



**Investment Board**

**Monday 15 June 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 Tony Jefferson  
Councillor Jim O'Boyle  
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  
Non-Constituent Authorities  
Coventry City Council  
Greater Birmingham & Solihull Local  
Enterprise Partnership

**In Attendance**

Peter Alford  
Sarah Middleton

Richard Lawrence  
Helen McCourley  
Victoria Swash  
David Hope  
John Seddon  
Ellie Horwich-Smith  
Martin Clayton  
Perry Wardle  
Lisa Whitton  
Susan Barrett  
James Bretherton  
Carl Craney  
Serena Dhanoa  
Linda Horne  
Stephen Manners  
Ian Martin  
Pauline Russell  
Danny Wood  
Nick Oakley  
Matthew Hammond  
James Callingham  
Malcolm Holmes

Amion  
Black Country Local Enterprise  
Partnership  
City of Wolverhampton Council  
City of Wolverhampton Council  
City of Wolverhampton Council  
Coventry City Council  
Coventry City Council  
Energy Harmonics  
Solihull Metropolitan Borough Council  
Solihull Metropolitan Borough Council  
Solihull Metropolitan Borough Council  
Urban Growth Company  
Urban Growth Company  
West Midlands Combined Authority  
West Midlands Development Capital  
West Midlands Growth Company  
West Midlands Rail Executive  
West Midlands Rail / Transport for West  
Midlands

**Item No. Title**

**1. Chair's Announcement**

The Chair thanked Members and Officers for joining this virtual meeting of the Investment Board. He explained that it had been necessary to distribute the supporting papers for the meeting in three separate bundles with the first bundle containing the items to be considered in the public session of the meeting. He assured the Board that he would allow sufficient time for each Member to locate the relevant report. He added that any Member wishing to speak on any item should use the appropriate icon or the tool bar or indicate their wish in the 'chat' box which would be monitored throughout the meeting.

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

Apologies for absence had been received from Councillor Harman Banger (City of Wolverhampton Council), Paul Brown (Black Country Local Enterprise Partnership) and Sue Summers (west Midlands development Capital).

Apologies had also been received from Councillor Cathy Bayton (WMCA Overview and Scrutiny Committee), Richard Mason and Andy Williams (Coventry City Council), Paula Deas (Coventry and Warwickshire Local Enterprise Partnership), Joanne Foley (Solihull Metropolitan Borough Council) and Tim Martin (West Midlands Combined Authority).

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

No substitutes had been nominated.

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

The Chair, Councillor Bob Sleight and Councillor Keren Grinsell declared non-pecuniary interests in Agenda Item Nos. 11. (UKC – Infrastructure Solihull Town Centre – Low Carbon Network – outline Business Case (OBC)), 12. (UKC – infrastructure Phase 1 Kingshurst Village Centre Regeneration – Outline Business Case (OBC)) and 16. HS2 Parallel Lines – Presentation) as Members of Solihull Metropolitan Borough Council.

Councillor Tristan Chatfield declared a non-pecuniary interest in Agenda Item No. 16 (HS2 Parallel Lines – Presentation) as a Member of the Board of Birmingham Airport.

**5. Minutes of last meeting**

The Chair referred to Minute No. 129 insofar as it referred to the discussions with Coventry City Council in relation to Intellectual Property Rights in respect of the Very Light Rail scheme and appraised the Board of the current position. A presentation in relation to the development of the Very Light Rail scheme was to be made to the July 2020 meeting of the Board.

The Chair referred to Minute No. 130 (investment Board - Role and Remit) and advised that a report on this matter would be submitted to the July 2020 meeting of the WMCA Board for consideration.

Resolved:

That the minutes of the meeting held on 20 April 2020 be confirmed as a correct record and signed by the Chair.

## **6. Investment Programme Update and Dashboard**

Ian Martin presented a report on the status of the Investment Programme to assist the Board in setting out the context for any investment decisions to be made by the Board.

He reported that approved funding from the WMCA Investment Programme for programmes totalled £768.9 million as at 30 April 2020 (£775.0 million as at 31 March 2020). The movement was as a result of reimbursement of metro programme cash flow funding from approved grant funding by the Department for Transport. This was consistent with the expectations as at 8 November 2019, when the WMCA Board had agreed to hold approvals at the current affordable limit of £801 million.

He reminded the Board of the five-yearly gateway review period which formed part of the Devolution Deal agreement in 2016 and that the 2020/21 financial year was the fifth and final year of the first gateway review period. A meeting had been held between the WMCA Finance Directors and SQW on 20 February 2020 to discuss the draft evaluation plan for the West Midlands and a baseline report was expected in June 2020 with the aim of providing a recommendation to this Board in November 2020. A report on the processes would be submitted by the WMCA Strategic Hub (new name for Programme Management Office) to the next meeting of this Board.

The Chair drew to the attention of the Board the current rating of the HS2 Hybrid Act Change (HS2 Parallel Lines) and A46 Stoneleigh Junction (A46 Link Road Phase 1) schemes. Ian Martin advised that there was to be a presentation later in the meeting in connection with the HS2 Parallel Lines scheme and that a Change Request submission was awaited. He suggested that the Board authorise expenditure on the scheme to be continued pending the formal submission of the Change Request. An extension in respect of the A46 Stoneleigh Junction scheme was also anticipated.

Resolved:

1. That the report and Dashboard be received and noted;
2. That continuation of expenditure on the HS2 Parallel Lines scheme be approved pending consideration of the formal Change Request.

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

The Board considered the WMCA Collective Investment Fund (CIF) Dashboard (public iteration) as at 1 June 2020. Nick Oakley reported that all schemes had been delayed due to the Covid-19 pandemic but that work had recently re-commenced. West Midlands Development Capital did not at this stage anticipate any losses to occur resulting from the delays. The CIF portfolio had strong bias towards industrial development (9 out of 12 live projects), this sector was perceived to be holding up well during the downturn, indeed some professional valuers had now removed the 'market uncertainty' clause from their valuations in respect of industrial schemes as

they considered that the market was holding up well. He updated the Board on the latest position in respect of the Complex – Telegraph – 88 bed hotel scheme. The Developer was continuing to complete the project with practical completion scheduled for October 2020. It is anticipated that WMCA agreed debt facility would not be fully drawn at that time, thus reducing the WMCA risk exposure.

Resolved:

That the Dashboard be received and noted.

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

The Board considered the WMCA Brownfield Land and Property Dashboard (public iteration) as at 1 June 2020.

Resolved;

That the Dashboard be received and noted.

**9. WMCA Revolving Investment Fund (RIF) - Dashboard**

The Board considered the WMCA Revolving Investment Fund (RIF) Dashboard (public iteration) as at 1 June 2020. Nick Oakley highlighted that two projects (MIA Selly Oak and Ladywood) which had been approved some twelve months ago had been removed from the Dashboard but were likely to re-appear on future iterations. In response to a question from Councillor Tristan Chatfield, Nick Oakley explained that the Selly Oak scheme was the subject of on-going discussions with the Planning Department at Birmingham City Council. He also commented on the progress with the Urban Splash Homes – Port Loop scheme and advised that drawdown in relation to the Complex Developments Projects Ltd – Carver Street scheme was expected shortly.

Resolved:

That the Dashboard be received and noted.

**10. Land and Property Investment Fund (LPIF) - Dashboard**

The Board considered the Land and Property Investment Fund (LPIF) Dashboards as at 1 May 2020 and 1 June 2020 respectively.

Resolved:

That the Dashboards be received and noted.

**11. 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).

**12. UKC - Infrastructure Solihull Town Centre - Low Carbon Network - Outline Business Case**

Lisa Whitton supported by Martin Clayton and Ellie Horwich-Smith presented a report on the Outline Business Case, the key purpose of which was to provide a robust assessment of the opportunity to develop a Low Carbon Energy Network within Solihull Town Centre which would underpin the request for funding to develop the project to Full Business Case.

The Officers responded to various questions posed by the Board.

Ian Martin stated that as one of the principles of the Investment Programme was recycling so that projects should return funds where possible – for use later by others. Solihull MBC had agreed that this could be the case and in accordance with comments from the Investment Advisory Group the Funding Agreement would accommodate this potential, adopting the principles that this should be as simple as possible to administer and proportionate.

Resolved:

1. That the request set out in the Outline Business Case to progress the Solihull Town Centre Low Carbon Energy Network through to Full Business Case be approved;
2. That it be noted that the amount requested was included within the current WMCA Investment Programme affordable limit (as approved by the WMCA Board on 8 November 2019 and of the expenditure which had been approved to date;
3. That it be noted that the remaining allocation related to project development costs associated with progression of the project to the next approval stage i.e. Full business Case;
4. That it be noted that Solihull Metropolitan Borough Council was pursuing actively opportunities to secure supplementary funding to secure the full delivery of the Low Carbon Heat Network beyond Full Business Case stage through the Heat Networks Investment Project (BEIS) predominantly.

**13. UKC - Infrastructure Phase 1 Kingshurst Village Centre Regeneration - Outline Business Case (OBC)**

Lisa Whitton supported by Martin Clayton and Peter Alford presented a report on the outline Business Case and which provided a detailed assessment of the opportunity to redevelop the Kingshurst Village Centre and a request for funding to develop the project through to Full Business Case.

Lisa Whitton responded to various questions posed by Members of the Board. Ian Martin commented that the report referred to exploring funding through the Single Commissioning Framework and other WMCA funding resources and reminded the Board that commitments could not be made to award funding which was not yet available. This point was acknowledged by Martin Clayton who assured the Board that funding was only being sought at this point to progress the Outline Business Case to a Full Business Case.

Resolved:

1. That the request set out in the Outline Business Case to progress the Kingshurst Village Centre Redevelopment scheme through to Full Business Case be approved;

2. That it be noted that the money requested was included within the current WMCA Investment Programme affordable limit as approved by the WMCA board on 8 November 2019;
3. That it be noted that Solihull Metropolitan Borough Council was working with the WMCA in developing a funding strategy to address current funding challenges in order to facilitate the full delivery of the WMCA Investment Programme;
4. That it be noted that in addition to the above, Solihull Metropolitan Borough Council would also pursue actively alternative funding sources to secure the full delivery of the Kingshurst Village Centre beyond the Full Business Case stage.

**14. Perry Barr Railway Station and Bus Interchange - Change Request**

Malcolm Holmes and James Callingham presented a report which sought approval, subject to various conditions, for a revised budget for the scheme to include additional works which would include design, land assembly and enabling works, this being an extension to the sum authorised previously. It was intended that a report detailing the Full Business Case would be submitted to the September 2020 meeting of this Board prior to consideration by the WMCA Board. Linda Horne explained that the request was within the funding package agreed previously but related to the release of monies from within the agreed package. She assured the Board that under the delegated authorities sought she would need to be satisfied that the scheme could be delivered within the approved funding envelope before approval was granted for the payment of the land acquisition referred to in the report.

The Officers responded to various questions raised by Members of the Board. Councillor Mike Bird requested that it be noted that no further monies should be allocated to this scheme and that it should be delivered within the budget approved previously.

Resolved:

1. That the revised budget for the scheme to include design, land assembly and enabling works, being an extension of the sum approved previously, be approved;
2. That it be noted that the increase in the budget was critical if the completion of the scheme was to occur before the Commonwealth Games opening in 2022;
3. That delegated authority be granted to the WMCA Section 151 Officer and the WMCA Monitoring Officer for approval to release the budget for land assembly and enabling works (as contained within the budget request) subject to those Officers receiving satisfactory evidence that the total project would be affordable within the overall anticipated final cost;
4. That the current progress being made to date and the work to manage the overall costs of the scheme be noted;
5. That the intended funding sources for the project and the associated risks around third party funding be noted;
6. That the timescale for the submission of the Full Business Case be noted.

**15. University Station Full Business Case (FBC) - Revised Submission**

Malcolm Holmes presented a report which sought to obtain approval for the budget to July 2020 (including some early interventions and risk mitigation work) and which also outlined the anticipated final cost based on discussions with contractors to date, albeit that final prices had only been received recently. Work was on-going to attempt to reduce the contractors' prices to within the approved funding package but costs had increased largely due to the uncertainties arising from the impact of Covid-19 and the heated construction sector in the West Midlands. He reminded the Board that the project was to be funded through a variety of sources and partners.

Linda Horne explained that this report was not a request for additional WMCA Investment Programme funding but for the release of internal TfWM funds approved previously prior to the consideration of the Full Business Case by the WMCA Board in July 2020. She assured the Board that legal agreements would be required in regard to the funding contributions from partner organisations before the main 'Design and Build' contract was awarded and further project expenditure was incurred.

Malcolm Holmes, James Callingham and Linda Horne responded to questions raised by Members of the Board.

Resolved:

1. That the submission of a report to the July 2020 meeting of the WMCA Board in relation to the following matters be agreed:
  - a) Recommending that the Full Business Case for the redevelopment of the Station be approved;
  - b) Recommending that the budget to complete the scheme be approved;
  - c) Recommending that the contracts for the design and build stage be entered into subject to:
    - i) The contract being within the approved budget as now referred to;
    - ii) All funding agreements being signed and sealed to the satisfaction of the WMCA Finance Director;
    - iii) The operating costs of the station being quantified fully and being affordable;
  - d) Recommending that the approval of delegations to the WMCA Monitoring Officer and WMCA Finance Director to enter into the various funding agreements and contracts which would reasonably be required to enable delivery of the station improvements;
2. That the cost pressures encountered in developing the scheme budget, particularly given the uncertainty arising from the impact of Covid-19 on the construction sector be noted;
3. That the budget request now considered makes no assumptions about the WMCA awarding to any specific contractor and allows flexibility to let the contract with the most suitable contractor when final prices were agreed on 30 June 2020, following the receipt of preliminary final prices referred to above;
4. That the expenditure as detailed in the report be incurred in developing the scheme up to the point of the WMCA Board considering the Full Business Case be approved;

5. That the inherent risk within the funding package for the scheme and complex stakeholder management requirements be noted.

**16. Coventry South Package**

John Seddon presented a report which requested that all elements of the Coventry Centre South investment package be progressed to the Outline Business Case stage with the reallocation of funding between the various elements.

The Board was of the view that, in future, individual Business Cases should be submitted for the elements of such packages. Ian Martin explained that it was unusual for permission of the Board to be sought for such relatively small amounts of money as delegation was provided to the WMCA senior Leadership Team, but that previously the Board had been of the view that its permission should be sought, with consideration being given to sums that were no longer required being returned to the Investment Fund for use elsewhere.

Resolved:

1. That the reallocation of funding within the Coventry South Package as detailed in the report be approved;
2. That in future, individual Business Cases be submitted for each aspect of such packages.

**17. HS2 Parallel Lines - Presentation**

The Board received a PowerPoint presentation from Jonathan Bretherton on the HS2 Parallel Lines scheme.

Resolved:

That the presentation be received and noted.

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

The Board received the WMCA Collective Investment Fund (CIF) Dashboard (private iteration) as at 1 June 2020.

Resolved;

That the Dashboard be received and noted.

**19. WMCA Brownfield Land and Property Investment Fund (BLPDF) - Dashboard**

The Board received the Brownfield Land and Property Development Fund (BLPDF) Dashboard (private iteration) as at 1 June 2020.

Resolved:

That the Dashboard be received and noted.

**20. WMCA Revolving Investment Fund (RIF) - Dashboard**

The Board received the Revolving Investment Fund (RIF) Dashboard (private iteration) as at 1 June 2020.

Resolved:

That the Dashboard be received and noted.

**21. Future Meetings**

Councillor Jim O'Boyle questioned the arrangements for future meetings of the Investment Board. He commented that whilst virtual meetings were a workable option the quantity of papers presented made participation difficult at times. The Chair reminded the Board that reports were submitted by various partner organisations and it was for those organisations to determine the quantity of information submitted for consideration. Councillor Mike Bird suggested that a brief report often sufficed but if this was not practical a summary of the main points should be provided. Ian Martin advised that he would be requesting partners to limit reports to a maximum of eleven pages with reference to appendices which could be made available on request.

Carl Craney outlined the current legal position with traditional meetings being deemed unnecessary given the provision for virtual meetings under the recent legislation. He reminded the Board that invitations had been extended for all meetings of the Board for the 2020/21 Municipal Year.

The meeting ended at 11.52 am.