



**Investment Board**

**Wednesday 29 March 2023 at 10.15 am**

**Minutes**

**Present**

Councillor Bob Sleigh (Chair)  
Councillor Mike Bird  
Councillor Karen Grinsell  
Gary Taylor

Portfolio Lead for Finance & Investments  
Walsall Metropolitan Borough Council  
Solihull Metropolitan Borough Council  
Greater Birmingham & Solihull Local  
Enterprise Partnership

**In Attendance via MS Teams**

Councillor Steve Clark

Dudley Metropolitan Borough Council

**Item Title  
No.**

**121. Apologies for Absence**

Apologies for absence were received from Councillor Tony Jefferson (non-constituent authorities), Councillor Brigid Jones (Birmingham), Councillor Jim O' Boyle (Coventry), Councillor Bob Piper (Sandwell), Councillor Stephen Simkins (Wolverhampton), Nick Abell (Coventry & Warwickshire LEP), Paul Brown (Black Country LEP) and Sue Summers (West Midlands Development Capital).

**122. Minutes - 9 January 2023**

The minutes of the meeting held on 9 January 2023 were agreed as a correct record.

**123. Investment Programme Update**

The board considered a report from the Director of Commercial & Investment on the status of the Investment Programme to help set the context for the investment decisions being made.

The report provided an analysis of the overall regional Investment Programme expenditure, funded by both grants administered by the WMCA and match funding sources. Approved grant funding awarded and administered by the WMCA to programmes within the regional Investment Programme totalled £853.7m as at 28 February 2023. The report also set out the submissions approved since the last meeting of the board.

In relation to the Change Request for Coventry City Centre South approved at the Board meeting 17<sup>th</sup> October 2022, the Director of Commercial & Investment, Ian Martin, provided an update and request. He reported that the commercial contract with the developer is due to be signed shortly, with the project start date expected in early 2024 and a new target construction completion date of April 2036. In order to prevent delay in completing the contract between Coventry and the Developer he requested that if any of the dates need to change to reflect the commercial negotiations, authority be delegated to the Section 151 Officer and Investment Board Chair to amend the dates for this contract accordingly. The request was agreed by the board.

Resolved:

1. Approval under delegated authority by WMCA Officers of the business case submissions disclosed at Section 3 of the report be noted;
2. The WMCA Investment Programme funding status and current affordable limit as outlined in Section 4 of the report be noted;
3. The Regional Investment Programme delivery update detailed within the report and appendices (including the project-level summary within the WMCA Investment Programme dashboard at Appendix 4) be noted and
4. Approval be given for authority to be delegated to the Section 151 Officer and Investment Board Chair to agree a change in dates, if required, to the contract for Coventry City Centre South.

**124. Update Report: City Region Sustainable Transport Settlement - Quarter 3 FY 2022-23**

The board considered a report of the Executive Director of Transport for the West Midlands that provided an update on the status of the City Region Sustainable Transport Settlement ('CRSTS') to help set the context of any investment decisions being taken by the board.

The Head of Transport & Intelligence, Carl Beet provided an update on progress on CRSTS programme including funding approved since the last update report (Q2 CRSTS). He also reported on the key capital pressures that were recently reported to the WMCA Board and the potential for CRSTS funding to bridge any funding gaps.

In relation to the key risks, the Chair noted that over half of projects (55%) are currently reported to finish delivery in the final year of the programme with 39% reported to complete in the final quarter of the programme.

Councillor Bird expressed concern on the overspend of transport schemes and the need to prioritise schemes.

Resolved:

1. The City Region Sustainable Transport Settlement change control application submitted to the Department for Transport, set out at Section 4 of the report be noted;

2. The monitoring and evaluation requirements associated with the City Region Sustainable Transport settlement set out at Section 5 of the report be noted;
3. The programme monitoring plans set out at Section 6 of the report be noted and
4. The Quarter 3 FY22-23 progress reported at Section 7 of the report be noted.

**125. WMCA Collective Investment Fund (CIF) - Dashboard**

The board considered a report detailing the Collective Investment Fund Dashboard (public iteration) as 1 March 2023.

Resolved: That the report be noted.

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

The board considered a report detailing the Brownfield Land and Property Development Fund dashboard (public iteration) as at 1 March 2023.

Resolved: That the report be noted.

**127. WMCA Revolving Investment Fund (RIF) - Dashboard**

The board considered a report of the Revolving Investment Fund dashboard (public iteration) as at 1 March 2023.

Resolved: That the report be noted.

**128. SMBC UK Central Investment Programme Rebasing Change Request**

The board considered a report of the Acting Chief Executive Solihull MBC, that sought approval for a Change Request for programme wide rebasing of the UK Central Infrastructure Programme.

The Head of Growth Programmes, Alan Smith, presented the report and advised the board that the Change Request was for the whole UKC IP programme which has been impacted directly or indirectly by Covid-19. He reported that there was no change to the scope, impacts, benefits, or risk impacts to the programme. The Change Request did not include the Accelerated Housing Programme; a Change Request for this would be submitted to the board in due course.

The Chair noted that commentary was provided for each of the 21 projects in the programme and reported that the board would continue to monitor these closely.

Resolved: That the SMBC UK Central Infrastructure Programme- Programme Wide Rebasing Change Request be approved.

[NB Councillor Bob Sleight declared a non-pecuniary interest in this item due to him being a board member of the Solihull Urban Growth Company]

[NB Councillor Karen Grinsell declared a non-pecuniary interest in this item due to her being a board member of the Solihull Urban Growth Company]

**129. Change Request for Coventry Station Masterplan Phase 3**

The board considered a report of the Interim Joint Chief Executives of Coventry City Council that sought approval of a Change Request for Coventry Station Masterplan and in particular, the removal of the long stop date of March 2023 for delivery of the NUCKLE 1.2 bay platform element from Coventry Masterplan funding agreement and agreement to a revised long stop date of December 2031.

The Director of Transportation & Highways (Coventry City Council), Colin Knight, presented the report and advised the committee that whilst the City Council is very committed to increasing rail services between Coventry and Nuneaton, alternative strategies were proposed that would achieve this objective through timetable changes and/or services from Coventry East, removing the need for the bay platform infrastructure at Coventry Station.

Colin Knight explained the background to the current position and reported that the outcomes of Network Rail's GRIP3 study meant the scheme was not economically viable in its current form which would prevent it being taken forward to the DfT to bid for funding. Additionally, Network Rail's proposal for a new station at Coventry East required remodelling track layouts to be undertaken at either side of Coventry Station which would result in abortive works if the bay platform was delivered in advance of these works. He advised if built, Coventry East Station would have the capacity to provide additional services on the Coventry to Nuneaton Line and that Coventry City Council was working with Midlands Connect and partners to look for a long-term solution.

The Director of Commercial and Investment, Ian Martin reported that it was difficult to comment on as the £10m cost overrun on Coventry Station Masterplan, specifically the multi-storey car park, was funded by switching the £10m allocated to the Bay Platform and dealt with via a Change Request previously approved by the Board. In responding to HMG monitoring of the Devolution Settlement, as the accountable bodies, Coventry City Council and WMCA must prove £39.4m has delivered the benefits identified in the original business plan and demonstrate the impacts.

Councillor Clark considered that the scheme seems unaffordable in its current form and questioned the purpose of pushing back the delivery date by 8 years whilst retaining £10m of funding, when the funding could be utilised elsewhere with outputs delivered sooner.

Colin Knight advised that the previous Change Request agreed for £10m to be spent on phases 1 and 2 and, Coventry City Council would be bound by the report recommendations to deliver the bay platform or equivalent infrastructure to deliver additional services on the Coventry to Nuneaton Line. He added that in light of the strategic reviews being undertaken by Network Rail, WMRE and work by Midlands Connect, there were a number of funding options that were being pursued but Coventry City Council would remain committed to delivering enhanced services on the Coventry to Nuneaton Line and was requesting an extension to the date by which all the outputs would be delivered.

Councillor Clark added that he felt the funding could be utilised first elsewhere during the course of the eight years.

Councillor Bird reported that the project date for the delivery of the bay platform had changed many times already and given rising costs, it was very unlikely the project could be developed within the funding envelope unless funding could be found elsewhere.

Councillor Grinsell reported that a decision would be needed before December 2031 and questioned Coventry City Council's proposed recommendation that referred to providing the bay platform or 'an alternative piece of infrastructure'.

Colin Knight reported that the alternative infrastructure could be a turnback facility at Coventry East Station that provides additional rail services so the bay platform is not required.

The Chair reported that it is difficult to determine what the benefits would be in the future and that there were various potential solutions without confirmation of a specific funded one. He noted that whilst the board could agree the long-stop date of 2031, he proposed a formal review be undertaken and this be reported back to the board in March 2025 with a board decision required to continue to 2031 at that time.

Councillor Bird reported that he was happy for Coventry City Council to pursue alternative funding but was not happy with the 2031 date to hold over £10m which could be spent on other transport projects. He asked that Coventry City Council seek alternative funding sources and state the progress made as part of the review.

Gary Taylor reported that he would want to see progress and would support the recommendation subject to funding reverting back to the WMCA if no progress is made.

The Director of Commercial and Investment summarised that a review must demonstrate a clear way of securing funding and put forward a strategic direction of employing funds.

The Chair referred to the recommendations in the report and advised that the board could not agree the alternative recommendation proposed by Coventry City Council of 'an equivalent piece of infrastructure'. The board agreed to the recommendations put forward by the Investment Panel along with the additional recommendation of a review being undertaken in 2025.

Resolved:

1. The replacement of the long stop date of March 2023 for delivery of the NUCKLE 1.2 bay platform element from the Coventry Station Masterplan funding agreement and a revised long stop date of December 2031 be approved subject to recommendation 3;

2. The provision of the bay platform remains a committed output of the Coventry Station Masterplan which Coventry City Council are accountable for delivering and will ensure that £10m allocated for that element for the project is available if required or will recredit the Investment Programme by that amount be noted and
3. The recommendations above be subject to Coventry City Council undertaking a review of the bay platform project, to include seeking alternative strategies for funding and this be reported to Investment Board by March 2025 with approval required to continue with the long stop date of December 2031.

**130. 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 person (including the authority holding that information).

**131. Business Justification Case- Home Upgrade Grant 2**

The board considered a report of the Executive Director of Strategy, Integration and Net Zero, that sought approval for the use of up to £16.082m of grant funding from the Department for Business, Energy and Industrial Strategy now, Department of Energy Security and Net Zero, via Midlands Net Zero Hub (MNZH) to deliver the Homes Upgrade Grant 2 (HUG 2) programme, subject to formal agreements from Birmingham City Council, Dudley Metropolitan Borough Council, Sandwell Metropolitan Borough Council and Rugby Borough Council.

It was noted that grant funding would retrofit off gas properties (around 800 properties on average) and the project would run for 2 years from April 2023 to 31 March 2025. The Affordable Warmth Delivery Manager confirmed that he had recently been informed the grant award had been successful.

The Chair reported that the Investment Panel were keen to ensure members of the public taking up such measures are aware that they would be responsible for the cost of future maintenance and upkeep of the replacement heating system installed.

The Affordable Warmth Delivery Manager, Matthew Eccles, confirmed property owners would be advised of their responsibilities and that any warrantees would sit with the property owner.

Resolved:

1. The use of up to £16.082m grant funding from the Department of Business, Energy and Industrial Strategy (BEIS) via the Midlands Net Zero Hub (MNZH) to deliver the Homes Upgrade Grant 2 (HUG2) be approved subject to the acceptance of suitable terms and conditions be approved;

2. The funding amounts are also subject to formal agreements from Birmingham City Council, Dudley Metropolitan Borough Council, Sandwell Metropolitan Borough Council and Rugby Borough Council for the WMCA to deliver using their HUG2 allocation (Birmingham £10,527,000; Dudley £1,881,000; Sandwell £2,475,000 and Rugby £1,199,000) be noted;
3. The grant funding from BEIS via MNZH to support the delivery of the Smart Hub objectives to develop the retrofit supply chain and improve efficiencies and standards of housing in the region be agreed and
4. That authority be delegated to the Executive Director of Strategy, Integration and Net Zero, in consultation with the WMCA Section 151 Officer and Monitoring Officer in discussion with the Portfolio Lead to carry out commissioning of the Home Upgrade Grant 2 be approved.

**132. Business Justification Case - Social Housing Decarbonisation Fund Wave 2.1**

The board considered a report of the Executive Director of Strategy, Integration and Net Zero that sought approval for the utilisation of Social Housing Decarbonisation Wave 2.1 grant funding from the Department for Business, Energy and Industrial Strategy (BEIS) now the Department of Energy Security and Net Zero subject to the WMCA's acceptance of the terms and conditions.

The Retrofit Programme Manager, Rob Johnson presented the report and advised the board that since the report was submitted, he had received notification that the grant award has been successful, but the amount was £17.8m and not £18.07m as stated in the report.

It was noted that this programme was similar to the programme considered earlier on the agenda (Business Justification Case – Home Upgrade Grant 2) with the funding allocated to social housing providers and the WMCA acting as the Consortium lead for 15 Registered Providers of social housing. Grant funding would enable 2076 homes across the region to receive retrofit measures to make homes warmer and more energy efficient and reduce fuel bills for tenants. The Registered Providers (RPs) would each contribute match funding of £34.69m and are required to provide a level of commitment throughout the application process.

In relation to an enquiry from Councillor Grinsell as to how the WMCA would allocate the grant funding between the Registered Providers, the Retrofit Manager advised that the Registered Providers submit their own figures and business case to the WMCA based on an appraisal assessment of their housing stock.

Resolved:

The use of £17.8m Social Housing Decarbonisation Fund Wave 2.1 grant funding from the Department of Business, Energy and Industrial Strategy (BEIS) subject to acceptance of suitable terms and conditions be approved (the grant to be used to manage a consortium of Registered Providers of social housing to deliver retrofits in over 2,000 affordable homes across the West Midlands region and to undertake necessary recruitment and procurement activity to support the consortium in achieving its objectives).

**133. Great Hampton Street Button Works**

The board considered a report of West Midlands Development Capital (WMDC) that sought approval for loan from the Revolving Investment Fund (RIF) for the sum stated in the report and grant funding for the amount stated from the Land Fund to bring forward a redevelopment of a semi-derelict listed building into 29 quality residential apartments for rental.

The site is located on a main arterial route in the Jewellery Quarter and the proposals have been developed in consultation with Birmingham City Council and have taken on board comments from BCC, Historic England, and The Victorian Society.

Gerald Gannaway (WMDC) reported that the loan was low risk and that the developer intended to hold the property as an investment.

Gary Taylor reported he was supportive of this investment but enquired as to whether appraisals for build to rent investments were accurate given the increase in interest rates.

The Director of Commercial and Investment reported that the 'Red Book' valuation would be on the basis of a security valuation and that the WMCA could sell the investment. This would be the WMCA's exit through the sale of the property should they have to exercise security.

Resolved:

1. That a RIF loan repayable for up to 5 years, for the sum specified be approved to bring forward a redevelopment of a semi-derelict listed building on a main arterial route in Jewellery Quarter to provide quality accommodation subject to the key terms, conditions and security set out in the report and
2. A Land Fund Grant, (in respect of viability issues at the location) for the sum specified in the report be noted with no approval required given that the low quantum fell within the delegation of the Executive Director.

**134. Build Fifty5 Golden Brick Facility- Minor Amendment**

The board considered a report of West Midlands Development Capital (WMDC) that informed the board of a minor amendment with regards to a RIF loan for the Build Fifty5 Golden Brick Facility and sought approval to a change in the affordable housing provider.



Nick Oakley (WMDC) outlined the report and advised the board that since the approval of the loan facility in November 2021, the Company has experienced significant delays with the project that can be attributed to the approved housing provider. Subsequently, it has been agreed in principle, that the approved housing provider would be replaced with a different Registered Provider that is well established and provides 13,000 homes across Shropshire, Staffordshire and Telford and Wrekin and has a good covenant strength.

It was noted that there would be a reduction in the loan limit to the amount specified in the report and that all other terms as stated in the original report remained the same.

Nick Oakley recommended to the board that future schemes may be undertaken on the same basis and terms with multiple other Registered Providers so long as the original conditionality remains the same and the RP presents an acceptable covenant strength, subject to them being credit worthy.

Resolved:

1. The reduction in the loan limit as stated in the report be noted;
2. A change in the affordable provider from to the named Registered Provider identified in the report be approved and
3. That other housing associations may be used on future schemes of comparable size on the basis that the replacement housing association demonstrates good covenant strength, at least as good as the one proposed be approved subject to approval by the WMCA s.151 Officer.

**135. WMCA Collective Investment Fund (CIF) - Dashboard**

The board considered a report detailing the Collective Investment Fund dashboard (private iteration) as at 1 March 2023.

Resolved: That the report be noted.

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

The board considered a report detailing the Brownfield Land and Property Development Fund (private iteration) as at 1 March 2023.

Resolved: That the report be noted.

**137. WMCA Revolving Investment Fund (RIF) - Dashboard**

The board considered a report detailing the Revolving Investment Fund as at 1 March 2023 (private iteration).

Resolved: That the report be noted

**138. Land and Property Investment Fund (LPIF)**

The board considered a report detailing the Land and Property Investment Fund dashboard as at 1 March 2023.

Resolved: That the report be noted.

**139. Housing & Land Fund Dashboard**

The board considered a report detailing the Housing and Land Fund dashboard as at 1 March 2023.

In relation to an enquiry from Gary Taylor regarding the progress on disposal proposals generally and specifically for on the ones surrounding Sandwell General Hospital, the Head of Strategy and Analysis, Rob Lamond undertook to provide an update at the next meeting.

Gary Taylor also requested an update on progress for the Stoneyard scheme which he had raised previously.

Resolved:

- 1) That the report be noted.
- 2) A report on any disposal plans for all acquired sites will be brought to the next Investment Board.
- 3) An update on Stoneyard will be provided at the next meeting.

The meeting ended at 12.00pm.