



**Investment Board**

**Thursday 1 November 2018 at 9.30 am**

**Minutes**

**Present**

Councillor Bob Sleigh (Chair)  
Paul Brown

Councillor Judy Foster  
Gary Taylor

Councillor Michael Gough  
Councillor Tony Jefferson  
Councillor Mike Bird  
Sue Summers

Portfolio Lead for Finance & Investments  
Black Country Local Enterprise  
Partnership  
Dudley Metropolitan Borough Council  
Greater Birmingham & Solihull Local  
Enterprise Partnership  
Solihull Metropolitan Borough Council  
Stratford-on-Avon District Council  
Walsall Metropolitan Borough Council  
West Midlands Development Capital

**In Attendance**

Lara Cragg  
Nafees Arif  
Jo Nugent  
Carl Craney  
Sukhy Dhanoa  
Claire Jones  
Dr Henry Kippin  
Sean Pearce  
Laura Poyner  
Rob Wood  
Nick Oakley

Black Country Consortium  
Midland Metro Alliance  
Walsall MBC  
West Midlands Combined Authority  
West Midlands Development Capital

**Item Title**

**No.**

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

Apologies for absence had been received from Nick Abell (Coventry and Warwickshire Local enterprise Partnership), Councillor Robert Hulland (Solihull Metropolitan Borough Council), Councillor Jim O'Boyle (Coventry City Council), Councillor Brett O'Reilly (Birmingham City Council) and Councillor Roger Lawrence (City of Wolverhampton Council).

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

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

Councillor Michael Gough had been nominated as the substitute member for Councillor Robert Hulland (Solihull Metropolitan Borough Council).

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

There were no declarations of interest made in relation to items under consideration at the meeting.

**43. Minutes of last meeting**

Resolved:

That the minutes of the meeting held on 17 September 2018 be confirmed as a correct record and signed by the Chair.

**44. Investment Programme - Update**

Sean Pearce presented a report on the status of the Investment Programme in order to help to set out the context for any investment decisions being made by the Board. Sukhy Dhanoa presented a revised Investment Board Dashboard which supplemented the report and explained that this was a work in progress.

Councillor Mike Bird commented on the number of 'red' items in the Dashboard, the assumptions which were being made and suggested that the Programme needed to be reviewed. Sean Pearce explained that the Investment Programme Prioritisation report to be considered later in the meeting addressed a number of these issues.

Resolved:

1. That the status of the Investment Programme delivery, as detailed in the report, be noted;
2. That the supplementary Investment Programme Dashboard be approved.

**45. West Midlands 5G - Structure, Governance and Funding**

Rob Wood and Henry Kippin presented a report on the successful bid for regional test-bed status as part of the Government's Urban Connected Communities programme (UCC). They explained the substantial benefits for the region and that this was part of a national effort to accelerate the deployment of next-generation mobile connectivity in the UK with the West Midlands' leading the way.

In response to a question from the Chair, Rob Wood outlined the purpose of creating two separate companies was in order to distance delivery from local government and to attract private sector investment. Councillor Mike Bird enquired as to the salary and expenses structure for those employed and/or engaged in WM5G limited (the Delivery Entity). Rob Wood explained that this was still under development. Sean Pearce added that an application would be made to the Department for Digital, Culture, Media and Sport via submission of a Full Business Cases at the appropriate time. Councillor Mike Bird asked whether any discussions had yet been held with Network Providers and if a representative from such a company could be approached to Chair the Board. Sean Pearce confirmed that this would be the intended approach.

Councillor Tony Jefferson questioned how the benefits would be measured and monitored. Rob Wood advised that some benefits would be easily

identified whilst other would benefit large numbers of people in small ways and therefore would be difficult to measure.

Councillor Mike Bird referred to the current financial shortfall. Henry Kippin advised that the programme was being worked through and would bring extensive coverage over time across the region. Three test-beds were to be established in the Black Country, Coventry/Solihull and Birmingham and that these would lead to private sector investment. The public sector was lowering the barriers to investment with a view to encouraging private sector investment. The drawdown of Government funding was dependent upon public and private sector investment.

The Chair commented that information was required on the current state of the infrastructure across the region. Henry Kippin advised that a mapping exercise was underway. Councillor Mike Bird enquired as to the type of infrastructure required in terms of design. Henry Kippin reported that this would not require the installation of new large masts but would involve a mix of masts and small cell technology with the additional infrastructure being incorporated into the Public Realm such as on lamp posts etc. and that planning permission and wayleave agreements would be required. Councillor Mike Bird reminded the Board that in some local authorities such equipment had been provided via Private Finance Initiative funding and was therefore not in the ownership of the local authorities. Similarly, some local authorities had made policy decisions precluding the installation of telecommunications equipment on council owned buildings.

Resolved:

That the West Midlands Combined Authority Board be recommended as follows:

1. That the participation by the WMCA in the WM5G project as detailed in the report be endorsed;
2. That the proposed governance structure for the WM5G Project and grant for the Joint Venture and Delivery Entity to be incorporated and the Enduring Grant Agreement entered into (including any associated ancillary documentation) in conjunction with the Department for Digital, Culture, Media and Sport be endorsed;
3. That an allocation of £4.75 million to the Delivery Entity to be allocated to projects using the governance structure as detailed in the report be approved;
4. That a further report be submitted to a future meeting of this Board on the various points now raised;
5. That a quarterly monitoring report on the WM5G Project be submitted to this Board.

#### **46. Wolverhampton Interchange Programme**

Sean Pearce presented a report which summarised the WMCA's considerations following the publication of the Wolverhampton Interchange train station Lessons Learned Report (2017-18). He explained that the report had been written from a governance control perspective in respect of organisational changes and controls strengthened.

Councillor Mike Bird commented on the propensity of original cost estimates

being exceeded and the inherent dangers of raising public expectations on the delivery of projects. The Chair referred to the risks with partnership arrangements and reputational damage.

Resolved:

That the actions undertaken by the West Midlands Combined Authority to address the lessons learned highlighted in the Wolverhampton Interchange Train Station Lessons Learned report (2017-18) be noted.

**47. WMCA Collective Investment Fund (CIF) - Dashboard**

Nick Oakley presented the CIF Dashboard (public iteration) as at 15 October 2018.

Resolved;

That the Dashboard be received and noted.

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

Nick Oakley presented the Brownfield Land and Property Dashboard (public iteration) as at 15 October 2018.

Resolved:

That the Dashboard be received and noted.

**49. 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).

**50. Investment Programme Prioritisation**

Sean Pearce presented a report following a meeting held on 28 September 2018 when the Metropolitan Leaders had agreed a set of strategies to assist in closing the Investment Programme funding gap to April 2020 and beyond. The report outlined the extent of the task, detailed the strategies to deliver the desired outcomes and referred to the monitoring arrangements against which the progress would be measured. He also reported that at a meeting of the Metropolitan Directors of Finance held on 19 October 2018 each Director had been tasked with a particular workstream.

Resolved:

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

**51. Investment Programme - Change Process**

Sean Pearce presented a report which provided the Board with an outline Change Control process and sought approval to develop it for use within the Investment Programme. The Board approved the four prioritisation criteria.

He advised that a further report detailing the prioritisation scoring matrix would be submitted to the next meeting of the Board. He also informed the Board of the proposals to ensure that the Housing and Land Delivery Board and this Board worked in tandem.

Resolved:

1. That the draft Investment Programme Change Process be approved;
2. That the proposed prioritisation scoring matrix be the subject of a report to the next meeting of the Board.

## **52. Land & Property Investment Fund: Phoenix 10 Strategic Employment Site, Walsall**

Lara Cragg presented a report which sought to;

- Secure agreement to derogations from the Commissioning Framework; and
- Set out conditions which would be applied to such an approval.

She reported that the proposed investment would assist in the delivery of the strategically important Phoenix 10 site through the remediation of one of the largest brownfield employment sites in the West Midlands. Gareth Bradford reported that at the meeting of the Housing and Land Delivery Board held on 25 October 2018 a single commissioning framework had been approved which would be applied to this development.

Resolved:

1. The decision by the Black Country Joint Committee, that subject to satisfying certain conditions, up to £35.2 million of funding from the Black Country Land and Property Investment Fund (LPIF) be made available to the City of Wolverhampton Council as Accountable body for the fund to facilitate the delivery of the phoenix 10 project;
2. That the WMCA Board be recommended to a derogation to be provided in respect of the Phoenix 10 project with regard to the Commissioning Framework for the Black Country Land and property Investment Fund (approved by the WMCA Board in September 2017) in recognition of the fact that outputs from the project will be delivered outside the agreed timeframe subject to:
  - (a) A business case agreed by the WMCA that follows the principles of the HM Treasury 'Green Book' analysis and which will also establish if those further derogations set out in section 4.2 of the report are necessary; and
  - (b) The additional conditions set out in section 5 of the report;
3. That the consent to derogation is specific and exclusive to the Phoenix 10 project and does not set a precedent for any future decisions;
4. That the WMCA's Chief Executive, Section 151 Officer, Director of housing and Land and Head of Governance collectively and in consultation with the Portfolio Lead for Finance & Investments be granted delegated authority to agree the detailed business case for Phoenix 10 and those further derogations that might be necessary as set out in section 4 of the report;
5. That as a result of the proposed investment in Phoenix 10, the

overall package of outputs (Which the WMCA agreed when approving the programme of £53.04 million for the Black Country LEP) may differ from the original expectations be noted. The extent of any variation to be informed through consideration of the detailed business case for Phoenix 10;

6. That the thanks of the Board be extended to Sarah Middleton and the Black Country Consortium and Jo Nugent and Simon Tranter (Walsall MBC) for their work in progressing this project.

### **53. Wednesbury - Brierley Hill Metro Extension Scheme**

With reference to Minute No. 32 Nafees Arif presented a report which provided an update on the current funding position with regard to the Wednesbury to Brierley Hill Metro Extension. He drew to the attention of the Board that the submission of a Full Business Case (FBSC) in February 2019 was not ideal timing given delays with PRISM modelling and the completion of the value engineering works would make the identification of a total cost problematic.

Councillor Judy Foster referred to the letter from the WMCA Mayor which had been received in September 2018 regarding the £103 million contribution from the WMCA to the scheme and queried whether this sum was, in fact, ring fenced for this scheme. Councillor Mike Bird confirmed that to be the case but questioned the position with negotiations with Network Rail on the sale / transfer of the rail corridor. Nafees Arif advised that negotiations were progressing well and the objection to the Transport and Works Act Order had been withdrawn. He asked for clarification as to how the £103 million could be secured and whether the submission of the FBC could be delayed. Sean Pearce reminded the Board of the 'Prioritisation' report considered earlier in the meeting which included the ring fencing of the £103 million subject to the submission of a FBC and also to the 'Change Process' report. Furthermore, under the terms of the Assurance Process allocations could only be made for a Full Business Case if funding was available.

Councillor Judy Foster sought clarification as to whether the allocation was subject to the submission of the FBC. Sean Pearce confirmed this to be the case subject to the provisos now referred to.

Resolved:

1. That the current position with regard to funding for the Wednesbury to Brierley Hill Metro extension be noted;
2. That the target for the submission of the Full Business Case into the assurance and governance process at the WMCA be February 2019 as detailed in the report.

### **54. WMCA Collective Investment Fund (CIF) - Dashboard**

Nick Oakley presented the CIF Dashboard (private iteration) as at 15 October 2018. Sean Pearce advised that the information regarding 'Dashboard of deal values and total diagrams' would be included in the public iteration of the report in future.

Sue Summers circulated a brochure 'Developing the Regional Economy –

Accelerating commercial property developments to kick start prosperity' which had been used at the West Midlands Forum for Growth to showcase the investment work of the WMCA.

Resolved;

That the Dashboard and brochure be received and noted.

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

Nick Oakley presented the Brownfield Land and Property Dashboard (private iteration) as at 15 October 2018.

Resolved:

That the Dashboard be received and noted.

The meeting ended at 10.52 am.