



Investment Board

Monday 24 July 2023 at 10.00 am

Minutes

Present

Councillor Bob Sleigh (Chair)
Councillor Steve Clark
Councillor Peter Hughes
Councillor Karen Grinsell
Councillor Stephen Simkins
Gary Taylor

Portfolio Lead for Finance
Dudley Metropolitan Borough Council
Sandwell Metropolitan Borough Council
Solihull Metropolitan Borough Council
City of Wolverhampton Council
Greater Birmingham & Solihull Local
Enterprise Partnership

In Attendance via MS Teams

Councillor Mike Bird
Councillor Sharon Thompson
Paul Brown
Sue Summers

Walsall Metropolitan Borough Council
Birmingham City Council
Business Representative
West Midlands Development Capital

Item Title
No.

25. Apologies for Absence

An apology for absence was received from Councillor O' Boyle (Coventry).

26. Minutes -19 June 2023

The minutes of the meeting held on 19 June 2023 were agreed as a true record.

27. Matters Arising

Minute no.7, Commonwealth Games Legacy Enhancement Fund Summary Report and Minute no.10 Global West Midlands -Strategic Outline Case

Councillor Hughes reported that he had noted a discrepancy in the funding table in the Commonwealth Games Legacy Enhancement Fund Summary Report for Global West Midlands which should be £2.5m as stated in the Global West Midlands Strategic Outline Case report.

28. 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 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 of 30 June 2023. The report also set out Change Requests submissions for the Sprint Programme approved since the last meeting.

Resolved that:

1. Approval under delegated authority by WMCA Officers of the business case submissions as 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 this report and appendices (including the project level summary within the WMCA Investment Programme dashboard at Appendix 2) be noted.

29. Update Report: City Region Sustainable Transport Settlement - Quarter 4 FY 2022-23

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

The Head of Strategy & Intelligence, Carl Beet, outlined key highlights from the report. This included an update on progress of the programme, TfWM Programme Monitoring Plans, approved funding, key risks, the 2022-23 Annual Monitoring Report, updated CRSTS funding terms and conditions and the national funding announcement of CRSTS2.

Councillor Simkins (Wolverhampton) commented on the need to ensure the WMCA obtains as much money as possible from the £8.8bn available for CRSTS2 as the West Midlands was struggling for transport funding.

The Head of Strategy & Intelligence reported that local area strategies and plans were being developed for the Local Transport Plan ahead of guidance being issued by Government which, would enable the region to be 'ahead of the curve'. He advised that draft proposals for the Local Transport Plan were being prepared with local authority officers and would ensure everyone was sighted on them.

Further to an enquiry from Councillor Simkins regarding a confirmed date for the opening of the Metro extension in Wolverhampton City Centre, Carl Beet reported he would find out the answer and let Councillor Simkins know shortly.

Resolved that:

1. The status of the City Region Sustainable Transport Settlement change control application submitted to the Department for Transport set out in section 4 of the report be noted;
2. The proposal to formally re-base the CRSTS1 programme allowing for

overprogramming, ready for further consideration by WMCA Board in September 2023, working with all scheme promoters to ensure realism over scheme costs, spending and delivery profiles for schemes (this is in response to the DfT's 'once in a programme' opportunity to re-baseline the programme) as set out in Section 4 be noted;

3. The monitoring and evaluation reporting requirements associated with the City Region Sustainable Transport Settlement set out in Section 5 of the report be noted;
4. The programme monitoring plans set out at Section 6 of the report be noted;
5. The Quarter 4 FY22-23 progress reported at Section 7 of the report be noted;
6. The key points concerning the CRSTS1 Memorandum of Understanding updated terms and conditions that the WMCA Section 151 Officer is required to sign-off, set out at Section 8 of the report be noted;
7. The announcement from Central Government within the Spring Budget for a second round of CRSTS ('CRSTS2') summarised in section 9 of the report be noted and
8. The CRSTS Annual Monitoring Report for FY22-23 at Appendix 1 of the report be noted.

30. WMCA Commercial Investment Fund (CIF) - Dashboard

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

Resolved: That the report be noted.

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

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

Resolved: That the report be noted.

32. WMCA Residential Investment Fund (RIF) - Dashboard

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

Resolved that: The report be noted.

33. Commonwealth Games Major Events - Programme Business Case

The board considered a report of the Executive Director of Strategy, Integration and Net Zero that sought approval of £6m from the Commonwealth Games Legacy Enhancement Fund for the Programme Business Case to establish a Major Events Fund.

Pip Abercromby, West Midlands Growth Company (WMGC), outlined the report and advised that £6m allocation from the Legacy Enhancement Fund would enable WMGC to host and stage major sporting, business and cultural events that would deliver regional economic impact. It was noted that these

events would require competitive bids to be developed and won, and financial commitments from local authorities to host.

In relation to a comment from the Chair regarding the commitment to allocate £3m for the SportAccord event, which was a significant sum, Pip Abercromby advised that £3m was the maximum amount for the event but this was subject to change as WMGC were looking for a sponsor for the event.

Councillor Clarke (Dudley) noted a sizeable amount of the funding (for SportAccord) was going to Birmingham and enquired whether funding could support local events such as Dudley's Grand Prix.

Pip Abercromby reported that WMGC was looking at the Dudley Grand Prix over 2 years and other events that would bring economic returns. She added that nominations were awaited from local authorities who could all apply for funding.

Councillor Thompson (Birmingham) reported that she was hugely support of SportAccord that would bring opportunities for the region not just Birmingham.

Councillor Simkins (Wolverhampton) reported of the need to ensure there was an equitable share of funding across the WMCA area to benefit everyone and to bring communities together.

The Executive Director of Finance & Business Hub, Linda Horne, advised the board that they were not required to approve SportAccord today; the decision would be taken by the Executive Board within the next few days.

Resolved that:

1. The appended programme business case which seeks £6m from the Commonwealth Games Legacy Enhancement Fund to establish a Major Events Fund be approved;
2. The proposed governance arrangements to ensure the Major Events Fund is administered in collaboration and transparent manner be agreed;
3. That delegated authority be given to the interim Director of Employment, Skills, Health and Communities, in consultation with the Executive Director of Strategy, Integration and Net Zero, WMCA Section 151 Officer and WMCA Monitoring Officer to onward award funding be agreed and
4. That a decision on SportAccord is being considered in parallel be noted.

34. Exclusion of the Public and Press

Resolved:

That in accordance with Section 100A4 of the Local Government Act 1972, the press and the 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).

35. Smart Region Health, Care and Connectivity Programme -Full Business

The board considered a report of the Executive Director Strategy, Integration and Net Zero, that sought approval of the full business case for the Smart City Region Health Care and Connectivity Programme that would be submitted to the Department for Levelling Up, Housing and Communities (DLUHC).

Robert Franks, WM5G Ltd outlined the report that set out how the Smart City Region, Health, Care and Connectivity programme would focus on scaling-up technology trials that the West Midlands has already successfully trialled, to deliver more effective and efficient health and social care services and boost productivity.

The Chair commented that the programme was a really important step in helping to address health inequalities in the region.

Resolved that:

1. The full business case for the Smart City Region Health, Care and Connectivity Programme that will be submitted to the Department for Levelling Up Homes and Communities (DLUHC) be approved;
2. That any non-material variations from the Business Case may be negotiated by the WN5G Ltd Team provided such are approved by the Investment and Commercial Director in consultation with the S151 Officer of the WMCA be endorsed;
3. That a Funding Agreement be entered into to enable the WMCA to receive funding from DLUHC and a back-to-back agreement to WM5G Ltd on the same primary terms and any negotiations of terms be approved by the s151 Officer with suitable legal advice be endorsed;
4. That the WMCA may enter into any necessary agreements with third parties to receive or for WM5G to receive up benefits in kind from third parties with suitable legal advice be endorsed.

36. Chancerygate, Holbrook Lane - Phase 1 and Phase 2 Update

The board considered a report of West Midlands Development Capital (WMDC) that sought endorsement of the removal of a £20m cap on an existing loan from the Commercial Investment Fund and a new overall cap of £25.5m, to allow the 'Company' to take forward Phase 2 of the development.

Ed Bradburn (WMDC) outlined the report and explained the reasons for the change to the loan cap.

The Chair noted that the new loan cap was over £20m and would need the approval of the WMCA Board.

The board asked to receive an update on the project every 3 months.

Resolved that:

1. The powers and ability of the WMCA to make the proposed loan be noted;
2. It be recommended to the WMCA Board that the £20m loan cap be removed and a new overall cap of £25.5m, across the two phases, to allow the 'Company' to continue the build of Phase 2 now that the forward sale has fallen away be approved;
3. Amending the term on Phase 1 to line up with the expiry of Phase 2 be endorsed;
4. Amending the pricing to reflect the fact that Phase 1 is completed, and part-let and the Phase 2 is now being delivered without the benefit of the forward sale be endorsed;
5. The introduction of interest cover covenants and amortisation triggers be endorsed;
6. The negotiation and approval of the final terms of the loan be delegated to the Director of Commercial and Investment in consultation with the s.151 Officer and Monitoring Officer be agreed and
7. **The board receive an update on the project every 3 months.**

37. Beldray Industrial Estate

The board considered a report of West Midlands Development Capital (WMDC) that sought approval for loan funding from the Commercial Investment Fund to facilitate the acquisition and refurbishment of 82ksqft of outdated industrial space in Bilston.

Ed Bradburn (WMDC) presented the report and advised the board that the main objective of the refurbishment was to improve the green credentials of the property to enable the 'Company' to continue to let the units in the future. It was noted that the units are tired and are in need refurbishing to improve their EPC ratings.

Resolved that:

1. The powers and ability of the WMCA to make the proposed loan be noted;
2. The comments made by the Investment Panel when the proposal was presented be noted and
3. The loan investment from the Commercial Investment Fund, for the amount specified in the report, to the 'Company' (a yet to be incorporated SPV owned 90/10 between the two companies identified in the report) for a term of 4 years be approved.

38. WMCA Commercial Investment Fund (CIF) - Dashboard

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

Nick Oakley, West Midlands Development Capital (WMDC) provided an update on 'live' schemes.

Councillor Hughes (Sandwell) reported that he would like to have a meeting with WMDC and Sandwell Officers. Nick Oakley (WMDC) undertook to arrange a meeting.

Resolved that: the report be noted.

39. 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 July 2023.

Nick Oakley, West Midlands Development Capital, advised the board that a report on Yardley Brook would be submitted to the meeting in September.

Resolved that: the report be noted.

40. WMCA Residential Investment Fund (RIF) - Dashboard

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

Resolved: that the report be noted.

41. 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.

Resolved: That the report be noted.

42. Update on Stone Yard

The board received a presentation from Simon Dancer (Amion Consulting) that provided an update on the Stone Yard project.

The presentation outlined progress to date and the next steps.

It was noted that a report on the project would be submitted to a future meeting of the board.

Resolved that: the presentation be noted.

43. Land and Property Investment Fund (LPIF)

The board considered a report detailing the Land and Property Investment Fund as at 5 July 2023

Resolved that: The report be noted.

The meeting ended at 11.34 am.