



## Department for Communities and Local Government

Laura Shoaf

27 June 2016

Centro House  
16 Summer Lane  
Birmingham  
B19 3SD

By email to: [laurashoaf@wmita.org.uk](mailto:laurashoaf@wmita.org.uk)

Dear Laura,

### **MIDLAND METRO EASTSIDE EXTENSION TO DIGBETH**

Further to the West Midlands Combined Authority Devolution Agreement (November 2015) this letter is to confirm the agreed level of funding to the above scheme, subject to the conditions set out in this letter. This allows Centro to complete the negotiation of all the remaining legal and procurement processes (but not enter into final contractual or other legal commitments) following which a request for Full Approval can be made. Once Full Approval has been granted the required contractual and other legal commitments can be entered into.

A maximum capped funding contribution of up to £96.7 million towards the total scheme cost will be made available through the Department of Transport. This is additional to the provision of £5.5m for development costs and £35m through the Growth Deal announcement in July 2014 that is retained on the DfT budget. This figure is inclusive of any preparatory costs and no further funding will be provided for this scheme.

Ministers reserve the right to reconsider their decision on funding if, for any reason, including delay to the remaining legal and procurement processes, the timescale for funding of this scheme changes such that the grant cannot be claimed in full before 2022/23.

This funding approval is granted entirely without prejudice to any view that the Secretary of State or other Ministers or Departments may take on any future application for statutory powers or in accordance with any other functions.

### **Full Approval**

A Full Approval business case should be submitted to the DfT. DfT will work with DCLG to endeavour to approve the full business case for the scheme in line with your current draft programme which reflects the need to complete the works in advance of HS2 construction:

Department for Communities and Local Government

- TWAO application submission - September 2016
- TWAO made - June 2018
- Final business case approved - November 2018
- Start of works – May 2020
- Extension opens - September 2022

Your request for Full Approval will need to include:

- confirmation of the overall cost and scope of the scheme;
- a declaration that that you have acquired all the necessary statutory powers to construct the scheme;
- confirmation that you have completed the procurement process to a stage where you have a preferred bidder and a firm and final offer; and
- confirmation from your S151 officer that Centro/WMCA has the ability to cover all remaining funding required over and above the capped funding listed above.

Should Full Approval be granted, funding will be paid as capital grant under Section 31 of the Local Government Act 2003 to an indicative profile to be finalised.

Both DfT and DCLG look forward to being kept informed of progress on the scheme and receiving a bid for Full Approval once the legal and procurement processes have been satisfactorily completed.

Please can you confirm that you agree with the requirements set down in this letter.

Yours sincerely,



Gareth Bradford, Deputy Director