



WEST MIDLANDS COMBINED AUTHORITY

Investment Board

Tuesday 13 February 2018 at 1.00 pm

Minutes

Present

Councillor Izzi Seccombe (Chair)
Nick Abell

Paul Brown

Councillor Robert Hulland
Councillor Majid Mahmood
Councillor Jim O'Boyle
Gary Taylor

Warwickshire County Council
Coventry & Warwickshire Local
Enterprise Partnership
Black Country Local Enterprise
Partnership
Solihull Metropolitan Borough Council
Birmingham City Council
Coventry City Council
Greater Birmingham & Solihull Local
Enterprise Partnership

Item Title No.

69. Minutes

The minutes of the meeting held on 29 January 2018 were agreed as a correct record.

The Director of Finance noted that there was a need to conduct a review of scheduling and ranking. Although funding was available to fund the borrowing against the schemes, it was necessary to be mindful that not all schemes could be currently funded if other income streams were not delivered.

70. Exclusion of the Public and Press

Resolved:

That in accordance with s.100(A) of the Local Government Act 1972, the public and press be excluded from the meeting for the following items of business as it involved the likely disclosure of exempt information relating to the business affairs of a particular person (including the authority holding that information).

71. Commonwealth Games Athletes Village - West Midlands Combined Authority Contribution

The board considered a report from Sean Pearce, Director of Finance, on a proposed contribution from the West Midlands Combined Authority's Brownfield Land & Property Development Fund to help deliver the athletes village required to facilitate the Commonwealth Games 2022.

The Brownfield Land & Property Development Fund invested in individual strategic projects that supported the re-use of brownfield land, buildings and associated infrastructure across the West Midlands Combined Authority area. It was funded by allocations from the Land Remediation Fund totalling £50m and was to be operational between 2017-21. To date, £14.7m had been allocated to five projects in the region.

The funding proposal required the West Midlands Combined Authority to fund the acquisition, relocation, remediation and demolition costs, at a cost of £20.075m, for a village to provide temporary accommodation for some 6,510 athletes, coaches and team administrators. Post-Commonwealth Games modifications would then enable the residential accommodation to become mixed tenure new homes to deliver a legacy uplift for Perry Barr. The proposals had been considered by the Investment Advisory Group on 5 February 2018.

Councillor Majid Mahmood noted that Birmingham was the no. 1 destination for people leaving London and currently had a shortfall of 89,000 housing units. Gary Taylor stressed the importance of ensuring that the housing provided on the site met the needs of post-Commonwealth Games occupation, rather than being designed only for the needs of athletes. This had been a concern with a number of athletes villages provided for previous sporting events. Ian Macleod, Birmingham City Council, indicated that this was a key consideration as part of the process to procure a contractor to deliver the project.

Councillor Robert Hulland noted the need to ensure the region had the necessary skills capacity and technical expertise to deliver this ambitious project. Paul Brown enquired about the governance arrangements that provided the required oversight for the delivery process and Ian Macleod explained that this would be undertaken through the Commonwealth Games Delivery Unit. He undertook to provide the board with further details of governance arrangements of the unit at the next meeting. Councillor Izzi Seccombe requested a general update on the latest developments at the next meeting.

Resolved:

- (1) That Finance Birmingham, the s.151 Officer, Portfolio Lead for Finance & Investments and Monitoring Officer continue to work to conclude the application into the Brownfield Land & Property Development Fund from Birmingham City Council as part of the normal assurance process.
- (2) That the submission of a report to the WMCA Board on 9 March 2018 for the approval of the £20.075m grant proposal be agreed, subject to the issues contained within the report be resolved in line with the Investment Board's expectations.

- (3) That the elements of the bid be approved, with a particular reference to grant conditions A4 as set out within the report, given that this was the first time that this type of expenditure would be funded under the Brownfield Land & Property Development Fund.
- (4) The principle that the contribution would be subject to the successful shortlisting of the Housing Infrastructure Fund announcement, which provided the 39% (£144m) of the overall funding for the village, be endorsed.
- (5) It be noted that the contributions outlined in the report were in addition to the previously agreed £25m West Midlands Combined Authority contribution towards the wider Commonwealth Games budget, which would pass through the normal assurance framework process.
- (6) That it be noted that the approval for the scheme would be based on the outcomes being delivered after 2021, which fell outside the time period indicated in the fund documents.

72. UK Central - Design Costs and Team Costs

The board considered a report from Huw Rhys Lewis, Managing Director of the UK Central Urban Growth Company, on change requests to utilise funding included within the overall programme for HS2 design stage fees, and to fund UK Central staffing and operational costs for the period to March 2023 which would support the development and delivery of all UK Central/Solihull Metropolitan Borough Council sponsored projects at the HS2 Interchange Hub area over this period.

The design of the Solihull HS2 station included a number of elements that would constitute constraints to any development around the station, including an excess of surface car parking, poor connectivity across the track, poor public transport facilities and extensive surface water attenuation. By removing these constraints, the area of land available for development would be significantly increased and would be better connected locally and regionally. HS2 Ltd had committed to co-operate in evaluating and delivering the proposed changes to resolve these issues, subject to the costs associated with this being met by West Midlands Combined Authority funding. It was expected that this would cost £9.0m for HS2 Ltd design stage fees, plus a further £0.8m for monitoring, legal and external project management costs.

The change request in respect of the Urban Growth Company business plan sought to provide retrospective operational funding for the period April 2016 - March 2018, future operational funding for the period April 2018 - March 2023, and to enable the continuation of the utilities assessment and car parking strategy for the UK Central Hub area, commissioned in March 2017. The total cost of this was £10.0m.

Lucy Lee, Solihull Metropolitan Borough Council, confirmed that due diligence had been undertaken on both of these requests. Councillor Robert Hlland considered that the change request relating to the Solihull HS2 station allowed for a better use of the land in question and gave more value to the land requiring to be developed.

Resolved:

- (1) That £9.8m of Devolution Deal funding to deliver changes to the HS2 Solihull station design, as it was defined under the High Speed Rail (London - West Midlands) Act 2017, be approved.
- (2) That £10.0m of Devolution Deal funding be approved to cover the staffing and operational costs of the UK Central Urban Growth Company for the period April 2016 - March 2023.

The meeting ended at 2.25 pm.