



Investment Board

Monday 15 February 2021 at 10.00 am

Minutes

Present

Councillor Bob Sleigh (Chair)
Nick Abell

Councillor Mike Bird
Paul Brown

Councillor Tristan Chatfield
Councillor Steve Clark
Councillor Karen Grinsell
Councillor Tony Jefferson
Councillor Jim O'Boyle
Councillor Stephen Simkins
Gary Taylor

Portfolio Lead for Finance & Investments
Coventry & Warwickshire Local
Enterprise Partnership
Walsall Metropolitan Borough Council
Black Country Local Enterprise
Partnership
Birmingham City Council
Dudley Metropolitan Borough Council
Solihull Metropolitan Borough Council
Non-Constituent Authorities
Coventry City Council
City of Wolverhampton Council
Greater Birmingham & Solihull Local
Enterprise Partnership

In Attendance

Simon Dancer
Sarah Middleton

Liam Davies
Talha Khalifa
Paula Deas

James Dunn
John Haywood
Isha Bhaat
Gareth Bradford
Carl Craney
Dan Essex
Linda Horne
Ian Martin
Carl Pearson
Freddy Shrieve
Nick Oakley
Ed Bradburn
Kieren Turner-Owen

Amion
Black Country Local Enterprise
Partnership
City of Wolverhampton Council
Coventry City Council
Coventry and Warwickshire Local
Enterprise Partnership
Telford and Wrekin Council
Telford and Wrekin Council
West Midlands Combined Authority
West Midlands Combined Authority
West Midlands Combined Authority
West Midlands Combined Authority
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West Midlands Combined Authority
West Midlands Development Capital
West Midlands Development Capital
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**Item Title
No.**

148. Chair's Opening Remarks

The Chair thanked Members and Officers for joining this virtual meeting of the Investment Board. He asked that any Member wishing to speak on any item should use the appropriate icon on the tool bar or indicate their wish in the 'chat' box which would be monitored throughout the meeting. Following the consideration of each item the recommendations contained within the respective report or those made during consideration of the item would assume to be supported unless members made it clear that they dissented.

149. Apologies for Absence (if any)

Apologies for absence had been received from Councillor Wasim Ali (Sandwell Metropolitan Borough Council) and Sue Summers (West Midlands Development Capital).

Apologies for absence had also been received from Richard Lawrence (City of Wolverhampton Council), Richard Moon and Andy Williams (Coventry City Council), Tim Martin (West Midlands Combined Authority) and Roger Mendonca (West Midlands Growth Company).

150. Notification of Substitutes (if any)

No notification of substitute members had been received.

151. Declarations of Interests (if any)

Councillor Stephen Simkins declared a non-pecuniary interest in Agenda Item No. 7 (WMCA Brownfield Land and Property Development Fund (BLPDF) – Dashboard) insofar as it related to scheme PH1 Pipe Hall, Bilston as the Local ward Councillor and City of Wolverhampton Council's Cabinet Member for City Assets.

152. Minutes of last meeting

Further to Minute No. 136 (Investment Programme Dashboard), the Chair advised that the Dashboard now included comments on financial implications of schemes allocated a red rating, as requested by Councillor Tristan Chatfield at the last meeting.

Resolved:

That the minutes of the meeting held on 11 January 2021 be confirmed as a correct record and signed by the Chair.

153. 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 £795.3 million (as at 31 January 2021), compared to £780.3 million as at 31 November 2020) with funding drawn down / incurred

against these projects as at 31 December 2020 totalling £252.5 million.

Since

the last meeting the following business cases had been approved:

- New Stations Package 1 – Full Business Case;

- New Stations Package 2 – Full Business Case;
- Very Light Rail Transforming Connectivity West Midlands (VLR TCWM) – Change Request; and
- Coventry Station Masterplan – Change Request.

He reminded the Board that in respect of the Gateway Review, a complimentary report to the SQW report had been prepared and approved for submission. WMCA officers had been invited to a Gateway Review meeting, chaired by H M Government on 24 January 2021 and were given the opportunity to respond to queries, discuss achievements/progress within the gateway period and consider future opportunities. A ministerial decision was expected before April 2021 and further reports on this matter would be submitted to the Board.

Councillor Karen Grinsell asked if the discussions had included lifting the ceiling on future borrowing. The Chair reported that some additional headroom had been identified with further work to be undertaken. A report on this matter would be submitted to a future meeting.

Councillor Stephen Simkins commented that the next meeting of the Board would be held in March 2021 and asked whether investment opportunities in the north of the WMCA area especially in the Black Country could be considered at that meeting given that the majority of the reports to be considered at today's meeting related to the south of the area. The Chair explained that it was Project Sponsors / Local Authorities to bring forward schemes for consideration.

Ian Martin drew to the attention of the Board that the following schemes were rated as RED and outlined the current position:

- HS2 Parallel Designs – Change Request received and discussions underway with UGC and Solihull Metropolitan Borough Council;
- UKC Interchange Strategy – Change Request received and under consideration;
- Coventry City Centre South – Change Request expected in due course – planning application for the redesigned scheme had been submitted in November 2020;
- Metro Wolverhampton Interchange – Extension of time request expected;
- UKC Infrastructure – individual extension of time requests expected in respect of five schemes.

Resolved:

1. That the status of the Investment Programme delivery as detailed in the report be noted;
2. That the progress of the Devolution Deal five-year gateway review be noted;
3. That the Investment Programme funding status be noted.

- 154. WMCA Collective Investment Fund (CIF) - Dashboard**
Nick Oakley presented the Collective Investment Fund (CIF) Dashboard (public iteration) as at 1 February 2021.

Resolved:

That the Dashboard be received and noted.

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

Nick Oakley presented the Brownfield Land and Property Development Fund (BLPDF) Dashboard (public iteration) as at 1 February 2021.

Resolved:

That the Dashboard be received and noted.

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

Nick Oakley presented the Revolving Investment Fund (RIF) Dashboard (public iteration) as at 1 February 2021.

Resolved:

That the Dashboard be received and noted.

- 157. 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).

- 158. West Longbridge - St Modwen Developments Ltd. - Brownfield Housing Fund**

Gareth Bradford introduced the report on this matter which had been co-developed with St Modwen and Birmingham City Council. The Board received a PowerPoint presentation from Simon Dancer which explained that a grant from the WMCA's Devolved Housing and Land Fund was sought to support critical infrastructure which would unlock the development project. This initiative involved the remediation of a 30ha brownfield site in Longbridge and represented a strategic housing and brownfield regeneration opportunity. The project was a key initiative within the overall Longbridge redevelopment, which was one of the largest regeneration schemes in the UK comprising the transformation of the former MG Rover car plant. The Longbridge redevelopment was a flagship project in Birmingham City Council's Local Plan.

Simon Dancer responded to various questions from Members and Officers on the proposal.

Resolved:

That subject to:

- (i) The completion of a Funding Agreement including a detailed Spend and Delivery Programme, independent Project Monitoring Reports and a detailed Risk Register;
- (ii) The inclusion of appropriate clawback and overage clauses within the Funding Agreement in line with Chapter 11 of the Single Commissioning framework;
- (iii) The completion of a legal report to the satisfaction of the WMCA Director of Housing and Regeneration and WMCA Head of Governance;
- (iv) St Modwen being liable to repay the grant if serviced housing land was not delivered by the long stop date; and
- (v) Details of the usage of the sums detailed in the Section 106 Agreement being identified:
 1. An investment as detailed in the report from the WMCA's Devolved housing and Land funds to deliver infrastructure which would unlock the West Longbridge site in Birmingham be approved. The opening up of this regionally significant development opportunity would deliver 350 homes (minimum 20% affordable) and 83,612 square metres of commercial floorspace that could accommodate 5,000 jobs;
 2. That it be noted that the report had been co-developed with St Modwen, project promoter and landowner. As a strong sign of commitment St Modwen would invest a further £13.5 million in West Longbridge as part of the wider £1 billion to transform the former car factory;
 3. That it be noted that this project had gone through the key decision making and appraisal stages of the WMCA's Single Commissioning Framework in its journey to this Board and was fully compliant with the requirements set by Central Government for Devolved Housing and Land funds administered by the WMCA;
 4. That it be noted that Birmingham City Council, as the Local Planning Authority, had put this scheme forward as a priority for SCF investment in 2019 and that the WMCA had worked together with the City Council on this application and report.

159. Coalbrookdale Works, Wellington Road, Coalbrookdale, Telford - Shropshire Homes Ltd. - Land Fund Grant

Gareth Bradford introduced the report on this matter and advised that it had been co-developed with Telford and Wrekin Council and Shropshire Homes. If approved, a previous allocation from the Brownfield Land and Property Fund would be reclaimed and be available for alternative purposes. Freddy Shrieve presented the report which sought approval for an investment from the WMCA's Devolved housing and Land Fund under its Single Commissioning Framework for the former AGA Foundry Project, a major strategic housing development project in Telford which would bring forward at least 100 new homes by 2026. He responded to various questions from Members and officers on the proposal.

Councillor Tristan Chatfield queried whether an allocation from the Devolved Housing and Land Fund was appropriate given that the scheme was not inside the WMCA area i.e. the West Midlands Metropolitan area. Gareth Bradford explained that the Housing Deal, which was the source of funding,

was available across the WMCA geography and both Constituent and Non-Constituent Authorities were eligible to apply for funding. This statement was confirmed by Linda Horne.

Resolved:

That subject to:

- (i) Further detailed vetting of the Applicant (Shropshire Homes);
- (ii) Provision of RICS Red Book Valuation for the site to the satisfaction of the WMCA;
- (iii) The Applicant to provide a final detailed cost plan on the full scheme;
- (iv) The completion of a Funding Agreement including a detailed spend and delivery programme, independent project monitoring reports and a detailed Risk Register;
- (v) Inclusion of appropriate clawback and overage clauses within the Funding Agreement in line with Chapter 11 of the Single Commissioning Framework;
- (vi) The completion of a Legal Report to the satisfaction of the WMCA's Director of Housing and Regeneration and WMCA's Head of Governance;
- (vii) Shropshire Homes being liable to repay the WMCA investment if housing was not delivered by the long stop date of December 2026

1. The investment as detailed in the report from the WMCA's Devolved Housing and Land funds be approved to remediate and de-risk the former AGA Foundry project in Telford which would bring forward at least 100 housing units, including 20% affordable provision (against the WMCA's approved regional affordable housing definition);
2. That it be noted that the funding was fully compliant with the requirements of the WMCA's Single Commissioning Framework approved by this Board, the Housing and Land Delivery Board and the WMCA Board in March 2019 and fully operational since April 2019;
3. That it be noted that this project has gone through the key decision making and appraisal stages of the WMCA Single Commissioning Framework and was fully compliant with the requirements set by Central Government for Devolved Housing and Land funds administered by the WMCA;
4. That it be noted that Telford and Wrekin Council had identified this site as a priority for SCF investment and that this report had been co-developed and was fully supported by Officers from Telford and Wrekin Council, the Local Planning Authority for the scheme;
5. That it be noted that the ask was being provided through the Land Fund rather than from a provisional BFLPDF allocation as agreed with Telford and Wrekin Council;
6. That it be noted that this report had received express support by the Investment Panel at its meeting on 25 January 2021.

160. Hortonwood West, Hadley Park, Telford - Morris & Co - CIF Loan

Kieren Turner-Owen presented a report which sought development loan funding to support the development of two industrial units on the outskirts of

the Hortonwood industrial area of Telford.

Resolved:

That the provision of a Collective Investment Fund (CIF) loan to the Company fully secured against the property to fund the development be approved subject to the terms and conditions detailed in the report.

161. Mill House, Forge Lane, Minworth, Sutton Coldfield Chancerygate (Newbridge) Ltd - CIF Loan

Ed Bradburn presented a report which sought approval to a Collective Investment Fund (CIF) loan to fund the development of eleven light industrial units totalling circa 72,010 square feet creating 140 new jobs and new business rates of up to circa £300,000 per annum. He advised that since the report had been circulated there had been an adjustment to the proposed terms and conditions of the loan in favour of the WMCA.

Resolved:

That the allocation of a Collective Investment Fund (CIF) loan to fund the costs required to deliver the development by way of senior commercial loan on the key terms and conditions, as amended, be approved.

162. WMCA Collective Investment Fund (CIF) - Dashboard

Nick Oakley presented the Collective Investment Fund (CIF) Dashboard (private iteration) as at 1 February 2021 and updated the Board on the position with certain schemes.

Resolved:

That the Dashboard and the update report be received and noted.

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

Nick Oakley presented the Brownfield Land and Property Development Fund (BLPDF) Dashboard (private iteration) as at 1 February 2021 and updated the Board on the position with certain schemes.

Resolved:

That the Dashboard and the update report be received and noted.

164. WMCA Revolving Investment Fund (RIF) - Dashboard

Nick Oakley presented the Revolving Investment Fund (RIF) Dashboard (private iteration) as at 1 February 2021 and updated the Board on the position with certain schemes.

Resolved:

That the Dashboard and the update report be received and noted.

165. Land and Property Investment Fund (LPIF)

Sarah Middleton presented the Land and Property Investment Fund (LPIF) Dashboard as at 1 February 2021.

Resolved:

That the Dashboard and the update report be received and noted.

The meeting ended at 11.10 am.