

## **Minutes of the Overview and Scrutiny Management Board**

**Monday, 1<sup>st</sup> February, 2021 at 6.00 pm**  
**On Microsoft Teams**

### **Present:**

Councillor C Barnett (Chair)

Councillors J Cooper, T Crumpton, A Finch, J Foster, L Jones, A Millward, J Roberts, M Rogers, P Sahota, D Tyler and S Waltho.

Also in attendance:-

Councillors P Harley (Leader of the Council), D Vickers (Deputy Leader of the Council), S Clark (Cabinet Member for Finance and Legal), A Lees and C Bayton (Cabinet and Shadow Cabinet Members for West Midlands Combined Authority) and I Kettle (Cabinet Member for Regeneration and Enterprise)

Councillor I Bevan (Observer)

### **Dudley MBC Officers**

M Williams (Acting Deputy Chief Executive), M Bowsher (Director of Adult Social Care), I Newman (Director of Finance and Legal), H Martin (Director of Regeneration and Enterprise), H Ellis (Acting Director of Children's Services), R Cooper (Head of Financial Services), S Griffiths – Democratic Services Manager/Statutory Scrutiny Officer and M Johal – Senior Democratic Services Officer

## **6 Minutes**

### **Resolved**

That the minutes of the meeting held on 25<sup>th</sup> November, 2020, be approved as a correct record and signed.

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## **7 Combined Authority Investment**

A report of the Director of Regeneration and Enterprise was submitted on the regeneration schemes coming forward which might seek the support of West Midlands Combined Authority (WMCA) funding.

In presenting the report, the Director of Regeneration and Enterprise referred to the ongoing programme of major projects in the Borough including the Leisure Centre, the Metro, Very Light Rail National Innovation Centre, the Black Country Living Museum and the Institute of Technology which was due to open in September of this year. Over Christmas, Dudley had been awarded the Future High Streets Bid for Brierley Hill and a bid for £25 million had been submitted to the Government under the Towns Bid for University Park in Dudley. The Board were reassured that projects were not progressed until there was sufficient surety of funding. There were a number of funding streams that could be accessed and it was stressed that all relevant funding streams were applied for together with parallel negotiations taking place on varying grant streams to ensure all possible suitable funding could be secured.

Arising from the presentation the following comments and queries were made by Members and responses were provided, where appropriate, as follows:-

- It was queried whether the impact of the Pandemic had been factored in given that some of the projects were agreed before the Pandemic; concerns were raised that the impact of the Pandemic could potentially affect the level of private sector investment necessary for projects to go ahead. Reference was also made to the Metro project and it was queried given the current passenger usage on train and bus networks had reduced to a fraction of their usual usage, even with a lesser lockdown restriction, whether there were any emerging issues or any impact on the viability of projects.

In response it was reported that, in terms of the Pandemic and the short term impact, all regeneration projects that were already underway had remained on site and under construction with the exception of one which had been paused to make the site Covid-19 secure. However, there was no detrimental impact on short term projects or on the programme of investment activity.

With regard to long term projects, the full impact of the Pandemic had not as yet been seen but Officers were conscious of this fact and aware that people would be using Town Centres differently in the future. Work was ongoing to reopen High Streets, and although public network data suggested passenger numbers had greatly reduced, people would be returning to offices over time, however, it was recognised this might be on a lesser scale. To assist the Town Centre economy, other avenues would be explored, such as increasing residential numbers to support businesses so that they were not completely reliant on office workers and tourism.

- Reference was made to the £25 million bid for the University Park in Dudley and it was queried how the estimated shortfall of £11m would be filled.

Although the estimated shortfall was approximately £11m it was nearer £10m as the figure included the accelerator fund and it was indicated that figures were based on a worst-case scenario. Due diligence on costs had yet to be performed to establish further savings which would bring the shortfall figure down. Discussions were commencing with the Combined Authority and there were a number of alternative streams and funding resources that would be pursued, including private investment, to spread the risk and help plug the shortfall.

- Funding to improve Brierley Hill High Street was welcomed, however it was queried how the project would benefit local people in terms of skills and employment.

There were a number of discussions taking place with regard to the scheme and it was expected that small scale changes would be made soon. The team were working closely with Brierley Hill Regeneration and Community Forum to help work with the community to deliver work streams and they were keen to commence work. A proper governance procedure was being developed which would involve Ward Councillor input at the appropriate time.

With regard to inclusive growth it was acknowledged that ensuring local people benefitted from the investment was critical. Work was ongoing with the Combined Authority to ensure investment was not lost in terms of the opportunities it represented for local people and discussions were taking place through the Adult Social Care and skills teams to support local people to be in a position to access those opportunities when they arose.

- Reference was made to the Portersfield development and previous plans by Avenbury showing shops and leisure facilities. Concerns were raised that there were proposals for a residential development instead. Also, reference was made to the St Thomas's Quarter WMCA scheme and that Ward Councillors had not been informed on what the scheme involved and whether there would be a joined-up approach with Portersfield. It was also queried how developments would benefit local people, particularly those in St Thomas's Ward.

There were active discussions taking place with Avenbury and it was stated that since the submission of the planning application matters had progressed and future plans could potentially include additional residential developments.

Ongoing discussions were also taking place with the Combined Authority to develop an investment plan for St Thomas's Quarter, however it was now part of the wider Towns Fund Bid. The long term strategy for the Town Centre was to try to refocus the retail core in the High Street and shrink it to a smaller but more sustainable area and shift the focus of the Town Centre down towards Castle Hill near to the new Interchange and Portersfield development.

- The Cabinet Member for the West Midlands Combined Authority informed the meeting on the work of the Combined Authority. This included aspects such as education, manufacturing and housing together with predicting the impact of the Pandemic. Work was being conducted on preparing and reskilling people to fulfil jobs. The WMCA was also undertaking a Black Country review stipulating regional differences to bring in additional funding and it was stressed that Cabinet Members would do their utmost to ensure Dudley received a fair deal.
- Reference was made to the WMCA's average intervention rate for Single Commissioning Framework Funds of £10 to £15,000 per unit and it was queried how the shortfall would be plugged if figures increased to £20 to £40,000 per unit. Also, originally the Portersfield development was expected to cost £82m and create 500 jobs. However, it was recognised that the Pandemic had changed things dramatically and the site could potentially have additional residential units, but it was pointed out that where there were large residential developments, there needed to be a certain percentage of affordable housing. An assurance was sought regarding Avenbury and it was suggested that should the scheme no longer be viable or profitable for the business, issues be forthcoming sooner rather than later.

In responding it was stated that if the economics of the scheme required more per unit than the WMCA's Intervention Rate, then funding would need to be found from alternative sources. With regard to affordable housing requirements, the WMCA's funding stream required 20%, however the Black Country's policy requirement was 25% if the threshold for a certain number of units was reached. It was acknowledged that Portersfield was originally proposing more jobs but may potentially now have increased residential properties due to emerging changing patterns and people using Town Centres differently. The scheme was a critical project for the Town Centre given the Interchange and Metro and the Council were working hard to ensure the site was developed in the most appropriate manner.

- Reference was made to previous schemes relating to the Lye and Cradley area that had not come to fruition and concerns were raised about the delays and issues on the current small regeneration scheme proposed at the bottom of Windmill Hill and the Colley Gate area. It was commented that timescales were vital particularly with regard to the proposed Lye regeneration scheme. Given the scale of the project, the importance of involving local residents was highlighted and it was queried how people would be involved, how the level of funding would be assessed and what the proposed model would look like. It was stressed that community engagement was essential particularly given the difficulties experienced with communities in that area and the need to involve Ward Councillors.

Lye was a long-term project and the scheme could take a decade or more to come to fruition. Lye had huge potential as it was on a railway line, had very good connections, and if invested and built on, could create significant change. There were land assembly issues and the Council were in dialogue with key landowners who were open to negotiations which could mean relocating or designing around them. Discussions were also commencing on the masterplan and it was recognised that it was essential to involve communities to establish how they wished to use the area with a view to develop the scheme to meet their needs. Reference was made to the Garden Cities project available through the Local Enterprise Partnership and that Lye had the potential to be developed in a new and inclusive manner that maximised opportunities for the natural environment. Ward Councillor involvement was vital and they would be consulted at the appropriate time.

With regard to the Colley Gate area scheme it was stated that discussions were still ongoing with a proposed developer.

- It was queried how confident the Council were that the Portersfield and Interchange projects would be achieved.

The Interchange scheme was now fully funded and would be reprogrammed with a view to commence work on site as soon as possible. With regard to Portersfield, as it was one of the best opportunity sites in the Town Centre, the Council were confident that an appropriate scheme would be brought forward.

- Comments about consultation and not imposing developments together with the need to engage with the community in shaping plans were supported. However, it was considered that face to face consultation would be more appropriate as it enabled the ability to build better relationships with the community and therefore considered to be more productive. However, it was recognised that face to face consultation was not currently possible in sizeable numbers and innovative methods of encouraging people were being explored such as remotely, through social media or other suitable platforms to prevent any delays.

It was accepted that face to face consultation was a better method of engagement, however reference was made to a recent virtual consultation exercise which had been very successful and that this method had attracted more respondents than usual. Moving forward it was expected to continue with new and innovative methods of consultation complemented by the traditional means.

- In referring to the allocation of funds for schemes being reliant on jobs and skills and that a lot of industrial and employment land had been allocated for housing, it was queried how the correct balance was achieved in housing and employment as it was important residents did not have to travel out of the Borough to work.

It was acknowledged that it was difficult to achieve a correct balance but to obtain regeneration funding there was the need to demonstrate outputs which were generally in terms of housing units or jobs. The need for good quality affordable housing as well as places for people to work in was recognised, particularly as many of the workforce lived in, as well as worked in the Borough. As part of the Black Country Plan review, evidence collated suggested previous sites potentially earmarked for housing should be reallocated for employment land due to there being no demand. The Board were assured that the Council would do their utmost to provide the best opportunities for Dudley.

- Although it was acknowledged that there was a need for housing, it was stated that this should not compromise green belt land and that this message should be conveyed to the West Midlands Combined Authority.
- The Leader of the Council commented that large-scale regeneration projects could take several years before delivering the end-product and that progress would continue. It was important that Councils showed ambition and had regeneration plans to become trailblazers to enable investment to be forthcoming to create future housing, jobs and prosperity.
- Particular reference was made to the Interchange, and although it was accepted funds would be secured, the financial risk was queried given other projects were interlinked and dependent on this scheme. It was also commented that there was no detailed plan to connect projects or information on the regeneration vision for Dudley to highlight the outcomes and benefits for residents. It was further queried how projects were measured and how issues such as climate change were incorporated into plans to proceed in the future.

All projects existed in their own right, however, it was acknowledged that schemes were interlinked when they came together as a critical mass. It was confirmed that funding for the Interchange had been agreed in principle and the scheme was going through the last stage of the funding approval process. Insofar as risks were concerned it was confirmed that there was no risk to the Council as the project was under the jurisdiction of Transport for West Midlands, although Dudley had contributed in terms of land and providing support from a Council perspective. With regard to comments about the lack of information relating to connection links, the Director of Regeneration and Enterprise explained the process and indicated that further information would be made available at the appropriate time and when masterplans filtered to a local level. In respect of climate change, it was stated that this was a critical factor, and under the single commissioning framework funding process, one of the conditions was for a green economy and attempts would be made to ensure the green agenda was addressed.

Arising from the comments made, the Chair suggested that a report on the Black Country review conducted by the West Midlands Combined Authority specifically relating to Dudley, be presented to the appropriate Scrutiny Committee in



due course. The relevant Cabinet Member and Shadow Cabinet Member(s) would be invited to that meeting. It was also suggested that information be included on overarching and connected policies relating to projects so that Members could get a perspective on how these projects were linked to the overall Dudley vision.

## **Resolved**

- (1) That the contents of the report and the ongoing work to ensure the pipeline of regeneration projects achieve full funding to progress, be noted.
- (2) That a report on the Black Country review conducted by the West Midlands Combined Authority, specifically relating to Dudley, be presented to the appropriate Scrutiny Committee in due course and that the relevant Cabinet Member and Shadow Cabinet Member(s) be invited to that meeting.

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## **8 Medium Term Financial Strategy (MTFS)**

A joint report of the Chief Executive and Director of Finance and Legal was submitted on the draft Medium-Term Financial Strategy.

In presenting the report, the Director of Finance and Legal provided an overview and alluded to the unprecedented uncertainty caused by the Pandemic. It was stated that that the financial position continued to change rapidly, however, these changes would be reflected in the final version of the report to be considered by the Cabinet in February and Council in March 2021.

The main changes were highlighted in that the short term Covid-19 response funding being received continued to rise and it was expected that a further £5.1m of Contained Outbreak Management Funding would be received over and above the amount that was shown in Appendix A of the report. The Local Government Finance Settlement for 2021/22 was better than expected, therefore, next year's forecast resources would be £263m rather than the figure of £259m shown in paragraph 31 of the report. Following reassessments and ongoing spending pressures, additional monies were allocated to Adult Social Care and Children's Services.

Although the overall financial position was mixed, it was acknowledged that in the short term the Council had received significant funding to support the response to the Pandemic, and therefore reserves were better than expected at this point. However, in the long term, as Dudley was still a low taxing and low spending Council, significant deficits showed in future years of the MTFS which needed to be addressed to be fully financially sustainable.

The Director of Finance and Legal updated the Board on comments and recommendations made by the Children's Services, Health and Adult Social Care, Corporate and Place Scrutiny Committees which would be included in the report to Cabinet and Council. Specific reference was made to the significant discussions and number of recommendations made by the Health and Adult Social Care Scrutiny Committee.

The Chair of the Health and Adult Social Care Scrutiny Committee commented that given the ongoing pressures on Adult Social Care, it was crucial that adequate funding was allocated to the service. The Director of Finance and Legal confirmed that final figures with the allocation of additional funding to Adult Social Care, in the region of £3.1m, would be included in the final report to Cabinet and Council.

Although it was acknowledged that additional money had been allocated to Adult Social Care, it was considered the amount was insufficient due to the considerable increasing demand on the service, particularly as the long-term implications of the Pandemic were uncertain at this time.

The Director of Finance and Legal acknowledged a point made by a Member concerning a lack of detailed information in the report relating to the implications of reconfiguration in services and job reductions. However, it was indicated there was a judgement call to be made on the level of detail to be included as the report needed to be balanced and legible whilst summarising significant financial information and change across the whole of the organisation. Members could ask for further information on specific areas of concern and a detailed narrative would be provided by Officers.

### **Resolved**

That the proposals for the Medium-Term Financial Strategy to 2023/24, set out in the report and Appendices to the report submitted, together with comments made by Scrutiny Committees for submission to Cabinet and Council in February and March, 2021, be noted.

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## **9 Feedback from Scrutiny Committees**

The Board received an update on the work being undertaken by Scrutiny Committees and Working Groups.

The Director of Adult Social Care referred to scam messages targeted at older people offering Covid vaccines at a cost and indicated that nobody should be paying for vaccines.

### **Resolved**

- (1) That the information contained in the report and verbal reports be noted.
- (2) That, due to there being no business to be conducted, the meeting of the Board scheduled on 4<sup>th</sup> March, 2021, be cancelled.

The meeting ended at 7.54 pm

CHAIR



OSMB/14