



Investment Board

Monday 22 July 2024 at 10.00 am

Minutes

Present In Person

Councillor Peter Hughes (Chair)	Sandwell Metropolitan Borough Council
Councillor Steve Clark	Dudley Metropolitan Borough Council
Councillor Bob Sleigh	Solihull Metropolitan Borough Council
Councillor Mark Statham	Walsall Metropolitan Borough Council
Councillor Sharon Thompson	Birmingham City Council

In Attendance

Paul Atkins	West Midlands Combined Authority
Rachel-Ann Atterbury	West Midlands Combined Authority
Ed Bradburn	West Midlands Development Capital
Teanay Cope	West Midlands Combined Authority
Oliver Dyke	West Midlands Combined Authority
Keiza Stanley-Gausson	West Midlands Combined Authority
John Godfrey	West Midlands Combined Authority
Linda Horne	West Midlands Combined Authority
Ian Martin	West Midlands Combined Authority
Cara McCarthy	West Midlands Combined Authority
Nick Oakley	West Midlands Development Capital
Roger Owen	West Midlands Combined Authority
Sandeep Shingadia	Transport for the West Midlands
Wendy Slater (Secretary)	West Midlands Combined Authority
Nicola Small	Transport for the West Midlands
Mark Smith	Independent Chair of Audit, Risk & Assurance Committee
Jo Snell	West Midlands Combined Authority
Ana Stas	West Midlands Combined Authority
Kelly Valente	Walsall Metropolitan Borough Council
Hannah Worth	West Midlands Combined Authority
Nicholas Younger	West Midlands Combined Authority

Item Title
No.

17. Appointment of Chair for 2024/25

Councillor Thompson (Birmingham) advised that she had agreed to chair the last meeting of the board only, as an interim arrangement, and invited members to put forward their nominations for the role of chair.

The board endorsed Councillor Peter Hughes (Sandwell) as Chair of the

Investment Board for the 2024/25 municipal year.

Resolved: That Councillor Peter Hughes be appointment as Chair of Investment Board for 2024/25.

18. Apologies for Absence

Apologies for absence were received from Councillor Burden (City of Wolverhampton Council) and Councillor O' Boyle (Coventry City Council) and Sue Summers (West Midlands Development Capital).

19. Minutes - 24 June 2024

The minutes of the meeting held on 24 June 2024 were agreed as a correct record.

20. Investment Programme Update

The board considered a report of the Director of Commercial and Investment that provided a monthly update on the status of the Investment Programme to help set the context for any investment decisions being made at the meeting.

In relation to an enquiry from the Chair as to what action is being taken to progress those schemes that have a red status and whether there are any significant concerns regarding the ability to deliver the schemes, the Director of Commercial and Investment, Ian Martin, reported on the twenty-three schemes were flagged as red rated. These were delayed against their approved completion date and required a Change Request to be submitted by the Sponsor. WMCA Officers have requested information from Project Sponsors regarding the deliverability of those schemes. He noted that Change Requests had been received, and were being appraised, for twelve UKC schemes led by Solihull.

Councillor Sleight (Solihull) added that the situation was complex as not all schemes were fully funded or, funding was provided by a number of sources; many schemes being delivered by local authorities were being delivered in partnership with other bodies who could influence delivery timescales. Councillor Sleight advised that he was content with the situation in Solihull and Change Requests for all schemes would follow in due course.

In relation to an enquiry from Councillor Statham (Walsall) regarding the reason for the high volume of Change Requests, the Director of Commercial and Investment reported that individual projects had different rationale, but generally inflationary pressures had impacted in terms of value engineering but not necessarily budget increases, Covid had hampered progress in many other cases. Overall, there are a high number of projects that were developed to an initial stage through Investment Programme funding with the expectation of other funding sources later, as these funding sources have taken time to be realised, the projects have not yet concluded to the point they are handed over to the other funding source.

Councillor Statham considered the organisation should look to explain the high number of Change Request in the narrative of the report to better communicate the position to the press and public.

The Executive Director of Finance and Business Hub, Linda Horne reported that she and the Director of Commercial of Investment, Ian Martin, would look at addressing how the status of projects are communicated and would speak to officers at Coventry and Solihull regarding their schemes and would report back on mitigation measures and an action plan.

Resolved that:

1. Approval under delegated authority by WMCA Officers of the business case submission disclosed at section 3 of the report be noted;
2. The WMCA Investment Programme funding status and affordable limit as outlined in section 4 of the report be noted and
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.

21. Update Report: City Region Sustainable Transport Settlement -Quarter 4 FY 2023 -24

The board considered a report of the Executive Director of Transport for the West Midlands that provided an update on progress made to date across the City Region Sustainable Transport Settlement (CRSTS) programme.

The Director Strategic Partnerships and Integration, Sandeep Shingadia, presented key highlights from the report which included progress across the programme, DfT approval of the re-based CRST programme and programme risks. A copy of the annual report which set out the context, key achievements and updates for the CRSTS programme was attached to the report as appendix 2.

Resolved that:

1. The progress made on the CRTS Programme in Q4 of FY 23/24 be noted and
2. The submission of the FY23/24 annual report to the Department for Transport (DfT) be approved.

22. Commercial Investment Fund Dashboard

The board considered a report detailing the Commercial Investment Fund dashboard (public iteration) as at 1 July 2024.

Resolved that: The report be noted.

23. Brownfield Land & Property Development Fund Dashboard

The board considered a report detailing the Brownfield Land & Property Development Fund Dashboard (public iteration) as at 1 July 2024

Resolved that: The report be noted.

24. Residential Investment Fund Dashboard

The board considered a report detailing the Residential Investment Fund Dashboard (public iteration) as at 1 July 2024.

Resolved that: The report be noted.

25. Coventry Very Light Rail Stage Gates

The board considered a report of the Executive Director, Transport for the West Midlands that sought approval to delegate authority to the Executive Director of Transport for the West Midlands in consultation with the Section 73/151 Officer and Monitoring Officer to approve the request to the Department for Transport (DfT) for funding release for Coventry Very Light Rail Stage Gates 3 and 4 and to enter into a Grant Agreement with Coventry City Council for each Stage Gate.

The Programme Director for Very Light Rail, Nicola Small, reported that the assurance process for the Very Light Rail Regional Programme approved by the WMCA Board on 13 January 2023, proposed that Investment Board approve the Stage Gates of the programme. However, given the level of scrutiny undertaken on the programme by the Independent Review Panel, which is comprised of technical experts, it is considered more appropriate for the Panel to review the Stage Gate evidence rather than Investment Board. The Panel would make recommendations if the Coventry Very Light Rail project has met the required outputs to progress to next stage gate to the Executive Director of Transport for the West Midlands (in consultation with the Section 73/151 Officer and Monitoring Officer) for the Department for Transport's funding release for Coventry Very Light Rail Stage Gates 3 and 4.

The report also sought approval for the WMCA to enter into a grant agreement with Coventry City Council for each Stage Gate once the DfT have approved the release of funding, without the requirement to return to Investment Board for approval to do so.

Resolved that:

1. The revisions to the WMCA Board approved Strategic Outline Case made in 2024 by WMCA under delegated powers, as detailed in section 10 of the report be noted;
2. The West Midlands Combined Authority enter into a Grant Agreement with Coventry City Council for Coventry Very Light Rail (CVLR) Stage Gate 2 for £6.85m be approved;
3. The total value of Grant Agreements to be entered into between WMCA and Coventry City Council would not exceed the total value of funding that DfT have approved for release be noted;
4. Delegated authority be granted to the Executive Director of Transport for the West Midlands (TfWM), in agreement with the Section 73/151 Officer and Monitoring Officer to authorise the release of future CVLR allocations, subject to appropriate agreement/consent from the Independent Review Panel and Department for Transport (DfT) be approved and

5. The WMCA can enter into a grant agreement with Coventry City Council for Coventry very Light Rail as appropriate once the delegation above has been exercised and the DfT have released funding in line with the Strategic Outline Case be agreed.

26. Exclusion of the Public and Press

Resolved that:

In accordance with s100(A) of the Local Government Act 1972, the public and press be excluded from the meeting for the following items of business as they are likely to involve the disclosure of exempt information as specified in the paragraphs of the Act.

27. Change Request relating to Friar Park

The board considered a report of the interim Executive Director of Housing, Property and Regeneration that sought approval of a Change Request relating to Friar Park.

The interim Executive Director of Housing, Property & Regeneration, John Godfrey, outlined key highlights from the report and advised the board of the complex reasons why the project milestones had not been achieved following the approval of the project in 2019, a Joint Venture with Sandwell Metropolitan Borough Council.

It was noted that the Change Request submitted takes account of the remediation strategy and masterplan approved by Sandwell Metropolitan Borough Council in March 2023. The Change Request requires a reduction in the number of housing units and a revised Joint Venture Agreement with Sandwell MBC.

Development Manager, Nicholas Younger, summarised the changes to the project.

The Chair thanked the Development Manager and WMCA colleagues for 'Getting the project over the line' noting the importance of the scheme to Sandwell and the region.

Resolved that:

1. A reduction in the housing output from 750+ to a minimum of 630 dwellings be approved;
2. The interim Executive Director of Housing, Property and Regeneration be authorised to negotiate and agree the terms of the revised Joint Venture Agreement in consultation with the S.151 Officer be approved;
3. The WMCA budget for investment into the remediation of the Friar Park site by the additional maximum sum set out in the report be approved;
4. The Joint Venture partner for the scheme, Sandwell MBC is investing funding (as part of a Levelling Up Partnership) plus additional Capital Budget funding (subject to formal approval) as set out in the report be noted and

5. The revised housing delivery end date for the project is now 2035 be noted.

[The Chair, Councillor Peter Hughes, declared a personal interest in the matter as a member of Sandwell Council].

28. Bishops Gate, Coventry - Project Case

The board considered a report of the interim Executive Director of Housing, Property and Regeneration that sought approval of grant funding from the Brownfield Housing Fund to deliver 314, build to rent apartments in Coventry City Centre of which 20% would be affordable.

Ed Bradburn, West Midlands Development Capital, outlined key aspects of the report.

Resolved that:

1. The grant investment under the Brownfield Housing Fund, for the sum specified in the report, to the applicant, as per the terms and conditions set out in the Project Case be approved;
2. Authority be delegated to the interim Executive Director of Housing, Property and Regeneration to negotiate the terms of grant agreement in accordance with the terms set out in the Project Case be approved.

29. Commercial Investment Fund Dashboard

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

Nick Oakley (West Midlands Development Capital) provided an update on the status of schemes in the fund.

He also reported that due to the success of the Commercial Investment Fund/ Residential Investment Fund, the joint fund had almost reached its overall cap of £210m which needed WM Finance Directors approval to increase its limit by £90m if lending was to continue. It was noted there were currently schemes in Sandwell and Walsall that could not be taken forward unless the increased lending cap was approved.

Resolved that: The report be noted.

30. Brownfield Land & Property Development Fund Dashboard

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

Resolved that: The report be noted.

31. Residential Investment Fund Dashboard

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

Resolved that: The report be noted.

32. Black Country Land & Property Investment Fund Dashboard

The board considered the Land and Property Investment Fund Dashboard as at 11 July 2024.

The Accountable Body, Policy & Programme Delivery Manager at Walsall Council, Kelly Valente, presented the report.

In relation to the risk related to the Music Institute, Kelly Valente reported that Dudley Council has now put in an offer for the building and would utilise the building for educational use.

Councillor Sleight (Solihull) enquired whether a Change Request would be warranted in respect of the Music Institute and if so where it would be submitted.

Kelly Valente advised that there would be a restriction put on the building (covenant) for educational use but if a Change Request was needed, this would be submitted to the Black Country Joint Committee.

The Director of Commercial and Investment, Ian Martin, reported that as the delivery body, Walsall MBC would need to ensure the project defined by the Black Country LEP delivers value for money and the agreed outputs are in accordance with the grant agreement. He as the responsible officer for the WMCA, would ask for a Change Request if he was not happy with regards to value for money; project would be bench marked against the original business case and grant agreement.

Councillor Sleight considered that a Change Request might need to come back to this board.

Resolved that: The report be noted.

33. Date of Next meeting - 19 August 2024

The meeting ended at 11.18 am.