



West Midlands  
Combined Authority

The Risk & Investment Appraisal has been completed to support better and more informed spending and investment decisions at the WMCA

---

## **RISK & INVESTMENT APPRAISAL BOARD REPORT**

### **CR162 Global West Midlands Programme - West Midlands Growth Company (WMGC) for additional funding and time extension**

The purpose of this report is to:

- Provide a high-level summary of the outcome of the independent Assurance and Appraisal activity including any notable risks (project and strategic), commercial viability and Value for Money (VfM) of the investment and the opportunities it brings forward,
  - Put forward approval conditions assigned at both Programme and Project level which will form the basis of agreements post the approval decision. These have been summarised in Appendix I which is available upon request,
  - and act as an informative tool for decision-makers that accompanies the business case through to an approval decision.
-

## **CR162 GLOBAL WEST MIDLANDS PROGRAMME - WMGC**

### **TOTAL BUDGET REQUESTED TO SUPPORT WMGC ACTIVITIES FOR 25-26 IS £7.25M.**

The CR seeks a time extension from 1<sup>st</sup> April 2025 – 31<sup>st</sup> March 2026 to support delivery of the Global West Midlands Programme for another year.

£3.3m is requested from WMCA (cocktail funding comprising of £2.13m from integrated settlement, £0.7m WMCA core funding / general budget, & £0.5m from investment zone programme).

Remaining funds comprise of WMGC's reprofiled underspend, commercial income and sponsorships.

### **Appraisal Recommendation**

The appraisal recommendation is to approve the CR, but it should be noted that it could be challenging for WMGC to meet the outputs aligned to their 2025-2026 budget.

Please note the following caveat to support the decision outcome:

- Work with WMCA WMIZ team to agree the detailed Annual Delivery Plan as a condition of the WMIZ £500k funding. This should be based on the outline proposition already shared between the parties. It should also reference the requirement within this CR for proportionate outputs to be demonstrated to having been delivered on IZ sites.

S73 Officer / SRO should consider the risks raised in the appraisal assessment and consider which of the above conditions of approval should be included. Amend as required.

### **Key Risks**

- The budget has been reduced by 25% compared to the 2023-2025 SLA, but the expected outputs have been cut by 50%, and outcomes by 30%, raising concerns about Value for Money (VfM). This could be due to a change in emphasis of work.
- It remains unclear who signed off the significant reduction in outputs compared to the current SLA.
- Historically, there have been issues with unspent funds (e.g., £1.25m legacy underspend), raising doubts about whether the funds are truly needed or will be used efficiently. WMCA officers are unclear of this allocation.
- The change request (CR) seems focused on scaling down operations rather than presenting the opportunities created by the additional £7m of funding. While the organisation is going through a difficult period, the focus should be on the potential benefits of this new funding.

### **Key Opportunities**

Approving the CR will allow the extension of the Global West Midlands Programme for an additional year 2025/26 to support the transition into a new Economic Delivery Vehicle (EDV) for the West Midlands.

### **Inclusive Growth Alignment**

It is unclear from the CR Form how the CR will contribute towards Inclusive Growth

### **#WM2041 Net Zero Contribution**

It is unclear from the CR Form how the CR will contribute towards our Net Zero ambitions.

**Please refer to the CR Form for further details on the project history and change description and rationale.**