



Meeting of the Cabinet

**Thursday, 28th October, 2021 at 6.00pm
in Committee Rooms 1 and 2
at the Council House, Priory Road, Dudley**

Agenda - Public Session (Meeting open to the public and press)

1. Apologies for absence
2. To receive any declarations of interest under the Members' Code of Conduct
3. To confirm and sign the minutes of the meeting held on 23rd September, 2021 as a correct record
4. Capital Programme Monitoring (Pages 1 - 18)
5. Revenue Monitoring 2021/22 (Pages 19 - 28)
6. Review of Housing Finance (Pages 29 - 52)
7. Approving Amendments to the Black Country Executive Joint Committee Collaboration Agreement (Pages 53 - 111)
8. To report on any issues arising from Scrutiny Committees
9. To consider any questions from Members to the Leader where two clear days' notice has been given to the Monitoring Officer (Cabinet Procedure Rule 2.5)

Distribution:

Members of the Cabinet:

Councillor P Harley (Leader – Chair)

Councillor D Vickers (Deputy Leader – Vice-Chair)

Councillors N Barlow, R Buttery, S Clark, I Kettle, S Keasey, S Phipps, K Shakespeare and L Taylor-Childs

Opposition Group Members nominated to attend meetings of the Cabinet:

All Shadow Cabinet Members are invited to attend Cabinet meetings (to speak but not vote)





Chief Executive

Dated: 20th October, 2021

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- Do not attend the Council House if you feel unwell; if you have tested positive for Covid-19; if you are self-isolating or if you suspect that you are symptomatic.
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Submitting Apologies for Absence

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Minutes of the Cabinet

Thursday, 23rd September, 2021 at 6.00 pm
In Committee Room 2, The Council House, Dudley

Present:

Cabinet Members

Councillor P Harley (Leader - Chair)
Councillor D Vickers (Deputy Leader – Vice-Chair)
Councillors N Barlow, S Clark, S Keasey, I Kettle, K Shakespeare and L Taylor-Childs

Opposition Group Members Nominated to attend the Cabinet

Councillors S Ali, A Aston, C Barnett, C Bayton, J Foster, P Lowe, S Ridley, P Sahota and Q Zada

Observers

Councillors J Clinton and N Neale

Officers

K O'Keefe – Chief Executive, B Heran – Deputy Chief Executive, H Martin – Director of Regeneration and Enterprise, I Newman – Director of Finance and Legal, M Bowsher – Director of Adult Social Care, M Wilcox – Principal Lawyer, P Evans – Principal Environmental Health Officer and S Griffiths – Democratic Services Manager

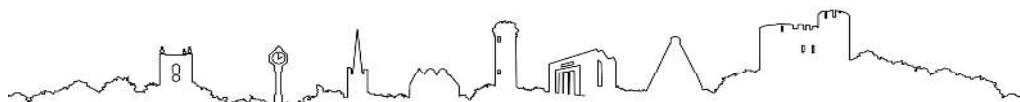
17 Apologies for Absence

Apologies for absence were submitted on behalf of Councillors K Ahmed, R Buttery and S Phipps.

18 Declarations of Interest

Councillor Q Zada declared an interest in any matters that might affect his portfolio of property investments in Dudley.

Councillor S Ali declared a non-pecuniary interest as a Non-Executive Director at the Black Country Healthcare NHS Foundation Trust



19 **Minutes**

Resolved

That the minutes of the meetings held on 5th and 21st July, 2021 be approved as a correct records and signed.

20 **Capital Programme Monitoring**

The Cabinet considered a report of the Chief Executive and the Director of Finance and Legal on proposed amendments to the Capital Programme.

Congratulations were extended to the Friends of Buffery Park for securing funding for park improvements. Reference was also made to the need to work with partners and other authorities in connection with CCTV enforcement activity; the property styles/ownership in relation to the proposed 220 new mixed tenure homes to meet local housing needs; and the importance of involving disabled users, elected members and others in the design stage of the Dudley Council House refurbishment project.

Resolved

That the Council be recommended:-

- (1) That progress with the 2021/22 Capital Programme, as set out in Appendix A to the report submitted, be noted.
 - (2) That the inclusion of the Buffery Park Play Area project in the Capital Programme, as set out in paragraph 4 of the report submitted, be noted.
 - (3) That the expenditure of £180,000 on the Driver Simulator and specialist tools for Very Light Rail (VLR) testing be included in the Capital Programme, as set out in paragraph 5 of the report submitted.
 - (4) That the urgent amendment to the Capital Programme, as set out in paragraph 6 of the report submitted, be noted.
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21 **The Metropolitan Borough of Dudley (Birmingham Street, Bourne Street, Fisher Street, St Joseph Street and Trindle Road) Compulsory Purchase Order 2021 - Interchange Dudley Town Centre**

The Cabinet considered a report of the Deputy Chief Executive and the Director of Regeneration and Enterprise seeking agreement to use compulsory purchase powers for the acquisition of land and rights necessary for the redevelopment of the existing bus station and surrounding land in Dudley Town Centre. The proposed scheme would provide a new Transport Interchange with direct connection to the West Midlands Metro together with associated highway improvement works.

Resolved

- (1) That approval be given to the making of a Compulsory Purchase Order (CPO) under Section 226(1)(a) of the Town and Country Planning Act 1990 for the acquisition of land and rights within the area edged red on the plan at Appendix 1 to the report, for the purposes of facilitating development, redevelopment and improvement of the Order Land, and, where necessary, acquisition of new rights under Section 13 of the Local Government (Miscellaneous Provisions) Act 1976 and appropriation pursuant to Section 203 of the Housing and Planning Act 2016.
- (2) That the Deputy Chief Executive and the Director of Regeneration and Enterprise, following consultation with the Cabinet Member for Regeneration and Enterprise, be authorised to effect the making, confirmation, and implementation of the CPO and to take all necessary steps to give effect to the CPO in respect of the Order Land including, but not limited to, the following procedural steps:
 - (i) to finalise a Statement of Reasons setting out the Council's reasons for making the CPO;
 - (ii) to make the CPO, the publication and service of any press, site and individual notices and other correspondence for such making;
 - (iii) to acquire all interests in land and new rights within the Order Land as may be necessary to facilitate the Scheme, either by agreement or compulsorily, including entering into negotiations with any third parties for the acquisition of their land interests and/or for new rights over their land (as appropriate), the payment of compensation and dealing with any blight notices served in connection with the CPO;

- (iv) to approve agreements with landowners or statutory undertakers as applicable, setting out the terms for withdrawal of any objections to the CPO, including where appropriate seeking exclusion of land or new rights from the CPO;
 - (v) to make any necessary additions, deletions, or amendments to the plan at Appendix 1 and to seek any requisite modifications to the CPO Order and any CPO maps;
 - (vi) the preparation and presentation of the Council's case at any Public Inquiry which may be necessary;
 - (vii) to seek confirmation of the CPO by the Secretary of State (or, if permitted, by the Council pursuant to Section 14A of the Acquisition of Land Act 1981) (the 1981 Act);
 - (viii) the publication and service of notices of confirmation of the CPO and thereafter to execute and serve any general vesting declarations and/or notices to treat and notices of entry, and any other notices or correspondence to acquire those interests within the area, including, if required, High Court Enforcement Officer notices;
 - (ix) the referral and conduct of disputes, relating to compulsory purchase compensation, to the Upper Tribunal (Lands Chamber).
 - (x) the above being subject to the Deputy Chief Executive and the Director of Regeneration and Enterprise being satisfied that the funding set out in the report is in place.
- (3) That the Deputy Chief Executive be authorised to approve the Council entering land and property arrangements with Transport for West Midlands (TfWM), statutory utility undertakers and third parties to facilitate the demolition, construction, redevelopment, and operation of the proposed new Transport Interchange on terms and conditions to be agreed.

22 **Portersfield**

The Cabinet considered a report of the Deputy Chief Executive and the Director of Regeneration and Enterprise providing an update on progress and seeking approval for the next key steps in bringing forward the development on the expanded Portersfield site in Dudley Town Centre.

Reference was made to the timescales involved and the need for further details to be provided as the project developed. The Leader indicated that the Opposition Spokesperson for Regeneration and Enterprise had received a briefing. There was a commitment to ongoing discussions and joint working with all interested parties in relation to this key development site.

Resolved

- (1) That the launch of a Development and Design Competition leading to the appointment of a developer to deliver the regeneration of the Portersfield area of Dudley Town Centre, be endorsed.
- (2) That the Council be recommended:-
 - (a) To approve an increase to the revenue budget for specialist technical and programme management of the Portersfield project by an additional £175,000 in the current financial year and by £250,000 in 2022/23.
 - (b) To authorise the Deputy Chief Executive, following consultation with the Director of Regeneration and Enterprise, the Leader and the Cabinet Member for Regeneration and Enterprise, to acquire other parties' land interests in the developable area on terms and conditions to be agreed and reflecting best value.
 - (c) To authorise the Director of Finance and Legal, following consultation with the Cabinet Member for Finance and Legal, to amend the Capital Programme to reflect the costs of acquisition of land and amend the revenue budget and medium-term financial strategy to reflect the consequential ongoing debt charges.

23 Ombudsman Public Report: Care Home Third Party Top Up Payment Arrangements

A report of the Director of Adult Social Care was submitted on the Local Government and Social Care Ombudsman's recommendations in relation to a complaint regarding third party top ups and the intention to issue a public report regarding the matter.

The Cabinet Member for Health and Adult Social Care gave an overview of the report, the Council's response to the Ombudsman's report and associated issues.

The care market had been subject to significant volatility due to the impact of Covid-19. The Council would continue to work with care providers in the borough to ensure there was sufficient choice and quality of care. It was increasingly challenging to commission residential and nursing care without a top-up payment and representations had been made to the Government to resolve the long-term funding of adult social care. Following comments by the Opposition Spokesperson for Health and Adult Social Care, a suitable letter would be drafted to make further representations to the Government. The Association of Directors of Adult Social Services and the Local Government Association were also making similar representations at a national level.

Resolved

- (1) That the Local Government and Social Care Ombudsman's intention to issue a public report, despite the Council's acceptance of their recommendations regarding the way third party top ups are administered, be noted.
- (2) That the remedial actions proposed by the Council be confirmed as sufficient.

24 **Mental Health in the Community**

A report of the Director of Adult Social Care was submitted outlining the future vision for community outreach services relating to mental health social care interventions.

The Cabinet Member for Health and Adult Social Care reported that adult mental health services had been formally transferred back to the Council from the former Dudley and Walsall Mental Health Trust on 1st April, 2021. The Council was committed to reviewing the service to ensure that it was fit for purpose following the Covid-19 pandemic. Requests for mental health support were increasing, particularly from people who had no prior history of mental health needs before the pandemic.

Considerable thought and attention had been given to the future model of mental health from a community perspective and change was necessary. The Cabinet Member recognised that any changes to mental health services could cause anxiety and distress to people who depended on them and for their families. The report was presented to the Cabinet at this stage to set out proposed changes and the next steps to build a mental health service that was fit for the future.

The local authority was responsible for delivering legal assessments in line with legal requirements such as the Mental Health Act 2007, the Mental Capacity Act 2005, Deprivation of Liberty Safeguards (DOLS) and Safeguarding and Care Act 2014 assessments. The law was changing to replace DOLS with Liberty Protection Safeguards (LPS). The Council needed to develop an internal infrastructure to ensure that appropriate training and support was provided. This would improve the mental health social care of individuals who needed this provision. In addition, social care mental health professionals would be expected to offer support and guidance to workers across the wider Directorate given the increased instances of poor mental health and social isolation caused by the Covid-19 pandemic.

The Directorate was seeking to increase the number of qualified Senior Social Workers in Mental Health from 10 to 12 Full Time Equivalent posts and to establish a permanent internal DOLS/LPS service in the process. The Directorate would introduce two newly qualified Social Work posts to help develop the workforce, improve succession planning and assist in the retention of experienced staff who had worked effectively during the pandemic.

The Cabinet Member acknowledged the concerns raised regarding the Woodside Day Centre. The service was long established and well respected in the local community. However, the building required more than £1m capital investment to make it safe due to deficiencies in the roof, chimney stack and wider dilapidation during the lockdown period. The heating system was not fit for purpose and the capital required would not create a modern facility but one that merely met Health and Safety requirements. The Council was aware that attendees at Woodside Day Centre were keen to continue to attend and many families depended on the service as a form of respite.

The proposed service model would involve a shift to a community model of support and the closure of Woodside Day Centre. It was confirmed that capacity existed at the Queens Cross Centre to continue the offer of a form of day services for attendees. An assessment would be undertaken with everyone impacted and a support plan would be put in place to meet their needs. Capacity would be retained from Support Workers at Woodside, who would become Senior Community Support Workers and work on an outreach basis. The proposals would achieve a better use of existing resources and a commitment in the Medium-Term Financial Strategy. Representations had been made that all the proposed service changes could be delivered whilst maintaining the Woodside service. However, that was not considered possible and it was felt that this was the correct time to adapt and evolve the service.

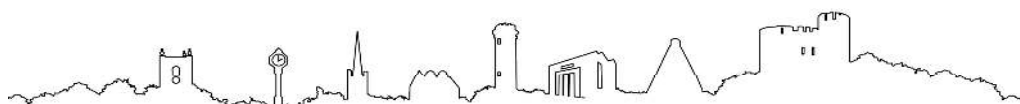
The Cabinet Member commended the new model of community support and requested the Cabinet to support the proposals to drive the necessary changes to meet the post Covid-19 needs of Dudley Borough.

The Opposition Spokesperson for Health and Adult Social Care expressed concerns regarding the content of the report, including the lack of specific reference to the Woodside Day Centre, the staffing proposals and details of the future model of service. He requested that the report be withdrawn and resubmitted at a later date following detailed consideration of the points raised.

The Cabinet Member and the Director of Adult Social Care responded to the questions and stated that there would be consultation with the service users, carers and wider stakeholders including the NHS and voluntary sector as part of the process. The Liberty Protection Safeguards were a matter of national legislation and not a local decision. The proposed model of service had been discussed at the Health and Adult Social Care Scrutiny Committee on 9th September, 2021 and it was noted that any Cabinet decision may be called in for further scrutiny in due course. Details of the proposed structure would be provided post consultation. Information regarding the Mental Health budget had been available when the Council's budget strategy for 2021/22 was approved.

The Leader of the Opposition Group raised a series of concerns as summarised below:

- The report to the Cabinet meeting was considered inadequate; it did not refer to the proposed closure of Woodside Day Centre and there was no detail in the finance section about the planned capital receipt.
- There was no additional financial investment in the proposed model and it was considered that the model would not have the capacity to deal with the demand.
- Mental health presentation in Dudley had doubled and this was not considered to be the right time to be closing-down mental health provision.
- Significant concern was expressed that a high priority was now being given to the closure of a mental health service in Dudley given the implications of the Covid-19 pandemic.
- The demand for mental health services was 212 attendances a week; Woodside was well-utilised and attendees were largely outside of the Netherton, Woodside and St Andrews ward; Gornal and Dudley had a significant number of attendees.
- The proposed model removed the respite support as a day centre; there was evidence that community/families could exacerbate mental health issues and adequate day facilities could aid recovery.
- The move to sessions at Queens Cross was inadequate and the facilities available were not tailored for this specific group of service users.



- There was no evidence base for the proposed approach and neither did it form any part of any early intervention strategy.
- The same proposal for Woodside Day Centre had been brought forward in 2011 and at that point it was stated that the building was not viable because the central heating was beyond repair.
- In 2011, a view had been expressed that the Woodside Day Centre was a “life-line” and the closure was prevented; as mental health presence had now increased due to the Covid-19 and lockdown, it was questioned why this was no longer considered to be the case.
- The last time the closure had been proposed, it was reported that service users had made attempts on their life due to worries about the support that they would lose. Careful consideration was needed of the potential consequences for patients suffering from mental health issues for which the Council would be held responsible.
- The Opposition Group vehemently objected to these proposals which they considered could put local people at risk; the Cabinet was urged to reflect on the proposals and refrain from the closure of Woodside Day Centre. The Opposition Group undertook to work in positive partnership with the controlling Group to find alternative solutions.

The Director of Adult Social Care reported that the capital value of the site had not yet been quantified and this would only be done if a final decision was reached to dispose of the asset. The points regarding financial investment were noted. The value of offering collective activity was recognised, hence the discussions with the Queens Cross service to offer a viable alternative to the existing service. Significant health and safety concerns had been expressed about the safety of the Woodside building and a detailed summary could be provided on request. It was acknowledged that significant value was attached to the woodworking facilities on the Woodside site and Cabinet Members had specifically requested that a viable means of sustaining that element of the service was retained.

A further request was made by the Opposition Spokesperson for Adult Social Care for the proposals to be reconsidered and resubmitted at a future time.

The Leader acknowledged that there was a need for a considerable amount of further work to be undertaken, particularly on the proposed reprovision of services at Queens Cross or an alternative venue. The consultation process had not yet commenced, and greater detail was required before any final decisions were made. In the interests of transparency and clarity, the detailed points discussed at this meeting would be recorded in the minutes and reflected in the forthcoming consultation process.

Resolved

- (1) That the Community Mental Health Service embracing the ethos of strengths-based inclusive practice be supported and in doing so it is envisaged that the service will provide a life course approach at differing levels of intervention from primary to secondary and from acute to chronic presentations.
- (2) That the detailed issues, as discussed by Members at the meeting, be recorded in the Cabinet minutes and that more detailed information be made available following the consultation process.

25 Food and Feed Service Plan 2021/22

The Cabinet considered a report of the Director of Public Health and Wellbeing on the Food and Feed Service Plan 2021/22.

Members commended the report and asked that thanks be extended to the Officers concerned.

Resolved

That the Food and Feed Service Plan 2021/22 be endorsed and referred to full Council.

26 Exclusion of the Public and Press

Resolved

That the public and press be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information relating to the financial or business affairs of any particular person (including the authority holding that information) as defined under Part I of Schedule 12A to the Local Government Act 1972, as amended.

27 Portersfield Property Acquisitions

Further to Minute No. 22 above, the Cabinet considered a report of the Deputy Chief Executive and the Director of Regeneration and Enterprise on the next stages of the Portersfield development. The report provided further contextual information in relation to the potential associated costs of land and property acquisitions.

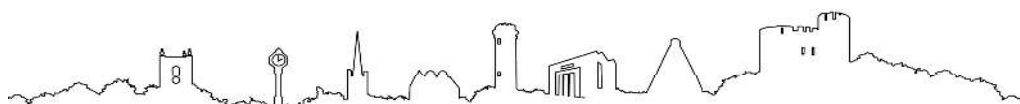
Members commented on the process and timescales involved. The Director of Regeneration and Enterprise reported on the activities being undertaken by Officers to adhere to the programme and timeframes associated with the project. The Leader referred to the key importance of this project to achieve wider regeneration objectives in the Town Centre with associated improvements to the public realm.

Resolved

That the report be noted.

The meeting ended at 8.10 pm

LEADER OF THE COUNCIL



Meeting of the Cabinet – 28th October 2021

Joint Report of the Chief Executive and Director of Finance and Legal

Capital Programme Monitoring

Purpose of Report

1. To report progress with the implementation of the Capital Programme
2. To propose amendments to the Capital Programme.

Recommendation

3. That the Council be recommended:
 - That progress with the 2021/22 Capital Programme, as set out in Appendices A and B be noted.
 - That the expenditure of £66,000 on Air Quality Monitoring Equipment to be included in the Capital Programme, as set out in paragraph 6
 - That the urgent amendment to the Capital Programme be noted, as set out in paragraph 7.

Background

4. The table below summarises the *current* 3 year Capital Programme updated where appropriate to reflect latest scheme spending profiles.

	2021/22	2022/23	2023/24
	£'000	£'000	£'000
Public Sector Housing	52,434	67,929	71,168
Private Sector Housing	5,730	9,846	1,483
Environment	13,928	6,012	5,000
Transport	14,953	2,000	2,000
Regeneration and Corporate Landlord	35,320	14,964	9,001
Culture, Leisure and Bereavement	18,130	127	0
Schools and SEND	12,076	9,239	7,000
Social Care, Health and Well Being	277	605	0
Digital, Commercial and Customer Services	781	738	738
Total spend	153,269	114,460	96,390
Revenue	5,604	811	974
Major Repairs Reserve (Housing)	25,025	25,309	25,621
Capital receipts	19,078	22,960	10,447
Grants and contributions	49,931	11,423	8,928
Capital Financing Requirement	53,631	50,957	50,420
Total funding	153,269	111,460	96,390

Note that the Capital Programme is subject to the availability of government funding.

- An update on progress with the Council's most significant capital schemes is shown in Appendices A and B. It is proposed that the current position be noted.

Health & Wellbeing

- Air Quality Monitoring Equipment

Approval has been gained from the Department for Food, Environment and Rural Affairs (DEFRA), to use £53,000 of a Transport air quality capital grant to upgrade Dudley Council's air quality monitoring network through the replacement of redundant analysers and provision of new analysers and associated communications systems. This will provide a robust monitoring network which will be fit for purpose for the medium to long-term, taking into account the current and forthcoming air quality monitoring and compliance requirements for Local Authorities in England. The total cost of the scheme is £66,000, the remaining £13,000 will be funded from the Revenue budget.

Urgent Amendments to the Capital Programme

- Refurbishment of Jack Newell Court and Woodhouse Court

Two schemes for the refurbishment of Jack Newell Court and Woodhouse Court are already approved within the housing public sector capital programme, with delivery due during 2021/22 and 2022/23.



The schemes have now been subject to competitive tender, and in January 2021, only two tenders were received, both significantly above the £9.75m estimate, with contractors citing both Brexit and Covid as the reasons for increased costs. Provision was made in the 11th February 2021 report to Cabinet Deployment of Resources: HRA for £12.6m for the schemes, as part of £15m approved for sheltered housing improvements within the 5 year £31.2m Independent Living programme. A substantial value engineering exercise was expected to reduce costs, but with current labour and material shortages, and significant risk to delivery, the only bona fide tender is now £13.6M. Residents in the two schemes have already been decanted or re-housed to facilitate the remodelling, with restrictive delivery timescales to meet Homes England funding deadlines under their 2016-18 Affordable Housing Programme. The expected commencement date for the main contract is October 2021, when Homes England Grant can be drawn down. Any delay may prejudice or delay future grant applications for sheltered housing schemes

A decision (ref. DFL/02/2021) was made by the Leader of the Council in consultation with the Chief Officer Finance and Legal on 12th October 2021 to approve the award of contract to EQUANS for the above refurbishment scheme, to authorise the Director of Housing and Community Services to explore further cost savings with the contractor and to update the Public Sector Housing Capital Programme accordingly.

Finance

8. This report is financial in nature and information about the individual proposals is contained within the body of the report.

Law

9. The Council's budgeting process is governed by the Local Government Act 1972, the Local Government Planning and Land Act 1980, the Local Government Finance Act 1988, the Local Government and Housing Act 1989, and the Local Government Act 2003.

Risk Management

10. Risks, and their management, are considered prior to proposals being brought forward to include projects in the Capital Programme. This includes risks relating to the capital expenditure itself, funding of that expenditure (e.g. grant availability and conditions), and ongoing revenue costs and/or income.

Equality Impact

11. These proposals comply with the Council's policy on Equality and Diversity.
12. With regard to Children and Young People:



- The Capital Programme for Schools will be spent wholly on improving services for children and young people. Other elements of the Capital Programme will also have a significant impact on this group.
- Consultation is undertaken with children and young people, if appropriate, when developing individual capital projects within the Programme.
- There has been no direct involvement of children and young people in developing the proposals in this report.

13. There is no impact from the development of the land at Gornal Wood Cemetery on people with different protected characteristics.

Commercial / Procurement

14. All procurement activity will be carried out in accordance with the Council's Contract Standing Orders, and the relevant officers will take the procurements through the Procurement Management Group to monitor compliance at the relevant Gateways.

Council Priorities

15. Proposed capital projects are in line with the Council's capital investment priorities as set out in the approved Capital Strategy.




Kevin O'Keefe
Chief Executive

Iain Newman
Chief Officer, Finance and Legal

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Telephone: 01384 812425
Email: amarjit.uppal@dudley.gov.uk

List of Background Papers

Relevant resource allocation notifications.



2021/22 Capital Programme Progress to Date

Service	Budget £'000	Forecast £'000	Variance £'000	Comments
Public Sector Housing	52,434	52,434	0	
Private Sector Housing	5,730	5,730	0	
Environment	13,928	13,928	0	
Transport	14,593	14,593	0	
Regeneration	35,320	35,320	0	
Cultural	18,130	18,130	0	
Schools	12,076	12,002	-74	See note
Social Care, Health and Well Being	277	277	0	
Chief Executive's	781	781	0	
Total	153,269	153,195	-74	

Underspends on various complete schemes from prior years totalling £157k offset by an overspend of £83k on unbudgeted Stamp Duty Land Tax on Pens Meadow Acquisition

Progress with Major Capital Schemes

Public Sector Housing

New Council Housing

On site and progressing:

- Hinbrook Road (Russells Hall) - 12 apartments, commenced January 2021 and completion due January 2022;
- Hollywell Street – 4 affordable 2 bedroom homes; completion due January 2022
- Branfield Close (Hurst Hill) – 3 affordable homes, 2 x two bedroom and 1 x 3 bedroom; completion due January 2022
- Commonside (Pensnett) – 5 affordable homes, 1 x five bedroom, 1 x four bedroom and 3 x two bedroom; completion due January 2022
- Bromley (Pensnett) – 5 affordable 2 bedroom homes; completion due December 2021
- Forge Road (Stourbridge) – 3 affordable homes, 2 x one bedroom and 1 x two bedroom; completion due October 2021

Planning approval achieved and commencement imminent:

- St Georges Rd, Dudley – 7 affordable homes. Planned start on site January 2022, with completion September 2022
- The Vista, Corporation Road (2 sites) – planned start on site early 2022

Schemes submitted for planning:

- Lower Valley Road – 17 affordable homes, 14 apartments and 3 x two bedroom bungalows
- Foredraft Street – 11 affordable homes, 1 x one bedroom bungalow, 6 x two bedroom and 4 x three bedroom

Schemes due to be submitted for planning:

- Swan St, Netherton – 75 affordable units including a sheltered housing scheme of 54 units;
- Enville St, Stourbridge - 10 affordable apartments.
- New Swinford Hall – conversion to 18 apartments
- Beacon Rise – 11 affordable homes, 8 apartments, 2 x two bedroom and 1 x three bedroom

The programme will also support the delivery of:

- the Brierley Hill Future High Streets Fund project by delivering new housing in the Brierley Hill area, subject to the purchase of land from the private sector, now that we have a successful MHCLG bid. Notably Daniels Land and the High Plateau, and rear of the Moor Street Shopping Centre;
- the mixed tenure redevelopment of the current Dudley Leisure Centre site in Wellington Road.



Private Sector Housing

Homes for Sale – Himley Road & Brierley Hill:

- 4 new detached homes likely to commence at Himley Rd this financial year, potentially in Quarter 3, but maybe October 2021;
- Feasibility and design briefs are progressing for Homes for Sale as part of the wider mixed tenure regeneration of Brierley Hill within the Future High Streets Fund project at Daniels Land and the High Plateau, and rear of the Moor Street Shopping Centre.

Environment

Lister Road Depot Redevelopment

- The overall project is currently paused to review links with other sites and ensure the best strategic use of space. Further proposals will be brought back to Cabinet and Council in due course. However, it is intended to proceed immediately with the demolition of identified buildings at the Lister Road site to ensure Health & Safety compliance and in preparation for further works to commence once any other proposals are brought back to Cabinet and Council. The tenders for the demolition work have been received and evaluated. A start date is being agreed with the contractor

Stevens Park, Quarry Bank

The refurbishment & extension to Tintern House is essentially complete & the Emily Jordan Foundation Projects have been in residence since mid-July. They have set up their various projects: 'Spokes' (Bicycle restoration & sales) 'Twigs' (Horticultural training & sales) & 'Go Green' (recycling) and are actively seeking trainees.

The community facilities including the new toilets, cafe, kitchen & servery (with external terrace) are all open to the public.

Externally, the vehicular access & parking facilities are all in place as is the Horticultural training Area and new hardstanding areas. The main drives have been resurfaced and new southern footpaths completed forming a circuitous route.

The main entrance gates have been restored. Essential repair works have been carried out to the bandstand & the original colour scheme is being investigated prior to planned redecoration.

In the Peace Gardens the memorial statue has been repaired & the plaques and walls have been cleaned. The new ramped access wall, Portland Stone cladding, commenced on 22nd July & is nearing completion.



An application for an additional grant for £127,400 Covid-19 related costs, was submitted to the Lottery & has been granted. This will hopefully enable works that have been omitted to be completed within the defects liability period once the final account has been agreed.

Wrens Nest Wardens' Base

The acquisition of 113 and 115 Wrens Hill Road was completed on the 6th August 2021. Design briefs with input from Green Care, Friends Groups and other interested parties will need to be undertaken to enable the proposed use.

Transport

Street Lighting (Invest to Save)

The street lighting lantern conversions to LED technology programme on main roads is complete apart from the remainder of 310 lanterns, received recently from our supplier. These will be installed over the next 2-3 months on the remaining outstanding areas, all of which require traffic management and permit arrangements to be put in place.

Regeneration

Dudley Townscape Heritage Initiative

The Townscape Heritage (TH) programme is funded through the National Lottery Heritage Fund which offers grant assistance to carry out repair, reinstatement and refurbishment works to historic buildings, as well as a programme of complementary education and community engagement activities. The Phase 2 TH programme, which is operating with a grant budget of £1.178m from the NLHF and £300,000 match funding from the Council, commenced in February 2017. Following agreement by the Heritage Fund for an extension to the Grant Expiry Date, in the light of delays as a consequence of the pandemic, the programme is now due to run until December 2022.

The programme focuses on buildings in the town centre's historic core. The work at 203/204 Wolverhampton Street has been completed. Other properties within the programme include the following:

- 216 Wolverhampton Street: the project has reached practical completion and only snagging items remain to be completed.
- 208 and 209 Wolverhampton Street: grant offers confirmed, but work has not started on site due to difficulties with contractor, delays as a consequence of the pandemic, increases in materials cost and problems with sub-contractors. Applicants have confirmed their wish to continue, but the contractor has now confirmed withdrawal. The second lowest tenderer has been approached and has confirmed his continued interest in the work. A further small increase will be required to move the projects forward.
- 204a Wolverhampton Street: work commenced on site in June/July 2021 with a 3 month contract.
- 14 New Street: work underway, but a number of issues have arisen which have required further funding. The external repairs have now been completed and the scaffolding has been dismantled. Internal work to be carried out when current lease comes to an end.



- Fountain Arcade: grant approved and contracts signed. Initial opening up works have been carried out and designs revised accordingly. Scaffolding due to be erected beginning of August.
- Plaza Mall: scaffolding has been erected and work is well underway. More extensive deterioration has been revealed following the removal of the paint to the façade. The full extent of the repairs has been ascertained and costed and an increase in funding agreed with the funders and the grant recipient.
- 207 Wolverhampton Street: an offer of grant has been agreed with the applicant. Awaiting programme from contractor and confirmation of start on site.

It was anticipated that the majority of work would take place through spring/summer 2020. However, work has been delayed as a consequence of the ongoing coronavirus pandemic and will now be carried out throughout 2021 and into 2022, with most projects commencing spring/summer 2021.

Activities are also being progressed and developed in conjunction with teams in Adult and Community Learning, Museums, Communications and Public Affairs and the Historic Environment Team. A revised programme has been agreed with the Heritage Fund which has been adapted in light of Covid-19 restrictions. Further activities have been included in the programme which work with delivery partners (Co Lab) who already have established links with the community of Dudley. A project which seeks and utilises the oral reminiscences of those 'Growing Up in Dudley' has been launched. The TH programme is working with education colleagues to share material produced as part of the programme and develop teaching resources. The project also works closely with the Historic Environment Team to produce information in the form of trails and leaflets to enhance understanding and appreciation of the historic environment. The project continues to work with volunteers where possible. The Heritage Open Days event in September will form the focus for the publication and display of much of the material being produced, including the unveiling of a blue plaque for Percy Shakespeare on the former Dudley Museum and School of Art, the re-issuing of various Dudley trails and information panels and exhibiting of material gathered through the Growing Up in Dudley initiative. A 4-page insert about the programme will be included in the next issue of the Home magazine.

Brierley Hill High Street Heritage Action Zone

The High Street Heritage Action Zone Programme (HSHAZ) is a nationwide initiative designed to secure lasting improvements to our historic high streets for the communities who use them. It is Government funded and run by Historic England with the aim of making the high street a more attractive, engaging and vibrant place for people to live, work and spend time. It is designed to unlock the potential of high streets across England, fuelling economic, social and cultural recovery. Brierley Hill High Street was one of 68 High Street across England selected to receive a share of the fund.

The Brierley Hill High Street HAZ is a 4 year programme, due for completion by March 2024. At the start of the programme a grant budget of £1.8m was awarded by Historic England with £400,000 match funding coming from the Council, equating to an overall grant of 81.80% from Historic England. At the end of September 2021 however, this figure was increased



further due to an additional £242,171 grant increase provided by Historic England, which with the 18.20% match from the Council provides a total grant increase of £296,052.46.

The programme provides grant assistance to third parties to carry out repair, reinstatement and refurbishment works to historic buildings as well as grant assistance towards bringing vacant floorspace back into use. It also provides grant towards public realm improvements, plus there is a programme of complementary education and community engagement activities. The buildings that are considered to be a priority for grant assistance and where the owners are positively engaging with the Council and have appointed a Conservation Accredited Architect include:

- Former Pulse Nightclub, 17 Dudley Road
- 2a and 2 Albion Street
- 96-100 High Street
- Former Brierley Hill Library and Technical Institute, Moor Street
- 3-5 Church Street

In addition, there are several other priority projects where the owners are in the process of appointing a Conservation Accredited Architect and holding pre-application discussions with the local planning authority.

With respect to the public realm parts of the project, a contractor has been appointed and work has now commenced on-site to undertake repairs and architectural reinstatement works to the Brierley Hill War Memorial and its immediate setting (Phase 1) with the intention that the majority of the works will be complete in-time for the centenary of the War Memorial, which is this November. With respect to the war memorial garden proposals (Phase 2), tenders for this part of the project went out at the beginning of October with a proposed completion date of March 2022. This second phase proposes significant stabilization works to the embankment, structural repairs to the intermediate wall that runs through its centre and the laying out of a soft landscaping scheme.

Community engagement and activities are also being positively progressed and developed in conjunction with Brierley Hill Community Forum, Friends of Marsh Park, Dudley Market, Black County Living Museum and also with teams in Adult and Community Learning, Museums, Communications and Public Affairs, Dudley Business First and the Historic Environment Team. There is in-place an Activity Plan for the project. This quarter the Heritage Open Days (HOD's) event in September and Brier Fair formed the focus for publication and display of much of the material being produced collaboratively through the High Street HAZ. A public exhibition of the war memorial proposals has been put on display in Brierley Hill Library where it will remain until early November. A temporary exhibition was also put on display in St Michaels Church about the War Memorial and Marsh Park along with a series of art activities (e.g. creating your own stained glass). A draft Architectural Heritage Trail was launched as part of the HOD seeking volunteer engagement and on Saturday 18th September a 'Picnic in the Park' was hosted by Friends of Marsh Park in order to celebrate its centenary. There was also a lot of emphasis placed on the 'Edible England' theme for this year's HOD's with a series of tweets released by Dudley Business First promoting the businesses in Brierley Hill with historic and edible links. Oral History training was also provided during this quarter to project volunteers and further sessions are planned.



In terms of the next quarter, the focus will be the centenary of the War Memorial and Christmas.

Other major element of the High Street Heritage HAZ is the development of a Cultural Programme. The Arts Council England, National Heritage Memorial Fund and Historic England are providing funding for the development and delivery of the HS HAZ Cultural Programme. On the 25th June it was confirmed by Historic England that the application submitted to them jointly by Brierley Hill Community Forum and Dudley Council for funding for a Cultural programme had been successful and that the total sum of £94,000 was to be awarded. Work is now underway on pulling together a programme of cultural events and activities which needs to accord with the milestones and instalment schedule issued by Historic England.

Low Carbon Place Strategy

The Council was awarded approximately £2.5m European Regional Development Funding (ERDF) to deliver a project that will reduce carbon emissions. This is a joint project between Housing and Corporate Landlord Services that will reduce carbon emissions from council owned homes as well as corporate buildings such as the Council House. £2.5m of match funding is being met from existing HRA budgets.

In December 2020 the council's central heating installer went into administration, and as a result, few grant-eligible boiler installations have been completed in 2021. A tender process to appoint a new installer has been undertaken and an award is imminent. The programme is expected to recommence in the autumn. A project change request is required to enable this ensuing delay to be accommodated which affects the Housing side of the programme. It should also be noted that where homes are sold under the Right to Buy scheme, but have had the benefit of the grant, the council is required to refund the capital impact of the grant. The programme of energy efficiency improvements to the corporate estate is nearing completion, the final element anticipated to complete in June 2022.

Public Sector Decarbonisation

The council has been awarded a grant of approximately £4.4m through the Public Sector Decarbonisation Scheme (PSDS).

The primary intention of the funding is to switch sites from carbon-intensive forms of heating such as oil and gas, to electrical forms of heating that have a trajectory to becoming zero-carbon (as the proportion of the UK's electricity generated from renewables increases).

The grant includes funding to install air source heat pumps, solar photovoltaic (PV) and battery storage and LED lighting. Under the scheme, several larger council buildings including Dudley Council House and Town Hall, Stourbridge Town Hall and Library, Himley Hall and Ward House are set to benefit. Some primary schools are also part of the work including Amblecote, Caslon, Cotwall End, Glynne, Queen Victoria, Straits and Wrens Nest Primary Schools. Solar photovoltaic (PV) and battery storage will also be installed where possible, and lighting will be upgraded to LED.



Works have commenced during the summer of 2021 with installations at the named schools and planning applications have been lodged for the works at Himley Hall and Ward House. Discussions are ongoing around the works and listed building consents required at Council House/Town Hall and Stourbridge Library. All works are planned to be completed by March 2022

Very Light Rail (VLR)

Track Works:

The intention is to install two Very Light Rail test tracks between Castle Hill Bridge and Cinder Bank with a test passenger platform located at the Cinder Bank end of the tracks. Full track length will be approximately 2km. The eastern track is bedded on stone ballast and western track will be bedded on concrete track form system as part of a later phase of work. This aspect of the project has now been completed and handed over to the Council. The track route is on a disused Network Rail (NWR) freight track-way which is to be leased from NWR.

The additionally approved Loop Extension works are due to complete by the end of June 2021 but delays due to Covid have delayed the delivery of remaining points / turnout equipment from Poland and the Czech Republic. These are expected to be delivered and completed by the end of September 2021 but the outstanding works would not affect the use of the loop as a manual over ride facility is available.

The Coventry prototype vehicle is expected to arrive at the site in December 2021 for testing.

Additional works identified as required by Coventry City Council have been procured, which are being funded through a grant from Coventry of £1.293m. This includes new equipment, workshop and a Research and Development Halt.

Additionally, and as referred to in the main body of the report above, Coventry City Council are in the process of agreeing a further Grant with the Council for the procurement of additional tools and a Driver Simulator in the sum of £20,000 and £100,000 respectively.

National Innovation Centre (NIC):

A planning application for the proposed new building for the Very Light Rail National Innovation Centre (VLRNIC), including a pedestrian foot bridge link to Tipton Road and links to future Metro line, car parking, rail vehicle test track sidings and linking lines into the VLRNIC engineering hall was submitted on 12th December 2017 and determined with conditions to be discharged on 2nd March 2018.

Building regulations conditional notification was received on 22nd February 2018 and conditional approval received on 25th May 2018.

Funding has now been confirmed from the Government's Get Britain Building (GBB) Fund (£12.350m) and LEP (£0.650m). ERDF grant of £5.000m was secured some months ago, making the total budget for the project £18.000m.



Tenders were received on 10th January 2020 and were evaluated with final recommendation being Clegg Construction as the contractor. Clegg started on site at Castle Hill on 26th October 2020 and the formal Completion date for the Innovation Centre is 25th February 2022. Whilst the Project is progressing well the changes referred to previously have led to delays which are still being assessed by the Contract Administrator but have been indicated by the Contractor, Clegg Construction, to a new completion date of 19 April 2022. Associated costs of the delays, assessed as the responsibility of the Council, are anticipated to be contained within the Contract sum by the Project team.

Metro Complementary Measures

The £9.1 million budget is to fund the works associated with the delivery of the Wednesbury to Brierley Hill Metro extension.

The legal agreement with Transport for West Midlands (TfWM) states that the Council will fund the complementary measures along the route including pedestrian's crossings. The Council has also agreed with TfWM to fund the uplift of materials where the Metro is built through Dudley Town centre in order to provide high quality public realm. Large public realm interventions have been identified along the route at key stops, notably Station Drive (now Dudley Castle), Flood Street and Brierley Hill, to be funded by this programme of works. The £1million accelerated funding associated with the Towns Fund will be used to fund works to adopt Zoological Way, part of the works for the new loop road to access the Metro stop and some of the public realm work along Castle Hill.

Other interventions along the route, which the Council needs to fund, include creating a new wayfinding system to improve legibility, increase walking and cycling to tram stops and to provide a consistent recognizable branded signage across the borough to residents and visitors giving the information that is needed. The consultant to develop the wayfinding system has been appointed through the OJEU process and started work on the system in October 2020. Dudley print map is now available.

Midland Metro Alliance (MMA) are constructing the Metro extension for TfWM. TfWM have approved MMA's costs and the next stage of the design process has started. The Council is now working with TfWM to confirm the costs of the complementary measures, the uplift of materials and the public realm interventions.

CCTV

Phase 1 is predominantly complete and operational with the only outstanding work being to the healthy hubs where 1 out of the 5 has been completed. For the remaining 4, the local network cabling has been done and the hardware is in ICT stores. This will be installed and connections made by the end of January 2022.

Work on Phase 2 reflects the initial extension approved at the outset of the project. The main problems faced in this phase have been access to staff and materials throughout the last 18 months. Two of the six extra deployable cameras remain to be completed. Additional public realm cameras in this phase include:



- camera in Sedgley Bilston Street will be completed by end of October
- Coronation Gardens – Completed and fully operational. This includes 2 cameras on 4 Ednam Road, 1 in Coronation Gardens, 1 on the junction by college.
- Wolverhampton Street will be completed in November.
- Castle Gate – further design work needed in consultation with landlords. Estimated Completion is in early in New Year.
- The cameras to Lye High town centre have been completed
Our 12 deployable cameras became operational from February 2021 and at present, only 2 now remain to be completed ready for operational use.

Phase 3 work includes the additional cameras requested and approved at Council recently, to be sited at Kent Street Upper Gornal, Shell Corner Halesowen, Netherton High Street, Wollaston traffic island, Jews Lane/Eve Lane Upper Gornal, Toys Lane/Furlongs Road Colley Gate and Queensway Halesowen. Initial feasibility studies have been completed but full design and planning is still to take place. We aim to complete these within Quarter 1 of 2022. Sites also considered but not included were at Foxcote Lane/Wynall Lane due to lack of power and network connectivity in the area; Queensway Pedmore and Victoria Road Quarry Bank which had no supportable ASB cases.

Dudley Interchange

Transport for West Midlands (TfWM) has now secured all the funding for the Interchange. TfWM are out to competitive tender to secure a contractor for the works. Gateley Hamer have recommenced the CPO process. Counsel advice recommends that the CPO is split into two - one for the Interchange and associated highways works and another for the Portersfield scheme and highway works. Assuming all land required can be acquired by negotiation then construction for the highways will start at the end of the year and for the Interchange will start in February 2022.

At the September Cabinet it was agreed that DMBC will use its CPO powers to purchase Farm Foods and the properties required for the associated highways. As a result of the need to CPO properties the start date for the Interchange has been moved to January 2023, Completion is expected Summer 2024.

An alternative location for the Interchange during construction has been identified.

Ownership of the Photographic Studio on Birmingham Street is being resolved and it is hoped to acquire the property in the next few weeks.

Dudley Town Centre Highways Infrastructure (Portersfield Link)

As reported previously the WMCA has conditionally approved funding towards the creation of the Highways Infrastructure to create access to the Portersfield development site and the wider Town Centre. This funding amounts to £6.0m. In addition to ongoing design work, some site clearance has already been carried out to allow for intrusive site investigation to provide information to support the design process. In terms of land acquisition for the highways, a CPO will be developed as part of the overall development of the site.



Black Country Blue Network 2

Work programme in place for three of the sites. Surveys work has commenced. Extending procurement to cover the other two sites. Milestones and profiled spend all reviewed and project change request submitted to Wolverhampton.

Dudley Town Hall and former Museum

The tender for the Town Hall Bistro refurbishment was won by J R Slee, who are based in Shrewsbury. They are a family business and whilst working on the usual type of projects, specialise in working on Listed Buildings.

Confirming a start on site date has been difficult. This has been mainly due to confirming access to building materials (a national problem at the moment), compounded by the necessity to then reconcile ambiguous delivery dates with the availability of suitable sub-contractors who use those materials. A start date of 18th October 2021 has now been agreed with the contractor and the work is scheduled to be complete on 1st April 2022 but, like all capital projects in the current climate, that may be subject to refinement. At this stage, the project should be finished well before June/July in time for the Commonwealth events.

Refurbishment of Dudley Council House Campus

Following approval this project is now in the early stages of design. As part of that work a meeting with Access in Dudley has been arranged in October to discuss access and disability improvements. The provisional programme is that the pre-contract stage will be completed by early 2022. Following a report to Future Council Scrutiny in June 2021, officers were asked to report back confirming proposals, incorporating comments made at the meeting and highlighting proposed financial and energy related savings to Scrutiny in March 2022. Once started, the construction phases are scheduled to take around 2 years to complete.

Brierley Hill (Future High Streets)

The Council secured £9.99m from the Future High Streets Fund in December 2020. This is to support a programme of activity at Brierley Hill, to be implemented in the period 2021 to 2026. The key objectives are to improve footfall, reduce vacancy rates and improve the diversity of shops and facilities. All Future High Streets Funding has to be drawn down by 2023/24. DMBC match funding, identified through existing approvals, will be used to fund projects within the latter part of the programme. The overall investment value of the programme is in the region of £44m.

Project summaries:

Public Realm and Connectivity Improvements (£4.75m) - Funding to connect the new Midland Metro terminus to the High Street, improve existing public realm connectivity between key buildings and provide new public spaces and pocket parks. Appointment of lead designer / contractor in the autumn of 2021 to prepare and consult on proposals, with a commencement of initial works in Q4 2021/22. The majority of the public realm works will be



implemented during 2022/23 and 2023/24 to be ready in advance of the Midland Metro opening.

Key Retail Sites (£1.05m) - The owners of the Moor Centre are preparing proposals to redevelop the precinct to bring parking closer to the shops. This will free up the rear car park land for development. The Council wishes to redevelop the site for up to 44 homes. The Future High Streets Fund provides the money for site acquisition and remediation. A purchase agreement to secure the land is currently being negotiated. The shopping precinct redevelopment works are programmed for 2022/23. DMBC build out on land to the rear will be during 2023/24 and 2024/25. Combined overall investment value £8m.

Infrastructure and Air Quality Improvements (£255,000) - Future High Streets will provide support to amend two highway junctions at Venture Way. The intention is to improve pedestrian connectivity between the High Street and medical centre; prevent queuing traffic which has resulted in movement delays; and improve air quality levels. The works are programmed to commence in Q4 2021/22 and complete in Q1 2022/23.

Addressing Housing Need (£3.55m) - Discussions are underway to acquire 10 acres of brownfield land known as Daniels Land and the High Plateau. These are two long-term vacant sites, formerly part of the Round Oak Steel Works that have remained undeveloped for over 40 years. Future High Streets funding will support site remediation and preparation costs. Dudley Council's Housing Department will then construct up to 220 new mixed tenure homes to meet local housing needs. Density and housing numbers may increase following the receipt of urban design advice and the completion of detailed design work. There may also be the opportunity to consider the introduction of leisure uses. Following INTU shopping centres entering administration, discussions have continued with Ellandi retail investment which is acting on behalf of the creditors that own the Merry Hill Centre and adjacent land. Initial feasibility works will be phased around the construction of the Metro rail viaduct that crosses the sites during 2022/23, with remediation works and build out to commence in late 2022/23. Completion is anticipated during 2025/26. The overall value of the project is £30m.

Public Library (£308,000) - refurbishment of Brierley Hill public library and ground floor housing department reception area. Scheme designs have been the subject of community consultation and have been well received. Freeholder approval has been received in-principle for the refurbishment works and a meeting is scheduled for September to review the detailed designs. The works will commence on site in the autumn of 2021 and complete by March 2022.

Public Toilets (£80,000) - Reopening of public toilets to support the High Street visitor return following Cv-19; and the provision of welfare facilities for Metro tram drivers. Midland Metro Alliance is making an additional contribution of £38,000 to support the works. Feasibility designs under preparation that will also include changing facilities after discussions with stakeholder groups. Completion of designs autumn 2021, with works programmed to start during Q4, 2021/22 and complete Q1 2022/23.

In addition to the Future High Streets Fund award, the Council has secured further investment from the West Midlands Combined Authority. This is to acquire land to support



implementation of the High Street Link. A funding agreement between WMCA and DMBC is currently being finalised. This is a long-term vacant gap site where there is the opportunity to provide a new connection from the High Street to the Metro terminus. The Council has appointed an agent and opened discussions with the landowners to acquire. The funding award includes an allowance for CPO costs if acquisition cannot be secured through private treaty.

A Town Board has now been established to oversee the various interventions underway in Brierley Hill. These include the Future High Streets Fund, Heritage Action Zone and delivery of the Midland Metro. It includes Mike Wood MP, DMBC and business, community and educational sector representatives. The first meeting was held in September and a follow up meeting is scheduled for November 2021.

Cultural

Leisure Centres

The construction of Dudley Leisure Centre continues at pace. Work has continued since last March with minimal delays and consequently the scheme is forecast to be completed on time and within budget with the new centre to open early in the calendar year 2022.

The refurbishment of Halesowen Leisure Centre is progressing well. The programme of work is scheduled to take 56 weeks with completion expected at the end of March 2022. Phase 1 is due for completion mid-November.

Phase 1 improvements to Crystal Leisure Centre have been completed. The new village style changing rooms and improvements to the leisure pool have been well received by customers.

Schools

Schools Basic Need Projects

The next phase of projects to be funded from Basic Need capital grant has been agreed, with Brierley Hill Township secondary school places as a priority. The plans include expansion to both Wordsley and Crestwood Secondary Schools to meet projected growth with an additional 300 pupil places for each school.

Unfortunately, the construction company that were managing both projects went into administration in August and their work on both sites ceased. There was minimal works still to be carried out at Wordsley School therefore Construction & Design, the Councils in house consultants, have picked up the remaining work. The Crestwood School needed a larger amount of work, so it was agreed that the school they are continuing with the refurbishment work in the main school building and Construction & Design are completing the works to the new science block and the remaining external works.

Numbers for both primary and secondary school places continue to be closely monitored and processes are in place to recommend capital projects to address any projected growth across both sectors.



Special Educational Needs and Disability (SEND) Projects

We are continuing the process of re-profiling our special school and mainstream provision to bring it more closely in line with the current SEND pupil cohort and the special provision capital funding is a key component in this process.

The SEND Special Provision Fund capital grant conditions were previously relaxed due to Covid allowing us to carry forward unspent grant into the 2021/22 financial year. This grant funding has now been allocated in its entirety to the following projects:

- A new 12 place base for primary pupils with Social, Emotional and Mental Health (SEMH) needs at Hawbush primary school – completed and operational
- Creation of designated care rooms at Summerhill secondary school and the Glynne primary school to promote the inclusion of children with SEND that include physical disabilities and specific personal care needs - completed
- Expansion of Woodsetton Special School through a new mobile specifically designed to cater for the needs of children with SEND and to provide the additional space the school requires to meet the needs of an increasingly complex cohort of pupils – due for completion 10/9/21
- Various capital works at Halesbury School in response to independent Accessibility Study – in progress

In addition to this carry forward, we have received a further allocation of capital funding for SEND. Projects to be funded are still being scoped with the need for detailed feasibility studies to be undertaken but is likely to include further expansion within our maintained special schools. A tender process is has now been completed to establish a further primary SEMH base. This tender has now been concluded and the base will be established at Caslon primary school. It will be fully operational from January 2022.

Pens Meadow Special School – Acquisition of Land and Buildings

The surrender of the existing lease and purchase of all the land and buildings of the existing Pens Meadow School and surrounding NHS-PS land is still being negotiated.



Meeting of the Cabinet – 28th October 2021

Joint Report of the Chief Executive and Director of Finance and Legal

Revenue Monitoring 2021/22

Purpose

1. To report the forecast 2021/22 revenue outturn position.

Recommendations

2. That Cabinet:
 - Notes the forecast revenue outturn position for 2021/22 and the effect on Balances at 31st March 2022.

Background

3. The Council's final accounts for the year ended 31st March 2021 have been completed, subject to audit. As at 31st March 2020 Dudley's unringfenced reserves were 16% of net expenditure (compared with the national average of 45%). As at 31st March 2021 unringfenced revenue reserves as a proportion of net revenue spend were 24%¹ (comparisons with the national average are not currently available).

¹ Excludes Section 31 funding of increased Business Rates Relief, and Local Tax Income Guarantee grant.

Forecast revenue outturn 2021/22

4. In response to Covid-19, the Government has directed significant additional funding to councils. New allocations for the financial year 2021/22 are shown in Appendix A. We anticipate receiving £13.0m of unringfenced funding and further grants totalling £25.7m for specific purposes. It is expected that the latter are matched by specific increases in expenditure or reductions in income.
5. The forecast General Fund position after transfer from / to earmarked reserves is as follows.

Directorate	Latest Budget £m	Outturn £m	Variance £m
Chief Executive Other	0.0	(0.1)	(0.1)
Adult Social Care	102.2	106.2	4.0
Children's Services	74.2	74.5	0.3
Health and Wellbeing	3.5	2.7	(0.8)
Finance and Legal	4.0	4.3	0.3
Digital, Commercial and Customer Services	0.5	0.7	0.2
Housing	6.8	6.6	(0.2)
Public Realm	51.4	52.8	1.4
Regeneration and Enterprise	11.3	13.5	2.2
Corporate, Treasury and Levies	18.1	10.2	(7.9)
Total Service Costs	272.0	271.4	(0.6)
Total Resources	(263.0)	(265.6)	(2.6)
Use of Balances	9.0	5.8	(3.2)

6. Further detail is provided in Appendix B. The variances can be summarised as follows:
 - Pressures of £8.0m from the impact of Covid, mainly in additional costs of Adult Social Care to support the health service and ongoing reduced levels of trading income in a number of services.
 - Favourable variances of £12.0m arising as a result of charging costs to Covid specific grants where services are continuing to support the pandemic response, additional grants to partially offset trading and tax income losses and application of the general Covid contingency to the pressures outlined above.
 - Net pressures of £0.8m that are unrelated to Covid, mainly from the national pay offer being higher than budgeted offset by lower than expected borrowing costs.

7. The impact of the outturn shown above leaves the main unallocated General Fund Balance at 31st March 2022 as follows:

	Budget £m	Latest Position £m
Forecast balance 31 st March 2021	24.5	24.5
2020/21 outturn (as reported to June Cabinet)		4.4
Balance at 31st March 2021	24.5	28.9
Planned use of Reserves approved by Council March 2021	(8.3)	(8.3)
Council Decision to amend budgets during 2021/22		(0.7)
Forecast favourable 2021/22 outturn		3.2
General Fund Balance at 31st March 2022	16.2	23.1

Other General Fund Reserves

8. Detail on other General Fund Reserves is provided within Appendix C.
9. Reserves arising from the Public Health Grant are expected to fall by £0.4m in year, resulting in a forecast balance as at 31st March 2022 of £4.4m.
10. Reserves arising from the Dedicated Schools Grant are expected to be maintained at £10.6m.

Outlook

11. Further work is being undertaken to assess the impact of financial pressures in future years, in particular (though not confined to) the ongoing impact of rising numbers of people receiving Adult Social Care. There is uncertainty at this stage about future funding. At the time of writing the Government is expected to publish the outcome of its Comprehensive Spending Review on 27th October. We will analyse the impact on our forecast resources and a further report will be brought to Cabinet in December, setting out the draft budget and Medium-Term Financial Strategy (MTFS).

External Audit

12. The External Auditors (Grant Thornton) have issued their Audit Findings Report. They anticipate giving an unqualified opinion on the Financial Statements. It is anticipated that the External Auditors will produce their Value for Money opinion in December 2021.



Finance

13. This report is financial in nature and information is contained within the body of the report.

Law

14. The Council's budget setting process is governed by the Local Government Finance Acts, 1988, 1992, and 2012, and the Local Government Act 2003.

Risk Management

15. The Corporate Risk Register recognises the risk that the Council may be unable to set and/or manage its budget so as to meet its statutory obligations within the resources available. This risk is currently assigned a rating of High.

Equality Impact

16. The recommendations in this report comply with the Council's policy on Equality and Diversity.

Human Resources / Organisational Development

17. There are no Human Resource or Organisational Development issues arising directly from this report.

Commercial / Procurement

18. The financial impact of Covid-19 includes disruption to traded services as a result of the pandemic as well as supplier support to the care market.

Council Priorities

19. Dudley operates a One Council ethos to build an effective and dynamic organisation aligned to its three core priorities to grow the economy and create jobs; create a cleaner and greener place and support stronger and safer communities.





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List of Background Papers

Council Tax Setting report to Council on 1st March 2021

Appendix A

Funding provided by Government in response to Covid-19 2021/22

Name	£m	Comment
General Covid-19 grant	8.8	
Compensation for sales, fees and charges	1.2	Latest estimate
Local Council Tax Support	3.0	
Total Unringfenced	13.0	
Section 31	10.7	Compensates for additional Business Rates relief
Additional Restrictions Grant (ARG)	1.8	
Contain Outbreak Management	2.3	
Infection control and Rapid Testing	3.0	
Extension to Infection Control	TBC	Announced Sept 30 th , awaiting allocation from £363m national pot
Practical Support Grant	0.4	
Track and Trace Support Payments and administration	0.6	
Local Elections	0.2	
Covid Catch up grant for schools	0.8	
Local Support Programme – Winter scheme	1.2	
National Testing	0.2	
Holiday Activities	1.2	
Other DFE – Workforce/ Free School Meals and Mental Health	0.1	
Recovery Premium	0.2	
School Led Tutoring	0.2	
WMCA – Transport	0.2	
Household Support Fund	2.6	
Total Ringfenced	25.7	
CCG	TBC	Support hospital discharges, £0.4m claimed to date

General Fund Revenue Forecast Service Spend Summary 2021/22

	Budget £m	Outturn £m	Variance £m	Of which Covid £m	Of which Other £m	Comment
Chief Executives	0.0	(0.1)	(0.1)	(0.1)	0.0	Covid - Proportion of salaries charged to COMF (£0.1m).
Adult Social Care	102.2	106.2	4.0	4.0	0.0	Covid - Increased number of clients, bed based £4.6m and community care £1.0m, offset by; release of BCF reserve (£0.3m) and inflation contingency (£0.5m), COMF (£0.3m), salary savings (£0.4m), other savings (£0.1m)
Children's Services	74.2	74.5	0.3	0.3	0.0	Covid - loss of traded income £0.3m.
Health & Wellbeing	3.5	2.7	(0.8)	(0.8)	0.0	Covid - 6 months of Env Health and Trading standards salaries charged to COMF (£0.8m)
Finance and Legal	4.0	4.3	0.3	0.0	0.3	Covid - loss of summons income £0.3m, offset by one off grant income (£0.3m). Non covid - Housing Benefit subsidy £0.2m and offsite processing and Council Tax discount £0.1m.
Digital, Commercial and Customer Services	0.5	0.7	0.2	(0.2)	0.4	Covid - Mortuary costs and Registrars income pressures £0.1m offset by grant switches (£0.3m). Non Covid - Legal fees £0.1m, ICT loss of traded services income and workspace pressures £0.2m

	Budget £m	Outturn £m	Variance £m	Of which Covid £m	Of which Other £m	Comment
Housing and Community	6.8	6.6	(0.2)	0.0	(0.2)	Non covid - Electrical and Mechanical productivity pressures £0.1m, offset by vacancies and release of PCSOs budget (£0.3m)
Public Realm	51.4	52.8	1.4	1.4	0.0	Covid - net pressure on waste services £0.8m (additional tonnages collected and agency staff), shortfall in car parking income £0.5m, other pressures £0.1m.
Regeneration and Enterprise	11.3	13.5	2.2	2.2	0.0	Covid – Shortfall of income; Leisure centres £1.2m, Catering £0.8m, Himley/Halls and events £0.2m. Non Covid - one off receipt from LLP (£0.3m), offset by pressures on Land Development and other Corporate Landlord services, £0.3m
Corporate, Treasury and Levies	18.1	10.2	(7.9)	(8.8)	0.9	Covid – released contingency (£8.8m). Non Covid - payaward of 1.75% compared to budget 0.3% £2.0m, EZ payment to the LEP 0.3m; offset by Pension over recovery (£0.1m), Capital Slippage and borrowing costs (£1.2m), other (£0.1m)
Total Service Costs	272.0	271.4	(0.6)	(2.0)	1.4	

	Budget £m	Outturn £m	Variance £m	Of which Covid £m	Of which Other £m	Comment
Funding	(263.0)	(265.6)	(2.6)	(2.0)	(0.6)	Covid - Sales, Fees and Charges compensation grant (£1.2m), Local Tax Guarantee grant (£0.8m) Non Covid - additional section 31 grant to compensate for Business Rates relief (£0.6m)
Use of Balances	9.0	5.8	(3.2)	(4.0)	0.8	

Appendix C

General Fund Reserves

	Opening Balance 1.4.2021 £m	Forecast change in year £m	Forecast closing balance 31.3.2022 £m
General Fund Balance	28.9	(5.8)	23.1
Insurance	5.6	0.6	6.2
DGFL/ Paragon	3.2	0.1	3.3
Impact project	0.7	(0.7)	0.0
Other Covid 19 Grants	0.6	(0.6)	0.0
Contain Outbreak Management Fund (COMF)	3.7	(3.7)	0.0
Business Rates sec 31 & Local Tax guarantee	47.3	(36.7)	10.6
OFSTED	1.1	(1.1)	0.0
Successor	1.0	(1.0)	0.0
BCF	0.3	(0.3)	0.0
Community Forums	0.3	(0.1)	0.2
Homelessness grant	0.3	0.2	0.5
MIPIIM	0.2	(0.2)	0.0
Community Infrastructure Levy	0.2	0	0.2
Other GF reserves	1.2	(1.1)	0.1
Total Unringfenced	94.6	(50.4)	44.2
Schools Trading	1.8	0.0	1.8
Public Health Grant	4.8	(0.4)	4.4
Schools Delegated ²	10.6	0	10.6
Total General Fund	111.8	(50.8)	61.0

² Accounting rule change, the negative Central DSG balance is recorded as an adjustment account rather than a negative General Fund Reserve until March 2023

Meeting of the Cabinet – 28th October 2021

Joint Report of the Deputy Chief Executive (in relation to Housing and Community Services) and the Director of Finance and Legal

Review of Housing Finance

Purpose

1. To present the latest financial forecasts for the Housing Revenue Account (HRA) budgets for 2021/22.
2. To consider:
 - rents for council homes with effect from 4th April 2022.
 - charges for sundry services with effect from April 2022.
 - a draft HRA budget for 2022/23 in the light of the latest government announcements on housing finance and our latest spending and resource assumptions.
 - a revised Public Sector Housing capital programme for 2021/22 to 2026/2027.
 - the HRA's Thirty Year Business Plan.
3. Cabinet is not being asked to make final decisions in relation to paragraph 2. The proposals in this report will be considered by the Housing and Public Realm Scrutiny Committee in November, before returning to Cabinet on 10th February 2022 and where relevant Council on 21st February 2022.

Recommendations

4. That Cabinet:
 - note the latest HRA budget forecast for 2021/22 (paragraphs 6 - 10 and Appendix 1) and the revised Public Sector Housing capital programme for 2020/21 (Appendix 2);
 - approve the other proposals outlined in this report as a basis for scrutiny (paragraph 2).

Background

5. The HRA is a ring-fenced revenue account and deals with landlord functions associated with public sector housing. The costs of improvement and programmed maintenance of the Council's housing stock are treated as capital expenditure and are accounted for separately.

HRA Budget Forecast 2021/22

6. The current budget for 2021/22 approved by Cabinet on 11th February 2021 shows a surplus on the HRA of £2.959m at 31st March 2022. There are now a number of variations expected to the original budget.
7. The original 2021/22 budget and the latest forecast for 2021/22 are shown in Appendix 1. The latest forecast shows a surplus on the HRA of £2.839m at 31st March 2022. It is not proposed to revise the budget, but to report the forecast variances against the original budget.
8. The balance brought forward from 2020/21 was £5.320m, compared to the £1.116m originally budgeted. This was reported to Cabinet on 24th June 2021, with the main reasons for the favourable variance being improved rental income collection and lower arrears; slippage on revenue Repairs and Maintenance (linked to the Covid 19 pandemic); saving on the Discretionary Housing Payments top-up budget; and staffing vacancies.
9. The latest forecast for 2021/22 includes the following key variations to the budget:
 - Increase in balance brought forward from 2020/21, as noted in para 8;
 - Increased revenue repairs and maintenance costs largely relating to enhanced compliance works and reorganisation of workstreams to improve service quality;
 - Reduction in revenue contribution to capital expenditure, redirecting this resource to revenue repairs and maintenance as above;
 - Increased management costs responding to higher demand and pressure on services, partly funded from reserves brought forward from the previous year;
 - Homeloss and disturbance payments lower than budgeted in line with reprofiling of capital investment works requiring decant and rehousing;
 - Lower forecast expenditure on Discretionary Housing Payments based on latest data.



10. These adjustments overall result in a small variation to the forecast surplus carried forward for the year from £2.959m to £2.839m.

The impact on HRA balances is shown below:

	Budget £m	Outturn £m
Balance at 31 March 2021	4.1	5.3
Budgeted use of balances	-1.1	
Forecast 2021/22 outturn		-2.5
Balance at 31 March 2022	3.0	2.8

Rent Increase

11. The self-financing system introduced in April 2012 for Housing assumed that rent increases would be in line with government guidance at the time relating to social housing rents: that is, a maximum increase of September CPI plus 1%. From April 2020, social housing providers returned to this policy, following the four years of rent reductions (2016/17 through to 2019/20) announced in the July 2015 budget. It is therefore proposed that the next rent year will start on 4th April 2022. September CPI will be announced on 20 October, so at the time of writing this has been estimated at 2.5%, which would allow weekly rents to be increased by 3.5% compared to 2021/22 levels. The draft proposed HRA budget for 2022/23 and the thirty-year long-term financial forecast for the HRA are both based on this level of increase, and will be updated to reflect the actual inflation rate if required.
12. The average weekly rent based on an increase of 3.5% will be £82.50 from April 2022, compared to a current average weekly rent of £79.71. This represents an average weekly increase of £2.79. Housing Benefit and Universal Credit housing element payments will both increase in line with the approved rent increase.

Service Charges

13. In addition to the rents discussed above, we currently apply service charges in certain properties in respect of items such as furniture and garden maintenance. It is proposed that these service charges be increased by 2.3%, in line with the current rate of inflation (average April to August 2021). The charge was not increased in 2021/22 given the low rate of inflation at the time and the economic pressures resulting from the pandemic.
14. We also apply service charges to 348 properties in our eleven sheltered housing schemes in respect of heating and lighting. These charges vary according to the scheme and the size of the properties and may be offset



against the winter fuel payment received by tenants, plus any cold weather payments. Housing Benefit will also cover these charges where applicable. We have reviewed current charges and the electricity and gas costs incurred at each scheme, and we propose that charges be maintained with no increase for 2022/23, and where possible as a result of refurbishment and investment in more efficient heating systems, that charges be reduced accordingly.

15. The Council offers laundry tokens for sale for the use of tenants at three high rise blocks (two in Brierley Hill and one in Dudley). It is proposed that charges be maintained at the current rate of £2.60 per token.
16. It is proposed that pitch licences at Oak Lane be increased in line with the proposal for general rents, and that weekly charging for water be increased by 2.3% to £6.94 per week in line with the current rate of inflation (average April to August 2021). The charge was not increased in 2021/22 given the low rate of inflation at the time and the economic pressures resulting from the pandemic.
17. The Council currently charges an administration fee of £130 per year to its leaseholders, to cover the costs of managing the properties. It is proposed to increase this fee by £10 to £140 from 1 April 2022 in order to continue to move towards full cost recovery. The charge was not increased in 2021/22 given the low rate of inflation at the time and the economic pressures resulting from the pandemic.
18. It is proposed that the current charge of £75 (plus VAT) per leasehold information pack, introduced from 1 January 2015 to cover the costs of compiling information relating to the sale of council flats, be maintained at the current level with effect from 1 April 2022.
19. The Council currently charges private residents who are in receipt of Telecare services (provision of an alarm service, and also standalone equipment such as pill dispensing service and GPS tracking watches) £15.30 per month, and also charges Housing Association tenants varying amounts for this service. It is proposed to increase these charges to £16.00 per month from 1 April 2022. This represents an increase of 70p per month. Income generated will be used to increase investment in and development of the service, particularly in the context of the move to digital telephony over the next five years, which will have a significant impact on this service. It is also proposed to review the present arrangements whereby private residents are charged but council tenants are not. Any changes as a result of this review will be the subject of a full consultation process, will take into account the impact of potential charges on service demand and users' financial circumstances, and will include transitional arrangements to protect and support current service users.



Garage rents, garage plots and access agreements

20. It was agreed by Cabinet in February 2008 that inflationary increases for garages, garage plots and access agreements be made every three years, with the next increase to take effect from 2023/24. However, an internal review of garage sites and plots is taking place and should this result in a requirement for additional investment or maintenance, an earlier increase may be considered.
21. The internal review of garage sites and plots is progressing, with identification of sites that are popular and would benefit from improvement, or less popular, including where there are issues of anti-social behaviour. Initial classification has identified potential options to:
- Retain and invest
 - Dispose for development
 - Seek alternative use (for example off road parking, micro-businesses or community gardens)
- Following completion of the initial desktop exercise, local consultations with tenants and residents taking place in relation to specific sites, including discussions with ward members. This will be an ongoing process, reviewing the most effective use of our garage sites and plots in order to benefit local communities.
22. It is proposed to build new garages where required, to replace older garages that are no longer fit for purpose and where there is demand. These new garages will be larger to meet planning standards and it is proposed that the weekly rent will be £12 per week. This is in line with charges made by neighbouring authorities.

Proposed HRA budget 2022/23

23. The proposed draft HRA budget for 2022/23 is also shown in Appendix 1. This budget is based on recent trends and our latest assessment of government policy on housing finance.
24. The key elements of the self-financing system that now operates in relation to local authority housing are:
- Abolition of the HRA Subsidy system and retention of all rental income.
 - A one-off allocation of housing debt based on an affordability calculation.
 - Transfer of investment, borrowing and inflation risks to housing authorities.
 - Flexibility to borrow, following prudential guidelines.
 - Continued compliance with central government HRA Ringfence guidance.
 - Continued compliance with central government rent policy.



25. The proposed draft HRA budget for 2022/23 takes account of the proposed rent increase of 3.5% on the 4th April 2022 (paragraphs 11 - 12).
26. Decision Sheet DOH/04/2021 gave approval for restructuring the Housing and Community Directorate senior management team and indicated that further approvals would be required for reorganisation below this level. Further restructuring is now proposed in order to continue to develop new services and improve core services in line with feedback from stakeholders and service aspirations which has highlighted the need for:
- Increased emphasis on landlord health and safety compliance;
 - Increased community and neighbourhood engagement and focus;
 - Greater community safety role;
 - More visible and accountable service;
 - Increased links with wider regeneration plans and the green agenda;
 - Service development to meet the requirements of the White Paper, the National Regulator for Social Housing and the Housing Ombudsman

Following this approval to restructure the Directorate, work has been taking place to define the detailed proposals for service redesign that will support the improvements required. Additional resource to achieve this has been built into the proposed draft 2022/23 budgets.

27. The proposed draft HRA budget for 2022/23 includes a budget for housing management of £22.6m. This covers the day-to-day management of properties including income collection, tenancy enforcement, support for vulnerable tenants and lettings and void management. This reflects provision for increased capacity particularly around:
- Development of a neighbourhood service delivery model, building closer connections with our tenants and residents;
 - Alignment of team structures and functions to better reflect customer and service needs;
 - Response to the requirements of the Housing White Paper;
 - Managing demand for social housing through the housing register focusing on a needs based approach;
 - Assessment and provision of solutions to make our stock best meet customer needs through equipment and adaptations, assisted moves and input to design;
 - Ensuring the effective allocation of social housing in the Borough;
 - Building management and leadership capacity within housing management to allow a more cohesive and collaborative approach to service development;
 - Supporting increasing numbers of tenants with multiple and complex needs;
 - Improved access and simplified pathways for customers, with greater operational oversight;



- Moving to develop as a learning organisation, including independent review of complaints, learning from complaints, engaging with customers and reviewing the policy and procedure framework.
28. Since 2014/15, the HRA has topped up the Discretionary Housing Payments (DHP) allocation received from central government. This allows for discretionary additional benefit payments to meet housing needs, mainly where a tenant has had housing benefit reduced as a result of underoccupancy penalties or the benefit cap. Around 75% of awards relate to council housing tenants, although awards are also made to tenants of housing associations or tenants in the private rented sector. The proposed draft budget for 2022/23 includes a contribution of £250,000, which will be added to the grant from central government. Although this is a reduction on previous years' budget allocations, it better reflects actual demand and allows redirection of resources to support neighbourhood management proposals.
29. The proposed draft HRA budget for 2022/23 includes a budget for repairs and maintenance of £27.2m. This reflects:
- Undertaking responsive repairs and routine void works;
 - Undertaking all required cyclical statutory responsibilities for safety and compliance works such as annual servicing of gas appliances, electrical inspections and maintenance on specialist electrical systems, fire risk assessments, asbestos surveys, warden call equipment and alarms, lift servicing, repairs and inspections, and periodic testing of water hygiene;
 - Cyclical maintenance such as painting of communal areas, social decorations for vulnerable residents.
30. The proposed draft HRA budget for 2022/23 includes a budget for interest payments of £17.4m. This covers the payments that are due on the debt taken on as part of the self-financing settlement and additional borrowing under the Local Growth Fund. This budget will increase in future years to service the additional borrowing arising from the proposed enhanced investment programme.

Public Sector Housing Capital Programme

31. In February 2021, a five-year housing public sector capital programme was agreed, which reflected enhanced investment using the HRA's new borrowing flexibility. A revised capital programme reflecting latest forecasts is shown at Appendix 2. Expenditure in 2020/21 was significantly reduced compared to the original budget, as activities were curtailed by the impact of Covid 19. This has resulted in slippage to future years. We are also seeing increased pressures on capital budgets as a result of higher material costs and reduced contractor capacity, which are impacting on tender prices.



32. When self-financing was introduced, it included a cap on new borrowing above a set maximum level. This was removed following the autumn Budget in 2018, so that the HRA is free to borrow to fund additional investment so long as it complies with the principles of Prudential Borrowing, in the same way as the General Fund. We have been considering our detailed options given this new flexibility. Expenditure funded by additional borrowing will be aligned to the principles of the Housing Asset Management Strategy 2019 - 2029, which was approved by Cabinet in October 2019. It is essential that where we are increasing our borrowing level that this results in a financial gain for the HRA, whether this is additional rental income from new build and improved lettable stock, or reduced repairs, maintenance and management costs as a result of improvement and refurbishment of existing stock. The strategy will also include demolition or disposal of stock that is no longer desirable or viable (operationally or financially) to improve long term sustainability by meeting housing needs. We will, in summary, borrow to fund:
- Sustainable stock aligned to changing demographics and local housing need.
 - Additional new build on currently vacant sites, which will increase rental income.
 - Demolition / significant remodelling and refurbishment of existing stock, which may reduce rental income at least in the short term but will also reduce repair and maintenance costs on some of our red and amber stock, where these properties are not paying their way.
 - New build to replace some of our current red and amber stock demolished / remodelled as above, which will increase rental income and would enable us to provide more popular and sustainable homes.
33. The proposed draft five-year capital programme at Appendix 2 includes an enhanced capital programme developed in line with these principles. The financial consequences to the HRA revenue budget have also been factored into our medium to long term budget planning. These include changes to rent income, reduced maintenance liabilities, revenue costs associated with capital projects (e.g. homelessness and disturbance payments), interest payments on additional borrowing and voluntary revenue provision for repayment of the principal on this additional borrowing. Grant funding will be accessed where possible to support investment. The Council continues to be qualified as a Homes England Investment Partner and is also qualified to participate in the new Affordable Homes Programme 2021 – 26.
34. At this stage, this draft programme includes overall budget allocations for a blended programme of new build, refurbishment, regeneration, estate improvements and disposals. We are currently working with Ark Consultancy, a specialist housing consultancy organisation, to develop a procedure for community engagement and consultation which will aid



prioritisation and development of specific estate regeneration projects. As these specific projects are identified and agreed, they will be reported to Cabinet as part of the regular HRA monitoring and budget setting reports.

35. Initial consultation has started, with representatives of the Housing Board, the High-Rise Living Forum and DFTRA, through a focused and independently facilitated exercise, to identify principles and priorities. This exercise considered options for the main types and levels of work being considered and tenants' and residents' views of these, as well as their views on how the Council should go about prioritising these options. Work will continue to build positive and productive relationships with tenants and residents, actively seeking their involvement and their views in ongoing asset management planning work. To progress this, a second phase of consultation and engagement is currently taking place, involving a pilot consultation on several area-based options, which will further develop strategic thinking in relation to types of interventions and scheme options for asset management planning work within the available resources identified. Our aim is to implement our Asset Management Strategy with an approach to communication and engagement that works effectively and allows tenants and residents to influence decision-making and participate in building a consensus for investment priorities.
36. The proposed capital programme continues to follow the principles approved in February 2021 and reflects the priorities of the Council Plan, the views of members and residents as expressed via the Housing Board, DFTRA and wider consultation events, and the Housing Asset Management Strategy 2019 - 2029. Strategic, planned investment therefore continues to target our key priorities as set out in the HRA Business Plan.

HRA Business Plan

37. The financial strategy for landlord housing is the subject of a continuing consultation process that includes tenants and residents.

The key elements of this financial strategy, which presents an overall Thirty-Year Business Plan and covers a rolling five year period in more detail, include:

- maintain the Decent Homes Standard;
- provide high quality affordable housing to provide safe homes that people want to live in and meet our diverse housing needs;
- manage our stock strategically to ensure future viability of affordable housing;
- improve the energy efficiency of the housing stock and address fuel poverty;
- invest in housing stock and minimise the number of void properties;



- review the suitability of the housing stock and explore the feasibility of new build to increase stock and / or replace properties that are in poor condition or that do not meet modern requirements;
- improve the offer for supported living to meet the needs of an aging and vulnerable population;
- address the housing and community needs of our residents and estates, particularly around health and wellbeing, addressing fuel poverty and promoting independent living;
- deliver community and estate regeneration, improving quality, sustainability and safety;
- ensure value for money through our housing services – maximising resources, income and opportunities for commercialism supported by efficient procurement;
- provide opportunities through construction to create jobs, employment, apprenticeships and training opportunities, making a positive impact on the economic prospects for the borough for businesses and individuals.
- set rents having regard to government rent policy for social housing and our investment needs.
- support the aims of the Council Plan - promoting strong, caring communities through the provision of decent housing in a safe and clean environment.

The HRA Business Plan is shown at Appendix 3.

Finance

38. Section 76 of the Local Government and Housing Act places a duty on the Council to ensure that no action will be taken that may cause a deficit to arise on the HRA at 31 March 2022. A duty is also placed on the Council to review the financial prospects of the HRA from time to time. Reviews and regular monitoring carried out confirm that the HRA will be in surplus at 31 March 2022 and therefore complies with the requirements of the Act.

Law

39. HRA finances are governed by Section 74-78B and 85-88 in Part IV of the Local Government and Housing Act 1989. Sections 167-175 in Part VII of the Localism Act 2011 abolish the HRA Subsidy system (Sections 79-84 in Part IV of the Local Government and Housing Act 1989) and introduce self-financing. The HRA is also governed by Ministry of Housing, Communities and Local Government (now Department of Levelling Up, Housing and Communities) guidance on the operation of the HRA ring-fence published in November 2020.



Risk Management

40. The Council's budget is identified as a corporate risk and currently rated as "Significant".

Equality Impact

41. The proposals take into account the Council's Policy on Equality and Diversity and Equality Impact Assessments will be completed as required where changes to service provision are proposed.
42. This is a financial report concerned with forecasting of income and application of resources. Some areas of proposed expenditure are intended to promote independence and improve quality of life for protected groups.

Human Resources / Organisational Development

43. The report includes budget provision for a restructure, which will be progressed in line with existing HR / OD policies. Overall, the restructure is intended to strengthen the capacity to deliver and manage services and will not result in a reduction in posts. However, it is proposed that some existing job roles will be changed. While this will create a number of opportunities for development and progression, and any individuals affected will have the opportunity to be considered for alternative or amended roles, it cannot be guaranteed that there will be no redundancies or redeployments.

Commercial / Procurement

44. The proposals in the report relate to our statutory functions as a social housing landlord, and therefore there are no direct commercial implications.

Council Priorities

45. The proposals in the report will support our aims for Housing summarised in the Council Plan:
- the provision of excellent services for tenants
 - offering high quality housing
 - supporting vulnerable people



Balvinder Heran

Iain Newman

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List of Background Papers - none



Appendix 1

HRA Budget and Forecast 2021/22 and Draft Budget 2022/23

	Original Budget 2021/22 £000s	Latest Forecast 2021/22 £000s	Forecast Variance 2021/22 £000s	Proposed Draft Original Budget 2022/23 £000s
Income				
Dwelling rents	-87,633	-87,349	284	-90,620
Non-dwelling rents	-610	-800	-190	-841
Charges for services and facilities	-200	-190	10	-204
Contributions towards expenditure	-1,391	-1,341	50	-1,341
Interest on balances	-25	-13	12	-3
Total income	-89,859	-89,693	166	-93,009
Expenditure				
Management	19,868	20,584	716	22,568
Management –homeloss and disturbance	315	0	-315	0
Responsive and cyclical repairs	23,392	27,293	3,901	27,219
Transfer to Major Repairs Reserve	25,025	24,773	-252	25,316
Interest payable	17,420	17,313	-107	17,472
Revenue contribution to capital expenditure	2,500	0	-2,500	0
Discretionary Housing Payments	550	250	-300	250
Other expenditure	1,893	1,961	68	1,993
Total expenditure	90,963	92,174	1,211	94,818
Surplus / Deficit in year	1,104	2,481	1,377	1,809
Surplus brought forward	-4,063	-5,320	-1,257	-2,839
Surplus carried forward	-2,959	-2,839	120	-1,030

Appendix 2

Proposed capital programme 2021/22 to 2026/27

Thematic Programme	2021/22 original £000s	2021/22 latest £000s	2022/23 £000s	2023/24 £000s	2024/25 £000s	2025/26 £000s	2026/27 £000s
Maintaining Existing Homes	11,859	15,968	11,822	13,319	13,973	14,028	14,435
Major Works to Empty Homes	8,136	8,648	8,780	8,902	9,044	9,169	9,296
Fuel Poverty and Decarbonisation	4,309	4,927	6,296	4,023	4,038	4,954	3,070
Independent Living	16,292	7,747	13,232	3,964	4,012	3,053	3,096
Community and Estate Regeneration	2,518	3,114	3,004	2,139	2,102	2,115	2,128
Strategic Stock Management	3,768	3,778	3,898	13,906	4,868	9,831	1,931
New Council Housing	12,576	6,493	24,669	25,389	24,432	13,439	9,549
Total	59,458	50,675	71,701	71,642	62,469	56,589	43,505

Resources

	2021/22 original £000s	2021/22 latest £000s	2022/23 £000s	2023/24 £000s	2024/25 £000s	2025/26 £000s	2026/27 £000s
Borrowing	3,600	0	22,210	29,800	23,004	19,353	4,306
Major repairs reserve	25,025	24,773	25,316	25,673	26,045	26,400	26,758
Revenue contribution to capital	2,500	0	0	0	0	0	0
Usable capital receipts	24,010	19,570	20,229	11,837	9,796	10,836	12,441
Less usable capital receipts transferred to support private sector housing capital	0	0	0	0	0	0	0
Other (grants)	4,323	6,332	3,946	4,332	3,624	0	0
Grand Total	59,458	50,675	71,701	71,642	62,469	56,589	43,505

Appendix 3

HRA Business Plan - Thirty Year Business Planning Strategy for Landlord Housing

Purpose

1. The Medium Term Financial Strategy for Landlord Housing (MTFS(LH)) has set out how the Council plans to balance spending pressures and available resources over the medium term, taking into account risks and uncertainties. It relates specifically to the Housing Revenue Account (HRA) and the capital programme for improvement of the Council's own housing stock.
2. The MTFS(LH) should be read in conjunction with the Council's overall Medium Term Financial Strategy (MTFS). The underlying principles set out in the overall document apply equally to the MTFS(LH).
3. In the context of the introduction of Self-Financing for public sector housing, the abolition of the HRA subsidy system and the increased autonomy and flexibility for housing authorities to manage their stock, a Thirty Year Business Plan has been developed. This takes into account issues including investment need, treasury management strategy, financial projections and tenants' engagement.

Background

4. The financial strategy for landlord housing takes into account the delivery of the Decent Homes Standard and the new opportunities and challenges arising from the introduction of the self-financing system. This is the subject of an ongoing consultation process that includes tenants and residents. The key elements of our financial strategy, which will cover a rolling five year period, are to:
 - maintain the Decent Homes Standard;
 - provide high quality affordable housing to provide safe homes that people want to live in and meet our diverse housing needs;
 - manage our stock strategically to ensure future viability of affordable housing;
 - improve the energy efficiency of the housing stock and address fuel poverty;
 - invest in housing stock and minimise the number of void properties;
 - review the suitability of the housing stock and explore the feasibility of new build to increase stock and / or replace properties that are in poor condition or that do not meet modern requirements;
 - improve the offer for supported living to meet the needs of an aging and vulnerable population;
 - address the housing and community needs of our residents and estates, particularly around health and wellbeing, addressing fuel poverty and promoting independent living;



- deliver community and estate regeneration, improving quality, sustainability and safety;
- ensure value for money through our housing services – maximising resources, income and opportunities for commercialism supported by efficient procurement;
- provide opportunities through construction to create jobs, employment, apprenticeships and training opportunities, making a positive impact on the economic prospects for the borough for businesses and individuals.
- set rents having regard to government rent policy for social housing and our investment needs.
- support the aims of the Council Plan - promoting strong, caring communities through the provision of decent housing in a safe and clean environment.

The proposed budget and the MTFS(LH)

6. Ongoing resources are required to maintain the Decent Homes standard, and deal with properties where the age of the fittings mean that a replacement is required, and non-decent properties as they become void. The rolling five-year capital programme includes resources to maintain the Decent Homes Standard.
7. Regular stock validation surveys have been undertaken to externally validate and support existing stock investment information for the housing stock. The detailed output of this is now embedded within the thirty year investment cost plan, which is continually updated to reflect investment undertaken and newly arising investment need.

The Housing Asset Management Strategy has the following key priorities:

- Provision of quality affordable housing to provide safe, affordable homes that people want to live in – investment in our core stock and tackling empty homes efficiently;
- Managing our stock strategically to ensure future viability of affordable housing;
- Measuring and identifying stock quality and performance with de-investment, demolition and / or disposal of non-viable stock;
- Provision of more affordable housing to meet our diverse housing need – developing more affordable homes and mixed tenure estates;
- Improving the offer for supported living to meet the needs of an aging and vulnerable population;
- Addressing the housing and community needs of our residents and estates, particularly around health and wellbeing, addressing fuel poverty and promoting independent living;
- Delivering community and estate regeneration, improving quality, sustainability and safety;



- Ensuring value for money through our housing services – maximising resources, income and opportunities for commercialism supported by efficient procurement;
 - Providing opportunities through construction to create jobs, employment, apprenticeships and training opportunities, making a positive impact on the economic prospects for the borough for businesses and individuals.
8. Our forecasts are been based on recent financial trends and our current assessment of the Government's housing finance policy and, like any forecast, should be regarded with caution (risks to the forecast are considered later). In view of our commitment to stock retention and maintenance of the Decent Homes Standard, it is proposed that we continue when necessary to give consideration to the following:
- ongoing review of spending and resource forecasts;
 - further efficiency and other savings, including those achievable from use of partnerships;
 - review of the existing housing stock provision to consider de-investment options and re-configuration of high investment need and low demand homes;
 - addition to and replacement of the housing stock via new build programmes;
 - the level of housing debt;
 - service charges¹.
9. Whilst in some areas the volume of smaller responsive repairs has generally decreased due to recent investment, particularly around central heating, there is an emerging trend of increasing investment need to deliver major improvements to homes and to maintain decent homes, which was only ever a minimum tolerable standard, to a housing stock that is, on average, over 60 years old. Delivering planned programmes of improvements in cyclical, strategic programmes (such as the current planned boiler and double glazing programmes) is the optimal solution to delivering value for money through efficient procurement and planned works delivery
10. A proposed rolling capital programme has been developed as a continuation of the existing programme to maintain current standards and improvements following the achievement of the Decent Homes standard, and in line with the priorities of the Housing Asset Management Strategy. This includes a new build programme which will meet Right to Buy Replacement targets assuming that government rules will continue as they are currently.
11. Following the abolition of the HRA Borrowing Cap and the development of our Asset Management Strategy 2019 – 2029, resources have been allocated to future years based on an indicative blended programme of new build, refurbishment, estate improvements and disposals that will use our additional borrowing

¹ Government subsidy calculations assume charges over and above the rent for special services to flats and for supported housing – the HRA is financially disadvantaged as a result of not applying these charges.

capability, within prudential guidelines, to support enhanced investment in our stock. We are currently undertaking community engagement and consultation which will aid prioritisation of specific estate regeneration projects. As these specific projects are identified and agreed, they will be reported to Cabinet as part of the regular HRA monitoring and budget setting reports. It is essential that where we are increasing our borrowing level that this results in a financial gain for the HRA, whether this is additional rental income from new build and improved lettability of existing stock, or reduced repairs, maintenance and management costs as a result of improvement and refurbishment of existing stock. The strategy may also include demolition or disposal of stock that is no longer desirable or viable (operationally or financially) to improve long term sustainability by meeting housing needs. We will, in summary, borrow to fund:

- Sustainable stock aligned to changing demographics and local housing need.
- Additional new build on currently vacant sites, which will increase rental income.
- Demolition / significant remodelling and refurbishment of existing stock, which may reduce rental income at least in the short term but will also reduce repair and maintenance costs on some of our red and amber stock, where these properties are not paying their way.
- New build to replace some of our current red and amber stock demolished / remodelled as above, which will increase rental income and would enable us to provide more popular and sustainable homes.

Risks to the financial forecast

12. The main risks to the financial forecast are considered below:

Risk	Impact
Inflation higher than forecast	<p>While increased inflation has an impact on costs, in the case of the HRA, it also affects resources, through the rent increase (or decrease) applied.</p> <p>If cost inflation (pay and / or prices) is lower than general inflation as used to determine rent levels, this will have a positive budgetary impact.</p> <p>However, if cost inflation (pay and / or prices) is higher than general inflation as used to determine rent levels, this will have a negative budgetary impact.</p>
Income levels not achieved	<u>Rent loss from void properties</u>



	<p>We have seen over recent years an increase in void properties, which has resulted in an increased rent loss of up to 3% of total rent available, although this is now reducing.</p> <p>We have seen an increase in the number of hard-to-let properties, for instance two-bedroom flats, particularly in high rise blocks, and some three-bedroom houses.</p> <p>We are working on improving processes to reduce the time that properties are empty.</p> <p>The cost for each 1% void loss is around £1m per annum.</p> <p><u>Rent loss from non-payment of arrears</u></p> <p>Many tenants now receive Universal Credit direct and are therefore be responsible for paying their own rent. Tenants in receipt of housing benefit still have their rent paid as a transfer from Benefits.</p> <p>The risk of non-collection of rent has increased as more rental income must be collected direct from tenants. Prior to the introduction of Universal Credit, around 65% of rent was transferred via Housing Benefit with around 35% paid direct by tenants. This has now reversed, with in 2020/21 only 35% transferred via Housing Benefit and 65% being collected directly from tenants. The management cost of collecting rents has also risen as more payments are made direct by tenants rather than via transfer from the Benefits system.</p> <p>We are working actively to mitigate the risk of loss of income, including tenant profiling, pre-tenancy training, support for tenants experiencing financial difficulties, increased automation and other efficiencies in the income recovery process, and partnership working across the council and with DWP, CAB and other agencies. These measures are proving highly effective in mitigating the risk of increased rent loss, as well as helping to sustain tenancies.</p>
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	<p>In addition to Universal Credit, tenants may also be affected by underoccupancy charges (since April 2013) and the reduced Benefit Cap (since November 2016).</p> <p>We expect the final phase of the Universal Credit rollout (managed migration for existing claimants) to take place at some point but as yet we have no firm dates and no detail from DWP on how this process will be undertaken.</p> <p>During 2020/21, the impact of Covid 19 has adversely affected many of our tenants. We have provided a service that has focused on welfare and support rather than enforcement and have worked with many tenants to help them to sustain their tenancies, ensure that they claim benefits that they are entitled to, and allow them to set up affordable rent payment plans.</p> <p>We make a prudent annual provision for bad debts.</p>
Change in rent policy	<p>The requirement for social landlords to reduce their rents by 1% annually from April 2016 for four years had a significant impact on future budgets and required us to revise our HRA Business Plan to reflect this lost income.</p> <p>Compared to our forecasts for 2015/16 original budgets, this ongoing, cumulative rent reduction represented a loss of income of almost £28m by 2019/20.</p> <p>From April 2020, the maximum rent increase returned to the September CPI plus 1% formula and our projections take this into account, albeit with prudent assumptions around inflation levels.</p> <p>We have had assurance that this national formula for rent increases will be in place at least until 2025.</p>

Changes to other Government housing policies	<p>We always keep under review proposed changes in Government housing policy and the potential impact on the HRA.</p> <p>We are particularly aware that there may be increased regulation around fire safety following the Grenfell tragedy, which would lead to increased costs both from capital works and ongoing maintenance and management requirements.</p> <p>We are reviewing the implications of the Social Housing White Paper, which sets out wide-ranging proposals to transform and strengthen the regulatory regime for social housing, and the proposals for a restructure of the Housing service are designed to align our service priorities with the requirements of the White Paper and the demands of the National Regulator of Social Housing (NROSH).</p>
Interest rates higher than forecast	<p>Our debt on housing properties is around £470m following the introduction of self-financing. Hence, interest rate risk is much more significant than it was under the subsidy system.</p> <p>Risk is mitigated by borrowing at fixed rates and spreading repayment dates to minimise refinancing risk.</p> <p>As the HRA takes out additional borrowing we will mitigate the risk of interest rate rises in the same way.</p>
Reduction in property values in the borough	Any reduction in property values will reduce the value of usable capital receipts.
Reduction in land sales and capital receipts	We recognise that with a new council house building programme we are likely to be disposing of fewer housing sites.
Reinvigoration of Right to Buy	The Government has increased the cap on Right to Buy (RTB) discount from £26,000 to £84,600 per property, and in future years this will continue to increase by inflation annually. The maximum

	<p>discount for houses has also been increased to 70%, and in May 2015 the requirement to have been a council tenant for 5 years before exercising right to buy was reduced to 3 years. The changes have resulted in increased sales from the last quarter of 2012/13 onwards, although sales have been fairly consistent at around 180 – 200 per year from 2013/14 onwards.</p> <p>However, because the value of the maximum discount has increased and there has been a reduction in the average value of the properties sold, increased sales will not necessarily result in a proportionally greater value of capital receipt income.</p> <p>New regulations have replaced the capital receipts pooling arrangements and require councils to build replacement homes for all extra homes sold under Right to Buy.</p>
Suitability of stock	<p>Some of our stock is old and not particularly suited to modern styles of living. In addition, changes to the benefit system mean that some of our properties are less attractive than they were previously (e.g. two-bed high rise flats or three-bed maisonettes which are often technically underoccupied). We are already experiencing difficulty in letting such properties, which leads to a loss in rental income and also potentially an increase in security costs and an increase in anti-social behaviour.</p> <p>Work is ongoing to assess the sustainability of the housing stock addressing the net present value of housing investment needs and rental income against demand, resulting in an assessment of the housing stock at an individual unit level, and leading to proposals which may include stock remodelling, disposal and or demolition according to the principles in the Asset Management Strategy.</p>
Availability of borrowing	<p>Following the removal of the HRA borrowing cap, we are exploring options for the prudent use of</p>

	additional borrowing power to improve and increase our stock. An indicative programme is included for approval in the rolling five year capital programme and tenant engagement and consultation work is in progress relating to specific proposals.
Brexit	We are working in partnership with colleagues across the Council and the region to assess the potential impact of leaving the EU and ways in which adverse impacts can be mitigated. Contracts with suppliers have been negotiated with this in mind.
Regulation	From April 2020 housing authorities are subject to the National Regulator of Social Housing (NROSH) and we are working with the Regulator to ensure compliance. The Social Housing White Paper sets out proposals for a proactive consumer regulation regime, including active oversight of landlord performance, regular inspections of landlords with more than 1,000 properties, enhanced consumer standards, an emphasis on tenant voice and community engagement, and transparency and clarity of information provided.
Decarbonisation	We are reviewing the impact of decarbonisation requirements which will take effect over the next two decades, in particular the effect on heating systems in our properties.
Unforeseen costs or costs greater than estimated	Any unbudgeted costs would have to be met from economies or reductions in planned spending in the year in which they arise or from any balances available in that year.

Partnerships

14. We continue to deliver on partnership working and currently have a number of such arrangements, for example:



- A strategic partnership for delivery of new council housing under a framework arrangement to 2024;
 - Strategic partnerships that are being delivered in accordance with the principles of Sir John Egan's report 'Rethinking Construction'. Through innovative payment mechanisms, incentivising good performance and modern methods of collaborative working, partnerships are delivering improved services at a measurably lower cost and have allowed valuable and limited resources to be re-invested in the housing stock.
15. Funding partnerships have also been forged including with Homes England (formerly the HCA) to support new council housing and historically with energy service providers to increase resources for reducing carbon emissions under the Government's ECO (Energy Company Obligations).
16. Procurement consortia are also used (e.g. the LHC Framework, Procurement for Housing) and other partnership arrangements will also continue to be used where appropriate, forming partnerships with established bodies to deliver procurement efficiencies.



Meeting of the Cabinet - 28th October 2021

Joint report of the Chief Executive and Deputy Chief Executive

Approving amendments to the Black Country Executive Joint Committee Collaboration Agreement

Purpose

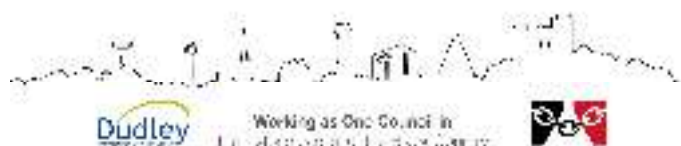
1. To obtain authorisation to enter into the Deed of Variation to the Black Country Executive Joint Committee Collaboration Agreement, and in line with the amended and current Black Country Executive Joint Committee governance to note the removal of the Joint Committee Advisory Board, with Black Country Heads of Regeneration Working Group taking responsibility for briefing respective Cabinet Portfolio Holders.

Recommendations

2. It is recommended:-
 - That Cabinet approve all proposed amendments to the Collaboration Agreement covering the Joint Committee Advisory Board removal, provided as **Appendix A** (additions highlighted in light blue) to this report.
 - That Cabinet authorise officers to draft and enter into the appropriate Black Country Executive Joint Committee Collaboration Agreement Deed of Variation and that authority be delegated to the Chief Executive, following consultation with the Leader of the Council, to take part in any negotiations and to make any minor amendments prior to its sealing as a Deed.

Background

3. Black Country Local Authorities were asked during 2013 to consider and approve the formation of the Black Country Executive Joint Committee, subsequently granting it the functions and powers to administer the City Deal and Growth Deal programmes. Dudley's Cabinet approved these arrangements on the 20 March 2013.
4. These roles, functions and powers, together with how the four Black Country Local Authorities and the Black Country Consortium (the five partners) will work together were captured in the City Deal and Growth Deal Collaboration Agreement, entered into on the



7 May 2014. This included an acceptance of delegated authority from each of the Local Authorities' Cabinets for the Black Country Executive Joint Committee to act as the decision making body for the identified programmes.

5. Since then, further amendments to the Collaboration Agreement were approved by the Black Country Local Authorities and the Black Country Executive Joint Committee (BCJC) as follows;
 - (i) 7 September 2016 (BCJC) to incorporate all funding opportunities administered by or resulting from the West Midlands Combined Authority.
 - (ii) 12 February 2020 (BCJC) to incorporate all current and future funding opportunities secured or operated by or through the Black Country Local Enterprise Partnership (BC LEP).
 - (iii) 9 December 2020 (BCJC) via a Supplemental Deed of Variation to add the governance and processes in relation to the Black Country Enterprise Zones.
6. These arrangements have successfully administered a number of complex government programmes over the past five years, these include but not limited to the annual Growth Deal spend profiles set by Government being met in full, with all funding claimed, audit requirements fulfilled and government evaluations met.
7. At its meeting on 5 November 2020, ABCA Chief Executives considered proposals for streamlining the BCJC governance arrangements and processes, and the option of removing Joint Committee Advisory Board approval stage and increasing the number of BCJC meetings was endorsed. It was followed by ABCA Leaders (9 December 2020) and Joint Committee Advisory Board (1 February 2021) endorsements.
8. The removal of the Joint Committee Advisory Board resulted in Heads of Regeneration Working Group holding the responsibility for consultation on all reports requiring recommendation to BCJC, including with the Cabinet Portfolio Holders. To ensure continuous visibility and transparency Heads of Regeneration now brief their Regeneration Cabinet Portfolio Holder on all of the reports, from across the Black Country, which require Heads of Regeneration Working Group endorsement.
9. The increase of BCJC meeting frequency ensures that key time-bound projects can receive approvals as required, reducing any delays. However, if there are no items on the BCJC Forward Plan, meetings will be cancelled.
10. The revised process is still compliant with requirements set out within the National and Local Assurance Frameworks, following individual project assessments and spend



recommendations by the Black Country Local Enterprise Partnership.

11. BCJC approved and adopted the current governance arrangements at its meeting on 17 February 2021. The BCJC Constitution and Protocols, and the BCLEP Local Assurance Framework have been updated to reflect these changes, and were approved by the BCJC at its Annual General Meeting on 23 June 2021.
12. The parties have and continue to use the governance and operational arrangements as set out within the Collaboration Agreement to successfully deliver the programmes.
13. Should there be any minor amendments required in addition to those highlighted (in yellow) as a result of negotiations following approval by Cabinet, delegation is requested for the Chief Executive in consultation with the Leader of the Council to take part in any negotiations and to make any minor amendments prior to its sealing as a Deed.

Finance

14. There are no direct financial implications associated with this report.

Law

15. Under the Local Government Act 1972 and Local Government Act 2000 as amended by the Localism Act 2011 and regulations issued by the Secretary of State the Council's Executive has the power to setup a Joint Executive Committee.
16. An Executive Joint Committee is effectively an extension of Cabinet, making decisions on behalf of Cabinet where it has delegated Authority to do so. Delegation does not prevent Cabinet from choosing to excise the powers instead of the Joint Committee nor withdrawing at any time the delegation per a specific matter or item or in its entirety.
17. By Cabinet approving the Deed of Variation it will be capturing current Black Country Executive Joint Committee Governance arrangements, with the original signatories to the Collaboration Agreement being the four Black Country Local Authorities and the Black Country Consortium Limited required to enter into the Deed of Variation.

Risk Management

18. There is a risk that the amendments to the Black Country Assurance Framework and the Black Country Executive Joint Committee Governance do not comply with National Government requirements. However, these changes have been reviewed by BCC Ltd and the Accountable Body team, and the Council's Legal Services to ensure that the governance is still robust and consistent with the requirements of the National Growth Assurance Framework, published by the Ministry of Housing, Communities and Local Government in January 2019.
19. There is a risk that removal of the Joint Committee Advisory Board results in reduced engagement with Portfolio Holders. However, the new process requires the Heads of



Regeneration Working Group voting member at the relevant Local Authority to brief Cabinet Portfolio Holders on all reports. This will ensure Cabinet Portfolio Holders are properly consulted and have oversight of all project and programme funding recommendations.

Equality Impact

20. There are no direct implications relating to the Council's commitment to equality and diversity.

Human Resources/Organisational Development

21. There are no Human Resource or Organisational Development matters arising from the report

Commercial/Procurement

22. There are no commercial / procurement matters arising from the report

Council Priorities

23. The role of the Black Country Joint Committee in overseeing and approving expenditure devolved to the Black Country Local Enterprise Partnerships will support the delivery of the Council's 2030 Vision through the awarding of funding for new residential, commercial, leisure, transport and education facilities, creating vibrant towns and communities to live and work for all our residents.



Kevin O'Keefe
Chief Executive



Balvinder Heran
Deputy Chief Executive

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Telephone: 01384 814186
Email: paul.mountford@dudley.gov.uk

Appendices

Appendix A – Black Country Executive Joint Committee Collaboration Agreement

List of Background Documents

Black Country Executive Joint Committee Collaboration Agreement



DATE: 7 MAY 2014



Walsall Council

- (1) WALSALL METROPOLITAN BOROUGH COUNCIL**
- (2) DUDLEY METROPOLITAN BOROUGH COUNCIL**
- (3) SANDWELL METROPOLITAN BOROUGH COUNCIL**
- (4) WOLVERHAMPTON CITY COUNCIL**

-and-

- (5) BLACK COUNTRY CONSORTIUM LIMITED**

COLLABORATION AGREEMENT

in relation to the Black Country Executive Joint Committee for the funds secured by the Black Country Local Enterprise Partnership

**(Incorporating the variations approved
by the Black Country Executive Joint Committee on 7 September 2016, 12 February
2020, 9 December 2020 and [to be confirmed] 2021)**

**Walsall Council
Civic Centre
Darwall Street
Walsall, WS1 1T**

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THIS AGREEMENT is made on the 7 of May 2014

BETWEEN:

- (1) **WALSALL METROPOLITAN BOROUGH COUNCIL** of Civic Centre, Darwall Street, Walsall, WS1 1TP ("**Walsall**");
- (2) **THE BOROUGH COUNCIL OF DUDLEY** of The Council House, Priory Road, Dudley, West Midlands, DY1 1HF ("**Dudley**");
- (3) **THE BOROUGH COUNCIL OF SANDWELL** of Freeth Street, PO Box 2374, Oldbury, B69 3DE ("**Sandwell**");
- (4) **WOLVERHAMPTON CITY COUNCIL** of Civic Centre, St Peter's Square, Wolverhampton, WV1 1RG ("**Wolverhampton**"); and
- (5) **BLACK COUNTRY CONSORTIUM LIMITED** (Company Registration number 05159791) whose registered office is at The Deckhouse, Waterfront West, Dudley Road, Brierly Hill, DY5 1LW ("**BCC**") (each being a "**Party**" together being "**the Parties**").

WHEREAS:

- (A) The Parties have agreed to collaborate to administer the allocation by central Government of funding (together "the Deal"), secured by the Black Country Local Enterprise Partnership, across the Black Country area, which comprises the administrative boundaries of Walsall, Dudley, Sandwell and Wolverhampton.
- (B) The Executives of each Party have agreed to establish a Joint Executive Committee, the Constitution, and Terms of Reference of which are set out at Schedule 3 pursuant to Section 101(5) of the Local Government Act 1972 and regulations issued under Section 9EB of the Local Government Act 2000. The decision dates respectively being Walsall Cabinet 11 September 2013, Dudley Cabinet 30 October 2013, Sandwell Cabinet 13 November 2013, Wolverhampton Cabinet 4 December 2013.
- (C) The Parties are empowered under Section 1 of the Localism Act 2011 to "do anything that individuals generally may do" and BCC, as a company limited by guarantee, may carry out general public administration activities and will help to facilitate the Deal.
- (D) The purpose of this Collaboration Agreement is to set out a framework for joint working between the Parties to enable delivery of the Deal.
- (E) This Agreement has been varied by each of the four Black Country Local Authorities, following Black Country Joint Committee approvals as follows:
 - (i) 7 September 2016 to incorporate all funding opportunities administered by or resulting from the West Midlands Combined Authority.
 - (ii) 12 February 2020 to incorporate all current and future funding opportunities secured or operated by or through the Black Country Local Enterprise Partnership (BC LEP).
 - (iii) 9 December 2020 via a Supplemental Deed of Variation to add the governance and processes in relation to the Black Country Enterprise Zones.

1. Definitions

1.1. Interpretation

In this Agreement the following words and expressions have the following meanings:

Assurance Framework means the National Assurance Framework as issued by central Government together with the Black Country Local Assurance Framework, which sets out how this is to be applied and adhered to by all Parties.

Authority means one of the four Black Country Local Authorities signatories to this Agreement, comprising of the Metropolitan Borough Councils of Dudley, Sandwell and Walsall and Wolverhampton City Council.

Business Case means the business case which sets out a Project proposal in the format as set out in Schedule 2 and which is ultimately approved by the Joint Committee to enable Project commencement.

Combined Authority means the West Midlands Combined Authority and/ or subsequent amended or replacement and its successors.

Data Protection Legislation means the GDPR, the Data Protection Act 2018 and all relevant codes of practice and directives regarding the processing of confidential, personal and/or special category data.

Deal means City Deal and / or Growth Deal, Land and Property Investment Fund (LPIF) and / or any subsequent amended or replacement for them as determined by central Government and/ or funding provided by the Combined Authority, generated through any Black Country Enterprise Zone/s and/or any funding secured by the Black Country Local Enterprise Partnership (BC LEP) requiring an accountable body.

End Date means the date specified in any grant or funding agreement by which the agreed activity must have been completed by, and when any claw-back provision may be exercised.

Enterprise Zone means those areas specified as such locally or externally and falling within the Black Country Local Enterprise Partnerships area.

Force Majeure means any circumstances beyond the reasonable control of any Party (including, without limitation, any strike, lock-out or other form of industrial action).

Funding Agreement means any Deal funding agreement or funding secured by the Black Country Local Enterprise Partnership (BC LEP) and related documents to be entered into between the Single Accountable Body and central Government.

GDPR as means the General Data Protection Regulation, (Regulation (EU) 2016/679).

Governance Structure means the decision making structure for the Joint Committee as set out in the constitution of the Joint Committee, and this Collaboration Agreement.

Grant Agreement means any Programme or Project funding agreement and related documents to be entered into between the Single Accountable Body and a Party of this Agreement.

HoR Working Group (Heads of Regeneration Working Group) means the body which comprises of the relevant Directors of each of the Authorities, the constitution for which is set out in Schedule 1.

Intellectual Property Rights means all patents, trademarks, copyright, moral rights, rights to prevent passing off, rights in designs, know-how and all other intellectual or industrial property rights, in each case whether registered or unregistered and including applications or rights to apply for them and together with all extensions and renewals of them, and in each and every case all rights or forms of protection having equivalent or similar effect anywhere in the world.

Joint Committee means the Joint Committee that has been established as a legally formed body of the Cabinets of Walsall, Dudley, Sandwell and Wolverhampton and is known as the "Black Country Executive Joint Committee" and which will carry out its decision making in accordance with the Governance Structure approved by each Party.

Joint Executive Committee Terms of Reference and Constitution means the Terms and Reference and Constitution as set out in Schedule 3 which has been approved by the Executive of each Black Country Local Authority.

Lead Authority means the Local Authority allocated by the Joint Committee to be the Lead authority for delivery of a particular Project.

Material Change in Circumstances means a change that does or is likely to significantly affect or impact upon delivery of the Programme or any Projects under it which necessitates a change in any decision made by the Joint Committee or if such circumstances were known at the time of the Joint Committee decision it would have potentially influenced the Joint Committee to make different decision than the one that was made originally.

Monitoring Procedures means the Programme monitoring procedures, Programme audits and any other reporting, monitoring or audit processes required by a central Government department in relation to the Programme.

Objectives and Outputs means the successful delivery and completion of all Projects and/or initiatives as agreed by the Joint Committee together with such other objectives and outputs as are adopted by the Parties from time to time in accordance with this Agreement.

Programme means the operational element of the individual programme within the Deal, secured by the Black Country Local Enterprise Partnership, from central Government for the Black Country area, which comprises the administrative boundaries of Walsall, Dudley, Sandwell and Wolverhampton, including any individual Projects and/or funding streams.

Programme Manager means an officer appointed by Walsall Council to fulfil the roles and duties of the Programme Manager as detailed in this Agreement.

Project means an individual Project or initiative within the overall Deal that is subject to an application to the Joint Committee for funding to be allocated to it pursuant to the Programme.

Single Accountable Body means the Local Authority appointed by the Black Country Local Enterprise Partnership (BC LEP) and the Joint Committee to act in this role to manage on their behalf all funds forming part of the Deal with central Government, the West Midlands Combined Authority or any funding secured.

Third Party means any organisation which is not a Party to this Agreement.

1.2 In this Agreement:

1.2.1 The clause headings do not affect its interpretation,

1.2.2 Words in the singular shall include the plural and vice versa,

1.2.3 Unless otherwise indicated, references to clauses and Schedules are to clauses of and Schedules to this Agreement, and references in a Schedule to a paragraph are to a paragraph of that Schedule,

1.2.4 References to any statute or statutory provision include references to:

1.2.5 All Acts of Parliament and all other legislation having legal effect in the United Kingdom,

1.2.6 Any subsequent statutes directly or indirectly amending, consolidating, extending, replacing or re-enacting that statute and also include any orders, regulations, instruments or other subordinate legislation made under that statute,

1.2.7 A person includes a natural person, corporate or unincorporated body or organisation and their successors and permitted assigns,

1.2.8 Including means including, without limitation,

1.2.9 If any provision is held to be illegal, invalid or unenforceable that provision shall be struck out and the legality, validity and enforceability of the remainder of the Agreement is to be unaffected.

2. Collaboration

2.1 The Parties agree to work in a spirit of mutual co-operation to fulfil their agreed roles and responsibilities to achieve the Objectives and Outputs, and to put in resources to the extent set out in this Agreement.

2.2 Each Party, which is an Authority, has agreed to form a Joint Committee, which will undertake the functions as set out in the Joint Committee Terms of Reference and Constitution as set out in Schedule 3.

2.3 Walsall, as secretary to the Joint Committee, will publish in accordance with its own constitution all agendas, reports, Forward Plan and minutes of the Joint Committee and will distribute all agendas, reports, and minutes of the Joint Committee to the Authority Parties within such timescales that will allow the Authority Parties to comply with their statutory Access to Information requirements. Walsall as secretary will maintain the Forward Plan of the Joint Committee and submit the plan to all Parties in a timely manner.

2.4 The Authority Parties have agreed the principles of how the Joint Committee will operate which is set out in the Governance Structure. Walsall will provide copies of all agendas, reports, and minutes to all Authority Parties as soon as they become available for publication in accordance with any legislative requirements.

2.5 Each Party shall:

2.5.1 Carry out the tasks and contribute sufficient resources and facilities to ensure that the Programme objectives are met and commitments under this Agreement are met,

- 2.5.2 Co-operate with each other and do such acts, matters and things as may be necessary or desirable to implement the decisions of the Parties and in order to complete the Programme,
- 2.5.3 Keep the other Parties fully informed of the progress of and of any matters relevant to the Programme and make available to the other Party all relevant information, data, reports and opinions in relation to the Programme,
- 2.5.4 Immediately notify the other Parties in writing if there is an unexpected problem which are likely to cause a material delay to achievement of any of the objectives of the Programme, or any particular stage of the Programme, or any material increase in the costs of the Programme, or if any Party becomes aware of the action of any third party, which threatens to affect adversely the progress of the Programme, or the reasonable expectations of either Party hereunder.
- 2.6 The direction of the Programme shall be vested in the Joint Committee, which shall be advised by the HoR Working Group, which shall carry out its role in accordance with its Constitution and Functions.
- 2.7 The planning, and overall management of the Programme, including initial appraisal of Project proposals shall be vested in the HoR Working Group. The Constitution and Functions of the HoR Working Group are set out in Schedule 1. Without prejudice to the generality of the foregoing, the matters set out in Schedule 1 shall only be agreed by the HoR Working Group.
- 2.8 The final decision making on Project Approval, including material changes to approved Projects, shall be vested in the Black Country Executive Joint Committee. Material changes are variations to a Project that change the nature, outcome or objectives of a Project, for the avoidance of doubt material variations are outlined in the Black County Local Assurance Framework, Appendix 25.
- 2.9 Where a Material Change in Circumstances occurs after a Project has been approved by the Joint Committee, the Joint Committee must be advised of that Material Change in Circumstances as soon as practicable, after the Lead Authority for a Project becomes aware of the Material Change in Circumstances.
- 3. Appointment to Roles**
- 3.1 Following instructions received from central Government in 2019, the Black County Local Enterprise Partnership (BC LEP) is required to appoint a Single Accountable Body, effective from February 2020. The Joint Committee will be required to approve the appointment of one of the Authorities into the role of the Single Accountably Body.
- 3.2 Working with or to the Single Accountable Body, it may be required to appoint a Lead Authority to deliver agreed projects and/or activities. This appointment will require approval by both the Black County Local Enterprise Partnership (BC LEP) and the Joint Committee.
- 3.3 Where the Single Accountably Body and Lead Authority are one and the same, the respective duties of those roles, as defined in this Agreement, agreed by the Joint Committee, or otherwise set out in a Joint Committee approved Project Business Case, shall be concurrent.
- 3.4 The Joint Committee will, with the agreement of the Single Accountable Body, decide how the Single Accountable Body will recover the costs associated with the implementation of the Projects. Except as specifically agreed between the Parties, the cost of all officer time and resources necessary to perform the role of Single Accountable Body shall be met from the funding available and not from the budgets of the Parties to this Agreement.

4. Project Approval

- 4.1 Project proposals shall be worked up by the Parties to this Agreement, for the avoidance of doubt, any Project proposal put forward by the Parties can be a Project proposal initiated by a third Party. Where such a Project proposal is initiated by a third Party the Project proposer must detail the third Party who intuited the Project proposal.
- 4.2 The process for Project proposals shall be:
- 4.3 All project proposals will follow / meet the requirements of the central Government National Assurance Framework, as articulated through the Black Country Local Assurance Framework. As the Government amends or places additional duties or responsibilities, these will be reflected in the Local Assurance Framework and must be adhered to by all parties to this Agreement.
- 4.4 Project proposals and Business cases will be submitted in accordance with the Black Country Local Assurance Framework as part of the decision making process and governance arrangements.
- 4.5 Each Project will have a designated (Sponsoring) Senior Project Officer and a proposed Lead Authority for preparing and for approval and submission of the Business Case to the Joint Committee. HoR Working Group will ensure that the Programme and all projects recommendations are reviewed and approved by their own Council's Portfolio Holders for Regeneration and that the projects recommendations within their geographical area are reviewed and approved via consultation process by relevant officers (including legal and finance) in their respective authorities.
- 4.6 Where agreement of the HoR Working Group is given for the submission of Business Case in a form of a project report to the Joint Committee, BCC shall present the Business Case to the Joint Committee for approval. This will be in the format agreed by the Joint Committee and where required presentation of the report shall be supported by the relevant Head of Regeneration/Senior Responsible Officer from the Local Authority. For the avoidance of doubt, the final decision on the status of any Project is at the point of Project approval by the Joint Committee.
- 4.7 The above stages enable the appropriate approval bodies to approve or reject a project to move to the next stage in the lifecycle. All projects within the cycle will move through the same Project Lifecycle and Stage Gates as outlined in the Black Country Local Assurance Framework, leading up to final Project approval by the Joint Committee.

5. Project Management

- 5.1 When appointed Single Accountable Body or Lead Authority, the relevant Authority will assign a member of staff to the role of Project Manager and provide sufficient support to officers to ensure delivery of the Programme and the Projects.
- 5.2 The Lead Authority shall be responsible for writing and submitting updates and progress reports jointly with BCC as set out in the Business Case and in any event as requested by the HoR Working Group and Joint Committee. For the avoidance of doubt, the Lead Authority for any Project will send its relevant Executive Director or his representative to all meetings at which the Projects for which they are Lead Authority are being considered.
- 5.3 The Parties set up a HoR Working Group in accordance with Schedule 1 and the role of the HoR Working Group is as set out in Schedule 1. Notwithstanding, anything contained within this

Agreement and the Schedules, the Parties role at the HoR Working Group will be to have overall operational responsibility for the implementation of the Programme and all of its elements.

- 5.4 The Governance Principles for the Enterprise Zones, Schedule 5, sets out the principles and a framework for managing and monitoring the Black Country Enterprise Zone Programme, including: the process for the collection, distribution and monitoring of the business rates and business rates surpluses; collaborative working between the Local Authorities, including joint working on the Financial Model and roles and responsibilities; prioritisation of costs to be funded from business rates; and principles of borrowing and payback.
- 5.5 Unless agreed otherwise with central Government and subject to at all times compliance with UK procurement law requirements, all procurement of goods, works and/or services needed for or in the delivery of Projects shall be procured in accordance with the Lead Authorities constitution and in particular contract and/or procurement rules.
- 5.6 The Parties roles and responsibilities in relation to the Programme's, the Joint Committee and/or the HoR Working Group as set out in this Agreement shall be carried out by personnel of the Parties and no charge shall be made to the Programme in respect of costs except for where costs have been agreed to claimed by a Party either as part of an approved Business Case and/or by the Joint Committee at any time.
- 5.7 The Single Accountable Body Programme Manager will be responsible for arranging the HoR Working Group meetings, their agenda, minuting decisions, and will be responsible for providing written updates to HoR Working Group and Joint Committee on the progress of specific Programme tasks and Projects as appropriate.
- 5.8 The Parties agree that they shall ensure officers attend Programme/ Project meetings, as appropriate, as set out in the Black Country Local Assurance Framework to enable management of the Programme, projects and the Deal effectively.

6. Project Audit and Claw-back

- 6.1 Each Party shall be responsible for ensuring compliance with all financial requirements imposed under any grant terms imposed by central Government for any element of the Programme or Project for which they are the Lead Authority.
- 6.2 At all times each Party will be responsible for ensuring that adequate audit arrangements are in place for any element of the Programme or Project for which they are the Lead Authority including providing free and unfettered access to all information and documentation in relation to the Programme and/or Project for which they are the Lead Authority.
- 6.3 Each Party agrees to give the Single Accountable Body and Lead Authority unrestricted and unfettered access to all information and documentation in relation to any element of the Programme and/or Project for which they are the Lead Authority, including providing copies of any such information and/or documentation free of charge.
- 6.4 In the event of any irregularity of any expenditure declared by any, the auditor of a Party or the Single Accountable Body's auditor, that Party shall be liable in respect of such irregularity and shall be required to repay to the Single Accountable Body any amounts unduly paid.
- 6.5 Subject to Clause 6.4, and unless agreed otherwise by the Joint Committee, the Parties agree that in the event that any monies are clawed back from the Single Accountable Body by central Government as the Single Accountable Body pursuant to any Funding Agreement, then all of the Parties will:

- 6.5.1 Take all reasonable steps to mitigate the amount of monies clawed back from the Single Accountable Body; and
- 6.5.2 Where there is an administrative irregularity by the Single Accountable Body or Lead Authority declared by an auditor of a Party and accepted by the Joint Committee, the Parties shall meet the costs of the claw-back in the same proportion to the programme funding that has been expended within their administrative area.
- 6.5.3 Where fault is proven or accepted, the Party / Parties concerned will be responsible for meeting all costs associated with the claw-back and / or costs incurred by the Single Accountable Body.

7. General Obligations

- 7.1 The Parties agree that they will be bound by the terms of any funds secured by the Black Country Local Enterprise Partnership Funding Agreement(s) entered into by the Single Accountable Body or Lead Authority as if they had entered into the agreement in so far as the actions of a Party causes or Leads to a breach of the Funding Agreement by the Single Accountable Body or Lead Authority.
- 7.2 The Parties agree that they shall be required to comply directly with the terms of any Grant Agreement if they are a recipient of any funding derived from the Funding Agreement.
- 7.3 The Parties agree to assist, co-operate and comply with the Monitoring Procedures and will work together to resolve or rectify any errors or irregularities identified during the Monitoring Procedures or otherwise.
- 7.4 Each Party shall be liable for any cost implications or irregularities or errors attributable primarily to it and identified during any Monitoring Procedures.
- 7.5 Each Party indemnifies the others against all claims, liabilities, costs, expenses, damages or losses suffered by the others arising out of the negligence, default or breach by such Party of this Agreement or the Grant Agreement, and each Party shall be responsible for maintaining sufficient insurance where available in respect of such liabilities under this Agreement.
- 7.6 Each Party shall at all times take all reasonable steps to minimise and mitigate any loss for which the relevant Party is entitled to bring a claim against another pursuant to this Agreement.

7A. Rights of the Single Accountable Body

- 7A.1 Where the Single Accountable Body enters into a grant agreement with a Third Party, the Single Accountable Body will require formal security in the form of a legal charge, mortgage, performance bond or similar as it considers fit and prudent.

- 7A.2 Where a Lead Authority either

- (a) enters into a Grant Agreement with the Single Accountable Body, or
- (b) agrees in writing to indemnify a Third Party project due to their inability to meet security requirements as per 7A.1,

the Lead Authority agrees to indemnify the Single Accountable Body against all claims, liabilities, costs, expenses, damages or losses suffered by the Single Accountable Body arising out of the negligence, default or breach by either the Lead Authority or the Third Party in respect of the

Grant Agreement.

7A.3 such an indemnity shall, for the avoidance of doubt, apply where:

7A.3.1. the Lead Authority or the Third Party indemnified by the Lead Authority has failed to repay all or any of the grant funding upon demand within fourteen days of being requested by the Single Accountable Body to make such repayment, in circumstances including (but not limited to) a breach of the grant agreement;

7A.3.2 where there has otherwise been a claw-back (or demand for claw-back) made by central Government to the Single Accountable Body in respect of all or any part of the grant funding.

7A.4 Where any grant for capital expenditure is time limited, the Lead Authority will make any such payment (as set out in clauses 7A.2 and 7A.3.) if they or the Third Party have failed to demonstrate and evidence by the End Date of such grant that it is highly probable that a Fixed Asset will be delivered and meets Accounting Standards for Capitalisation. The minimum evidence requirements to avoid repayment pursuant to this clause would be a full business case, approved by all the funders of the Project, including the evidence of any required match funding.

7A.5 The Lead Authority understands and agrees that the Single Accountable Body will be entitled to satisfy any such sums demanded from them or Third Parties under clause 7A by offsetting the amount of such sums against any payments due whatsoever from the Single Accountable Body to the Lead Authority.

7A.6 Where any grant is in excess of a monetary threshold (*to be advised by the Single Accountable Body*) clauses 7.A2 to 7.A5 will be set out in a Side letter to be signed by the Section 151 Officer and Chief Executive of the other Party to confirm that they understand the obligations of this Agreement. Such a Side letter will be appended as a Schedule to any grant agreement to which this Clause applies.

7B National Local Growth Assurance Framework, the Black Country Local Assurance Framework and the Section 151 Officer

7B.1 All parties to this agreement agree to adhere in full to all elements of the Government's National Local Growth Assurance Framework, as administered by the Ministry of Housing Communities and Local Government that apply to the Black Country Local Enterprise Partnership.

7B.2 The requirements of the National Local Growth Assurance Framework have been taken as the basis of and have been articulated within the Black Country Local Assurance Framework. All parties to this agreement will at all times comply with the requirements, processes and procedures as set out within the Black Country Local Assurance Framework, together with all / any amendments subsequently approved by the Black Country Local Enterprise Partnership.

7B.3 The Local Authority appointed as the Local Enterprise Partnership's Single Accountable Body will ensure that their Section 151 Officer understands, and delivers / ensures the delivery of the roles and principles as set out within the Chartered Institute of Public Finance & Accountancy (CIPFA), Principles for Section 151 Officer in accountable bodies working with local enterprise partnerships document, including any future revisions or adaptations.

7B.4 All parties to this agreement will ensure that they fully understand what's expected of them in relation to meeting these Section 151 Officer requirements, and will work collaboratively with the appointed Single Accountable Body to achieve them.

- 7B.5 The receipt of funding from the Black Country Local Enterprise Partnership requires full compliance with the National Local Growth Assurance Framework, the Black Country Local Assurance Framework and the requirements of the Single Accountable Bodies Section 151 Officer, failure to meet these requirements will place all funding, approved and planned at risk of being placed on hold or being withdrawn or reclaimed by the LEP.

8. Scrutiny of Joint Committee decisions

- 8.1 As and when required, by an Overview and Scrutiny Committee or Board or an Audit Committee of any Party, the member of the Joint Committee for the Authority, whose Overview and Scrutiny Committee or Board or Audit Committee has instigated an investigation, shall take the lead responsibility for accounting for the activities of the Joint Committee to the Overview and Scrutiny Committee or Board or Audit Committee, and shall attend such meetings of those committees of its Authority as necessary.
- 8.2 The Parties shall liaise and co-operate at all times with the Authority whose Overview and Scrutiny Committee or Audit Committee have made requests for information and/or reports and use all reasonable endeavours to assist that Authority in responding to such requests, but for the avoidance of doubt, no Party, its officers or members shall be required to attend the Overview and Scrutiny Committee or Board or an Audit Committee of any other Party.

9. Documentation

The HoR Working Group will produce the initial drafts of the standard documentation for the Programme for approval by the Joint Committee, and will ensure that the Programme and all projects recommendations are reviewed and approved by their own Council's Portfolio Holders for Regeneration and that the projects recommendations within their geographical area are reviewed and approved via consultation process by relevant specialist officers (including finance and legal) in their respective authorities.

10. Confidentiality

- 10.1 Each Party shall use all reasonable endeavours to keep in strict confidence, and shall bind all its employees and agents to keep in strict confidence, all commercial and technical information in whatever form acquired by it (whether directly or indirectly) concerning another Party in consequence of this Agreement (hereinafter called Confidential Information). No Party shall save, as hereinafter provided, use or disclose any such Confidential Information other than for the purposes of the Programme or as expressly permitted by this Agreement. The foregoing restriction shall not apply to:
- 10.2 Information which at the time of disclosure is generally available to the public,
- 10.3 Information which the Parties obliged to release under the provisions of the Freedom of Information Act 2000,
- 10.4 Information which after disclosure becomes generally available to the public through no fault of the receiving Party,
- 10.5 Information which the receiving Party can show was in its possession prior to the disclosure and which was not acquired directly or indirectly from the other Party, and
- 10.6 Information which the receiving Party can show was received by it after the time of disclosure from any Party without any obligation of confidentiality and which was not acquired directly or indirectly from the other Party,

- 10.7 The confidentiality obligations set out in this clause shall survive for a period of five (5) years after the termination of the Programme,
- 10.8 Each Party shall impose the same confidentiality obligations set out in this clause 9 upon its affiliates, consultants and other third parties who are in association with it and may have access to any Confidential Information during the term of this Agreement.

11. Intellectual Property

The Parties agree that all Intellectual Property Rights relating to the Programme shall, unless otherwise agreed in writing, belong to the Parties jointly, and that the Parties will use all reasonable endeavours to ensure that each receive appropriate rights to any Intellectual Property Rights created during and relating to the Programme.

12. Warranties

- 12.1 Each Party warrants to the other Parties that:
- 12.2 It has the necessary right and authority to enter into this Agreement,
- 12.3 The signatories hereto for and on behalf of that Party are authorised and fully empowered to execute this Agreement on that Party's behalf.

13. Force Majeure

- 13.1 If any Party is affected by Force Majeure it shall forthwith notify the other Parties of the nature and extent thereof.
- 13.2 No Party shall be deemed to be in breach of this Agreement, or otherwise be liable to the other, by reason of any delay in performance, or the non-performance, of any of its obligations hereunder, to the extent that such delay or non-performance is due to any Force Majeure of which it has notified the other Parties, and the time for performance of that obligation shall be extended accordingly.
- 13.3 If the Force Majeure in question prevails for a continuous period in excess of three months, the Parties shall enter into bona fide discussions with a view to alleviating its effects, or to agreeing upon such alternative arrangements as may be fair and reasonable.

14. Duration and termination

- 14.1 The provisions of this Agreement shall come into force on the Commencement Date and, subject to the provisions of clause 14.2, shall continue in force until the completion of the Programme(s) objective and outputs within the Deal.
- 14.2 A Party may only withdraw from this Agreement by three month's written notice to the others Parties and the Joint Committee if the Party has not received funding or the benefit of funding under the Deal within their administrative area and/or the Programme and or the Deal is terminated.
- 14.3 In the event of any one or more Party giving notice to terminate this Agreement then the Joint Committee shall meet within one month of the service of any such notice of termination for the purposes of preparing an implementation plan for the termination. The Parties shall each act reasonably in co-operating with each other to facilitate the termination and the Party giving notice of termination (or if there is more than one such Party then each of them in equal shares) shall

bear all costs arising out of or in connection with such termination and shall indemnify the remaining Parties against all costs and expenses incurred or to be incurred by them arising out of or in connection with that termination

- 14.4 No relaxation, forbearance, delay or indulgence by any Party in enforcing any of the terms of this Agreement or the granting of time by any Party to any other shall prejudice, affect or restrict the rights and powers of that Party in relation to the other, nor shall any waiver by any Party of a breach of this Agreement be considered as a waiver of any subsequent breach of the same or any other provision.
- 14.5 The rights to terminate or withdraw from this Agreement given by this clause 14 shall not prejudice any other right or remedy of any Party in respect of the breach concerned (if any) or any other breach.

15. Variation

The Joint Committee shall from time to time review the operation of this Agreement and implementation of the Programme(s) and or the Deal. The Joint Committee shall make proposals to the Parties for any changes which seem to the Joint Committee to be reasonable and appropriate in the circumstances which shall be dealt with by a Deed of Variation appended to this Agreement.

16. Publicity and Public Relations

The Parties shall co-operate and consult with each other in respect of any matter involving public relations in so far as reasonably practicable having regard to the nature and urgency of the issue involved. The Parties acting through the Joint Committee may agree protocols for the handling of public relations from time to time.

17. Disputes

- 17.1 If any dispute arises between the Parties arising out of the provisions of this Agreement, the Parties shall endeavour to resolve the dispute by agreement as quickly as possible, but if the dispute has not been resolved within ten (10) Working Days, then either Party may request the others to participate in a meeting of their Chief Executives. The Parties in dispute shall exchange statements at least three (3) clear Working Days prior to the date of the meeting, setting out their respective views of the disputed issues. If the Chief Executives do agree a strategy for the resolution of the dispute, the Parties shall then liaise in good faith to arrange and implement the strategy for resolution within ten (10) Working Days of the meeting.
- 17.2 If notwithstanding any steps taken by the Parties pursuant to clause 17.1, the dispute between them remains unresolved then at the request of any Party it shall be referred (in the absence of any express provision to the contrary) to an Independent Person appointed jointly by the Parties.
- 17.3 The Independent Person is to have at least 10 years relevant post qualification experience and his/her identity shall be agreed between the Parties.
- 17.4 If the Parties cannot agree on the Independent Person's identity, the Independent Person is to be appointed at the request of any of the Parties by the president or chairman for the time being of whichever of the following bodies is most appropriate having regard to the nature of the dispute:
- 17.5 The Royal Institution of Chartered Surveyors;

- 17.6 The Institute of Chartered Accountants in England and Wales; or
- 17.7 The Law Society of England and Wales.
- 17.8 The Independent Person is to act as arbitrator in accordance with the Arbitration Act 1996 and the costs of the arbitration shall be payable by the Parties in the proportions determined by the Independent Person unless agreed otherwise the default position being as determined under the Arbitration Act 1996.
- 17.9 Where costs of the Independent Person remain unpaid by the Party liable to pay them pursuant to this clause, the other Parties or any of them may discharge those costs and recover the sum so paid from the defaulting Party as a debt on written demand.

18. Priority of documents

- 18.1 In the event of any inconsistencies between the terms of this Agreement and its Schedules the Parties are the following order of priority of documents:
- 18.1.1 This Agreement;
- 18.1.2 The Constitution and Terms of Reference of the Black Country Executive Joint Committee;
- 18.1.3 The Constitution and Functions of the HoR Working Group.

19. Complaints

In the event of a complaint about a Project being received, the Lead Authority for that Project will manage the complaint and shall report regularly as necessary upon the complaint and in any event at the conclusion of the complaint.

20. Local authority powers

Nothing in this Agreement shall prejudice or affect any of the statutory rights powers obligations and duties for the time being vested in the Parties.

21. Notices and service

- 21.1 Any notice or other information required or authorised by this Agreement to be given by any Party to the other Parties shall be given by:
- 21.2 Delivering the same by hand,
- 21.3 Sending the same by pre-paid registered post, or
- 21.4 Sending the same by facsimile transmission,
- 21.5 To the other Party or Parties at the address given at the beginning of this Agreement or such other address as has been notified to the Parties in writing.
- 21.6 Any notice or information sent by post in the manner provided by clause 21.1, which is not returned to the sender as undelivered, shall be deemed to have been given on the second day after the envelope containing it was posted, and proof that the envelope containing any such notice or information was properly addressed, pre-paid, registered and posted, and that it has

not been returned to the sender, shall be sufficient evidence that the notice or information has been duly given.

- 21.7 Any notice or information sent by facsimile transmission shall be deemed to have been duly given on the date of transmission, provided that a confirming copy is sent to the other Party or Parties at the appropriate address within.

22. Freedom of Information

- 22.1 The Parties acknowledge that they are subject to the requirements of the code of practice on access to Government information, the Freedom of Information Act 2000 ("FOIA") and the Environmental Information Regulations ("EIR") and shall assist and cooperate with each other to enable the Parties to comply with their information disclosure obligations.
- 22.2 The Parties shall provide all necessary assistance as reasonably requested by the other Parties to enable the other Parties to respond to any requests for information that falls under the FOIA or EIR and is related to the Project ("Request for Information") within the time for compliance set out in section 10 of the FOIA or regulation 5 of the EIR.
- 22.3 The Party who received the initial Request for Information shall be responsible for responding to the initial request and determining in its absolute discretion and notwithstanding any other provision in this Agreement or any other agreement whether any information is exempt from disclosure in accordance with the provisions of the code of practice on access to Government information, FOIA or the EIR.
- 22.4 The Parties shall ensure that all information produced in the course of this Agreement is retained for disclosure and shall permit the other Parties to inspect such records as requested from time to time.

23. Data Protection Legislation

With respect to the parties' rights and obligations under this Agreement, the Parties agree to each comply with the obligations imposed on them by the Data Protection Legislation and to ensure that Personal Data (as defined in the Data Protection Legislation) is processed only in accordance with their own policies on data protection, information security and retention of personal data to comply with their obligations under the Data Protection Legislation.

24. Equality Act 2010

The Parties agree to each comply with the obligations imposed on them by the Equality Act 2010.

25. General

- 25.1 This Agreement is personal to each of the Parties and no Party may assign, mortgage, charge or (except as otherwise provided in this Agreement) license any of its rights hereunder, or sub-contract or otherwise delegate any of its obligations hereunder, except with the written consent of all the other Parties.
- 25.2 Nothing in this Agreement shall create or be deemed to create a partnership or the relationship of principal and agent, between the Parties.
- 25.3 The Parties will act in good faith towards each other in relation to the Deal and in achieving the Objectives and Outputs of the Programme and in complying with this Agreement and the Funding Agreement.

- 25.4 If any provision of this Agreement is held by any competent authority to be invalid or unenforceable in whole or in part, this Agreement shall continue to be valid as to the other provisions thereof and the remainder of the affected provision.
- 25.5 This Agreement, the Funding Agreement and the documents referred to in it, constitutes the entire agreement and understanding of the Parties and supersedes any previous agreement between the Parties relating to the subject matter of this Agreement.
- 25.6 All of the Parties acknowledge and agree that in entering into this Agreement, and the documents referred to in it, it does not rely on, and shall have no remedy in respect of, any statement, representation, warranty or understanding (whether negligently or innocently made) of any person (whether Party to this Agreement or not) other than as expressly set out in this Agreement. Nothing in this clause shall, however, operate limit or exclude any liability for fraud.
- 25.7 All payments by any Party pursuant to this Agreement are exclusive of any applicable Value Added Tax (VAT), except where expressed to the contrary, and if any such VAT is payable, the Party in question shall be additionally liable for such tax, which shall accordingly be shown on the relevant VAT invoice.
- 25.8 No variation to this Agreement or of any of the documents referred to in it shall be valid unless it is in writing and signed by and on behalf of all of the Parties.
- 25.9 Every Party shall from time to time do all such acts and execute all such documents as may be reasonably necessary in order to give effect to the provisions of this Agreement.
- 25.10 The Parties shall bear their own costs of and incidental to the preparation, execution and implementation of this Agreement.
- 25.11 The Parties do not intend that any of this Agreement should be enforceable pursuant to the Contracts (rights of Third Parties) Act 1999 by any person who is not a Party to this Agreement.
- 25.12 This Agreement shall be governed by and construed in accordance with the laws of England and Wales.

SIGNED by or on behalf of the Parties on the date which first appears in this Agreement.

SCHEDULE 1 Constitution and Functions of the Heads of Regeneration Working Group

The Black Country Heads of Regeneration Working Group (HoR Working Group) will oversee the delivery of the programme making key recommendations to the Black Country Executive Joint Committee (BCJC)

CONSTITUTION

1. The HoR Working Group shall comprise of:

Decision making (voting) membership:

- 4 Relevant Directors¹ (or their nominated proxy).

Adviser/support membership (none decisions making members):

- Joint Committee Programme Manager;
- BC Transport Director;
- Single Accountable Body Officers;
- BCC Ltd Officers;
- BC LEP representatives;
- Regeneration Managers;
- Other officers as appropriate.

2. The HoR Working Group shall at its Annual Meeting (AGM, held in line with the start of municipal year) elect a Chair from among its voting members. In the event of the Chair being absent from the meeting, the HoR Working Group shall elect a Chair from amongst the voting members present for that meeting. Only a full voting member is entitled to be elected as a Chair of the Group.
3. The voting members can nominate an alternate member (nominated proxy) to attend on their behalf, who will for that meeting be considered a voting member, but may not chair the Group.
4. Two voting members shall constitute a quorum.

¹ Directors of Regeneration, Environment/Housing (CWC); Director of Regeneration & Enterprise (DMBC); (Interim) Director Regeneration and Growth (SMBC); Executive Director Economy, Environment and Communities (WMBC).

5. All questions shall be decided by a majority of the votes of the voting members present, the Chair having the casting vote in addition to his/her vote as a member of the Group.
6. The HoR Working Group shall meet as agreed at AGM and set the forthcoming year's timetable of meetings.
7. A meeting of the HoR Working Group may also be convened by the Chair within 14 days of the receipt of a requisition of voting member of the group. All requisitions shall be in writing and no business other than that specified in the requisition shall be transacted at such a meeting. However, in cases of genuine urgency a meeting may be convened at any time by the Chair, upon 5 working days of notice to all members of the Group.
8. Should urgent items occur that require immediate decisions, the Chair may through the appropriate mediums (phone, email, etc.) contact the voting members and agree a decision, which must be confirmed in writing by each voting members contacted as soon as possible and discussed at the next scheduled meeting date.
9. The HoR Working Group shall from time to time appoint such sub-Working Groups to consider and deal with any of the functions of the Group as may be thought desirable. Membership of which is determined by the HoR Working Group.
10. The HoR Working Group Secretary shall be Walsall Council, and all meetings of the Group shall take place at Walsall Council, unless agreed otherwise by the Chair.
11. The role of the Secretary shall include:
 - i. Preparing the agenda and submitting reports prepared by the Black Country Consortium Ltd Programme Management Office (BCC Ltd PMO) either of the Black Country Local Authorities' or other bodies to the Group and minutes of the meetings.
 - ii. Arrangements for recommendations from the Group, including supporting reports and Consultation Sheets, to the BCJC.
12. Members of the HoR Working Group or sub- Groups that are representatives appointed by a Black Country Local Authority must comply with their own Council's Code of Conduct.
13. Members of the HoR Working Group or sub- Groups with Conflicts of Interest must comply with the following rules:

- a. A conflict-of-interest arises where any decision potentially gives direct commercial or financial payment or benefits to:
 - a. you,
 - b. a close member of your family,
 - c. an organisation that you are either:
 - i. are employed by or hold office with or
 - ii. in which you own more than 10% of the issued share capital
 - b. a conflict-of-interest as set out in situations above does not arise in relation to any business regarding allocation of funding streams or Projects to be allocated to or benefit the area of any of the four **Black Country Local Authorities**.
 - c. Upon a conflict-of-interest arising:
 - i. in the case of a voting member that member must declare an interest and not vote, but may remain in the room to make representations;
 - ii. in the case of non-voting members that member must declare an interest but may remain in the room to make representations.
14. Gifts and **Hospitality** policy for elected members attending the group meeting will be the same as that of their own **Black Country Local Authority**. For non-elected voting members, they should declare any gifts or hospitality that has a value over £25, which may be seen as related to their role on the **HoR Working Group** and or any specific scheme, Project or funding stream.
15. The HoR may invite external visitors to attend meetings; this can be for an individual meeting to make, for example, a presentation, or for a number of meetings against a theme of work commissioned, etc. Visitors can take part in the debates associated with the agenda items for which they are invited, but not for the remainder of the meeting, unless invited to do so by the Chair. Visitors can not take part in any voting and must declare any **Conflicts of Interest** on joining the meeting.

FUNCTIONS

Functions of the Heads of Regeneration Working Group:

1. To manage the Programme(s) on an operational basis.
2. To manage promotion of the Programme(s).
3. To lead the Consultation on the funding proposals and projects recommendations with their own Council's Portfolio Holder for Regeneration.
4. To ensure alignment between decision making on all funds secured by the BC LEP and decisions on other areas of policy such as land use, transportation, economic development and wider regeneration with the LEPs. Ensuring that business views are taken on board and that LEP growth plans are reflected in strategic priorities.
5. To act as a strategic advisory body; reviewing and recommending objectives for strategic investment across the Black Country in relation to all funds secured by the BC LEP including:
 - a. Providing a coherent single position on the major strategic issues for the funds secured by the BC LEP;
 - b. Formulating proposals for allocation of spending;
 - c. Formulating proposals for major priorities;
 - d. Considering and agreeing recommendations made by BC LEP;
 - e. Recommending Lead and/or Single Accountable Body status for a body or organisation;
 - f. Referring final recommendations from the HoR Working Group as to items a) to e) above to the BCJC for formal approval.
6. To agree the timeline for delivery of the implementation of the Programme(s), monitor progress and ensure that the key milestones are achieved.
7. Review and approval of reports with supporting Project Business Cases/Initial Proposals as necessary and provide recommendations to the BCJC in the form of a report.
8. To devise, oversee, manage and monitor the Programme(s) and elements of it generally and specifically review and evaluate on a regular basis ongoing individual Projects progression and delivery against the Business Case for the Project, including any key miles stones, financial spend and compliance with any central Government/ WMCA grant terms.

9. To identify and manage risk for the Programme(s) and individual Projects.
10. To ensure appropriate financial management is in place and complies with any government grant terms, EU (Withdrawal) Act 2018 and UK law, and accounting good practice.
11. To receive from Lead Authorities as appropriate detailed updates on Projects in accordance with the timescales set out in the Business case or otherwise as necessary, and Provide written updates along with appropriate recommendations on the progress of the specific Projects as necessary.
12. To advise the BCJC in relation to all funds secured by the BC LEP, i.e. capital expenditure programmes and potential programs, and ensuring policy and programmes are delivered effectively through partners.
13. Executive Directors will ensure that the Project Register on Verto is undertaken by officers, in their respective authorities, setting out Project details including, Project Authority, Project Authority Project Lead officer, Project Objectives, funding amount, Key dates, specific tasks/targets that need to be delivered to ensure Project success, Project key risks and mitigation measures in place, any relevant cut of date for funding spend and latest Project position.
14. Executive Directors will ensure that the Project Register is kept fully up-to-date by officers, in their respective authorities, who are responsible for leading on the Projects for which their Authority is the Lead Authority.
15. Executive Directors will ensure that the programme(s) and all projects recommendations are reviewed and approved by their own Council's Portfolio Holders for Regeneration via consultation process and ensure that any concerns, feedback or queries are raised and if possible resolved at the HoR Working Group meeting.
16. Executive Directors will ensure that the projects recommendations within their geographical area are reviewed and approved via consultation process by relevant officers (including legal and finance) in their respective authorities.

SCHEDULE 2 BC LEP Initial Proposal and Full Business Case Templates

Delivering the Black Country Strategic Economic Plan



Initial Proposal - For all Projects requesting Black Country LEP funding

Project Name:				
1. Applicant Details:				
Applicant/Lead contact:		Position:		
Applicant/Lead Organisation:				
Phone number:		Email address:		
Postal Address:				
Registration No:				
Project Sponsor:				
Project SRO / SSRO (Senior Responsible Officer)				
Local Authority area (please highlight)	Dudley	Sandwell	Walsall	Wolverhampton
Have you, or any associated organisations, previously delivered projects using or having been awarded public sector funding?				
If yes, please provide details				
2. What opportunity or barrier will this investment unlock?				
<i>Explain the strategic ambition and how this bid will support delivery of that ambition. What are the key drivers for investment?</i>				
3. Please highlight which of the SEP Growth Objective/s the project will contribute to:				
<div> <div>1. New Jobs</div> <div>2. New Homes</div> <div>3. Land Remediated</div> <div>4. Commercial Floorspace</div> </div>				
4. Please highlight which SEP theme(s) and strategic programme(s) the project will contribute to:				
Place Theme:	People Theme:	Competitiveness Theme:		

PL1. Sites & Premises	P1. Skills for the supply chain	B1. Supply chain development including Innovation & Enterprise
PL2. Infrastructure	P2. Skills Capital	B2. Global Opportunities
PL3. Housing	P3. Schools	B3. Access to Finance
PL4. Local Distinctive Economies	P4. Upskilling	
PL5. Environment		

5. How will this project unlock the specified SEP Growth Objectives?

Demonstrate how the proposal is aligned to the at least one of the 12 strategic programmes and will contribute towards achieving these growth objectives, whether directly or by acting as an enabler for economic growth.

6. What are the expected tangible Outputs/Outcomes to be realised?

(Please profile Skills Outputs as per the financial year, NOT the academic year)

Outputs/Outcomes	Metric	Direct / Indirect	2020/21	2021/22	2022/23	2023+	Total
Businesses Assisted	no.						
Businesses Created	no.						
Skills – Learners assisted (exc. Apprenticeships)	no.						
Skills – Apprenticeships Starts	No.						
Skills – Apprenticeships Completed	no.						
Employment – Jobs Created (FTE)	no.						
Employment – Jobs Safeguarded (FTE)	no.						
Place – Houses Started	Units						
Place – Houses Completed	Units						
Place – Land Remediated	Hectares						
Place – New Employment floor space – [specify use class here]	Sq. metre						
Length of newly built roads	Km						
Length of resurfaced roads	Km						
Length of new cycle ways	Km						
Other (please specify)							

7. Site Details

Location (include full address and postcode)					
Overall Site Area (Ha)					
Ownership / Occupation					
Existing / Former Use					
Existing Condition					
Planning Status of Project					
Any Other Comments					
8. For Learners Assists/Apprenticeships please specify the course offering and the level of learning supported (Apprenticeships, specify the framework duration (years))					
Course Details			Level of Learning Supported		
9. Expected TOTAL Project Costs & Source of Funding <i>(Please insert full figures only, rounded to the nearest £)</i>					
	% of Total Cost	2020/21	2021/22	2023+	Total
Total Project Cost					
Applicant Own Funds					
Other Public Funds <i>specify</i>					
Private Sector Funds <i>specify</i>					
Funding Requested from BC LEP - GRANT					
Total Project Value (if site/property)					
If Grant funding is sought, explain why grant is required as opposed to a loan. (Less than 100 words)					

10. What will LEP Funding be spent on? <i>(Please provide a detailed cost breakdown)</i>				
Project Costs	2020/21	2021/22	2023+	Total
<i>Example: Construction Costs</i>				
11. What are the main issues likely to derail the project?				
Issues	Means of Resolution			
12. What are the main risks the Project will need to manage?				
Risks	Means of Managing			
13. Please indicate how your project complies with Subsidy Control Regulations without contravening the Subsidy Control Legislation				
<p><i>All applicants need to take steps to satisfy themselves that any BC LEP funding approved does not amount to unlawful Subsidy Aid. Further confirmation to this effect will be requested at the Full Business Case Stage. A declaration of compliance with UK Subsidy Control Regulations will be required prior to any BC LEP funding being provided. If your project is awarded funds from the BC LEP it will be subject to a condition requiring the repayment of any BC LEP funding in the event that the funding constitutes unlawful Subsidy.</i></p>				
14. Any other Significant Constraints to deliver the Project not mentioned above				

15. Submission Checklist

Please ensure that the following documentation is submitted with this application:

- Site Plan
- Title Certificate
- Key Milestones
- Project Team
- Measures of Success
- Planning Consent (where available)
- Scheme Plans (where available)
- Summary Development Appraisal (where available)

For Site Investigation bids ONLY, please provide:

- 3 quotations in support of cost of works for which funding is sought
- Stage 2 Due Diligence Checklist (BC LEP Accountable Body)
- Small Amounts of Financial Assistance Declaration (applicable for grants approx. £350,000)

16. Proposer Declaration

I confirm that I am authorised by my organisation to make applicants for funding and to make legally binding commitments on its behalf and that the information contained in this proposal is correct to the best of my knowledge.

I confirm that I/we have read the generic BC LEP conditions of Grant (Grant Agreement) and that I/we understand that our/my application will need to provide security to the Council, suggested security would be:

- A Charge over Land or Property
- Restriction on the registered title and possible a deed of covenant
- A charge over Bank Account
- Parent Company Guarantee / Underwriting agreement
- A Performance Bond

I/we also confirm that I/we understand the conditions of grant for Site Investigations/Development Studies, including the obligation to repay the Grant if we do not choose to deliver a scheme on the Site following the development/investigation phase.

I confirm I/we have read and understand the Due Diligence Checklist and that I/we agree to the following:

- Submission of all required organisational and financial information during Due Diligence;
- Completion and submission of a fully completed Due Diligence Checklist and supporting information at the same time as submission of a Full Business Case (FBC). I understand that I/we are completing this work at risk with no guarantee of funding.

I confirm that I/we have read and understood the Accountable Body's Monitoring, Compliance and Audit Framework and understand our obligation to provide the record-keeping and monitoring information require by the Accountable Body.

I confirm that I/we understand my/our obligations to procure services and goods in line with UK Procurement Rules.

I confirm that I/we have checked/been advised and are able to accept this grant without being in contravention to Subsidy Control rules.

Data Protection – Any Personal Data collected will be processed in accordance with our Privacy Policy available at www.blackcountryconsortium.com or provided on request.

I/we consent to Black Country Consortium, Local Enterprise Partnership and Black Country Councils processing of any personal data associated with this proposal for the purpose of processing the proposal and managing the proposal process.

Signed	
Name	
Position	
Date	

Delivering the Black Country Strategic Economic Plan



Full Business Case (for Projects requesting Black Country LEP funding)

Project Name:	<i>[Insert project name here]</i>			
1. Applicant Details:				
Project Sponsor:	(name and title)			
Lead organisation:				
Registration No:				
Lead contact:		Position:		
Phone number:		Email address:		
Postal address:				
Project SRO / SSRO (Senior Officer Responsible)				
Local Authority area (please highlight)	Dudley	Sandwell	Walsall	Wolverhampton

Have you, or any associated organisations, previously delivered projects using or having been awarded public sector funding?						
If yes, please provide details						
What opportunity or barrier will this investment unlock? <i>(Provide the overall project information conveying what the project will do, highlighting the key drivers for investment)</i>						
Please indicate which of the SEP Growth Objective/s the project will contribute to:						
5. New Jobs		7. Land Remediated				
6. New Homes		8. Commercial Floorspace				
Please indicate which SEP theme(s) and strategic programme(s) the project will contribute to:						
Place Theme:		People Theme:		Competitiveness Theme:		
PL1. Sites & Premises		P1. Skills for the supply chain		B1. Supply chain development including Innovation & Enterprise		
PL2. Infrastructure		P2. Skills Capital		B2. Global Opportunities		
PL3. Housing		P3. Schools		B3. Access to Finance		
PL4. Local Distinctive Economies		P4. Upskilling				
PL5. Environment						
How will this project unlock the specified SEP Growth Objectives? <i>(The bidder is required to demonstrate how the proposal is aligned to the at least one of the 12 strategic programmes and will contribute towards achieving these growth objectives, whether directly or by acting as an enabler for economic growth)</i>						
Expected TOTAL Project Cost & Source of Funding						
	% of Total Cost	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	2024+ £m
Total Project Cost						
Applicants own funds	%					
Other Public funds (Specify)	%					
Private sector funds	%					
Funding requested from BC LEP - LOAN	%					

Funding requested from BC LEP - GRANT	%					
Total Project Value (if site / property)						
If Grant funding is sought, explain why grant is required as opposed to loan. (Less than 100 words)						
What will LEP funding be spent on?						
For the BCLEP element of the funding only, please specify the projected costs using summary spend areas. What will the grant be spent on?						
Projects costs	% of Total Cost	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	2024+ £m
What are the expected tangible Outputs/Outcomes to be realised? (Please profile Skills Outputs as per the financial year, NOT the academic year)						
Outputs/Outcomes	Metric	2020/21	2021/22	2022/23	2023/24	2024+
Businesses Assisted	no.					
Businesses Created	no.					
Skills – Learners assisted (exc. Apprenticeships)	no.					
Skills – Apprenticeships Starts	no.					
Skills – Apprenticeships Completed	no.					
Employment – Jobs Created (FTE)	no.					
Employment – Jobs Safeguarded (FTE)	no.					
Place – Houses Started	Units					
Place – Houses Completed	Units					
Place – Land Remediated	Hectares					
Place – New Employment floor space [Specify Use Class]	Sq. metre					

Length of newly built roads	Km					
Length of resurfaced roads	Km					
Length of new cycle ways	Km					
Other (please specify)						

For the outputs included above, please state whether they are direct outputs or indirect. If indirect, explain how the project is enabling the delivery of these outputs.

Example 1: The scope of the project is to purchase and install capital machinery for the training of apprentices and the up-skilling of existing employees. The Apprentices delivered are a direct output of the project.

Example 2: The scope of the project is remediation works to facilitate future development of the site to deliver 'x'sqm of office space. The creation of jobs connected to the delivery of office space are indirect outputs)

For Place (property & infrastructure projects only) - Site Details

Location (include full address and postcode)	
Overall Site Area (Ha)	
Ownership / Occupation	
Existing / Former Use	
Existing Condition	
Planning Status of Project	
Any Other Comments	

**9. For Learners Assists/Apprenticeships please specify the course offering and the level of learning supported.
(For Apprenticeships specify framework duration in years)**

Course Details	Level of Learning Supported

**10. Main Issue (s) likely to derail the Project
(These are the fundamental issues, raised as highest priority on the project Issue register that would prevent the project from delivering its objectives and intended outputs/outcomes)**

Issues	Means of Resolution

11. What are the main risks the Project will need to manage? <i>(These are the fundamental risks, raised as high impact on the project Risk register that if they were to materialise could prevent the project from delivering its objectives and achieving intended outputs/outcomes)</i>	
Risks	Means of Managing
12. Please indicate how your project complies with Subsidy Control Regulations without contravening the Subsidy Control Legislation	
<i>(All applicants need to take steps to satisfy themselves that any BC LEP funding approved does not amount to unlawful Subsidy Aid. Further confirmation to this effect will be requested at the Full Business Case Stage. A declaration of compliance with UK Subsidy Control Regulations will be required prior to any BC LEP funding being provided. If your project is awarded funds from the BC LEP it will be subject to a condition requiring the repayment of any BC LEP funding in the event that the funding constitutes unlawful Subsidy Aid.)</i>	
13. Any other Significant Constraints to delivering the Project not mentioned above.	
14. Submission Checklist	
(See Appendix J7 – Stage 1 Due Diligence Checklist)	

Introduction to the Project

Section A: Introduction to the Project
15. Project Description: (50 words max) <i>(Short statement about what the project is targeting to achieve)</i>
Project Need & Additionally: <i>(State the overall impact on GVA (Growth Value Add). GVA is the difference between output and intermediate consumption for any given sector/industry. That is the difference between the value of goods and services produced and the cost of raw materials and other inputs which are used up in production. GVA therefore measures the contribution to the economy of each individual producer, industry or sector in the United Kingdom and is used in the estimation of GDP at regional and Sub-regional level)</i>

Background to the Project

Section B: Background to Project Bid

Section B1: Status & Progress to-date	
17. Present status of the Project. (approx. 100 words)	
18. Progress achieved prior to Bid. (approx. 300 words)	
Section B2: Content of the Business Case	
Section C	Strategic case and fit to Strategic Economic Plan Themes
Section D	Economic case – Options Appraisal
Section E	Commercial case – External Procurement (if appropriate)
Section F	Financial Case – Financial Analysis of the recommended Option
Section G	Programme Management Case – Achievability of Project Components
Section H	Recommendation
Section I	Appendices <ul style="list-style-type: none"> ➤ Profile for each Output / Outcome ➤ Detailed breakdown of Project Costs by month ➤ Risk & Issue Register ➤ Project Plan / Development Programme ➤ Stakeholder Map ➤ Evidence of planning permission ➤ Stage 1 Technical Due Diligence Checklist (applicable to land/property bids) ➤ Stage 2 Financial Due Diligence Checklist ➤ Small Amounts of Financial Assistance Declaration (applicable for grants approx. £350,000)

Strategic Case

Section C: Strategic Case for Change and fit to BC LEP Strategic Economic Plan Themes	
19. Context/Project Background	<i>(This section should describe the setting, background and context of the Business Case. Describe the compelling case for change. Detail the problem or opportunity the project is intended to address, in terms of market failure or demand, and the contribution the project will make to the delivery of the Black Country Strategic Economic Plan (SEP) and other relevant plans and strategies. Ensure to demonstrate how the project will contribute to the Growth Objectives and Strategic Programmes identified in the SEP. A copy of the SEP can be found at www.blackcountrylep.co.uk/about-us/black-country-plans-for-growth/strategic-economic-plan). (Word limit 750)</i>
20. Objectives and Outcomes	<i>(Detail the specific objectives to achieve the anticipated outcomes. The objectives and outcomes should be stated in clear and measurable terms with a specified time frame)</i>
21. How does the project fit with national, sub-regional and local investment plans and strategies?	<i>(Demonstrate how the proposal is aligned to any relevant Government, sectoral or regional goals and priorities and reflects the organisational strategy)</i>
22. Detail the elements that are within scope of the project, this defines the range and boundaries of the project.	

(A critical first step is establishing the parameters of the project. Be aware that these parameters may change over the course of developing the Full Business Case. Please identify the areas both in and out of scope i.e. what will be delivered by the project and won't be delivered by the project)

23. What stakeholder consultation has been undertaken/support received? What stakeholder consultation remains to be undertaken? (approx. 100 words)

(The objective of Stakeholder Management is to maximise/optimize the objectives of the Project/Programme through the considered identification, analysis and engagement of all those that are engaged in it, or impacted by it. Stakeholders come in many 'shapes and sizes' and, as such, contingent effort/management is the key to success in this regard. It is important initially to understand each Stakeholder's level of support for the Project/Programme, the influence they wield over it and the degree to which they are impacted by the scope of work.

This analysis then provides the basis for targeted Stakeholder Management activity. Identify which stakeholders have been consulted on the objectives and outcomes of the project/programme. Describe any obstacles that have been highlighted and how they are going to be managed to ensure success, including the consultation that remains to be undertaken.

Stakeholder consultation involves the development of constructive, productive relationships over the period of the project/programme. It results in a relationship of mutual benefit; enabling identification of trends and emerging challenges which are currently or will in the future impact the project/programme. Listening to stakeholder concerns and feedback is a valuable source of information that can be used to improve project design and outcomes, and help an organisation to identify and control external risks. It can also form the basis for future collaboration and partnerships)

24. List the Key stakeholders and their Interest areas? (approx. 50 words)

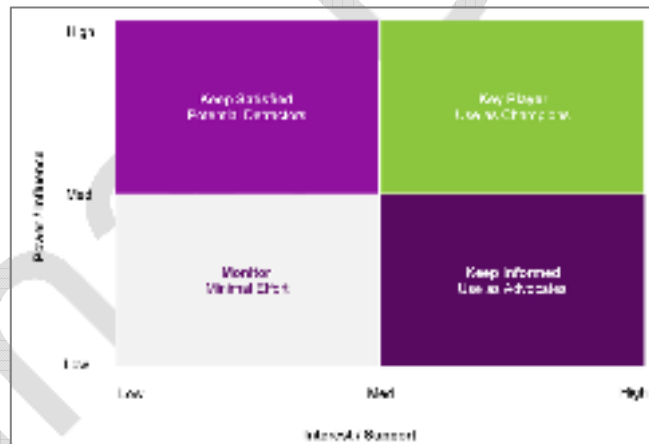
(Include a Stakeholder Map if you have one)

Stage 1 - Identification of stakeholders

A typical approach which could be used to gather the complete list of Stakeholders impacted by a Project/Programme is to Brainstorm; a guided brainstorm session that identifies a long list of Stakeholders who are both internal and external to the Project/Programme.

Stage 2 - Analysis and Prioritisation

The next step is to analyse and prioritise each Stakeholder based on their levels of Influence and Interest the Stakeholder Influence and Interest matrix, shown below, can be used to present a Stakeholders position, both current and desired. This process is fairly subjective since the Project/Programme may not fully understand Stakeholders or their agendas. Therefore, the more Stakeholder engagement throughout this process, the more robust the output will be.



Stage 3 - Stakeholder Engagement

The following table provides an indication of the engagement required for each type of Stakeholder based on their level of interest to the project and their influence on the success or otherwise of the Project

No.	Type:	General engagement required:	Power/Influence	Interest/Support
1	Detractor - Keep Satisfied	The greatest risk to project delivery. Spend the greatest attention, time and resource with them. Listen to concerns and issues, identify their agenda, key influencers and engage them on project purpose and objectives, look for win-win solutions and compromises. Ask Champions or Advocates to support this influencing.	Medium - High	Low - Medium
2	Monitor	Monitor these people and only keep informed about progress and successes via general communication. Do not spend too much time or resource on these Stakeholders.	Low - Medium	Low - Medium
3	Advocate	Keep informed and aware of progress and success. Solicit their help in influencing others.	Low - Medium	Medium - High

4	Champion	Engage and consult regularly. Keep informed and aware of progress and success. Solicit their help in influencing others, especially with blockers and the highest risk detractors	Medium - High	Medium - High
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25. What are the Strategic Issues preventing successful delivery of the project? List. (approx. 100 words)
(These are the fundamental issues, raised as highest priority on the project Issue register would prevent the project from delivering its objectives and intended outputs/outcomes)

26. What are the Strategic Risks that could prevent successful delivery of the project? List. (approx. 100 words)
(These are the fundamental risks, raised as high impact on the project Risk register that if they were to materialise could prevent the project from delivering its objectives and achieving intended outputs/outcomes)

27. Summarise the overall assumptions that have been made when planning this project. State the impact to the project if these turn out to be wrong.
(Assumptions are circumstances and events that need to occur for the project to be successful, but are outside the total control of the project team. Assumptions are accepted as true and are often without proof or demonstration)

28. Summarise any project dependencies that the project has or if there are other projects/initiatives that are dependent on this delivery. State the impact to the project if these are not met.
(Dependencies are the relationships among tasks which determine the order in which activities need to be performed. There are four (4) types of dependency relationships:

- *Finish to Start - Land must be purchased before road building can start*
- *Start to Start - Road excavating must start before Asphalt can be laid*
- *Finish to Finish - Laying Asphalt must be complete before line painting can be completed*
- *Start to Finish - Road excavating must start before line painting can be completed)*

29. Define any constraints that may impact the success of the project, e.g. resource, legal, 3rd party agreement constraints.
(Constraints are things that might restrict, limit, or regulate the project. Generally, constraints are outside the total control of the project team)

Economic Case

Section D: Economic Case - Options Appraisal

Section D1: Short List of Options considered

30. Please describe the options that have been considered in selecting the project proposal. This should include a minimum of 3 options: -

- A **reference case option** (the position in terms of outputs that would occur if the project did not proceed);
- The **proposed option** (as set out in Section A); and
- An **alternative option** (which may be based on changes to the scale, scope and cost of the proposed option).

Box 1:

Option Name:	Description:	Total Cost:	Amount requested:	Outputs
Reference Case				
Proposed Option				
Alternative Options:				

Box 2:

Please explain why the proposed option has been selected.

Option Name:	Advantages:	Disadvantages:	Fit with Project Objectives:
Reference Case			
Proposed Option			
Alternative Options:			

31. Specify the Preferred Option, with supporting justification for selection. (approx. 200 words)
(There must be a clear statement of the decisive factors and why they are considered sufficient to influence the decision)

32. Outline Opportunities for Innovation and increased Collaboration. (approx. 200 words)
(For example, the LEP would be particularly interested to see industry collaborating with educational institutions to create new investment, business and products)

33. Service Delivery options considered, with Pro's & Con's. e.g. using a 3rd party for delivery (approx. 200 words)
(Specify key Issues, and state resolution plan for each Issue)

34. Provide a profile for each Output (Complete Appendix I1)
(Templates are provided in Appendix to this document. Please indicate any other non-quantifiable benefits from your project. Think about any intangible benefit that will be realised. For example, a project involving the redevelopment/regeneration of a piece of land, may result in an improved perception of the area)

35. What is the evidence of demand / market interest that supports your case for investment in this project? (approx. 500 words)

(Detail all market research, primary and secondary. Ensure that for:

- Quantitative Research - Data is fully representative of target group and statistically robust
 - Qualitative - Evidence given that data has been validated
- OR
- Direct approach from market to meet defined need)

36. Outline any market testing which has been undertaken to evidence the demand case. (approx. 300 words)

(Your answer should provide robust evidence of demand that has been validated, e.g. evidence that businesses are interested in pursuing opportunities that BC LEP investment creates. Include stats/data to support claim)

37. Have the running costs of this investment been calculated and are they financed by you or your partners?

(As well as the capital cost invested there are post implementation costs to consider. There may be ongoing running (operating) costs and/or maintenance costs. E.g. a capital investment to build a new office block, once occupied will involve operating costs such as rent & rates, staff salaries etc. who will finance these costs?)

Running costs will inform the viability of the project. The author must consider the ongoing costs to support the recommended option against anticipated benefits)

Commercial Case

Section E: Commercial case – External Procurement (if appropriate)

38. If private development partners will be required to deliver project outputs, at what stage are discussions/negotiations? (approx. 300 words)

39. Detail any 3rd party services that will be used to deliver this project, e.g. Legal, Finance, other consultancy.

(E.g. Consultancy - A technical advisor will be appointed to prepare the works brief and secure planning consent for the remediation works. They will then manage the appointment of a contractor to undertake the remediation works)

40. Will your Procurement follow the 'Find a Tender' (FTS) process?

<https://www.find-tender.service.gov.uk/Search>

(Please provide clear statement on the procurement process followed for this project)

41. Outline the sourcing Options: with a rationale for preferred option. (approx. 200 words)

(Sourcing options include:

- *supplier panels*
- *collaborative procurement*
- *open tender*
- *closed tender*

The most appropriate sourcing option will be dependent on:

- *the total value of the procurement*
- *what contracts, frameworks, or supplier panels are already in place*
- *the overall risk to the organisation if performance expectations are not met*
- *the nature and complexity of the product or service)*

42. Are there any Personnel Implications, Inc. TUPE? (approx. 200 words)

(Does the proposal impact on any existing personnel associated with the lead or delivery organisation/s? Please give details of any recruitment required for delivery See <https://www.gov.uk/transfers-takeovers/overviewfor> information on TUPE)

43. Outline the Procurement Project Plan and Timescales, including statutory and other consents.

(The procurement plan should include the following:

- *Type of contract to be used*
- *Risks associated with procurement management*
- *How procurement risks will be mitigated through contract performance metrics, insurance, or other means*
- *Determining costs and if/how they're used as evaluation criteria*
- *Any standardised procurement templates or documents to be used*
- *How multiple suppliers will be managed if applicable*
- *Contract approval process*
- *Decision criteria*
- *Establishing contract deliverables and deadlines*
- *How procurement and contracts are coordinated with project scope, budget, and timeline.*

NB: Where the purchase of property or land is involved please confirm ownership status and state whether there are any charges over land/property interests critical to project delivery)

44. Please provide evidence of planning permission (submit a copy of decision notice or committee resolution with this application), or a clear explanation of the timeframe for achieving this and how it fits with broader planning strategy.

(This should include status of planning permission. If obtained:

- outline any key planning conditions
- strategy for discharging planning conditions.
- Specify the likely sectional costs/agreements (e.g. s106, s278, CIL etc.)

If NOT obtained:

- the timeframe for achievement, and how it fits in with the broader planning strategy
- has any pre application consultation with the Local Planning Authority taken place? Please give details
- you also need to provide evidence of discharge of key planning conditions, or your strategy for undertaking these)

Financial Case

Section F: - Financial Analysis of the recommended Option

45. Outline the anticipated cost and funding profile:

	Capital/ Revenue	2020/21	2021/22	2022/23	2023/24	2024/25	2025+	TOTAL
		£m	£m	£m	£m	£m	£m	£m
BCLTB (Pre-Committed Transport Funding) *								
BCLEP Grant								
BCLEP Loan								
Other Public Source (please indicate)								
Applicants Own Funds								
Private (3rd party)								
Total Capital								
Total Revenue								
Overall Total								

*LTB funding for Transport Major schemes

46. Please outline the strategy for securing the match funding as outlined above, and the progress made to date. What is the level of certainty of match funding remaining in place across the project duration? Please provide evidence to support any assumptions made.

(Explanation to support the information provided above, i.e. reasons for date available, approval status etc. Specify any other lenders involved and please provide details of agreed terms and security required)

47. Project slippage – is there provision for dealing with the financing of any time or cost overruns? How will you deal with the impact on LEP & Match funding, & Private Investment?

48. For the BCLEP element of the funding only, please set out the projected costs using summary spend areas.

(Please note that a full a detailed breakdown of Costs by month will need to be included in the Appendices)

State date of this Estimate

Projects costs (delete as appropriate):	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	Total
	£m	£m	£m	£m	£m	£m	£m
Land acquisition							

Planning and Feasibility Study							
Surveys							
Land Remediation							
Construction, Inc. materials, equipment and labour							
Fit Out (Equipment and furnishings not included in construction)							
Project Management							
Consultancy							
Legal Services							
Other (please specify)							
Contingency*							

***Note - Contingency:** Where an element of contingency has been added on top of individual cost elements it is assumed that there is a significant level of doubt about the future costs (the level of contingency is influenced by the extent of the doubt).

49. What risk contingencies are included in your cost estimates?

(Outline the areas where contingency has been applied, the level of the contingency in each case and the reason for the contingency in each case)

CONFIRMATION BY APPLICANT:

Please confirm that the funding requested is sufficient to deliver the Project as detailed above.

Management Case

Section G: Programme Management Case - Achievability of Project Components

Section G: Project Plan (Extract of Key Milestones)

50. Please set out the Key Project Milestones, including those Milestones shown below.

(Or extract Key Milestones view from your Gantt chart & insert the picture here).

Key Milestone	Delivery Date

Please attach the project Gantt chart as an Appendix.

(Milestone - A task / event of zero duration that shows a critical achievement in a project
Delivery Date - The date on which the milestone is planned to occur. E.g.:

- Site Investigation Survey Commissioned – Aug 2015
- Site Investigation Survey Completed – Sept 2015

Once the final version of the Planned Delivery Dates is approved, they become baselined. This baseline milestone schedule becomes the benchmark against which project performance is measured. The baseline schedule must be in place before project delivery work commences.

Once created and approved the baseline milestones can only be changed for authorised changes in scope / timeline, but even then, the original baseline is never discarded.

The milestones should always reflect the most realistic dates for project accomplishment, even if this means a reforecast)

Section G: Project Governance: Key roles & Responsibilities

51. Please set out the Key Roles in governing the Project, with named officers, which will oversee, deliver and close the project. (approx. 100 words)

E.g. The Project governance structure personnel could be outlined in a table stating what their role in the Project is and what they are responsible for delivering.

Name	Project Role	Principal Responsibility for Delivery
	Project Sponsor	Project Board – Ultimately accountable for the project, ensuring that it meets its objectives and realise the expected benefits. Empowered to direct the project and take decisions.
	Project Manager	Leading, managing and co-coordinating all activity in conjunction with the project team. Reporting to Project Board and BCC Programme Office on project progress/delivery.
	Contractor	Prepare detailed engineering design in accordance with project specification
	Suppliers/Vendors	Facilitate project execution by supplying materials. Equipment and personnel
	Etc...	

Section G: Key Stakeholder engagement strategy

52. Please identify your preferred strategy for engaging key Stakeholders in making your project successful. (approx. 300 words)

The approach to communications is informed by the Stakeholder Management analysis (outlined in the **Strategic Case**), however instead of individual Stakeholder engagement requirements focuses on the key communications typically to groups of Stakeholders.

The communications strategy addresses the following:

- how key messages are defined
- audience groups are identified
- appropriate channels are used
- communication effectiveness is measured

Initially a high-level communications strategy will be developed by specifying how the communications will be approached in each of the key Project/Programme phases and how the communication responsibilities will be allocated. An example of a communications strategy is shown below.

Project/Programme Phase:	Strategy:
Example: Design	Communication inside the project/programme team only. Reporting within the project/programme governance structure. No communication to any staff that could be affected
Implementation	All end-users to be communicated in a transparent manner. Majority of communications via email, website and newsletter

Section G: Communications Plan or strategy

Consider the following information.

Column:	Contents:
Communication Title	What is the name of the communication item?
Frequency	When does information and key messages need to be provided? For regular communications, how frequently is communication given, monthly, weekly, ad hoc?
Key Stakeholders	Include a list of the different audiences that should be communicated to by the piece of communication. The list of Stakeholders identified is the key input to this list.
Key Messages	What messages and information should be provided, e.g. progress updates, issues raised, decisions required, key messages?
Channels	What approach is used for communicating: face-to-face, email, newsletter, updates to website, workshop, user group, etc.
Responsibility	Who is responsible for ensuring the communication occurs? A named person.

Desired objectives	Aim of the communication – what is expected to change as a result of the communication, raising awareness, make decisions, get involved.	
Feedback mechanism	How does feedback get received, and what happens with feedback?	

53. Issues log:

Please attach all your full Issue register as an Appendix.
(Please see the Risk and Issue Log Template for guidance. Provided by the BCC Programme Office)

Section G: Risk Management Plan

54. Risks Register:

Please attach your full risk register as an Appendix.
(Please see the Risk and Issue Log Template for guidance. Provided by the BCC Programme Office)

Section G: Quality Assurance

55. Outline your proposed monitoring and evaluation arrangements to assess whether the project achieves its objectives and outputs. (approx. 300 words)

(Should include an extract of Milestones & Summary tasks) and align to the realisation planned activity stated in the Output/Outcome profile)

Section G: Project Team

56. Please describe the experience of the project team and attach the team structure. (approx. 100 words)

Section G: Freedom of Information

57. Please indicate whether any information in this proforma is considered exempt from release under Section 41 of the Freedom of Information Act 2000.

Section G: Subsidy Control Requirements

All applicants need to take steps to satisfy themselves that any BCLEP funding approved does not amount to unlawful Subsidy Aid. A declaration of compliance with UK Subsidy Control regulations will be required prior to any BCLEP funding being provided.

If your project is awarded funds from the BCLEP it will be subject to a condition requiring the repayment of any BCLEP funding in the event that that the funding constitutes unlawful Subsidy Aid.

58. Please confirm your acceptance to this condition:	Yes	No
--	-----	----

H. Recommendation / Conclusion

59. Please state clearly the recommended action this Business Case supports. (approx. 100 words)

I. Security Against Grant

60. Each bidder is asked to confirm in their Initial Proposal that they understand the requirements for security against any BC LEP Grant. Please confirm what form of security against the Grant you propose to offer the Council, if required.

Examples include a legal charge over land or assets, a charge over bank account, a Performance Bond, money held in escrow or personal guarantees. Please include details of the nature of the security, when the security will be in place, any existing charges or other encumbrances over the security, and who will put in place the security if not you, the Grantee.

Please note that the Council will not be able to accept a second legal charge. Further information about the Council's security requirements, as confirmed at the Initial proposal stage.

61. Proposer Declaration

I confirm that I am authorised by my organisation to make applications for funding and to make legally binding commitments on its behalf and that the information contained in this proposal is correct to the best of my knowledge.

I confirm that I/we have read the generic BC LEP conditions of Grant (Grant Agreement) and that I/we understand that our/my application will need to provide security to the Council in the form of:

- A Charge over Land or Property
- A Charge over Bank Account
- A Performance Bond

I/we also confirm that I/we understand the conditions of grant for Site Investigations/Development Studies, including the obligation to repay the Grant if we do not choose to deliver a scheme on the Site following the development/investigation phase.

I confirm I/we have read and understand the Due Diligence Checklist and that I/we agree to the following:

- Submission of all required organisational and financial information at the first and second stages of Due Diligence;
- Completion and submission of a fully completed Due Diligence Checklist and supporting information at the same time as submission of a Full Business Case (FBC). I understand that I/we are completing this work at risk with no guarantee of funding.

I confirm that I/we have read and understood the Single Accountable Body's Monitoring, Compliance and Audit Framework and understand our obligation to provide the record-keeping and monitoring information required by the Single Accountable Body

I confirm that I/we understand my/our obligations to procure services and goods in line with UK Procurement Rules. I confirm that I/we have checked/been advised and are able to accept this grant without being in contravention of Subsidy Control rules.

Data Protection – Any Personal Data collected will be processed in accordance with our Privacy Policy available at www.blackcountryconsortium.co.uk or provided on request

I/we consent to Black Country Consortium, Local Enterprise Partnership, Black Country Local Authorities and specific third parties processing of any personal data associated with this proposal for the purpose of processing the proposal and managing the proposal process.

Signed:	
Name:	
Position:	
Date:	

Section J: Appendices

- J1: A Profile for each Output
- J2: Detailed Spend Profile
- J3: Risk & Issue Register
- J4: Project Plan / Development Programme
- J5: Stakeholder Map
- J6: Evidence of planning permission
- J7: Stage 1 Technical Due Diligence Checklist (applicable to land/property bids)
- J8: Single Accountable Body Stage 2 Financial Due Diligence Checklist
- J9: Subsidy Control Declaration (applicable for grant award approx. £350,000)

Document Status

REVISION HISTORY

Revision Date	Version No.	Summary of Changes	Author / Editor
	Draft 1	Initial draft	
	Draft 2	Project team input	
	Draft 3		
	Draft 4		

DOCUMENT LOCATION

This document is only valid on the day it was printed or revised.

DOCUMENT AUTHOR

Name	Title	Organisation	E-mail address	Telephone

DOCUMENT OWNER

Name	Title	Organisation	E-mail address	Telephone

DISTRIBUTION LIST

SCHEDULE 3 Black Country Executive Joint Committee

CONSTITUTION

26 March 2014
(Updated June 2021)

1. Dudley MBC, Sandwell MBC, Walsall MBC and Wolverhampton City Council established an Executive Joint Committee known as the Black Country Executive Joint Committee (BCJC) for the purpose of discharging the functions mentioned in **Annex A**. The BCJC is a joint committee of the Executive for the purposes of Part VI of the Local Government Act 1972 and Part I Chapter 2 of the Local Government Act 2000 and the provisions of thereof that are applicable to Joint Committees of the Executive shall apply to the BCJC.
2.
 - (i) The BCJC shall comprise four members, each Council being entitled to appoint one voting member who shall be a member of the Councils Cabinet making the appointment. In the event of a voting member of the BCJC ceasing to be a member of the Council which appointed him/her, the Council shall forthwith appoint another voting member in his/her place. Only a voting member is entitled to be elected as Chair or Vice-Chair of the BCJC.
 - (ii) Each Council may appoint members of its Executive as substitute for the voting members appointed under (i) above to attend meetings of the BCJC and its sub-committees in the absence for any reason of the voting members or observer members. The substitute voting members or observer members shall be treated in all respects if they were appointed under (i) above as the case may be. The Secretary for the Committee shall be informed prior to the commencement of the meeting of the names of the substitute members.
 - (iii) The Chairman of the Black Country Local Enterprise Partnership shall be an ex officio member of the BCJC on matters relating to City Deal, Growth Deal, Combined Authority and the funds secured by the Black Country Local Enterprise Partnership. Ex officio members may speak at meetings of the BCJC but not vote.
 - (iv) The Head of the Programme Management Office at the Black Country Consortium Ltd will be responsible for writing reports to the BCJC from the Heads of Regeneration Working Group in the format provided for at **Annex B**. All other reports from any subcommittee and or Council will also take the form as set out in **Annex B**. The Head of the Programme Management Office at the Black Country Consortium Ltd, supported by the relevant Head of Regeneration/Senior Responsible Officer from the Local Authority, will present all of the reports regarding funding at meetings of the BCJC on matters relating to City Deal, Growth Deal, Combined Authority and the funds secured by the Black Country Local Enterprise Partnership.
 - (v) The BCJC shall at its Annual Meeting, elect a Chair and Vice-Chair from among its voting members or chose to adopt for that year to have a rolling Chair and Vice Chair being upon rotation. In the event of both being absent from the meeting, the Chair and Vice-Chair for whatever reason, the BCJC shall elect a Chair from amongst the voting members present for that meeting but shall not count for purposes of rotation.
 - (vi) Three voting members of the BCJC shall constitute a quorum. Except as otherwise provided by statute, all questions shall be decided by a majority of the votes of the voting members present, the Chair having the casting vote in addition to his/her vote as a member of the BCJC.

- (vii) The BCJC shall meet as agreed at its AGM. However a meeting of the BCJC may be convened at any time by the Secretary in consultation with the Chair for the meeting. A meeting of the BCJC must also be convened by the Chair within 28 days of the receipt of a requisition of any two voting members of the BCJC addressed to the Secretary of the Committee. All requisitions shall be in writing and no business other than that specified in the requisition shall be transacted at such a meeting.
 - (viii) The BCJC shall from time to time make such standing orders for the carrying on of the business of the BCJC as the BCJC shall deem necessary and or desirable.
 - (ix) For the avoidance of doubt and subject to there being no changes to the law on this issue, where a Council is operating Executive arrangements pursuant to the Local Government Act 2000 (and any regulations made under it), it will be a matter for the Executive of the Council to appoint any voting member, or substitute member of the Committee as long as that member is a member of the appointing Councils Cabinet.
3. The BCJC (as could a Cabinet) can delegate authority, but the law restricts that delegation only to officers of the Black Country Local Authorities not any other persons. **Annex C** lists delegations to officers.
 4. The BCJC shall from time to time appoint such sub-committees and Advisory Boards to consider and deal with any of the functions of the BCJC as may be thought desirable.
 5. The BCJC Secretary and such other officers as may be deemed necessary for the due conduct of the business of the BCJC shall be Walsall Metropolitan Borough Council.
 6. Meetings of the BCJC shall be held at the date, time and place agreed at the AGM and published by the Secretary of the BCJC following the AGM unless otherwise directed by the BCJC.
 7. The Secretary shall be responsible for collating, preparing and publishing (in accordance with Access to Information requirements) the Forward Plan, the Agenda, reports, decision notices and minutes as appropriate.
 8. That the relevant Standing Orders for BCJC are those of Walsall Metropolitan Borough Council.

FUNCTIONS OF BLACK COUNTRY EXECUTIVE JOINT COMMITTEE

1. To receive reports from the Heads of Regeneration Working Group and any Sub Committee of the Black Country Executive Joint Committee (BCJC) or Advisory Board of the BCJC.
2. At any time review and agree proposed changes to the Functions of the BCJC, and seek approval of the same from the four Council Executives of the Black Country Local Authorities.
3. To agree and approve any proposed governance and or reporting structure that the BCJC sees fit.
4. In relation to the City Deal, Growth Deal, Combined Authority and funds secured by the Black Country Local Enterprise Partnership:
 - 4.1 To act as a strategic body; setting and reviewing objectives for strategic investment across the Black Country, including;
 - a. Providing a coherent single position on the major strategic City Deal, Growth Deal, Combined Authority matters and in relation to the funds secured by the Black Country Local Enterprise Partnership;
 - b. Agreeing allocation of spending;
 - c. Agreeing major priorities;
 - d. Consider and agree recommendations made by the Heads of Regeneration Working Group and any Sub Committee of the or Advisory Board of the BCJC;
 - e. Refer recommendations received back from the Heads of Regeneration Working Group any Sub Committee or Advisory Board of the BCJC for further consideration as and when minded in the first instance to not follow recommendations at all or to materially change the substance of the decision except in the case of genuine urgency requiring a decision to be made at that time;
 - 4.2 Agreeing Lead and or (Single) Accountable Body status for a body or organisation;
 - 4.3 Agree, review and amend options at any time for any Sub Committee or Advisory Board of the BCJC governance which is fit for purpose;
 - 4.4 Influence and align government investment in order to boost economic growth;
 - 4.5 Have regard to the duty to cooperate and BCJC's overall function as set out above;
 - 4.6 To ensure alignment between decision making on City Deal, Growth Deal, Combined Authority and funds secured by the Black Country Local Enterprise Partnership and decisions on other areas of policy such as land use, transportation, economic development and wider regeneration;

- 4.7 Co-ordinate and align decision making on transport with the Black Country Local Enterprise Partnership ensuring that business views are taken on board and that Black Country Local Enterprise Partnership growth plans are reflected in strategic priorities;
- 4.8 Deciding on capital expenditure programmes and ensuring policy and programmes are delivered effectively through partners;

Final Draft



REPORT OF THE HEADS OF REGENERATION WORKING GROUP

(OR COUNCIL)

TO

BLACK COUNTRY EXECUTIVE JOINT COMMITTEE

ON

(DAY, MONTH, YEAR)

(INSERT TITLE OF REPORT)

CAPITAL FUNDING, DEVELOPMENT FUNDING, SITE INVESTIGATION (please delete
project types not appropriate)

Key Decision:	Yes/No
Forward Plan:	Yes/No

1. PURPOSE OF REPORT

1.1 Set out the main points of the report and details of what is being sought in summary.

2. RECOMMENDATIONS

2.1 Specific recommendation from the Heads of Regeneration Working Group with approval requested by the Joint Committee.

- 2.2 The recommendation(s) should be clear, concise and include all relevant information. No abbreviations or acronyms are to be used. Value of grant to be approved should be included in the recommendation.
- 2.3 It is not acceptable to recommend "That the course of action set out in the report be approved" as this does not give sufficient clarity.
- 2.4 There must be a separate recommendation for each recommendation you wish the Joint Committee to make.
- 2.5 Do not set out any recommendations elsewhere in the report.
- 2.6 If you only have one recommendation there is no need to number it. It looks like there should be others.

3. REPORT DETAIL

- 3.1 Write clearly, concisely and focus on relevant material information. Do not use acronyms.
- 3.2 All relevant and pertinent information should be included so as to enable a fully informed recommendation to be made by the Heads of Regeneration Working Group.
- 3.3 Sufficient weight and emphasis should be made on key points.
- 3.4 Sufficient information to enable an informed decision must be contained within the report.

4. BENEFITS COST RATIO (VALUE FOR MONEY)

- 4.1 Benefit-Cost Ratios (BCRs) are utilised in capital budgeting to analyse the overall value for money of undertaking a new project. It is an indicator showing the relationship between the relative costs and benefits of a proposed project, expressed in monetary or qualitative terms. For the purposes of BC LEP funding, the Economic Intelligence Unit has developed the formula, deployed by the Programme Management Office, to identify the BCR for a project requiring public sector funding. The threshold for any project that has been assessed is 1.5 and would be considered 'good value for money' should this threshold be exceeded. The BCR calculation however does not take into consideration the Strategic fit and proposition of a project.
- 4.2 Please state individual project BCR and provide further explanation why the project is put forward for consideration if the project ratio is under 1.5.

5. FINANCIAL IMPLICATIONS

- 5.1 All relevant financial implications. You must consult the appropriate finance officer at the outset of the project. Your report will not be considered if the Finance Officer has not commented.
- 5.2 Please state match funding and intervention rate of LGF.

6. LEGAL IMPLICATIONS

- 6.1 The appropriate grant agreement[s] [is/are or will be put] in place, which will include all necessary conditions passed onto the LEP by Government, together with all terms, conditions, performance measures and sanctions as required by the approvals/conditions received from Government or approved by the LEP Board or the Joint Committee.
- 6.2 Please see paragraph 6.1 for suggested wording to include. You must consult legal services at the outset of the project. Set out any legal obligations on and consequences for the BCJC arising from the proposals. You must give sufficient time for legal services to comment on your report. Your report will not be considered if legal services have not commented.

7. RISK MANAGEMENT

- 7.1 Key risk identified and explanations as to how they will be managed are to be inserted.
- 7.2 For Site Investigation and Development funding, insert a paragraph covering the risk that this will not result in a capital asset. State when the full business case is expected to be approved, where the funding will come from and the risk of the business case not being approved (i.e. likelihood etc.).

8. EQUALITY IMPLICATIONS

- 8.1 An equality impact assessment to be done and equality implications set out in the report as well as how they will be managed.

9. CONSULTATION

- 9.1 Identify who has been consulted and why, the outcome of the consultation and if there is any planned future consultation. For example, do not use “the report is prepared in consultation with relevant managers and executive directors”.

- 9.2 There is an expectation that wherever possible, Ward Councillors should be consulted and involved in matters affecting their Ward.
- 9.3 Consultees mentioned in this part of the report should match with those referred to in the Forward Plan entry, if it is a key decision. Include other consultees if they have been identified since.
- 9.4 If scrutiny panels have considered this issue, provide feedback on their recommendations/views.

Note:

- It is the responsibility of the author of the report to identify and consult with relevant officers and external parties about the proposals and the contents of the draft reports. Should any changes be made before the report appears before the Heads of Regeneration Working Group and Joint Committee in final form then you must consult relevant people again. If the revised circumstances could impact on the legal and financial position, you must consult afresh with legal and finance colleagues.
- A report consultation sheet is available from the Programme Manager and **must be completed and accompany your report at all times**. The consultation sheet template should not be amended. If any amendments are made to your report at any stage which requires the re-consultation of colleagues, this must be reflected in the form when submitted at the final stage.

Background papers

- List any background documents that you have used or which are associated with the report being produced. (This is to satisfy the legal requirements that govern public access to local authority papers and the Freedom of Information Act.) You should not list acts of Parliament or any documents that give confidential information. Do not quote file references. Such files will be open to public scrutiny if asked.

Attachments

- I. List any attachments that will accompany the report, if no attachments are required, state 'None'

“DELETE AS APPROPRIATE”

Report Author

SRO (all projects)

SSRO (if SRO non-LA, then requires LA SSRO)

Contact Officer

[DELETE AS APPROPRIATE]

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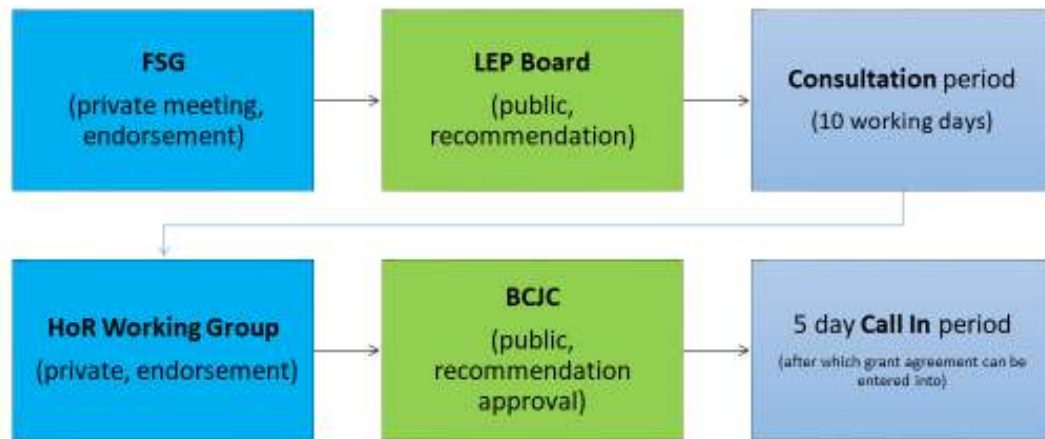
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SCHEDULE 4 Decision and oversight Flow Chart



SCHEDULE 5 Supplemental Deed - Governance Principles: Enterprise Zones

[on-going separate review]

Final Draft