



Investment Board

Tuesday 29 June 2021 at 10.00 am

Minutes

Present

Councillor Bob Sleigh (Chair)	Portfolio Lead for Finance & Investments
Councillor Mike Bird	Walsall Metropolitan Borough Council
Councillor Steve Clark	Dudley Metropolitan Borough Council
Councillor Karen Grinsell	Solihull Metropolitan Borough Council
Councillor Tony Jefferson	Non-Constituent Authorities
Councillor Jim O'Boyle	Coventry City Council
Councillor Stephen Simkins	City of Wolverhampton Council
Tony Minhas	Coventry and Warwickshire Local Enterprise Partnership

Present via Teams

Gary Taylor	Greater Birmingham and Solihull Local Enterprise Partnership
Sue Summers	West Midlands Development Capital

In Attendance

Sarah Middleton	Black Country Local Enterprise Partnership
Sarah Windrum	Coventry & Warwickshire Local Enterprise Partnership
Liam Davies	West Midlands Combined Authority
Richard Lawrence	City of Wolverhampton Council
Martin Clayton	Solihull Metropolitan Borough Council
Richard Hodge	Coventry City Council
Simon Dancer	Amion
Aanisha Begg	West Midlands Combined Authority
Isha Bhatt	West Midlands Combined Authority
Gareth Bradford	West Midlands Combined Authority
Linda Horne	West Midlands Combined Authority
Ian Martin	West Midlands Combined Authority
Carl Pearson	West Midlands Combined Authority
Nick Oakley	West Midlands Development Capital
Gerald Gannaway	West Midlands Development Capital

- | Item No. | Title |
|-----------------|---|
| 1. | Apologies for Absence
Apologies for absence were received from Nick Abell, Paul Brown and Councillor Chatfield. |
| 2. | Notification of Substitutes
Tony Minhas had been nominated as a Substitute Member for Nick Abell (Coventry and Warwickshire Local Enterprise Partnership). |
| 3. | Declarations of Interests
The following members declared non-pecuniary interests in the following:

Agenda Item no.6 Business and Tourism Programme Update – Councillor Tony Jefferson, Member of the Growth Company Board.

Agenda item no. 11 UK Central Programme: Councillor Bob Sleigh- Director of Urban Growth Company, Councillor Karen Grinsell- Member of Solihull Metropolitan Borough Council, Councillor Stephen Simkins, Member of West Midlands Trains Board. |
| 4. | Minutes of last meeting
Resolved: That the minutes of the meeting held on 19 April be confirmed as correct record. |
| 5. | Investment Programme Update and Dashboard
Ian Martin, Investment and Commercial Activities Director outlined a report that provided an update on the status of the Investment Programme delivery to assist the board in setting out the context for any investment decisions to be made by the board.

In relation to the Devolution Deal Gateway Review, it was noted that the WMCA had passed the first gateway review period in May 2021 which guarantees a £36.5m payment to the WMCA for the five years until the next Treasury Gateway review in 2026. The Chair thanked everyone involved in the successful Gateway Review that would enable the WMCA to continue to explore future funding opportunities with Government.

Resolved:

1. That the status of the Investment Programme delivery as detailed in the report be noted;

2. That the successful completion of the first Devolution five-year gateway review be noted and

3. That the Investment Programme funding status be noted. |

6. Business and Tourism Programme Update

Ian Martin presented a report that provided an update on the Business and Tourism Programme previously known as Trade Tourism and Industry Programme (TTI) that is being delivered by the West Midlands Growth Company.

The report set out the summary of the programme to date including an update on milestones and outputs.

In relation to an enquiry from the Chair regarding the only issue flagged as red; the Pass Form which has not been approved by the Cabinet Office, Ian Martin reported that he hoped this would be resolved shortly, as the DIT were a partner in delivering the programme.

In relation to future update reports to this board, it was agreed these would be submitted every six months rather than quarterly.

Resolved: That the report be noted.

7. WMCA Collective Investment Fund (CIF) - Dashboard

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

Resolved: That the Dashboard be received and noted.

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

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

Resolved: That the Dashboard be received and noted.

9. WMCA Revolving Investment Fund (RIF) - Dashboard

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

Resolved: That the Dashboard be received and noted.

10. 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).

11. UK Central Programmes Update

Martin Clayton presented a report which explained the reasons to reduce the Investment Programme funding approved for the Birmingham International Station project and the Roundabout Over-Trace project which related to the affordability of the UK Central Package Programmes. He reported that the Birmingham International Station project would be temporarily paused whilst

funding discussions continued with the Department for Transport.

Resolved:

1. That the status of the UK Central HS2 Interchange and UK Central Infrastructure Package programme be noted;
2. That approval be given to formally reduce the Investment Programme funding approved for the Birmingham International Station project and the Roundabout Over-Trace project;
3. That the formal notification within the report of the paused status of the Birmingham International Station project, pending funding discussions with the Department for Transport be noted ;
4. That approval be given to ring-fence the sum stated in the report for the UK Central HS2 Interchange and UK Central Infrastructure Package programmes within the current Investment Programme affordable limit be noted and
5. That in approving the recommendations 1 to 4 above, Investment Board is not endorsing any changes to project deliverables, outputs or project completion dates be noted.

12. City Learning Quarter (Phase 1) College of Wolverhampton Technical Centre (CoW Tech C) Phase 1 - Full Business Case

Councillor Stephen Simkins introduced a report that set out the justification for the College of Wolverhampton Technical Centre facility and reported the facility was a key regeneration project for the city.

Richard Lawrence outlined the report including the background, context for the facility and the benefits it would deliver for the city, its residents and region.

Resolved: That the capital funding request to fund the development of a brand new City of Wolverhampton College Technical Centre (CoWTechC) to be situated at the rear of the College's existing Wellington Road campus that forms Phase 1 of the wider City Learning Quarter Programme be endorsed for approval by the WMCA Board.

13. West Midlands Co-Investment Fund Outline Business Case

Ian Martin outlined a report that set out the proposal for a new business friendly investment fund aligned to the specific strategy and needs of the West Midlands Region and designed to promote economic growth post COVID.

The report set out the background and overview to establishing a West Midlands Co-Investment Fund that would enable the WMCA to achieve four clear objectives; 1) lead SME post Covid-recovery, 2) provide support to the regions SMEs, 3) improve the financial ecosystem and 4) build track record and capability to attract new funds from Central Government.

Linda Horne reported that greater detail on the governance and delivery vehicle for the fund would be addressed as part of the full business case.

Resolved

1. That the setting up of the proposed WMCO, a Co-Invest Equity Fund designed to facilitate investment into Growth SMEs to aid the recovery of the West Midlands economy be agreed subject to the approval of the WMCA Board (noting the full business case would be submitted before the fund is launched).

2. That the initial grant funding request from the WMCA Investment Programme as set out in the Outline Business Case to progress WMCO to Full Business Case, representing 50% of the full funding required to deliver this proposal post FBC approval be agreed subject to the approval of the WMCA Board;

3. That the WMCA have approached British Business Bank to pursue the potential to secure match funding from Central Government sources be noted and

4. That the WMCO has the potential to recycle the majority of the funding (subject to fund performance) be noted.

14. Brewers Yard - Cullwell Street -Site Fleet and relocation and re-development, Wolverhampton

Gareth Bradford introduced a report that had been co-developed by the WMCA with the City of Wolverhampton Council which sought a WMCA grant from the Land Fund to support a regionally significant regeneration project. The grant would 'match fund' the Towns Fund allocation recently committed by the Wolverhampton Towns Board to the project.

Simon Dancer presented the report on the Brewers Yard- Culwell Site Fleet relocation and re-development which sought grant approval to support phase 1 of a strategic regeneration project that would facilitate the delivery of up to 780 housing units in phase 2. He advised that 300 units could be provided without further grant.

It was noted that Avison Young had provided advice to the City of Wolverhampton Council on the residential housing market in the city and that key funding conditions would be attached to the grant.

Gary Taylor and Councillor Bird reported of the need for reports seeking investment to include details of any WMCA funding previously provided to organisations and what had been delivered .

Gareth Bradford reported that he was happy to include the track record of organisations seeking investment funding in future reports.

Resolved:

1. That a WMCA grant from the land fund for the sum stated in the report, to

support a strategic regeneration project in Wolverhampton City Centre that facilitates the delivery of up to 780 housing units in phase 2 including 20% affordable be approved;

2. That phase 1 relates to the relocation of the Council's Fleet Services that will deliver new floorspace, land remediated and enable the delivery of the residential scheme in phase 2 be noted;

3. That any value engineering or cost calculation in the project post Investment Board approval would benefit the WMCA to reduce the total investment ask from the devolved Housing and Land Funds be agreed;

4. That the funding is fully compliant with the WMCA's Single Commissioning Framework approved by this Board, the Housing and Land Board and the WMCA Board in March 2019 be noted and

5. That the report has been co-developed with the officers from the City of Wolverhampton Council which is the landowner and local planning authority for the scheme be noted.

15. Wood End, Henley Manor, Coventry

Gareth Bradford introduced a report that was seeking grant investment from the WMCA's Brownfield Housing Fund to unlock a strategic development project at Henley Manor, Coventry. The scheme had planning permission and would enable the scheme to proceed providing much needed new homes to the local area.

Isha Bhatt presented the report and provided an overview of the project.

In relation an enquiry from Gary Taylor regarding the profit margin for the developer which seemed higher than normal and whether there was a benchmark for profit, Gareth Bradford advised that due diligence had been undertaken by Thomas Lister who had indicated the profit level was appropriate for the development. He added that the WMCA would look to pursue benchmarking going forward.

The board noted that funding approval was subject to the developer satisfying the 6 conditions set out in the report which included the provision of appropriate clawback and overage clauses within the funding agreement.

Resolved:

1. That grant investment up to the amount set in the report to unlock strategic brownfield regeneration site in Coventry that delivers at least 94 new homes, 21% of which will be affordable and is aiming to start on site in July 2021 be approved;

2. That the project has gone through the key decision making and appraisal stages of the WMCA Single Commissioning Framework prior to consideration by this board be noted;

3. That funding is fully compliant with the WMCA Single Commissioning Framework approved by this board and, the Housing and Land Board and the WMCA Board in March 2019 be noted.

4. That the report has been co-developed with the project promoter be noted and

5. That Coventry City Council, as the Local Planning Authority are fully supportive of this application which forms part of the wider development project for 3,328 homes in this area be noted.

16. Abbey Street- Nuneaton

Gerald Gannaway presented a report that sought approval of investment funding from the WMCA's Brownfield Land and Property Development Fund for Abbey Street, Nuneaton for phase 1 of the scheme to help regenerate a key regional town centre/ brownfield site.

It was noted that Investment Board had previously approved BLPDF grant funding for the scheme on 21 October 2019 but the scheme has subsequently been revised down as a result of Covid which has impacted development plans. The delivery timescales for the development have also been extended by around 18 months.

Resolved: That the revised grant from the Brownfield Land and Property Development Fund be approved subject to the key terms, security and conditions of sanction as outlined in the report.

17. Coventry Arena -Hampton by Hilton

Nick Oakley presented a report that sought approval for a loan from the WMCA's Collective Investment Fund (CIF) to facilitate the development of new hotel, Hampton by Hilton, at Coventry Arena in time for the 2022 Commonwealth Games.

The loan would be subject to the key terms, conditions and security outlined in the report.

Tony Minhas reported that Coventry and Warwickshire Local Enterprise Partnership supported this project as the Arena was a community and regional asset.

Resolved: That the CIF loan be endorsed for WMCA Board approval.

18. WMCA Collective Investment Fund (CIF) - Dashboard

Nick Oakley presented the Collective Investment Fund (CIF) Dashboard (private iteration) as at 1 June 2021 and provide a general update on the projects.

He advised the board that the CIF & RIF portfolio performance remained robust during Covid-19 with good income being paid to WMCA and there had been no losses or provisions, at this stage he did not anticipate any adverse trends or losses within the portfolio. The CIF/RIF loan funds had delivered or were in the course of delivering on 32 individual projects across the Region

with approved funding totalling £138m as at 1/6/21.

He also commented generally on the construction sector advising that the sector was experiencing challenges relating to substantial cost inflation and supply issues on some raw materials which may slow down site completion. He reassured the board that all WMDC projects were subject to close management by Investment Directors and independent project cost quantity surveyor management.

Resolved: That the Dashboard be received and noted.

19. 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 June 2021 and updated the board on the current position of some schemes.

Resolved: That the Dashboard be received and noted.

20. WMCA Revolving Investment Fund (RIF) - Dashboard

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

Resolved: That the Dashboard be received and noted.

21. Land and Property Investment Fund (LPIF)

The board received the Land and Property Investment Fund (LPIF) Dashboard as 1 June 2021.

Resolved: That the Dashboard be received and noted.

The meeting ended at 11.54 am.