



**Investment Board**

**Thursday 26 July 2018 at 11.30 am**

**Minutes**

**Present**

Councillor Bob Sleigh (Chair)  
Nick Abell

Councillor Mike Bird  
Councillor Patrick Harley  
Councillor Robert Hulland  
Councillor Tony Jefferson  
Councillor Brett O'Reilly

Portfolio Lead for Finance & Investments  
Coventry & Warwickshire Local  
Enterprise Partnership  
Walsall Metropolitan Borough Council  
Dudley Metropolitan Borough Council  
Solihull Metropolitan Borough Council  
Stratford-on-Avon District Council  
Birmingham City Council

**In Attendance**

Ed Bradburn  
Nick Oakley  
Sean Pearce  
Carl Craney

West Midlands Development Capital  
West Midlands Development Capital  
West Midlands Combined Authority  
West Midlands Combined Authority

**Item Title  
No.**

**1. Apologies for Absence (if any)**

Apologies for absence had been received from Paul Brown (Black Country Local Enterprise Partnership), Councillor Steve Eling (Sandwell MBC), Councillor Jim O'Boyle (Coventry City Council), Councillor Roger Lawrence (City of Wolverhampton Council), Councillor Roger Lawrence (City of Wolverhampton Council), Sue Summers (west Midlands Development Capital) and Gary Taylor (Greater Birmingham and Solihull Local Enterprise Partnership).

Apologies for absence had also been received from David Cockroft (Coventry City Council) and Sarah Middleton (Black Country Consortium).

**2. Chair's Announcements**

The Chair advised that following the reallocation of portfolio responsibilities at the Annual General Meeting of the WMCA Board he had taken over from Councillor Izzie Seccombe as the Portfolio Lead for Finance and Investments with Councillor Seccombe taking the Portfolio Lead for Health and Wellbeing.

At his invitation, introductions were duly made.

**3. Nomination of Substitutes (if any)**

No substitutes had been nominated.

**4. Declarations of Interests (if any)**

No declarations of interest were made relative to items under consideration at the meeting.

**5. Minutes of last meeting**

Resolved:

That the minutes of the meeting held on 4 June 2018 be confirmed as a correct record and signed by the Chair.

**6. Matters Arising**

There were no matters arising from the minutes of the meeting held on 4 June 2018.

**7. Investment Programme Update**

Sean Pearce presented a report on the status of the Investment Programme to help set the context for any decisions made by the Board.

He drew attention to the detailed analysis with the gross programme total having changed since the previous report (from £7,935 million to £8,615 million) due primarily to the inclusion of additional private sector funding against the UK Central Infrastructure Programme. He advised that the £2.022 billion value of the WMCA funding across the programme remained unchanged.

He referred to paragraph 3.7 of the report which detailed the following Strategic Outline Business Cases which had received approval from the WMCA leadership Team via the Assurance Process:

- HS2 Growth Delivery programme Communications - £0.08 million;
- HS2 Growth Jobs & Skills Project - £0.8 million;
- Rail Programme and Strategic Outline Case change control for land acquisition at Darlaston - £1.2 million.

He also referred to section 4 of the report which addressed significant changes compared with programmed budgets, the spending pressures on the East Birmingham Solihull Metro Extension and Wednesbury – Brierley Hill Metro Extension schemes, allocations made in accordance with funding through Devolution Deal 1 and the decision to increase the Collective Investment Fund (CIF) back up to the original £70 million from the temporary £60 million limit after the re-admittance of Sandwell MBC into the scheme.

Sean Pearce also referred section 5 of the report insofar as it referred the comprehensive review of the existing governance and assurance frameworks for the Investment Programme which was underway and would be the subject of a report to the next meeting. He reminded the Board that it currently acted as the 'gateway' for investment decisions but that this could change to include a monitoring and scrutiny role.

Councillor Mike Bird referred to the spending pressures on the two Metro Extension schemes and commented that at the WMCA Board held on 20 July 2018 a decision had been made with regard to the creation of a 'Business Support Package' for those businesses affected by the construction of new Metro routes. At that meeting it had been suggested that the costs of such a scheme could be contained within existing budgets and, on that basis, he questioned accuracy of the original budget. Councillor Patrick Harley sought an assurance that these schemes would be delivered on time and within budget. Sean Pearce commented that this type of issue would be identified as part of the current review being conducted by Laura Shoaf, Managing Director, Transport for West Midlands.

Councillor Mike Bird questioned the percentage of spending pressure on the two Metro Extension schemes. Nick Abell commented that since the inception of the Board it had always challenged how allocated funds would be spent.

Councillor Mike Bird queried whether any of the proposed Metro Extension schemes would service Birmingham Airport. The Chair confirmed that the East Birmingham Solihull Metro Extension scheme would service Birmingham Airport.

Resolved:

That the status of the Investment Programme delivery as detailed in the report be noted.

**8. 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).

**9. Former Toys-R-Us site comprising 6.46 acres of land at Birchley Island and Wolverhampton Road, Oldbury**

Nick Oakley presented a report which sought approval, subject to conditions, of acquisition and Value Added Tax (VAT) Bridge funding to enable Birchley Developments Ltd. to bring forward redevelopment of the former Toys R Us store, Oldbury in accordance with those conditions and sanctions detailed in the report. He responded to various questions raised by the Board in respect of attempts to market the site, the availability and propriety of taking a first charge on the site, evidence of pre-lets, experience and financial standing of the Developer, potential affect of the proposed development on local town centres and planning and highway considerations.

Resolved:

That approval be granted to the acquisition and Value Added Tax (VAT) funding to enable Birchley Developments Ltd. to bring forward redevelopment of the former Toys R Us store, Oldbury in accordance with those conditions and sanctions detailed in the report.

## **10. Plot 1 Halesfield, Telford**

Ed Bradburn presented a report which sought approval to the allocation of £3.4 million of Collective Investment Fund (CIF) for senior development funding, the allocation of £1.831 million of Brownfield Land and Property Development Fund (BLPDF) with both approvals being subject to conditions detailed in the report.

Sean Pearce advised the Board that the Investment Advisory Group had raised the following issues in respect of this case:

- A sum of £17 million remained available in the BLPDF for allocation with anticipated demand exceeding that amount;
- A sum of £3,690,000 had been allocated to Telford and Wrekin Council by this Board in October 2017 but to date no draw down had been made; and
- An acknowledgement that this scheme could be delivered relatively quickly.

Councillor Mike Bird sought an assurance that those schemes within the Black Country area which were seeking funds would not be affected detrimentally by an award to this scheme.

Nick Abell questioned the propriety of the use of the BLPDF to bring forward a scheme where remediation was not necessary. He also queried whether the first charge on the site would cover both the CIF loan and BLPDF grant. Ed Bradburn advised that it was appropriate for the BLPDF to be used to cover viability gap funding and that both the loan and grant would be covered by the charge.

Ed Bradburn and Nick Oakley responded to various questions raised by the Board in respect of potential rental levels, the assistance provided from public sector funds, the potential for increasing the clawback if rental levels increased, the availability of alternative funding sources and the types of jobs likely to be created.

With regard to the previous allocation to Telford and Wrekin Council, Ed Bradburn advised on discussions which had taken place with the Council and on an offer to surrender £500,000 of that allocation towards this scheme albeit that a further request to fund the resulting shortfall in the original scheme could be necessary.

By way of an aside, Nick Abell commended the quality of the reports presented to the meeting, which were of a high standard, very clear and succinct. This view was shared by the Board.

Resolved:

1. That the allocation of £3.4 million of Collective Investment Fund (CIF) funding for senior development funding and £1.831 million of Brownfield Land and Property grant funding be approved in principle subject to the conditions of Sanction included in the report;

2. That West Midlands Development Capital be authorised to enter into further discussions and negotiations with Telford and Wrekin Council on the use of funding from that granted previously for use in funding this particular application at between £0.5 million and £1 million;
3. That delegated authority be granted to the Director of Finance in consultation with the Chair of this Board to determine the final allocation of a loan and grant for this scheme.

**11. WMCA Collective Investment Fund (CIF) Dashboard**

Nick Oakley presented the Collective Investment Fund (CIF) Dashboard as at 15 July 2018. He updated the Board with regard to the current position with the Opus Land and Goold Estates Ltd. cases. Nick Abell reported that the Complex Developments Projects Ltd. had now secured an operator for the hotel element of the scheme.

Resolved:

That the Dashboard be received and noted.

**12. WMCA Brownfield Land and Property Development Fund (BLPDF) Dashboard**

Nick Oakley presented the Brownfield Land and Property Dashboard (BLPDF) as at 15 July 2018.

Resolved:

That the Dashboard be received and noted.

**13. Monday 20 August 2018 at 9.30am**

Resolved:

That the next meeting of this Board be held on Monday 20 August 2018 commencing at 09:30 hours.

The meeting ended at 12.20 pm.