



Investment Board

Monday 20 January 2020 at 10.00 am

Minutes

Present

Councillor Bob Sleight (Chair)
Nick Abell

Councillor Mike Bird
Councillor Tristan Chatfield
Councillor Steve Clark
Councillor Karen Grinsell
Councillor Matt Jennings
Councillor Jim O'Boyle

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
Non-Constituent Authorities
Coventry City Council

**Item Title
No.**

92. Apologies for Absence

Apologies for absence were received from Councillor Harman Banger (Wolverhampton), Councillor Tony Jefferson (no-constituent authorities) and Sue Summers (West Midlands Development Capital).

93. Notification of Substitutes

Councillor Matt Jennings indicated that he was substituting for Councillor Tony Jefferson as the non-constituent authorities' representative on the board.

94. Minutes - 16 December 2019

The minutes of the meeting held on 16 December 2019 were agreed as a correct record, subject to an amendment to minute no. 80 ('WMCA Brownfield Land & Property Development Fund Dashboard') to indicate that the funding commitments made by organisations to date in respect of the Commonwealth Games 2022 had resulted in a smaller funding gap than was previously expected.

95. West Midlands Innovation Programme - Phase 1

The board considered a report from the Director of Strategy requesting approval of £2.96m for operational innovation support and ecosystem development for the West Midlands Innovation Programme for its first three years.

Pam Waddell reported that the West Midlands Innovation Programme was a five-year plan to drive up levels of demand-led business innovation across all areas of the region. This board had previously considered the matter at its meeting on 24 June 2019 and had agreed the funding for phase 1 of the project, subject to a review after 10% of the funding had been used. Phase 1 was intended to establish the means of delivering phase 2, as well as delivering aspects of the Local Industrial Strategy innovation plans with tangible outcomes and outputs.

Nick Abell sought assurances that the proposed innovation programme aligned with work already being done in this field by the region's universities, Local Enterprise Partnerships and Growth Hubs. James Elliott confirmed that these organisations were represented on the Innovation Board, which had responsibility for overseeing the work of the West Midlands Innovation Programme.

Ian Martin confirmed that the funding agreement with the West Midlands Innovation Programme would be overseen by himself.

Resolved:

- (1) The approval of £2.96m funding for the first three years of the West Midlands Innovation Programme operational costs (Phase 1) be confirmed.
- (2) The additional detail on the anticipated outputs/outcomes, structure and planned activity of the West Midlands Innovation Programme Phase 1 be approved.
- (3) The progress made in the planning and preparation phase since the Investment Board approval on 24 June 2019 in establishing the structure and initiating delivery of the West Midlands Innovation Programme Phase 1 be noted.

96. Investment Programme Update

The board considered a report from the Director of Investments & Commercial Activities setting out the status of the Investment Programme to help set the context for the investment decisions being made by the board.

Linda Horne reported that there had been no significant changes since the last report to the board. Following a decision by the Mayor and constituent authority leaders in September 2019, only those schemes included within the capped £801m Investment Programme were currently progressing. Ian Martin noted that this was the first meeting to be presented with the reformatted dashboard, and the Chair welcomed the greater clarity this provided to members.

Councillor Jim O'Boyle noted that the Coventry City Centre First project was highlighted 'red' against its forecast start date even though he understood work had already commenced. Ian Martin indicated that he would check on this further and report back to the next meeting. In addition, Councillor Jim O'Boyle also indicated that he was content with the progress being made by the Coventry City Centre South and Coventry Friargate Business District Phase 1 projects.

Resolved:

The status of the Investment Programme delivery be noted.

[NB. Councillor Bob Sleight declared an interest in this item in respect of him being a board member of UK Central Urban Growth Company.]

97. WMCA Collective Investment Fund Dashboard

The board considered a report on the Collective Investment Fund as at 1 January 2020. Kieran Turner-Owen reported that there had been no significant changes to the fund since the last meeting of the board.

The Chair suggested that it would be helpful for the Investment Advisory Group to review those schemes where a Legal Agreement had not been concluded six months after they had been approved by this board so as to ensure adequate progress was being made.

Resolved:

- (1) The report be noted.
- (2) Where Legal Agreement had yet to be concluded six months from the approval by this board, it be agreed that the Investment Advisory Group be requested to review schemes to ensure that adequate progress was being made in drawing down the approved funding and that no new risks had emerged.

98. WMCA Brownfield Land & Property Development Fund Dashboard

The board considered a report on the Brownfield Land & Property Development Fund. Kieran Turner-Owen reported that there had been no significant changes to the dashboard since the last meeting.

Councillor Mike Bird noted that Telford & Wrekin Council had not yet drawn down any of the £3m allocated to it under this fund. Gareth Bradford explained that the council had recently come forward with a number of suggested schemes that would be funded from this allocation and the WMCA was currently assessing these schemes' eligibility.

Resolved:

The report be noted.

99. WMCA Revolving Investment Fund Dashboard

The board considered a report on the Revolving Investment Fund as at 1 January 2020. Kieran Turner-Owen indicated that Parkes Homes had recently repaid the first part of its £1.12m loan.

Resolved:

The report be noted.

100. Black Country Land & Property Investment Fund Dashboard

The board considered a report on the Black Country Land & Property Investment Fund dashboard.

Resolved:

(1) The report be noted.

(2) It be noted that Walsall Metropolitan Borough Council was now the accountable body for the Black Country Land & Property Investment Fund, and that the management costs associated with this would be carried into 2021/22 rather than accounted for in 2020/21.

101. 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 during the consideration of the following items of business as they involved the likely disclosure of exempt information relating to the business affairs of any particular person (including the authority holding that information).

102. Very Light Rail - Transforming Connectivity in the West Midlands

The board considered a report seeking approval of a change request to reprofile the WMCA's allocation for Very Light Rail.

The Very Light Rail - Transforming Connectivity in the West Midlands programme was promoted by Coventry City Council, Dudley Metropolitan Borough Council and Transport for West Midlands and was focussed on the delivery of Very Light Rail technology within the region. The WMCA's financial contribution to this programme was first agreed in 2017, but this change request was required to support research and development workstreams and to maintain the momentum within the programme of works.

Councillor Mike Bird suggested it would be useful if the board was to receive a briefing that set out the key components of Very Light Rail and where it might be considered advantageous over developing a new metro line. The Chair agreed with this and requested a presentation to a future meeting.

Resolved:

- (1) The change request to re-profile the WMCA's allocation to the Very Light Rail programme, as detailed within the report, be approved.
- (2) It be agreed that a presentation be provided at a future meeting of the board on the principles of Very Light Rail and the advantages of this mode of transport.

103. Midland Metro - Birmingham Eastside Extension

The board considered a report from Metro Finance & Commercial Director on the progress in delivering the Birmingham Eastside extension and seeking funding in order to achieve the opening of this extension by the end of 2025.

The Birmingham Eastside extension would connect with Midland Metro Line 1 at Bull Street and run along Albert Street to HS2 Curzon Street station and then along New Canal Street/Meriden Street to High Street Deritend, Digbeth. The route would provide 1.7km of new twin track tramway, four additional stops and would integrate with HS2 Curzon Street station and Digbeth coach station. The board was informed that the Transport & Works Act Order permitting the construction works to go ahead was granted by the Department for Transport on 16 January.

Resolved:

- (1) The progress being made on delivering the Birmingham Eastside Extension be noted.
- (2) The increase in the estimated outturn cost for the project, as set out in the report, which delivered a Benefit Cost Ratio of 3:1, calculated in accordance with WebTAG, be noted.
- (3) The Final Business Case for the Birmingham Eastside Extension scheme be recommended for approval by the WMCA Board.
- (4) The commitment of funding be approved, in particular:
 - (a) The commitment from the WMCA Investment Programme (HS2 Connectivity), as set out in the report, for HS2 utility diversions (previously approved in October 2017); and
 - (b) The WMCA Board be recommended to confirm approval for Prudential Borrowing, as set out in the report, to be financed from Metro revenues for the Birmingham Eastside extension.
- (5) Authority be delegated to the Managing Director of Transport for West Midlands and the Director of Finance, as set out in the report.

104. Sprint: A34 Walsall - Birmingham and A45 Birmingham - Airport & Solihull Full Business Cases Submission

The board considered a report from the Director of Programme Development & Delivery seeking the approval of the Full Business Cases of the A34 Walsall - Birmingham and A45 Birmingham - Airport & Solihull Sprint schemes for consideration and full approval by the WMCA Board at its meeting on 14 February.

The two schemes were intended to provide a major uplift in public transport provision, linking key residential and employment destinations and supporting the Commonwealth Games 2022 by improving access to Alexander Stadium, the athletes' village in Perry Barr, Birmingham Airport and the NEC. Both schemes were included within the West Midlands Strategic Transport Plan and supported the key strategic aim of improving connectivity.

Whilst supporting the proposals, members of the board were keen to ensure that there was a clear confirmation of the intent to deliver both phases of the schemes, and that the operator of the Sprint services would purchase zero-emission articulated vehicles to run on the routes. Commitments to these issues would ensure that residents within Solihull and Walsall would receive the full benefits of Sprint services within their communities.

Resolved:

- (1) The A34 Walsall - Birmingham and A45 Birmingham - Airport & Solihull Full Business Cases, detailing the first stage of delivery for 2022, including bus priority interventions, signal upgrades, shelter enhancements, ticket machines, utility diversions, and resurfacing, be endorsed for consideration and full approval by the WMCA Board.
- (2) The recommendation that WMCA Board approve the Investment Programme allocation for the delivery of the A34 Walsall - Birmingham and A45 Birmingham - Airport & Solihull Sprint schemes, as detailed in the report, be supported.
- (3) Resolutions (1) and (2) above be only approved subject to assurances being provided to the WMCA Board prior to 14 February 2020 as follows:
 - (a) confirmation of the intent to fully deliver both phase 1 *and* phase 2 of the schemes, so as to maximise the full benefits of these Sprint schemes to residents within Solihull and Walsall; and
 - (b) confirmation that the operator of the Sprint services would purchase zero-emission articulated vehicles to run on the routes so as to maximise the benefits to passengers of Sprint.
- (4) It be noted that no contracts or financial liabilities would be committed until all necessary funding agreements were executed.

- (5) The delivery of the second stage of A34 Walsall - Birmingham and A45 Birmingham - Airport & Solihull Sprint schemes when further funding was available and allocated be supported.
- (6) The submission of the A45 Birmingham - Airport & Solihull Sprint Full Business Case to the Department for Transport be endorsed.
- (7) It be noted that as construction and utility costs for the scheme were not yet finalised, the project team might need to flexibly manage the scope of the scheme in order to maintain the overall budget, which would be managed in a way that ensured the benefits were not materially affected and that appropriate change control processes were implemented to manage any changes.

105. WMCA Collective Investment Fund Dashboard

The board considered a report on the Collective Investment Fund dashboard as at 1 January 2020.

Resolved:

The report was noted.

106. WMCA Brownfield Land & Property Development Fund Dashboard

The board considered a report on the Brownfield Land & Property Development Fund dashboard as at 1 January 2020.

Resolved:

- (1) The report be noted.
- (2) It be noted that the Steelhouse Lane, Wolverhampton scheme was now to be funded from the Land Fund rather than the Brownfield Land & Property Development Fund.

107. WMCA Revolving Investment Fund Dashboard

The board considered a report on the Revolving Investment Fund dashboard as at 1 January 2020.

Resolved:

The report be noted.

The meeting ended at 11.25 am.