

## WMCA Investment Board

<b>Date</b>	20 <sup>th</sup> March 2023
<b>Report title</b>	SMBC UK Central Investment Programme Rebasing Change Request
<b>Portfolio Lead</b>	Councillor Bob Sleigh - Finance & Investments, SMBC
<b>Accountable Chief Executive</b>	Paul Johnson – Acting Chief Executive, SMBC
<b>Accountable Employee</b>	Alan Smith – Head of Growth Programmes, SMBC
<b>Report has been considered by</b>	<p>In accordance with Solihull Council’s adopted UK Central governance framework, this Change Request was considered and approved by the UKC Programme Board on 07/12/22.</p> <p>This report has been considered by Councillor Bob Sleigh as the Portfolio Lead and Paul Johnson as the Accountable Chief Executive both of whom are comfortable with the report and supportive of the approach.</p> <p>This report has been considered and approved by the WMCA Investment Panel at their session on the 27/02/23</p>

### The WMCA Investment Board is recommended to:

Approve the SMBC UK Central Infrastructure Programme - Programme Wide Rebasing Change Request

#### 1. Purpose

The SMBC UK Central Infrastructure Programme (UKC IP) is a collection of projects under one “umbrella” or programme of sub-projects. The purpose of UKC IP SMBC - Programme Wide Rebasing Change Request (The Change Request) is to update and re-schedule individual project business case reporting timelines. This correction is necessary due to the disruption primarily caused by impact of the 2020 to 2022 COVID-19 emergency. The Change Request also streamlines and prioritises the programme given the limited

available Investment Programme funding and the award of City Region Sustainable Transport Settlements (CRSTS) funding. This is a technical and non-material change request to 're-base' the UKC IP and inform the WMCA of the latest timescales for business case submissions. There are therefore no material changes of scope or additional cost to the WMCA resulting from The Change Request. The revised timings of individual project business case submissions are detailed in Section 3B of The Change Request and Appendix B to The Change Request, together with the reasons for any movement.

## **2. Background**

The SMBC UK Central Infrastructure Programme (UKC IP) is a collection of projects under one “umbrella” or programme of sub-projects.

At its inception in 2016/17 it was envisaged that the WMCA Investment Programme would provide £288.000million of grant funding to the UK Central Infrastructure Programme (UKC IP). Of this, £43.639million is included within the current affordable limit (which is part of the overall £106.642million which has been ring-fenced for the UK Central Programmes overall).

To date £34.239 of the £43.639million included within the current affordable limit has been approved for use within the UKC IP with £25.582million of this having been claimed from the WMCA (as of 31.12.2022).

Throughout the COVID-19 pandemic, the SMBC UK Central Project Management Office has closely managed the impact and risks to the UKC IP, integrating COVID-19 monitoring into reporting mechanisms, streamlining governance arrangements, and establishing an overarching COVID-19 Resilience Plan to prioritise and manage resources to maintain momentum across the programme.

Projects within the UKC IP have been impacted both directly and indirectly by COVID-19, the main impacts can be summarised into the three key areas below:

1. Resource constraints both internally and externally (contractors and key stakeholders).
2. Re-phasing of activity due to limitations on stakeholder and public engagement.
3. Limitations of survey work due to short term impact on travel demand patterns/behaviour.

Recognising the constraint of available WMCA Investment Programme funding and the successful allocation of City Region Sustainable Transport Settlement (CRSTS) funding, the UKC IP has been both streamlined and prioritised to maintain momentum and support overall delivery. The updated timing of individual UKC IP project business case submissions together with the reasons for any movement are detailed in Appendix 1 to The Change Request. Longstop dates have been identified to provide a reasonable time allowance for the approvals process, finalisation of any technical work, project closure/pause if next stage funding is not approved and payment of any retention/final invoices. The latest high-level programme is contained in Appendix 2 to The Change Request.

The budgetary movements between projects which are being request as part of The Change Request are outlined in section 3A of The Change Request and detailed in full in the appendices(available on request) and the Change Request.

### 3. Strategic Aims and Objectives

The alignment of the UK Central Investment Programme (UKC IP), that is the subject of this Change Request, with each of the WMCA aims (in bold font) is below:

#### **WMCA Aim 1. Promote inclusive economic growth in every corner of the region**

The adopted Solihull Council Plan states: 'We will ... continue to seek to deliver Inclusive Growth that takes advantage of Solihull's economic opportunities, such as HS2 and Arden Cross, based on its unique position and characteristics. Part of this is improving transport and connectivity, to ensure that everyone can benefit from economic opportunities.' Solihull Council's UK Central Investment Programme (UKC IP), that is the subject of The Change Request, is one of the Council's primary mechanisms of achieving this inclusive economic growth. UKC IP has a specific workstream supporting Inclusive Growth and the delivery of Social Value across the overall programme, working closely with WMCA Inclusive Growth Team on the development of individual projects.

In the UKC Team's presentation to WMCA's Investment Board in August 2018, with the benefit of the HS2 investment and WMCA's support, we stated that the key economic benefits from delivering the vision and ambition for the UKC IP are expected to include:

- The creation of 88,900 gross full-time equivalent jobs, many of which will be in high value sectors, such as advanced manufacturing.
- Some 51,317 net additional jobs (including 8,596 net additional operational jobs associated with Arden Cross).
- Generating £3.0 billion of net additional GVA per annum, once all developments are fully complete and operational.
- Creating approximately 990,000 sq m of new employment floorspace.

The UKC IP drives inclusive growth through its roles as:

- Employer - taking an inclusive approach to recruitment and development
- Procurer - building social value into our activities to drive greater benefits for the community
- Service provider - delivering contracted services that directly support inclusive growth
- System influencer - working with key anchor organisations to influence the development and delivery of services to our communities and businesses to support inclusive growth.

Inclusive economic growth is integrated into all UKC IP activity in the design, delivery monitoring and evaluation of its projects. The UKC IP has a robust and comprehensive approach to ensuring best value in procurement: inclusive growth outcomes are central to the assessment process. These Social Value outcomes include local supply chain, training and skills programmes that broaden the skill base of the region, help businesses grow and our citizens secure good jobs.

The UKC IP has geared to towards maximising the potential of the forthcoming HS2 Interchange in Solihull and its associated investment opportunities.

### **WMCA Aim 2. Ensure everyone has the opportunity to benefit**

As stated above, UKC IP has a specific workstream embedding Inclusive Growth and Social Value across the overall programme, ensuring that, through our project development, procurement and delivery procurement, we maximise the potential to give our communities access to training and employment support to secure and succeed in new opportunities.

Several of the UKC IP projects include strong elements of social innovation to tackle complex and longstanding challenges facing our communities. These include the redevelopment of Kingshurst village centre to maximise the health and community outcomes and the transformational redevelopment of Chelmsley Wood town centre.

### **WMCA Aim 3. Connect our communities by delivering transport and unlocking housing and regeneration schemes**

Much of the UKC IP is aimed delivering safe, effective, accessible, affordable, reliable and sustainable transport systems, including those that directly maximise the potential of HS2. These include active travel projects that form part of the Council's strategy to encourage modal shift.

The UKC IP transport projects include several that either directly, or indirectly, unlock housing and regeneration schemes.

The housing and regeneration schemes that feature in The Change Request include the following: Simon Digby new brownfield land housing development, regeneration of Kingshurst local centre and redevelopment of Chelmsley Wood Town Centre.

### **WMCA Aim 4. Reduce carbon emissions to net zero and enhance the environment and boost climate resilience**

All our projects in the UKC IP seek to contribute to reduction of carbon emissions, in line with the Solihull Council Plan and its net zero commitments. The UKC IP includes transport projects that reduce congestion, encourage public transport, enable more active travel and improve air quality. Through the UKC IP, Solihull Council is a leading local authority in the development of electrically powered autonomous vehicles that will reduce the cost and increase the accessibility of public transport. This technology will also reduce congestion, reduce carbon emissions and maximise the potential of HS2.

Solihull Council is committed to ensuring that its UKC IP projects pioneer advanced methods of construction, zero carbon housing and brownfield regeneration and delivery.

The design and deliver of all UKC IP projects, the Council seeks to work with partners to maximise investment in nature and our surroundings.

### **WMCA Aim 5. To secure new powers and resources from central government, and demonstrate the strength of our regional partnership**

In the design and delivery of the UKC IP, Solihull Council works with partners to understand their priorities, convene around shared opportunities, and deliver together. These partners include the following: HS2, National Highways, TfWM, NHS, Network Rail,

Homes England, industrial partners, housing developers, retailers, educational institutions etc.

There are no strategic implications associated with the recommendations within this report (The Change Request)

#### **4. Financial Implications**

There are no financial implications or overall cost impacts because of the recommendations within this report (The Change Request) as there is no change to the overall funding for the UKC IP. However, several changes to the individual project funding allocations within the UKC IP are being proposed. These are outlined in section 3A of the change request and detailed in full in appendices available on request.

The Financial Implications section has been provided by SMBC (Ian Riley UK Central Finance Manager). The report has also been shared with colleagues from the WMCA (Ian Monks – Senior Major Programme Accountant) for review with no additional comments or input being suggested

#### **5. Legal Implications**

The changes to timescales and project funding allocations being requested through The Change Request, which this report is recommending be approved, will require deeds of variation (supported by revised Project Delivery Plans (PDPs)) to be executed, which will vary the existing funding agreements for a number of projects within the UKC IP.

As The Change Request is not asking for any change in scope to the UKC IP, there are no wider legal implications because of the recommendations within this report (The Change Request).

This report has been reviewed by colleagues from both SMBC (Andrew Kinsey – Legal Services Manager and Solicitor to the Council) and WMCA (Peter Geach - Interim BP Solicitor) neither of whom had anything to add but confirmed the legal implications reflected their expectations.

#### **6. Single Assurance Framework Implications**

There are no Single Assurance Framework implications resulting from the recommendations within this report. (The Change Request). There is no overall cost impact resulting from The Change Request, furthermore there is no requirement or expectation that the sources of funding being utilised for the UKC IP be varied in any way.

#### **7. Equalities Implications**

There are no equalities implications because of the recommendations within this report (The Change Request).

#### **8. Inclusive Growth Implications**

There are no Inclusive Growth implications resulting from the recommendations within this report (The Change Request).

The UKC IP has a specific workstream piloting Inclusive Growth, benefits realisation and Social Value across the overall programme, working closely with WMCA Inclusive Growth Team on the development of individual projects. Recognising the constrained WMCA Investment Programme funding position, we will look to utilise this extended pilot phase through to March 2025 to review, streamline processes and build capacity to fully embed and integrate Inclusive Growth and Social Value into programme/project delivery / BAU activity, ensuring long term sustainability and lasting impact.

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

This report relates directly to the Metropolitan Borough of Solihull, with the projects within the UKC IP all being based within this area. However, the overall programme and projects within are expected to benefit the whole of the WMCA region and beyond.

There are no geographical area implications associated with the recommendations within this report (The Change Request), as The Change Request is not asking for any change in scope to the UKC IP.

## **10. Other Implications**

There are no other implications as a result of the recommendations within this report (The Change Request).

## **11. Schedule of Background Papers**

SMBC UKC IP - Programme Wide Rebasing Change Request (Investment Panel)