
Overview and Scrutiny Management Board – 1st February 2021

Report of the Director of Regeneration and Enterprise

Combined Authority Investment

Purpose

1. This report update Members on the regeneration schemes that are coming forward which might seek the support of West Midlands Combined Authority funding.

Recommendations

2. It is recommended that Members note the contents of the report and the ongoing work to ensure the pipeline of regeneration projects achieves full funding and can progress.

Background

3. Dudley borough has an ambitious regeneration programme that will see in the region of £1 billion of investment into the area.

Many projects are currently underway in Dudley Town Centre such as the Leisure Centre, Metro, Very Light Rail National Innovation Centre, The Black Country and Marches Institute of Technology and the Black Country Living Museum.

Other schemes such as Portersfield and the Interchange are progressing in terms of design development and securing funds. Over Christmas the successful Future High Streets Fund bid at Brierley Hill was announced (£9.85m) and on 29th January 2021 we submitted a £25m bid to Government under the Towns Fund Bid for the University Park in Dudley.

These projects are not the end of the regeneration story and nor is the activity confined to Dudley Town Centre. There is a well-developed pipeline of projects at various stages of development across the borough.



All of these projects involve many partners and agencies to bring them forward and sites are often in multiple ownerships and for development to take place they will require site clearance, remediation and other infrastructure to be in place to bring forward development in a sustainable and appropriate way.

Most projects are also rarely funded from one single source; in fact it is the norm for them to be funded via a complex range of sources includes grants from central Government, WMCA, the BC LEP, LA (often in the form of land), loans or private sector leverage.

Also, it should be noted that some of the funding sources that are applied for via the BC LEP are funding programmes that have been devolved from the WMCA.

A good example of this is the Very Light Rail National project which has received funding from a myriad of sources as shown below. The table includes the funding secured to date.

Project/Phases	Phase Total (£m)	Funding	Status of Funding
<i>VLRNIC and Metro Wall at Castle Hill Dudley</i>	29.74		
i) Development and Test Track 1 (TT1) Phase	5	BCLEP Growth Deal and Growing Places	Secured
ii) Construction of the National Innovation Centre (NIC)	13	Get Building Fund and LEP (£12.35m/£650k)	Secured
	5.55	ERDF (incl. £500K revenue)	Secured
iii) Construction of Retaining Wall	4.3*	CCC allocation from WMCA	Secured
v) Workshop and equipment	0.900*	CCC allocation from Get Building Fund	Secured
vi) TT1 Extension Loop	0.990	BCLEP Growth Deal	Secured
<i>Coventry VLR including R&D for Vehicle, track and first route</i>			
i) Vehicle, Track and Route R&D	2.46	C&WLEP	Secured



	12.2	WMCA (*only £7.9m against this phase as £4.3m allocated to the Retaining Wall at the VLRNIC [see above]	Secured
	1.76	C&WLEP Getting Building Fund	Secured

Projects

- The Council has benefited from several other key strategic allocations from the WMCA to date, not least the funding for the Wednesbury to Brierley Hill Metro extension (£449 million). WMCA funding into the borough is also obtained via applications direct from developers – such as Avenbury who were successful in grant funding the demolition of Cavendish House (£700k).

Current council discussions are underway on a number of projects including:-

- Portersfield Highways Package - agreed in principle at January's Investment Board subject to funding and legal agreements. Aim to be signed by the end of February and a start on site end of the year.
- Brierley Hill Access Link (£225k) – key strategic link that is part of the Future High Street Fund Programme. Currently undergoing final approvals with WMCA. Key dates are purchase of the land in May and start on site in June.

The Council is also providing support to private sector partners to access WMCA investment to help bring forward mixed use redevelopment projects at the Moor Centre in Brierley Hill and at Colley Gate.

5. Future Pipeline Schemes

There are a number of emerging regeneration projects and programmes in the pipeline that need to be funded and this could include funding via the WMCA. This is not an exhaustive list and the list is constantly evolving/changing as projects evolve, are put on hold or are funded.

The key strategic programmes include:-

- Lye Regeneration
- Dudley Towns Fund Bid



- Portersfield
- Brownfield land Housing programmes

One of the issues faced in funding schemes is the issue of land/development value and the costs to develop given the abnormal development costs associated with poor ground conditions.

The Dudley housing schemes often struggle to get close to the WMCA's average intervention rate for Single Commissioning Framework Funds (SCF) (£10-15,000 a unit) for example. It is not unheard of for sites to need an intervention rate of up to £20k- £40k per unit.

This condition, plus the need to deliver 20% affordable housing and modern methods of construction means that not all projects will meet the SCF criteria for funding.

Even where they meet the criteria, if the project does not deliver sufficient outputs (homes or jobs), and the business case is therefore not considered to deliver value for money, the grant offered may be reduced or unsuccessful; even if the project is strategically significant and of critical importance to the long term success/recovery of an area.

There is currently a significant focus on housing outputs – but jobs and increasing skills levels are critical to the recovery and future success of the borough. We are supporting the WMCA to build a pipeline of not just housing schemes and also employment schemes as part of their preparation to bid for greater brownfield employment funding given the limited funding left in the Brownfield Land and Property Development Fund and the fact the other devolved housing and land funds are housing focused.

Regular briefings take place with the Cabinet Member with responsibility for the WMCA, Cllr Angus Lees, and Cllr Cathy Bayton, in her role as chair of Overview and Scrutiny, so that they are aware and up to speed on all council schemes under consideration.

Finance

6. At this stage, the financial implications of this report are covered by existing revenue budgets. For regeneration projects, costs incurred are subject to applications for funding and the relevant approval processes and reporting via the capital programme.

The projects can only progress once funding is confirmed.



7. Section 111 of the Local Government Act 1972 provides the Council with power to do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate or is conducive or incidental to, the discharge of any of their functions.

Pursuant to Section 1 of the Localism Act 2011 a local authority has a general power of competence to do anything that individuals generally may do.

Section 123 Local Government Act 1972 provides that the Council receives best consideration in respect of disposals of land.

Equality Impact

8. There will be no negative impact on people with protected characteristics as a result of this report.

The Council's Equality and Diversity policies will be applied throughout the delivery of all projects.

9. No equality impacts have been identified.
10. There are no specific impacts that will affect children / young people.

Human Resources/Organisational Development

11. There could be an impact on the Council's ability to service the regeneration projects and associated Governance arrangements as they are progressed, however, this will be considered during the decision to progress and application for funding and then managed via the allocation of project funding where feasible. Should there be any HR impact / requirements for resources relating to any of the regeneration projects, the appropriate approvals would be sought and HR procedures followed depending on the nature of the resource required.

Commercial/Procurement

12. All procurement will comply with DMBC's Contract Standing Orders (which are fully compliant with Public Sector and OJEU procurement rules and guidelines) and all funders requirements.

There are no direct commercial implications associated with this report.

However, the development of Investment Plans and their subsequent implementation may well provide opportunities for local businesses in future.



Health, Wellbeing and Safety

13. The Proposals have the potential to increase the employment and skills of Dudley residents, which are important determinants of health and wellbeing. Action will be taken to support Dudley residents to take up these opportunities, in line with the aspirations of the Forging a Future for All Vision.
14. The development of regeneration proposals will assist to make the local economy more robust while providing higher skills training to local people, increasing the potential to access higher paid work and assisting to make local communities more resilient.
15. This decision has not been identified as having any negative health, wellbeing and safety implications.



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