



Investment Board

Monday 17 September 2018 at 9.30 am

Minutes

Present

Councillor Bob Sleigh (Chair)
Nick Abell

Portfolio Lead for Finance & Investments
Coventry & Warwickshire Local
Enterprise Partnership

Councillor Mike Bird
Councillor Robert Hulland
Councillor David Vickers

Walsall Metropolitan Borough Council
Solihull Metropolitan Borough Council
Dudley Metropolitan Borough Council

In Attendance

Martin Clayton
David Harris
Liz Grove
Jacob Bonehill
Nick Oakley
Tim Davies
Sukhy Dhanoa
Sean Pearce
Claire Jones
Carl Craney

Solihull Metropolitan Borough Council
Solihull Metropolitan Borough Council
Solihull Metropolitan Borough Council
West Midlands Combined Authority
West Midlands Development Capital
West Midlands Combined Authority
West Midlands Combined Authority

**Item Title
No.**

27. Apologies for Absence (if any)

Apologies for absence had been received from Paul Brown (Black Country Local Enterprise Partnership), Councillor Steve Eling (Sandwell Metropolitan Borough Council), Councillor Patrick Harley (Dudley Metropolitan Borough Council), Councillor Tony Jefferson (Stratford on Avon District Council), Councillor Jim O'Boyle (Coventry City Council), Councillor Brett O'Reilly (Birmingham City Council), Councillor Roger Lawrence (City of Wolverhampton Council) and Sue Summers (West Midlands Development Capital).

Apologies for absence had also been received from Sarah Middleton (Black Country Local Enterprise Partnership), David Cockroft (Coventry City Council) and Ed Bradburn (West Midlands Development Capital).

28. Nomination of Substitutes (if any)

Councillor David Vickers had been nominated as the substitute member for Councillor Patrick Harley (Dudley Metropolitan Borough Council).

29. Declarations of Interests (if any)

The Chair (Councillor Bob Sleigh) and Councillor Robert Hulland declared Non-Pecuniary interests in Agenda Item No. 11 – Change Request – Strategic Outline Business Case (SOC) UKC Infrastructure Phase 1 – Chelmsley Wood Town Centre insofar as they were elected members of Solihull Metropolitan Borough Council.

30. Minutes of last meeting

Resolved:

That the minutes of the meeting held on 20 August 2018 be confirmed as a correct record and signed by the Chair.

31. Matters Arising

With reference to Minute No. 18 (Matters Arising) and with particular reference to the Wednesbury – Brierley Hill Metro Extension scheme, Councillor David Vickers reported that Councillor Patrick Harley, Leader of Dudley Metropolitan Borough Council had written to the WMCA Mayor seeking confirmation of the funding from the WMCA towards this scheme. Sean Pearce confirmed that the WMCA Mayor had received such a letter albeit following the last meeting of the Board and that he understood that a response had been sent.

32. Investment Programme - Update

Sean Pearce presented a report on the status of the Investment Programme to help set out the context for any decisions made by the Board. He advised that an informal session with the Leaders of the Metropolitan Authorities was scheduled to be held on 28 September 2018 to consider prioritisation of the Investment Programme and that a report on this matter would be presented to the next meeting of this Board.

Resolved:

1. That the status of the Investment Programme as detailed in the report be noted;
2. That a report on the funding position with the Wednesbury – Brierley Hill Metro Extension scheme, the contents of the response of the WMCA Mayor to the Leader of Dudley Metropolitan Borough Council on this matter and the outcome of the prioritisation exercise in relation to the Investment Programme be submitted to the next meeting of this Board;
3. That a report on the comprehensive review of the existing governance and assurance framework for the Investment Programme including the recommendations emerging from the Arcadis review and the formalisation of the 'Change Request' process be submitted to the next meeting of this Board;
4. That in the event that any scheme which has been allocated funds by this Board and any such scheme fails subsequently or receives 100% funding from an alternative funding source, the allocated sum be returned to the Investment Programme for re-allocation.

33. Arcadis Review - Update

Sukhy Dhanoa presented a set of slides which updated the Board with the present position with the 'Enhanced Assurance Framework' and responded

to various questions from members of the Board.

Councillor Mike Bird commented that many of the suggested changes were already operated by partner local authorities and Local Enterprise Partnerships and suggested that the best practices of these bodies and especially the Local Enterprise Partnerships be adopted. He outlined the need for a consistent approach across the board to project appraisal. The Chair assured the Board that there was an alignment between the proposed 'Dashboard' and the Assurance Frameworks operated by the Local Enterprise Partnerships. Sukhy Dhanoa explained that there had been a number of changes to the 'Green Book' and that best practice would be used and shared with partners.

In response to a question from Nick Abell, Sean Pearce explained the composition of the Investment Programme and that the proposed overview report would provide greater detail under the proposed revised arrangements. Nick Abell commented on the need for a two way flow of information rather than the Board being requested to allocate additional funds once a point of no return had been reached. Sean Pearce assured the Board that this was an integral part of the revised arrangements.

Resolved:

That the support of the Board to the following principles be agreed:

- Commitment to an Enhanced assurance Framework for the Investment Programme;
- Socialisation / promotion of the above within respective organisations;
- Approval of Enhanced Assurance Framework for Investment programme; and
- Examples of best practice to be provided and shared between partners.

34. WMCA Collective Investment Fund (CIF) - Dashboard

Nick Oakley presented the CIF Dashboard (public iteration) as at 15 September 2018.

Resolved:

That the Dashboard be received and noted.

35. WMCA - Brownfield Land and Property Fund (BLPDF) - Dashboard

Nick Oakley presented the Brownfield Land and Property Dashboard (public iteration) as at 15 September 2015.

Resolved:

That the Dashboard be received and noted.

36. Exclusion of the Public and Press

Resolved:

That in accordance with Section 100A4 of the Local Government Act 1972, the press and public be excluded from the meeting during the consideration of the following items of business as they involve the likely disclosure of exempt information relating to the business affairs

of any particular person (Including the authority holding that information).

37. Change Request Strategic outline Business Case (SOC) - UKC Infrastructure Phase 1 - Chelmsley Wood Town Centre

Councillor Robert Hulland presented a report which detailed a need to delay the consultation exercise on the masterplan to align with that proposed for the Metro extension scheme and on an urgent need to bring forward funding allocated in the Devolution Deal from the UKC Infrastructure Package ahead of the submission of an Outline Business Case (OBC) to enable the early acquisition of a property in Chelmsley Wood Town Centre in order to prevent delays to a potential 'One Public Estate Agenda' case and/or a potential Compulsory Purchase Order. David Harris explained the strategic economic reasons for this unorthodox approach.

Jacob Bonehill, on behalf of Gareth Bradford, WMCA Director of Housing and Regeneration, reported that the application was supported by the WMCA in principle subject to the following:

- i) The provision of a Red Book valuation being provided to the WMCA prior to completion of any acquisition;
- ii) A longstop date to be agreed with the WMCA director of Housing and Regeneration beyond which, should the purchase not be concluded, then the allocation reverting back to the approval in an FBC;
- iii) The income from the rental of the property being payable to the WMCA minus a reasonable management fee being paid to Solihull Metropolitan Borough Council and the WMCA retaining the proportion of any capital value of the leasehold interest, with the mechanism for calculating any capital uplift share from combining the leasehold and freehold interests to be agreed;
- iv) That the interests against the legal title being in favour of the WMCA with a Heads of Terms to be agreed prior to and being presented to the next meeting of this Board.

David Harris and Jacob Bonehill responded to various questions raised by members of the Board including matters pertaining to the remaining length of the lease on the property in question, the condition of the property and obligations for repair, the method of valuation and the availability of independent and in-house qualified surveyors and valuers.

Resolved:

1. That the revised timescale for the submission of the Outline Business Case (OBC) to allow consultation on the masterplan to be aligned with Metro;
2. That agreement in principle for bringing forward of £2.5 million of Devolution Deal funding from the UKC Infrastructure Package requested ahead of Full Business Case (FBC) to enable the early acquisition of property in Chelmsley Wood Town Centre be approved subject to:
 - a) The provision of a Red Book valuation being provided to and agreed by the WMCA prior to completion of any acquisition;
 - b) A longstop date to be agreed with the WMCA Director of Housing

and Regeneration beyond which, should the purchase not be concluded, then the allocation reverting back to the approval in an FBC;

- c) Solihull Metropolitan Borough Council submitting an acceptable proposal to the WMCA for sharing of rental income and capital value change; and
 - d) An agreement in relation to the legal title being reached
3. That delegated authority be granted to the WMCA Director of Housing and Regeneration to conclude the commercial arrangements with Solihull Metropolitan Borough Council in relation to securing the appropriate agreement of matters detailed in 2. above.

38. WMCA Collective Investment Fund (CIF) - Dashboard

Nick Oakley presented the CIF Dashboard (private iteration) as at 15 September 2018.

Resolved:

That the Dashboard be received and noted.

39. WMCA Brownfield Land and Property Development Fund (BLPDF) - Dashboard

Nick Oakley presented the Brownfield Land and Property Dashboard (private iteration) as at 15 September 2015.

Resolved:

That the Dashboard be received and noted.

The meeting ended at 10.26 am.