



Investment Board

Monday 14 February 2022 at 11.00 am

Minutes

Present

Councillor Bob Sleigh OBE (Chair)
Nick Abell

Councillor Mike Bird
Councillor Tristan Chatfield
Councillor Karen Grinsell
Councillor Tony Jefferson
Councillor Stephen Simkins
Sue Summers
Gary Taylor

Portfolio Lead for Finance & Investments
Coventry & Warwickshire Local
Enterprise Partnership
Walsall Metropolitan Borough Council
Birmingham City Council
Solihull Metropolitan Borough Council
Non-Constituent Authorities
City of Wolverhampton Council
West Midlands Development Capital
Greater Birmingham & Solihull Local
Enterprise Partnership

In attendance via MS Teams

Councillor Steve Clark

Dudley Metropolitan Borough Council

**Item Title
No.**

99. Apologies for Absence

Apologies for absence were received from Councillor Maria Crompton (Sandwell) and Councillor Jim O' Boyle (Coventry).

100. Minutes - 13 December 2021

The minutes of the meeting held on 13 December 2021 were agreed as a correct record.

101. Investment Programme Update and Dashboard

The board considered a report of the Director of Investment and Commercial Activities on the status of the Investment Programme to help set the context of any investment decisions being made by the board.

Ian Martin, Director of Investment and Commercial Activities, provided an update on the Investment Programme and the Investment Programme Dashboard.

Councillor Simkins re-iterated his comments made at a previous meeting regarding the need to take account of cost increases in construction materials and inflationary pressures that could impact on projects. He considered the WMCA should have an appropriate strategy or back-up plan in place.

Ian Martin explained that the Project Sponsor was responsible for any cost overruns and good value engineering was undertaken on projects. He advised that contingency was also built into projects and not all projects in the Investment Programme were capital projects.

The Chair also reminded members that any unallocated funding would be reported back to this board as a change request. He considered it would be helpful for the board to fully understand the process of how cost changes impact on the Investment Programme and asked that Ian Martin prepare a briefing note on the matter for a future meeting.

Ian Martin undertook to provide the briefing note and advised this would include the monitoring and evaluation of projects and the funder of the last resort.

Resolved:

1. That approval by the WMCA Board and under delegated authority by WMCA Officers of the business case submissions disclosed in section 3 of the report be noted;
2. That the WMCA Investment Programme funding status and current affordable limit as outlined in section 4 of the report be noted;
3. That the status of the City Region Sustainable Transport Settlement ('CRSTS) as outlined in section 4 of the report be noted;
4. That the Regional Investment Programme delivery update detailed within this report and appendices (including the project-level summary within the WMCA Investment Programme dashboard at Appendix 4) be noted and
5. That a briefing note be submitted to a future meeting that outlines the process for managing cost changes of projects within the Investment Programme.

102. WMCA Collective Investment Fund (CIF) - Dashboard

The board considered a report on the Collective Investment Fund dashboard (public iteration) as at 1 February 2022.

Resolved: That the report be noted.

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

The board considered a report on the Brownfield Land and Property Development Fund dashboard (public iteration) as at 1 February 2022.

Resolved: That the report be noted.

104. WMCA Revolving Investment Fund (RIF) - Dashboard

The board considered a report on the Revolving Investment Fund dashboard (public iteration) as 1 February 2022.

Resolved: That the report be noted.

105. Presentation: Coventry City of Culture Trust Project

The board received a presentation from Martin Sutherland, Laura McMillian (Coventry City of Culture Trust) and David Nuttall (Coventry City Council) that provided an overview of Coventry City of Culture to date. This included the story so far, details of events, income and expenditure, how it is 'levelling up' support across sectors and communities, key performance indicators, legacy planning, agreed principles and the next steps.

The board noted the processes that are in place for measuring the legacy of the project, engagement with all sectors in the community and the strong sense of civic pride that has been evidenced in surveys undertaken to date.

The Chair thanked Martin, Laura and David for their informative presentation that was welcomed by the board and wished them well for the future.

Resolved: That the presentation be noted.

106. Exclusion of the Public and Press

Resolved:

That in accordance with Section 100A(4) 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).

107. Drywall Steel Sections Ltd

Kieren Turner-Owen (West Midlands DC) presented a report that sought approval of a loan from the Collective Investment Fund (CIF) to develop land off Spring Road, Wolverhampton, into a new purpose built factory for the applicant plus a further 15 SME commercial starter units of various sizes creating new opportunities for employment space.

It was noted that the loan funding was conditional upon the applicant being awarded grant funding from the Black Country LEP and with regards to security, the WMCA would hold the first charge over the land along with an appropriate debenture/cross guarantee. The WMCA would also be provided with a cost overrun guarantee from the company.

Resolved:

1. A loan from the CIF fund, for the amount specified in the report, be allocated to develop c4.4 acres of current disused sports field/brownfield land in Wolverhampton, to provide a new purpose-built factory for the borrower and a further 15 commercial starter units of various sizes, creating new opportunities for employment space be approved;
2. The report presented to Investment Panel included an application to the Brownfield Land Property Development Fund that is no longer progressing due to the unavailability of funds and a concurrent application by the Black Country LEP for grant funding from their own resources be noted;
3. That loan funding approval is subject to the Black Country LEP grant funding in due course amongst other usual terms be noted and
4. The proposal carries the support of the WMCA's Investment Panel be noted.

108. Phoenix Park

The board considered a report of the Director of Housing and Regeneration that sought grant investment from the Brownfield Housing Fund to deliver the remediation and abnormal costs of construction to unlock the Phoenix Park site in Birmingham, delivering commercial space and jobs.

Councillor Chatfield reported that whilst he was fully supportive was of the application, he was disappointed that the applicant's company was based off-shore.

Gary Taylor noted that the board has no previous experience of awarding grants in these circumstances and considered that a precedent needs to be set. He added that the report was also missing the usual sales demand/exit assumption tables which show profit against yield and rents that should have been included in the report.

Councillor Simkins felt that the agreed clawback/overage for a 5-year period was too short and should be reviewed accordingly given the situation.

Councillor Bird reported of the need for the board to be sighted on the applicant's financial holdings that were off-shore.

Nick Abell also considered the board should be aware of the applicant's beneficial interests and that any profits secured from grant should be retained as long possible as suggested by Councillor Simkins.

The Chair reported that in the light of the comments made by the board, he would defer the decision on the report to the next meeting to enable the additional information requested by members to be provided.

Resolved: That the report be deferred to the next meeting.

109. Black Country Living Museum Forging Ahead

The board considered a report of the Director of Housing and Regeneration that sought approval of grant funding from the Brownfield Housing Fund to support the redevelopment of the Black Country Living Museum, Dudley that would deliver 30 FTE jobs in line with SCF requirements.

It was noted that grant funding was required for remediation works for onsite contamination and was based on the 'funder of the last resort'. The funding would form part of a pre-existing funding package that is already in place including the National Lottery Heritage Fund, Black Country LEP, Arts Council England and Dudley MBC.

Resolved:

1. A grant from the Brownfield Land Housing Fund for the maximum amount specified in the report, to support the redevelopment of the Black Country Living Museum that delivers 30 FTE jobs in line with SCF requirements be approved;
2. The funding is fully compliant with the WMCA Single Commissioning Framework be noted;
3. Dudley Metropolitan Borough Council is fully supportive of this application be noted and
4. The funding allocation represents an absolute maximum and that further negotiations would seek to reduce the allocation be noted.

110. OBC: EV CATS- Electric Vehicle Charging Area Transit Stations

The board considered a joint report of the Investment and Commercial Activities Director and TfWM Director of Policy, Strategy and Innovation that sought approval to progress the Outline Business Case for Electric Vehicle Charging Area Transit Stations (EVCATS) to the WMCA Board.

It was noted that the Outline Business Case seeks a non-refundable grant from City Region Sustainable Transport Settlement (CRSTS) and grant funding from WMCA Brownfield Land and Property Development Fund (BLPDF) to support the creation of ten (10) Electric Vehicle Charging Area Transit Stations (EV CATS). These will comprise of 80 to 100 ultra-rapid 150+kW chargers, with sufficient expansion space to double capacity as the market requires. The project directly supports the central government Net Zero agenda and the WMCA #2041 agenda.

The Investment and Commercial Activities Director, Ian Martin presented the need for the transit stations, the vision, investment model, funding, costs and benefits.

Councillor Simkins considered the project should be opened up to local authorities who could contribute land for the transit stations and benefit accordingly, noting Wolverhampton's success with the i54.

Ian Martin reported that One Public Estate colleagues have been involved and no suitable sites had been identified but would look to progress the matter with the Finance Directors' Group.

The board endorsed the report to go forward to the WMCA Board.

Recommended:

1. The investment of the sum specified in the report from the City Region Transport Settlement (CRSTS) funds in Electric Vehicle Charging Area Transit Stations (EVCATS) project, subject to overall approval of the CRSTS programme at WMCA Board where it is scheduled for March and with the full investment to be made following a Full Business Case;
2. Approval of the sum specified from the Brownfield Land and Property Fund subject to the overall approval of the CRSTS investment at WMCA Board as indicated above;
3. Approval of the sum specified in the report for site acquisition preparation and ancillary costs including set up of the Delivery Company following OBC approval at the WMCA Board and ahead of the full investment under FBC with the condition as noted above and
4. The WMCA Capital Investment specified in the report is intended to be made from WMCA borrowing and will continue to be discussed with the Finance Directors' Group until the OBC is approved at the WMCA Board in March.

111. Sprint -A34 Walsall to Birmingham and A45 Birmingham to Airport & Solihull Phase 2 Funding Confirmation (WMCA Board Report)

The board considered a report of the Managing Director, Transport for the West Midlands that sought approval to progress the endorsement of the addendums to the Sprint A34 and Sprint A45 Full Business Cases and funding confirmation to the WMCA Board in March.

The Senior Manager-Sprint Development, Tom Skidmore and the Director of Programme Development and Delivery, Sandeep Shingadia presented the report.

In relation to an enquiry from Councillor Chatfield as to whether there was a fall-back position if the City Region Sustainable Transport (CRST) allocation was not approved, Sandeep Shingadia advised that a report would be submitted on CRSTS funding to the WMCA Board next month and the project met the funding objectives so was confident approval would be given. If the allocation was not made, other funding opportunities would need to be explored.

The board endorsed the report for submission to the WMCA Board.

Recommended:

1. Endorsement of the addendums to the Sprint A34 and Sprint A45 Full Business Cases which detail the second stage of delivery for 2024, including the bus priority interventions, cycling and walking infrastructure, signal upgrades, shelter enhancements, ticket machines and utility diversions;
2. Approval of the specified sum from City Region Sustainable Transport Settlement allocation for the delivery of Phase 2 of the A34 Walsall to Birmingham Sprint scheme;
3. Approval of the specified sum from City Region Sustainable Transport Settlement allocation for the delivery of the A45 Birmingham to Airport and Solihull Sprint scheme;
4. To note construction and utility costs for the scheme are not yet finalised, the project team might need to flexibly manage the scope of the scheme in order to maintain the overall budget;
5. To note the inclusion of additional cycling and walking measures within Phase 2 delivery and
6. Approval of the delegation of authority to officers as set out in the report.

112. West Midlands Investment Prospectus

The board considered a report of the Director of Housing and Regeneration that sought comments and endorsement on the draft version of the West Midlands Investment Prospectus.

The report provided an overview on the project, the timeline for engagement and delivery and the latest draft version of the Investment Prospectus.

The board received a presentation from Graham Russell, Amion Consulting, that outlined the background to the regional Investment Prospectus, the structure of the document and next steps.

It was noted that the Investment Prospectus was in a new format and would be a more market facing document that was aimed at the private sector, especially the investment market. The investment opportunities across the region would inform project sheets that would be co-developed with each relevant local authority/and or project sponsor and be finalised for the launch and publication of the document in early March 2022.

Resolved:

1. The positive progress and substantial engagement to date on the West Midlands Investment Prospectus 2022 project be endorsed;
2. The Investment Prospectus is one of the key deliverables for the Housing and Land Delivery Board in 2021/22 which as in previous years will play an important role in attracting private sector investment and Government interest to the region be noted;

3. The extensive engagement plan and project timeline for delivering the West Midland Investment Prospectus as it nears a launch in March 2022 be noted;

4. The latest design and draft of the West Midlands Investment Prospectus based on the structure set out in section 3 of the report be endorsed and

5. That the Housing and Land Delivery Board has delegated authority to the Director of Housing and Regeneration in consultation with the Portfolio Holder for Housing and Land to agree the final version of the Prospectus on the board's behalf be noted.

113. WMCA Collective Investment Fund (CIF) - Dashboard

The board considered a report setting out the dashboard for the Collective Investment Fund (private iteration).

Resolved: That the report be noted.

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

The board considered a report setting out the dashboard for the Brownfield Land and Property Development Fund (private iteration).

Resolved: The report be noted.

115. WMCA Revolving Investment Fund (RIF) - Dashboard

The board considered a report setting out the dashboard for the Revolving Investment Fund (private iteration).

Resolved: That the report be noted.

116. Land and Property Investment Fund (LPIF)

The board considered a report setting out the dashboard for the Black Country Land and Property Investment Fund.

Resolved: That the report be noted.

117. Date of next meeting: 21 March at 11.00am

The meeting ended at 1.20 pm.