampton%20Interchange%20Train%20Station%20-%20Lessons%20Learned.pdf>

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Internal Audit Report: Interchange - Train Station – Lessons Learnt (2017-2018)

This report is Public
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1 Executive Summary

1.1 Introduction

In January 2018 the Council's Managing Director commissioned Audit Services to undertake a lessons learned review of three high profile projects within the City. One of the projects was the demolition and redevelopment of the train station which forms part of the Wolverhampton Interchange Programme.

Wolverhampton is a principal station on the West Coast Mainline handling over 4.75 million passengers per annum. However, the existing station facilities and capacity are no longer fit for purpose.

The Interchange Programme has been subject to adverse publicity in terms of increased project costs from those originally reported and pose a reputational risk to the Council.

At this point to mitigate the risk of further cost escalation on the scheme, a guaranteed maximum price of £19.9 million has been approved by Cabinet (Resources) Panel on 14 November 2017 for the station contract with supplier M, and negotiations continuing with the objective of securing reductions on specific work packages. At the time of this review the construction phase of the train station had not yet started.

1.2 Scope of the review

A terms of reference was provided by the Managing Director outlining the scope of the review. This included the following:

- Production of a detailed timeline of events
- The process for determining an "early indication figure" for budgetary purposes and the impact this is having on the project
- Establish what caused the project to fail
- Identify the actual changes to the specification, and the resulting increase in costs
- Review the governance arrangements for the project
- Review the resourcing arrangements for the project in terms of effectiveness
- Ascertain whether the project would have benefited from early intervention from various sources i.e. political support or external specialists
- Ascertain whether there was any good practice or lessons already being learnt on the project
- Review the procurement arrangements to ensure best practice was followed in the procurement of contractors
- Review the project risk management arrangements for the establishment of contingency costs
- Review the surveying arrangements in place for the assessing the condition of the building
- Provide an opinion on how the Council can follow best practice in order to avoid the guesstimate of the programme being considerably different from the actual budget
- Review external funding arrangements to ensure the Council is maximising its funding opportunities
- Review the programme to ascertain whether subsequent issues could have been identified earlier
- Seek external advice in terms of how best practice could have been applied to this project

In order to assist Audit Services with this review specialist external support was obtained from an external consultant from supplier B. Who primarily specialise in project risk management.

For the purpose of this review discussions were held with the following individuals to form the findings of this review:

- Project Manager
- Head of City Development
- Projects & Programmes Manager
- Director for Commercial Services
- Finance Business Partner
- Assistant Regeneration Officer
- Solicitor, Legal Services
- Director of Development, Midland Metro Alliance

It should be noted that the Council's external auditors were invited to provide their opinion of the project and provide examples of good practice that could be applied, where appropriate. They concluded it would not be appropriate to provide an opinion on this project as to do so, would potentially fetter their discretion, as they anticipated reviewing it as part of their future work in relation to their value for money conclusion.

1.3 Acknowledgement

A number of employees gave their time and co-operation during the course of this review. We would like to record our thanks to all of the individuals concerned.

2 Management Summary/Conclusion

2.1 Following a review of the timeline of events (Appendix A), and findings detailed below, we have identified a number of issues where lessons should be learnt specific to the train station. These are as follows:

- Failure to report to Cabinet an adequate budget from the outset of the scheme. It was reported to Cabinet (Resources) Panel on 1 November 2016 that supplier E were believed to have an inadequate understanding of how the rail industry operates. This resulted in them being removed from the project and the contract being retendered. A re-tendering exercise resulted in the appointment of an alternative contractor. Subsequent Network Rail design approval (F001 approval in principle) for the train station took place, allowing design costings and a fixed price design and build contract sum of £19 million being agreed.
- The absence of a specific contingency budget for the train station. A shared interchange programme contingency of £12.5 million has been set to cover unforeseen cost increases on both the train station and the metro extension. However, at the time of this review £4 million had been expended to cover a funding shortfall. Additionally, there will be a number of exclusions and clarifications which sit outside the fixed price design and build contract. The financial risk associated with these items has not been accounted for in a specific contingency budget for the train station project;
- Failure to include Corporate Procurement at the beginning of the project including representation on the steering group. This would have provided in house expertise and intervention at key stages of project from Council employees who have rail industry experience;
- Failure to follow the Council's approved project management approach. This was highlighted through the underutilisation and updating of the Verto system;
- Failure to maintain the Council's project document portal (Sharepoint) with key documents to support decisions taken;
- Under estimating the importance of the project from the outset in terms of the risk it posed to the Wolverhampton economy and the reputational risk to the Council. This should have appeared as a standalone risk on the Council's Strategic Risk Register;
- Failure to update the Project Assurance Group with issues relating to the train station project.

3 Background Information

3.1 Project costs reported to Cabinet

3.1.1 As part of the interchange scheme, the train station development is being delivered by a partnership including, the City Council, Neptune, Centro, Network Rail, Virgin and Canals and River Trust. In 2014, the partnership business case for the scheme initially set out **estimated** project costs for the interchange project shown in the below table: These costs were based on the originally appointed contractor, supplier E's cost plan.

3.1.2 Extract from the Business Case

Table 1: Outturn scheme cost **estimate** (£ million)

Scheme Element	Preparatory/ Advanced Works Costs	Base Scheme Costs	QRA	Total
Metro	1.8	14.2	2.0	18.0
Station & Car Park	0.6	19.4	1.4	21.4
Total	2.4	33.6	3.4	39.4

3.1.3 A subsequent report that went to Cabinet on 11 March 2015 reported on these project costs as stated below:

Project Costs	Total (£m)
New Station Building	12.0
Relocation of Network Rail Communication Equipment	0.6
Multi-Storey Car Park	8.8
Tram	18.0
Total	39.4

3.1.4 However, it was not made clear to Cabinet that the costs included in the business case were estimated, with the report stating: '**The costs of the scheme are highlighted at £39.4 million including £12.0 million for the new station building**'.

3.1.5 Enquiries made with the current project manager established that project costs were unlikely to have remained at £12 million for the new station building as the project was not at detailed design stage at March 2015 when the project costs were presented to Cabinet.

3.1.6 Corporate Procurement have advised that they were not involved with the process for the procurement of the contractor, which was undertaken by an externally appointed firm. Further, Corporate Procurement did not see any cost reports which were presented to Cabinet by the Head of City Development.

Lesson learned 1: All reports taken to Cabinet for internally and externally procured major projects should be reviewed by Corporate Procurement for accuracy, feasibility and reasonableness of costs.

4 Detailed Findings

4.1 Procurement of Contractors for the Train Station

- 4.1.1 Under the 2007 Wolverhampton Interchange Development Agreement, Neptune (the Council's appointed scheme developers now known as ION) were responsible for the recruitment and appointment of a contractor for the demolition and redevelopment of the station.
- 4.1.2 The business case for the scheme stated Neptune, in conjunction with Network Rail Infrastructure Projects selected those contractors from its framework which had appropriate rail industry capability as defined by Network Rail's Link Up accreditation scheme.
- 4.1.3 Following a competition for the appointment of the contractor, supplier E were selected. However, Corporate Procurement were not involved with the organisation, evaluation or selection of the contractor.
- 4.1.4 A report to Cabinet on 1 November 2016 stated that the interchange project costs had increased. However, it was not made clear in the report which costs related directly to the train station and which costs were part of the wider Interchange Scheme.
- 4.1.5 Further it was reported to Cabinet at this meeting that:
- Supplier E were challenged with the increased costs but this only resulted in a further escalation of forecast costs. As a result, the Interchange Steering Group agreed in May 2016 to remove supplier E from the main station construction element of the programme and to go back out to tender. This was in order to secure a contractor with a better understanding of working with the rail industry as well as greater certainty over programme costs.
 - Concerns about supplier E included their lack of understanding of how the rail industry operates and the contractor increasingly building in large contingencies to compensate for their inability to predict or prevent rail-industry related costs.
- 4.1.6 The Steering Group minutes of May 2016 state that Neptune advised the Steering Group that supplier E had now been removed from the Station Design process. However, this is not considered to be sufficient detail to fully evidence the decision which was reported to Cabinet some five months after the Steering Group meeting.

Lesson learnt 2: Project working group meeting minutes should be sufficiently detailed to fully evidence and support decisions taken.

Lesson learnt 3: Cabinet should kept informed of key developments on major high-profile projects on a timely basis.

- 4.1.7 The business case stated that ‘Neptune, in conjunction with Network Rail Infrastructure Projects, selected those contractors from its framework which had appropriate rail industry capability as defined by Network Rail’s Link Up accreditation scheme’. This is in contradiction with the removal of supplier E from the main station construction project and the above reasons reported to Cabinet for this removal.
- 4.1.8 Enquiries made with Corporate Procurement established that they had no representation on the Steering Group and had no involvement in the procurement process of supplier E as this was being undertaken by the external consultants Neptune.
- 4.1.9 Further, evidence was found regarding queries raised by Corporate Procurement which were not responded to during the re tendering exercise being undertaken to replace supplier E. The then Head of Procurement raised the following observations after he was copied in on an email by the former Council’s Head of Major Projects to ION about the tender position paper from supplier M.
- Supplier M’s tender submission assumed that hoarding could be erected on platform 1 to provide a physical barrier between the operational railway, the demolition and the new build site with works being undertaken without any special protection;
 - hoarding on the rail platform would require Network Rail and train operators involvement and approvals;
 - There did not appear to be any allowance in the supplier M’s management costs for rail possessions, isolations of the overhead line, signalling dis/re-connections of platform equipment.
 - The suitability of the model used for inviting tenders from contractors.
- 4.1.10 No response was received from the former Head of Major Projects to the above and it is unclear if risks around these issues have been managed or mitigated.

Lesson learnt 4: Corporate Procurement should have representation on working groups for all externally procured major projects to provide input and intervention at key stages of procurement.

Lesson learnt 5: Issues raised by the Corporate Procurement Manager about supplier M’s tender submission should be investigated to ensure these have been resolved.

4.2 Contingency Arrangements

- 4.2.1 It was reported to Cabinet (Resources) Panel on 14 November 2017 that:

‘As with all fixed price design and build construction contracts there will be a number of exclusions and clarifications which sit outside the building contract. The financial risk associated with these items are covered within the project contingency budget, which sits within the overall £81.8 million funding envelope’

4.2.2 However, enquiries made with the project manager identified that no specific contingency had been allocated to the train station, rather a combined shared programme contingency of £12.5 million being set for both the train station and metro extension. Further, due to programme constraints the programme funding for the train station was secured ahead of fixing the contract value with supplier M and as a result the funding ask was based on a contract sum which was only 80% market tested.

4.2.3 Following the award of the fixed price design & build contract, circa £4 million would be required to be drawn down from the shared programme contingency of £12.5 million to cover contract award. This would leaving £8.5 million contingency for potential future cost increase on both the train station and metro extension projects.

Lesson learnt 6: Project specific contingencies should be set for each individual project to ensure potential project costs increases are covered by dedicated contingencies.

4.3 Project Governance

4.3.1 At the time of this review governance arrangements were found to be in place, with the project organisation governance structure in place. The Senior Responsible Officer for the project is stated in Verto as the Strategic Director - Place. Monthly meetings were evidenced for both the Interchange Steering and Working Groups. It was noted, however, that whilst the Council's Legal Services and Transportation departments were represented Corporate Procurement were not included in the governance structure.

4.3.2 The following reporting arrangements were in place for the project:

Monthly meetings	Interchange Partnership Steering Group	A monthly Steering Group meets which is chaired by the Strategic Director for Place to manage the interchange projects including the train station.
Monthly meetings	Interchange Partnership Working Group	A monthly Working Group meets which is chaired by the Project Manager to manage the interchange projects including the train station.
Monthly Meetings	Interchange Partnership Working Group	A monthly highlight report prepared by the Project Manager is taken to the working group each month covering: <ul style="list-style-type: none"> • Periodic update • Project status • Key milestones • Planned for next period • Key risks • Key issues
Fortnightly Meetings	Project Assurance Group (PAG)	We were advised by the Project & Resources Manager that the train station project has not been presented to the Project Assurance Group.

4.4 Project Management

4.4.1 The externally appointed project managers have not followed the Council's approved project management systems. From the outset of this project, no information was filed on SharePoint. An assistant regeneration officer informed us that in May 2017, some two years after project approval, a bulk upload of information to the SharePoint site was transferred from the project manager.

4.4.2 However, this did not allow decisions taken prior to this point to be fully evidenced on Council systems. A large volume of documents was uploaded in a file structure that did not follow the format of other City Centre Projects. This has resulted in a repository of documents that does not provide an audit trail of the project life cycle. Further, project files are still retained by the external project manager and have not been uploaded to the City Centre Portfolio sharepoint site.

Lesson learnt 7: The project's Senior Responsible Officer should ensure that project managers are keeping sharepoint up to date throughout the lifecycle of the project.

Lesson learnt 8: A dedicated resource for maintaining accurate information should be used for major projects.

4.4.3 A review of an extract of Verto identified:

- Underutilisation of the Council's project management system Verto with key issues encountered during the project to date not being recorded and managed;
- The Council's project management system (Verto) is not being regularly updated by the external project managers or by Council employees engaged on this project.
- Highlight reports have not been produced as the project has not entered the construction stage.

Lesson learnt 9: The project's Senior Responsible Officer should ensure that project managers are keeping Verto up-to-date throughout the lifecycle of the project.

Lesson learnt 10: An escalation process should be developed where it is identified that the Verto system is not being updated in a timely manner.

4.4.4 It is acknowledged that the interchange project predated the formation of the project assurance group. However, the project assurance group has not been updated with issues relating to the train station project and has not been included on the Interchange train station organisation governance structure.

Lesson learnt 11: The project assurance group should be kept informed of any issues relating to the train station project.

Lesson learnt 12: The project assurance group should be included in the governance structure of the Interchange train station.

- 4.4.5 Key project risks are included in a monthly Highlight Report which is produced by the project manager and presented to the working group. Further, the interchange project including the train station has been included on the Council's Strategic Risk Register.

Lesson learnt 13: As the train station enters the construction phase, the project will need to be kept under review and may need to appear as an individual risk on the Council's strategic risk register.

4.5 Supplier B's Assessment of Risk Management

- 4.5.1 The same broad issues are evident in the budget and contingency setting that were found in the other projects reviewed.
- 4.5.2 The review of the risk management on the interchange project has been limited to documentation provided by the audit team and, as a result, is based on assumptions drawn from this documentation. For example, from the early pricing documentation the term "QRA" has been used in the definition of contingency requirements detailed in the Business Case (August 2014). We have made the assumption that a full quantified risk assessment (QCRA) has been carried out and a Monte Carlo simulation run to derive the contingency levels quoted. There is no evidence that at this early stage that there was any interpretation or review of the outputs of the assumed QCRA or statement of the levels of confidence adopted in the contingency decision-making.
- 4.5.3 The general reporting and management of risk by advisors through the highlight reports and the issues with this and the use of the Council's project management systems are covered elsewhere in this report.

Lesson learnt 14: The analytical methodology and decision-making criteria in contingency-setting must be documented to allow for later challenge and change management.

- 4.5.4 The supplier E pricing of the station assumed a contingency of 5% on construction costs and does not reference any formal analysis of the basis of this contingency setting. There does not appear to have been any challenge to this low percentage in the documentation reviewed.

Lesson learnt 15: In the review of project estimates and bids the contingency levels adopted or proposed should be challenged based on benchmarking against similar projects at the same stage of development.

- 4.5.5 As stated above the methodology used to set the contingency across the interchange project is not clear in the documentation, the lack of a detailed assessment for each of the elements of the project is poor practice given the complexity and value.

Lesson learnt 16: The grouping of projects into a programme does not reduce the requirement for detailed risk assessments for each of the constituent projects. There is an additional requirement to overlay a programme-level risk register to capture cross-cutting risks and interface and dependency risks.

- 4.5.6 A QCRA was carried out in May 2017 and is based on standard practice. The assessment incorporated most of the existing documentation available and supports the appointment of supplier M. The QCRA includes estimating uncertainty (the inherent variability in cost and quantity in any estimate) and models this both separately to and with the risk. This is aligned with best practice. The choice of the P50 is highlighted in the report as a low percentile at which to set contingency, particularly given that there is no documented rationale for using this level of confidence.
- 4.5.7 Given the experience with supplier E and their discomfort with the management of the interfaces with Network Rail and the cost escalation experienced, it would be prudent to set the contingency at a higher level of confidence.
- 4.5.8 P50 is the confidence level at which a project is as likely to overspend as underspend. Given the sensitivity of the project and its complex interfaces, the contingency could have defensibly been set at P80 or P90. The management of risk and the link with the change control process is the mechanism through which the contingency can be effectively managed.

Lesson learnt 17: If a detailed QCRA is carried out to support the setting of project contingency levels, advice should be sought from a risk specialist about the appropriate confidence level from the analysis to use.

4.6 Reporting to Elected Members

4.6.1 A review of Cabinet Reports (detailed in the table below) has confirmed that elected members of the Council have been kept informed of the train station project to date. However, lessons learned have been stated to ensure accurate and complete information is reported to elected members and senior officers of the Council.

Date of Report	Meeting	Nature of Report
11/03/2015	Cabinet	Project costs presented to Cabinet at £39.4 million (including £12 million for the new station building) CoWC contribution £1 million.
31/03/2015	Cabinet Member Briefing- City assets	Interchange update on railway and interchange development work
27/01/2016	Council	State of the City Address 2015/16, highlighted of the railway and interchange development work
27/10/2016	Cabinet Member Briefing – City Economy	To note the appointment of new contractors for the station demolition/ reconstruction; to note the approval, in principle of additional funding from HS2 Connectivity funding for the programme; and to authorise the acceptance of grant of £10.1 million from Centro/West Midlands Combined Authority towards the programme
01/11/2016	Cabinet (Resources) Panel	To note that additional estimated costs have increased by £12.4 million on the Project and that sources of funding have been identified to address some or all of the additional funding required and that actions are underway to secure the appropriate levels of funding. To note the developer’s decision to terminate the agreement with the current building contractor and appoint a new contractor to demolish and redevelop Wolverhampton Rail Station. To note that a separate report will be presented to Council to seek approval to the Authority underwriting additional costs of up to £8.1 million.
9/11/2016	Council	To resolved that the Council underwrites additional costs of £8.1 million initially funded through prudential borrowing with the expectation that external funding would be secured in due course be approved. To resolved that the capital programme was updated to reflect the additional budget required be approved.
28/02/2017	Cabinet (Resources) Panel	Resolved that the Council enter into a Supplemental Agreement with the delivery

Date of Report	Meeting	Nature of Report
		partners for the Wolverhampton Interchange programme.
25/07/2017	Cabinet (Resources) Panel	The principle of the Council bidding on the Corn Hill site based on its strategic importance in the context of the Interchange masterplan be endorsed. Cabinet is being requested to potentially 'underwrite' the cashflow on the Station component of the Interchange project.
18/09/2017	Cabinet Member Briefing	Interchange update
14/11/2017	Cabinet (Resources) Panel	<p>To ensure there is no further cost escalation on the programme Ion / CWC have agreed a guaranteed maximum price of £19.9 million for the station contract with supplier M. Negotiations are continuing with the objective of securing reductions on specific work packages.</p> <p>That financial expenditure associated with both awards of the station contract and limits/caps agreed in the Letter of Intent (LOI) with supplier M be authorised.</p> <p>Expenditure in respect of preliminary works for the construction of the City of Wolverhampton Railway Station be authorised.</p> <p>To enable the Council to let the contract to supplier M ahead of the WMCA completing their final funding approvals a letter be sought from the Section 151 officer at the WMCA confirming they are content that the Council now enter into the contract with supplier M.</p>
27/01/2016	Council	State of the City Address 2015-2016, highlighted of the railway and interchange development work
27/10/2016	Cabinet Member Briefing – City Economy	To note the appointment of new contractors for the station demolition/ reconstruction; to note the approval, in principle of additional funding from HS2 Connectivity funding for the programme; and to authorise the acceptance of grant of £10.1 million from Centro/West Midlands Combined Authority towards the programme

4.7 Due Diligence

- 4.7.1 A Dun and Bradstreet report was commissioned by Audit Services on 21 February 2018 to assess the current financial status of the company. Whilst it was noted that the overall business risk was stated to be 'low – moderate', the Dun and Bradstreet report included a link to recent online media articles highlighting the effect of the fallout from the collapse of the construction company Carillion about supplier M, and the company's plans to raise £150 million of capital to bolster its balance sheet due to additional financial obligations in the wake of projects linked to the collapse of construction.

Lesson learnt 18: On going monitoring of the financial status of supplier M should be undertaken.

5 Where we are now

- 5.1 It was reported to Cabinet (Resources) Panel on 14 November 2017 that, 'to ensure there is no further cost escalation on the scheme ION agreed to **guaranteed a maximum price of £19.9 million** for the station contract with supplier M with negotiations continuing with the objective of securing reductions on specific work packages'. However, the current project manager has advised that the contract is a fixed price design and build not a "guaranteed maximum price". As with all fixed priced contracts, whilst the contract reflects the approved scheme designs at a point in time, there are mechanisms under the contract to claim variations for any unforeseen events which should be covered by contingencies.
- 5.2 On 14 November 2017 Cabinet (Resources) Panel subsequently agreed a recommendation that financial expenditure associated with the award of the station contract and limits/caps agreed in the letter of intent with supplier M be authorised. It is understood from the Head of City Development that construction is due to start on the 1 June 2018.

6 Lessons Learnt – Action Plan

No	Lessons Learnt	Responsibility	Proposed action to be taken	Target date
1	All reports taken to Cabinet for internally and externally procured major projects should be reviewed by Corporate Procurement for accuracy, feasibility and reasonableness of costs	Head of Procurement	<p>All awards of contract reports are now submitted to Cabinet (Resources) Panel through the Procurement report unless Procurement has advised otherwise. This ensures Procurement oversight of all awards of contract.</p> <p>The Director of Commercial Services now sits on Place Leadership Team which has oversight of reports going to Cabinet.</p> <p>Procurement representation will be a standard role on Terms of Reference (TOR) for projects.</p> <p>The Senior Responsible Officer will ensure the TOR are approved in accordance with the relevant governance and that a Procurement representative is a member of the Board.</p>	Implemented

No	Lessons Learnt	Responsibility	Proposed action to be taken	Target date
2	Project working group meeting minutes should be sufficiently detailed to fully evidence and support decisions taken.	Senior Responsible Officer	<p>The Senior Responsible Officer and Project Manager will agree what project support resources will be required. This will be recorded in the minutes of the Board meeting.</p> <p>The Board members will review the minutes of previous meetings as to their adequacy and content.</p> <p>Any key decisions from the minutes will be transferred to the Decisions Log within Verto.</p> <p>The Projects and Programmes Team provides advice on minuting and tracking decisions as part of its Project Management Training in line with PRINCE2 methodologies.</p>	With immediate effect
4	Cabinet should kept informed of key developments on major high-profile projects on a timely basis.	Senior Responsible Officer	<p>The Senior Responsible Officer will ensure that decisions and reporting in relation to the project are made in accordance with the Council's Constitution.</p> <p>The Senior Responsible Officer will be brief the relevant Cabinet Member as needed and as a minimum on a monthly basis.</p>	With immediate effect
4	Corporate Procurement should have representation on working groups for all externally procured major projects to provide input and intervention at key stages of procurement.	<p>Projects and Programmes Manager</p> <p>Senior Responsible Officer</p>	<p>Procurement representation will be a standard role on Terms Of Reference (TOR) for projects.</p> <p>The Senior Responsible Officer will ensure the TOR are approved in accordance with the relevant governance and that a Procurement representative is a member of the Board.</p>	With immediate effect

No	Lessons Learnt	Responsibility	Proposed action to be taken	Target date
5	Issues raised by the Corporate Procurement Manager about supplier M's tender submission should be investigated to ensure these have been resolved.	Senior Responsible Officer Head of Procurement	<p>The Senior Responsible Officer will meet with Procurement to ensure that all concerns raised as part of the tender submission are resolved and arising risks are suitably managed.</p> <p>All awards of contract reports are now submitted to Cabinet (Resources) Panel through the Procurement report unless Procurement has advised otherwise. This ensures that issues raised by Procurement are captured within any tender.</p> <p>The formation of the Project Assurance Group also ensures Procurement oversight of major projects.</p> <p>Issues raised by any external adviser will be flagged on the Issues Log by the Project Manager and captured in the minutes at Board to provide an audit trail.</p>	With immediate effect Implemented

No	Lessons Learnt	Responsibility	Proposed action to be taken	Target date
6	Project specific contingencies should be set for each individual project to ensure potential project costs increases are covered by dedicated contingencies.	Chief Accountant	<p>External specialist project and risk assurance consultancy has been procured to support the delivery of projects and programmes.</p> <p>In addition, a Commercial Business Partner and Audit Business Partner have been provided training to be able to undertake peer reviews of major projects. This will provide an additional opportunity to challenge proposed contingencies and robustness of plans</p> <p>Finance are represented on all major capital programmes and are members of the Board and working groups. This provides assurance and challenge around contingencies and programme budgets. All formal reports to require sign-off from Finance and therefore Finance comments and approval must be sought before submission.</p>	Implemented
7	The project's Senior Responsible Officer should ensure that project managers are keeping sharepoint up to date throughout the lifecycle of the project.	<p>Senior Responsible Officer</p> <p>Projects and Programmes Manager</p>	<p>The Senior Responsible Officer and Project Manager will agree at the start of a project how document storage and management will be undertaken. This will be recorded in the minutes of the Board.</p> <p>The Projects and Programmes Team provides advice on document storage and management as part of its Project Management Training</p>	With immediate effect

No	Lessons Learnt	Responsibility	Proposed action to be taken	Target date
8	A dedicated resource for maintaining accurate information should be used for major projects.	Senior Responsible Officer	<p>The Senior Responsible Officer and Project Manager will agree what project support resources will be required. This will be recorded in the minutes of the Board meeting.</p> <p>The Senior Responsible Officer and Programme Manager will seek advice and support to recruit the appropriate project support resources and to ensure that budget is available for external assurance if required.</p>	With immediate effect
9	The project's Senior Responsible Officer should ensure that project managers are keeping Verto up-to-date throughout the lifecycle of the project.	<p>Senior Responsible Officer</p> <p>Projects and Programme Manager</p>	<p>The Senior Responsible Officer and Project Manager will ensure adequate project support to maintain Verto.</p> <p>A monthly "highlight report" is produced by the Projects and Programmes Team which sets out the status of each project or programme is presented to Directorate Leadership, Wider Leadership team meetings and provided to the Audit team.</p> <p>A performance dashboard has recently been developed that highlights non-compliance and areas of risk which in addition is present to the Project Assurance Group.</p>	<p>With immediate effect</p> <p>Implemented</p>
10	An escalation process should be developed where it is identified that the Verto system is not being updated in a timely manner.	Projects and Programmes Manager	<p>A monthly "highlight report" is produced by the Projects and Programmes Team which sets out the status of each project or programme is presented to Directorate Leadership, Wider Leadership team meetings and provided to the Audit team.</p> <p>A performance dashboard has recently been developed that highlights non-compliance and areas of risk which in addition is present to the Project Assurance Group.</p>	Implemented

No	Lessons Learnt	Responsibility	Proposed action to be taken	Target date
11	The project assurance group should be kept informed of any issues relating to the train station project.	Projects and Programmes Manager	<p>Projects and Programmes will review all major capital programmes. Development work is being done with Performance team to improve visibility of performance of projects.</p> <p>Project Manager to provide update to Project Assurance Group when required and build in regular updates as part of project planning.</p> <p>Project Assurance Group will include a standing item for major capital programmes which will include the train station.</p>	With immediate effect
12	The project assurance group should be included in the governance structure of the Interchange train station.	Chair of Project Assurance Group	<p>The Project Assurance Group, chaired by the Director of Finance or the Strategic Director for Place, will provide officer oversight and challenge for major capital projects and programmes.</p> <p>There is a standing item on Project Assurance Group meeting agenda to provide an update on all major capital programmes through Verto performance dashboard reporting.</p> <p>The Programme Director or Project Manager will provide an update to Project Assurance Group when required and include regular updates as part of project planning.</p>	With immediate effect

No	Lessons Learnt	Responsibility	Proposed action to be taken	Target date
13	As the station enters the construction phase, the project will need to be kept under review and may need to appear as an individual risk on the Council's strategic risk register.	Head of Audit	<p>The strategic risk register will include an entry for major capital programmes which will include the train station.</p> <p>Projects and Programmes team report monthly and share all significant project "red" risks i.e. with a score of 15 and above, to the Directorate Leadership Teams, Project Assurance Group and Corporate Risk team.</p>	With immediate effect
14	The analytical methodology and decision-making criteria in contingency-setting must be documented to allow for later challenge and change management.	Senior Responsible Officer	<p>The project risk management process is already established, and risks are managed and monitored using Verto.</p> <p>The Senior Responsible Officer will ensure that decisions and supporting evidence is recorded in the minutes of the Board meeting.</p>	With immediate effect

No	Lessons Learnt	Responsibility	Proposed action to be taken	Target date
15	In the review of project estimates and bids the contingency levels adopted or proposed should be challenged based on benchmarking against similar projects at the same stage of development.	Chief Accountant	<p>External specialist project and risk assurance consultancy has been procured to support the delivery of projects and programmes.</p> <p>In addition, a Commercial Business Partner and Audit Business Partner have been provided training to be able to undertake peer reviews of major projects. This will provide an additional opportunity to challenge proposed contingencies and robustness of plans</p> <p>Finance are represented on all major capital programmes and are members of the Board and working groups. This provides assurance and challenge around contingencies and programme budgets. All formal reports to require sign-off from Finance and therefore Finance comments and approval must be sought before submission.</p>	With immediate effect
16	The grouping of projects into a programme does not reduce the requirement for detailed risk assessments for each of the constituent projects. There is an additional requirement to overlay a programme-level risk register to capture cross-cutting risks and interface and dependency risks.	Projects and Programmes Manager	<p>Within Verto Projects and Programmes are built within a hierarchy. Any programme or project both has access to a risk register within the system.</p> <p>During the concept and feasibility phases of a programme or project the scope, complexity and risks will be assessed and identified. These will be presented to the Project Assurance Group where, as part of the approval to progress, the resources required to successfully manage the programme will be considered.</p>	Implemented

No	Lessons Learnt	Responsibility	Proposed action to be taken	Target date
17	If a detailed QCRA is carried out to support the setting of project contingency levels, advice should be sought from a risk specialist about the appropriate confidence level from the analysis to use.	Head of Audit	<p>External specialist project and risk assurance consultancy has been procured to support the delivery of projects and programmes.</p> <p>In addition, a Commercial Business Partner and Audit Business Partner have been provided training to be able to undertake peer reviews of major projects.</p>	3 September 2018
18	Close on going monitoring of the financial status of supplier M should be undertaken.	Head of Procurement	<p>The Dun and Bradstreet report will continue to be monitored by Procurement to ensure continued monitoring of supplier M's financial status. Procurement will receive alerts should there be a deterioration and will advise the SRO.</p> <p>Procurement also conducts market and intelligence into companies involved in large scale capital programmes.</p>	Implemented

APPENDIX A - Interchange train station - timeline of key events

Date	Timeline Event
April 2014	Supplier E's cost report produced
August 2014	A business case was produced the project
March 2015	Project costs were presented to Cabinet at £39.4 million (including £12 million for the new station building). The report included a Council contribution £1 million.
March 2015	Cabinet Member Briefing - City Assets. Interchange update on railway and interchange development work.
January 2016	A report presented to Council. State of the City Address 2015-2016, highlighted of the railway and interchange development work.
October 2016	Cabinet Member Briefing – City Economy. To note the appointment of new contractors for the station demolition/ reconstruction; to note the approval, in principle of additional funding from HS2 Connectivity funding for the programme; and to authorise the acceptance of grant of £10.1 million from Centro/West Midlands Combined Authority towards the programme.
November 2016	A report to Cabinet (Resources) Panel. To note that additional estimated costs have increased by £12.4 million on the Project and that sources of funding have been identified to address some or all of the additional funding required and that actions are underway to secure the appropriate levels of funding. The also noted the developer's decision to terminate the agreement with the current building contractor and appoint a new contractor to demolish and redevelop Wolverhampton Rail.
November 2016	A report to Council. Resolving that the Council underwrites additional costs of £8.1 million initially funded through prudential borrowing with the expectation that external funding would be secured in due course be approved. It was also resolved that the capital programme was updated to reflect the additional budget required be approved.
February 2017	A report to Cabinet (Resources) Panel. It was resolved that the Council enter into a Supplemental Agreement with the delivery partners for the Wolverhampton Interchange programme.
May 2017	Risk workshop held including representatives from supplier N, supplier M, City of Wolverhampton Council and Network Rail.
July 2017	A report to Cabinet (Resources) Panel. The principle of the Council bidding on the Corn Hill site based on its strategic importance in the context of the Interchange masterplan be endorsed. Cabinet is being requested to potentially 'underwrite' the cashflow on the Station component of the Interchange project.
September 2017	Cabinet Member briefing providing an update on the Interchange programme.

Date	Timeline Event
November 2017	<p>A report to Cabinet (Resources) Panel. To ensure there is no further cost escalation on the programme Ion / CWC have agreed a guaranteed maximum price of £19.9 million for the station contract with supplier M. Negotiations are continuing with the objective of securing reductions on specific work packages.</p> <p>That financial expenditure associated with both awards of the station contract and limits/caps agreed in the Letter of Intent (LOI) with supplier M be authorised.</p> <p>Expenditure in respect of preliminary works for the construction of the City of Wolverhampton Railway Station be authorised.</p> <p>To enable the Council to let the contract to supplier M ahead of the WMCA completing their final funding approvals a letter be sought from the Section 151 officer at the WMCA confirming they are content that the Council now enter into the contract with supplier M.</p>

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WMCA Collective Investment Fund (CIF)

Dashboard as of 15th October 2018
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WMCA CIF - Investments committed and completed funds

Ref	Opportunity Name	Industry	Jobs Created	Brownfield Land - Acres	Commercial Space - sq ft	Prospective Business Rates	Local Authority	Loan Amount	Date Agreed	Date to be Drawn	Expected Repayment Date
OP1	Opus Land	Industrial Units/Logistics	425	14	283,185	£807,120	Cannock Chase DC	£7,000,000	19/08/2016	17/03/2017	17/03/2020
BD1	Barberry Perry Barr	Industrial Unit	75	2.5	48,000	£149,448	Birmingham CC	£2,900,000	21/11/2016	24/02/2017	24/08/2018
GE1	Goold Estates Ltd	SME Industrial Units	135	5.5	69,025	£198,378	W'hampton CC	£3,700,000	21/11/2016	12/09/2017	01/06/2018
CD1	Complex Development Projects Ltd.,	Hotel & Student Accomodation	200	2.7	1000 student units/ hotel 60,000	£0	Coventry CC	£2,820,000	27/02/2017	03/04/2017	10/04/2019
CD2	Complex Development Projects Ltd.,	Commercial Units	180	5.5	83,500	£239,979	Coventry CC	£960,000	27/02/2017	03/04/2017	10/04/2019
CW1	Cordwell Lesiure (Walsall) Ltd.,	Hotel & Restaurant/ Retail	130	1.2	35,400	£257,223	Walsall DC	£6,950,000	24/04/2017	15/12/2017	10/03/2019
EH1	Expert Holdings Ltd	Automotive	275	4	82,000	£257,223	Coventry CC	£2,000,000	26/05/2017	01/02/2018	30/07/2019
BD2	Barberry Advanced Manu Hub	Industrial Unit	80	2.9	60,000	£208,545	Birmingham CC	£3,680,000	04/08/2017	02/02/2018	01/11/2019
BD3	Barberry Well Ln, W'hampton	Industrial Unit	80	2.86	60,000	£172,440	W'hampton CC	£3,000,000	04/08/2017	12/12/2018	15/12/2019
BD4	Barberry Kingswood Lakeside	Industrial Unit	82	3.45	61,600	£177,038	Cannock Chase DC	£3,350,000	04/08/2017	01/01/2019	01/12/2019
CM1	Chase Midlands Sheldon	Retail/ Leisure	230	1	45,140	£374,578	Birmingham CC	£7,000,000	04/08/2017	28/03/2018	01/11/2019
RS1	Redsun Projects Ltd.,	Industrial	200	5	77,000	£209,000	Telford & Wrekin	£3,400,000	26/07/2018	01/01/2019	TBA

	Jobs Created	Brownfield Land - Acres	Commercial Space - sq ft	Business Rates	Loan Amount	GVA
Outputs to date	2092	50.61	964,850	£3,050,972	£43,060,000	£96,232,000
£ per output to date	£20,583.17	£850,820	£44.63	£14.11		

Notes; Revolving facility therefore indicative outputs are not a realistic measure. Varying Debt structures senior and Mezzanine and potential for Equity.

WMCA Brownfield Land & Property Development (BLPDF)

Dashboard as of 15th October 2018
Private and Confidential

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WMCA BLPDF - Investments committed and completed funds

Ref	Opportunity Name	Industry	Jobs Created	Brownfield Land - Acres	Houses Created	Commercial Space - sq ft	Local Authority	Grant Amount	Date Agreed	Date drawn / to be drawn
TW1	Telford & Wrekin Council	House building programme	120	19	300	0	Telford & Wrekin Council	£3,000,000	30/10/2017	01/01/2019
BCC1	Yardley Brook, Shard End	Housing	43	33	263	0	Birmingham CC	£4,386,000	18/12/2017	01/09/2019
AJM1	Mucklow Park, Tyseley	Industrial	350	20	0	135000	Birmingham CC	£2,025,000	29/01/2018	15/12/2018
OP1	OpusLand Seven Stars	Industrial	143	6.3	0	120000	Sandwell	£2,630,000	29/01/2018	01/08/2018
CG1	BCC Commonwealth Games	Housing	125	13	1,226	269098	Birmingham CC	£20,000,000	13/03/2018	20/07/2018
TH1	Tatton Hall Homes Ltd	Housing	88	2	52	0	Walsall C	£620,000	04/06/2018	01/12/2018

	Jobs Created	Brownfield Land - Acres	Houses Created	Commercial Space - sq ft	Grant Amount
Totals	706	41.64	1278	524098	£25,275,000

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