

## GREATER BIRMINGHAM & SOLIHULL SUPERVISORY BOARD

Thursday 13<sup>th</sup> April 2017 at 09:30  
Committee Room 6, Council House  
Victoria Square, Birmingham B1 1BB

### AGENDA

<b><u>PART I OPEN ITEMS</u></b>		
<b>(Open to the Press and Public)</b>		
1.	<b>Welcome and Apologies for Absence from current Supervisory Board Chair</b>	
2.	<b>Notes of the last meeting and matters arising</b>	<b>Attached</b>
3.	<b>Ratification of the decisions of the last meeting</b>	<b>Attached</b>
4.	<b>Local Growth Fund Programme Progress Report</b>	<b>Attached</b>
5.	<b>Business Rates Pool funding to deliver the Strategic Economic Plan</b>	<b>Attached</b>
<b>Day and Time of Meetings</b>		
Thursday 29 <sup>th</sup> June, 14:00 17:00		
Thursday 3 <sup>rd</sup> August, 14:00 17:00		
Thursday 12 <sup>th</sup> October, 14:00 17:00		
Thursday 7 <sup>th</sup> December, 14:00 17:00		
<b>PART II EXEMPT ITEMS</b>		
NIL		



i	The decisions sought from the Supervisory Board at the February meeting will be ratified at the next meeting in April.
<b>2.</b>	<b>Agree notes of the Last Meeting on 6<sup>th</sup> October 2016 and Matters Arising</b>
	The minutes were approved as an accurate record.
<b>58</b>	<b>RESOLVED:</b>  i The minutes were approved as an accurate record
<b>3.</b>	<b>Enterprise Zone Investment Plan Progress Report</b>

Richard Cowell presented the six-monthly report, noting overall positive progress in implementing the Investment Plan. Particular highlights included the agreement to the extension of the Enterprise Zone to include the Curzon Investment Plan and to run until 2046, with the potential to generate up to £2bn of business rates uplift. Funding has already been allocated to the Midland Metro Extension from East Birmingham to North Solihull, linking the HS2 station sites. In addition, the existing element of the Enterprise Zone continue to make good progress, with key sites such as Paradise starting to commence construction. sites such

	<p>On Growth Deal 3, Tom noted that the allocation is likely to be that the Executive is working with high-priority projects to bring business cases.</p> <p>In the discussion, the Supervisory Board discussed the geographical projects coming through the pipeline. It was noted that most of projects are within Birmingham and Solihull, and options to further strategic assessment of schemes in the district authorities were noted that the forthcoming Towns &amp; Local Centres Strategy being GBSLEP Executive should add further weight to those schemes.</p> <p>The Supervisory Board was also keen to understand how the £25m Local Growth Fund would align with existing funds, noting that it would be a loan when assessing the commercial case.</p>
<p><b>60</b></p>	<p><b>RESOLVED:</b></p> <p>The Supervisory Board:</p> <ul style="list-style-type: none"> <li><b>i</b> Noted the approvals of the Snow Hill Growth Strategy and STEAMhouse Phase 2 projects taken in between meetings</li> <li><b>ii</b> Noted the progress in delivering the Local Growth Fund programme</li> <li><b>iii</b> Noted the update on Growth Deal Round 3 and the process being taken to prioritise the pipeline of schemes</li> <li><b>iv</b> Noted the agreement of the LEP Board to use the £25m of Local Growth Fund</li> </ul>
<p><b>5.</b></p>	<p><b>Innovation Challenge Forum</b></p>

Iain Mansell presented this item, noting the intention to create an Innovation

	Thursday 29 <sup>th</sup> June, 14:00 17:00 (AGM) Thursday 3 <sup>rd</sup> August, 14:00 17:00 Thursday 12 <sup>th</sup> October, 14:00 17:00 Thursday 7 <sup>th</sup> December, 14:00 17:00
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The meeting closed at 14:40 hrs.

CHAIRMAN

## Report to the Greater Birmingham & Solihull Supervisory Board

13<sup>th</sup> April 2017

### RATIFICATION OF THE DECISIONS TAKEN AT THE PREVIOUS MEETING

#### Purpose of the report

To approve the recommendations made to the Supervisory Board at the meeting on 8<sup>th</sup> February 2017, which was not quorate.

#### Recommendations

The Supervisory Board is recommended to:

1. Approve the minutes of the meeting on 6<sup>th</sup> October 2016;
2. Note the progress made in delivering the Enterprise Zone Investment Plan;
3. Ask the LEP Executive to arrange for an item on the Midlands HS2 Growth Strategy at a future meeting;
4. Note the approvals of the Snow Hill Growth Strategy and STEAMhouse Phase 2 projects taken in between meetings;
5. Note the progress in delivering the Local Growth Fund programme;
6. Note the update on Growth Deal Round 3 and the process being taken to prioritise the pipeline of schemes;
7. Note the agreement of the LEP Board to use the £25m of Local Growth Fund (LGF) ;
8. Approve an estimated annual cost of up to £20,000 from the retained Business Rates levy allocated to GBSLEP, to be reviewed in future years, and with the Nominations Committee delegated to agree guidelines for payment of incentives;
9. Agree that proposals for reviewing the efficacy of the Forum should be brought to a future meeting.

#### Background

10. The Supervisory Board meeting held on 8

### Enterprise Zone Investment Plan Update

13. The Supervisory Board is recommended to note the progress made in delivering the Enterprise Zone Investment Plan, and ask the LEP Executive to arrange for an item on the Midlands HS2 Growth Strategy at a future meeting.

### Local Growth Fund Programme Update

14. The Supervisory Board is recommended to:

Note the approvals of the Snow Hill Growth Strategy and STEAMhouse Phase 2 projects taken in between meetings;

Note the progress in delivering the Local Growth Fund programme;

Note the update on Growth Deal Round 3 and the process being taken to prioritise the pipeline of schemes; and

Note the agreement of the LEP Board to use the £25m of Local Growth Fund

**Report to the Greater Birmingham & Solihull Supervisory Board**

13<sup>th</sup> April 2017



11. Projects across the board have continued to slip since the last meeting. This will result in around an additional £3m not being utilised for project delivery as originally intended this year. However, project sponsors are now submitting change requests for more realistic timelines for their projects, which should lead to improved delivery performance next financial year.

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**Growth Deal Round 3**

19. On 9<sup>th</sup>



## Revolving Investment Fund

35. The draft operational terms of reference (TOR) for the RIF are attached. The Accountable Body and Finance Birmingham (as managers of the WMCA Collective Investment Fund) were consulted on the draft. This has helped create an approach consistent with other recyclable funds. The TOR were agreed by the Programme Delivery Board (PDB) at their meeting on 23<sup>rd</sup> March. The Supervisory Board is recommended to note the adoption of the TOR by the LEP Board at its meeting on 31<sup>st</sup> March 2017.
36. The Supervisory Board should note that although the RIF is primarily focused on the public sector, Finance Birmingham, or other suitably qualified external support, will be used to assess any private sector requests into the fund.
37. The initial proposal was to launch the RIF with £25m. This took into account the uncertainty around appetite amongst project sponsors for the fund and the forecast level of 2016/17 underspend. Initial discussions with project sponsors have now taken place. These suggest that there is considerable appetite for the fund. As the underspend is now expected to be around an additional £3m, it is therefore proposed that the RIF is increased to incorporate all of the eventual 2016/17 underspend. The exact size of this underspend will be confirmed following financial closedown.
38. This was agreed by the LEP Board at its meeting on 31<sup>st</sup> March 2017. The Supervisory Board is recommended to note that agreement.

## Conclusions

39. This paper sets out the current status of the programme, including recent project approvals, and the latest position with Growth Deal 3, and sets out proposals for the introduction of a Programme Management Charge and operational arrangements for the Revolving Investment Fund. It also seeks approval for the revised Assurance Framework. The Supervisory Board is asked to proceed with the recommendations above.

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Date: 4<sup>th</sup> April 2017

## **Report to the Greater Birmingham & Solihull Supervisory Board**

13<sup>th</sup> April 2017

### **Hagley Road SPRINT Project Approval**

#### **Purpose of the Report**

To update the Supervisory Board on the decision made by the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) Programme Delivery Board on the 23<sup>rd</sup> March 2017, in relation to Local Growth Fund (LGF) funding for the Hagley Road SPRINT scheme, to the value of £4.7m.

#### **Recommendations**

1. The Supervisory Board members are asked to note the agreement to fund the LGF grant and the manner in which the funding will be defrayed.

#### **Background**

1. The Hagley Road SPRINT transport scheme was granted entry into the LGF programme in 2015. It is promoted by Transport for West midlands (TfWM) (previously Centro) and Birmingham City Council (BCC). TfWM will be the grant recipient of the fund and also the Delivery Agent for the scheme. Birmingham City Council will lead on the design and implementation of the highway infrastructure.58.47 Tm 0 Tc[ )]TB



**Report to the Greater Birmingham & Solihull Supervisory Board**

**13<sup>th</sup> April 2017**

**Ashted Circus Project Investment**

**Purpose of the Report**

To update the Supervisory Board on the decision made by the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) Programme Delivery Board on the 23<sup>rd</sup> March 2017, in relation to Local Growth Fund funding for the Ashted Circus, Birmingham Ring Road, to the value of £5.545m.

the operation of the ring road and deliver additional capacity for growth. The completion of this scheme will ensure the maximum benefit realisation of all five schemes, which includes Bordesley Circus, Curzon Circle and Haden Circus (completed March 2016) and Holloway Circus (planned completion autumn 2017).

7. The outcomes below reflects the contribution Ashted Circus will make towards the package of five ring road improvement schemes to enhance the operation of the ring road and deliver additional capacity for growth.

Description Outcome	Expected Delivery Date
600,000m <sup>2</sup> gross development	2026
14,000 net jobs (estimated)	2026
GVA impact of £1,300m (post scheme completion)	per annum

### Funding Profile

8. Match funding has been secured and the scheme is expected to start construction September 2017. The funding profile is set out below:

### Conclusions

9. The Ashted Circus will support growth and connectivity across the city centre, addressing







ITEM 4C

## Report to the Greater Birmingham & Solihull Supervisory Board

8<sup>th</sup> February 2017

### BUSINESS RATES POOL FUNDING TO DELIVER THE STRATEGIC ECONOMIC PLAN

#### Purpose of the report

To approve spend from the Business Rates Pool on key strands of work to deliver the Strategic Economic Plan.

#### Recommendations

The Supervisory Board is recommended to:

1. Approve an allocation of up to £179,000 over two years from the element of the retained levy of the Business Rates Pool allocated to GBSLEP to deliver the following activities:
  - Foreign direct investment up to £50,000 per annum for two years to fund lead generation with large companies and advanced manufacturing and automotive firms, led by Marketing Birmingham
  - Skills - £30,000 (plus expenses and equipment) in 2017/18 to contribute towards the salary of an interim Executive Manager for People, plus £14,500 per annum for two years to support the Southern Staffordshire Employment & Skills Board
  - Creative Economy Strategy - £20,000 to map sector businesses and provide an evidence base for future investments
2. Delegate authority to the Chair of the Supervisory Board, in consultation with the Chair of the LEP Board, to approve a further allocation of funding to support the development of a bid for the relocation of Channel 4 to Birmingham.

#### Background

3. In November 2016, GBSLEP published its Strategic Economic Plan 2016-30 (SEP), with the overarching vision for Greater Birmingham to be a top global city region and the major driver of the UK economy outside of London. The SEP focuses on three strategic priorities:
  - A world leader in innovation and creativity, commercialising cutting-edge research and innovation
  - Taking full advantage of our global connections, exploiting our role as an international gateway
  - Stronger conditions for growth, spreading opportunity to all sections of society
4. To date, total income of the Business Rates Pool allocated to GBSLEP for economic development has been £2.820(r)-]To1 0 0gicc6C9.mm-7( )-4(h)13aoving been iovste(d 74(t)-4(ode)1

are for ongoing contributions to the skills agenda (£0.122m), LEP Executive salaries (£0.386m), and the Innovation Challenge Forum (£0.020m). The uncommitted balance of the allocation to GBSLEP is therefore £1.976m.

5. At its meeting on 31<sup>st</sup> March 2017, the LEP Board considered and approved a number of proposals to support the delivery of the SEP that require an investment from the element of the Business Rates Pool allocated to GBSLEP (hereafter,
6. At previous meetings of the Supervisory Board, the LEP Executive has committed to bringing forward proposals to invest the funds secured from the element of the Business Rates Pool to deliver the SEP. The proposals set out in this paper should be considered in that context.

### Foreign Direct Investment

7. In 2015/16 Greater Birmingham retained its lead in England as the number one LEP area for foreign direct investment (FDI) with 72 investment projects accounting for 4,256 new and 650 safeguarded jobs. In addition, there were 9 further investment projects that landed within the Greater Birmingham LEP area but as these investments were spread across multiple locations in the UK, job numbers cannot be disaggregated across individual locations. This level of FDI was very much consistent with figures from 2014/15. Marketing Birmingham was mrToracrheing 3(t)-4(i)5(n)13(g)-8( 3(24( )2 T

effect. The Board agreed that, subject to the approval of the Supervisory Board, the funds should be drawn from the Business Rates Pool.

12. The Supervisory Board is therefore recommended to agree that £50,000 per annum is allocated from the Pool to support this activity, and that the LEP Director is asked to proceed in making the agreement with Marketing Birmingham.

**Skills**

- 13.

20. At its meeting on 31<sup>st</sup> March 2017, the GBSLEP LEP Board agreed to the creation of a Creative Economy Strategy strategy. This will form the basis of the GBSLEP implementation plan around Creative & Digital Industries, including optimising cultural assets and the cultural offer, and will set targets and smart objectives for the creative sector to contribute to overall SEP targets. It will enable the LEP to identify gaps in the
21. The strategy development process will be used to re-engage partners in the reformation of the Creative City Partnership (CCP) and to review its membership to include stronger industry representation. Key partners, stakeholders and new CCP members will be involved in the development of the strategy.
22. At its meeting on 31<sup>st</sup> March 2017, the LEP Board approved a proposal to fund up to £20,000 from the Business Rates Pool to support mapping activity and the production of an evidence base, subject to the approval of the Supervisory Board.
23. The Supervisory Board is therefore recommended to approve the allocation of £20,000 to support this activity.

#### Channel 4

24. Government is keen to press ahead with the relocation of Channel 4, and GBSLEP is keen to make the strongest possible case for relocation to Birmingham.
25. GBSLEP is therefore keen to submit a bid to Government, the deadline for which will be before the next meeting of the Supervisory Board.
26. It is anticipated that a quantum of funding will be required to put together a bid of an appropriately high standard however, it has not been possible to scope that bid out in advance of this meeting.
27. The Supervisory Board is therefore recommended to delegate authority to the Chair, in consultation with the Chair of the GBSLEP Board, to approve an allocation of funding from the Business Rates Pool to support the development of a bid for the relocation of Channel 4 to Birmingham.

#### Conclusions

28. This paper sets out a range of proposals for the delivery of the SEP that require additional funding from the Business Rates Pool. The proposals have been considered and approved by the LEP Board, and the Supervisory Board is therefore recommended to approve the use of Business Rates Pool funding to deliver the activities set out above.

Prepared for: Katie Trout  
GBSLEP Director

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Date: 5<sup>th</sup> April 2017