

# WM INVESTMENT ZONE – PROGRAMME STATUS OVERVIEW

## Appendix A

WM INVESTMENT ZONE – OVERALL PROGRAMME			
<b>PERIOD COVERED</b>	April – June 2024		
<b>DATE OF REPORT</b>	10 <sup>th</sup> July 2024		
<b>SENIOR RESPONSIBLE OFFICER</b>	Ed Cox Executive Director, Strategy Economy Net Zero, WMCA		
<b>PROGRAMME DELIVERY REVIEW</b>	<ul style="list-style-type: none"> <li>• WMIZ approved at the WMCA Board meeting on 25th June 2024.</li> <li>• Annual Delivery Plan submitted to Government to enable funding flow.</li> <li>• Programme governance infrastructure established.</li> <li>• Over-arching Programme Business Case prepared – submission IZ Board 25 July.</li> <li>• Good partner and stakeholder engagement with site delivery teams, universities and private sector partners to accelerate capital and revenue programmes.</li> <li>• WMIZ profiled at UKREIIF.</li> <li>• Strong ongoing engagement with MHCLG colleagues and new Government ministers.</li> </ul> <p><i>Detailed updates on site delivery and regional programmes on the following pages.</i></p>		
<b>REGION-LEVEL OUTPUTS FOR 2024/25 (ref ADP)</b>	Q1-2		Q3-4
	Regional virtual team in place, align with local team. Develop procurement strategy and related activities. Prepare regional revenue programmes, including detailed scoping and draft business cases.		Regional programme team in place. Submission of relevant business cases. Further financial modelling and arrangements for considering use of retained business rates if required.
<b>Upcoming Priorities</b>	<p>Conclude finance arrangements with MHCLG. Allocate capacity funding and build budgets for further support. Coordinate and facilitate business case submissions (capital &amp; revenue). Refine investment proposition (WMGC, WMCA, LAs, Universities, private sector). Develop and secure all required legal and collaboration agreements.</p>		
<b>KEY DELIVERY RISKS</b>	<b>RAG (Prev.)</b>	<b>RAG (Curr.)</b>	<b>Mitigation / Action</b>
Capacity to deliver at pace.			Push MHCLG for quick release of funding.
Year 1 outturn/output expectations - delayed start.			Business case support and coordination. Close engagement with MHCLG.
<b>FINANCE POSITION * (see following table and rationale)</b>			
Actual (YTD)	Forecast (YTD)	Budget (24/25)	Forecast (24/25)
tba	tba	tba	tba
<b>Programme Summary</b>			<b>Overall RAG</b>


Despite delays in achieving formal sign-off and conclusion with MHCLG which has resulted in flexible funding availability, teams within LAs and WMCA have continued to work hard to develop business cases, secure local relationships and begin promotion to investors.

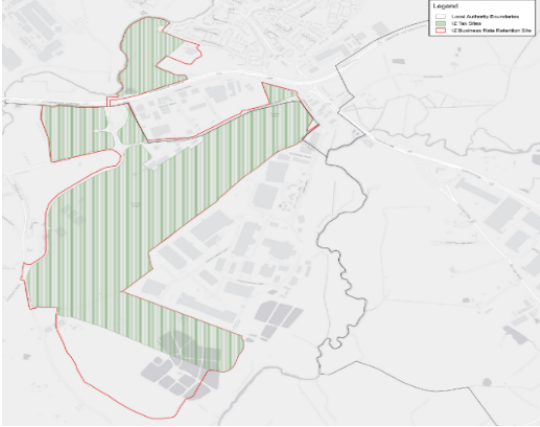
### \*Finance Position

Full budget and forecasting profiles are in development and will inform future full finance reporting to the IZ Board. These will be summarised in the status report above but will be presented in more detail at each meeting.

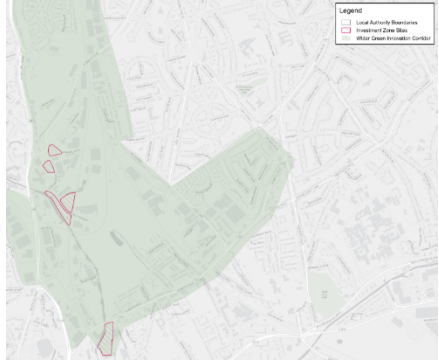
The following is the summary position regarding anticipated spend as contained in the Year 1 Annual Delivery Plan. We are, however, working with MHCLG to explore whether anticipated spend profiles can be adjusted given the delayed start for flexible funding.

Investment Theme	Investment Area	Financial Year					Total £000
		2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	2028-29 £000	
Local Infrastructure	Wolverhampton Green Innovation Corridor	750	750	2,000	2,150	1,350	7,000
	BKQ	500	2,583	2,834	2,833	250	9,000
	Gigapark	2,250	5,500	4,500	3,600	7,150	23,000
Business or Stakeholder Support	Investment Promotion	-	500	500	500	500	2,000
Research and Innovation	R&D Grants	250	1,000	1,250	1,250	1,250	5,000
Business or Stakeholder Support	Supply Chain Adoption	250	1,000	1,250	1,250	1,250	5,000
Skills	Level 4&5 Skills	200	1,050	1,250	1,250	1,250	5,000
Planning	Regional Delivery Capacity	1,000	1,000	600	600	600	3,800
Admin	Regional Delivery Capacity	850	850	500	500	500	3,200
Business or Stakeholder Support	Equity for Growth	250	300	450	500	500	2,000
		<b>6,300</b>	<b>14,533</b>	<b>15,134</b>	<b>14,433</b>	<b>14,600</b>	<b>65,000</b>


<b>WMIZ INTERVENTION</b>	<b>Birmingham Knowledge Quarter</b> <i>(Capital funding, Tax Site, BRR)</i>		
<b>PARTNERS INVOLVED</b>	Birmingham City Council, Aston University, Birmingham City University, Bruntwood Scitech, Woodbourne Group		
<b>LEAD PARTNER</b>	Birmingham City Council		
<b>SENIOR RESPONSIBLE OFFICER</b>	Philip Nell Strategic Director, Place Prosperity & Sustainability, BCC		
<b>PROPOSITION SUMMARY</b>	<p>The Birmingham Knowledge Quarter (BKQ) will develop multidisciplinary research institutes, a clinical trials centre, and advanced manufacturing facilities to create an attractive ecosystem and become a hub for innovation and economic growth. Supported with £9m WMIZ Capital funding, BKQ will secure 616k sqm of development, over 19,000 jobs and attract £4.2bn of private investment.</p>		
<b>OUTPUTS FOR 2024/25</b> <i>(ref ADP)</i>	<b>Q1-2</b>	<b>Q3-4</b>	
	<p>Mobilise core project team and stand up governance structure.</p> <p>Set up and mobilise SPV &amp; JC arrangements (Q1-3).</p> <p>Develop business case for capital funding.</p> <p>Develop site-specific procurement strategy (incl masterplanner).</p> <p>Develop business case for capital spend.</p> <p>Procure and carry out activities to support masterplanning.</p> <p>Undertake Ph1 Design Development (Q1-2).</p> <p>Stakeholder engagement.</p> <p>Develop co-ordination/interface with Enterprise Zone and EBNS Growth Zone.</p>	<p>Procurement strategy in place.</p> <p>Securing vacancy of tax sites.</p>	
<b>STATUS REPORT</b>			
<b>Progress to Date</b>	<p>Partnership group established.</p> <p>Scoping Strategic Outline Case (SOC) for initial capital funding commenced.</p> <p>Integration with wider EBNS activities.</p>		
<b>Upcoming Priorities</b>	<p>Develop SOC for sign-off Autumn and progress FBC for capital funding.</p> <p>Apply capacity funding to build essential programme resource.</p> <p>Conclude formal partnership governance arrangements.</p>		
<b>RISK</b>	<b>FINANCE</b>	<b>PROGRAMME</b>	

Capacity funding for planning and co-ordination delayed by ADP sign-off, constraining speed of BKQ programme mobilisation.	No spend anticipated to date.	Good progress being made but potential for elements to slip into Q3-4. Team working hard to achieve spend in year.
<b>WMIZ INTERVENTION</b>	<b>Coventry-Warwick Gigapark</b> <i>(Capital funding, Tax Site, BRR)</i>	 <p>The map shows the Coventry-Warwick Gigapark site with various development areas and tax sites. A legend in the top right corner identifies the symbols used on the map.</p>
<b>PARTNERS INVOLVED</b>	Coventry City Council, Warwick District Council, Warwickshire County Council, Coventry University, University of Warwick, Rigby Group	
<b>LEAD PARTNER</b>	Coventry City Council	
<b>SENIOR RESPONSIBLE OFFICER</b>	Andy Williams Director of Regeneration & Economy, CCC	
<b>PROPOSITION SUMMARY</b>	<p>The Coventry &amp; Warwick GigaPark aims to establish a large-scale campus for commercial battery manufacture, recycling, and reuse to become the UK's largest cluster for battery technology and manufacturing, central to the UK automotive industry's shift towards electrification.</p> <p>Supported with £23m WMIZ Capital funding, the Gigapark will secure 975k sqm of development, over 6,000 jobs and attract £2.4bn of private investment.</p>	
<b>OUTPUTS FOR 2024/25</b> <i>(ref. ADP)</i>	<p style="text-align: center;"><b>Q1-2</b></p> <ul style="list-style-type: none"> <li>• Mobilise core project team and wider governance structure.</li> <li>• Develop new marketing collateral.</li> <li>• Develop capital funding business case.</li> <li>• Secure capacity funds and resources to expedite planning decisions.</li> <li>• Work with WM Gigafactory JV to prepare Coventry Airport (now formally known as Greenpower Park) component for infrastructure works (Q1 – Q3).</li> <li>• Build pipeline of prospective investors.</li> <li>• Input to regional programmes.</li> </ul>	<p style="text-align: center;"><b>Q3-4</b></p> <ul style="list-style-type: none"> <li>• Progress investor marketing &amp; promotion.</li> <li>• Business case approval in place by Q3-4.</li> <li>• Securing vacancy of tax sites.</li> </ul>
<b>STATUS REPORT</b>		
<b>Progress to Date</b>	<p>Governance structures established.</p> <p>Marketing collateral developed and promotion underway.</p> <p>Drafting Strategic Outline Case (SOC) for initial capital funding, and Full Business Case (FBC) for second batch of capital funding commenced.</p>	
<b>Upcoming Priorities</b>	<p>Conclude SOC for sign-off September; further progress/finalise FBC for capital funding.</p> <p>Apply capacity funding to build planning decision resource.</p> <p>Continue investor promotion.</p>	
<b>RISK</b>	<b>FINANCE</b>	<b>PROGRAMME</b>

Capacity funding for planning delayed by ADP sign-off. Potential resulting risk in securing site vacancies planned.	No spend anticipated to date.	Good progress being made on business cases. Delay to programme start but team pushing to achieve spend in year.
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<b>WMIZ INTERVENTION</b>	<b>Wolverhampton Green Innovation Corridor</b> <i>(Capital funding)</i>		
<b>PARTNERS INVOLVED</b>	City of Wolverhampton Council, University of Wolverhampton		
<b>LEAD PARTNER</b>	Wolverhampton City Council		
<b>SENIOR RESPONSIBLE OFFICER</b>	Richard Lawrence Director of City Development, CWC		
<b>PROPOSITION SUMMARY</b>	<p>The Wolverhampton Green Innovation Corridor, aims to invigorate the region's advanced manufacturing sector and develop the regional specialism in future housing by supporting the construction sector supply chain adaptation and to address constraints in the local labour market.</p> <p>Supported with £7m WMIZ Capital funding, GIC aims to over 1,700 jobs and attract £108m of private investment.</p>		
<b>OUTPUTS FOR 2024/25</b> <i>(ref. ADP)</i>	<b>Q1-2</b>	<b>Q3-4</b>	
	Mobilise core team and governance structure. Develop business cases & procurement strategy. Prepare GIC prospectus to attract a suitable development partner (Q1 – 3). Procure professional team (incl.PM, QS, Design). Progress existing masterplan for Six Mile Green (ongoing over year 1). Procure legal advice and execution of partner agreements (ongoing over year 1)	Terms of Reference in place for procurement of private JV partner. Procurement strategy in place.	
<b>STATUS REPORT</b>			
<b>Progress to Date</b>	Governance structure established. Updated GIC vision based on Market Dynamics-Supply Chain-Demand study. GIC commercial proposition presented at UKREIIF. Scoping of SOC to focus on site investigation and survey work.		
<b>Upcoming Priorities</b>	Develop SOC for submission late August. Draft Terms of Reference for a Collaboration Agreement between Joint Landowners CWC and UoW (enable future engagement with private sector delivery partner).		
<b>RISK</b>	<b>FINANCE</b>	<b>PROGRAMME</b>	
Unforeseen ground conditions. Ability to deliver during specified period. Supply chain challenges. Potential cost over-runs.	No spend anticipated to date.	Good progress being made on business cases. Potential slight programme slippage given delayed start, but team pushing to achieve spend in year.	

Operational viability of the scheme.		
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<b>WMIZ INTERVENTION</b>	<b>Regional Programmes</b> <i>(Revenue funding)</i>							
<b>PARTNERS INVOLVED</b>	All LAs, Universities, Research Institutes							
<b>LEAD PARTNER</b>	WMCA							
<b>SENIOR RESPONSIBLE OFFICER</b>	Steve Bowyer/Paul Edwards/David Gaughan WMCA							
<b>PROPOSITION SUMMARY</b>	<p>The Regional Programmes are aimed at providing the essential support to maximise the economic growth opportunities of the WMIZ. These are broken down into the following (with SRO Leads for each):</p> <table border="0"> <tr> <td>Supply Chain Adaptation - £5m *</td> <td>Investment &amp; Promotion - £2m</td> </tr> <tr> <td>R&amp;D Grants - £5m *</td> <td>Equity Funding - £2m</td> </tr> <tr> <td>Skills Development - £5m *</td> <td>Capacity Funding - £7m</td> </tr> </table> <p>[*To ensure the programmes are ‘business-led’ and regional businesses are able to maximise the opportunities from the aims of the WMIZ, Supply Chain support, R&amp;D and partial Skills offer, will be integrated into a comprehensive £12.5m business support package.]</p>		Supply Chain Adaptation - £5m *	Investment & Promotion - £2m	R&D Grants - £5m *	Equity Funding - £2m	Skills Development - £5m *	Capacity Funding - £7m
Supply Chain Adaptation - £5m *	Investment & Promotion - £2m							
R&D Grants - £5m *	Equity Funding - £2m							
Skills Development - £5m *	Capacity Funding - £7m							
<b>OUTPUTS FOR 2024/25</b> <i>(ref. ADP)</i>	<b>Q1-2</b>	<b>Q3-4</b>						
	Develop business cases for Supply Chain, R&D and Skills programmes. Incorporate Capacity Funding case as part of the Programme Business Case.	Commence delivery of regional programmes with approved business cases, with associated spend and business support outputs. Conclude outstanding business cases.						
<b>STATUS REPORT</b>								
<b>Progress to Date</b>	<p>Strong stakeholder engagement to inform integrated Supply Chain Transition programme. First draft of FBC for Supply Chain Transition funding in development. Investment workshop to shape proposition and coordinated regional approach. Skills workshops with key stakeholders.</p>							
<b>Upcoming Priorities</b>	<p>Submit FBC for Supply Chain Transition to SAF for Sept-Oct decision. Develop cases for remaining regional programmes. Conclude Capacity Funding budgets to support LAs and WMCA resources.</p>							
<b>RISK</b>	<b>FINANCE</b>	<b>PROGRAMME</b>						

<p>Procurement routes to ensure no conflicts of interest with potential providers. Pace of implementation.</p>	<p>Only minimal spend to date on early-stage programme start-up.</p>	<p>Good progress being made on business cases. Potential slight programme slippage given delayed start; spend expectations part of MHCLG discussions.</p>
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## High-level Risk Log (ADP)

Risk ID	Risk description	Impact description	Likelihood	Impact	Score	Risk management owner	Mitigation action(s)
WM.08	Lack of capacity in WMCA and partners to deliver complex programme and maximise opportunities.	Delays in delivery of enabling infrastructure, development and investor attraction – reducing business rate returns and IZ delivery as a whole.	4	4	16	WMCA, Birmingham City Council, Coventry City Council, Warwick District Council	Accelerate deployment of capacity funding and prioritise existing resources.
WM.12	Delays to programme through approvals processes.	Delayed commissioning of interventions and potential capacity issues.	4	4	16	WMCA-DLUHC, LA partners	Co-development with DLUHC to identify rapid approval processes.
WM.10	Ability to generate and predict business rate uplift and sufficient financial system capacity and capability to take on risk of borrowing against future business rates uplift	Few financing options developed with no organisation appropriately suited to bear the risk of borrowing against BRR; impact on investment stream.	5	3	15	WMCA, WMIZ FDs	Advance initial modelling through collaborative approach across FD group and maintain the model as a live programme component.
WM.07	Failing to meet MHCLG deadlines and/or quality standards	Risk to future flexible funding streams	2	5	10	West Midlands Combined Authority, BCC, CCC, CWC	Coordinated support through SAF processes and spend mitigation routes.



WM.03	Conflicts of interest within governance and shaping interventions	Deployment of investment influenced unduly by single interest party.	2	4	8	WMIZ Board and Stakeholder Group	Already mitigated through robust governance structures established.
WM.05	Failed targeting of regional revenue programmes - demand, match funding, procurement	Programmes ineffective and/or have competing objectives which don't catalyse growth in the IZ target sector.	2	4	8	West Midlands Combined Authority	Mitigated through scheme design and co-development of proposition with stakeholder group.
WM.09	Policy overlap, coherence, and interdependencies at regional level (eg with Single Settlement, Place Based Strategies, 10yr BRR, Growth Zones, Enterprise Zones, Innovation Accelerator)	Confused governance and/or competing policy objectives. Delays to decisions as funding is aligned. Missed opportunities for priority sector growth.	2	4	8	West Midlands Combined Authority. HMG	Close collaboration across WMCA teams and through LA stakeholder groups (eg PDIP).
WM.01	National political risk / discontinuity	A new Government resets IZ policy levers and/or underpinning fiscal assumptions.	2	4	8	WMIZ Board	Many levers locked in through statute; maintain close relationship with central Government.
WM.06	Economic conditions and market interest - failure to attract co-investment / match	Low market interest constrains development and sector growth; with knock-on effects on BRR.	2	3	6	WMCA, WMGC, LAs, Universities	Strong development proposition and optimising routes such as Global West Midlands.

WM.11	Fraud risk	Loss of revenue for intended purposes; potential reputational effects and reduction of further resources	1	5	5	WMCA, participating LAs, WMIZ Board	All institutions have a comprehensive anti-fraud policy and governance/management controls, dealing with over £6bn of public resources pa.
WM.04	Failure of tax benefit targeting	Resources are wasted as tax incentives are taken up by firms that are willing to pay highest rents and do not reflect the IZs sector focus advanced manufacturing and other economic priorities	1	3	3	HMRC; local delivery teams	Tax Incentives Management Statement agreed; tax incentives monitoring embedded in local partnerships and IZ Board TOR.