



Investment Board

Monday 24 June 2019 at 10.00 am

Minutes

Present

Councillor Bob Sleigh (Chair)

Nick Abell

Councillor Wasim Ali

Councillor Harman Banger

Paul Brown

Councillor Tristan Chatfield

Councillor Steve Clark

Councillor Karen Grinsell

Councillor Matt Jennings

Sue Summers

Portfolio Holder for Finance and Investments

Coventry & Warwickshire Local Enterprise Partnership

Sandwell Metropolitan Borough Council

City of Wolverhampton Council

Black Country Local Enterprise Partnership

Birmingham City Council

Dudley Metropolitan Borough Council

Solihull Metropolitan Borough Council

Stratford on Avon District Council

West Midlands Development Capital

In Attendance

Sarah Middleton

Richard Lawrence

Jane Holmes

Pam Waddell OBE

Gareth Bradford

Carl Craney

Sukhy Dhanoa

James Magee

Ian Martin

Carl Pearson

Ed Bradburn

Nick Oakley

Black Country Local Enterprise Partnership

City of Wolverhampton Council

Innovation Alliance

Innovation Alliance

West Midlands Combined Authority

West Midlands Development Capital

West Midlands Development Capital

Item Title

No.

178. Apologies for Absence (if any)

Apologies for absence had been received from Councillor Mike Bird (Walsall MBC), Councillor Tony Jefferson (Stratford on Avon District Council), Councillor Jim O'Boyle (Coventry City Council) and Councillor Ian Ward (Birmingham City Council).

An apology for absence had also been received from Richard Moon (Coventry City Council).

179. Notification of Substitutes (if any)

Councillor Matt Jennings had been appointed as a substitute for Councillor Tony Jefferson (Stratford on Avon District Council) and Councillor Tristan Chatfield had been appointed as a substitute for Councillor Ian Ward (Birmingham City Council).

180. Chair's Remarks

The Chair welcomed those present to the meeting and at his invitation introductions were duly made.

181. Declarations of Interests (if any)

Nick Abell declared an interest in agenda Item No. 5 (Investment Programme and Dashboard) inasmuch as he was to be appointed as a Director of the UK Battery Industrialisation Centre.

182. Minutes of last meeting

Ian Martin referred to Minute No. 174 (CDP developments Limited – Collective Investment Fund (CIF) Loan) and advised that a Concentration Risk Policy was being developed which, in general, would limit loans to particular companies or groups of companies to £10 million. Up to £20 million would be by exception and require further approval. A report on this matter would be submitted to the next meeting of the Board.

Resolved:

1. That the minutes of the meeting held on 3 June 2019 be confirmed as a correct record and signed by the Chair;
2. That the position with the development of a Concentration Risk Policy as referred to above be noted.

183. Investment Programme and Dashboard

Carl Pearson and Sukhy Dhanoa presented a report on the status of the Investment Programme to assist the Board in determining investment decisions.

Sukhy Dhanoa drew to the attention of the Board the changes in key dates for the following schemes:

- Coventry South – A46 Link Road Phase 2;
- Coventry South – Coventry South Interchange;
- Coventry South – Tile Hill station Improvements; and
- Commonwealth Games.

Councillor Tristan Chatfield expressed his concerns at the costs involved in continuing to develop Strategic Outline Business Cases (SOBC's) and Outline Business Cases (OBC's) given the current shortfall in the Investment Programme. The Chair reminded the Board that the majority of schemes within the Investment Programme had been agreed at the time of the creation of the WMCA, on the challenge to raise additional funds and the various workstreams on this issue. He advised that the Leaders of the Constituent Authorities had made a conscious decision to not delete any schemes from the Investment Programme at this stage.

Resolved:

That the report be received and noted.

184. WMCA Collective Investment Fund (CIF) - Dashboard

The Board considered the WMCA Collective Investment Fund (CIF) Dashboard (public iteration) as at 15 May 2019.

Resolved:

That the Dashboard be received and noted.

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

The Board considered the WMCA Brownfield Land and Property Development Fund (BLPDF) Dashboard (public iteration) as at 15 May 2019.

Resolved:

That the Dashboard be received and noted.

186. Land and Property Investment Fund (LPIF) - Dashboard

The Board considered the Land and Property Investment (LPIF) Dashboard as at 1 June 2019.

Resolved:

That the Dashboard be received and noted.

187. 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).

188. West Midlands Innovation Programme - Phase 1

Pam Waddell OBE presented a report which sought approval of £2.96 million for operational, innovation support and ecosystems development for the West Midlands Innovation Programme (WMIP) for its first three years. She explained that the WMCA had an aspiration to deliver ultimately circa £36 million of support to new innovation proposals, via the recommended drawdown process, over the eventual five year life of the programme, which this initial investment would enable.

Councillor Karen Grinsell asked as to the key outcomes of the initial phase. Pam Waddell OBE referred the Board to the contents of the report and explained that the intention was to promote innovation, leadership and culture and to showcase those companies who were performing well already. It was anticipated that there would be productivity gains as a direct result of the process. Jane Holmes advised on a number of alternative funding sources which were being explored also.

Nick Abell referred to the problems experienced with retaining innovators in the region and enquired as to any steps proposed to address this particular issue. Pam Waddell OBE confirmed that this had been addressed in the preparatory work and explained the issues behind this phenomenon.

Resolved:

1. That the £2.96 million of funding for the first three years of the West Midlands Innovation Programme operational costs be approved subject to a formal review after 10% of the funding had been used;
2. That the review should make clear: a) Defined outputs connected to the £2.96 million; b) Implementation; c) sources for additional funding;
3. That the proposed process for future funding drawdown, as detailed in the report be approved in principle but that it be noted that the source of such funding had yet to be identified;
4. That the aspiration to deliver ultimately circa £36 million of support to new innovation proposals over the five year life of the programme be noted. [The Chair made it clear that his was the aspect not approved from the Investment Programme and reliance upon availability should not be assumed given the remaining sum available.]

189. Land at Cakemore Road, Rowley Regis, B65 0QT

Ed Bradburn presented a report which sought approval of a Senior Development loan to support the speculative development of three light industrial units totalling 54,060 sq. ft. on 2.75 acres of cleared brownfield land.

Councillor Tristan Chatfield requested that future reports contain a high level risk analysis indicating both impact and likelihood.

Resolved:

1. That the provision of a £3,600,000 CIF loan to the Company fully secured against the property to fund the development be approved;
2. That future reports contain a high level risk analysis classifying both impact and likelihood of risks along the lines of low, medium or high.

190. WMCA Collective Investment Fund (CIF) - Dashboard

The Board considered the WMCA Collective Investment Fund (CIF) Dashboard (private iteration) as at 15 May 2019.

Resolved:

That the Dashboard be received and noted.

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

The Board considered the WMCA Brownfield Land and Property Development Fund (BLPDF) Dashboard (private iteration) as at 15 May 2019.

Resolved:

That the Dashboard be received and noted.

The meeting ended at 10.49 am.