



**Item Title**

**No.  
182.**

**Chair's Opening Remarks**

The Chair announced that this would be the last meeting of the Board to be serviced by Carl Craney, Governance Services Officer, before his forthcoming retirement. On behalf of the Board, he thanked Carl Craney for the support and advice he had provided since the inception of the Board and wished him well for the future. Carl Craney responded appropriately.

The Chair advised that this was the last meeting of the Board during the current Municipal Year and offered his thanks to the Members and Officers for their work over the year which had been acknowledged in the SQW report and which had led to the creation of jobs, the remediation of land and the construction of houses etc. across the region. Councillor Mike Bird, on behalf of the Board, thanked the Chair for the able and courteous manner in which he had conducted the proceedings of the Board over the current Municipal Year. The Chair responded appropriately.

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

Apologies for absence had been received from Councillor Tony Jefferson (Non-Constituent Authorities) and Councillor Wasim Ali (Sandwell Metropolitan Borough Council).

Apologies for absence had also been received from Richard Lawrence (City of Wolverhampton Council), Richard Moon (Coventry City Council), Matthew Hammond and Roger Mendonca (West Midlands Growth Company) and Julia Goldsworthy (West Midlands Combined Authority).

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

Councillor Matt Jennings had been nominated as a Substitute Member for Councillor Tony Jefferson.

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

The following Members declared non-pecuniary interests in Agenda Item No. 11 (Automated People Mover (APM) Realignment):

The Chair, Cllr Bob Sleigh – Director of Urban Growth Company;

Cllr Mike Bird – Director of Birmingham Airport;

Cllr Tristan Chatfield – Director of Birmingham Airport;

Cllr Karen Grinsell – Member of Solihull Metropolitan Borough Council.

Councillor Stephen Simkins declared non-pecuniary interests in matters relating to Pipe Hall, Bilston which were referred to in the Brownfield Land and Property Development Fund Dashboards as the Local Ward Member and Cabinet Member for City Economy as appropriate.

**186. Minutes of last meeting**

Resolved:

That the minutes of the meeting held on 22 March 2021 be confirmed as a correct record and signed by the Chair.

## **187. 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 £834.9 million (as at 31 March 2021), compared to £795.3 million as at 28 February 2021) with funding drawn down / incurred against these projects as at 28 February 2021 totalling £276.6 million. He advised that since the last meeting the following submissions had been approved:

- Coventry Electric Bus City – Full Business Case; and
- WM2041 Five Year Plan.

He advised that the Ministerial decision on the Devolution Deal Gateway Review was expected imminently.

He reminded the Board that at the meeting of the WMCA Board held on 19 March 2021 it had been agreed to extend the affordable limit by £70 million to £871 million. With commitments agreed by WMCA Board this left £15.5m to be allocated from the Investment Programme. The WMCA Board agreed that the allocation should be for Regional Recovery Priorities and that proposals would be reviewed by this Board as part of the WMCA Assurance Framework. Ian Martin reminded the Board of the previous discussion where it was suggested that whether a proposal was a Regional Recovery Priority would be subject to the opinion of the Recovery Forum.

Councillor Jim O'Boyle queried the projects to which the £5 million allocated for WM2041 Five Year Plan would be used for. Linda Horne explained that a report on this matter had been considered and approved by the WMCA Board at its meeting held on 19 March 2021 and suggested that a copy of the report be circulated to this Board for information. Ian Martin added the Business Case for all projects would be subject to compliance with the Assurance Framework process.

Ian Martin referred to projects which were funded from the Investment Programme beyond the current affordable limit of £871 million and which were amber rated. He explained that the funding which underpinned the Investment Programme was expected to support the borrowing taken out for the delivery of the programmes.

He drew to the attention of the Board eight schemes which had a RED status for completion dates and that the Strategic Hub was working with Sponsors to bring forward requests to extend dates to the relevant approval body. None of the schemes concerned were understood to have a need for additional financial commitments.

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 WMCA Board approval of an extension to the WMCA affordable limit at the meeting on 19 March 2021 be noted; and
4. That the Investment Programme funding status be noted.

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

Nick Oakley presented the Collective Investment Fund (CIF) Dashboard (public iteration) as at 1 April 2021.

Resolved:

That the Dashboard be received and noted.

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

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

Resolved:

That the Dashboard be received and noted.

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

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

Resolved:

That the Dashboard be received and noted.

**191. 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).

**192. Automated People Mover (APM) Realignment**

Nigel Hudson presented a report which explained the reason for the submission of the Change Request i.e. following the approval by the Investment Board in August 2020 negotiations had been taking place between the Urban Growth Company/ Solihull Metropolitan Borough Council and the WMCA over the funding agreement with the WMCA requesting that the benefit cost ratio (BCR) be used as a material clawback event, which was a position not acceptable to Solihull MBC as the Accountable Body, given the difficulties in measuring economic outcomes of this specific infrastructure scheme. Following an exchange of letters, it had been agreed that Solihull MBC would present a paper to the Investment Board in the form of a 'change control', confirming the suitable and measurable outputs and outcomes that it could contract on.

The report recommended that the proposed clawback position based on achieving a certain Benefit Cost Ratio (BCR) discussed following the original Investment Board decision be not taken forward while recognising the outputs that Solihull Metropolitan Borough Council was able to contract on as detailed in the report and supporting documentation. Martin Clayton added that under the previous suggested agreement, Solihull Metropolitan Borough Council was not in a position to control delivery of the BCR as the realisation of benefits were outside of its control. This point was confirmed by Ian Martin who referred to the office block/hotel site and railway station. Neither of which was currently funded and the sites and buildings were owned by others. The Chair commented on the Output Report from the Investment Panel which confirmed that there were no fundamental changes to the Business Case for the scheme.

Linda Horne explained that the original approval had been subject to conditions which neither side were in a position to agree on the delivery of the benefits and that it was for this Board to determine whether it still wished to support the investment in the knowledge that the timing and realisation of the benefits was not guaranteed

Councillor Stephen Simkins accepted the case now put forward but suggested that there was a need for a fair and equitable distribution of investments across the WMCA area together with a need to demonstrate value for money and for an audit trail to be established. In response to a question from Gary Taylor, Nigel Hudson advised that the land for the proposed office block/hotel was in the ownership of Network Rail and that Birmingham City Council owned the adjacent surface car park, with the rail station being in the ownership of Network Rail. Both organisations had plans to bring forward schemes but dates were not currently available. Councillor Karen Grinsell commented that it was not a unique position when all components of a scheme could not be controlled. The proposed realignment would assist in future proofing the scheme.

Nick Abell supported the comments made by Councillor Stephen Simkins and recognised the need for the economic outputs to provide value for money when competing against other schemes for investment funding. He commented on the need to assess what economic outputs would be achieved. Ian Martin advised that economic outputs could not be stated due to the lack of control of associated elements. Councillor Stephen Simkins suggested that the WMCA Mayor and the Leaders should be requested to set out a detailed strategy on what the Investment Programme was trying to achieve with sufficient flexibility to accommodate unprecedented events such as the Covid-19 pandemic.

Councillor Tristan Chatfield advised that he supported the proposal but asked whether it would still be compliant with Green Book requirements. Nigel Hudson advised that he believed it was as it was a strategic scheme.

Resolved:

That negotiations be finalised based on scheme outputs outlined by Solihull Metropolitan Borough Council and that the BCR be not used as a material clawback consideration. This approach followed industry best practice and established guidance due to the inherent uncertainties contained within benefit forecasting methodologies and the additional cost that would be incurred in measuring benefits of the scheme. Funding of £5.75 million for the proposed Automated People Mover (APM) realignment be agreed, recognising the strategic case for the project driven by the HS2 programme and the opportunity cost benefit to the international station redevelopment in addition to the economic potential of adjoining land and wider growth plans for the UK Central (UKC) Hub area.

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

Nick Oakley presented the Collective Investment Fund (CIF) Dashboard (private iteration) as at 1 April 2021 and updated the Board on the current position with all undrawn committed schemes. He also advised that the Grand Union loan facility (£340,000) had fallen away as the applicant was unable to offer first charge security over the property which was a condition of WMCA funding.

Resolved:

That the Dashboard be received and noted.

**194. 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 April 2021 and updated the Board on the current position with several schemes. In particular, he advised the Board that:

~ St Modwen's Park Square 61,354 office project (£780,000 grant). St Modwen had requested an extension to the start on site date due to the challenging office market as a result of the Covid-19 pandemic. WMCA had agreed to a 12-month extension of start on site, with revised date being 31/3/2022. This amendment was in course of being documented.

~ Grand Union – as the above transaction had fallen away and therefore contingent obligation would be removed from Dashboard.

Resolved:

That the Dashboard be received and noted.

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

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

Resolved:

That the Dashboard be received and noted.

**196. Land and Property Investment Fund (LPIF)**

Sarah Middleton presented the Land and Property Investment Fund (LPIF) Dashboard as at 1 April 2021. Ian Martin thanked Sarah Middleton for the revisions made to the format of the Dashboard which now included a 'snapshot in time' view.

Resolved:

That the Dashboard be received and noted.

The meeting ended at 10.40 am.