



Investment Board

Monday 21 March 2022 at 11.00 am

Minutes

Present

Councillor Mike Bird	Walsall Metropolitan Borough Council
Councillor Tristan Chatfield	Birmingham City Council
Councillor Steve Clark	Dudley Metropolitan Borough Council
Councillor Karen Grinsell	Solihull Metropolitan Borough Council
Councillor Tony Jefferson	Non-Constituent Authorities
Councillor Stephen Simkins	City of Wolverhampton Council

In attendance via MS Teams

Councillor Bob Sleight OBE (Chair)	Portfolio Lead for Finance and Investments
Councillor Maria Crompton	Sandwell Metropolitan Borough Council
Paul Brown	Black Country LEP

Item No.

118. Chair's Remarks

The Chair reported that as he was unable to attend the meeting in person today, he had asked Councillor Grinsell to chair the meeting. The board supported this arrangement.

Councillor Grinsell in the chair

119. Apologies for Absence

Apologies for absence were received from Councillor O' Boyle (Coventry), Nick Abell, Gary Taylor and Sue Summers.

120. Minutes - 14 February 2022

The minutes of the meeting held on 14 February 2022 were agreed as a true record.

121. Metro - Depot Expansion Business Case for CRSTS

The board considered a report of the Executive Director, Transport for the West Midlands that presented the Full Business Case for the West Midlands Metro depot expansion. The scheme is one of the named schemes in the WMCA City Region Sustainable Transport Settlement (CRSTS) application.

It was noted that due to the urgency of the funding requirement and the timing of the WMCA Board meeting in March and it not meeting again until it's AGM in June, the WMCA Board had approved the Full Business Case at its meeting on 18 March prior to consideration by the Investment Board. The Business Case was approved subject to endorsement by the Investment Board to confirm that the assurance obligations of the investment application was met and that there were no material matters arising. If the Investment Board considered matters required further approval by WMCA Board then this was to be represented to the WMCA Board in June as appropriate.

The Metro Projects Director, Michael Anderson outlined the report and advised that 20% contingency had been added to the cost figures for the project due to inflationary cost pressures.

The board noted the recent and ongoing problems with the Metro tram vehicles and expressed concern regarding the reputational damage to the WMCA and the region. Councillor Bird reported of the need for the WMCA Board to discuss the matter in private and to agree a strategy moving forward to resolve the issues. Board members agreed with this proposal.

Resolved:

1. The requirement for the Depot investment to enable expansion of the West Midlands Metro network and the Full Business Case for the project be noted;
2. The Final Business Case as presented to the WMCA Board be endorsed and
3. The WMCA Board approved the Full Business Case and budget presented for the project at its meeting on 18 March be noted.

122. Metro Power Supply Business Case for CRSTS

The board considered a report of the Managing Director, Transport for the West Midlands, that presented the Full Business Case for the West Midlands Metro Line 1 power supply upgrade scheme. The scheme is one of the named schemes in the WMCA City Region Sustainable Transport Settlement (CRSTS) application.

It was noted that a power upgrade was needed to ensure there was sufficient power for the Metro extensions to Edgbaston and Wolverhampton and for future extensions.

Similar to the previous report, the Metro Projects Director, Michael Anderson reported that Investment Board were required to review the assurance obligations for the investment and endorse the Final Business Case that the WMCA Board had approved at its meeting on 18 March 2022.

It was noted that due to the urgency of the funding requirement and the timing of the WMCA Board meeting in March and it not meeting again until it's AGM in June, the WMCA Board had approved the Full Business Case at its meeting on 18 March prior to consideration by the Investment Board. The Business Case was approved subject to endorsement by the Investment Board to confirm that the assurance obligations of the investment application was met and that there were no material matters arising. If the Investment Board considered matters required further approval by WMCA Board then this was to be represented to the WMCA Board in June as appropriate

Resolved:

1. The requirement for the Line 1 power supply investment to enable the expansion of the West Midlands Metro network be noted;
2. The Final Business Case as presented to the WMCA Board be endorsed and
3. The WMCA Board approved the Full Business Case and budget for the project at its meeting on 18 March be noted.

123. 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.

It was noted that approved grant funding awarded and administered by the WMCA programmes within the Regional Investment Programme totals £858.5m as at 28 February 2022 and that funding actually drawn/incurred against these funding commitments as at 31 January 2022 totals £406m.

Resolved:

1. Approval by the WMCA Board under delegated authority by WMCA Officers of the business case submissions disclosed in section 3 of the report be noted;
2. The WMCA Investment Programme funding status and current affordable limit, as outlined in section 4 of the report be noted;
3. The status of the City Region Sustainable Transport Settlement ('CRSTS') as outlined in section 4 of the report be noted;
4. The Regional Investment Programme delivery update detailed within this report and appendices (including the project-level summary within the WMCA Investment Programme Dashboard in Appendix 4) be noted and

5. The WMCA Board approved at its meeting on 18 March 2022, the recommendation to extend the role and remit of the WMCA Investment Board to cover all WMCA transport projects (including the CRSTS programme) allowing investment decisions to be made for values between £5m and £20m in line with the Single Assurance Framework; as detailed in section 4 of the report be noted.

124. WMCA Collective Investment Fund (CIF) - Dashboard

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

Resolved: That the report be noted.

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

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

Resolved: That the report be noted.

126. WMCA Revolving Investment Fund (RIF) - Dashboard

The board considered a report of the Revolving Investment Fund Dashboard (public iteration) as at 1 March 2022.

Resolved: That the report be noted.

127. 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).

128. Halesfield Extension

The board considered a report from West Midlands Development Capital seeking approval to extend and increase the original CIF loan to the amount specified in the report. The introduction of some investment covenants and monitoring would allow the developer to roll their equity into another scheme. The loan was fully secured by the two remaining income producing units.

Resolved: That the increase and extension of the original CIF loan for the amount specified in the report, secured by two remaining income producing units to allow the company to roll their equity into the next scheme be approved.

129. E3 Hub, Erdington Baths

The board considered a report from the Director of Housing and

Regeneration that sought grant investment from the WMCA's Brownfield Housing Fund to support the redevelopment of Erdington Baths, a significant regeneration project in Birmingham. The project would provide 1,174m² of commercial floorspace that was needed for SMEs and deliver a total of 149 FTE jobs.

It was noted that the project had gone through the key decision making and appraisal stages of the WMCA's Single Commissioning Framework and Birmingham City Council is fully supportive of the application; BCC are leading on an application for the Levelling Up Fund, expected in Spring 2022.

WMCA grant funding would be provided on the basis of the 'funder last resort'; funding would not be provided if the Levelling Up bid was unsuccessful.

Resolved:

1. That WMCA grant investment from the Brownfield Housing Fund up to the amount specified in the report, to support the redevelopment of Erdington Baths, an exemplar regeneration project in Birmingham that will unlock 1,172m² of commercial floorspace and a total of 149 FTE jobs (80 operational, 69 construction) be approved;
2. The project has gone through the decision making and appraisal stages of the WMCA's Single Commissioning Framework in its journey to Investment Board and is fully compliant with the requirements set by Government for the Brownfield Housing Fund administered by the WMCA be noted;
3. The investment being recommended for approval represents an absolute maximum and it is expected this figure will be reduced significantly after the next round of the Levelling Up funding is made available (the current allocation represents a maximum scenario for SCF grant funding) be noted;
4. Birmingham City Council is fully supportive of this application and are a leading an upcoming application, expected in Spring 2022 on this project for Levelling Up funding to enable the full delivery of the redevelopment proposals be noted;
5. The grant funding ask from the WMCA is on the basis of 'funder of last resort' based on all third party grant funding avenues being exhausted and in order for the scheme to progress to full delivery the applicant will have to secure significant further public sector grant funding through the next round of the Levelling Up which is expected to take place in Spring 2022 be noted;
6. That if no Levelling Up monies or suitable alternative grant funding sources are made available to enable the redevelopment by the end of 2023, all WMCA grant funding will be withdrawn be noted;
7. This approval should be seen in the context that the WMCA continues to exceed all the targets and milestones set for its devolved housing and land funds including the £100m Land Fund, £24m National Competitive Fund and the £84m Brownfield Housing Fund be noted and;

8. This approval should be seen in the context that the WMCA is currently in negotiations with Government on broader funding support to complement the existing devolved housing and land funds so we are better able to support homes, jobs, commercial floorspace and the wider regeneration proposals such as this be noted.

130. Globe House

The board considered a report of the Director of Housing and Regeneration seeking approval of grant funding from the Brownfield Housing Fund to enable the regeneration of a strategic brownfield site in Walsall Town Centre delivering 35 new homes, 20% of which are affordable.

In response to a comment from Councillor Sleight regarding the cost per unit being higher than usual, the Director of Housing & Regeneration confirmed that whilst the rate was higher than the average intervention rate, the rate has gone on up on occasions where the project is driving regeneration as in this instance. He added that the WMCA is set strict housing targets by Government and can spend more on some units than others as long as balance is achieved across the board; each proposal would be judged on its own merits.

Resolved:

1. A WMCA grant up to the amount specified within the report, to support a strategic regeneration site in Walsall Town Centre delivering 35 new homes, 20% of which are affordable be approved;
2. The project has gone through the decision-making and appraisal stages of the WMCA Single Commissioning Framework in its journey to Investment Board and is fully compliant with the requirements set by Government for the Brownfield Housing Fund administered by the WMCA be noted;
3. Walsall Metropolitan Borough Council, as the local planning authority is fully supportive of this application which supports the regeneration of the town centre be noted and
4. The WMCA continues to outperform against all the targets and milestones set for the devolved housing and land funds including £100m Land Fund, £24m National Competitive Fund and £84m be noted.

131. Housing & Regeneration Fund Dashboards

The board considered a report setting out the dashboards for the Brownfield Housing Fund, National Competitive Fund and Land Fund.

The Director of Housing & Regeneration reported that an updated version of the dashboard would be presented to each meeting.

Councillor Sleight welcomed the dashboards and asked that more commentary be included in the report and there is consistency between this report and the report submitted to Housing and Land Delivery Board going

forward.

Councillor Simkins reported that it would be helpful to include the status of projects in the report such as construction started, units completed, on schedule, delayed etc.

Councillor Grinsell commented that it would be helpful to have a brief comment on scheme progress or any issues.

The Director of Housing & Regeneration undertook to look at including the additional information requested for future reports.

Resolved: That the report be noted.

132. WMCA Collective Investment Fund (CIF) - Dashboard

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

Nick Oakley noted that two approved schemes will no longer proceed. For one, the land had been sold to another party and the second was considering the future given build cost escalation.

Resolved: That the report be noted.

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

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

Resolved: That the report be noted.

134. 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.

135. 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.

136. Date of next meeting : 25 April at 11.00am

The meeting ended at 12.30 pm.