



## Investment Board

Monday 19 June 2023 at 10.00 am

### Minutes

#### Present

Councillor Mike Bird	Walsall Metropolitan Borough Council
Councillor Steve Clark	Dudley Metropolitan Borough Council
Councillor Peter Hughes	Sandwell Metropolitan Borough Council
Councillor Karen Grinsell	Solihull Metropolitan Borough Council
Councillor Jim O'Boyle	Coventry City Council
Councillor Stephen Simkins	City of Wolverhampton Council
Gary Taylor	Greater Birmingham & Solihull Local Enterprise Partnership

#### In Attendance via MS Teams

Councillor Sharon Thompson	Birmingham City Council
Paul Brown	Business Representative

#### Item Title No.

##### 1. Apologies for Absence

Apologies for absence were received from Councillor Sleigh and Sue Summers.

Councillor Grinsell in the Chair

##### 2. Minutes - 17 April 2023

The minutes of the meeting held on 17 April 2023 were approved as a correct record.

##### 3. Investment Programme Update and Dashboard

The board considered a report of the Director of Commercial and 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 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 £853.7 million as at 31 May 2023. The report also set out two submissions approved since the last meeting.

In relation to the Investment Programme Dashboard, the Director of Commercial and Investment reported that Friargate is experiencing a minor delay in the milestone practical completion date, due to power supply issues. Given the minor change of a maximum 2 months, a formal Change Request will not be requested, and the Board are asked to note this

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 at Section 4 of the report be noted;
3. 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 and
4. Approval of amended Coventry City Centre South project milestone dates by the WMCA S151 Officer and Chair of Investment Board, acting under delegated authority by Investment Board, following the Change Request approved in October 2022 at Investment Board (Section 3) be noted.

**4. WMCA Commercial Investment Fund (CIF) - Dashboard**

The board considered a report detailing the Commercial Investment Fund Dashboard (public iteration) as at 1 June 2023.

Resolved:

That the report be noted.

**5. 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 June 2023.

Resolved:

That the report be noted.

**6. WMCA Residential Investment Fund (RIF) - Dashboard**

The board considered a report detailing the Residential Investment Fund (public iteration) as at 1 June 2023.

Resolved:

That the report be noted.

**7. Commonwealth Games Legacy Enhancement Fund Summary Report**

The board considered a report of the Executive Director of Strategy, Integration and Net Zero that set out the background to eight business cases that were submitted for funding from the Commonwealth Games Legacy Enhancement Fund (CWGLEF).

It was noted that £70m of one-off funding to the WMCA has been secured from the Department for Digital, Culture, Media and Sport (DCMS) as a result of significant underspend on the Birmingham 2022 Commonwealth Games, which the WMCA Board had approved in December 2022 and March 2023, in principle, the budget and core components, subject to the approval of project detail by the Investment Board. A financial summary of the projects was included in the report.

The Executive Director of Strategy, Integration and Net Zero, Ed Cox, outlined the Strategic Management and Governance for the fund and reported that projects have been divided into four 'pillars' to ensure delivery of outcomes across a range of WMCA priority areas and have been subject to the WMCA's Single Assurance Framework.

The board noted the importance of ensuring £70m funding was spent in accordance with March 2025 deadline (with the exception of the European Athletics Championship 2026 programme) as there was no flexibility on retaining any money.

Councillor Simkins reported of the need to work with local authorities to expedite funding to ensure the money was spent by March 2025 and to achieve best value for money.

The Executive Director of Strategy, Integration and Net Zero explained that each programme had its own mechanism for distributing funding and some funding was devolved to local authorities that was outlined in the individual programme reports. He reported that all programmes were ready to go, and the spend of programmes would be monitored closely. In the event of any underspend, the situation could be rectified by switching expenditure between different programmes as appropriate.

Resolved:

That the background relating to the eight Commonwealth Games Legacy Enhancement Fund Business Cases be noted.

**8. Community Environment Fund Business Justification Case**

The board considered a report of the Executive Director of Strategy, Integration and Net Zero, that sought approval for the Community Environment Fund Business Justification Case for the delivery of a £1.2m programme from the Commonwealth Games Legacy Enhancement Fund`

The fund would deliver 5 large and up to 30 small community initiatives by March 2025, to help create a better environment and improve people's lives in the West Midlands. The project would align with the sustainability pillar of the Commonwealth Games and the WMCA's Environment Team's delivery programme and was endorsed by the Environment and Energy Board in March who would monitor the programme.

The Senior Programme Manager, Environment, Richard Rees, outlined the report and reported that the proposal would build on and broaden the already successful Community Green Grants programme into a Community Environment Fund that would seek to enhance community health and wellbeing through environment projects in addition to providing access to green space.

Councillors Hughes, Simkins, Bird and O'Boyle expressed their concerns regarding the costs of the programme for grant administration and direct resources, noting a significant amount of funding would be taken out of the project for staff costs.

Councillor Simkins enquired as to why local authorities were not delivering the project using their existing resources as he considered they were best placed to know what is best for their communities.

Councillor Bird considered the grant administration and direct resources costs should be taken out of the project and a funding pot be allocated for these for local authorities to take forward.

The Executive Director of Strategy, Integration and Net Zero, Ed Cox, concurred that costs appeared to be high, however, these were cost estimates as this stage but were deemed to have been acceptable/ justifiable by the WMCA's Single Assurance Framework process.

In relation to an enquiry from the Chair as to whether any targets have been set for future funds to be raised, the Senior Programme Manager, Environment, Richard Rees, reported that the Community Environment Fund Manager who would be responsible for attracting further funding from public and private bodies during the delivery of the funding. The objective in the business justification case was for at least £500k per year from 2025 based on initial conversations with one potential funder.

In relation to comments from members regarding the need to refer costs to the WMCA Board for sign-off, the Executive Director of Finance and the Business Hub, Linda Horne, reported that the WMCA Board had agreed the overarching principles for the Commonwealth Games Legacy Enhancement Fund, however, the specific detail regarding each programme had been delegated to Investment Board for approval and a decision was required today on the individual programmes.

She advised that WMCA officers had been working with local authority colleagues regarding the best way to deliver the programmes and only actual costs would be charged to programme business cases which included cost estimates at this stage. She added that the programme costs were additional costs to deliver the respective programme and were not WMCA costs/overheads.

The Director of Commercial and Investment, Ian Martin, explained that part of the reason why programmes were set up in this way was the need to comply with HM Treasury's requirements to demonstrate value for money which was resource intensive.

Councillor O' Boyle proposed that the report recommendations be amended so that the approval did not include £155k for direct resources.

Councillor Bird proposed the approval of this report and all CWG legacy funded reports should be subject to the removal of all administration and staff costs, and these should be collated for consideration by the WMCA Board.

The Executive Director of Finance and the Business Hub, Linda Horne, reported that programmes would be unable to proceed without any resources and proposed that only critical resource spend is allowed between now and the WMCA Board in July to allow projects to progress.

She proposed that the detail of all administrative and resource costs could be detailed in the Financial Monitoring Report to the July meeting of the WMCA Board.

The board endorsed this approach and the amendment to the report recommendations.

Councillor Simkins reported that he agreed reluctantly to the approach but was unhappy with the process going forward and considered the matter should be discussed at Mayor and Portfolio Leads Liaison meeting,

Resolved:

1. The Community Environment Fund Business Justification Case for delivery of a £1.2m programme, subject to receipt of the final grant award letter for Commonwealth Games Legacy Funding from DCMS and accepted by WMCA, which is the source of funding requested be approved, **subject to the administrative costs for this programme and all other Commonwealth Games Legacy funded programmes being reported to the WMCA Board in July (as part of the Financial Monitoring Report) and, only critical spend on resources needed for the projects to progress be allowed prior to consideration by the WMCA Board** and
2. The Board be notified should this award contain any conditions that materially affect the delivery of the project as outlined within this cover report and Business Justification be noted.

## **9. Inclusive Communities Grants Programme Business Case**

The board considered a report of the Executive Director of Strategy, Integration and Net Zero that sought approval for £10.5m for a Community Grants Programme that would empower communities to design and implement solutions to problems in their own places and spaces, catalysed by the Birmingham 2022 Commonwealth Games.

The Head of Commonwealth Games Legacy (Inclusive Communities) Bethan Stimpson summarised the key highlights of the report including the three thematic priorities and how the fund would seek to address inequalities and support new and most-in need beneficiaries through their project activity.

Councillor O' Boyle reported that Coventry City Council Officers had raised concerns regarding how the programme would work and the report did not address how the external Grant Administrator would work with Coventry City Council Officers or set out the process for engagement.

The Head of Commonwealth Games Legacy (Inclusive Communities), Bethan Stimpson, apologised for the oversight on not including the information in the report and advised that the Grant Administrator would work collaboratively; it was intended that they would work with local authority officers and provide regular updates.

Councillor Bird reported that Walsall had not benefited from the Commonwealth Games and considered this fund was one of the best he had seen with regards to legacy funding, and that it supported the Resilient Communities Model in Walsall. He also enquired whether Walsall could become the Grant Administrator for the programme.

Bethan Stimpson reported that the procurement process for the Grant Administrator was currently live but could share who this was when the Grant Administrator had been agreed. She advised that local authorities could have applied to be the Grant Administrator for the programme.

Councillor Simkins commented that he was unsure why local authorities had not submitted bids for the Grant Administrator and reported of the need to notify Cabinet Members of bidding opportunities. Councillor Bird asked that Bethan Stimpson inform him of who in Walsall had been informed of the process to appoint a Grant Administrator for the programme.

In relation to an enquiry from Councillor Hughes regarding the input from local authorities on youth involvement, child obesity and mental health, Bethan Stimpson undertook to provide Councillor Hughes with the information following the meeting.

Councillor O'Boyle reported that he was minded not to approve the report as details had not been included in the report on the grants process or how the Grant Administrator would work with local authorities.

The Executive Director of Strategy, Integration and Net Zero, Ed Cox, reported that the procurement process was still ongoing in appraising bids for the appointment of a Grant Administrator and similarly, the grant application process had not yet started so was unable to provide this information today. He undertook to provide these details to Councillor O' Boyle and Coventry City Council Officers when confirmed.

The Chair asked that engagement with local authorities be added to the report recommendations.

The board reported of the need to receive regular updates on where grant funding is being spent and asked for a standing report to be submitted each meeting.

Resolved:

1. The £10.5million proposal set out in the Programme Business Case and summarised in this report, for the Commonwealth Community Grants Programme be approved;
2. The delegation of delivery of the Grants Programme to an external Grant Administrator, following a robust and compliant competitive procurement process be approved;
3. The 'in-advance' cash payment profile for the awarding of grant funds (in contrast to standard 3-month arrear terms) be approved and
4. **Engagement with local authorities be undertaken following the appointment of the grant administrator and**
5. **A standing report be submitted regularly to the Investment Board meeting to report on grant spending for programmes be agreed.**

#### **10. Global West Midlands - Strategic Outline Case**

The board considered a report of the Executive Director of Strategy, Integration and Net Zero that sought approval of the release of £2.5m from the Commonwealth Games Legacy Enhancement Fund to develop the Full Business Case for West Midlands Growth Company's (WMGC) Global West Midlands programme and to support the delivery of local and regional priorities to September 2023.

The Chief Executive of WMGC, Neil Rami reported that the Global West Midlands programme would build on the existing pipeline of investment and events from the Commonwealth Games Business and Tourism Programme to fully exploit the economic legacy of the games and would also develop a new international strategy to increase the region's profile and reputation. He also took the opportunity to thank politicians for their support in obtaining investment in the programme.

Councillor Simkins reported of the need to understand the economic opportunities for the region and for WMGC to be involved in identifying the future skills needed.

Councillor O'Boyle concurred with Councillor Simkins and also reported of the need to engage with politicians especially politicians in Coventry.

The Chair asked that West Midlands Growth Company ensure baseline data required for the Full Business Case, is included in the report to Investment Board in October.

Resolved:

1. The release of £2.5m from the Commonwealth Games Legacy Enhancement Fund allocation, from the total £14.1m agreed by the West Midlands Combined Authority (WMCA) Board in March 2023 be approved, of which:
  - a. £1.8m will be utilised by WMGC in order to develop the Full Business Case and to begin delivery against the local and regional priorities in the Programme in Quarters 1 and 2 of 2023/24; and
  - b. £0.7m will be granted to Local Authorities from the WMCA to support an increase in capacity to deliver against priorities in the Programme.
2. That this is in addition to WMGC drawing down £2m of funding for Quarters 1 and 2 from the £4m for 2023/24 approved by the Investment Board and WMCA Board in December 2022 via a Business Justification Case be noted;
3. That the Full Business Case be submitted to the Investment Board for consideration in October 2023 be noted and
4. That changes have been made to the Strategic Outline Case in the Executive Summary and Section 4 Financial Case be noted.

#### **11. Social Economy Growth Programme - Phase 1**

The board considered a report of the Executive Director of Strategy, Integration and Net Zero, that sought approval of £2m to start the process of investment in the Social Economy Growth Ecosystem and supporting activity.

The Strategic Economic Lead for Social Economy Growth, Charles Rapson, summarised the key highlights of the report and outlined the key features of the programme that would provide specialist business support to over 160 of the c.8000 social economy organisations in the region and the Placed Based Development Clusters programme. It was that noted that the proposals have been put forward by the Social Economy Taskforce that was established by the Mayor in 2018.



Charles Rapson advised that the programme was aligned to the UK Shared Prosperity Fund and local authorities would be invited to join the Social Economy Advisory Board (which has superseded the Taskforce) to determine the type of investment needed for their area.

In relation to a comment from the Chair regarding the seemingly low figure (£42k) allocated to monitoring and evaluation, Charles Rapson reported that no data was currently available on clusters at the present time, however, following the tender process, the provider would be required to report impact data on a regular basis.

Resolved:

1. The investment from the Commonwealth Games Legacy Fund of £2 million to start the process of investment in the Social Economy Growth Ecosystem in two key areas be approved:

- Specialist Business Support (peer learning) programmes (£1,743k)
- Place based development 'clusters' (£400k) and

2. The supporting activity that underpins these actions (£42k), be noted including:

- Endorsing the Risk & Investment Appraisal recommendation to carry out comprehensive monitoring and evaluation.

## **12. Mobilising Plan for Growth Business Justification Case**

The board considered a report of the Executive Director of Strategy, Integration and Net Zero, that support approval of £3.25m from the Commonwealth Games Legacy Fund to commission business support schemes to help achieve the objectives of the West Midlands Plan for Growth.

The Head of Economic Delivery, Paul Edwards set out the context to the report.

It was noted that the programme would provide bespoke support to local businesses, focusing on economic clusters that can generate above forecast levels of growth by boosting private sector investment and aligned to the Plan for Growth.

Resolved:

1. That £3.25m from the Commonwealth Games Legacy Fund to commission business support schemes which help achieve the objectives of the West Midlands Plan for Growth be approved.

### **13. Jobs & Skills and Wellbeing Business Justification Case**

The board considered a report of the Director of Employment, Skills, Health and Communities that sought approval of £5.75m for the business justification case for the Jobs and Skills activity that would be delivered through the Commonwealth Games Legacy Enhancement Fund.

The Senior Delivery Manager, Project and Programmes, Lisa Hamilton, outlined the report and advised that the programme would bring together 2 funding streams, Wellbeing and Sustainability that would enable local authority partners to deliver employment support and projects locally which included mental health and wellbeing as an integral part of their activity. The report outlined the outputs and outcomes confirmed to date by local authority partners against 6 delivery projects.

Resolved:

1. That £5.75m funding to deliver the Commonwealth Games Legacy Enhancement Fund - Jobs and Skills Programme as set out in the attached Business Justification Case be approved and
2. The delegation of contracting and payments (through back-to-back grant funding awards to local authority partners) to the Director of Employment, Skills, Health and Communities, the WMCA S.151 Officer and the Director of Law and Governance be agreed and
3. The Skills and Programme Business Case Change Request to increase the value of the Programme Business Case by £5.75m be noted.

### **14. Change Request Skills Programme Business Case**

The board considered a report of the Director of Employment, Skills, Health and Communities that sought approval to a change request to the Skills Programme Business Case for receipt of additional funding for Employment and Skills provision, secured from the Commonwealth Games Legacy Enhancement Fund (CWGLEF). The report was considered alongside the previous agenda item, Jobs and Skills and Wellbeing Business Justification Case.

Resolved:

1. A change request to the Skills Programme Business Case (PBC), subject to approval of the CWG LEF – Jobs and Skills Business Justification Case (BJC), in order to receive additional funding for employment and skills activity awarded as part of the Commonwealth Games Legacy Enhancement Fund (CWGLEF) be approved and
2. Delegated authority for the development and onward issuing of the LA Grant Funding Agreements to the Director of Employment and Skills in consultation with the WMCA S. 151 Executive Director and Director of Law and Governance be agreed.

## **15. Legacy Trailblazer Programme -Business Justification Case**

The board considered a report Director of Strategy, Integration and Net Zero that sought approval of £5m for the Business Justification Case for the Commonwealth Games Legacy Trailblazer Programme, namely Gen22, Bring the Power, Critical Mass, Social Value and Volunteering.

The Head of Commonwealth Games Legacy (Inclusive Communities), Bethan Stimpson, highlighted key highlights from the report including 5 selected projects that would bring new investment into Commonwealth Games projects, notably Critical Mass, an inclusive dance programme; Gen 22, a youth social action programme; Volunteering; Bring the Power, a schools and community- based programme and, Social Value, a programme connecting private and third sector organisations to maximise community impact and corporate social value.

It was noted that the delivery agent for the 5 projects has been pre-defined as the United by 2022 Legacy Charity (UB22) the official Birmingham Commonwealth Games Charity which is led and staffed by individuals who previously worked for the B2022 Organising Committee.

Resolved:

1. That the £5million proposal set out in the Business Justification Case for the Commonwealth Games Legacy Trailblazer programme, namely Gen22, Bring the Power, Critical Mass, Social Value and Volunteering be approved and
2. That delegation of delivery of the Commonwealth Legacy Trailblazer programme to the Official Commonwealth Games Charity, United by 2022 be approved.

## **16. Commonwealth Games Legacy Fund WMCA Culture Programme**

The Board considered a report of the Executive Director of Strategy, Integration and Net Zero that sought approval of £4.1m funding allocation to deliver the Culture and Heritage pillar of the Commonwealth Games Legacy Enhancement Fund as outlined in the Programme Business Case.

The Senior Policy Officer (Culture), Salla Virman, reported that a minimum of £1.3m of funding would be for the direct benefit of constituent local authorities (ie. Double devolved) and the overall objective would be to deliver a series of revenue based interventions across four missions to address regional challenges and to take advantage of key opportunities in addition to creating a strategic regional framework for heritage and culture.

It was noted that the focus of the programme would primarily be on the arts, crafts, libraries, heritage, photography, museums and galleries and cultural education. The WMCA Cultural Policy Team has worked with the WMCA Cultural Leadership Board and WMCA Cultural Officers Group to analyse the best use for this investment.

Resolved:

1. The proposed allocation of £4.1m to deliver the Culture and Heritage pillar of the Commonwealth Games Legacy Enhancement Fund (CWGLEF) as outlined in the SAF Programme Business case be approved and
2. The recently secured match funding as outlined in the restricted Appendix A be noted.

**17. Birmingham Athletics European Championship 2026 - Full Business Case**

The board considered a report of the Executive Director of Strategy, Integration and Net Zero that sought approval of £13.7m from the Commonwealth Games Legacy Enhancement Fund to support the delivery of the Athletics European Championship 2026 as detailed in Birmingham City Council's Full Business Case.

Resolved:

1. The proposed allocation of £13.7m from the Commonwealth Games Legacy Enhancement Fund to support the delivery of the Athletics European Championship 2026, as detailed in Birmingham City Council's Full Business Case be approved and
2. The terms of the agreement and management / evaluation framework be delegated to the Executive Director of Economic Delivery, Skills and Communities in consultation with the WMCA Monitoring Officer and, S151 Officer to finalise with Birmingham City Council officers be approved.

**18. 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 item 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).

**19. Port Loop Phase 2 Limited**

The board considered a report of West Midlands Development Capital (WMDC) that sought approval to an increase and term extension of a current Residential Investment Fund (RIF) loan to 'the Company', for the sum specified in the report, to deliver Phase 2B of the development at 'the Property' stated in the report.

It was noted that the increased payable, secured RIF loan would be subject to a maximum term of 4 years and would be subject to the terms detailed in the report.

Resolved:

1. The powers and ability of the WMCA to make the proposed loan be noted;
2. The comments made by Investment Panel when the proposal was presented be noted;
3. The increased investment, for the amount specified in the report, to the 'Company', for a term of four years, from the Residential Investment Fund be approved;
4. The existing grant continue alongside the increased loan be noted and
5. The negotiation and approval of the final terms of the loan to Ian Martin, Director of Commercial and Investment, in consultation with the S.151 Officer and Monitoring Officer be agreed.

**20. WMCA Commercial Investment Fund (CIF) - Dashboard**

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

Resolved:

That the report be noted.

**21. 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 June 2023).

Resolved:

That the report be noted.

**22. WMCA Residential Investment Fund (RIF) - Dashboard**

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

Resolved:

That the report be noted

**23. Housing & Land Fund Dashboard**

The board considered a report detailing the Housing and Land Fund dashboard that provided an update on the Brownfield Housing Fund, National Competitive Fund and Land Fund since the last meeting.

In relation to the board being provided with an update on the disposals and acquisitions with the regards to Land Fund schemes, Rob Lamond, Head of Strategy & Analysis (Housing, Property and Regeneration) reported that further to consideration by the WMCA's Executive Board recently, a report on the matter would be submitted Investment Board within the next few months.

The board asked for an update on the Stoneyard scheme to be provided for the next meeting.

Resolved:

That the report be noted.

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

The board considered a report detailing the Land and Property Investment Fund dashboard as at 6 June 2023.

Resolved:

That the report be noted.

The meeting ended at 1.00 pm.