



WEST MIDLANDS COMBINED AUTHORITY

Investment Board

Friday 6 October 2017 at 10.00 am

Minutes

Present

Councillor Izzi Seccombe (Chair)
Councillor Robert Hulland
Councillor Majid Mahmood
Councillor Peter Richards
Paul Brown

Warwickshire County Council
Solihull Metropolitan Borough Council
Birmingham City Council
Non-Constituent Authorities
Black Country Local Enterprise
Partnership

In Attendance

Gerald Gannaway
Carl Craney
Linda Horne
Tim Martin
Perry Wardle

Finance Birmingham
West Midlands Combined Authority
West Midlands Combined Authority
West Midlands Combined Authority
Solihull Metropolitan Borough Council

Item Title No.

19. Apologies for Absence (if any)

Apologies for absence had been received from Nick Abell (Coventry and Warwickshire Local Enterprise partnership), Councillor Jim O'Boyle (Coventry City Council), David Cockroft (Coventry City Council), Roger Mendonca (Greater Birmingham and Solihull Local Enterprise Partnership), Gary Taylor (Greater Birmingham and Solihull Local Enterprise Partnership) and Mark Taylor (West Midlands Combined Authority).

20. Notification of Substitutes

Sean Farnell (Coventry and Warwickshire Local Enterprise Partnership attended as the substitute for Nick Abell).

Andy Williams (Coventry City Council) attended as the substitute for David Cockroft who was to have attended as the substitute for Councillor Jim O'Boyle.

21. Declarations of Interests (if any)

Councillor Robert Hulland declared a non-pecuniary interest in Agenda Item No. 7 (UK Central Infrastructure Package – Strategic Outline Business Case) as an elected member of Solihull MBC and as a member of the Board of Arden Cross Ltd.

Councillor Majid Mahmood declared a non-pecuniary interest in Agenda Item No. 7 (UK Central Infrastructure Package – Strategic Outline Business Case) as an elected member of Birmingham City Council.

22. Minutes of last meeting

Resolved:

That the minutes of the meeting held on 4 August 2017 be confirmed as a correct record and signed by the Chair subject to the deletion of 'Councillor Majid Mahmood – Birmingham City Council' in the list of attendees.

23. Matters Arising

There were no matters arising from the minutes of the meeting held on 4 August 2017.

24. Hagley Road Sprint - Outline Business Case

Carl Craney presented a report which set out to regularise the decision made by the Board at the meeting held on 26 May 2016.

Resolved:

1. That the Board confirms the acceptance of the offer of £7.29 million from the Greater Birmingham and Solihull Local Enterprise partnership (GBSLEP) towards the Hagley Road Sprint scheme;
2. That the Board confirms the approval, in principle, of a further £3.15 million of WMCA funding for delivery of the Hagley Road Sprint scheme comprising £0.75 million of previously approved ITB funding and £2.4 million of HS2 Connectivity Package funding.

25. UK Central Infrastructure Package - Strategic Outline Business Case

Perry Wardle presented a report and gave a PowerPoint presentation on the UK Central Infrastructure Package Strategic Outline Business Case. The report advised the Board that as part of the WMCA Devolution Agreement £288 million had been secured for a UK Central Infrastructure Package. The report outlined the first Strategic Outline Case which identified the initial funding being sought for detailed work on Phase 1 of the package, consisting of early priority schemes in line with UK Central and WMCA objectives. The PowerPoint presentation provided greater clarification of the geography and anticipated impact of the proposals.

Councillor Robert Hulland advised that the triangle of land in question was owned by Solihull Metropolitan Borough Council, Birmingham City Council and two private estates. He questioned the risks involved with the scheme and whether the costs were realistic. Perry Wardle explained that the Strategic Outline Business Case would allow the studies to progress towards the preparation of the Outline Business Case and the Full Business Case. He identified two elements with regard to risks on expenditure in 2017/18:

- i) The strategic acquisition of the land at Simon Digby housing which was currently in the ownership of Solihull MBC and Solihull College. An agreement in principle was in place with the College for Solihull MBC to acquire the land but the legal process had yet to be completed;
- ii) The accessibility enhancements around the Solihull Rail Station and Town Centre. A consultation exercise had yet to be completed.

Councillor Robert Hulland enquired whether there was confidence that the proposed expenditure target would be met. Perry Wardle advised that he was confident that it would.

Councillor Majid Mahmood enquired whether the necessary funds to be provided by other partners was ringfenced for this scheme. He also enquired when the North Solihull area, as an area of deprivation, would benefit from the scheme. Perry Wardle advised that the funds to be expended in 2017/18 were secure and future funding would be the subject of further reports and discussions. With regard to North Solihull he referred to the previous investments in that area and the additional benefits which would accrue to that area from this scheme.

Linda Horne advised that the WMCA was working closely with Solihull MBC on this scheme and that the monies were available with contractual arrangements in place.

Councillor Robert Hulland enquired whether the Board had delegated powers to approve the requests. Carl Craney confirmed that with the sums involved it did.

Resolved:

1. That the Solihull MBC Strategic Outline Case (SOC) Phase 1 and the allocation of £3.4 million of WMCA funding from the £288 million UK Central infrastructure package to enable projects within the SOC to progress be approved;
2. That the decision of Solihull MBC's Cabinet on 20 July 2017 to endorse the Growth and Development Investment Plan along with the approval of the submission of the SOC Phase 1 to the WMCA be noted;
3. That the SOC Phase 1 identified indicative total project costs of £112.6 million of which £63.6 million was proposed to be set against the £288 million UK Central Infrastructure Package be noted. The balance being met from other sources of funding including Solihull MBC, Greater Birmingham and Solihull Local Enterprise Partnership, Central Government and the European Union. Requests to commit further funding would be brought forward as projects progressed;

4. That the SOC Phase 1 identified a funding requirement in 2017/18 of £4.33 million being sought from the UK Central Infrastructure package with the balance being met from Solihull MBC's resources which have already be approved be noted;
5. That the demonstrated and urgent need to progress the projects within the SOC to ensure key intervention measures informed or delivered prior to the commencement of works by Transport for West Midlands (TfWM), HS2 and Highways England be noted;
6. That in 2016/17 UK Central Infrastructure Package resources of £1.83 million had been committed to support work on the UK Central Package be noted.

26. 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).

27. YMCA Lichfield Street, Wolverhampton

Gerald Gannaway presented a report in connection with an opportunity to assist with a significant refurbishment and bringing back into economic use the former Co-Op, Lichfield Street, Wolverhampton which had been void and largely derelict since the closing of the store in 1987. The report detailed the Collective Investment Fund – Senior Debt Loan – Development Facility over a term of 2.5 years with repayment from re-finance of the Development Loan by a commercial mortgage provider and a Brownfield Land and Property Fund Grant which would be non-repayable but which was required to fund building remediation subject to clawback on "change of use" or sale. He responded to questions raised by members of the Board.

Resolved:

That subject to the various conditions the CIF Senior Debt Loan and Brownfield Land and Property Grant detailed in the report be approved.

28. CIF / LRF Dashboard

Gerald Gannaway presented the CIF / BLPDF Dashboard as at 1 October 2017 which detailed:

- WMCA CIF / BLPDF – Investments committed and completed funds;
- WMCA CIF / BLPDF – Geographical committed deal values and totals diagrams; and
- WMCA CIF / BLPDF – Pipeline – WIP

He advised that a scheme in the report was incorrectly marked as being within the Solihull MBC area when it was, in fact, in the Birmingham City Council area. He also updated the Board on a scheme which was no longer being progressed using funds under the Board's control. The Chair commented that the Board should be informed of any schemes that had been offered assistance but that were no longer progressing. Sue Summers undertook to include such information in future iterations of the Dashboard.

Following a question from Andy Williams, Sue Summers reported on the steps taken to promote the availability of funds.

Resolved:

That the Dashboard be received and noted.

The meeting ended at 10:55am

CHAIR