



Investment Board

Monday 12 February 2024 at 10.00 am

Minutes

Present

| | |
|--------------------------------|--|
| Councillor Bob Sleight (Chair) | Portfolio Lead for Finance |
| Councillor Mike Bird | Walsall Metropolitan Borough Council |
| Councillor Steve Clark | Dudley Metropolitan Borough Council |
| Councillor Matthew Dormer | Non-Constituent Authorities |
| Councillor Peter Hughes | Sandwell Metropolitan Borough Council |
| Councillor Karen Grinsell | Solihull Metropolitan Borough Council |
| Councillor Jim O'Boyle | Coventry City Council |
| Sue Summers | West Midlands Development Capital |
| Gary Taylor | Greater Birmingham & Solihull Local Enterprise Partnership |
| Councillor Christopher Burden | City of Wolverhampton Council |

In Attendance via MS Teams

| | |
|----------------------------|-------------------------|
| Councillor Sharon Thompson | Birmingham City Council |
|----------------------------|-------------------------|

**Item Title
No.**

112. Apologies for Absence

Apologies for absence were received from Councillor Simkins (City of Wolverhampton Council).

113. Notification of Substitutes

Councillor Stephen Simkins (City of Wolverhampton Council) had nominated Christopher Burden as his substitute.

114. Minutes - 15 January 2024

The minutes of the meeting held on 15 January 2024 were agreed as a correct record.

115. WMCA Commercial Investment Fund (CIF) - Dashboard

The board considered a report detailing the Commercial Investment Fund dashboard as at 1 February 2024.

Resolved: That the report be noted.

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

Dashboard

The board considered a report detailing the Brownfield Land and Property Development Fund dashboard as at 1 February 2024.

Resolved: That the report be noted.

117. WMCA Residential Investment Fund (RIF) - Dashboard

The board considered a report detailing the Residential Investment Fund dashboard as at 1 February 2024.

Resolved: That the report be noted.

118. Thrive into Work Individual Placement and Support in Primary Care - Change Request

The board considered a report of the interim Director of Employment, Skills, Health and Communities that sought approval for a programme Change Request of £7,936.20 grant funding, to continue to deliver Individual Placement and Support Services across the region through to 31 March 2025.

It was noted that the original programme commenced as a pilot in 2018 prior to the establishment of the WMCA's Single Assurance Framework (SAF) and the requirement for a business case to be developed. The Change Request submitted, seeks to provide assurance to the board in the absence of a business case.

The Strategic Lead for Health Inequalities, Tatum Matharu outlined, the report and advised the board that the WMCA has successfully secured grant funding to continue the Individual Placement and Support Services (IPS) initiative that seeks to support adults who have a physical or mental disability to move into competitive employment and maintain that employment. The IPS initiative is a new model of integrated health and employment support that aligns with primary care network boundaries. The programme aims to target 3474 individuals with a goal of 1570 new employment outcomes over two years.

Councillor Grinsell noted the proposed establishment of an expert advisory group that would report into both the WMCA's Wellbeing Board and its Employment and Skills Advisory Panel and enquired as to who would have ultimate responsibility for the programme. She considered that it was vitally important for primary care (Directors of Primary Care) to be represented on the expert advisory group to ensure the programme is delivered in the right way.

Councillors O' Boyle and Burden sought assurance that programme providers would work with local authorities who could input in the process.

The Strategic Lead for Health Inequalities, Tatum Matharu, reported that the new governance arrangements for the programme had not yet been finalised but look would ensure the directors of primary care were involved.

She advised that the transition of the Health and Communities workstreams

to the Employment and Skills Directorate would ensure closer and joined up working across programmes with local authorities and providers.

Resolved that:

1. The Change Request (attached as appendix 1 to the report) to support the ongoing delivery of the Department for Work and Pensions grant funded delivery phase of Individual Placement Support Primary Care Services (April 2023- March 2025 of £7,936,620 be approved and
2. The information within the Change Request setting out the programme financial deliverables, commissioning activity and governance arrangements be noted.

119. 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 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).

120. Stratford Gateway Collaboration Agreement

The board considered a report of the interim Executive Director of Housing, Property and Regeneration that informed them of the intention for the WMCA to enter into a Collaborative Agreement with Stratford- on- Avon District Council for the WMCA to facilitate a residential led mixed use development on the Stratford Gateway site.

The Development Manager, Acquisitions and Disposals, Anna Jones, outlined the background to the scheme that was a priority site for Stratford-on-Avon District Council. Councillor George Cowcher and Tony Perks from Stratford-on-Avon District Council were in attendance to support the submission of the report.

In relation to questions raised from members regarding the budget for the scheme, land acquisition costs and liabilities related to the listed buildings, it was noted these issues would be addressed in the report submitted to the board next month that seeks approval for the acquisition of the Stratford Gateway site.

The board endorsed the proposed Collaborative Agreement with Stratford-on-Avon- District Council.

Resolved that:

1. That the WMCA propose to enter into a Collaborative Agreement with Stratford-on-Avon District Council in respect of the WMCA's acquisition and subsequent development of the Gateway site be noted;
2. The requirement for a budget as set out in the report, to cover the

costs of the WMCA negotiating and completing the Collaborative Agreement and the costs of negotiating agreed terms for the acquisition of the Gateway site be noted;

3. That it is proposed that approval be sought from Investment Board at its meeting on 18 March 2024 to acquire the Gateway site be noted.

121. Horton 45, Telford TF7FA/Hortonwood 45 Ltd/ Telford & Wrekin

The board considered a report of the Director of Commercial and Investment that sought approval of loan funding from the Commercial Investment Fund (CIF) for the sum specified in the report to the 'Company,' for 2 years, for the development and construction of industrial space at a key employment location in the Hortonwood industrial area of Telford.

Nick Oakley (West Midlands Development Capital) outlined the key aspects of the investment proposal detailed in the report.

Resolved that:

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 loan investment from the Commercial Investment Fund for the sum specified in the report to the 'Company', for a term of 2 years under the Commercial Investment Fund/Residential Investment Fund as per the terms conditions set out in the report be approved and
4. 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.

122. Abberley Street Disposal

The board considered a report of the interim Executive Director of Housing, Property and Regeneration that sought approval in principle for the disposal of the site at Abberley Street to the developer for the purpose of a 100% affordable housing scheme.

It was noted that the report submitted sought to address the issues and concerns raised by members at the last meeting (15 January 2024) when a decision on the report was deferred.

The Head of Strategy & Analysis, Rob Lamond, summarised the responses to the issues raised with regards to the historical and current valuations of the site, assurance and options considered.

Councillor Hughes reported that liaison between the WMCA and Sandwell Council needs to be better moving forward but he supported the site being utilised for residential and affordable housing.

In relation to concerns expressed by Gary Taylor regarding the WMCA

overpaying for land which could distort the real estate market, the Head of Property & Strategic Assets, Nigel Ford, reported that all valuations are now based on current market conditions and prevailing planning policy.

Councillor Grinsell considered the need to document lessons learnt and to monitor decisions taken by Senior Officers exiting the organisation.

The Executive Director of Finance and Business Hub, Linda Horne, reported that the WMCA's Audit, Risk & Assurance Committee had undertaken an investigation into housing as part of a whistleblowing report and all actions had been implemented. She undertook to share the committee report with members on a confidential basis.

Further to the enquiry made by Councillor O' Boyle at the last meeting regarding why leasehold is not being considered by the WMCA for its land disposals, the Director of Commercial and Investment, Ian Martin, reported that if the land was disposed of on the open market the developer would require the freehold. He advised that this was because a developer would wish to sell houses on with a freehold title and the legislation was now moving away from allowing leasehold for new build houses. However, if the WMCA wished to protect from the scenario where development did not occur, then Housing colleagues have reported that the WMCA could include a buy back option into any land disposal covering an event where the developer purchases a freehold and does not build within a specified time period.

Resolved that:

1. Approval in principle to the exploration of the freehold disposal by the WMCA of the site at Abberley Street (which is shown edged on red on the Plan attached to the report) at a price that is consistent with the current unrestricted market value for the purpose of affordable housing, to enable a period of due diligence to inform Best & Final Offer be agreed and
2. The work above be undertaken in order to fully inform Investment Board on the matter, for which final approval to the Best & Final Offer would be sought at a later date be noted.

123. Stone Yard

The board considered a report of the interim Executive Director of Housing, Property and Regeneration that sought to update them on the implementation of the first resolution of the Investment Board of 13 November 2023 relating to the change of ownership of Stone Yard development site and sought approval to vary the grant agreement between the WMCA and Court (the Charter) Birmingham Limited to extend the deadline for the letting of the building contract to 31 March 2025.

Martin Yardley, Housing Property & Regeneration Consultant, outlined the background to the project, provided an update on the current status with Aviva/Moda and outlined the options available to the WMCA. He advised that the reasons for the delay to the project (set out in paragraph 5.2 of the

report) had been independently assessed and the advice recommended support for an extension to the project.

The Executive Director of Finance & Business Hub, Linda Horne, reported that all papers have been reviewed since the original decision was taken on the project and the conditions for the first grant payment had been met. She advised that lessons have been learnt from the project regarding the need to improve commercial legal arrangements that are put in place. She added that the Monitoring Officer's advice was not to pursue litigation and considered the recommendation put forward was right and in the best interests of the public purse.

Gary Taylor noted that the contract had already been extended by 18 months and was now extended by a further 12 months and enquired as to what would happen if another extension was requested.

Martin Yardley advised that Court were complying with the current contract.

The Executive Director of Finance & Business Hub, Linda Horne, acknowledged historical issues regarding the legal agreement had led to the current position but reported that the advice she had received was that there was nothing further the WMCA could do on the matter and the best course of action was the proposed recommendation.

The Chair confirmed that both the Section 151 Officer and Monitoring Officer are satisfied that Court have complied with the contract.

Resolved that:

1. The WMCA be authorised to enter a Deed of Variation of the Grant Agreement date 19 March 2021 between the (1) WMCA and (2) Court (the Charter) Birmingham Limited to extend by one year the condition that requires the letting of a building contract for the construction of not less than 497 residential units on the Stone Yard development site (31 March 2024 to March 2025) be agreed and
2. This report was endorsed by the Investment Panel on 22 January 2024 be noted.

124. Pipe Hall, Bilston - Update Position

The board considered a briefing note of the Head of Property & Strategic Assets that provided an update on co-development between the City of Wolverhampton Council and the WMCA of proposal for Pipe Hall.

The briefing note was submitted further to a request from Councillor Simkins who had asked at an update at the meeting of the Investment Board on 11 December 2023.

The note outlined work in progress and steps which are being undertake to determine how the WMCA and the City of Wolverhampton Council with other key stakeholders generate a housing, community and heritage led regeneration project.

Resolved that:

The collaborative working between the WMCA, and the City of Wolverhampton Council and the range of options being considered be acknowledged.

125. WMCA Commercial Investment Fund (CIF) - Dashboard

The board considered a report detailing the Commercial Investment Fund dashboard as at 1 February 2024.

Nick Oakley (West Midlands Development Capital) reported that £127m from the Commercial Investment Fund had been committed, with £66m drawn. Combined with RIF, total debt committed is £183m (including the approval of Horton 45 at this Board) and £83m drawn. He advised that due to the success of the Commercial Investment Fund/ Residential Investment Fund, consideration is required to be given to increasing the overall cap of £210m if lending is to continue.

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 as at 1 February 2024.

Resolved: That the report noted.

127. WMCA Residential Investment Fund (RIF) - Dashboard

The board considered a report detailing the Residential Investment Fund dashboard as at 1 February 2024.

Resolved: That the report be noted.

128. Land and Property Investment Fund (LPIF)

The board considered a report detailing the Black Country Land and Property Investment Fund as at 31 January 2024.

Resolved that: The report be noted.

The meeting ended at 11.30 am.