



Investment Board

Monday 15 August 2022 at 11.00 am

Minutes

Present

Councillor Bob Sleigh (Chair)	Portfolio Lead for Finance & Investments
Councillor Karen Grinsell	Solihull Metropolitan Borough Council
Councillor Tony Jefferson	Non-Constituent Authorities
Councillor Jim O'Boyle	Coventry City Council
Councillor Stephen Simkins	City of Wolverhampton Council
Nick Abell	Coventry & Warwickshire Local Enterprise Partnership
Gary Taylor	Greater Birmingham & Solihull Local Enterprise Partnership

In Attendance

Item No.	Title
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37.	Apologies for Absence
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Apologies for absence were received from Councillors Bird, Clark, Jones and Sue Summers.

38.	Notification of Substitutes
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Councillor Saleem was nominated as a substitute on behalf of Councillor Clark.

39.	Minutes - 18 July 2022
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The minutes of the meeting held on 18 July 2022 were agreed as true record.

40.	Investment Programme Update and Dashboard
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The board considered a report of the Director of Investment and Commercial Activities on the status of the Investment Programme to help set the context of any investment decision being made by the board.

Ian Martin, Director of Investment and Commercial Activities provided an update on the Investment Programme and Investment Programme Dashboard.

He reported that approved grant funded awarded and administered by the WMCA within the Regional Investment Programme totals £858.5m as at 31 July 2022.

Ian Martin advised that further to the last meeting on 18 July, WMCA Statutory Officers approved a Change Request submission under delegated authority for the NEC Longabout project to amend the project completion date to 31 December 2022, and award a further £1.2m of grant funding from the WMCA Investment Programme moved from a related project.

It was noted that the existing Investment Programme grant funding awarded for Roundabout Over-Trace project was correspondingly reduced by £1.2m as a result of the same change request submission.

Councillor Simkins commented that more Change Requests would be needed given inflationary pressures and the increase material costs and enquired as to how Change Requests are dealt with and how they fit into the governance processes.

The Director of Investment and Commercial Activities advised that a report on the subject was submitted to the board recently [25 April] and undertook to forward a copy of the report to Councillor Simkins.

Councillor Simkins noted the Single Commissioning Framework (SCF) was being re-assessed and enquired as to whether an update on this could be provided for the board as he was particularly interested as to how the SCF would fit within the wider governance process.

Ian Martin reported that the Single Commissioning Framework was developed by the Housing and Land Team and was therefore unable to comment on this issue as this was a matter for Gareth Bradford, Executive Director Housing, Property and Regeneration.

The Chair reported that the issue would be noted in the minutes so the matter could be reported back to a future meeting.

Resolved:

1. Approval under delegated authority by WMCA Officers of the business case submission disclosed at section 3 of the report be noted;
2. The WMCA Investment Programme funding status and current affordable limit, as outlined at Section 4 of the report be noted;
3. The the status of the City Region Sustainable Transport Settlement ("CRSTS"), as outlined at Section 4 of the report be noted and
4. The Regional Investment Programme delivery update detailed within this report and appendices (including the project-level summary within the WMCA Investment Programme dashboard at Appendix 4) be noted.

41. WMCA Position regarding Funding & Investments in relation to Overseas or Offshore Companies

The board considered a briefing note of the Interim Director of Law and Governance that sets out the WMCA's guidelines for dealing with offshore and/or overseas companies. The report was prompted by a recent proposal and the subsequent request from the board for appropriate guidance to be prepared and was submitted for information only.

The report outlined how investments or grants are made, the due diligence undertaken on beneficiaries, guarantees and, general principles for investments in overseas and offshore companies.

The Director of Investment and Commercial Activities, Ian Martin thanked the board for asking for the paper that has informed the WMCA's thinking in this area and clarifies the approach that would be taken when considering investment proposals from overseas or offshore companies.

The Chair alerted the board to the governance arrangements and the different due diligence processes (section 4.6) that would apply for overseas/offshore companies.

Nick Abell noted the importance of not just focusing on the financial transaction but also examining the financial arrangements of the company seeking investment to ensure any investment does not go overseas.

Councillor Simkins considered the paper should be submitted to the WMCA Board with a recommendation.

The Director of Investment and Commercial Activities advised that the report was not a policy change but was seeking to clarify the WMCA's position when dealing with investments requests from overseas/offshore companies.

Councillor O' Boyle reported that he was happy with the approach outlined noting that local authorities frequently do business with overseas/offshore companies who provide employment/regeneration opportunities for their local area and decisions would be taken on a case- by- case

Resolved: The contents of the report be noted.

42. WMCA Collective Investment Fund (CIF) - Dashboard

The board considered a report of the Collective Investment Fund dashboard (public iteration) as at 1 August 2022.

Resolved: That the report be noted.

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

The board considered a report of the Brownfield Land and Property Development Fund dashboard (public iteration) as at 1 August 2022.

Resolved: That the report be noted.

44. WMCA Revolving Investment Fund (RIF) - Dashboard

The board considered a report of the Revolving Investment Fund dashboard (public iteration) as at 1 August 2022.

Resolved : That the report be noted.

45. 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 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).

46. cEMV Contactless Broker Outline Business Case

The board considered a report of the Executive Director, Transport for the West Midlands (TfWM) that sought agreement for the immediate drawdown of £4.6m to enable the cEMV Broker Project to progress from Outline Business Case to Full Business Case.

The Head of Swift, Matt Lewis outlined the report and explained the need to establish a standard for the secure transfer of data across public transport operators across the UK. He explained that outside of London which is regulated, an agreed solution is required to provide customers with the best value fares for public transport journeys when using bank cards across multiple operators or on different modes.

The Head of Swift reported on the proposed solution (broker system) that has been developed with Midlands Connect which is supported by the Department for Transport and that City Region Sustainable Transport Settlement (CRSTS) funding would cover the capital up-front costs of delivery.

It was noted that a Special Purpose Vehicle would be set up for the delivery of the project that would deploy the solution over a minimum area, the West Midlands Metropolitan Area and Nottingham City; the delivery and operating approach is supported by bus operators.

In relation to an enquiry from Councillor O' Boyle regarding utilising CRSTS funding for the project and whether Nottingham would be providing a financial contribution, Matt Lewis advised that Nottingham was unable to provide any funding and it was not part of a combined authority and did not qualify for CRSTS funding. He added that the project needed Nottingham to participate

to ensure it was commercially viable; the project could not go ahead in the West Midlands alone. Also, Midlands Connect wanted to see Nottingham included as they had invested significant sums of money along with TfWM into this initiative.

In relation to an enquiry from Councillor Grinsell regarding whether people would still be able to use cash on public transport, the Head of Swift confirmed cash fares would still be accepted. He advised that additional Swift vending machines would also be installed to enable people to convert cash into a Swift card thereby benefiting from cheaper fares.

Resolved:

That the drawdown of £4.6m of City Region Sustainable Transport Settlement (CRSTS) from £18m allocation within the overall approved CRTS programme, to take the cEMV broker from Outline Business Case to Full Business Case as set out in the report be agreed.

47. Spencer Yard

The board considered a report from West Midlands Development Capital (WMDC) that sought approval for loan funding from the Collective Investment Fund (CIF) for the sum specified in the report for the 'Company' to facilitate the regeneration of a site off Spencer Street in the centre of Leamington Spa that would deliver 18, 198 sq. ft of new office space and educational space aimed the digital and creative sector

The development would regenerate 3 vacant depilated properties (nursery, crown building and united reform church) creating c.140 jobs and c. £179k of new business rates.

It was noted the 'Company', has entered into a collaborative agreement with Warwick District Council (for 10 years from 2017 with an option to extend for a further 5 years) the freeholder of the site and buildings, who have agreed to grant the 'Company' a 250 year long lease.

In relation to an enquiry from the Chair regarding the security of the loan, Ed Bradburn (WMDC) reported that a headlease would be in place and security would be held by way of debenture over the company along with the appropriate collateral warranties.

The Director of Investment and Commercial Activities, Ian Martin reported that he was comfortable with these arrangements.

Resolved: That a loan from the Collective Investment Fund (CIF) to 'the Company' for the sum specified in the report, to facilitate the development of Spencer Yard be approved.

48. Abbotts Lane

The board considered a report from West Midlands Development Capital that sought approval to extend the existing Collective Investment Fund (CIF) loan to the 'Company' for a further 24 months to facilitate planning, on site remediation and public realm improvement works at the property in order to deliver c.730 residential units 7653 sq. m commercial space in the centre of Coventry. The existing loan facility expires on 31 October 2022.

The board noted that existing loan was originally approved in 2017 for the purchase of 8 units at 31 Lane, ex National Grid site for the intention of bringing forward 8 light industrial/commercial units and was extended again in September 2020 to allow a detailed proposal to be worked up. Following Covid delays and a re-working of the scheme to provide for residential development, outline planning for the entire site is expected September 2022.

In response to Councillor Grinsell's enquiry as to whether there was certainty the development would be built given the original approval date of 2017, Ed Bradburn reported that as soon as planning approval is granted for the new scheme he was confident it would be built.

Resolved:

That the existing CIF loan, specified in the report, be extended to the 'Company' for a further 24 months to facilitate planning, on site remediation and public realm improvement works at the Property in order to deliver c730 residential units 7635 sq. m commercial space in the centre of Coventry be approved.

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

The board considered a report setting out the dashboard for the Brownfield Land and Property Development Fund (private iteration) as at 1 August 2022.

Nick Oakley (WMDC) provided an update on the drawn schemes and clawback.

In relation to the schemes not drawn, the Chair reported that it would be helpful for the board to receive an update report on how these schemes are operating and to ascertain whether funding could be allocated elsewhere if appropriate.

The Director of Investment and Commercial Activities undertook for a report on undrawn schemes to be submitted to the next meeting.

Resolved: That the report be noted.

50. WMCA Collective Investment Fund (CIF) - Dashboard

The board considered a report setting out the dashboard for the Collective Investment Fund (private iteration) as at 1 August 2022.

Resolved: That the report be noted.

51. WMCA Revolving Investment Fund (RIF) - Dashboard

The board considered a report of the Revolving Investment Fund (private iteration) as at 1 August 2022.

Resolved: That the report be noted.

52. Land and Property Investment Fund (LPIF)

The board considered a report of the setting out the dashboard for the Black Country Land and Property Investment Fund as at 1 August 2022.

Resolved: That the report be noted.

53. Housing & Land Fund Dashboards

The board considered the Housing and Land Fund Dashboards that provided updates on the three funds; Brownfield Housing Fund, National Competitive Fund and Land Fund since the last meeting.

The Chair reported that it would be helpful if the dashboard reports included a column on the amount of drawn going forward.

The Head of Strategy and Analysis, Rob Lamond undertook to provide the information requested from the next meeting.

Resolved: That the report be noted.

The meeting ended at 12.27 pm.