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Programme Update

MIDLANDS ENGINE PROGRAMME HIGHLIGHT REPORT 21-01-2019

HIGH LEVEL RISKS 3rd Qtr 18/19

1. DELIVERY (FUNDING) Significant progress has been made in the last two quarters with the completion of business cases and allocation of funds for the MAM, CHRC and Tobac. However priority projects that will add most to improved economic performance and OVA remain unfunded representing a risk to achieving overall targets. The secretariat has previously identified a wide range of funding sources but many schemes have now completed. The current pipeline of projects needs to be expanded with a shelf from which schemes can be drawn to suit changing government policy priorities. Mitigation: (i) Funding Plan to be produced- Spending Review opportunities; update schedule of funding sources by secretariat with support from partners; a targeted approach to ministerial promotion; investigation of mixed investment funding packages needed for projects. (ii) Partners to actively bring forward new ideas and take advantage of SPDF funds.

2. PROGRAMME PERFORMANCE AND EFFICIENCY The programme does not deliver the target or requires unrealistic levels of investment. Mitigation: Critical analysis, programme evaluation and sensitivity testing to be carried out (underway).

Key for Programme Highlight report

Project reference

Project reference is the assigned ME project number
 Project references shaded blue represent current priority ME risks of government

Risk	State across the last quarter
1+	Not started
2+	Concept
3+	SPDF funding awarded
4+	Outline business case completed
5+	Full Business Case completed
6+	Delivery funding committed
7+	Delivery made
8+	Delivered

Ref	Project	Lead	Description	Work to date	Forward Plan	Issues	Risk this Stage	Risk Last Pd
Strategy & Business Planning								
ST1	Response to revised Midlands Engine Strategy	ME Exec Team	2018 Budget stated HMG would be preparing a revised Midlands Engine Strategy	Work underway to understand the scope and briefness. Engagement with HMG and Observatory taken place	Timescales remain unclear		2	1
ST2	Programme Vision to 2030	ME Exec Team	Translating revised government ME strategy into updated vision to 2030	Awaiting government strategy	Need to complete quickly after Government ME strategy released	Need to prepare process in advance of this work starting to condense overall timescales	1	1
ST3	Midlands Engine Independent Economic Review	Midlands Observatory	Review of Midlands Economy to detail progress made, key areas of strength; economic growth targets; ME performance and monitoring framework	ME Observatory consortium awarded work. Draft scope produced. Ops Board discussion on 30th Jan	Ops Board agreement on scope in Jan 2019. Presentation on Phase 1 findings and detailed scope MARCH 2019. Completion Sept 2019	Tight timeframe for IER to inform Midlands Engine strategy and 5 year plan	2	2
ST4	Midlands Engine 5 Year Programme	ME Exec Team	Finalised ME delivery plan outlining key projects, targets and monitoring framework	Themes and projects already within the project plan can roll forward	Needs to respond to HMG Strategy and the revised ME Vision	Awaiting for government details on timing and content of Midlands Engine revised strategy	1	1
Exec Team led commission								
EX1	ME Observatory	ME Exec Team	Establishing a Midlands Engine observatory to provide economic data intelligence for Midlands	Tender exercise completed, supplier selected, reception meeting held, Project Board established and public launch on 22nd November 2018, IER being scoped	IER work ongoing see above. First Quarterly report due Qtr 1 2019. Protocols for partner commissioning work via the Observatory to be agreed	Need to ensure the IER and other intelligence is ready in time for ME Strategy	2	2
EX2	Manufacturing Zones	ME Exec Team	Work to promote several sites in the Midlands to be designated as manufacturing zones	Competition undertaken, analysis and recommendations completed and successfully submitted to Govt for decision. Government announcement of Zones in Midlands in January 2019	Delive with local partners to provide support if required. Local partner delivery. ME ongoing role to collate performance data from IEPs / IAs.		1	1
EX3	ME Communication campaign	ME Exec Team	Communications campaign to promote the Midlands and the work of the Midlands Engine	Tender exercise complete, supplier commissioned, creatives produced and campaign planned	Campaign launch February 2019.		4	0

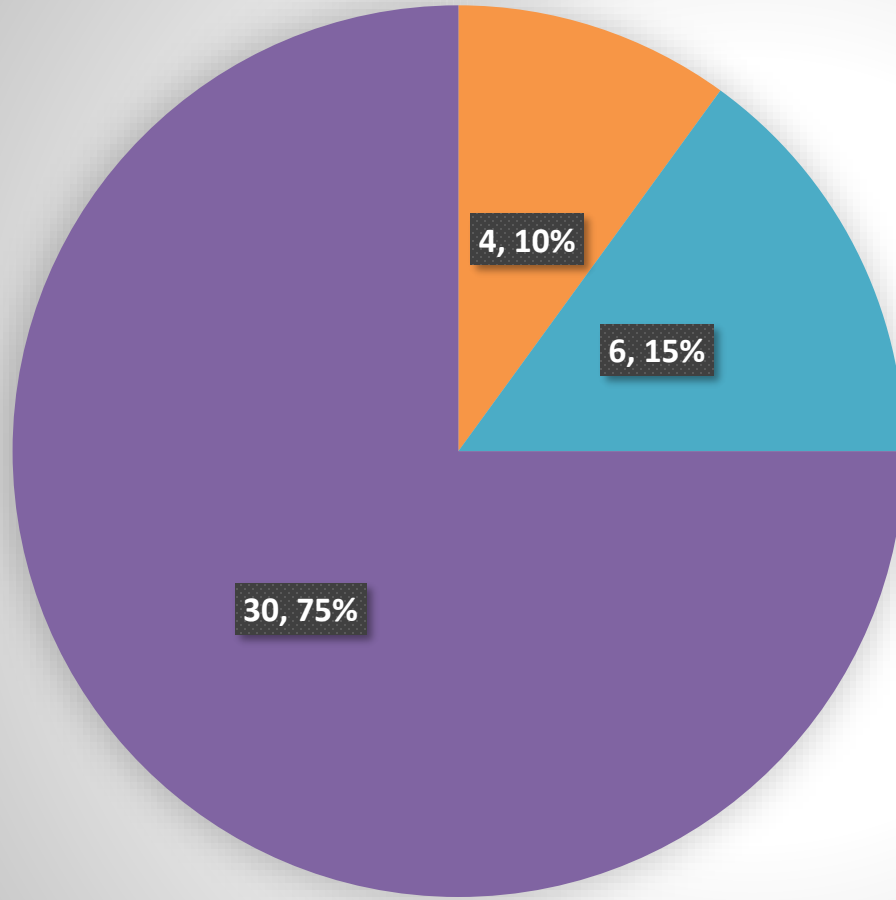
Issues	Stage	Risk this Pd	Risk Last Pd
	7	1	1
	7	1	0
Timescales to get ministerial sign-off and money committed this year, could be impacted by HMG external processes	5	0	0
Project requires prioritisation			
Unlimited resources	5	1	1

Forward Plan	Issues	Stage	Risk this Pd	Risk Last Pd
Full business case written by February 2019.		4	1	1
5 month programme for completion of the strategy		3	1	1
Seeking to secure funding.	Funding required from several pots, making coordination difficult.	4	1	1
4 month programme, aimed completion by Spring 2019		7	1	1
Tender exercise for study consultants	Awaiting confirmation of funding award	7	1	1
ESOn further funding to be sought for education and research facilities				
Moving forward business case		2	1	1
Strategic Programme Group to be established subject to resources	Resources/funding	2	2	2
Options Assessment Report is scheduled to be completed in spring 2019.	Need to maintain assurances of Phase 20 commitment, following Parliamentary delay.	7	9	0
Negotiating outputs from T1N programme to enable early benefits.	Funding not secured yet.	5	1	1

15	Internationalisation strategy	Trade and Investment GPC	A pan regional strategy to boost Trade and Investment	Draft Strategy commissioned, completed and initial action plan in place. Meetings with inhibitors and officials taking place to promote the project.	Work continues to achieve allocations of funding to deliver the strategy. ISG Group moving forward quick wins and action plan in place	Spending review opportunity	5	1
10	Regional subvention fund	West Midlands Growth Company	A regional subvention fund that can be used to attract international conferences and events	Work formed part of the original vision for growth and is incorporated in the internationalisation strategy. SPDF funding awarded to complete business case subject to match.	All Business Case to be completed in Spring 2019 subject to match. Programme Officer	SPDF funding cannot be allocated until to match funding can be provided.	2	0
14	MIPIM - 2019	West Midlands Growth Company	An International capital investment. The Midlands Engine sends a team of property companies and related professionals, IA leaders and officers from across the Midlands to attend and promote property investment and regeneration projects from the region.	ME has attended MIPIM as a united group for two years. There is funding and commitment up until 2020. Preparations are on course for 2019	There is a MIPIM steering group which meets once a month to ensure short and long term planning is carried out		7	1
18	China activity	ME Exec Team	The Midlands Engine has visited China since 2016 on an annual basis. The trade missions seek to establish new tangible opportunities to make it easier for the Midlands to trade with China	In November 2018 a mission visited Guizhou and Zhejiang - two regions identified by the Midlands Engine China group as having significant potential for trade links	The Midlands Engine China group will support with follow up from activities and conversations	Lack of resources for follow up may impact on timely response	7	1
16	India activity	DIT	Sir John Peace joined a mission along side Sae James Brokenshire and Andy Street. The visit was focused on establishing stronger Future Mobility links with India.	The mission has taken place and work is in progress to hold a meeting between key stakeholders in the Midlands to follow up	During the follow up meeting a proposal of setting up a working group to focus on this will be tabled	Lack of resources for follow up may impact on timely response	7	1

MC3	Add priority schemes	Midlands Connect	SOBC with options for investment in corridor to be developed by summer 2019.	Phase 1 report launched in November 2018 setting out economic opportunities across corridor.	Phase 2 report with options for interventions to report in spring 2019.		7	1
MC4	Midland rail hub	Midlands Connect	Flagship rail programme, adding 24 trains per hour reaching as far as Hereford and Lincoln	Initial Economic Case (Appraisal Specification Report and Options Assessment Report) delivered.	SOBC for Midlands rail hub to be submitted for further funding from DfT in spring 2019.	Need to secure funding from DfT - unknown national funding envelope for rail enhancements	2	1
MC5	Major road network programme	Midlands Connect	SOBC with options for investment in corridor to be developed by summer 2019.	DfT guidance launched in December 2018, following work with partners to develop regional evidence base over the summer. Next submission to DfT in summer 2019.	Long list of future programme compiled from partners.	Steering Group and Strategic Board to agree approach to submit in summer 2019.	7	1

Shape of Programme



- Strategy & Business Planning
- Strategic Commissions/pilots
- Economic Projects

Recent Highlights

- EMMZs
- Midlands Investment & Asset Map (MIAM)
- 5G Digital Strategy & Board
- Mental Health Productivity Pilot

Wave 1-3 SPDF Allocations



Strategic Priority Area	No. of SPDF projects	SPDF Allocation £k	Match £k
Trade and Investment	0*		
Transport	1	50	40
Innovation & Enterprise	7	250	354
Skills	4	134	400
Shape Great Places	2	60	60
		494	854

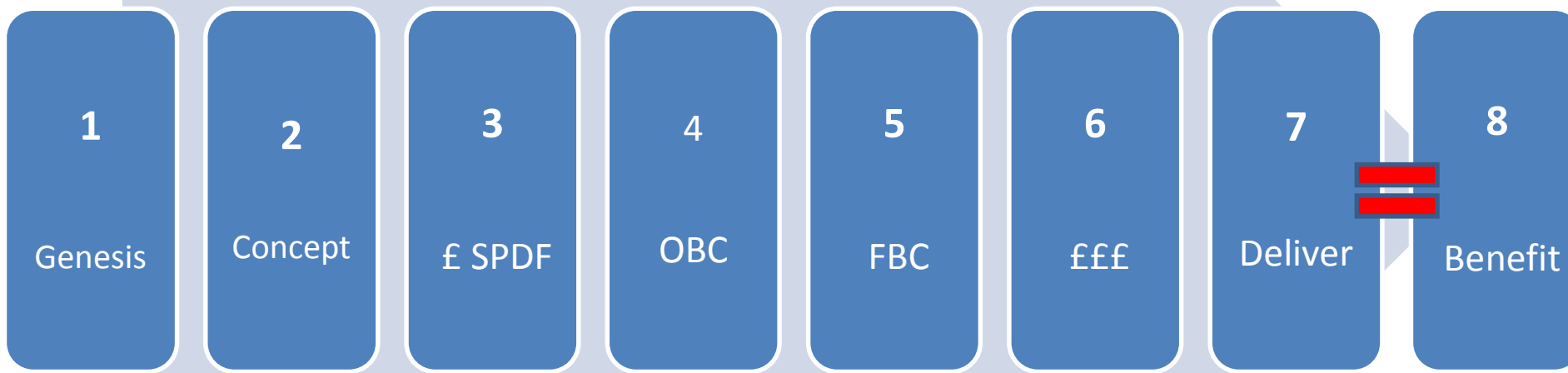
• = Internationalisation funded as priority commission

Wave 4 – 6 submissions received

Key Risks

- **Nature of Projects** – critical analysis, impact, VfM
- **Number of projects**
- **Headline Target Deliverability**
 - absolute costs: outputs.
 - LIS's.
- **Partnership Resources**
- **Prioritisation Methodology**
- **Environmental context**
- **Funding**

Risks - Funding



CSR & Refresh Opportunities



Funding Plan & Stakeholder Mgt Approach



Next Steps

- Detailed Risk Analysis
- Funding Plan
- Structured Stakeholder Engagement
- Develop CSR and Strategy responses
- 2019/20 ME Budget