

## WMCA Board

<b>Date</b>	5 June 2020
<b>Report title</b>	Match Funding for the Tourism, Trade and Investment Programme
<b>Portfolio Lead</b>	Economy & Innovation - Councillor Ian Brookfield
<b>Accountable Chief Executive</b>	Deborah Cadman, West Midlands Combined Authority email: <a href="mailto:deborah.cadman@wmca.org.uk">deborah.cadman@wmca.org.uk</a> tel: (0121) 214 7200
<b>Accountable Employee</b>	Julia Goldsworthy, Director of Strategy email: <a href="mailto:julia.goldsworthy@wmca.org.uk">julia.goldsworthy@wmca.org.uk</a> tel: 07813 648227
<b>Report has been considered by</b>	Strategic Leadership Team Programme Board

**Recommendation(s) for action or decision:**

**The WMCA Board is recommended to:**

- (1) Approve £2.6m of match funding for the TTI programme to unlock £21.3m of Central Government funding.

## **1. Purpose**

The 2020 Commonwealth Games represents a once in a generation opportunity to transform the global reputation of the West Midlands and create the conditions for a sustained growth in investment and tourism to the region.

WMCA submitted a funding request to Central Government for £21.3m to support a Tourism, Trade and Investment (TTI) programme to maximise this opportunity. This was agreed in the March 2020 budget – subject to the region finding £2.6m as match funding. This paper seeks approval for that match funding.

## **2. Background**

In 2019 WMCA identified an opportunity to secure Government funding for a regional TTI Programme on the back of the 2022 Commonwealth Games. The West Midlands Growth Company (WMGC) developed a bid on behalf of the Combined Authority and successfully secured a £21.3m commitment from the March Budget.

To secure Government funding, the region must provide £2.6m of match funding. This has been negotiated down from an original 50:50 programme split. Confirmation of match funding has to be provided to DCMS by June, ahead of their Finance Committee meeting on 13 July which is considering the Outline Business Case (OBC). This will release circa £500k of project development funding to WMCA. The Full Business Case (FBC) will be considered by DCMS in November, which will release the remainder of the funding to WMCA and the other delivery partners (Department for International Trade and Visit Britain). Both the OBC and FBC are being prepared by WMGC on behalf of WMCA.

The Programme is forecast to deliver the following additional outputs for the region beyond what is expected to be achieved for the Games themselves:

- 36 additional Foreign Direct Investment (FDI) projects
- Over 600 new jobs
- £43m Gross Value Added (GVA) uplift
- £21m additional leisure tourism expenditure
- £6.5m additional conference and sporting expenditure
- Up to £4m of private sector sponsorship

The TTI programme is planned to be managed by a TTI Programme Board, chaired by WMCA, which will sit within the Birmingham 2022 Games governance structure. This will comprise DCMS, WMCA, DIT and Visit Britain plus representatives from Birmingham City Council (BCC) and the Birmingham 2022 Organising Committee (OC).

## **3. Financial / Risk Implications**

The repayments profile for the Investment Programme has been reviewed following the recent reduction in the UK interest rate. This has created headroom within the Programme, which means that the £2.6m match funding can be accommodated without impacting on any existing project within the programme.

The project development funding is required to develop the FBC and begin initial work on the programme, which is essential to hitting programme milestones. If, for any reason, the FBC is rejected, DCMS will require WMCA to repay the project development funding. However, this risk is considered very low.

#### **4. Legal Implications**

Arrangements for the management of WMCA's involvement in the TTI Programme will be encapsulated within a grant funding agreement with DCMS. If responsibility for delivery of the WMCA elements of the programme is 'delegated' to another body, such as WMGC, these will also be captured within a grant funding agreement.

#### **5. Equalities Implications**

None.

#### **6. Inclusive Growth Implications**

Inward investment and tourism delivers economic outputs (jobs, productivity gains) with a far better rate of return than other levers available for the public sector. Tourism, especially, creates a disproportionate number of 'first-time' jobs and opportunities predominantly focused on those currently not within the labour market.

#### **7. Geographical Area of Report's Implications**

The TTI Programme will operate across the whole region.

#### **8. Other Implications**

Reputational – there may be negative implications for future funding bids to Central government if the region is unable to secure the relatively small level of match required to secure the £21.3m on offer.

#### **9. Schedule of Background Papers**

- TTI Briefing Note
- TTI Detailed Presentation