



West Midlands
Combined Authority

WMCA Investment Board

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|--------------------------------------|--|
| Date | 12 December 2022 |
| Report title | Investment Programme Update |
| Portfolio Lead | Finance - Councillor Bob Sleigh |
| Accountable Chief Executive | Laura Shoaf, West Midlands Combined Authority Email: laura.shoaf@wmca.org.uk |
| Accountable Employee | Ian Martin, Director of Commercial & Investment Email: ian.martin@wmca.org.uk |
| Report has been considered by | N/A |

The Investment Board is recommended to:

1. Note approval under delegated authority by WMCA Officers of the business case submissions disclosed at **Section 3**.
2. Note the WMCA Investment Programme funding status and current affordable limit, as outlined at **Section 4**.
3. Note the Regional Investment Programme delivery update detailed within this report and appendices (including the project-level summary within the WMCA Investment Programme dashboard at **Appendix 4**).
4. As with previous years, note that there will not be new data available for an Investment Programme update report for the January sitting of Investment Board due to the Christmas break.

1 Purpose

- 1.1 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

- 2.1 The Investment Board was established by the WMCA Board as a key element of the approvals process across the Investment Programme.
- 2.2 The Investment Board considered and endorsed an enhanced Terms of Reference at its meeting on 20th April 2020. This set out an enhanced role supporting decision-making, greater post approval controls, performance management and effective delivery of monitoring & evaluation requirements.
- 2.3 The enhanced Terms of Reference included the following:
 - To oversee and monitor all investments made through the Investment Programme.
 - To add conditions to any funding decision that falls within its delegated authority. Minimum conditions should specify the availability period, conditions to drawdown of funds, conditions for withdrawal of support and terms of clawback, start date and completion date for the project or programme.
 - Where oversight of monitoring and evaluation applies to the Investment Board, to consider whether a formal review of project or programme is required, and to consider this review itself or instruct the Investment Panel to do so on its behalf.
- 2.4 The WMCA Board considered and approved the enhancements to the role and Terms of Reference of the Investment Board on 24th July 2020.
- 2.5 Further to this, on 10 June 2022, WMCA Board approved extending the role and remit of WMCA Investment Board to cover all WMCA projects (including the CRSTS programme), allowing investment decisions to be made for values between £5m and £20m in line with the Single Assurance Framework.

3 Investment Programme Assurance Summary

- 3.1 An analysis of the overall Regional Investment Programme expenditure, (funded by both grants administered by WMCA from the “WMCA Investment Programme” and match funding sources), is provided at **Appendix 1**.
- 3.2 Approved grant funding awarded and administered by the WMCA to programmes within the Regional Investment Programme totals £853.8 million as at 30th November 2022 (£858.7 million as at 31st October 2022 – refer to **paragraph 3.5**).
- 3.3 These commitment values above exclude the provisional ‘ear-marked’ allocations agreed by WMCA Board in March 2021 that are yet to obtain formal approval. Commitments for some of these ear-marked items will be confirmed via the approval of further reports to WMCA Board.

3.4 WMCA Investment Programme funding actually drawn / incurred by projects against these funding commitments as at 30th September 2022 totals £485.3 million.

3.5 Since the previous WMCA Investment Board meeting on 14th November 2022, the following submissions have been approved:

- UK Central HS2 Interchange Programme – HS2 Parallel Designs – A change request to extend the project completion date to 31 December 2025, and alter the scope of the works within the project was approved by Statutory Officers. There is no change to the funding awarded from the Investment Programme to this project as a result of this change request submission.
- UK Central HS2 Interchange Programme - Hub Movement and Connectivity – A change request to amend the project completion date to 31 December 2023 and revise the scope of the works within the project was approved by Statutory Officers. There is no change to the funding awarded from the Investment Programme to this project as a result of this change request submission.
- UK Central HS2 Interchange Programme - Roundabout Over-Trace – A change request was submitted for consideration by WMCA, and it was subsequently agreed by Statutory Officers to formally reduce the WMCA Investment Programme grant funding awarded to the Roundabout Over-Trace by c. £6.0m, due to a favourable variance on project costs. The resultant funding now uncommitted remains earmarked for the UK Central Programme, in accordance with the recommendations of WMCA Investment Board on Tuesday, 29th June, 2021.
- UK Central HS2 Interchange Programme – Urban Growth Company Business Plan – A change request was submitted, and WMCA Statutory offices approved an increase to the funding awarded to the Urban Growth Company Business Plan project of c. £1.1m to cover a short extension for the UGC Business Plan by 12 months from 31 March 2023 to 31 March 2024. This extension is expected to be further increased in the future, subject to passing the “Go Decision” for the Multi-Storey Car Park and planning activity, accordingly.

3.6 **Appendix 3** details the commitments made against the WMCA Investment Programme, summarised by programme, to the end of November 2022. The WMCA Investment Programme dashboard at **Appendix 4** discloses the sums committed against individual projects.

4 Investment Programme and Supplementary Funding

4.1 At the WMCA Board meeting on 19th March 2021, WMCA Board approved an increase to the current WMCA Investment Programme affordable limit of £70 million, from £801 million to £871 million.

4.2 This is presently the limit whilst arrangements to secure additional funding sources into WMCA are developed and delivered.

4.3 Programmes which contain projects presently outside the current affordable limit include:

- Coventry UK Central Plus;
- Employment, Education and Skills;
- Innovation Programme;
- Land Reclamation and Remediation;
- Sprint Programme;
- Rail Programme;
- UK Central HS2 Interchange; and
- UK Central Infrastructure Package.

4.4 The CRSTS programme is now entering the delivery stage with business cases for CRSTS funding beginning to come through the Single Assurance Framework (including Investment Board), for approval.

5 Investment Programme Delivery and Expenditure

5.1 The Regional Investment Programme expenditure and underpinning funding summaries are provided at **Appendices 1** and **2**, respectively.

5.2 The amounts shown are the gross delivery totals, inclusive of expenditure funded by grants from the WMCA Investment Programme and match funding sources.

5.3 In respect of the full project costs to completion, the financial summary has been adjusted to reflect the revised budget based on the 2022/23 programme baseline. It should be noted that the impact of COVID-19 and other macro-economic events on projects within the regional Investment Programme is continuously being assessed by the accountable bodies, with each respective delivery organisation required to manage the schemes within the funding available to them.

5.4 **Appendix 1** provides commentary concerning specific programme-level variances.

5.5 The WMCA Investment Programme dashboard at **Appendix 4** provides a detailed summary by project of project completion dates and business case stage.

6 Investment Programme Dashboard

6.1 The Investment Programme Dashboard is attached separately at **Appendix 4**.

6.2 The dashboard identifies whether project starts, and completions are as forecast when compared with the original business case, or funding documentation where this supersedes the business case.

6.3 There are eighty-two projects that have passed the Assurance Process and have received a financial commitment (noting that several projects have identified distinct sub-projects within the approval). Those projects with a RED status are brought to the attention of Investment Board.

6.4 Twenty-six schemes have a RED status for completion dates, with the Assurance and Appraisal team working with Sponsors to bring forward requests to extend dates to the relevant approval body.

- UKC Infrastructure – There are twenty schemes which are listed as RED status because the original completion date has expired without the project concluding. The project sponsor indicated the schemes were facing variances due to COVID-19 which would alter timescales for delivery. The Project sponsor is preparing a Change Request submission with a target date of having these submitted to the WMCA before the end of the calendar year. Estimated end dates have not been provided as these are subject to SMBC governance approval prior to submission of Change Request into WMCA. The schemes currently RED status are:
 - A45 Damson Parkway Junction Improvements
 - A34 Stratford Road Enhancement Study
 - A452 Chester Road Enhancement Study
 - Solihull Town Centre Access Improvements
 - Birmingham Business Park Southern Access
 - Solihull Town Centre Public Realm Improvement scheme
 - Kingshurst Village Centre
 - Chelmsley Wood Town Centre
 - Accelerating Housing Delivery - Simon Digby
 - Walking, Cycling & Green Infrastructure Investment Programme
 - UKC Hub Access and Transport Modelling Programme
 - Solihull Station Integrated Transport Hub
 - Solihull Town Centre - Development & Investment
 - Playing Pitch Implementation Strategy
 - Inclusive Growth - Securing Social Value
 - Sustainable Energy - Enabling Clean Growth and Mobility
 - Sustainable Energy - UKC Hub Low Carbon Heat Network
 - Sustainable Energy - Solihull Town Centre Low Carbon Energy Network
 - Local Strategic Network Resilience: Connectivity and Enhancements Programme
 - Smarter Resilient Assets (SRA)

- Coventry City Centre First - Coventry Station Master Plan. Milestone for this project being “Site Works for NUCKLE 1.2 due to be completed March-23”, has not yet started. Project Sponsor stated that until the Network Rail WMSA has been completed, no firm estimated end dates can be provided for the bay platform delivery. A Change Request is awaited from Sponsor imminently.
- Coventry South Interchange. Studies have been completed in relation to the improvement of the line. These have indicated that there is reasonable business case for the station and it is worth exploring further, but the delivery of a station on this section of railway will require dualling of the line. The Sponsor is exploring funding sources to go ahead to the next stage of the business case. A Change Request is due to be submitted to WMCA Assurance to extend completion date.
- SPRINT - Birmingham to Sutton Coldfield. The Programme Team stated that the next stage of business case is to be confirmed (if delivered by CRSTS, as most of the bus priority measures are still being taken forward - shelters and vehicles are not being delivered).
- Metro Programme. There are three schemes which are listed as RED status as their forecast end date exceeds their approved end date. A Change Request would need to be formalized to reflect current delivery.
 - Metro Birmingham Eastside Extension.
 - Metro Wolverhampton Interchange.
 - Metro Wednesbury to Brierley Hill Extension.

7 Financial Implications

7.1 There are no direct financial implications arising from the recommendations within this report.

8 Legal Implications

8.1 There are no legal implications as a result of the recommendations within this report.

9 Equalities Implications

9.1 There are no equalities implications as a result of the recommendations within this report.

10 Inclusive Growth Implications

10.1 There are no inclusive growth implications as a result of the recommendations within this report.

11 Geographical Area of Report's Implications

11.1 There are no geographical implications as a result of the recommendations within this report. The Regional Investment Programme comprises an array of programmes throughout each of the seven West Midlands constituent member areas. These programmes also have implications for some non-constituent areas and the wider local area beyond the constituent member regions.

12 Other Implications

12.1 Not applicable.

13 Schedule of Background Papers

Appendix 1: Total Regional Investment Programme Expenditure (as at 30th September 2022)

This appendix discloses the total expenditure for programmes included within the Regional Investment Programme, including expenditure funded by grants from the WMCA Investment Programme and match funding sources.

Appendix 2: Total Regional Investment Programme Funding Summary (as at 31st September 2022)

This appendix summarises the expected funding underpinning the total expenditure forecast outturn shown at Appendix 1.

Appendix 3: WMCA Investment Programme Commitments (as at 30th November 2022)

This appendix summarises the total grant funding approved to date to be provided by WMCA from the WMCA Investment Programme, summarised by programme.

Appendix 4: WMCA Investment Programme Dashboard Report (as at 30th November 2022)

See separate attachment. This appendix summarises the WMCA grant funding commitments by project, as well as business case stage and expected project completion dates.

APPENDIX 1: Total Regional Investment Programme Expenditure (as at 30th September 2022)

| PROGRAMME | COST TO COMPLETION | | | |
|---|--------------------|----------------------|-----------------------|------------------------|
| | PRIOR PERIOD SPEND | 2022 / 2023 FORECAST | FUTURE YEARS FORECAST | TOTAL FORECAST OUTTURN |
| | £000 | £000 | £000 | £000 |
| COVENTRY UKC PLUS | 194,177 | 85,523 | 429,822 | 709,522 |
| SPRINT PROGRAMME | 76,447 | 20,996 | 231,617 | 329,060 |
| RAIL PROGRAMME | 47,690 | 49,552 | 119,370 | 216,611 |
| METRO PROGRAMME | 482,918 | 142,668 | 1,057,417 | 1,683,002 |
| UK CENTRAL INFRASTRUCTURE PACKAGE | 88,655 | 90,426 | 1,174,139 | 1,353,220 |
| UK CENTRAL HS2 INTERCHANGE | 35,297 | 10,336 | 582,094 | 627,727 |
| HS2 GROWTH STRATEGY TOTAL | 925,182 | 399,502 | 3,594,459 | 4,919,143 |
| COVENTRY CITY CENTRE SOUTH REGENERATION | 55,370 | 38,453 | 240,294 | 334,117 |
| INNOVATION PROGRAMME | 37,876 | 5,896 | 151,227 | 194,999 |
| LAND RECLAMATION AND REMEDIATION | 55,918 | 25,327 | 118,756 | 200,000 |
| COMMONWEALTH GAMES 2022 | 73,028 | 5,320 | - | 78,348 |
| EMPLOYMENT, EDUCATION & SKILLS | 1,023 | 293 | 18,687 | 20,002 |
| BUSINESS AND TOURISM PROJECT - BATP | 10,687 | 12,772 | 489 | 23,948 |
| COVENTRY ELECTRIC BUS CITY | 11,407 | 16,215 | 111,878 | 139,500 |
| REGIONAL RECOVERY & RISKS | 12,319 | 9,666 | 27,916 | 49,900 |
| COLLECTIVE INVESTMENT FUND | 87,111 | 38,915 | 873,974 | 1,000,000 |
| OTHER INVESTMENT PROGRAMME SCHEMES | 344,737 | 152,855 | 1,543,222 | 2,040,814 |
| GRAND TOTAL | 1,269,920 | 552,357 | 5,137,680 | 6,959,957 |

Appendix 2

APPENDIX 2: Total Regional Investment Programme Funding Summary (as at 30th September 2022)

| Portfolio £000 | | WMCA Investment Programme | WMCA (Prudential Borrowing) | Department for Transport | Enterprise Zone | Private Sector | Local Growth Fund | MHCLG | Highways England | Network Rail | Collective Investment Fund | Local Authority | Other | To Be Confirmed | Grand Total |
|---|---|---------------------------------|-----------------------------------|-----------------------------|--------------------|-------------------|----------------------|---------------|---------------------|---------------|----------------------------------|--------------------|----------------|--------------------|------------------|
| HS2 Growth Strategy | Coventry UKC Plus | 288,049 | - | 149,660 | - | 71,017 | 40,548 | 35,130 | 65,000 | - | - | 16,467 | 43,650 | - | 709,522 |
| | Sprint Programme | 217,406 | - | 35,000 | - | 18,235 | 4,700 | 3,100 | - | - | - | 1,853 | 48,767 | - | 329,060 |
| | Rail Programme | 113,907 | - | 59,518 | - | - | 1,600 | 14,200 | - | 15,668 | - | 11,683 | 35 | - | 216,611 |
| | Metro Programme | 226,785 | 194,716 | 401,769 | 204,434 | 4,101 | 34,040 | - | - | - | - | 64,456 | 11,898 | 540,802 | 1,683,002 |
| | UK Central Infrastructure Package | 288,000 | - | - | - | 753,346 | - | - | - | - | - | 32,265 | 279,608 | - | 1,353,220 |
| | UK Central HS2 Interchange | 398,000 | - | 50,000 | - | 47,802 | 460 | - | - | - | - | 180 | 636 | 130,650 | 627,727 |
| SUB TOTAL HS2 GROWTH STRATEGY | | 1,532,147 | 194,716 | 695,947 | 204,434 | 894,501 | 81,349 | 52,430 | 65,000 | 15,668 | - | 126,904 | 384,595 | 671,452 | 4,919,143 |
| Other Investment Programme Schemes | Coventry City Centre South Regeneration | 149,953 | - | - | - | - | - | - | - | - | - | 184,164 | - | - | 334,117 |
| | Innovation Programme | 49,954 | - | - | - | - | 5,211 | - | - | - | - | 199 | 139,635 | - | 194,999 |
| | Land Reclamation and Remediation | 200,000 | - | - | - | - | - | - | - | - | - | - | - | - | 200,000 |
| | Commonwealth Games 2022 | 25,000 | - | - | - | - | 20,000 | - | - | - | - | 10,000 | 23,348 | - | 78,348 |
| | Employment, Education & Skills | 20,002 | - | - | - | - | - | - | - | - | - | - | - | - | 20,002 |
| | Business and Tourism Project - BATP | 2,600 | - | - | - | - | - | - | - | - | - | - | 21,348 | - | 23,948 |
| | Coventry Electric Bus City | 5,000 | - | 50,000 | - | 78,400 | - | - | - | - | - | 6,100 | - | - | 139,500 |
| | Regional Recovery & Risks | 37,050 | 12,500 | - | - | - | - | - | - | - | - | - | 350 | - | 49,900 |
| Collective Investment Fund | - | - | - | - | - | - | - | - | - | 1,000,000 | - | - | - | 1,000,000 | |
| OTHER INVESTMENT PROGRAMME SCHEMES | | 489,560 | 12,500 | 50,000 | - | 78,400 | 25,211 | - | - | - | 1,000,000 | 200,463 | 184,681 | - | 2,040,814 |
| Grand Total | | 2,021,706 | 207,216 | 745,947 | 204,434 | 972,901 | 106,560 | 52,430 | 65,000 | 15,668 | 1,000,000 | 327,367 | 569,276 | 671,452 | 6,959,957 |

Appendix 1

APPENDIX 3: WMCA Investment Programme Commitments (as at 30th November 2022)

| £m | Total Expected Approvals | Approved Commitments | Actual Spend (Sep-22) |
|---|--------------------------|----------------------|-----------------------|
| Coventry UK Central Plus | 288.1 | 94.8 | 92.9 |
| Sprint Programme | 217.4 | 47.0 | 42.5 |
| Rail Programme | 113.9 | 63.0 | 25.1 |
| Metro Programme | 222.8 | 222.8 | 103.7 |
| UK Central Infrastructure Package | 288.0 | 34.6 | 24.2 |
| UK Central HS2 Interchange | 398.0 | 58.1 | 38.5 |
| SUB TOTAL HS2 GROWTH STRATEGY | 1,528.2 | 520.4 | 326.9 |
| Coventry City Centre South Regeneration | 150.0 | 150.0 | 52.0 |
| Innovation Programme | 50.0 | 16.1 | 13.7 |
| Land Reclamation and Remediation | 200.0 | 103.0 | 59.9 |
| Commonwealth Games 2022 | 25.0 | 25.0 | 25.0 |
| Employment, Education & Skills | 20.0 | 1.3 | 1.2 |
| Business and Tourism Project - BATP | 2.6 | 2.6 | 0.3 |
| Coventry Electric Bus City | 5.0 | 5.0 | 0.4 |
| Regional Recovery & Risks | 41.3 | 30.4 | 5.8 |
| OTHER INVESTMENT PROGRAMME | 493.8 | 333.4 | 158.4 |
| TOTAL | 2,022.0 | 853.8 | 485.3 |