



Investment Board

Monday 11 November 2019 at 10.00 am

Minutes

Present

Councillor Bob Sleigh (Chair)
Nick Abell

Councillor Mike Bird
Councillor Tristan Chatfield
Councillor Steve Clark
Councillor Karen Grinsell
Richard Lawrence
Gary Taylor

Portfolio Lead for Finance & Investments
Coventry & Warwickshire Local
Enterprise Partnership
Walsall Metropolitan Borough Council
Birmingham City Council
Dudley Metropolitan Borough Council
Solihull Metropolitan Borough Council
City of Wolverhampton Council
Greater Birmingham & Solihull Local
Enterprise Partnership

In Attendance

Sarah Middleton

Alan Lunt
Roger Mendonca
Gareth Bradford
Sukhy Dhanoa
Linda Horne
Ian Martin
David Warburton
Ed Bradburn
Gerald Gannaway
Andy Green
Nick Oakley
Kieren Turner-Owen

Black Country Local Enterprise
Partnership
Dudley Metropolitan Borough Council
West Midlands Growth Company
West Midlands Combined Authority
West Midlands Development Capital
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Item Title

No.

55. Apologies for Absence

Apologies for absence had been received from Councillors Wasim Ali (Sandwell MBC), Harman Banger (City of Wolverhampton Council) and Jim O'Boyle (Coventry City Council), Sue Summers (West Midlands Development Capital) and Richard Moon and Andy Williams (Coventry City Council), Matthew Hammond (West Midlands Growth Company) and Paula Deas (Coventry and Warwickshire LEP).

56. Notification of Substitutes

Richard Lawrence had been appointed as a substitute for Councillor Banger (City of Wolverhampton Council).

57. Minutes of last meeting

The minutes of the meeting held on 21 October 2019 were agreed as a correct record.

58. Investment Programme and Dashboard

The Finance Director, Linda Horne and the Head of Strategic Programme Delivery, Sukhy Dhanoa presented the monthly report on the status of the Investment Programme to assist the board in determining investment decisions.

Resolved: That the status of the Investment Programme delivery as detailed within the report be noted.

59. WMCA Housing and Land Portfolio - Approach to Site Acquisitions and Investments under the Devolved Housing Deal Land Fund

The Head of Land and Development, David Warburton presented a report that provided a summary of the approach taken by the WMCA to develop case papers for those acquisitions and investments to be considered by the board today under the WMCA Single Commissioning Framework including those utilising Housing Deal Land Fund Investment; the fund is within the WMCA's Housing and Land Portfolio of up to £100m devolved to the WMCA by Government.

The report set out the rationale and summary of the approach taken, including the assurance process.

It was noted that each scheme fulfils the requirement of the Single Commissioning Framework agreed by the WMCA Board including the Benefit Cost Ratio tests established by Government. In addition, all schemes achieve the recovery rates set by Government for the Housing Deal Land Fund and all acquisitions are verified against an independent Red Book valuation, with appropriate provision made for the WMCA site holding costs including potential rates voids and security provision.

Resolved: That the approach taken to acquisitions and investments to be considered by the Investment Board under the Housing and Land Portfolio of the WMCA be noted.

60. WMCA Collective Investment Fund (CIF) - Dashboard

The board considered the WMCA Collective Fund (CIF) Dashboard (public iteration) as at 31 October 2019.

Resolved: That the report be noted.

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

The board considered the WMCA Brownfield Land and Property Development Fund (BDLPF) Dashboard (public iteration) as at 31 October 2019.

Resolved: That the Dashboard be received and noted.

62. 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 item 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).

63. Update on West Midlands Growth Company Activity

Roger Mendonca, West Midlands Growth Company, presented a report that provided an update on headline activity by West Midlands Growth Company over the last six months since programme started in April 2019.

In relation to West Midlands Growth Company's Business Plan and its focus on the three activities outlined in the report, Councillor Chatfield considered it would be helpful to include comparative data from other regions to ascertain how the West Midlands compares to the rest of the country.

Roger Mendonca undertook to provide the board with the information via email.

Resolved: That the report be noted.

64. Proposed Site Acquisition and Disposal Strategy for Land at Dobbs Street, Wolverhampton

David Warburton, WMCA, presented a report that sought approval for the purchase and disposal of land at Dobbs Street, Wolverhampton to deliver 266 new homes to be funded from the WMCA's Housing Deal Land Fund.

Resolved:

1. That the terms agreed for the freehold purchase by WMCA of 0.98 ha of land at Dobbs Street, Wolverhampton be approved;
2. That the requirement for WMCA intervention and that the acquisition is fully compliant with the WMCA Single Commissioning Framework and meets the Government's criteria set for the WMCA Housing Deal Land Fund be noted;
3. That a gross WMCA investment as set out within the report to facilitate the land acquisition demolition and clearance, master planning and subsequent disposal, delivering 266 homes at a gross cost per housing unit as set out in the report be approved;

4. That the proposals for the wider area, the link with the ring road (A4150) development land exercise and the wider City Centre Blakenhall Ward regeneration be noted and
5. That this acquisition and the terms proposed in this report have been expressly supported by the City of Wolverhampton Council.

65. Proposed Site Acquisition and Disposal Strategy for Land at Abberley Street, Smethwick, Warley

David Warburton presented a report that sought approval for land acquisition, planning and a disposal strategy for land at Abberley Street, Warley, Smethwick to deliver a minimum of 158 new homes to be funded from the WMCA's Housing Deal Land Fund.

Resolved:

1. That the freehold purchase by WMCA of 1.32ha of brownfield land at Abberley Street, Warley, Smethwick located to the east of the new Midland Metropolitan Hospital (under construction) be approved;
2. That the requirement for WMCA intervention and that the acquisition is fully compliant with the WMCA Single Commissioning Framework and meets the Government's criteria for the WMCA Housing Deal and Land Fund be noted;
3. That a gross WMCA investment as set out in the report to complete the acquisition, together with the subsequent clearance and remediation of the land before securing a development partner to deliver a residential development of a minimum of 158 new homes at a gross WMCA investment per home as set out in the report be approved and
4. That the site is located within the Grove Lane/Cranford Street intervention area, where land assembly to drive housing delivery and wider regeneration has been attempted by both the public and private over many years but has been largely unsuccessful and this this acquisition represents the only opportunity for the public sector (WMCA) to secure a large brownfield site in the area by way of a private treaty and so deliver a key scheme which is included in the WMCA's Housing Deal with Government and has been a long-standing priority for Sandwell Council be noted and
5. That the acquisition proposed in the report is expressly supported by Sandwell Metropolitan Borough Council be noted.

66. Proposed Site Acquisition and Disposal Strategy for Land at 23 Cranford Way, Smethwick, Warley

David Warburton presented a report that sought approval for the acquisition of land and property at 23 Cranford Way, Smethwick, together with a planning and disposal strategy for the purpose of delivering a minimum of 33 new homes to be funded from the WMCA's Housing Deal Land Fund.

Resolved:

1. That the freehold purchase by WMCA of 0.12 ha of land and property at 23 Cranford Way, Smethwick, a strategic land acquisition located to the west of the new Midland Metropolitan Hospital (under construction) be approved;
2. That the requirement for WMCA intervention and that the acquisition is fully compliant with the WMCA Single Commissioning Framework and meets the Government's criteria for the WMCA Housing Deal Fund be noted;
3. That a gross WMCA investment as set out in the report to complete the acquisition, hold the property for a short period with a view to either assemble further land or demolish the property before securing a development partner to deliver a residential development of a minimum 33 new homes at a gross WMCA investment per home as set out in the report be approved and
4. That the acquisition is part of a wider regeneration approach, with the WMCA acquiring land in the Grove Lane area, working closely with Sandwell MBC and opportunities to assemble land for subsequent development in this area by way of private treaty are extremely limited and the market has consistently failed to achieve this over successive decades and intervention by the public sector (WMCA) is essential to drive delivery be noted.

67. Proposed Investment at Icknield Port Phase 2, Birmingham (Urban Splash)

Gerald Gannaway, West Midlands Development Capital, presented a report that sought a loan allocation together with grant funding from the WMCA's Revolving Investment Fund (RIF) and the WMCA's Land Fund (Grant) respectively, to assist in the delivery of 130 homes at the development.

Resolved: That provision of a repayable 3 year RIF loan as set out in the report, together with grant funding from the Land Fund as set out in the report, to assist with the delivery of 130 homes (28 modular residential homes, 12 houses and 90 apartments) at Icknield Port Loop Phase 2, Rotton Park Street, Birmingham be approved subject to the conditions detailed in the report and a review of cashflow in conjunction with the WMCA's Finance Team.

68. Proposed Investment at the Former Caparo Site, Old Birchills, Walsall

Kieren Turner-Owen, West Midlands Development Capital, presented a report that sought approval of an allocation of grant funding from the WMCA's Land Fund to assist with the delivery of 252 residential units at the site, and a loan from the Collective Investment Fund (CIF) to aid the purchase of land at the entrance of site.

Resolved: That an allocation grant funding from the Land Fund as set out in the report to assist with the delivery of 252 residential units (78 affordable) at the former Caparo Site, Old Birchills, Walsall, together with a loan from the Collective Investment Fund (CIF) as set out in the report to aid the purchase of land at the entrance of the site be approved.

69. Proposed Investment at the Dudley Institute of Transformational Technologies (Dudley College of Technology)

Andy Green, West Midlands Development Capital, presented a report that sought approval of an allocation of grant funding from the WMCA's Brownfield Land and Property Development Fund to assist with the delivery of 4750 square metres of educational facility at the development subject to the conditions detailed in the report.

Resolved: That an allocation of grant funding as set out in the report from the Brownfield Land and Development Fund (BLPDF) to assist with the delivery of 4750 square metres of educational facility at Castle Hill, Dudley subject to the conditions detailed in the report be approved.

70. Proposed Investment at Shidas Lane, Oldbury (Stoford Properties Ltd.)

Ed Bradburn, West Midlands Development Capital presented a report that sought grant funding from the WMCA's Brownfield Land Property Development Fund to fund remediate the ground conditions at the property to deliver either a 115,000 square foot industrial unit (Option A) or, a 55,000 square foot purpose built Ambulance Hub (Option B); the scheme which would be delivered would be dependent on progress made with the pre-let of the Ambulance Hub and if not success, then the industrial unit would be built speculatively.

Resolved: That a maximum allocation of grant funding as set out in the report from the Brownfield Land and Property Development Fund to fund remediation costs at Shidas Lagoon, Rounds Green Road, Oldbury to deliver the development at the site, as referred to above, subject to the conditions detailed in the report be approved.

71. WMCA Collective Investment Fund (CIF) - Dashboard

The board considered the WMCA Collective Fund (CIF) Dashboard (private iteration) as at 31 October 2019.

Resolved: That the dashboard be received and noted.

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

The board considered the WMCA Brownfield Land and Property Development Fund (BDLF) Dashboard (private iteration) as at 31 October 2019.

Resolved: That the dashboard be received and noted.

The meeting ended at 11.30 am.