



Investment Board

Date: Tuesday 13 March 2018

Time: 10.00 am **Public meeting** Yes

Venue: 16, Summer Lane, Birmingham, B19 3SD

Membership

Councillor Izzi Seccombe (Chair)	Warwickshire County Council
Councillor Jim O'Boyle	Coventry City Council
Councillor Sean Coughlan	City of Wolverhampton Council, Dudley MBC, Sandwell MBC and Walsall MBC
Councillor Robert Hulland	Solihull Metropolitan Borough Council
Councillor Majid Mahmood	Birmingham City Council
Councillor Peter Richards	Non-Constuent Authorities
Nick Abell	Coventry & Warwickshire Local Enterprise Partnership
Paul Brown	Black Country Local Enterprise Partnership
Gary Taylor	Greater Birmingham & Solihull Local Enterprise Partnership
Sue Summers	Finance Birmingham

Quorum for this meeting shall be three members.

If you have any queries about this meeting, please contact:

Contact Carl Craney Governance Services Officer West Midlands Combined Authority
Telephone 0121 214 7965
Email Carl.Craney@wmca.org.uk

AGENDA

No.	Item	Presenting	Pages
Meeting Business Items			
1.	Apologies for Absence (if any)	Chair	None
2.	Notification of Substitutes (if any)	Carl Craney	None
3.	Declarations of Interests (if any) Members are reminded of the need to declare any disclosable pecuniary interests they have in an item being discussed during the course of the meeting. In addition, the receipt of any gift or hospitality should be declared where the value of it was thought to have exceeded £25 (gifts) or £40 (hospitality).	Chair	None
4.	Minutes of last meeting	Chair	1 - 4
5.	Matters Arising	Chair	None
Business Items for Consideration			
6.	Consortium for the Demonstration of Intelligent Systems (CDIS) - Accountable Body Amendment	Jane Holmes / Pam Waddell	5 - 6
7.	Exclusion of the Public and Press [To pass the following resolution: That in accordance with Section 100(A) of the Local Government Act, 1972 the press and public be excluded from the meeting for the following items of business as it involves the likely disclosure of exempt information relating to the business or financial affairs of any particular person (including the authority holding that information)]	Chair	None
Business Items for Consideration			
8.	Change request for Solihull Metropolitan Borough Council's Strategic Outline Case 1(SMBC SOC1) for the UK Central Infrastructure Package	Perry Wardle	7 - 12
9.	Lessons Learnt regarding Metro Scheme Estimates and On-going Control	Phil Hewitt	13 - 16



WEST MIDLANDS COMBINED AUTHORITY

Investment Board

Tuesday 13 February 2018 at 1.00 pm

Minutes

Present

Councillor Izzi Seccombe (Chair)
Nick Abell

Paul Brown

Councillor Robert Hulland
Councillor Majid Mahmood
Councillor Jim O'Boyle
Gary Taylor

Warwickshire County Council
Coventry & Warwickshire Local
Enterprise Partnership
Black Country Local Enterprise
Partnership
Solihull Metropolitan Borough Council
Birmingham City Council
Coventry City Council
Greater Birmingham & Solihull Local
Enterprise Partnership

Item Title No.

69. Minutes

The minutes of the meeting held on 29 January 2018 were agreed as a correct record.

The Director of Finance noted that there was a need to conduct a review of scheduling and ranking. Although funding was available to fund the borrowing against the schemes, it was necessary to be mindful that not all schemes could be currently funded if other income streams were not delivered.

70. Exclusion of the Public and Press

Resolved:

That in accordance with s.100(A) of the Local Government Act 1972, the public and press be excluded from the meeting for the following items of business as it involved the likely disclosure of exempt information relating to the business affairs of a particular person (including the authority holding that information).

71. Commonwealth Games Athletes Village - West Midlands Combined Authority Contribution

The board considered a report from Sean Pearce, Director of Finance, on a proposed contribution from the West Midlands Combined Authority's Brownfield Land & Property Development Fund to help deliver the athletes village required to facilitate the Commonwealth Games 2022.

The Brownfield Land & Property Development Fund invested in individual strategic projects that supported the re-use of brownfield land, buildings and associated infrastructure across the West Midlands Combined Authority area. It was funded by allocations from the Land Remediation Fund totalling £50m and was to be operational between 2017-21. To date, £14.7m had been allocated to five projects in the region.

The funding proposal required the West Midlands Combined Authority to fund the acquisition, relocation, remediation and demolition costs, at a cost of £20.075m, for a village to provide temporary accommodation for some 6,510 athletes, coaches and team administrators. Post-Commonwealth Games modifications would then enable the residential accommodation to become mixed tenure new homes to deliver a legacy uplift for Perry Barr. The proposals had been considered by the Investment Advisory Group on 5 February 2018.

Councillor Majid Mahmood noted that Birmingham was the no. 1 destination for people leaving London and currently had a shortfall of 89,000 housing units. Gary Taylor stressed the importance of ensuring that the housing provided on the site met the needs of post-Commonwealth Games occupation, rather than being designed only for the needs of athletes. This had been a concern with a number of athletes villages provided for previous sporting events. Ian Macleod, Birmingham City Council, indicated that this was a key consideration as part of the process to procure a contractor to deliver the project.

Councillor Robert Hulland noted the need to ensure the region had the necessary skills capacity and technical expertise to deliver this ambitious project. Paul Brown enquired about the governance arrangements that provided the required oversight for the delivery process and Ian Macleod explained that this would be undertaken through the Commonwealth Games Delivery Unit. He undertook to provide the board with further details of governance arrangements of the unit at the next meeting. Councillor Izzi Seccombe requested a general update on the latest developments at the next meeting.

Resolved:

- (1) That Finance Birmingham, the s.151 Officer, Portfolio Lead for Finance & Investments and Monitoring Officer continue to work to conclude the application into the Brownfield Land & Property Development Fund from Birmingham City Council as part of the normal assurance process.
- (2) That the submission of a report to the WMCA Board on 9 March 2018 for the approval of the £20.075m grant proposal be agreed, subject to the issues contained within the report be resolved in line with the Investment Board's expectations.

- (3) That the elements of the bid be approved, with a particular reference to grant conditions A4 as set out within the report, given that this was the first time that this type of expenditure would be funded under the Brownfield Land & Property Development Fund.
- (4) The principle that the contribution would be subject to the successful shortlisting of the Housing Infrastructure Fund announcement, which provided the 39% (£144m) of the overall funding for the village, be endorsed.
- (5) It be noted that the contributions outlined in the report were in addition to the previously agreed £25m West Midlands Combined Authority contribution towards the wider Commonwealth Games budget, which would pass through the normal assurance framework process.
- (6) That it be noted that the approval for the scheme would be based on the outcomes being delivered after 2021, which fell outside the time period indicated in the fund documents.

72. UK Central - Design Costs and Team Costs

The board considered a report from Huw Rhys Lewis, Managing Director of the UK Central Urban Growth Company, on change requests to utilise funding included within the overall programme for HS2 design stage fees, and to fund UK Central staffing and operational costs for the period to March 2023 which would support the development and delivery of all UK Central/Solihull Metropolitan Borough Council sponsored projects at the HS2 Interchange Hub area over this period.

The design of the Solihull HS2 station included a number of elements that would constitute constraints to any development around the station, including an excess of surface car parking, poor connectivity across the track, poor public transport facilities and extensive surface water attenuation. By removing these constraints, the area of land available for development would be significantly increased and would be better connected locally and regionally. HS2 Ltd had committed to co-operate in evaluating and delivering the proposed changes to resolve these issues, subject to the costs associated with this being met by West Midlands Combined Authority funding. It was expected that this would cost £9.0m for HS2 Ltd design stage fees, plus a further £0.8m for monitoring, legal and external project management costs.

The change request in respect of the Urban Growth Company business plan sought to provide retrospective operational funding for the period April 2016 - March 2018, future operational funding for the period April 2018 - March 2023, and to enable the continuation of the utilities assessment and car parking strategy for the UK Central Hub area, commissioned in March 2017. The total cost of this was £10.0m.

Lucy Lee, Solihull Metropolitan Borough Council, confirmed that due diligence had been undertaken on both of these requests. Councillor Robert Hulland considered that the change request relating to the Solihull HS2 station allowed for a better use of the land in question and gave more value to the land requiring to be developed.

Resolved:

- (1) That £9.8m of Devolution Deal funding to deliver changes to the HS2 Solihull station design, as it was defined under the High Speed Rail (London - West Midlands) Act 2017, be approved.
- (2) That £10.0m of Devolution Deal funding be approved to cover the staffing and operational costs of the UK Central Urban Growth Company for the period April 2016 - March 2023.

The meeting ended at 2.25 pm.



Investment Board

Date	13 March 2018
Report title	CDIS – Accountable Body Amendment
Portfolio Lead	Councillor Ian Ward - Economic Growth
Accountable Chief Executive	Deborah Cadman Email: Deborah.Cadman@wmca.org.uk Tel: 0121 214 7200
Accountable Employee	Sarah Middleton Email: sarah_middleton@blackcountryconsortium.co.uk Tel: 01384 471102
Report to be/has been considered by	This project has been approved by the Technical Appraisal Panel, Investment Advisory Group, Leadership Group and Investment Board at Outline Business Case stage. This amended report is to be considered by the Investment Board.

Recommendation(s) for action or decision:

The West Midlands Combined Authority Investment Board is recommended to:

- 1) Agree to assign the Black Country Consortium as the Accountable Body for the CDIS Programme.

This project was approved by the Investment Board on 29 January 2018. However although the Black Country Consortium was stated as accountable body in the OBC, this was not explicit in the Cover Report of 29th January, so specific agreement of this is now requested.

1 Background

- 1.1 The Consortium for the Demonstration of Intelligent Systems (CDIS) was conceived in 2015 by the WMCA Innovation Working Group, a group formed to support Martin Reeves, as WMCA lead officer on innovation at the time, to consider appropriate innovation proposals for DevoDeal 1 and subsequently to steer their development. CDIS was a specific activity proposed in DevoDeal 1.
- 1.2 The WMCA Innovation Working Group, comprising a wide range of partners from across the innovation ecosystem in the West Midlands, has steered the early development of CDIS. Birmingham Science City (BSC), which convened this group,

led the work to develop the CDIS partnership and proposals to the OBC stage, as an independent alliance of innovation organisations from the public, private and university sectors from across the West Midlands.

- 1.3 BSC ceased to exist on 31 December 2017, but a new Innovation Alliance for the West Midlands came into being on 1 January 2018, picking up some of the objectives and actions of BSC, including the ongoing support for developing CDIS. The Accountable body for the Innovation Alliance is the Black Country Consortium.
- 1.4 The aim of the Consortium for the Demonstration of Intelligent Systems (CDIS) is to bring together regional expertise to develop and apply intelligent/ smart systems technology and approaches to solving real and substantial challenges faced by the public and private sector. The process of developing and scaling up solutions to such challenges will lead to the creation of new products, services and applications in the West Midlands, generating competitive advantage and leading to new and growing businesses.
- 1.5 At its heart, CDIS is a progression of collaborative feasibility, pilot and demonstrator activities that will tackle barriers to exploiting intelligent systems to solve the region's challenges in mobility, health and energy, and areas where those sectors interact.
- 1.6 CDIS supports the West Midlands Strategic Economic Plan, and is mentioned specifically in that document, as well as the ambitions stated in the Mayor's 'renewal Plan'. It also provides a good fit with regional strengths and priorities as identified in the recent West Midlands Science and Innovation Audit (WM SIA), and was used as a case study of potential good practice in that report.
- 1.7 CDIS will join up pockets of good practice and support the scaling up of effective innovative products and services from regional companies. CDIS will also connect up and build on the region's innovation excellence in businesses, universities, science and technology parks, NHS Trusts, Local Authorities, Catapult Centres and other business focussed research organisations.
- 1.8 CDIS represents a well-structured, measured, portfolio approach to challenge-led innovation.

2 Accountable Body Recommendation

- 2.0 It is recommended that the project would be delivered by a wide partnership, as above, with the Black Country Consortium as lead partner and accountable body on behalf of the three LEPs in the WMCA geography and the whole partnership.

3 Financial Implications

- 3.1 There are no financial implications as a result of this report

4 Legal Implications

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

5 Equalities Implications

- 5.5 There are no Equalities Implications as a result of this report.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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