



Investment Board

Monday 9 January 2023 at 11.00 am

Minutes

Present

Councillor Bob Sleigh (Chair)
Councillor Karen Grinsell
Councillor Bob Piper
Councillor Stephen Simkins
Nick Abell

Portfolio Lead for Finance & Investments
Solihull Metropolitan Borough Council
Sandwell Metropolitan Borough Council
City of Wolverhampton Council
Coventry & Warwickshire Local
Enterprise Partnership
Greater Birmingham & Solihull Local
Enterprise Partnership

Gary Taylor

In Attendance via MS Teams

Councillor Steve Clark

Dudley Metropolitan Borough Council

**Item Title
No.**

108. Apologies for Absence

Apologies for absence were received from Councillor Mike Bird (Walsall), Paul Brown (Black Country LEP), Councillor Tony Jefferson (non-constituent authorities), Councillor Brigid Jones (Birmingham), Councillor Jim O' Boyle (Coventry) and Sue Summers.

109. Minutes -12 December 2022

The minutes of the meeting held on 12 December 2022 were agreed as a correct record.

110. WMCA Collective Investment Fund (CIF) - Dashboard

The board considered a report detailing the Collective Investment Fund dashboard (public iteration) as at 1 January 2023.

Resolved:

The report be noted.

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

The board considered a report detailing the Brownfield Land and Property Development Fund dashboard as at 1 January 2023.

Resolved: The report be noted.

112. WMCA Revolving Investment Fund (RIF) - Dashboard

The board considered a report detailing the Revolving Investment Fund dashboard as at 1 January 2023.

Resolved: That the report be noted.

113. 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 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).

114. Covanta, Fryers Road

The board considered a report from West Midlands Development Capital (WMDC) that sought approval for loan funding from the Collective Investment Fund (CIF) for the sum specified in the report for the 'Company' to support the remediation of land and to allow for the subsequent redevelopment of the property into a waste to energy plant.

It was noted that once complete, the facility would provide power to 93,000 homes in the area as well as exporting heat in the form of steam or hot water to local users and would additionally create 450 indirect jobs during the construction phase and 50 direct jobs in operating the plant, regenerating 8.2 acres of vacant brownfield land.

In relation to the loan, this would represent a maximum of 70% loan to security value with a parental company guarantee from a suitable group counterpart and the WMCA would have first charge over the site/property.

The Director of Investment and Commercial Activities, Ian Martin reported that the parental company guarantee was a little unusual and this would need to be acceptable to Finance colleagues. He also requested that WMDC provide a back stop date to draw funds.

Councillor Simkins reported he supported taking forward this scheme but sought assurance on the financial arrangements and asked whether an update could be provided on the matter at the next meeting.

Nick Oakley (WMDC) advised that information had been received from the Company showing Net Tangible Assets of the guarantor counterparty at £620m, the proposed guarantee being £3.2m. WMDC were in the process of independently confirming the guarantor balance sheet. When completed this would be shared with WMCA's Finance colleagues shortly. He added that he would update the board at the next meeting if the matter had been concluded at that point and assured the board that with Covanta committing £13.7m of equity to the project and the security proposed, the loan was structured on a low-risk basis.

In relation to an enquiry from Gary Taylor regarding the Company funding

any additional costs associated with land remediation themselves and whether this would be covered by the guarantee, the Chair reported that this would be taken on board.

Resolved: That loan funding from the Collective Investment Fund for the sum specified in the report be approved to support the remediation of the property and to allow for the subsequent delivery of the development, subject to WMCA's Finance colleagues being satisfied with the loan guarantee.

115. Change Request - Additional Bootcamp Funding

The board considered a report of the Executive Director Economic Delivery, Skills and Communities that sought approval to allow the utilisation of an additional £15.1m from the Department of Education to continue to fund the Skills Bootcamp provision on the West Midlands during the period 2023/24.

The Senior Delivery Manager Higher Level Skills, Louise Phipps, outlined the key highlights from the report and informed the board that the request for funding follows an initial £5m award to test the design of bootcamps in 2018 and subsequent scale up awards totalling £3m and £11.25m for 2022/23 where the WMCA has proven its ability to deliver and has been instrumental in the design and delivery of the national programme.

It was noted that 4,000 residents have completed the programme and 75% have secured a positive outcome which includes a new job, entry into self-employment, a promotion within existing employment and significant additional responsibilities within existing employment.

Councillor Simkins reported on the need to ensure the programme targets those people who will benefit the most, in particular those people in deprived communities.

Councillor Piper reported that he would like to know the outcome of the additional £15.1m funding at the end of the programme and further to this, Councillor Grinsell enquired whether the Economic Growth Board would be advised of the outcomes from the programme.

The Chair asked that the Senior Delivery Manager Higher Level Skills, feedback to the board on the governance process for the programme.
[Louise Phipps subsequently advised that the programme is governed by the Skills Advisory Board]

Resolved: Noting that the matter was now scheduled to go to WMCA Board, endorsement only was required and given to allow the utilisation of an additional £15.1m from the Department of Education to continue to fund the Skills Bootcamp provision in the West Midlands during the period 2023/24 be agreed.

116. WMCA Collective Investment Fund (CIF) - Dashboard

The board considered a report detailing the Collective Investment Fund dashboard (private iteration) as at 1 January 2023.

Resolved: That the report be noted.

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

The board considered a report detailing the Brownfield Land and Property Development Fund (private iteration) as at 1 January 2023.

Nick Oakley provided an update on the undrawn funds and reported on the largest undrawn scheme, Shard End Yardley Brook, a residential scheme in Birmingham that was approved by the board in 2017. He advised that the scheme would be subject to a full review if it is taken forward and also that the contract dates had not been met meaning that this commitment had technically expired. Following a decision by the Board in relation to a paper concerning BLPDF considered 17th October 2022, revised proposals for Shard End Yardley Brook had been requested from Birmingham City Council to be submitted by the end of December 2022. It was reported that these had not been received to date.

It was noted BLPDF was currently fully committed and was unable to support other commercial job creation funding applications which had been received by West Midlands Development Capital.

If the Yardley Brook scheme did not proceed within the agreed timescales, funding could be re-allocated to support one or more these sites that would come forward within the next 3-6 months.

In relation to the recent clawback in respect of a scheme in Telford, the board noted an extension had been granted in the first instance before clawback was undertaken.

The board therefore agreed to extend the deadline in respect of WMCA's receipt of the detailed revised Yardley Brook proposals to the end of February 2023, with the Board to be in a position to make a decision as soon as possible after this date.

Resolved: That the report be noted.

118. WMCA Revolving Investment Fund (RIF) - Dashboard

The board considered a report detailing the Revolving Investment Fund dashboard (private iteration) as at 1 January 2023.

Resolved: That the report be noted.

119. Land and Property Investment Fund (LPIF)

The board considered a report detailing the Land and Property Investment Fund dashboard as at 1 January 2023.

Resolved: That the report be noted.

120. Housing & Land Fund Dashboards

The board considered a report detailing the Housing and Land Fund dashboards as at 1 January 2023.

The Executive Director Housing, Property and Regeneration provided updates with regards to the three funds; Brownfield Housing Fund, National Competitive Fund and the Land Fund.

Resolved: That the report be noted.

The meeting ended at 11.48 am.