



Investment Board

Monday 19 October 2020 at 10.00 am

Minutes

Present

Councillor Bob Sleight (Chair)
Nick Abell

Councillor Mike Bird
Paul Brown

Councillor Tristan Chatfield
Councillor Steve Clark
Councillor Karen Grinsell
Councillor Tony Jefferson
Councillor Jim O'Boyle
Councillor Stephen Simkins
Sue Summers
Gary Taylor

Portfolio Lead for Finance & Investments
Coventry & Warwickshire Local
Enterprise Partnership
Walsall Metropolitan Borough Council
Black Country Local Enterprise
Partnership
Birmingham City Council
Dudley Metropolitan Borough Council
Solihull Metropolitan Borough Council
Non-Constituent Authorities
Coventry City Council
City of Wolverhampton Council
West Midlands Development Capital
Greater Birmingham & Solihull Local
Enterprise Partnership

In Attendance

Simon Dancer
Lara Smith

Liam Davies
Richard Lawrence
Gareth Bradford
Carl Craney
Ian Martin
Tim Martin
Carl Pearson
Roger Owen
Ed Bradburn
Nick Oakley
Gerald Gannaway
Kieren Turner-Owen

Amion
Black Country Local Enterprise
Partnership
City of Wolverhampton Council
City of Wolverhampton Council
West Midlands Combined Authority
West Midlands Development Capital
West Midlands Development Capital
West Midlands Development Capital
West Midlands Development Capital

**Item Title
No.**

71. Chair's Opening Remarks

The Chair thanked Members and Officers for joining this virtual meeting of the Investment Board. He asked that any Member wishing to speak on any item should use the appropriate icon on the tool bar or indicate their wish in

the 'chat' box which would be monitored throughout the meeting. Following the consideration of each item contained within the respective report or those made during consideration of the item would assume to be supported unless members made it clear that they dissented.

He advised that Agenda Item No. 6 (SQW draft report headlines) would be considered in the exempt session of the meeting, following the exclusion of the public and press as the matter contained exempt information as defined by Section 100A of the Local Government Act, 1972.

72. Apologies for Absence (if any)

An apology for absence had been received from Councillor Wasim Ali (Sandwell Metropolitan Borough Council).

Apologies for absence had also been received from Sarah Middleton (Black Country Local Enterprise Partnership), Paula Deas (Coventry and Warwickshire Local Enterprise Partnership), Richard Moon and Andy Williams (Coventry City Council) and Linda Horne (West Midlands Combined Authority).

73. Notification of Substitutes (if any)

No notifications of substitute members had been received.

74. Declarations of Interests (if any)

Nick Abell declared personal interests in Agenda Item Nos 11 (Chase Midlands Estates Ltd. – Collective Investment Fund (CIF) Loan Extension Request) and 13 (CDP Developments Ltd. – Abbots Lane – Collective Investment Fund (CIF) Loan extension Request) as the applicants were known to him and his Company were acting or had acted previously on their behalf).

75. Minutes of last meeting

Resolved:

That the minutes of the meeting held on 21 September 2020 be confirmed as a correct record and signed by the Chair.

76. Investment Programme Update and Dashboard

Ian Martin presented a report on the status of the Investment Programme to assist the Board in setting out the context for any investment decisions to be made by the Board.

He reported that approved funding from the WMCA investment Programme for programmes totalled £776.7 million (as at 30 September 2020) compared to £768.7 million as at 31 August 2020) with funding drawn down / incurred against these projects as at 31 August 2020 totalling £212.9 million. This was consistent with the expectations as at 8 November 2019 when the WMCA board had agreed to hold approvals at the current affordable limit of £801 million. Since the last report the following business cases had been approved:

- UK Central HS2 Interchange – Arden Cross Multi-Storey Car Park (OBC): £5.42 million;
- Commonwealth Games 2022 – Tourism, Trade and Investment

- Programme: £2.6 million; and
- Change request regarding the allocation of indirect costs of UK Central Infrastructure Programme Phases 1 & 2. He advised that it should be noted that no further monies had been requested, but small reallocations of costs between projects and changes to completion dates had been approved by Statutory Officers.

Nick Abell expressed surprise at the reference to the Tourism, Trade and Investment Programme was referred as relating to the Commonwealth Games as his understanding, from the last meeting, was that this had related to an extension of funding to the West Midlands Growth Company. Ian Martin explained that the WMCA was the Accountable Body with the West Midlands Growth Company acting as the Delivery Body for TTI which related to activities leveraging the CWG. Nick Abell commented that this was not made clear on the Dashboard and that it appeared that the sum referred directly to expenditure for the Commonwealth Games. Ian Martin undertook to address this issue and would instruct this to be made clear on the Dashboard going forward.

Ian Martin referred to the Investment Programme Dashboard and advised that this now contained 61 projects some of which were capable of division into separate sub-projects. Of the 61 projects, four were currently rated in the 'RED' category, as follows:

- HS2 Hybrid Act Change (HS2 Parallel Designs);
- Strategy, Utilities, Land Value, Car Parking (UKC);
- Coventry City Centre South; and
- A46 Stoneleigh Junction (A46 Link Road Phase 1).

He reported that the first two schemes would be subject to change request to be considered at future meetings, that the Coventry City Centre South scheme had been the subject of a presentation at the last meeting with a change request anticipated and that DfT funding had now be confirmed for the A46 scheme with a change request to be submitted for consideration at a future meeting.

Resolved:

1. That the status of the Investment Programme delivery as detailed in the report be noted;
2. That the progress of the Devolution Deal five-year gateway review be noted;
3. That the Investment Programme funding status be noted;
4. That the role of the West Midlands Growth Company as the Delivery Body for the Tourism, Trade and Investment Programme for the Commonwealth Games be made clear in future reports.

77. WMCA Collective Investment Fund (CIF) - Dashboard

The Board considered the WMCA Collective Investment Fund (CIF) Dashboard (public iteration) as at 1 October 2020. Nick Oakley reported that £53 million was waiting to be drawn down from the Collective Investment Fund (CIF) and the Revolving Investment Fund (RIF) with some schemes suffering delays in the grant of planning permission due to the Covid-19 pandemic or through that cause generally. All schemes were being

monitored closely.

Resolved:

That the Dashboard be received and noted.

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

The Board considered the WMCA Brownfield Land and Property Dashboard (public iteration) as at 1 October 2020.

Resolved:

That the dashboard be received and noted.

79. WMCA Revolving Investment Fund (RIF) - Dashboard

The Board considered the WMCA Revolving Investment Fund (RIF) Dashboard (public iteration) as at 1 October 2020.

Resolved:

That the Dashboard be received and noted.

80. 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).

81. SQW draft report headlines

Ian Martin reminded the Board of the report to the last meeting on this matter and that due to timings for the circulation of the Agenda and supporting papers and in order to meet statutory deadlines it had not been possible to present a written report on this matter to this meeting. The initial draft report from SQW had been received on 9 October 2020 and that the Officers would prepare a complimentary report to address any concerns raised in the draft report. As agreed at the last meeting of the Board this would be reviewed by the Chair together with Councillor Tristan Chatfield and Nick Abell. Both the draft report and the complimentary report would be presented to the next meeting. The WMCA would only be able to request changes to factual errors in the SQW report, with the complimentary report being a WMCA document.

From an initial consideration, the draft report was positive and commended the role of the Investment Board and the Investment Fund in bringing the region together.

Resolved:

That the report be noted.

82. Chase Midlands Estates Ltd. - Collective Investment Fund (CIF) Loan Extension Request

Gerald Gannaway presented a report which sought agreement to a 'holding'

extension on an existing development loan. The original project had been speculative but was now fully let and producing income. He outlined the proposed repayment mechanism including the introduction of formal loan covenants to include Loan to Value, interest Cover and cash sweep. He responded to various questions from members of the Board. Councillor Stephen Simkins queried whether agreement to the request would set a precedent and whether a policy should be developed to address similar requests. Ian Martin explained that the loans were treated on their individual merits and on that basis, it would be difficult to develop an appropriate policy.

Resolved:

1. That the request for a 'holding' extension on the development loan term from 31 December 2020 until 31 December 2021 be approved on the terms and conditions detailed in the report;
2. That further consideration be given to the development of an appropriate statement of support concerning extensions to loans where these would stand on their merits but support developers.

83. Warmflame, Warstock Road - Collective Investment Fund (CIF) Request

Ed Bradburn presented a report which sought approval to a CIF loan and on the proposed terms and conditions. He responded to various questions from members of the Board. Nick Abell spoke in support of the proposal but questioned the number of loans which anyone Company could be eligible to apply for. Ian Martin reminded the Board of its policies in relation to Concentration Risk. This was the total value of loans to anyone Company, and that, in this particular case, the application would require the endorsement of the WMCA Board. Given the small increment over the threshold for approval being £10.1 million over trigger of £10 million, Ian Martin suggested that this be dealt with by a record in the minutes which were considered by the WMCA Board.

Resolved:

That the WMCA Board be recommended to approve the CIF loan on the terms and conditions detailed in the report and this be dealt with by means of the minutes to be presented to the WMCA Board for ratification.

84. CDP Developments Ltd., Abbots Lane - Collective Investment Fund (CIF) Loan Extension Request

Nick Oakley presented a report which sought approval for the rollover of an existing CIF loan for a further 24-month period to facilitate planning, on-site remediation and public works infrastructure works and on the proposed terms and conditions for repayment.

Resolved:

That the rollover of the existing CIF loan for a 24-month period be approved on the terms and conditions detailed in the report.

85. Stone Yard, Birmingham

Gareth Bradford introduced this item and gave the Board a broad outline of the Land Fund which had been established under the March 2018 Housing

Deal on the back of the 2017 Devolution Deal. The Land Fund was administered under a Framework approved by this Board, the Housing and Land Delivery Board and the WMCA Board in March 2019 (known as the Single Commissioning Framework). The framework had come into effect in April 2019 and the Land Fund requirements were included within it.

Simon Dancer presented a report which sought approval to grant funding to support the development which would bring forward 995 housing units, including 20% affordable provision. Gareth Bradford and Simon Dancer responded to various questions from members of the Board. Points raised included the possibility that the development could act as a catalyst for other developments in the local area including the Enterprise Zone, the contribution of the project to achieving the housing start requirements and intervention rates set by Government for the Land Fund, the original costs of land acquisition, the likely Operator of the build to rent element of the scheme, the use of the funding sought to obtain vacant possession of the site, the possibility of the development being phased, assurances on build out and deliverability of the scheme and clawback of grant in the event of non-delivery.

Gary Taylor advised that he had not had sufficient opportunity to request sight of the appendices to the report which were available on request as agreed previously by this Board but undertook to seek sight of these papers following the meeting and raise any points with Simon Dancer direct.

Councillor Jim O'Boyle suggested that regular reports on progress with this scheme should be submitted to future meetings of the Board. Gareth Bradford advised on the requirements to report on a monthly basis to both Homes England and the Government on Land Fund schemes and Brownfield Land schemes and that he would be happy to make any reports available to this Board alongside the updates to the Housing and Land Delivery Board on the Housing Deal and the Land Fund as part of that. Councillor Mike Bird commented that as the date of commencement for this particular scheme was not until Quarter 2 2021, progress reports should commence after that date.

Resolved:

That subject to the various points detailed in the report:

1. That grant funding as detailed in the report from the WMCA's devolved housing and land funds to support the Stone Yard project in Digbeth, which would bring forward 995 housing units, including 20% affordable provision - against the WMCA's approved regional affordable housing definition, be approved;
2. That it be noted that the funding was fully compliant with the WMCA Single Commissioning Framework approved by this Board, the Housing and Land Delivery Board and the WMCA Board in March 2019 and which had been operational since 1 April 2019.
3. That it be noted also that the scheme had progressed through each SCF Gateway Approval point on the way to this Board;
4. That it be noted that the funding was fully compliant with the requirements set by Central Government for devolved housing and

land funds administered by the WMCA;

5. That it be noted that the report had been co-developed with Officers from Birmingham City Council, the Local Planning Authority for the scheme;
6. That regular progress reports be submitted to this Board in respect of this scheme following commencement of works and on other Land Fund and Brownfield Fund schemes.

86. WMCA Collective Investment Fund (CIF) - Dashboard

The Board considered the WMCA Collective Investment Fund (CIF) Dashboard (private iteration) as at 1 October 2020.

Resolved:

That the Dashboard be received and noted.

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

The Board considered the WMCA Brownfield Land and Property Development Fund (BLPDF) Dashboard (private iteration) as at 1 October 2020.

Resolved:

That the Dashboard be received and noted.

88. WMCA Revolving Investment Fund (RIF) - Dashboard

The Board considered the WMCA Revolving Investment Fund (RIF) Dashboard (private iteration) as at 1 October 2020.

Resolved:

That the Dashboard be received and noted.

89. Land and Property Investment Fund (LPIF)

Lara Smith presented the Land and Property Investment Fund (LPIF) Dashboard as at 1 October 2020. She reported on the current position with the Music Institute which had partnered with the Arts Council and Black Country Radio and on the Goscote Lane Residential Development Scheme. She advised that a change request was being prepared for submission to a future meeting to extend the funding for LPIF as a whole beyond March 2021.

Resolved:

That the Dashboard and report be received and noted.

The meeting ended at 11.20 am.