

Meeting of the Cabinet

Wednesday 20th March, 2024 at 6.00pm
In Committee Room 2 at the Council House,
Priory Road, Dudley, West Midlands, DY1 1HF

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 15th February, 2024 (Pages 4 - 17)
4. 2023/2024 Revenue and Capital Programme Monitoring (Pages 18 - 38)
5. Spending Controls (Pages 39 - 49)
6. Improvement and Sustainability Programme (Fit for the Future) Scope and Governance (Pages 50 - 73)
7. Council Plan 2024 - 2025 (Pages 74 -78)
8. Infrastructure Funding Statement 2023 and Neighbourhood Community Infrastructure Levy (NCIL) – Allocation of Funding (Pages 79 - 89)
9. Portersfield Development Brief (Pages 90 - 97)
10. Dudley Borough Economic Regeneration Strategy (Pages 98 - 106)
11. Dudley Council Climate Action Plan (Pages 107 - 116)
12. Camera Enforcement (Pages 117 - 124)

13. Proposal to accommodate the Eton/Star Academies College in Stafford Street, Dudley (Pages 125 - 133)
14. To report on any issues arising from Overview and Scrutiny Committee and Select Committees.
15. 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)

Councillor P Bradley (Deputy Leader)

Councillors P Atkins, I Bevan, R Buttery, S Clark, Dr R Clinton, D Corfield, M Rogers 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: 12th March, 2024

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Minutes of the Cabinet

**Thursday 15th February, 2024 at 6.00pm
in Committee Room 2 at the Council House,
Priory Road, Dudley**

Present:

Cabinet Members

Councillor P Harley (Leader - Chair)

Councillor P Bradley (Deputy Leader – Vice-Chair)

Councillors P Atkins, I Bevan, R Buttery, D Corfield, S Clark, Dr R Clinton, M Rogers and L Taylor-Childs.

Opposition Group Members Nominated to attend the Cabinet

Labour Group - Councillors K Casey, J Cowell, J Foster, P Lowe and P Sahota.

Independent Group – Councillors S Keasey and M Westwood.

Officers

B Heran (Deputy Chief Executive), M Abu Affan (Director of Public Health and Wellbeing), M Bowsher (Director of Adult Social Care), C Driscoll (Director of Children’s Services), M Farooq (Lead for Law and Governance (Monitoring Officer)), H Martin (Director of Regeneration and Enterprise) (via MS Teams), I Newman (Director of Finance and Legal), H Mills (Senior Democratic Services Officer) together with other officers.

Invitee

Councillor I Kettle

Observers

Councillors R Collins and J Martin

Together with 4 Members of the public

58 **Apology for Absence**

An apology for absence from the meeting was submitted on behalf of Councillor S Ali.

59 **Declarations of Interest**

In relation to Agenda Item No. 13 (West Midlands Combined Authority – Formal Ratification of the Single Settlement Memorandum of Understanding (MoU) between the West Midlands Combined Authority and His Majesty’s Government), Councillor K Casey declared a Pecuniary interest in any matters directly affecting his employment with West Midlands Combined Authority.

Councillor J Cowell declared a non-pecuniary interest in relation to Agenda Item No. 6 (Review of Housing Finance) as a Council tenant.

60 **Minutes**

Resolved

That the minutes of the meetings held on 13th December, 2023 and 11th January, 2024, be approved as a correct record and signed.

61 **Capital Programme Monitoring**

A joint report of the Deputy Chief Executive and Director of Finance and Legal was submitted on progress with the implementation and proposed amendments in respect of the Capital Programme. The report also proposed the ‘prudential indicators’ required to be determined by the CIPFA Prudential Code for Capital Finance in Local Authorities and the Local Government Act 2023 (update December 2021), the updated Capital Strategy and the Minimum Revenue Provisions (MRP) Policy for 2024/25.

Resolved

That the Council be recommended:-

- (1) To note the progress with the 2023/24 Capital Programme, as set out in Appendix A to the report.
 - (2) To approve the additions and amendments to the Capital Programme, as set out in paragraphs 10 to 21 of the report.
 - (3) To agree the Prudential Indicators as required to be determined by the CIPFA Prudential Code for Capital Finance in Local Authorities and the Local Government Act 2003, as set out in Appendix B to the report.
 - (4) To approve the updated Capital Strategy as set out in Appendix C to the report.
 - (5) To approve the Minimum Revenue Provision (MRP) Policy for 2024/25, as set out in paragraph 25 of the report.
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62 **Medium Term Financial Strategy 2024/25**

The Cabinet considered a joint report of the Deputy Chief Executive and Director of Finance and Legal on the deployment of General Fund revenue resources, a number of statutory calculations that had to be made by the Council and the Council Tax to be levied for the period 1st April, 2024 to 31st March, 2025.

In referring to paragraph 5 of the report and in response to a comment made by Councillor S Keasey, the Cabinet Member for Finance and Legal indicated that he would take into consideration the inclusion of companies with charitable aims, who's registered office was in and/or provided services to people who lived in the Dudley Borough, for discretionary business rates relief.

The main Opposition Group Leader (Councillor P Lowe) welcomed the more in-depth information provided on the Councils current financial situation and acknowledged the work that had been undertaken by the Section 151 Officer and other Council Officers to achieve necessary savings. The Opposition Group would continue to work collectively with the Leadership to ensure stability of the Council's financial situation.

The Leader commented positively on the impact of the implementation of the spending controls and recognised that whilst the Council's financial position was more positive than reported in October and January, work on the transformation of the operating model needed to continue to ensure sustainability.

Resolved

- (1) That the Council be recommended to note:-
 - (a) The actions of the External Auditors as set out in paragraphs 13 and 14 of the report.
 - (b) The forecast variances to budget in 2023/24 and progress with delivery of savings as set out in paragraph 18 and Appendices C and D to the report.
 - (c) The advice of the Director of Finance and Legal on future saving measures and Council Tax as set out in paragraph 54 of the report.
- (2) That the Council be recommended, with effect from 1st April 2025, that for properties which have been unoccupied and unfurnished for between one and five years, an Empty Homes Premium of 100% is applied, resulting in a 200% Council Tax charge being payable in these circumstances, as set out in paragraph 33 of the report.
- (3) That the Council be recommended, with effect from 1st April 2025, that for properties that have been empty and furnished for more than one year, a premium of 100% is applied, resulting in a 200% Council Tax charge being payable in these circumstances, and that authority be delegated to the Director of Finance and Legal, following consultation with the Cabinet Member for Finance, Legal and Human Resources, to approve a policy for exceptions to this premium as set out in paragraph 34 of the report.
- (4) That the Council be recommended, with effect from 1st April 2025, that discretionary business rates relief be limited to charities whose registered office is in and/or only provide services to people who live in the Dudley Borough and that authority be delegated to the Director of Finance and Legal, following consultation with the Cabinet Member for Finance,

Legal and Human Resources, to amend the policy to give effect to this change as set out in in paragraph 39 of the report.

- (5) That the Director of Finance and Legal be authorised, following consultation with the Cabinet Member for Finance, Legal and Human Resources and the Opposition Spokesperson for Finance and Digital, to approve any changes to the budget proposals resulting from final decisions on the West Midlands Combined Authority Transport Levy and non-transport funding contributions, as set out in paragraph 40 of the report.
- (6) That, subject to any amendments arising from the above, the Council be recommended to approve the following:-
 - (a) The budget for 2024/25, and Directorate allocations (including the Public Health budget) as set out in the report.
 - (b) That the statutory amounts required to be calculated for the Council's spending, contingencies and contributions to reserves; income and use of reserves; transfers to and from its collection fund; and Council Tax requirement, as referred to in Section 67(2)(b) be now calculated by the Council for the year 2024/25 in accordance with Sections 31A, 31B and 34 to 36 of the Local Government and Finance Act 1992 as set out in Appendix M to the report.
 - (c) That, having calculated the aggregate in each case of the amounts in Appendix M, the Council, in accordance with Section 30(2) of the Local Government Finance Act, 1992, agrees the following levels of Council Tax for Dudley Council services for 2024/25.

Valuation Bands

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
1,097.80	1,280.77	1,463.74	1,646.71	2,012.64	2,378.58	2,744.51	3,293.41

- (d) The Medium-Term Financial Strategy as set out in the report.
- (7) That the Council be recommended to determine that a referendum relating to Council Tax increases is not required in accordance with Chapter 4ZA of Part 1 of the Local Government Finance Act 1992, as set out in paragraph 52 of the report.
- (8) That the Council be recommended to authorise Cabinet Members, the Chief Executive, Deputy Chief Executive and Directors to take all necessary steps to implement the proposals contained in the report, in accordance with the Council's Financial Management Regime.
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63 **Review of Housing Finance**

A joint report of the Director of Housing and Communities and the Director of Finance and Legal was submitted on the latest Housing Revenue Account (HRA) financial forecasts for 2022/23 and to set rents for Council Homes and the HRA budget for 2024/25. The report also provided an update on the Capital Expenditure Budget for strategic investment and necessary programmed maintenance of the Council's housing stock for 2023/24 to 2026/27.

Following the presentation of the report, Councillor J Cowell referred to paragraph 5 of the report, and commented on the lack of detail with regard to the additional charges and how this would be implemented, included in the Review of Housing Finance report submitted to the Housing and Safer Communities Select Committee in January, 2024, which prevented Members the opportunity to challenge and formulate formal recommendations. In referring to paragraph 6 of the report, Councillor J Cowell also referred to the concerns, queries and reservations that were raised by the Housing Board about the proposals.

In responding to comments and questions raised, the Cabinet Member for Housing and Safer Communities advised that the additional charges applied would be specific to each individual tenant, as services differed and therefore that level of detail would be difficult to include within a report. Specific details would be communicated to tenants accordingly in due course, however the maximum each tenant would pay equated to £12.50. Members were assured that there was a commitment to improve services and additional work was being undertaken to improve customer

communication. A support fund to assist tenants experiencing difficulties in paying the increased services charges had been allocated and a discretionary policy was currently being developed. It was clarified that the support fund would not impact upon discretionary housing payments and that there was an array of support available for residents that were experiencing difficulties to meet their payments.

Resolved

- (1) That the latest Housing Revenue Account (HRA) outturn forecast for 2023/24, as set out in paragraphs 8 to 14 and Appendix 1 to the report, be noted.
- (2) That an increase in rents for HRA dwellings by 7.7% from 1st April 2024, as set out in paragraphs 15 to 17 of the report, be approved.
- (3) That the introduction of service charges at full cost recovery, as set out in paragraph 18 of the report, be approved.
- (4) That the Council be recommended:-
 - (a) To approve the HRA revenue budget for 2024/25, as set out in paragraphs 19 to 21 and Appendix 2 to the report.
 - (b) To approve the public sector housing revised capital budgets for 2024/25 to 2026/27 attached as Appendix 3, noting consultation arrangements outlined in paragraphs 4 to 7 of the report.
 - (c) To authorise the Director of Housing and Communities and the Director of Finance and Legal to bid for and enter into funding arrangements for additional resources to supplement investment in the public sector housing stock, as outlined in paragraphs 24 to 29 and Appendix 3 of the report and that expenditure funded from such resources be added to the Capital Programme.
 - (d) To authorise the Director of Housing and Communities, following consultation with the Cabinet Member for Housing and Safer Communities, to manage and allocate resources to the capital programme as outlined in paragraphs 24 to 29 and Appendix 3 to the report.

- (e) To authorise the Director of Housing and Communities, following consultation with the Cabinet Member for Housing and Safer Communities, to develop and implement service charges as outlined in paragraph 18 of the report.
 - (f) To confirm that all capital receipts arising from the sale of HRA assets (other than any receipts that may be specifically committed to support private sector housing) should continue to be used for the improvement of Council homes, as set out in paragraphs 24 to 29 and Appendix 3 to the report.
 - (g) To authorise the Director of Housing and Communities to continue to buy back former right to buy properties, to buy other properties, and to buy land where required to assemble a viable site for housing development, subject to a robust assessment of good value for money and sustainability in terms of lettings, maintenance and major works, as set out in paragraphs 24 to 29 and Appendix 3 to the report.
 - (h) To authorise the Director of Housing and Communities to procure and enter into contracts for the delivery of the capital programme, as outlined in paragraphs 24 to 29 and Appendix 3 to the report.
 - (i) To endorse the HRA medium term financial strategy.
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64 **Dudley Council Pay Policy 2024/25**

The Cabinet considered a report of the Deputy Chief Executive on the Council's annual Pay Policy Statement to comply with Sections 38 and 39 of the Localism Act 2011. The Statement articulated the Council's policies towards a range of issues relating to the pay of the workforce, particularly the most senior staff (or 'Chief Officers') and the relationship of their pay to the lowest paid employees.

Resolved

That the Council be recommended to approve the Pay Policy Statement for 2024/2025.

65 Gender Pay Gap Report 2023 – Snap shot date 31st March 2023

A report of the Deputy Chief Executive was submitted on the Gender Pay Gap report 2023, which was due for publication by 30th March 2024, in accordance with the requirements of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

In responding to questions raised by Members of the Opposition Group, it was commented that a snap shot for 2024 would be available by March 2024, and that comparative information between the private and public sector could be included in future reports. Work continued to ensure female employees had access to training and development opportunities to encourage progression on the pay spine and an opportunity for growth.

Resolved

That the Gender Pay Gap 2023 report, attached at Appendix 1, be approved for public disclosure and thereafter the report be published and data reported to the Government before 30th March 2024 to ensure compliance with the requirements of the 2017 Regulations.

66 Annual Review of the Constitution

A report of the Lead for Law and Governance (Monitoring Officer) was submitted on the annual review of the Constitution.

Resolved

That the Council be recommended:-

- (1) To endorse the revision of Article 6 and the associated Scrutiny Procedure Rules as incorporated in Part 4 of the Constitution.

- (2) To extend the trial of the revised 'Question Time' session at Full Council meetings for the remainder of this municipal year and that, subject to the outcome of the trial, the necessary revisions to Council Procedure Rule 11 be incorporated in the Constitution for the 2024/25 municipal year.
 - (3) To note the inclusion of the revised Contract Standing Orders, as approved by the Audit and Standards Committee, within Part 5 of the Constitution.
 - (4) To note the provisions of Council Procedure Rule 24.6 and the associated legal provisions concerning the recording of meetings.
 - (5) To endorse the provisions in Article 12 of the Constitution (Officers), including the deputising arrangements in the absence or inability to act of the Chief Executive.
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67 **Suspension of Council Plan 2022-2025**

The Cabinet considered a report of the Deputy Chief Executive on a proposal to suspend the Council Plan 2022 – 2025.

Resolved

That the Council be recommended to:-

- (1) Suspend the existing Council Plan for the period April 2022 to March 2025 and replace it with a focussed one-year plan for 2024/25.
 - (2) Approve a one-year Council Plan for 2024-25 focussed on those priorities and projects that will prevent a higher cost, deliver cost reductions/ increased income and the delivery of the Council's improvement and sustainability programme.
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68 **Traffic Regulation Orders Process Review**

A report of the Acting Service Director – Neighbourhood Delivery was submitted on proposed changes to Dudley’s existing Traffic Regulation Order Policy. The proposed changes were to update the assessment process in line with current transport priorities and would reduce the length of time taken for requests to be assessed, advertised and implemented, improving the customer experience. The report also outlined the proposed changes to the advertising process to make street notices more user-friendly, accessible and inclusive for members of the public.

Resolved

- (1) That the information provided in Appendix C (Technical note Dudley TRO Process Review) and the recommendations as set out in the report in relation to requests for Traffic Regulation Orders (TRO’s), be noted and endorsed.
- (2) That the proposed new Traffic Regulation Order process as set out in Appendix A to the report, be adopted, and the following actions be authorised:-
 - i. All new requests for TROs be directed through a revised process which takes place three times a year, instead of annually, except for Developmental, Temporary, Emergency/Urgent or Experimental Orders and disabled parking bays, which are dealt with by separate processes.
 - ii. All new requests are acknowledged and then undergo an initial ‘feasibility check’ to ensure they meet key criteria. Unsuccessful requests will be discounted, and the requestor advised as soon as practical.
 - iii. Predefined scoring process is used to prioritise requests, and ward members being notified of TRO’s being proposed prior to public consultation.
 - iv. That the website is updated with information on the new assessment method and expected timescales.

- (3) That the revised format of site notices as recommended in Appendix A to the report, to make them more visible and easier to access the relevant TRO information, be approved.
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69 **On-Street Disabled Parking Places**

The Cabinet considered a report on a revised policy for the provision of On Street Disabled Parking Places within the Borough and to define the basis on which a decision to provide these parking places would be made by Officers.

Following the presentation of the report, Members of the Opposition Groups made comments and requested clarification with regard to what would happen to existing disabled bays allocated to individual persons and in situations when there was more than one disabled resident in the same street; how did the revised policy compare with other local authorities; had a detailed Equality Impact Assessment (EIA) been undertaken and how would the revised policy be communicated to residents.

It was reported that one or two disabled places were proposed to be provided within 50 metres of a property and that due to capacity issues, several authorities were also choosing to adopt statutory control parking bays. It was further commented that whilst the details had been omitted from the report an extensive EIA had been undertaken and the Disability Group fully supported the revised Policy. Current parking permits would remain in place until they were due for renewal and would be converted to a statutory parking bay at that time.

Resolved

That the adoption of the On-Street Disabled Parking Places policy, replacing the previous policy approved on 21st December, 2022, enabling enforceable Disabled Parking places in safe locations providing Blue Badge holders and those assisting with the mobility of blue badge holders access to appropriate spaces, be approved.

70 **West Midlands Combined Authority – Formal ratification of the Single Settlement Memorandum of Understanding (MoU) between the West Midlands Combined Authority and His Majesty’s Government**

A report of the Director of Regeneration and Enterprise was submitted on the single settlement memorandum of understanding (MoU) between the West Midlands Combined Authority and His Majesty’s Government following in principal approval of the draft MoU by the Mayor and Portfolio Leaders on 3rd November, 2023.

Resolved

- (1) That the single settlement MoU between West Midlands Combined Authority and Her Majesty’s Government, as set out at appendix 1 of the report, be ratified.
- (2) That the high-level next steps for single settlement negotiations and implementation ahead of the first single settlement allocation, which is likely to be 1st April, 2025, be noted.

71 **Dudley MBC response to the Sandwell Local Plan consultation, Telford and Wrekin Local Plan Consultation and South Staffordshire Council Duty to Cooperate letter response**

The Cabinet considered a report of the Director of Regeneration and Enterprise on recent Local Plan consultations undertaken by other Local Planning Authorities and Duty to Cooperate (DtC) correspondence received from South Staffordshire Council, together with officer responses that had been submitted, to ensure that the Council fulfilled its legal obligations under the DtC and that the interests of Dudley Borough were fully considered in the plan-making activities of other local authorities.

Arising from the presentation of the report, Members of the Opposition Group commented on the need to work collaboratively with neighbouring authorities to ensure that proposed housing developments, which were located close to the Dudley boundary, did not impact or put pressure on Dudley’s amenities and highways, and that the impact to Dudley Town Centre from proposed improvements to bordering towns be mitigated.

Resolved

- (1) That the summary of the Local Plan consultations, including the key issues arising for Dudley MBC, be noted.
- (2) That the Officer response to the Sandwell Local Plan Consultation, as set out in Appendix 1 to the report, be noted.
- (3) That the Officer response to the Telford and Wrekin Local Plan consultation, as set out in Appendix 2 to the report, be noted.
- (4) That the Officer response to the South Staffordshire Duty to Cooperate letter, as set out in Appendix 3 to the report, be noted.

72 **Issues arising from Overview and Scrutiny Committee and Select Committees**

No issues were raised under this agenda item.

73 **Questions from Members to the Leader (Cabinet Procedure Rule 2.5)**

No questions were raised under this agenda item.

The meeting ended at 7.11pm

LEADER OF THE COUNCIL

Meeting of the Cabinet – 20th March 2024

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

2023/2024 Revenue and Capital Programme Monitoring

Purpose

1. To report the forecast 2023/24 General Fund Revenue outturn position and propose amendments to the Capital Programme.

Recommendations

2. That Cabinet:
 - Note the forecast General Fund revenue outturn position for 2023/24 and the effect on Unallocated General Fund Reserves at 31st March 2024.
3. That the Council be recommended:
 - That the deferral, reduction and removal of various capital budgets be approved, as set out in paragraphs 11 - 18.
 - That the additional budget for the swimming pool works at Halesowen Leisure Centre funded by grant be included in the Capital Programme as set out in paragraphs 19-23.
 - That the Flexible Use of Capital Receipts Strategy be approved and added into the Capital Strategy, as set out in paragraphs 24-26 and Appendix C and Appendix D.
 - To note the progress against the Capital Programme as detailed in Appendix B.

Background

4. At 31st March 2022 our unringfenced revenue reserves as a proportion of net revenue spend were 19%. The average¹ for all Metropolitan Councils at the same date was 55%. Calculated on the same basis, our position at 31st March 2023 was still 19%. Comparisons with other councils are not yet available.

Forecast Revenue Outturn 2023/24

5. On 6th March Council set the 2023/24 budget. The budget was amended by Council on 10th July. The latest forecast performance against the amended budget is summarised below:

Directorate	Latest Budget £m	Outturn £m	Variance £m
Chief Executive	6.8	6.5	(0.3)
Adult Social Care	110.6	113.8	3.2
Children's Services	82.0	86.8	4.8
Health and Wellbeing	2.7	2.4	(0.3)
Finance and Legal	14.2	14.7	0.5
Digital, Commercial and Customer Services	16.5	15.9	(0.6)
Housing and Communities	48.8	50.5	1.7
Public Realm	2.5	1.8	(0.7)
Regeneration and Enterprise	14.4	16.2	1.8
Corporate, Treasury and Levies	13.9	8.9	(5.0)
Total Service Costs	312.4	317.5	5.1
Total Resources	(307.3)	(307.3)	0.0
Use of Balances	5.1	10.2	5.1

6. The adverse variance of £5.1m represents a £3.9m improvement to the previous outturn presented to March Council. Appendix A gives further detail of forecast performance at service level. The significant changes since last reported to Cabinet are summarised as follows:

- Backdated Continuing Health Care income (£4m)
- Share of National Business rates Levy surplus (£0.6m)
- Reduction in section 31 Business rates grant +£0.5m
- Other net pressures +£0.2m

¹ The percentage quoted is based on the Median average of all Metropolitan Councils

7. The Cabinet should note that this is a significant adverse variance with severe implications for the ongoing Medium Term Financial Strategy. The immediate impact on the General Fund is outlined below.

	Budget £m	Latest Position £m
Forecast balance 31 st March 2023	20.8	20.8
2022/23 outturn (as reported to July Cabinet)		1.0
Unallocated General Fund Reserve at 31st March 2023	20.8	21.8
Planned use of Reserves approved by Council March 2023	(4.2)	(4.2)
Planned use of Reserves approved by Council July 2023		(0.9)
Adverse Forecast 2023/24 outturn		(5.1)
Forecast Unallocated General Fund reserve at 31st March 2024	16.6	11.6

8. A separate report on the agenda outlines the proposals for resources to support the Fit for the Future Programme. The costs of the Programme Delivery Office for 18 months is estimated to be £0.6m. Funding of £0.2m has been found from earmarked reserves and vacancies. It is proposed that the balance is funded from use of flexible capital receipts detailed in appendix C and D.

Capital

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

	2023/24	2024/25	2025/26
	£'000	£'000	£'000
Public Sector Housing	58,900	87,400	92,300
Private Sector Housing	8,143	4,605	71
Environment	5,565	9,891	8,179
Transport	12,053	13,233	8,896
Regeneration and Corporate Landlord	19,814	20,236	12,709
Culture, Leisure and Bereavement	1,542	3,099	2,700
Schools and SEND	11,271	19,916	17,741
Social Care, Health and Well Being	702	1,850	0
Digital, Commercial and Customer Services	1,767	1,218	1,381
Total spend	119,757	161,448	143,977
Revenue	4,286	3,884	3,650
Major Repairs Reserve (Housing)	25,100	26,400	26,928
Capital receipts	25,123	44,224	47,263
Grants and contributions	42,488	29,797	15,948
Capital Financing Requirement	22,760	57,143	50,188
Total funding	119,757	161,448	143,977

Note that the capital programme is subject to the availability of government funding.

10. Following a review of the Capital Programme the following amendments have been proposed.

Highways Structural Maintenance

11. Along with all schemes in the Capital Programme that are funded by revenue contributions and / or prudential borrowing it is proposed that instead of funding £2,000,000 each year for this area that the annual budget for this spend is reduced to £1,750,000. It is proposed that for 2024/25 onwards the budget for this area that is funded by prudential borrowing is reduced by £250,000.

Priory Road Car Park

12. An allocation for this scheme was agreed by Council over 10 years ago and there is a budget of £19,000 remaining. There are no immediate plans for this site so it is proposed that this budget is removed. It is proposed that the £19,000 budget is removed from the Capital Programme.

Wren's Nest Warden's Base

13. Plans for this scheme were stalled when further plans were requested with a higher cost than originally budgeted. As no immediate plans are in place for this site it is proposed that the budget of £279,000 is deferred. It is proposed that £279,000 budget is deferred to 2027/28.

Marlborough Gardens and Ascot Gardens

14. Following consultation with residents a budget of £92,000 was approved into the Capital Programme in July 2021. Fees of £2k were incurred in 2021/22. Therefore if the scheme no longer goes ahead these fees will revert to revenue however the original contribution of £92,000 will also be transferred back to the service. This revenue saving will be reported as part of the Council revenue outturn reporting. It is proposed that the £90,000 remaining budget for this scheme is removed from the Capital Programme.

Leisure Centre Strategy

15. There is £128,000 in the 2023/24 Capital Programme for residual works to this scheme. There is currently £78,000 either spent or contractually committed to be spent in 2023/24. It is proposed that the unspent proportion of this budget is removed from the Capital Programme. It is proposed that the remaining budget of £50,000 is removed from the Capital Programme.

Crystal Leisure Centre Roof

16. There is currently a budget of £554,000 agreed at February 2022 Cabinet for the replacement of the roof at Crystal Leisure Centre. Given financial pressures it is proposed that the budget and spend is deferred until 2027/28. It is proposed that the £554,000 budget is deferred to 2027/28.

Stalled and Derelict Sites

17. Work has commenced on this scheme and there are currently budgets of £200,000 and £500,000 in 2024/25 and 2025/26 of the Capital

Programme respectively. It is proposed that the spend for these years is deferred until 2027/28. It is proposed to defer £700,000 of project spend to 2027/28.

Mental Health and Adult PSS

18. There are historical budgets in the Capital Programme across these areas of a combined £376,000. There are no immediate plans to use this funding so it is proposed to defer this spend to 2027/28. It is proposed that the £376,000 budget is deferred to 2027/28.

Halesowen Leisure Centre

19. The swimming pool at Halesowen Leisure Centre has been awarded a capital grant of £176,125 from Sport England, based on a competitive bid submitted by the Council in late 2023. The award is for environmental improvements to include triple glazed pool hall windows and variable speed pumps. Both measures will benefit the pool area from both an environmental and economic point of view.
20. A condition of the grant from Sport England's Swimming Pool Support Fund is that the swimming pool remains open for a minimum period of 10 years. Should the decision be made to close the centre within this time, Sport England would have a claim on any capital receipt to recover the grant.
21. Should a future decision be made to outsource leisure centres, the obligations the grant places on any operator of the centre would be discussed and if necessary, included in the tender information. For clarity, the obligations include matters such as the operator agreeing to regularly report on issues such as user demographic and utility usage, and to provide a Strategic Leisure Plan for the Halesowen facility by 01 April 2025.
22. From an appraisal of the terms of the grant offer officers believe the Authority can procure another organisation to run the leisure centre, provided the written approval of Sport England is obtained. The Council can also close the facility, but Sport England must be informed. In this instance, Sport England would request information on how swimming provision will be delivered. Sport England do not however have the authority to prevent closure.
23. It is therefore proposed that the grant and associated spend is added to the Capital Programme for 2024/25, with Sport England reimbursing the costs in 2025/26.

Flexible Use of Capital Receipts Strategy

24. The Flexible Use of Capital Receipts has been offered by central government since 2016/17 and it has recently been announced that the flexibility would be extended to March 2030. This flexibility allows Councils to use their capital receipts to fund revenue transformation projects and service reform as long as it meets certain criteria and providing full Council approves both the strategy surrounding this and the specific schemes proposed to be funded in this way.
25. The Council is working on new ways to provide cost savings across the Council and some of these may be eligible to be funded using these capital receipt flexibilities. Qualifying expenditure is expenditure on any project/activity that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners.
26. The Full Flexible Use of Capital Receipts Strategy is included in Appendix C and a list of proposed projects to be approved to be funded in this way is included in Appendix D.

Finance

27. In the Section 25 report to Council on 4th March, the Director of Finance and Legal stated: “Our forecast unringfenced reserves at 31st March 2024 are around 8% of net revenue spend. Based on the forecasts in this report they will fall to around 4% by 31st March 2025. From that point forward the outlook is unsustainable. Reserves are low by comparison with other councils. The rate of Council Tax (and as a result the level of spending) is also low compared to other councils. Forecasts already build in the maximum increase in Council Tax without a referendum for 2024/25. There are significant risks to the forecast and Members should note that, if these risks materialise and if mitigating actions are not taken, then I may need to issue a notice under Section 114 of the Local Government Finance Act 1988.”
28. The deferral or reduction of spend in the Capital Programme outlined in paragraphs 10 to 18 will reduce the revenue cost of borrowing to finance the capital programme. However, the flexible use of capital receipts set out in paragraphs 24 to 26 (and Appendix D) will increase the requirement to borrow to finance the capital programme. These impacts will be kept under review and revenue budget for the cost of borrowing will be adjusted accordingly.

Law

29. 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

30. 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. At the last review point, this risk was allocated the maximum rating of 25 (Extreme).
31. 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

32. These proposals comply with the Council's policy on Equality and Diversity. 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.

Human Resources/Organisational Development

33. The proposals in this report do not have any direct Human Resources / Organisational Development implications.

Commercial / Procurement

34. 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.

Environment / Climate Change

35. Individual capital projects should be separately assessed for their environmental impact before they commence and major schemes with climate change impacts will include details of this in their progress reports going forward.

Council Priorities and Projects

36. The aspirations of the Council Plan can only be delivered if the Council is financially sustainable. Proposed capital projects are in line with the Council's capital investment priorities as set out in the approved Capital Strategy.



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List of Background Papers

Relevant resource allocation notifications.
Flexible Use of Capital Receipts Guidance

General Fund Revenue Forecast Outturn 2023/24

	Latest Service Budget £'000	Forecast £'000	Variance £'000	Comment
Chief Executive	6,769	6,510	(259)	
People and Inclusion	3,134	2,729	(405)	Staff car park permits (£53k), Occupational Health (£38k) other net savings (£18k), (£242k) vacancy savings, (£54k) saving on software development and HR assistance project
Communications and Public Affairs	1,000	1,067	67	Shortfall on Musicom £70k and Street vendors and town centre income generation £20k, £35k pressure for reduced income and property costs. Partly offset by (£58k) net staffing cost savings
Chief Executives Office	2,635	2,714	79	Salary costs £162k and non pay pressures £67k offset by reduction in spend on strategic contingency (£150k).
Adult Social Care	110,651	113,815	3,164	
Dudley Disability Service	53,504	55,205	1,701	Bed based pressure £432k arising from 15 long term placements (£63k) and £495k of short term placements, Community Services pressure of £1370k arising from 68 extra clients and +£108 pw increase in costs. Placement pressures inc (£4085k) backdated

	Latest Service Budget £'000	Forecast £'000	Variance £'000	Comment
				CHC income. other pressures of backdated Business Rates at Ladies walk £219k, consultancy costs £250k. Offset by net staff savings (£570k).
Assessment and Independence	42,783	43,298	515	Additional 391 clients £1524k, salary pressures £285k, £276k other pressures. Offset by; additional grants & joint funding (£1570k).
Access & Prevention, adults commissioning, Performance & complaints	9,904	9,811	(93)	Shortfall on Telecare income (£62k council tenant, £50k private income), £211k pressure on equipment offset by net staffing savings within division (£316k), (£100k) Public Health switch for carers.
Adult Safeguarding & Principal Social Worker	1,828	1,611	(217)	Net salary savings (£217k)
Integrated Commissioning	4,285	4,208	(77)	Net salary savings (£78k)
Other ASC	(8,194)	(8,394)	(200)	Net Salary savings (£50k); Release of reserves (£150k – CQC and Workforce). NB £100k CQC reserve contribution to DCX Sustainable Plan.
Adult Mental Health	6,541	8,076	1,535	Supported living £1047k, Residential care £606k, other care costs £98k, £86k Woodside pressure off set by net salary savings (£302k)
Children's Services	81,968	86,826	4,858	
Adolescent Safeguarding	4,465	4,339	(126)	Net salary savings (£126k)
Family Safeguarding	5,955	5,779	(176)	Net salary savings (£176k)

	Latest Service Budget £'000	Forecast £'000	Variance £'000	Comment
Through Care	41,622	46,652	5,030	External Residential Placements £5,127k, Fostering int/ext £36k, Legal fees £156k, Transport £77k, offset by other net savings (£366k).
Front Door and Partnerships	2,630	2,596	(34)	Net staff savings (£34k)
Safeguarding Practice & QA	3,345	3,359	14	Reduction in school contributions £14k
Other Children's Services	2,527	2,588	61	Agency and temporary staff £161k, offset by use of reserve (£100k)
Family Solutions	8,047	6,715	(1,332)	Use of grants to fund staffing activity (£618k), use of reserve (£385k), Public Health grant reserve support (£270k), other net savings mainly vacancies (£59k)
Lead for Education Outcomes	8,927	10,110	1,183	Home to School Transport £1000k, School Improvement Officers £80k, other net pressures £103k
Children's Disability Service and SEN Team	4,450	4,688	238	Direct payments £45k, other net pressures £193k
Health and Wellbeing	2,641	2,346	(295)	
Communities and Healthy Places	403	403	0	
Environmental Health and Trading Standards	3,196	3,063	(133)	Legal fees £94k and other net pressures of £22k, offset by (£130k) switch from public health grant to trading standards, (£104k) additional court income, and (£15k) additional Fix A Home income.
H&W other	(958)	(1,120)	(162)	Covid grants (Lateral Flow and Practical Support) now confirmed that balances do not have to be returned.

	Latest Service Budget £'000	Forecast £'000	Variance £'000	Comment
				(£118k). Savings on substance misuse as fewer clients (£45k)
Finance and Legal Services	14,243	14,754	511	
Law and Governance	5,015	5,677	662	Elections £230k, members allowances £76k, net cost of locums within legal £300k, other net pressures £56k
Financial Services	6,733	6,714	(19)	Legal fees £45k, offset by net savings (£64k)
Revenues and Benefits	1,868	1,771	(97)	Discretionary council tax discount £114k and other net pressures £44k, offset by release of reserves (£255k)
Audit and Risk Management	427	382	(45)	Net savings (£45k)
Data Protection and Information Governance	200	210	10	Mainly Software licence £10k
Digital, Commercial and Customer Services	16,480	15,904	(576)	
Commercial	210	186	(24)	Saving on Pay (£4k), release of (£50k) reserve, (£60k) additional income from DGFL on charges offset by 10k Leisure Serv Concession and £80k reserve requests for 24/25.
Procurement	617	540	(77)	Staffing saving of (£152k), £50k reserve roll forward into 24/25, £53k pressure for Atamis Ltd offset with (£29k) public health contribution other variances £1k.
Libraries	4,257	4,280	23	£20k pressure due to legal fees, £3k pressure on income.

	Latest Service Budget £'000	Forecast £'000	Variance £'000	Comment
Digital Customer Services	4,034	3,566	(468)	Net Staffing saving of (£554k), utilities pressure of £31k and £53k pressure on other expenditure (includes £20k MyDudley Comms reserve request), Other variance £2k
Technology Systems and Services	8,056	8,035	(21)	Staffing saving of £340k (76k pay award, offset with vacancy savings of £416k), £35k premises pressure the bulk of which is delays in the wallows, £58k other costs pressure (£25k consultants, £19k printing costs, £53k materials, £20k rates, £6k other offset with (£65k) saving on postage), £273k pressure on income (£292k print service), (£5k) saving on contracts.
DCCS other	(694)	(703)	(9)	Salary Savings of (£52k), (£12k) other cost saving, £15k consultancy fees, £40k Improvement Programme Reserve. Movement in month due to salaries
Environment	48,791	50,459	1,668	
Waste & Transport Operations	11,209	12,084	875	Staffing £512k (of which pay award £251k, agency / sickness cover £1,893k, offset by vacancies (£1,680k) plus other staffing pressures of £49k including training). Favourable Income (£210k); (of which Dry recycling plastics (£115k), vehicle sales (£71k), (£58k) extended green waste service, Shortfall on Waste Business Income £32k). Spot Hire pressure of £693k, Other Vehicle pressure £595k (£181k Tyres, £106k parts, £308k rechargables) offset with fuel saving of (£179k). (£517) saving on leasing costs and (£19k) other cost savings.

	Latest Service Budget £'000	Forecast £'000	Variance £'000	Comment
Energy, Sustainability and Climate Change	6,901	8,693	1,792	Staff saving (£218k), Energy from Waste contract £1,470k (of which PPA income shortfall £653k, Commercial waste income £310k, EfW R&M cost £1,500k, Increased fire suppression cost £91k, release of disputed dilapidation provision (£240k), avoided landfill & street Sweeps costs (£370k), pressure on NNDR £63k, pressure on diversions £55k reduced payments to contractor due to lower income (£242k), reduced insurance premiums (£221k), release PPA reserve (£280k) and creation of £150k Reserve Request for EfW Strategy Consultancy). Household Waste Recycling Centre contract uplift inflation £156k, Pop up £80k, Textek disposal pressure £85k, £150k consultancy reserve, and other other minor variances £70k.
Neighbourhood Services	11,884	11,298	(586)	Net staffing savings (£1,585k), shortfall in parking income £917k, savings on vehicles including fuel (£82k), other pressures £164k including utilities, and premises.
Transport & Highways Services	18,797	18,384	(413)	Net staff savings (£965k), offset by utilities £248k due to price inflation and £338k due to usage during roll out of infrastructure improvements , under recovery of income pressure £400k offset with other savings of (£47k) on vehicles, (£250K) Tourism Sign Reserve Release and (£136k) reduced spend on trading accounts.

	Latest Service Budget £'000	Forecast £'000	Variance £'000	Comment
Housing and Communities	2,506	1,775	(731)	
Maintenance	(80)	60	140	Under recovery of staff time £69k and high incidence of sickness resulting in under recovery 71k
Community Safety	1,417	746	(671)	Maximising use of grants (£618k) and vacancies (£53k).
Housing Strategy	672	605	(67)	Staffing savings net of pay award (£109k), Other net pressures including Tenants Perception Survey (Private Sector) £42k.
Housing Options	290	290	(0)	
Housing Assets & Development	207	74	(133)	Net staffing savings (£19k). Movement due to increased capitalisation (£114k).
Regeneration and Enterprise	14,416	16,175	1,759	
Culture, Leisure & Bereavement Services	236	2,123	1,887	Bereavement £678k (of which utilities £135k, shortfall of income £510k, other £33k). Halls, Himley, Market & Museums +£320k (of which net staffing costs £23k, Utilities +£106k, shortfall of income £195k, other -£4k). Leisure Centres £929k (of which £503k net staff costs, utilities £452k, Backdated Business rates £150K, other supplies & services +£160k, increased income (£336k)). Executive Support -£40k (of which net cost of interims +£0k, less other s&s savings (£40k)).
Planning	1,920	2,161	241	Net staff savings (£296k) offset by income shortfall £445k, consultants and other pressures £142k, less release of Dudley Local Plan reserve (£49k)

	Latest Service Budget £'000	Forecast £'000	Variance £'000	Comment
Economic Growth & Skills	2,346	884	(1,462)	One-off windfall re Black Country Legacy funds (£555k), maximising Adult and Community Learning external funding (£199k), Other favourable variance being mainly Enterprise Zone budget (£208k), Impact Project surplus (£350k) and maximising the use of UKSPF/CWG Legacy funds (£150k)
Corporate Landlord Services	7,497	8,847	1,350	Catering Commercial £646k (of which Staffing £198k, external income £761k, provisions (£293k), other (£20k)). Catering & Cleaning Other £186k (of which Staffing (547k), internal income £706k, external income £531k, catering provisions (£401k) other (£103k)). Property £518k (of which Staffing (£285k), utilities £305k, Admin buildings including churn costs £200k, Construction and Design fees shortfall £169k, other internal income £74k, voids and NNDR £42k, Facility management £43k, CCTV other (£108k), external income £78k).
Projects and Placemaking	901	901	0	£50k pressure due to shortfall of income netted off by general savings (£50k).
Regeneration Projects	1,516	1,259	(257)	Release of unspent reserves Eton Project (£207k), Stalled & Derelict sites (£50k)
Corporate & Treasury	13,912	8,937	(4,975)	
Treasury	19,860	17,982	(1,878)	Lower borrowing costs and MRP compared to MTFS due to slippage and lower interest rates (£1,490k) offset by higher HRA balances on usable reserves and high interest rates £829k. Higher interest rates on interest

	Latest Service Budget £'000	Forecast £'000	Variance £'000	Comment
				paid on trust balances £56k. Higher interest rates and payments compared to budget (£1,365k) Reduction in income from fleet re internal borrowing and increased interest paid to Paragon for internal balances £92k.
Levies	15,020	14,369	(651)	Reduced share of Transport Levy (£51k), Surplus due to latest profile re EZ modelling of the black Country (£600k)
Corporate	(20,968)	(23,414)	(2,446)	Allowance for impairment of loans £2,000k, BR revaluation contingency released (£3,013k), Pensions GF Over Recovery (£942k), other pension savings (£77k) general contingency released (£334k), Interchange settlement (£50k) and other net savings (£30k)
Total Service Costs	312,377	317,501	5,124	
Total Funding	(307,271)	(307,279)	(8)	Less S31 grant than budgeted £570k, offset by national distribution of Business Rates levy surplus (£578k)
Use of Balances	5,106	10,222	5,116	

2023/24 Capital Programme Progress to Date

Appendix B

Service	Budget – June 2023 £'000	Additions / Amendments £'000	Slippage £'000	Revised Budget £'000	Forecast £'000	Variance £'000
Public Sector Housing	65,158	-6,258	0	58,900	58,900	0
Private Sector Housing	18,868	-6,035	-4,690	8,143	8,143	0
Environment	19,306	764	-14,505	5,565	5,638	73
Transport	13,216	2,258	-3,421	12,053	12,053	0
Regeneration and Corporate Landlord	20,767	1,112	-2,065	19,814	19,721	-93
Culture, Leisure & Bereavement	5,381	60	-3,899	1,542	1,620	78
Schools and SEND	31,950	7,689	-28,368	11,271	11,271	0
Social Care, Health and Well Being	907	1,645	-1,850	702	702	0
Digital, Commercial & Customer Services	1,882	430	-545	1,767	1,767	0
Total	177,435	1,665	-59,343	119,757	119,815	58

1. Environment - forecast overspend of £70k on the Energy from Waste project is to be funded by revenue budgets within Environment. The other overspends (Greenspaces (£2k) and Liveability (£1k)) will also be funded by revenue.
2. Transport – Primrose Bridge, the Council has slipped the unspent budget here and is working with the funding provider to establish other schemes that may be able to utilise the grant.
3. Regeneration & Corporate Landlord – underspends on Low Carbon Place Strategy (£66k) and Blue Network (£27k) will result in reduced grant claims and a potential reduction in revenue contributions (work is in progress to check this).
4. The forecast variance within Culture, Leisure and Bereavement relates to an overspend of £47k for the Stourbridge Crematorium works and £31k for the Round Oak Memorial which will both be funded by additional revenue contributions.



Flexible Use of Capital Receipts Strategy

The Flexible Use of Capital Receipts Strategy is to be approved annually by Full Council. This Strategy is to enable the Council to utilise capital receipts from the disposal of property, plant and equipment to fund service reform.

This flexibility only extends to expenditure on projects that generate ongoing revenue savings in the delivery of public services and / or transform service delivery to reduce costs or to improve the quality of service delivery in future years. Capital receipts can only be used to fund set up and implementation costs and not ongoing revenue costs.

Full details of proposed projects should be taken to Full Council and include what the project is for, the service outcomes it will achieve, the costs and benefits of the project and the impact on the Council's Prudential Indicators.

This Strategy should be viewed as part of the Council's Capital Strategy that was approved on 26th February 2024. Any additional schemes identified to be funded in this way or amendments to the amounts agreed to be funded per scheme in this Strategy require approval by Full Council and also need to be reported to DLUHC.

A list of proposed projects to be approved to be funded in this way in 2024/25 is included in Appendix C. Future Strategies must include details of projects previously agreed and comment on their progress against delivery of planned savings.

The current forecast for capital receipts to be received are as follows:

	2023/24	2024/25	2025/26	2026/27	Total
	£m	£m	£m	£m	£m
Projected Capital Receipts	2.0	5.0	0.7	0.2	7.9

Included above is the expected unapplied capital receipts from 2023/24. Any funding applied to the schemes in Appendix C will reduce the funding available to finance the Capital Programme. The funding split and Prudential Indicators will be adjusted following the approval of this Strategy; however the main change will be an increase to the Capital Financing Requirement equivalent to the amount of capital receipts used flexibly for the projects listed in Appendix D.

Proposed Projects to be Funded by Capital Receipts

Project Heading	Type of Expenditure and Description of the Project	Amount (max) £m	Efficiencies and Savings (including values where quantifiable)
Organisational Redesign	The Council is reviewing its Target Operating Model. To facilitate this activity external expertise may be required. Any subsequent costs of change including termination costs would be funded from this flexibility.	7.2	The Council needs to identify significant savings on top of the current Medium Term Financial Strategy in order to become sustainable.
Programme Delivery Office	Team supports the Council's Fit for the Future Programme	0.4	As above
Estates Strategy	Project team supports development and implementation of the Council's Estates Strategy	0.2	£800k annual revenue savings and capital receipts
UNIT4 Cloud Migration	Subject Matter Experts will be engaged by the Council to support staff through the migration process	0.1	Efficiencies are expected through improved functionality

All of these projects meet the criteria of funding the cost-of-service reconfiguration, restructuring or rationalisation where this leads to ongoing efficiency savings or service transformation.

The ability to capitalise the categories of expenditure set out above will in practice be limited by the level of capital receipts achieved.



Meeting of the Cabinet – 20th March 2024

Report of the Director of Finance and Legal

Spending Controls

Purpose

1. To revise the spending controls approved by Cabinet in October 2023.

Recommendations

2. That Cabinet:
 - Note the review of spending controls set out in this report.
 - Approve the revised process set out at Appendix A.
 - Delegate authority to the Chief Executive and Director of Finance and Legal to further refine the processes supporting the spending controls as required.

Background

3. Cabinet in October 2023 approved the introduction of spending controls to reduce the deficit in the current financial year and the ongoing impact on future years. They are designed to minimise spending except where an exception applies. The exceptions are designed to maintain essential services and the Council's ability to function.
4. Cabinet approved the exceptions in outline and delegated authority to the Chief Executive and the Director of Finance and Legal to refine the controls as required to facilitate their implementation. Controls over recruitment, retention of agency, interim and fixed term workers and new contracts over £213,000 go through the Spending Control Group (SCG) consisting of the Chief Executive, Deputy Chief Executive and Director of Finance and Legal. Directors, Heads of Service and individual budget

holders have been responsible for applying the controls to lower value contracts and discretionary spending (see below) on existing contracts.

5. The controls have now been in place for over four months. A working group of Directors has reviewed their effectiveness. The original controls were developed at pace to deliver savings at pace and there is scope for refinement without compromising on the primary aim of financial sustainability:
 - Activity has been focussed around controls on workforce and there has been less focus on other categories of spending.
 - The controls may promote engagement of permanent employees to roles where agency/interim workers would be more appropriate.
 - Controls have been administered using a cumbersome shared spreadsheet model.
 - Some budget managers have not focussed on the agreed exception criteria and have given lengthy narrative justification for spending requests.
 - There is little visibility over discretionary¹ non-workforce spending and a perception that decisions at this level are not consistent.
 - The original list of exceptions included expenditure to avoid a higher cost, but it was not sufficiently clear that this would include expenditure to drive a greater increase in income.
 - Land and property transactions were not explicitly recognised as a category of expenditure.
 - The workload for the SCG has been significant and this has sometimes delayed legitimate essential expenditure.
 - More attention needs to be given to communications and engagement so that budget managers have a sense of ownership of the controls.

6. The original spending controls were focussed on workforce and on delivering savings without incurring severance costs. As such, all existing agency, interim and fixed term employment contracts have been reviewed and terminated where an exception did not apply. New external recruitments have also been tested against the exception criteria. Going forward it is proposed that controls over recruitment go through a two-stage test:

¹ There has been feedback that some terminology in the controls is poorly understood. Discretionary spending means spending on a contract where there is no fixed volume of good or services. For example, the Council has a contract for printing and mailing, but services have discretion about how many communications to send out in paper form.

- Does the engagement of a new worker meet one or more of the exceptions?
- Is the position more appropriately filled by an employee or by an agency/interim worker (with defined criteria to steer this decision)?

7. A new e-form is being developed to administer workforce controls. This will enforce the application of specific exception criteria and limit the length of narrative explanations.

8. There are four main mechanisms for incurring non-pay expenditure. The following table gives a sense of scale:

Mechanism	Expenditure 2022/23		Comment
	Value £m	Number of transactions	
Unit 4 invoices	206.1	114,246	Fixed value contracts and discretionary spending
Purchase cards	4.8	34,748	Discretionary spending
Liquid Logic/Synergy	165.9	203,690	Social care placements and payments to early years providers meeting essential expenditure exception
Contract Manager	68.8	1,280	Fixed value contracts and discretionary spending
Total	445.6	353,964	

9. It is proposed that, going forward, Central Finance will prepare a random sample of Unit 4 invoice transactions to be reviewed by SCG. Internal Audit are also identifying resource within their plan for 2024/25 to support this work. These exercises will be used to identify inconsistencies in the interpretation or application of controls, highlight any underlying weaknesses in business-as-usual financial controls and reinforce communications to managers and budget holders. Where these exercises identify fraud and/or theft, those issues will be handed back to management and/or Internal Audit for action as appropriate.

10. The Central Finance team are responsible for administering purchase cards for the Council and advising authorised holders of appropriate use. The Purchase Card Code of Practice is also available on Connect [Purchase Card Code of Practice](#). At the time of writing this report there were 462 active cards in use across the council.
11. The spending controls have reinforced the requirement to scrutinise the purchase card authorisation limits and usage. The default monthly credit limit of a purchase card is set at £1,500, although this does vary dependent on the needs of the service. Central Finance have reviewed the activity for a 12-month period to establish how many cards temporarily were over the monthly limit. Of the 320 cards held by Directorates 86 (27%) of those cards were over the limit at some point during the past 12 months.
12. A further exercise was undertaken by Central Finance to confirm that for every temporary increase to the monthly limit an authorised signatory had signed and provided a reason for that increase. The team were able to confirm that in every case there was evidence of this. Accountancy is working with Directorates to establish whether:
 - The card is still required, particularly if there has been minimal usage.
 - The credit limit is still reasonable, particularly if the monthly limit is consistently increased.
 - The authorised signatory is fully aware of the card usage.
 - The transaction is appropriate.
13. Detailed reports at the transaction level have been issued to Directorates and accountants are working closely with services to scrutinise and challenge spending in all areas. These reports have been summarised by individual and by spending category to identify spending. Central Finance will also produce random samples of purchase card transactions for SCG. These will be used for the same purposes as sampling of Unit 4 invoices.
14. The spending controls were originally approved so as to apply to both capital and revenue expenditure including Public Health and Housing Revenue Account (HRA) as well as the General Fund. This has the advantage that it is simple to understand, consistent processes are applied across the whole organisation, all budget managers are required to apply the same standards of financial rigour and there is a perception of fairness for staff in different services. However, in some other

councils with spending controls, Public Health and the HRA are out of scope. The HRA is ringfenced to landlord activities and there has been an improvement in the financial outlook of the HRA. Public Health Grant is subject to national guidelines but there is some flexibility to use it for expenditure that meets health objectives. Balancing these considerations, it is proposed that HRA are required to apply the principles of the spending controls, but are exempted from the requirement to have decisions approved by Spending Controls Group.

15. A revised process, reflecting the lessons learned and other considerations set out above, is attached as Appendix A. It is proposed that the new process comes into force from 1st April.
16. A separate working group has been tasked to incorporate the revised spending controls, including the lessons learned from this report and sampling of transactions, into the wider Communications and Engagement Plan. It is proposed to use the strapline “Think Before You Spend”. Spending controls will also be complemented by the work of functional reviews which will deep dive into the exercise of financial control in specific areas. These functional reviews will take time to complete and drive budget reductions across all areas of the Council’s activity. It is important that, until that work is completed, we continue to embed good standards of financial control through communications and engagement.

Finance

17. When spending controls were introduced in October, it was proposed that those controls remain in place until unringfenced reserves return to a level of 20% of net revenue spend. The budget approved by Council on 4th March shows, based on current savings plans and before any functional reviews take effect, that unringfenced reserves will fall to around 4% by March 2025.
18. There has been an improvement from the deficit of £15.2m that was forecast in October to the deficit of £14.1m that was reported to Council on 4th March. This reflects a range of favourable and adverse factors, not all directly linked to the spending controls. However, it should be noted that the first phase of implementation of the controls focussed on staffing and agency and that this element of the forecast improved by £4.5m.

Law

- 19. 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

- 20. 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 allocated the highest possible rating of 25.

Equality Impact

- 21. There are no direct Equality issues arising from this report.

Human Resources / Organisational Development

- 22. The spending controls include controls over recruitment.

Commercial / Procurement

- 23. The spending controls include controls over the letting of contracts.

Environment / Climate Change

- 24. There are no direct climate issues arising from this report.

Council Priorities and Projects

- 25. The aspirations of the Council Plan can only be delivered if the Council is financially sustainable.



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Appendices

Appendix A - Spending Control Process (revised March 2024)

Spending Control Process (revised March 2024)

1. The Spending Control Group (SCG) consists of the Chief Executive, Deputy Chief Executive and Section 151 Officer. The following controls specify where decisions are to be made by the SCG and where they are delegated to Directors, Heads of Service and budget holders.
2. The controls are designed to minimise spending except where an exception applies. The exceptions are designed to maintain essential services and the Council's ability to function.
3. The controls apply to all funds of the Council, both revenue and capital, but HRA are expected to apply the principles but exempted from seeking approval from Spending Controls Group. They apply even where a budget has been approved by Council and that individual budget line has not been overspent.
4. Default restrictions on spending are as follows (except where an exception applies):
 - No new contracts should be let.
 - Existing contracts not to be extended beyond their end date or next break point.
 - No discretionary spend should be incurred on existing contracts. (Discretionary spending is defined as spending on a contract where there is no fixed volume of goods and services that the Council is obliged to receive.)
 - External recruitment of employees and engagement of interim and agency workers should be frozen.
5. For an exception to the above restrictions to apply, one or more of the following conditions must be met and options for more cost-effective methods of delivery should have been properly considered:
 - The expenditure (including any whole life cost) is funded from grant with no council match funding.

- The expenditure generates a surplus.
 - The expenditure is for an essential service (with the definition that delivery of that service at that level is likely to be enforceable by a court).
 - The expenditure directly supports an essential service.
 - There is a clear case that the expenditure prevents a higher cost essential service.
 - There is a clear case that the expenditure will bring in additional income greater than the value of the expenditure.
 - The expenditure is essential to the good governance of the Council.
6. Exceptions in relation to recruitment, agency, interim and to all other contracts over £213,000 will be reviewed by the Spending Control Group.
7. Further detail in relation to different expenditure types is set out in a table in Annex 1. This lists a service area to lead on reporting and coordination in relation to each expenditure type. This will include **collating** requests for exceptions to SCG (including Equality, Diversity and Inclusion (EDI) implications), capturing and ensuring implementation of the outcomes, document management, audit trail and integration with existing processes as far as possible. Directors are responsible for **producing** the case for an exception, service implications and any service-related EDI implications.
8. It should be noted that for some of the expenditure categories, the role of SCG will be **active**. For other categories, the role will be **retrospective**, i.e. discretion will sit within directorates, but the application of the controls will be reviewed by SCG and this may lead to refinement of the controls and messaging around the controls. This will include reviewing random samples of purchase card and Unit 4 invoice payments to assess the consistent application of the controls and identify issues with financial controls and/or theft and/or fraud.

Annex 1: Expenditure Types

Expenditure type	Reporting and coordination²	Role of Directors, Heads of Service and Budget Holders³	Role of Spending Control Group (SCG)
New recruitment / engagement of interim or agency worker	People and Inclusion	Hold vacancy or request exception from SCG and consider whether to request direct employment of an employee or engagement of an interim/agency worker.	Active – receive proposed exceptions, approve or reject and consider application of criteria for direct employment or interim/agency.
New contracts and extension of existing contracts over £213k	Procurement (Procurement Management Group)	Consider whether to request exception from SCG.	Active – receive proposed exceptions and approve or reject.
New contracts and extension of existing contracts under £213k	Procurement (Procurement Management Group)	Individual contract owners to consider whether to let or extend contract (HOS and directors may do local sample checking).	Retrospective – receive reports, do sample checks and highlight any issues
Unit 4 (or Contract Manager or Liquid Logic) requisitions for discretionary ⁴ expenditure	Financial Services	Individual budget holders to consider whether to approve requisition (HOS and directors may do local sample checking).	Retrospective – receive reports, consider patterns of expenditure, do sample checks and highlight any issues.

² This will include **collating** (but not **producing**) requests for exceptions to SCG, capturing and ensuring implementation of the outcomes, document management, audit trail and integration with existing processes as far as possible.

³ Directors may determine levels of delegation within their own directorate as long as these do not override the role of SCG.

⁴ Discretionary expenditure is defined as expenditure where there is not a fixed amount of goods or services under the contract.

Purchase card discretionary expenditure	Financial Services	Individual card holders to consider whether to make purchase (HOS and directors may do local sample checking).	Retrospective – receive reports, consider patterns of expenditure, do sample checks and highlight any issues.
Purchase of land and property	Corporate Landlord	Consider whether to request exception from SCG.	Active – receive proposed exceptions and approve or reject.

Meeting of the Cabinet – 20th March 2024

Report of the Deputy Chief Executive

Improvement and Sustainability Programme ('Fit for the Future') Scope and Governance

Purpose of report

1. To present the scopes, timelines and key financial and other success measures and milestones of the improvement and sustainability Programme, to be branded 'Fit for the Future'.

To present the proposed governance arrangements, to ensure that the Programme delivers the necessary benefits for DMBC and its residents, to time, cost and quality.

Recommendations

2. That Cabinet note the achievements of Phase 1 of the programme, which is now complete.

That Cabinet approve the detailed scopes of Phase 2, 'Fit for Purpose' at the first Programme Gateway, provided in Appendix 1.

That Cabinet approve governance of the 'Fit for the Future' Programme, provided as Appendix 2.

Background

3. In response to the LGA Peer Review, the External Auditors Report, and the underlying financial risks facing the Council, DMBC stood up the Council improvement and sustainability Programme.

The objective of the Programme is to: 'Establish the foundations required to assure delivery of Dudley Borough's Vision, Forging a Future for All, through effective Strategy, Governance and Financial Sustainability'.

4. Phase 1, “Mobilising”, scoped to run from Oct 2023 to January 2024 is now complete.

In this phase, urgent financial controls were established by implementing spending controls, and Cabinet approved the suspension of the Council Plan on 15th February, as it was not financially viable. A refreshed Council Plan will be presented to Council for approval on 15th April, aligned to ‘Fit for the Future’ and 2024/25 MTFS.

Options for phase 2 of the spending controls will be presented to Cabinet for approval on 20th March, which will improve efficiency of the existing controls of people-spend and options to extend non-people spend controls, which currently only approve or not procurement contracts above threshold. The Spending Controls Group will remain in place throughout the programme, and until such a time spending controls are no longer required.

Programme Definition is now complete, meaning Phase 2 is now scoped, and the Programme can pass through a ‘Gateway Approval’.

The following workstreams have been scoped:

24/25 Change Portfolio: will reduce the Council’s operating costs, targeting £37.4m over 3 years, with as much savings/income as possible identified/delivered in 24/25 and delivered through a portfolio of change.

Governance: Design and deliver improvements to governance for 24/25 to create a ‘golden thread of governance’ to oversee the financial challenge.

MTFS Savings Reporting & Assurance: identify and deliver the improvements necessary to internal processes, grip and transparency to identify, assess, assure and report upon effective delivery of savings/income against the stretch target of £37.4m.

Organisation Redesign: Designs a financially sustainable organisation (TOM), aligned to a refreshed vision for the customer/resident. This is a programme in its own right.

Comms & engagement: underpins the Programme; ensures that stakeholders including colleagues, partners and residents have their needs understood and responded to in a timely, effective way.

5. Programme governance was established in November '23, with Strategic Executive Board taking collective ownership of Programme definition and Phase 1 delivery; and the Independent Assurance Board providing external expertise and holding DMBC to account for delivery.

At Phase 2 'Gateway Approval' the Programme governance is improved by:

1. Presenting project scopes, milestones, and timescales for approval, and establishing a 'Fit for the Future' Programme Board to be chaired by the Leader of the Council, to receive monthly Programme performance reports and hold officers to account for delivery.
 2. Establishing specific governance for Organisational Redesign, including the Functional Reviews, given the scale of potential change to strategy, functions, services, and structures. This governance will take a 'One Dudley' view across the whole organisation; and be responsible for ensuring the Programme responds fully to the LGA Peer Review and the External Auditor's report.
6. The detailed scope of Phase 3, "Transformation and Creating a Sustainable Organisation", depends upon the approval of the Target Operating Model and a Financially Sustainable Corporate Strategy, so will be approved as a future 'Gateway Approval'.

Finance

7. Organisational Redesign is the vehicle for designing a financially sustainable organisation, which will enable the Council to meet the following financial Phase 2 Programme Objectives:
 - Develop a Financially Sustainable Corporate Strategy
 - Define the organisation, including Target Operating Model, required to deliver the Corporate Strategy
 - Establish financial governance and control of a sustainable budget to deliver the Corporate Strategy

The organisation will reduce operating costs through the 24/25 change portfolio. This includes MTFS savings/income of £17.4m by 2026/27 submitted for approved by Council on 4th March MTFS, the service options appraisals listed in the 24/25 Budget Report to Cabinet, functional reviews and additional pipeline of projects and savings/incomes initiatives which will be identified during 24/25.

Spending controls will need to remain in place until at least June 25, until the programme delivers the target operating model during Phase 3, or

until the Council's unringfenced reserves return to a level of 20% of net revenue spend. An engagement plan will stimulate action, improve understanding of the need for spending controls, so a 'control spending' mindset is embedded at every level of the organisation.

Law

8. Pursuant to Section 111 of the Local Government Act 1972, a local authority shall have power to do anything... which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions.

Pursuant to Section 114(3) of the Local Government Finance Act 1988 the chief finance officer shall make a report if it appears to him that the expenditure of the authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure. Following the issuing of the report all new agreements that incur expenditure are stopped for a period of up to 21 days in which time the full council must meet and respond to the report.

Risk Management

9. The 'Fit for the Future' Programme has a Risk Register, which is presented to the Independent Assurance Board monthly and will be managed by the Programme Board.

The Change Portfolio will be underpinned by a RAID (Risks, Actions, Issues, Decisions) Log, specifically focused on managing delivery of the £37.4m stretch savings/income target.

Equality Impact

10. As part of defining the Target Operating Model, Cabinet will approve a new vision and mission for Dudley Council, which will place customer needs at the heart of our operating model.

The Case for Change will include an evidence-based assessment of the reasons why change is required, and the root causes that need to be resolved, so that the future state organization can better meet the needs of stakeholders, including residents, Members, colleagues and partners.

An Equality Impact Assessment of the resulting draft TOM blue-print will be completed.

Human Resources/Organisational Development

11. The challenging financial position facing the Council will require changes to our current ways of working and a programme to undertake an organisational review to develop the future target operating model will be a key programme in the new Council Plan and the People Strategy under the Leadership and Culture priority.

Capacity and capability have been allocated to the Programme as the Corporate Priority, through alignment of existing resources. This includes alignment to the refreshed Council Plan, secondments to a Programme Delivery Office, and 'dotted line' matrix management of existing project management resources. These arrangements will provide dedicated resources to drive change at pace and will inject project management. This temporary programme structure will only last the lifetime of the programme but aims to invest in lasting organisational capability for change, transformation and innovation.

Commercial/Procurement

12. Functional reviews and service options appraisals will include reviews of commercial services.

Environment/Climate Change

13. The Council will continue to support and contribute to the commitment to become a carbon net zero authority by 2030, as part of its Climate Emergency declaration.

Council Priorities and Projects

14. The Council Plan 2024-25 has identified themes aligned to the 'Fit for the Future' Programme

The Programme scope, provided as Appendix 1, will serve as a significant proportion of the narrative of the Council Plan.



Balvinder Heran
Deputy Chief Executive

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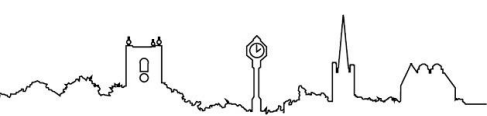
Appendices:

- **Appendix 1 – Programme Scope, Milestones, Timelines and Success Measures (Phase 1, 2 and 3)**
- **Appendix 2 – Programme Governance, Phase 2**

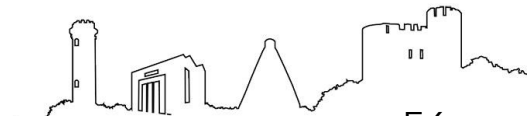
Appendix 1

Fit for the Future Programme Scope, Milestones, Timelines and Success Measures

Phase 1, 2 and 3



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Spending Controls

Problem Statement: At project initiation, General Fund spend in 23/24 will exceed budgets by £15.4m, depleting GF reserves to £6.4m. The External Audit report surfaced a history of under delivering against savings targets, and financial reporting lags, creating additional risk to the year-end position. Spending controls will need to remain in place until at least June 25, until the programme delivers a sustainable organisation or remain in place at least until the Council's unringfenced reserves return to a level of 20% of net revenue spend, avoiding a Section 114 Notice situation and accepting impact on services.

Management Information:

Phase 1:

Spending Controls activity measures
Direct impact of pay related spending controls (one off retrospective reporting)
Forecast/actual reduction in outturn (proxy impact)

Phase 2:

- Strategic forecast of spending controls impact
- Measurement of impact

Milestone Timeline:

Spending Controls Phase 2 approved by Cabinet: 20th March

Scope:

Phase 1:

- Urgently design and launch robust spending controls & underpin controls with processes/tools/measurements/reporting.
- A coordinated approach and process to track delegated action, including for £33m of spend below the procurement threshold of £213,000.

Phase 2:

- Undertake lessons learnt and ensuring learning from phase 1 informs future phases to improve efficiency, transparency, ownership and flow of process.
- Engagement plan to stimulate action, improve understanding of the need for spending controls, so a 'control spending' mindset is embedded at every level of the organisation.
- Improvements to processes underpinning controls of 'people-spend', learning lessons from Phase 1. Recommendations to Cabinet on options to extend non-people spend controls, which currently only approve or not procurement contracts above threshold.
- Create assurance through governance and reporting that controls are reducing spending.

Project Resources and Responsibilities:

Lead Director: Iain Newman

Spending Controls Working Group: Iain Newman, Luisa Fulci, Helen Martin, Nick McGurk

Suspend & Refresh Council Plan

Problem Statement: The current public and colleague facing Council Plan, agreed with partners and members, is not financially viable. As an organisation, it is not possible to have a medium to long-term vision if the budget cannot be balanced beyond 2025.

Project Resources and Responsibilities:

Lead Director: Luisa Fulci

Working Group: Helen Martin, Mayada Abuaffan, Kathy Jones

Scope: Suspend

Symbolically withdraw the current plan, supported by engagement and communications so all colleagues, members, partners, residents and other stakeholders are made aware it is not deliverable. Communicate that any medium to long-term vision, is not currently financially viable, sending a strong signal of Exec and Member commitment to the Spending Controls and Improvement Programme.

Milestones and Timeline:

Suspend existing Council Plan – 15th February
Approve refreshed Council Plan - 15th April

Scope: Refresh

Explain that the current Council Plan will be replaced by a cross-organisational one-year Plan, focused on delivering an Improvement Programme which will design and deliver a financially sustainable organisation.

Design the new plan - CPMO to facilitate a ‘Stop, start, continue, amend’ exercise, and Directors to identify circa 5-7 shared Council wide strategic priorities. Individual Directors to simplify/prioritise Service Plan performance indicators and actions, aligned to service planning process; and review/agree actions for outstanding audit recommendations. Engage Members, partners and colleagues, and create a golden thread through existing governance arrangements.

Communicate the new plan through clear and agreed messaging, which reassures residents and engages partners and media with key messages about the Improvement Programme. Create a clear golden thread that aligns Council task, individuals and environment to the Council Plan through clear comms and engagement and the new appraisal process.

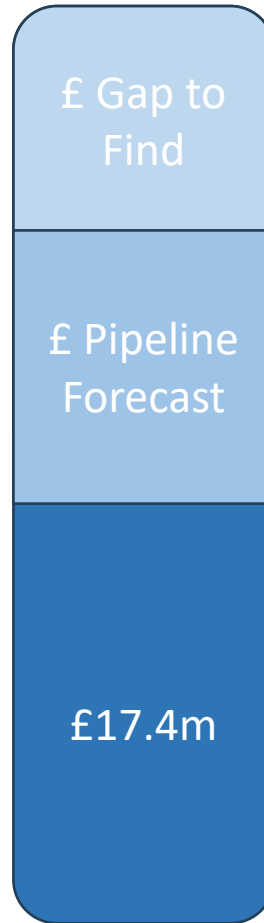
Phase 2 Programme Success Measures, focused on the funding gap

Overarching Programme success measure = Total Target - £37.4m

(identifying as much as possible in 24/25)

MTFS savings/income, cumulative impact £17.4m by 26/27, made up of savings delivered in 24/25, 25/26 and 26/27. Programme success measures:

- £ Delivered
- £ Assured
- £ At Risk
- (£ Not Delivered/deliverable, not included in the total)

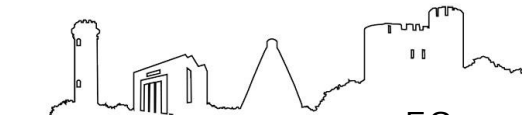


Stretch Target Savings/Income - £20m to find and deliver through additional incomes/savings initiatives, the 24/25 Change Portfolio and Org Redesign.

Programme success measures:

- £ Pipeline identified
- £ Pipeline approved
- £ Delivered
- £ Assured
- £ At Risk
- All measures to clarify financial impact 24/25, 25/26, 26/27

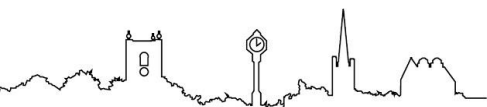
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24/25 Change Portfolio

- A 24/25 'Change Portfolio' of projects will deliver a significant % of the pipeline income/savings.
- A 'Stop, Start, Vary' exercise will a) create a pipeline of savings/income and b) will create capacity for change.
- Strategic Criteria underpin the Change Portfolio and 'Stop, Start, Vary' process

Strategic Criteria	Priority
Is this project fully funded, i.e. through the Capital Programme or the current MTFS, and in line with Spending Controls?	Essential
Will the project deliver Financial Benefits? E.g. efficiencies, cash-out, improved revenue.	High, once Essential criteria met
Does the project deliver benefits that are crucial to the Customer experience, and therefore help to deliver a sustainable organisation?	High, once Essential criteria met
Does the project deliver non-financial benefits aligned to the Improvement & Sustainability Programme objectives?	Medium, once Essential criteria met
Is the project case for change essential to meet Regulatory / Legislative / Statutory standards?	Necessary
Don't meet above criteria	Stop
Does the project have maturity to deliver benefits?	Set a new standard 60



Project: Governance

Problem Statement: The LGA Peer Review surfaced issues with Strategic Executive Board (SEB), and that improvements to Member and officer working are required if DMBC is to meet the financial challenge ahead. Members and officers must collaborate effectively to find ways to balance the budget, underpinned by a 'golden thread' of governance, clear roles and responsibilities, and an effective and value for money Democratic Services – all focused on the financial sustainability of the Council.

Project Resources:

Lead: Balvinder Heran

Working Group: Mohammed Farooq, Steve Griffiths, external support

Including Members TBC

Project Manager: Kelly Grandison

Scope: Design and deliver improvements to governance for 24/25 to create a 'golden thread of governance' to oversee financial challenge, including:

- Review SEB, including membership, ToR etc. and align Director's personal objectives to the Improvement Programme.
- Clarify purpose of Informal Cabinet meetings, and review support arrangements so discussions better flow into formal meeting structures.
- Review Scrutiny arrangements, focusing on the financial challenge.
- Functional review of Democratic Services, creating capacity to manage member engagement, and a 'golden thread of governance' focused on financial challenge and the Improvement Programme.
- Implement new arrangements so options produced by officers can be progressed through formal governance as soon as possible, underpinned by a 'culture reset' led by Group Leaders after May.

Key Milestones Timeline:

Improved Governance arrangements agreed: March



MTFS Savings Reporting & Assurance

Problem Statement: The organisation must reduce its operating costs, with as much savings/income as possible identified/delivered in 24/25. Some projects will take time to realise savings. Existing MTFS savings/income of £17.4m by 2026/27 will be submitted for approved by Council on 4th March but is insufficient and leaves a forecast financial gap. The size of the required savings/income target is unprecedented, further complicated by a historic low taxing and low reserves. Performance against relatively modest savings targets has historically delivered less than 100% (46% in 23/24, 71% to date in 24/25). This project must identify and deliver the improvements necessary to internal processes, grip and transparency to identify, assess, assure and report upon effective delivery of savings/income and whether it is sufficient to meet an agreed savings/income stretch target.

Key Milestones Timeline:

Processes for assurance and risk management of savings –
End March

Scope:

Lessons learnt exercise to identify opportunities for improvements to internal processes that maximise delivery and assurance of savings.

Create/review/improves processes and reporting which:

- Identify and agree savings/income stretch target;
- Change controls and communications if the savings/income stretch target changes in-year;
- Identify MTFS savings/incomes;
- Challenge new savings/income proposals to ensure robustness and likelihood of delivery for approval;
- Accurately and more frequently forecast savings/incomes, budget and savings management
- Risk reporting and remedial action/mitigation where delivery of targets is at risk;
- Create assurance of delivery.

Project Resources:

Lead Director: Matt Bowsher

Working Group: Matt Bowsher, Catherine Driscoll, Kathy Jones, Rachel Cooper.

Org Redesign: Case for Change

Problem Statement: Developing a 'Case for Change' is a key first step in organisational design and aligns to 'Programme Definition' which evidences and articulates the reasons why change is necessary so that the future state can a) resolve root causes of the problems the Council is currently experiencing, so programme benefits are sustainable and b) better meet the needs of stakeholders, including residents, Members, colleagues and partners.

Project Roles and Responsibilities:

Sponsor – Leader of the Council
SRO – CEx/DCEX
SME – AD People & Inclusion
Programme Manager, JW
Project Manager, MMc
Stakeholders: in consultation with shadow leader/cabinet.

Key Milestones Timeline:

Financial Business Case and Case for Change – April
Gateway Approval for projects 4 onwards – End Q1

Scope:

Desktop Review: LGA Peer Review Findings and Recommendations and External Auditors Report as objective inputs. Desktop review of existing data. Policy Review. Data from employee engagement. Insights from the EVP work.

Root Cause Analysis/Impact Assessment: Director and stakeholder interviews about root cause of LGA Peer Review and External Auditor findings, using '5 Whys' methodology. Draws together all the lessons learnt activities to date. Fishbone Analysis used to consult on themes and major root causes.

Case for Change: A narrative which sets out the reasons why change is required and the root causes that need to be resolved.

Financial Business Case: Will confirm the size of a Financially Sustainable Organisation and set out the benefits profile of each project and workstream so that the Programme can track financial benefits.

Success Measures: Will confirm how we measure success, for the Council, customers and stakeholders.



Org Redesign: Programme Scope

Problem Statement: The scale of the financial challenge requires a fundamental organisation wide re-design, which will rethink how we deliver services on almost every level. This will take a 'One Dudley' view across the whole organisation, responding to the problem statements/feedback raised in the LGA Peer Review and the External Auditor's report. By designing and delivering the right shape and size organisation the Programme will deliver a financially sustainable organisation, mitigating the S114 Risk and consequences for Dudley residents. Note: this is a programme in its own right – and should not be confused with a restructure.

Programme Roles and Responsibilities:

Sponsor: Leader of the Council

SRO: CEx/DCEX

SME: AD People & Inclusion

Programme Manager: Jen Williams

Project Manager: Michelle McLean

Stakeholders: in consultation with Shadow

Leader/Cabinet.

Dedicated team TBC

Scope:

Designs and delivers a financially sustainable organisation (TOM), aligned to a refreshed vision for the customer/resident, underpinned by effective governance, by '25.

Includes the following projects:

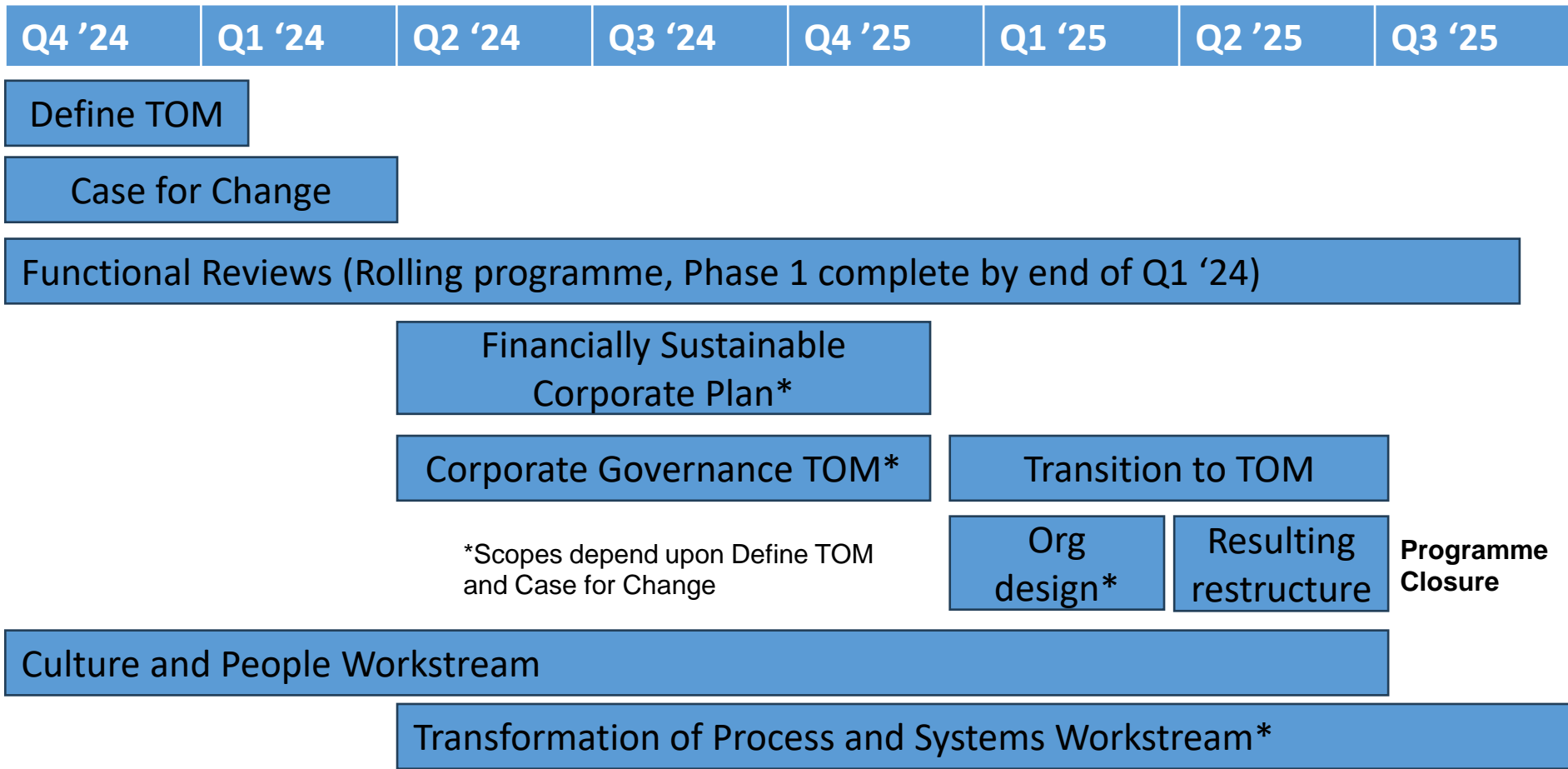
1. Define target operating models (TOM)
2. Functional Reviews
3. Case for Change
4. Financially Sustainable Corporate Plan (includes Financial and Performance Management)
5. Corporate Governance TOM
6. Transition to TOM (Single organisational wide redesign and resulting restructure, including Corporate Services and senior leadership restructure)

And is underpinned by 2 ongoing workstreams:

- People & Culture
- Transformation of Processes and Systems, which will run beyond the lifetime of the Improvement Programme

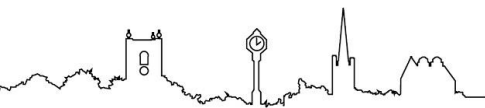
Note: Scopes of Project 4 onwards requires a 'Gateway Approval' evidenced by the TOM and Case for Change.

Org Redesign: Programme Timeline

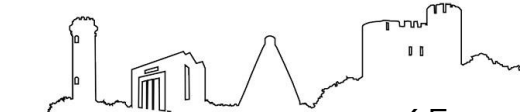


*Scopes depend upon Define TOM and Case for Change

Transformation will run beyond the lifetime of the Improvement Programme



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Org Redesign: Define Target Operating Model

Problem Statement: The Council's current approach sees service areas operating as single separate teams leading to duplication of effort, different behaviours and values and lack of joint working. We need a new operating model that focuses on getting the basics right for our customers, communities, and businesses at the heart of Council decision-making. The new operating model will address the 5yr funding gap by creating a workforce that is flexible with the necessary skills to work effectively, fully exploit digital technologies and enable the Council to accelerate their processes.

Project Roles and Responsibilities:

Sponsor: Leader of the Council

SRO: CEx/DCEx

SME: AD People & Inclusion

Programme Manager: Jen Williams

Project Manager: Michelle McLean

Stakeholders: in consultation with Shadow Leader/Cabinet.

Scope:

Agree a Vision and Mission for Dudley – to provide the strategic direction for a future Financially Sustainable Corporate Strategy.

Agree 'TOM Design Principles' – set of agreed 'universal building blocks' to prioritise and adhere to in the organisation design.

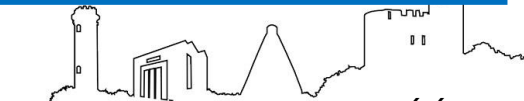
Create a TOM blue-print – a 'North Star' - a high-level description of a target operating model, which will better meet resident and internal customer needs and deliver a Financially Sustainable Corporate Strategy. Will place the customer at the heart of the TOM blue-print through customer journey mapping and customer insight. Will clarify operating model for corporate services.

Key Milestones Timeline:

Vision & Mission – Early March

TOM Design Principles – Early March

TOM Blue-Print - April



Org Redesign: Functional Reviews

Problem Statement: To deliver effective org redesign the Council has to be clear about each and every function, its scope and future state, which will then determine the future organisational structure, underpinned by the TOM Blue-Print.

Project Roles and Responsibilities:

Sponsor: Leader of the Council

SRO: CEx/DCEX

SME: AD People & Inclusion

Programme Manager: Jen Williams

Project Managers: Michelle McLean, Malcolm Edwards

Directors to be responsible for leading Functional Review in their area.

Analysis/Assurance: Commercial Teams, Finance, Legal, People & Inclusion

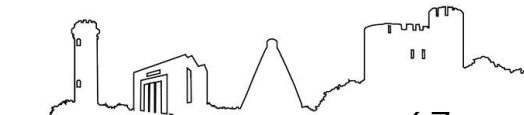
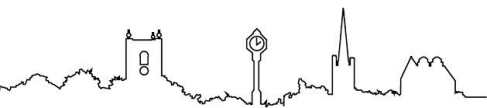
Stakeholders: in consultation with Shadow Leader/Cabinet.

Scope:

- Collate list of Functions and total costs per Function. Phase the Functions into baskets of 6-8, with a clear timeline (Phase 1 to be complete by June).
- Evidence the Value-add/social-value of each function in Dudley, given the local market/partners and resident needs/perceptions, leaning on external expertise for input and check/challenge and internal data driven analysis.
- Make recommendations to Cease, Vary, Maintain and deliberate and evidenced based decisions about aspirations for Council performance.
- Complete impact analysis of Cease, Vary, Maintain recommendations, including cost implications. Case by case analytical evaluation where decisions about TOM are being made.
- Agree metrics KPIs per function

Key Milestones Timeline:

Phase 1 completed, June



Org Redesign: People & Culture

Problem Statement:

At the heart of the issues raised around governance, is the current culture of our organisation. It's reflected in silo working, a lack of collaboration and communication, complicated processes and the failure to seize digital opportunities. This leads to inefficiencies and missed opportunities. There is a need to improve the internal control and assurance so that we are customer-centric with an unwavering focus on excellence.

Project Roles and Responsibilities:

Sponsor – Leader of the Council
SRO – CEx/DCEx
SMEs – AD People & Inclusion, Trish Williams
Programme Manager, JW
Project Manager, MMc
Stakeholders: in consultation with shadow leader/cabinet.

Scope:

Values and behaviours – We will refresh and implement values and behaviours that clear set the standards for ways of working and behaviours. These will be part of the updated annual appraisal scheme.

Management Practices – Improving practices so that managers are focussed on improving team and individual performance so that all employees know what is required of them and understand their role in the bigger picture.

Change Readiness – Developing the workforce to enable them to thrive during the transition to the TOM and be equipped to work well in an environment of continuous improvement. We will also identify and reinforce new behaviours and ways of working that are sustainable.

Leadership Development – Developing current and future leaders at all levels of the organisation to support and embed the new culture and required ways of working.

People Governance & Intelligence – ensuring that the right frameworks, policies, procedures and data are in place to support and underpin this work.

Key Milestones Timeline:

Refreshed people policies, appraisals and Employee Value Proposition themes, April



Workstream: Comms and Engagement

Purpose

The Comms & Engagement workstream underpins the Improvement Programme, ensuring that:

- All programme workstreams are supported by joined up communications.
- Stakeholders linked to programme delivery are clear on what is happening, what success looks like and what they need to do.
- Wider colleagues, partners and residents have their needs understood and responded to in a timely, effective way.

Project Resources

Lead Director: Nick McGurk

Working Group: Mayada Abuaffan, Jacqui Branch, Barry Hutchinson, Phil Parker, Trish Williams

Project Manager: Michelle McLean

Milestones and Timeline: Comms and engagement activities require a responsive, collaborative and agile approach. Milestones will be agreed month-on-month (with associated success measures), in response to stakeholder needs and feedback and programme performance.

Scope:

Work collaboratively with stakeholders to: Contribute to the creation of a supportive climate that will enable the delivery of the Council-wide change programme.

Deliver effective communications and a wide range of engagement activities covering both internal and external stakeholders (public, partners, colleagues).

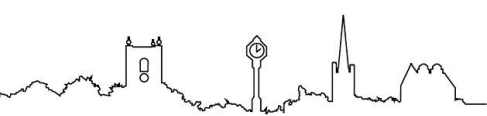
Ensure a robust feedback loop into IDG and working groups, providing challenge and putting forward ideas in response to activities that impact staff engagement.

Measure the success of activities and interventions and undertake regular lessons learned.

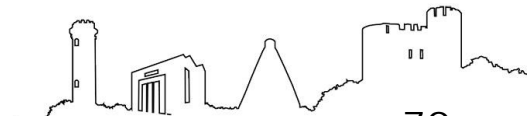
Identify early adopters of change and success stories, sharing them to raise awareness of good/best and novel/innovative practice linked to the change plan.

Appendix 2

Fit for the Future Programme Governance, Phase 2



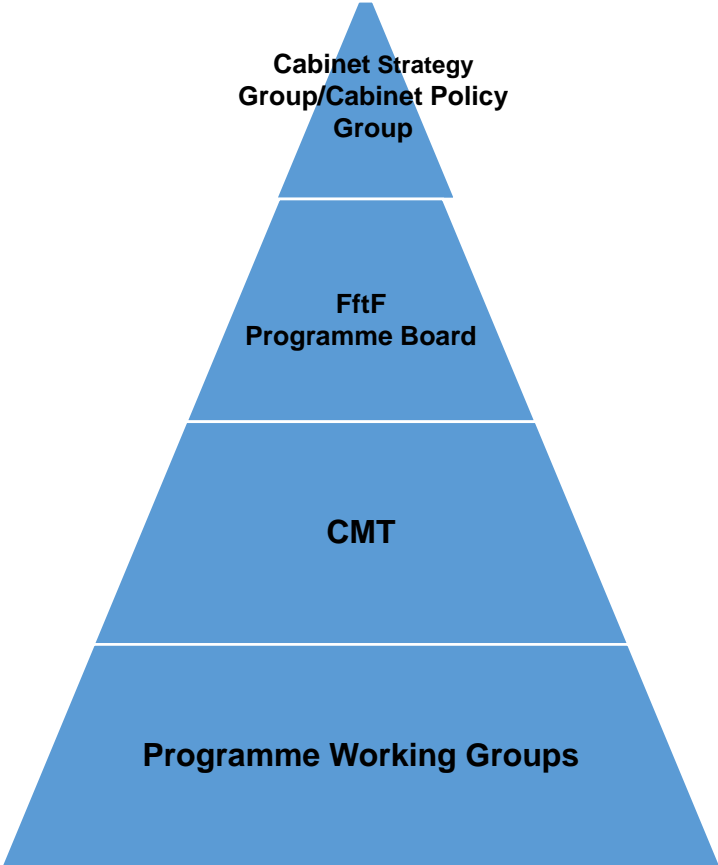
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Governance reset

Action	Proposal	Membership
Delete Informal Cabinet	<ul style="list-style-type: none"> • Cabinet Strategy Group – meets once a month to focus on big ticket discussions focussed on future financial sustainability, key priorities and improved governance. • Cabinet Policy Group (includes Cabinet agenda setting) - once a month in line with Cabinet meeting timetable – agenda and minutes 	<p>The Cabinet, CEx, DCEX, Directors</p> <p>The Cabinet, CEx, DCEX, Directors, MO, supported by democratic Services</p>
Delete SEB Phase out IDG	<ul style="list-style-type: none"> • Corporate Management (CMT) – meets weekly - leadership, management of the organisation and input to and leadership of change • Fit for Future (FftF) Programme Board – meets monthly prior to IAB papers going out • Senior leadership (SLT) meets once a month. • Programme Working groups supported by project management resources report into Programme Steering Group. • Wider staff engagement 	<p>CEx (chair), DCEX, Directors, MO, Assistant Director for P&I for 'FtF' elements supported by democratic Services</p> <p>Chair – Leader of the Council, Shadow Leader, CEx, DCEX (SRO), Director for Finance & Legal, Ass. Director for People & Inclusion, Programme Manager and Cabinet lead member and Director on invite,</p> <p>CMT, Service Directors, Assistant Directors, HoS, 'FftF' PMT and relevant SMEs, arranged and supported by organisational development</p> <p>Working groups supported by Fit for Future Programme Team</p> <p>Detail and frequency being managed by C&E Working Group, arranged and supported by organisational development and relevant SMEs</p>
Review Scrutiny function within the budget for members allowances	<ul style="list-style-type: none"> • Paper to main Group Leaders on options for Scrutiny linked to future financial sustainability and key priorities. 	DCEX, Director for Finance & Legal, MO and democratic Services Manager
Review functions undertaken by democratic services	<ul style="list-style-type: none"> • Look at what functions can be moved to other teams (obvious non-democratic functions) and then build into functional reviews the remaining elements to confirm the future delivery vehicle. May need a transfer of capacity into the team 	

DMBC Governance

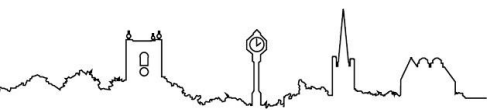


Chair: Leader of the Council, Cabinet
Membership: CMT supported by democratic services

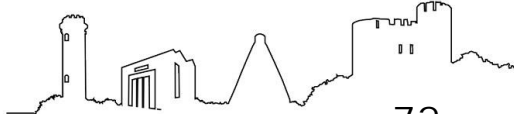
Chair/Executive: Leader of the Council, Shadow Leader, CEx
Membership: DCEx (SRO), Director for Finance & Legal, Ass. Director for People & Inclusion, Programme Manager and Cabinet lead member and Director on invite,

Chair: CEx,
DCEx, Directors, MO supported by democratic services

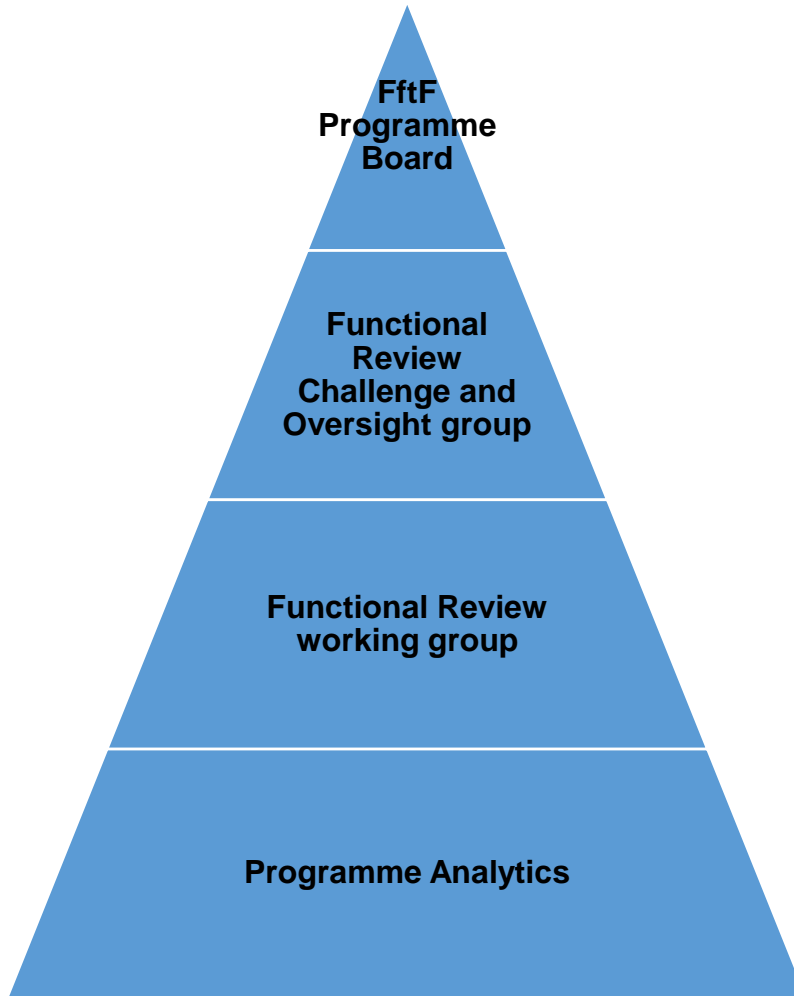
Chair: Lead Director
Membership –as set by Chair, project manager and analytics rep relevant Cabinet lead member (on invite),



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Governance: Org Redesign & Functional Reviews

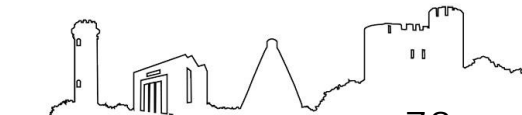


Chair/Executive: Leader of the Council, Shadow Leader, CEx
Membership: DCEx (SRO), Director for Finance & Legal, Ass. Director for People & Inclusion, Programme Manager and Cabinet lead member and Director on invite,

Chair: DCEx (SRO)
Membership: Lead Director, lead Cabinet Member (on invite), Director of Finance/AD People and Inclusion/Head of Legal, Programme Manager

Chair: **Lead Director** (revolving, based on the function).
Membership: external challenge, P&I representation and lead Cabinet Member (on invite), project manager and analytics rep

Lead: Director of Digital, Customer and Commercial Services
Membership: to be determined by lead.
Purpose: Provide consistent methodology and analysis including evidence of need, financials, impact assessments.



Meeting of the Cabinet – 20th March. 2024

Report of the Deputy Chief Executive

Council Plan 2024-2025

Purpose of report

1. Propose new one-year Council Plan for 2024-25.

Recommendations

2. It is recommended that Cabinet approve the new one-year plan for 2024-25 which focusses on those priorities and projects that will prevent a higher cost, deliver cost reductions/increased income and which support the delivery of the Council's improvement and sustainability programme.

Background

3. The previous Council Plan that was expected to run from April 2022 to March 2025 was suspended at the 15th February Cabinet and 26th February Council meetings.
4. By suspending the Council Plan 2022-25 all projects and priorities were re-considered and only those that met criteria within the spending controls/support the delivery of the Council's Improvement and Sustainability Programme were put forward in the 2024/25 Council Plan.

Council Plan 2024-25 Priorities

5. The new plan has 5 key priority areas, 3 inward facing and 2 outward facing.

These priorities are supported by additional narrative on the outcomes that the Council aims to achieve including the need to improve its governance,



decision making, leadership and financial resilience whilst maintaining the delivery of core services to our residents and communities:

Financial sustainability, efficiency and providing best value

- Adherence to our financial management through tighter spend controls, delivering agreed savings, and compliance to procurement and contract management guidelines
- Develop new ways of working, reshaping our services and operating models
- Review all council assets to identify opportunities for efficiency and optimisation

Governance and control

- Build and strengthen effective governance and control by defining a clear and transparent governance and decision-making structure
- Meet our obligations regarding regulatory compliance and assurance through focussed reporting with clear accountability
- Monitor and report on organisational risk, performance and project management by acting on timely and accurate reports

Leadership and culture

- Define core values for the organisation that will achieve a unified, one council culture fit for the future
- Encourage our employees to actively participate in continuous improvement and sustainability
- Strengthen our learning development programme by providing opportunities for employees to enhance their skills and knowledge

Delivering for our customers, residents and communities

- Enhance our customer experience by promoting digital self-service options whilst recognising individual needs and improving engagement
- Empower individuals of all ages to make choices and exercise independence in their lives and provide care and support when necessary
- While delivering services within communities, provide safe clean spaces, promote healthy lifestyles, support wellbeing and reduce inequality.

Supporting businesses and the local economy

- Ensure access to quality education and training for all, raising aspirations and increasing skills



- Deliver an affordable regeneration strategy that brings about structural economic change and supports the growth of a diverse, broad-based economy and ensure investment in transport connectivity
- Work with local businesses and communities to develop shared opportunities, create jobs, deliver economic growth and change the role of our town centres.

Monitoring and Reporting

6. The 5 key priorities will be measured and delivered through key performance indicators, actions and projects aligned to the improvement and sustainability programme.

Progress will be monitored through the formal Improvement & Sustainability programme governance.

Finance

7. There are no direct financial implications in receiving this report.

Law

8. A local authority has a general power of competence pursuant to Section 1 of the Localism Act 2011.

Risk Management

9. The proposals contained in this report do not create any 'material' risks.

Equality Impact

10. There are no special considerations to be made with regard to equality and diversity in noting and receiving this report. Relevant changes will be assessed for impact through normal processes.

Human Resources/Organisational Development

11. The challenging financial position facing the Council will require changes to our current ways of working and a programme to undertake an organisational review to develop the future target operating model will be a key programme in the new Council Plan and the People Strategy under the Leadership and Culture priority.



Commercial/Procurement

12. There is no direct commercial impact.

Environment/Climate Change

13. The Council will continue to support and contribute to the Council's commitment to become a carbon net zero authority by 2030, as part of its Climate Emergency declaration.

Council Priorities and Projects

14. The Council Plan 2024-25 will ensure a focus on those priorities and projects that will support the overall sustainability of the Council and the services we deliver to our residents. As such revised performance indicators are being developed to ensure clear communications with residents and partners on the changes to Council services and overall performance.



Balvinder Heran
Deputy Chief Executive

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Email: ajaib.paul@dudley.gov.uk

Appendices:

- **Appendix 1 – Council Plan on a page for 2024-25**



Dudley Council Plan 2024-2025

► Our Council Plan gives us direction by setting our key priorities for the year
It shows our internal and external drivers which all directorates and teams work together as one council to achieve

► Improving our organisation

Supporting the improvement and sustainability programme through effective strategy, governance and financial sustainability

Financial sustainability, efficiency and providing best value

- Adherence to our financial management through tighter spend controls, delivering agreed savings, and compliance to procurement and contract management guidelines
- Develop new ways of working, reshaping our services and operating models
- Review all council assets to identify opportunities for efficiency and optimisation.

Governance and control

- Build and strengthen effective governance and control by defining a clear and transparent governance and decision-making structure
- Meet our obligations regarding regulatory compliance and assurance through focussed reporting with clear accountability.
- Monitor and report on organisational risk, performance and project management by acting on timely and accurate reports.

Leadership and culture

- Define core values for the organisation that will achieve a unified, one council culture fit for the future.
- Encourage our employees to actively participate in continuous improvement and sustainability
- Strengthen our learning development programme by providing opportunities for employees to enhance their skills and knowledge.

► Serving our borough

Contributing to our Borough Vision by creating opportunities for all to thrive in a safe and healthy environment

Delivering for our customers, residents and communities

- Enhance our customer experience by promoting digital self-service options whilst recognising individual needs and improving engagement
- Empower individuals of all ages to make choices and exercise independence in their lives and provide care and support when necessary
- While delivering services within communities, provide safe clean spaces, promote healthy lifestyles, support wellbeing and reduce inequality.

Supporting businesses and the local economy

- Ensure access to quality education and training for all, raising aspirations and increasing skills
- Deliver an affordable regeneration strategy that brings about structural economic change and supports the growth of a diverse, broad-based economy and ensure investment in transport connectivity.
- Work with local businesses and communities to develop shared opportunities, create jobs, deliver economic growth and change the role of our town centres.



Meeting of the Cabinet - 20th March 2024

Report of the Director of Regeneration and Enterprise

Infrastructure Funding Statement 2023 and Neighbourhood Community Infrastructure Levy (NCIL) - Allocation of Funding

Purpose of report

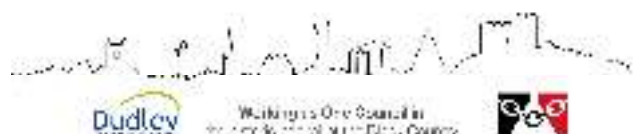
1. To seek Cabinet approval for the Infrastructure Funding Statement 2023 allocation of funding to CIL eligible projects.
2. To seek Cabinet approval to use a crowdfunding platform as a pilot to allocate Neighbourhood CIL, to run alongside the UK Shared Prosperity Fund (UKSPF) programme.

Recommendation

3. It is recommended that Cabinet: -
 - Approve two projects, which scored the highest, detailed in Table One to receive CIL funding.
 - Approve the use of a crowdfunding platform as a pilot to allocate Neighbourhood CIL, to run alongside the UK Shared Prosperity Fund (UKSPF) programme.
 - Authorise the Director of Regeneration and Enterprise, following consultation with the Cabinet Member for Regeneration and Enterprise, to firm up the criteria and process for allocating NCIL funds via the crowdfunding platform.

Background

4. The current Infrastructure Funding Statement (IFS) (Appendix One) brings together a range of information relating to approved, received,



allocated and spent Section 106 and CIL developer contributions, and Section 278 agreements for the 2022/2023 financial year. It also contains an infrastructure list which identifies the infrastructure projects or types of infrastructure which the Council intends will be, or may be, wholly or partly funded by CIL receipts.

5. Monies allocated to projects on the IFS account for 80% of total CIL receipts (Capital and Revenue Infrastructure Funding), with a further 10% taken from this and kept aside until it reaches approximately £1million. This will allow project holders to apply for funding for larger strategic infrastructure projects which currently have substantial funding gaps identified. This applies to all CIL receipts received from 1st January 2021 and will not be backdated or applied to receipts already with the Local Planning Authority. This was approved by Cabinet on 17th December 2020.
6. It should be noted that inclusion of any type of infrastructure in the Infrastructure Funding Statement does not signify a commitment from the Council to deliver or fund, either in whole or in part, this type of infrastructure through CIL. The Infrastructure List as shown in the IFS has not ordered any project via preference or weighting of infrastructure.
7. The IFS is a 'living' document and is subject to on-going updates and monitoring.

Available CIL Funds

8. CIL receipts are split into three categories – 5% to admin costs, 15% to CIL Neighbourhood Funding and the remaining 80% is for spend on the IFS. As noted in paragraph 5 – 10% of the monies allocated for spend on the IFS is kept aside for spend on large, strategic infrastructure projects.
9. As of 18th January 2024, total CIL receipts are £1,914,972.33. Excluding the allocation to admin costs and Neighbourhood Funding, the 80% allocated to the IFS is £1,531,977.86.
10. Prior to allocation through the IFS, CIL funds were allocated through the Regulation 123 List. During this time, the Local Authority was able to allocate funds to seven projects with a total of £580,185.91 either allocated or spent.
11. Through the IFS, seven projects with a total of £533,920.00 has been allocated or spent.

12. As stated in paragraphs 5 and 8 – 10% of CIL receipts received from 1st January 2021 are not available for allocation through the IFS, this totals £68,988.12.
13. Therefore, CIL receipts available to be allocated to projects on the IFS at this time totals **£348,883.83**.

Infrastructure Funding Statement Process

14. A five-stage process was approved by Cabinet in December 2020 as follows:
15. Firstly, there would be an invitation of infrastructure project submissions followed by an assessment of submitted projects for inclusion within the IFS. The updated IFS would be considered by the Regeneration and Enterprise Strategy Group (RESG) and the recommendations presented to Cabinet for approval. There would then be a further assessment of projects within the IFS for CIL funding, and any proposed CIL allocations will be presented to Cabinet for final approval.
16. The Council consulted all infrastructure stakeholders, members and consultees in August 2023, inviting new infrastructure project submissions and requesting updated details for all existing projects.
17. Following this, the Council were in receipt of submission forms from a total of four organisations/providers with a total of nine projects put forward for inclusion on the IFS. These can be viewed on the consultation statement (Appendix Two).
18. All returned submission forms were assessed by officers to ensure proposals met with the criteria for inclusion on the IFS and to ensure their eligibility in line with CIL Regulations, and were submitted to RESG for consideration at its meeting on the 26th October 2023.
19. All recommendations from RESG were incorporated into the IFS and the current document (Appendix One) was presented to Cabinet on the 13th December 2023 - which was approved and is now available [online](https://www.dudley.gov.uk/residents/planning/planning-policy/dudley-local-plan/community-infrastructure-levy/) .
(<https://www.dudley.gov.uk/residents/planning/planning-policy/dudley-local-plan/community-infrastructure-levy/>)
20. The submission forms were assessed in regard to availability of CIL monies, the deliverability of the projects and the strategic aims of the project in line with the Council's objectives. As eight projects were considered deliverable, all have been scored against the matrix in Appendix Two of the IFS.

21. All the projects scored are listed in Table One (below) with scoring details. The two projects scoring the highest against the matrix were presented to RESG and recommended for funding. RESG agreed with officer recommendations on 1st February 2024.

Funding Recommendations

22. If the two projects that are detailed below are allocated CIL funding, this will total a maximum of £204,344.00 – leaving £144,539.83 in the IFS pot (figures as of 18th January 2024).
23. Table One – projects requesting CIL funding

Provider / Organisation	Project Details	Update / Recommendation
DMBC – Planning	Planning requested – Lowndes Road Footpath , installation of a new cycleway and improvement of footpath from Lowndes Road, Stourbridge – funding gap is £84,344.00.	<ul style="list-style-type: none"> The project scored an average of 31.25 on the scoring matrix. This project scored the highest average score and therefore it is recommended it receives CIL funding. RESG supportive of bid.
DMBC – Street and Green Care	Street and Green Care requested – Kinver Street Car Park , installation of a car park for use by football teams at Kinver Street park – funding gap is £98,529.80.	<ul style="list-style-type: none"> The project scored an average of 29.75 on the scoring matrix. As one other project also scores 29.75, and the available CIL monies do not extend to funding both, it is

		recommended that this project does not receive CIL funding.
DMBC - Placemaking	<p>Placemaking requested –</p> <p>Fountain Square, public realm improvements – funding gap is £120,000.00.</p> <p>Dudley Town Centre Wayfinding – funding gap is £100,000.00.</p> <p>Lye War Memorial, improvements to hard and soft landscaping – funding gap is £150,000.00.</p>	<ul style="list-style-type: none"> • The project scored an average of 30.75 on the scoring matrix. This project scored the second highest average score and therefore it is recommended it receives CIL funding. • RESG supportive of bid. • The project scored an average of 29.75 on the scoring matrix. As one other project also scores 29.75, and the available CIL monies do not extend to funding both, it is recommended that this project does not receive CIL funding. • The project scored an average of 29 on the scoring matrix. The available CIL monies do not extend to funding this project and therefore it is recommended that this project does not receive CIL funding.

	<p>Foster Street, public realm improvements – funding gap is £122,250.00.</p> <p>Talbot Street, public realm improvements – funding gap is £150,000.00.</p> <p>Shell Corner, public realm improvements – funding gap is £105,000.00.</p>	<ul style="list-style-type: none"> • The project scored an average of 28.75 on the scoring matrix. The available CIL monies do not extend to funding this project and therefore it is recommended that this project does not receive CIL funding. • The project scored an average of 25.75 on the scoring matrix. The available CIL monies do not extend to funding this project and therefore it is recommended that this project does not receive CIL funding. • The project scored an average of 20.5 on the scoring matrix. The available CIL monies do not extend to funding this project and therefore it is recommended that this project does not receive CIL funding.
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Neighbourhood CIL Proposed Allocation Process

24. Neighbourhood CIL (NCIL) accounts for 15% of total CIL receipts. As of the 18th January 2024, total NCIL receipts are £287,245.85. To date, no projects have received NCIL allocation and therefore the remaining monies in this pot are £287,245.85.
25. The current process for allocating NCIL receipts was approved by Cabinet on the 17th December 2020. Cabinet approved that NCIL receipts would be split equally between each Community Forum (based on the number of wards), and that the Community Forum would lead on allocating this money to projects, once officers in Planning Services had ensured there were eligible for CIL funding. The Cabinet report detailing this process in full is listed in Appendix Three.
26. Prior to the Community Forum NCIL process being approved, an alternative process for allocating NCIL monies was drafted in 2020, and focussed on a crowdfunding platform to deliver projects that were most desired by the community. At the time, this proposal was not progressed.
27. Officers in Regeneration and Enterprise have recently commissioned a civic crowdfunding platform to deliver grant funding projects, including UKSPF monies. As a result of this commission, there is an opportunity to use the platform to allocate NCIL monies on a pilot basis until at least March 2025. This will provide Planning Services the opportunity to trial the use of a platform providing an innovative approach for distributing NCIL monies effectively and allowing for greater transparency. The costs associated with running the funding platform will be paid for by UKSPF funding.

The benefits of using a crowdfunding platform:

28. Crowdfunding and alternative ways of funding via social platforms are continuing to grow in popularity and provide a smarter approach on how resources are allocated. It is a mechanism where community generated projects are promoted via a social media platform to encourage residents and communities to pledge to support the project.
29. The establishment of crowdfunding platforms is a concept that has been implemented by several local authorities, at a time when there are increasing pressures on funding available to the voluntary and community sector, crowdfunding is seen as a way of providing support to bring in additional funding and added value for both the individual projects and the funding pots from which they are supported. Increasingly local authorities are using it as a way of financing

community initiatives and as a means of boosting Community Infrastructure Levy monies available for a particular project.

30. Fundraising platforms are a way of raising money for an initiative or venture by getting contributions from a large and potentially diverse pool of people, who often contribute relatively small sums of money. This provides greater reach than would otherwise be possible. It also gives a clear indication to the Council that there is community support behind a particular project, which is a key requirement of allocating NCIL money.
31. Using the platform could allow alignment with other funding streams such as UKSPF which could allow a holistic approach to grant funding to be adopted to enable optimum leverage for communities from the range of funding available. If the trial is successful, future platform fees could be shared cross-departmentally.

Proposed NCIL pilot process via the crowdfunding platform:

32. Before the Council proposes to contribute towards a project, the owners of the project would be required to sign up to the terms and conditions which would be displayed on the crowdfunding website to safeguard the money. This would effectively be the contract which allows the Council to reclaim the money if the terms were not met.
33. The website would also outline as clearly as possible which types of projects would be eligible for funding via NCIL, essentially those based around local infrastructure. Eligible projects would be identified from the website by officers within the Planning Service and before making any pledges the Cabinet Member for Regeneration and relevant ward Members would be consulted.
34. As part of our terms and conditions, a year after the project has ended or once the project has been completed (whichever is earliest) we would ask the project to complete and send a progress report detailing how the money was spent, this again provides assurance that the money is spent on what was stated in the original project description.
35. To promote the initiative, we would look to run councillor briefings to encourage councillors to get involved in the process and spread the word of the funding available. We would also work with the Communications and Public Affairs (CAPA) team and the voluntary sector (including via community development workers within Public Health and Dudley CVS) and community forums to run a promotional campaign to raise awareness of the fund.

Finance

36. This report relates to decision making on infrastructure requirements on planning applications and the spending of CIL receipts. The update of the IFS on an annual basis provides a transparent approach to make such financial decisions relating to infrastructure. The IFS provides a transparent approach to the reporting of a range of information relating to the approval, receipt, allocation and spend of S106 and CIL developer contributions. There is sufficient funding available in the IFS pot to fund the two highest scoring projects detailed in Table One.
37. The proposed pilot process for the allocation of NCIL funding via a crowdfunding platform is being funded by the UKSPF programme. Approval for the allocation of UKSPF funding was agreed at Cabinet at its meeting 13 March 2023.

Law

38. The Council needs to ensure that robust and transparent mechanisms and procedures are in place to inform planning decisions on developer contributions and on the spend of CIL monies. The IFS brings together in one place information on approved, received, allocated and spent developer contributions and has in place a robust mechanism for funding infrastructure projects through CIL monies.

Risk Management

39. The introduction of an annual Infrastructure Funding Statement (IFS) places a legal requirement on Local Authorities to have the document in place and published on their website by December. The current IFS was endorsed by Cabinet and published on the Council's website by the end of December 2023. The purpose of developer contributions through the CIL mechanism is to fund infrastructure projects throughout the Borough.
40. Regarding the NCIL Crowdfunding Platform Pilot, there is a risk that projects may sign up but not meet their funding target and draw down funds. However, this is already a risk faced by community projects and is reflected in lack of Neighbourhood CIL Spend to date. By widening the reach of projects through the crowd funding platform and providing the opportunity to match other grant funding it helps to mitigate the risk.

Equality Impact

41. It is envisaged that projects funded via NCIL will have a positive impact on people with different protected characteristics (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion, or belief, sex, and sexual orientation) by improving the access to employment and training opportunities as well as enhancing community infrastructure across the borough.

Human Resources/Organisational Development

42. It is considered that there are no additional human resources or organisational development implications resulting from the IFS or the proposed methodology for allocating Community Infrastructure Levy funds. Work on the IFS is carried out by the Planning Policy Team in the Regeneration & Enterprise Directorate with assistance from officers in other departments where necessary.

Commercial/Procurement

43. There are not considered to be any commercial or procurement implications as a result of this report. Any procurement activity resulting from the recommendations set out in the report will be governed by the Councils Contract Standing Orders and the Procurement Management Group (PMG) as applicable. The crowdfunding platform has been procured using the Council's procurement frameworks.

Environment/Climate Change

44. Individual projects identified in the Infrastructure List of the Infrastructure Funding Statement will be assessed for their environmental impact and how they attempt to address the environment and climate change.

Council Priorities and Projects

45. Schemes that may be brought forward as a result of infrastructure requirements will support the Council's priorities: by supporting improvements to community infrastructure across the Borough helping to contribute to a destination of choice, supporting public realm and environmental improvements to create a safe and healthy borough. This report also reflects the importance of financial sustainability which will be a key council priority for the coming year.



Director of Regeneration and Enterprise

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Background Papers

None

Appendices

Appendix One: Infrastructure Funding Statement December 2023

Appendix Two: Infrastructure Funding Statement Consultation Statement 2023

Appendix Three: Neighbourhood CIL Funding Cabinet Report 2020

(Appendices are available online at the link below:-

<https://dudley.cmis.uk.com/Meetings/tabid/116/ctl/ViewMeetingPublic/mid/543/Meeting/6638/Committee/468/Default.aspx>

Paper copies can be provided for Elected Members upon request)

Meeting of the Cabinet – 20th March 2024

Report of the Director of Regeneration and Enterprise

Portersfield Development Brief

Purpose of report

1. To seek Cabinet endorsement of the Portersfield Development Brief to be used to promote and guide the comprehensive development of the key regeneration site in Dudley town centre.

Recommendations

2. It is recommended that Cabinet:-
 - Endorse the Portersfield Development Brief as set out in Appendix Two.
 - Authorise the Director of Regeneration and Enterprise, following consultation with the Cabinet Member for Communities and Economic Delivery, to make any non-substantive changes necessary to the document prior to it being published.

Background

3. Portersfield is a development opportunity site (Opportunity Site 2: Trindle Road/Hall Street/Birdcage Walk) located within Dudley Town Centre and is one of seven development opportunity sites identified in the Dudley Area Action Plan (DAAP). It is identified as a Priority Site in the emerging Dudley Local Plan (Regulation 18 consultation, November-December 2023). The site(s), encompassing an area of 3 hectares, is located adjacent to the Dudley Interchange and the proposed Metro Stop (both schemes of which are currently under construction) and is bounded to the north by St Joseph Street, Claughton Road North, by Duncan Edwards

Way to the east and by Hall Street to the south. A map of the site(s) location is shown in Appendix One of this report.

4. The site(s) is a key regeneration site for Dudley Town Centre and forms part of a wider £1 billion regeneration programme of investment in Dudley borough being promoted by the Council, through the current Dudley Area Action Plan (DAAP) and the emerging new Dudley Local Plan (DLP). Given the investment in the transport network through Metro and the Dudley Interchange, the comprehensive development of this site will provide the opportunity to create a new and attractive residential led urban quarter connecting new and existing residential communities by delivering high quality residential development, public realm and green corridors for walking and cycling.
5. The Council is committed to facilitating the regeneration of the wider Portersfield area to create a vibrant residential quarter providing quality homes set, within well designed and welcoming public spaces. This new quarter will support the Council's aspirations to increase town centre living, and along with other developments, to increase footfall to support town centre businesses and provide infrastructure to support the growing tourism/educational offer for Dudley town centre and the wider borough.
6. To realise this opportunity, and to maximise the potential, a development brief (the Brief) has been produced which will help to deliver the comprehensive regeneration of the site(s) (see Appendix Two).
7. The purpose of the brief is to assist in ensuring that any new developments are designed to the highest possible quality. In addition, it sets the parameters for development in order to guide future planning applications and includes:
 - an explanation of how the proposed development of the site should meet national and local policies and guidance
 - the identification of any constraints and opportunities on and around the site and how they will be addressed
 - the vision, objectives and key principles for the development.
8. Furthermore, the brief will be used to support additional work areas to promote development of the site, and where there are complex issues to address such as:
 - listed buildings, conservation areas and heritage assets with archaeological interest

- sites in multiple land ownership, where coordination between parties will be required to ensure the delivery of a high quality, coherent development
- supporting future planning applications and potential Compulsory Purchase Orders (CPOs)
- informing the preparation of development appraisals – to enable an assessment of viability; and
- the preparation of documentation for the procurement of a Development Partner, as well as the competitive dialogue process whereby a development partner will need to know what the scheme it is expected to deliver.

Portersfield Development Brief

9. The Portersfield Development Brief has been prepared following an eight-week consultation exercise that was carried out in July-September 2023.
10. During the consultation, members of public, residents, businesses and stakeholders were invited to take part in the consultation to *“Help shape proposals for the future of the Portersfield site”*. The consultation document provided a plan of the site with several proposals/options including highway and pedestrian related proposals, connectivity and public realm/landscaping improvements, design principles, and potential development sites whereby views/comments were sought.
11. A consultation questionnaire requested comments on ten questions about the proposed movement, accessibility, heritage, and landscaping proposals for the site. Stakeholders were encouraged to complete the questionnaire which aimed to capture the local community’s views and preferences regarding the options and proposals being consulted on. A total of 459 people completed the questionnaire. All questions secured a ‘strongly agree or agree’ rating from more than 70% of responders, with several in the high 80%/ low 90% rating.
12. The feedback from the consultation exercise, plus previous public engagement activity, has helped to shape the proposals and principles set out in the Brief which is the subject of this report.
13. The Brief has also been prepared within the context of the local and national planning policy, including the evolving Draft Dudley Local Plan. It will provide guidance to developers on suitable land uses, design and layout, access, and transportation in order to promote the development of the site in a manner that will enhance the vitality of a key gateway site to Dudley town centre. The Brief will aid the Council in assembling land for development, undertaking viability and other exploratory studies and to aid

the process for external funding submissions. As well as providing guidance in the determination of future planning applications.

14. The key elements of the Brief set out as follows:

- The site context, constraints and opportunities;
- Planning Policy context –for example national policy and the current local plan policies including the Dudley AAP and emerging Dudley Local Plan;
- The Council’s overarching vision and objectives for the site;
- Development principles and illustrative proposals for the individual development sites, plus potential uses, highway improvements, pedestrian access and connectivity and public realm and landscaping improvements; and
- Implementation and delivery arrangements for the site

15. The Brief sets out the Council’s vision for the area, which has built upon the vision in the Dudley AAP and further informed by the public consultation. The vision seeks to create a new urban quarter that is attractive and distinctive, whilst connecting new and existing communities and helping to support economic, social and environmental benefits for local people, businesses and residents. In achieving this vision, the development of the Portersfield site will provide:

- a welcoming arrival and destination space that takes advantage of its proximity to the new Interchange, the Midland Metro and the historical context of the town centre;
- a high quality/healthy development with an enhanced environment that supports people’s wellbeing by providing high quality spaces and active travel;
- improved highways/public spaces that provide for improved access and connectivity, particularly to pedestrians and cyclists;
- enhancements to the town’s heritage by providing key gateways/arrival points in the town centre and creating new and improved views of the town’s heritage assets and
- a residential-led development, improving the vitality of the town centre.

16. The Brief sets out the Council’s aspirations to develop a new urban quarter that will enhance the vitality of the town centre, secure high-quality developments that build upon the town’s heritage assets and introduce a new residential population with a focus on securing a higher quality residential development that meets a range of local housing needs. Alongside this, the Brief takes advantage of the Midland Metro and new Dudley Interchange which provide a new arrival point for the town centre allowing the opportunity to create an attractive destination space in the

Dudley town centre, providing a focus for highway improvements that allow for much needed improvements to pedestrian/cycling connectivity across the town centre, the provision of new public spaces and high-quality public realm/streetscape and landscaping.

17. The Brief divides the site into three main development areas as shown in Appendix One. For each of these areas appropriate uses and design principles have been set out in detail throughout the brief. To summarise the main proposed uses for these three sites are as follows:
 1. **Portersfield North (Area 1)** – Land north-west of Trindle Road
The development site provides a key role as a welcoming/destination space for the wider area. The site is located adjacent to the proposed metro stop and Interchange. It is envisaged that residential development with commercial ground floor uses to provide active frontages to the Interchange and public spaces provide the most appropriate use of the site.
 2. **Portersfield South (Area 2)** – Land to the south-east of Trindle Road
This development site was previously occupied by the former Cavendish House. It is envisaged that residential development will form the main use of the site with improved pedestrian links, highway improvements and enhanced public spaces.
 3. **Portersfield South (Area 3)** – Land between Porter Street and Hall Street
It is envisaged that residential development will form the main use of the site with improved pedestrian links, highway improvements and enhanced public spaces.
18. Alongside this, the Brief identifies seven development principles which will guide the development of the individual areas of the wider site. These include:
 1. ***Destination space and place*** – ensuring that as a key gateway/arrival point into the town centre development proposals will need to be designed so that the built form and public realm create a high-quality destination that fully integrates with the metro and new Dudley Interchange.
 2. ***Hall Street (Portersfield South Area 3)*** – the retention of existing historic buildings and sympathetic integration of new build developments.

3. **Residential led urban quarter** that brings vacant floorspace and land into use whilst ensuring that development reflects traditional street patterns and public spaces.
 4. **Creating a positive image for the town** – ensuring development presents a positive image for the town, particularly around key gateways such as Duncan Edwards Way and Kate’s Hill.
 5. **Safeguarding of Porter Street** – improving pedestrian connectivity between the town centre and the existing residential communities by ensuring that Porter Street is safeguarded and can be re-connected to Porter Street South and to the Kate’s Hill community.
 6. **Improvement of landing point** – improvements to the existing footbridge across Duncan Edwards Way via landscaping and public realm improvements to make the area more welcoming.
 7. **Enhancements to Trindle Road** – through the provision improved cycle paths, reduce speed limits and improved/creation of pedestrian crossing points.
 8. **Future proofing developments** creation of a new urban quarter where buildings are zero-carbon ready.
19. To ensure comprehensive development of the site, it is envisaged that the Council will lead on the delivery of the Portersfield scheme, working with a development partner(s), Avenbury, as a significant landowner and other parties. This will be led by the Council’s Regeneration Team as the site promoter who will oversee this process by engaging with a development partner(s), facilitating land assembly, funding and comprehensive development of the site.
 20. It is recommended that Cabinet endorse the Brief as attached to Appendix Two of this report to be used to promote and guide the development of the key regeneration site in Dudley town centre.

Finance

21. All costs associated with the preparation of the Development Brief which is the subject of this Cabinet report are funded from existing budgets and resources.

Law

22. Following consultation and Cabinet endorsement, the 'Portersfield Development Brief' will guide the development of the Portersfield site. Whilst the Brief does not have the status of the Supplementary Planning Document it will be used as a consideration in the determination of planning applications.

Risk Management

23. There are not considered to be any material risks from this report.

Equality Impact

24. An Equalities Impact Screening has been undertaken and is attached in Appendix Three. The assessment found that the Development Brief had no specific impacts on protected characteristics. The Brief will be used to guide development in the Portersfield area in line with adopted Planning documents. Development of the site(s) will lead to improved, well design and accessible new developments.

Human Resources/Organisational Development

25. It is considered that there is no additional human resources or organisational development implications resulting from this report. Work on the Development Brief has been carried out by the Planning Policy Team in the Regeneration & Enterprise Directorate with assistance from officers in other Departments where necessary.

Commercial/Procurement

26. There are not considered to be any commercial/procurement implications because of this report.

Environment/Climate Change

27. Meeting the challenge of climate change is a core principle of the Development Brief. The Brief has been prepared in the context of current and emerging planning and national guidance which clearly states that proposals for the Portersfield site should be shaped in ways that 'contribute to reductions in greenhouse gas emissions, minimise vulnerability and improve resilience; encourage the reuse of existing resources, including the conversion of existing buildings; and support renewable and low carbon energy and associated infrastructure.

Council Priorities and Projects

28. The Brief will support the Council's priorities to be the 'Destination of Choice' and the 'Safe and Healthy Borough' by ensuring housing developments that are well designed, more accessible and built to higher environmental standards that reduces emissions and creates a sense of place.
29. In addition, the proposed interventions will support the aspirations of the Dudley Borough Vision 2030 by creating healthy, attractive environments where people want to live.



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Appendices

- Appendix One – Portersfield site plan
- Appendix Two - Draft Portersfield Development Brief
- Appendix Three – Portersfield Equalities Impact Assessment Screening

(All of the appendices are available online at the link below:-

<https://dudley.cmis.uk.com/Meetings/tabid/116/ctl/ViewMeetingPublic/mid/543/Meeting/6638/Committee/468/Default.aspx>

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List of Background Documents

- Meeting of the Cabinet - 13th December 2023 – Agenda item 10 - <https://dudley.cmis.uk.com/Meetings/tabid/116/ctl/ViewMeetingPublic/mid/543/Meeting/6636/Committee/468/SelectedTab/Documents/Default.aspx>
- Meeting of the Corporate and Economic Strategy Select Committee, 11th January 2024 - Agenda item 7 - <https://dudley.cmis.uk.com/Meetings/tabid/116/ctl/ViewMeetingPublic/mid/543/Meeting/6655/Committee/543/SelectedTab/Documents/Default.aspx>

Meeting of the Cabinet – 20th March 2024

Report of the Director of Regeneration and Enterprise

Dudley Borough Economic Regeneration Strategy

Purpose of report

1. The purpose of this report is to present Cabinet with the proposed Dudley Borough 'Economic Regeneration Strategy', for approval as the agreed and final Strategy.

Recommendation(s)

2. It is recommended that:
 - Cabinet approves the Dudley Borough 'Economic Regeneration Strategy'.
 - Cabinet endorses the Director of Regeneration and Enterprise, in consultation with the Cabinet Member for Communities and Economic Delivery, to implement the Strategy.
 - Cabinet endorses the Director of Regeneration and Enterprise, in consultation with the Cabinet Member for Communities and Economic Delivery, to progress the procurement of a Development Partner, to support regeneration project delivery across the Borough, and to report back to Cabinet on progress at key decision points. Final appointment will be subject to a Cabinet report.

Background

3. In June 2023, the Council appointed SQW to prepare an 'Economic Regeneration Strategy' for the Borough, following a competitive tender exercise. The Strategy is required to address a corporate priority

highlighted in the internal Regeneration and Enterprise audit and to underpin future funding bids to Government, The West Midlands Combined Authority, and other sources to maximise external funding opportunities. It also addresses a key recommendation from the recent LGA Peer Review, setting out the strategic priorities for regeneration and economic growth in the Borough and highlighting future delivery and governance requirements. The Strategy will align to the Council Plan, supporting key priorities to secure economic growth and maximise income opportunities through Council tax and business rates.

4. SQW has been liaising closely with a core officer team within the Regeneration and Enterprise Directorate and has undertaken the following:
 - A detailed econometric analysis, baselining and preparation of a Key Issues Paper, highlighting the Boroughs key challenges and the themes that should form the focus of the Strategy.
 - A workshop with the Council core team in early October 2023 to discuss the above and agree the evolving Strategy.
 - A series of stakeholder consultations across different Council departments and with members, and with external bodies/ individuals.
 - Four themed workshops with internal/external parties in late October 2023.
 - A workshop with the 'Dudley Business Champions' and the 'Education and Skills' Boards on the 22nd November 2023.
 - A workshop with the Council core team on the 6th December to discuss the draft Strategy and the Action Plan.
5. A draft Strategy and Action Plan was submitted by SQW on 22nd December 2023 and comments on that draft were provided to SQW on 15th January 2024. A further workshop was held with SQW on 25th January 2024, to discuss the comments and the projects/interventions proposed in the Action Plan. Following that workshop, SQW has produced the final Strategy and Action Plan.

Key issues

6. Following its baseline assessment of Dudley's economy, a review of the strategic context and scoping consultations, SQW identified six 'emerging issues' as being important to the Borough's short-to-medium term prospects. Four of these issues are 'thematic':

- Structural economic change - how the Borough manages this ongoing process, supporting a balance between maximising the potential of Dudley's historic capabilities in the manufacturing sector and supporting the growth of a diverse, broad-based economy.
- Raising aspirations and increasing workforce skills - at all levels, realising the benefits and building out from substantial recent (and forthcoming) investment in further and higher education and the links through to schools and community development.
- The changing roles of the town centres - how the Borough should reflect and respond to these changes, and the relationships between them.
- Its location within one of Europe's largest city-region economies - how the Borough can make the most of this, through understanding the relationship between Dudley, the rest of the West Midlands and its wider 'functional economic area'.

7. The other two issues related specifically to major investment opportunities:

- How the Borough can make the case for, and secure, the Metro Extension to Brierley Hill (and ultimately through to Stourbridge Junction).
- How the Borough can make the most of its Enterprise Zone and future Levelling Up Growth Zone designations.

8. These emerging issues formed the basis of the next stages of work, which explored them in greater detail, with further consultations, workshops and analysis, to prepare the Strategy and the Action Plan.

The Strategy

9. The new Economic Regeneration Strategy is informed by evidence and has been developed in consultation with stakeholders. It sets out an ambitious 'route map' for the borough over the next ten years – to shape a more prosperous, more equitable and more sustainable economy in which businesses and communities thrive.
10. The Strategy sets out a Vision that “by 2033, the borough of Dudley will be recognised nationally for its thriving local economy. With specialisms in advanced manufacturing, it will be a focus for innovation, particularly in respect of the net zero transition, and it will also have a growing profile in 'new economy' sectors. It will be far better connected and it will function as

a hub for business – both those formed locally and those that have relocated to the borough. It will be playing a full role in driving the West Midlands as a whole forward. It will be an aspirational place in which individuals, families, communities and businesses thrive.”

11. The Strategy seeks to achieve the following outcomes for the Borough:
 - new businesses are formed and existing businesses grow – including in new sectors.
 - inward investors choose to locate.
 - local people develop new skills and can ‘pivot’ as new opportunities come to the area.
 - town centres are vibrant and sustainable, and attractive both to local people and visitors.
 - the quality of the natural and built environment (including heritage assets) are recognised at the heart of the visitor economy and more generally.
 - communities and businesses are connected by a high quality transport infrastructure across the borough.
 - significant progress is being made towards net zero carbon.
 - everyone can reach their potential.
12. To progress this, the Strategy sets out four key themes and a cross-cutting priority that should underpin actions and investment.

Theme 1: Unlocking enterprise and innovation

13. To reposition Dudley as a borough of enterprise and innovation at the heart of the West Midlands. This means creating new opportunities for businesses to start up, grow and invest, creating well-paid, sustainable jobs in both established industrial strengths and across a diverse, broad-based economy. The strategy proposes action in four priority areas:
 - creating space for business growth.
 - increasing productivity and innovation in Dudley’s manufacturing ‘core’.
 - developing a wider environment for innovation across the economy.
 - building stronger networks of support.

Theme 2: Investing in people and building skills for tomorrow

14. Over recent years, there have been major changes across the labour market in the borough – in part because of economic restructuring. Residents are more highly qualified than they were previously, but employers can recruit neither the skills nor the number of people that they

need in order to grow. The strategy proposes action in several priority areas:

- Strengthen links between employers, schools and providers to equip people for changing jobs.
- Support local people to access skills, training and education opportunities, especially those currently furthest away from the labour market.
- Leverage new investment coming into the borough to deliver skills and training opportunities for local people.
- Develop and actively promote Dudley's new and evolving higher education offer.

Theme 3: Creating a vibrant creative and cultural environment, and supporting the Visitor Economy

15. Dudley has substantial assets linked to heritage, culture and the visitor economy. These need to be seen as a key economic driver in their own right. More could be done with these assets – not least in giving them scale and visibility. A series of priorities have been defined in response.
 - Develop a stronger 'package' across different visitor economy attractions within the borough, helping to increase visitor numbers, dwell time and spend.
 - Promote Dudley as a cultural and creative borough.
 - Deliver more cultural events, particularly in the town centres, helping to change perceptions of the borough.
 - Explore the feasibility of new sport and/or cultural infrastructures within the borough.

Theme 4: Reinventing town centres across the borough.

16. The town centres across the borough – principally Brierley Hill, Dudley, Stourbridge, Lye and Halesowen – are at the heart of the local economy. They differ from each other, but all face challenges, not least in the context of profound change across the retail sector. The town centres need to redefine their economic purposes, and the priorities to achieving that include:
 - Advancing a new economic vision for Dudley town centre through a Long-Term Town Plan.
 - Supporting partnership working in town centres across the borough to deliver change.
 - Developing Business Improvement Districts.
 - Promoting cultural and creativity across the borough's town centres.

- Working with developers to forge constructive working relationships across the borough in respect of town centre regeneration and delivery of investment into the Levelling Up Growth Zone.

Cross-Cutting Priority – Maximising the impact of Metro and driving investment in future connectivity

17. The Borough also needs to advance a major transformational connectivity opportunity – to maximise the economic impact of the first phases of Metro Extension. It also needs to make the case for subsequent investment in later phases of Metro and in other connectivity improvements - substantially enhancing Dudley’s connectivity, linking up key town centres and major developments and aligned with the Levelling Up Growth Zone. Over the coming decade, the Borough needs to maximise the impact of this new asset – recognising that this is the first stage of a journey towards a better connected Borough, not the end of the story. The priority is to continue to advance a compelling economic case for investment in the network, including:

- Maximising the benefits of the first phases of the Metro extension.
- Making the case for future phases of the Metro.
- Championing sustained efforts to improve connectivity.

18. The themes and the priority areas for action set out in the Strategy provide the framework for determining corporate priorities and responding robustly to the internal audit and the LGA Peer Review. Key to this however is how the Council delivers the interventions necessary to achieve the outcomes required. SQW identify that:

“Delivering the ERS means action ‘at scale and pace’: in ensuring that there is strategic delivery capacity for transformational change and in ensuring that people and businesses see tangible progress and opportunity in the shorter term.”

19. SQW identify that the need now is for ‘something different and appropriate to the borough of Dudley’s metropolitan scale and ambition’. Delivering change means action on three fronts:

- ensuring that there is strategic capacity in place for long-term change and planning, marshalling a wide range of resources.
- in the short-to-medium term, ensuring that the whole Council works together to deliver the more ‘incremental’ changes that show visible progress on the ground.
- ensuring that local communities and businesses benefit throughout the regeneration process.

20. Progress will depend on focused and dedicated delivery resources, aligned to securing the priorities in the Economic Regeneration Strategy, alongside a strong working relationship with the West Midlands Combined Authority and the private sector.

The Action Plan and next steps

21. The Action Plan sets out the schedule of interventions that need to be progressed to deliver the strategic themes. It has been prepared as two documents:
- A detailed spreadsheet that the Director of Regeneration and Enterprise will use as a working document, to be updated as required, likely on an annual basis.
 - An executive summary, in table format which forms an Appendix to the attached Strategy document.
22. Following consideration of this report by Cabinet, the next step is for the Director of Regeneration and Enterprise to develop the Action Plan into a schedule of agreed work programmes, highlighting those required in the short term (0-12 months), the medium term (2-3 years) and the longer term. This will need to include resource requirement – revenue and capital – together with proposals for internal governance and monitoring, to enable delivery in a robust and controlled environment.
23. Informal discussions have recently been held with several Development Companies, to understand the benefits of the Council entering into a commercial arrangement with a delivery partner. This would be a Borough wide arrangement and would enable the Council to build a relationship with a partner that would take a long-term view to investment and development within the Borough – supporting the Council to efficiently deliver its regeneration objectives. Given the recommendations made by SQW, a soft-market test exercise as a prelude to a competitive tender/dialogue process is proposed, to commence the process of identifying a long term delivery partner.

Finance

24. At this stage, no financial approvals are required from Cabinet. When the Strategy has been agreed and adopted, the Director of Regeneration and Enterprise will undertake the above next steps and, in consultation with the Cabinet Member, advise Cabinet on financial implications.

Law

25. Section 111 of the Local Government Act 1972 provides the Council with power to do anything 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.

Risk Management

26. The corporate risk register identifies that the lack of an Economic Regeneration Strategy is a key risk to the Council. The completion of this work addresses that risk. When the strategy progresses to delivery, the corporate risk register will need to set progress targets and determine risk on the basis of available resources and timescales.

Equality Impact

27. The Council's Equality and Diversity policies will be applied throughout the implementation of the Strategy, including the identification of any specific equality impacts. Where required equality impact assessments/statements will be prepared.

Human Resources/Organisational Development

28. Resource will be brought in to contribute to the delivery of the Strategy. This will be progressed in partnership with Council policy.

Commercial/Procurement

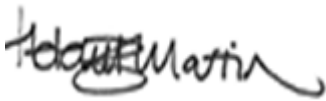
29. Any contracts or commercial agreements needed to deliver the actions and interventions set out in the Action Plan will be let in accordance with Contract Standing Orders.

Environment/Climate Change

30. The Economic Regeneration Strategy highlights net zero as a key priority and interventions to deliver the Strategy will need to highlight the benefits that will support achievement of net zero.

Council Priorities and Projects

31. Facilitating the Economic Regeneration of the Borough is a key priority of the Council. This Strategy will contribute to that aim by setting out the priorities for intervention and governance.



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Appendices

Appendix 1 – Dudley Economic Regeneration Strategy (March 2024)
(Available online at the link below:-

<https://dudley.cmis.uk.com/Meetings/tabid/116/ctl/ViewMeetingPublic/mid/543/Meeting/6638/Committee/468/Default.aspx>

Paper copies can be provided for Elected Members upon request)

Meeting of the Cabinet - 20th March 2024

Report of the Director of Environment

Dudley Council Climate Action Plan

Purpose of report

- 1 To approve the Dudley Council Climate Action Plan, Phase 1 (2024-2027), (Appendix A), as part of the council's climate emergency declaration.

Recommendations

- 2 It is recommended that Cabinet:
 - Approves Dudley Council's Climate Action Plan, Phase 1 (2024-2027) set out in Appendix 1 outlining how the Council will work towards becoming a carbon net zero council by 2030 by reducing carbon emissions from the council's operations and activities and influencing carbon reduction borough-wide;
 - Recognises that the rapidly changing international / national / regional / local context will require an annual update of the Action Plan to review the data and evidence, monitor progress and insert new actions to further reduce the council's carbon footprint;
 - Delegates authority to the Head of Energy, Sustainability and Climate Change (and any Council Officer authorised in writing by the Head of Energy, Sustainability and Climate Change) in consultation with the Acting Service Director – Neighbourhood Delivery to amend and/or make additions to the Action Plan in the interests of achieving the objectives of mitigating and adapting to climate change both in respect of the council's own operations and activities borough-wide.
 - Approves the establishment of a Borough Climate Partnership as set out in the Action Plan to work with the council to develop and implement a borough-wide Action Plan to meet the borough-wide net zero target of 2041, recognising that this cannot be delivered without the active participation and shared responsibility from all sectors of the community.

- Delegates authority to the Head of Energy, Sustainability and Climate Change (and any Council Officer authorised in writing by the Head of Energy, Sustainability and Climate Change) in consultation with the Cabinet Lead for Climate Change to implement arrangements for the operation of the Partnership.
- Notes that this report is in relation to the council's response to the climate emergency declaration and will be referred to Full Council for information.

Background

Climate Change – Causes and Impacts

- 3 Human activity has caused irreversible climate change and its impacts are being felt around the world. Global temperatures have increased by around 1°C since pre-industrial times. The past decade has seen record breaking storms, forest fires, droughts, coral bleaching, heat waves and floods around the world.
- 4 The Intergovernmental Panel on Climate Change (IPCC) is a United Nations body, founded in 1988, which evaluates climate change science. The IPCC special report on the impacts of global warming of 1.5°C above pre-industrial levels, issued in October 2018 stated that in order to remain within a 1.5°C temperature increase, governments would have to significantly reduce emissions of greenhouse gases by 2030 to avoid the most catastrophic impacts, including food scarcity and loss of life.

Climate Emergency

- 5 Since the IPCC report, a Climate Emergency movement has emerged. Subsequently over 300 Local Authorities in the UK have declared a Climate Emergency to date. The most commonly set date for councils' operations and activities to be net zero is 2030. The UK Government has set a target for the UK to achieve net zero carbon emissions by 2050. There is no single definition of what declaring a climate emergency means. The majority are defining a 'climate emergency' as reflecting a commitment to becoming net zero (given the results of the IPCC report) by 2030 to stop global temperatures rising above 1.5°C.

Climate Emergency Motion

- 6 The Council recognises that climate change is having a significant impact on the environment world-wide and is directly affecting our local area and communities. Over the last ten years, Dudley has experienced a wide range of extreme weather events including surface water flooding,

heatwaves, heavy snow and storms which have impacted on the health, wellbeing and livelihoods of local people.

- 7 As such, the council recognises it has leadership role to play by:
- Setting a positive example by addressing the impact of our own operations and services;
 - Providing information and advice to the public and encouraging our staff to take action, and
 - Engaging with partners, residents, businesses and community groups to tackle climate change across the Borough.
- 8 In light of this, the council declared a Climate Emergency in July 2020. The declaration included the following specific commitments:
- Establish a Council-wide Climate Change Group to develop and monitor the delivery of a Carbon Reduction Plan for Dudley;
 - Encourage partners to declare a Climate Emergency and take steps to achieve a net-zero carbon footprint;
 - Explore opportunities for investment in green businesses and support green business growth.
- 9 Following the declaration, the council committed to become a net zero council by 2030 and a net zero borough by 2041.

Net Zero Council

10 What we are already doing

Over the past year, the Council has made progress in reducing carbon emissions from its operations and activities, as well as the Borough, through initiatives illustrated in the table below:

Action	Potential Carbon Saving (Low / Medium / High / Enabling)
100% green energy purchased for the council estate	High
8 travel plans agreed with employers/educational establishments	Enabling
7 new or upgraded pedestrian/cycle phases	Enabling

5 new puffins/toucans/parallel crossings for pedestrians/cyclists	Enabling
2 new traffic signal junctions include LED lamps and extra low voltage power supply	Enabling
0.96km of new cycle footpaths	Enabling
50 EV charging points to be installed across the borough by April 2024	Enabling
23 fossil fuel based machinery replaced with electric machinery, such as leaf blowers and hedge cutters	Low
Purchased 5 electric quad bikes for street scene operations in lieu of petrol quad bikes	Medium
100 public recycling waste bins in-situ	Medium
Flytip recyclable items recycled	Medium
Trialling electric footway mechanical sweepers	Low
Undertaking a programme to change 30,000 streetlights to LED	High
90% of streets lights at Lister Road Depot are LED	Medium
More than 60 per cent of Dudley borough schools have a 20mph scheme in their locality with many others having traffic calming measures in place	Enabling
416 solar panels installed on the roof of Duncan Edwards Leisure Centre, saving 23 tonnes of CO2 a year	Medium
The council has committed £1million towards an Energy Development Fund to invest in renewable energy projects	High
First in the region to secure funding on a Net Zero	Enabling

Neighbourhoods pilot that will see 300 homes to be sustainably retrofitted including loft, cavity and solid wall insulation, solar PV schemes, electric vehicle street charging points, community food growing initiatives and nature-based solutions such as green roofs.	
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Carbon Reduction Baseline

- 11 To reach the 2030 target, the council will have to go further and reduce its emissions by a further **13,209.85** tonnes CO_{2e}.
- 12 In order to establish the Council's baseline, the Council has monitored emissions from each area of its activities including buildings where we can control usage (this excludes schools and the property investment portfolio) based on the methodology of the most widely-used accounting tool, the Greenhouse Gas (GHG) Protocol.
- 13 Scope 1 covers direct emissions from owned or controlled sources. Scope 2 covers indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the organisation. Scope 3 includes all other indirect emissions that occur e.g. in relation to contracted services.
- 14 The scopes assist in defining the sources of pollutants and targeting action.
- 15 The research to establish the baseline has enabled the Council to identify the following:

Scope	Emissions Type	Emissions (tCO _{2e})	Percentage of Total Emissions
Scope 1	Heating	4,081.53	30.9%
	Authority's Fleet	2,561.00	19.4%
Scope 2	Electricity	6,016.90	45.5%
	Transmission & Distribution Losses	550.41	4.2%
Total Emissions		13,209.85	100%

Dudley Council Climate Action Plan

- 16 The Dudley Council Climate Action Plan (Appendix 1) sets out actions to be delivered over the next three years 2024-2027. It is published in line with the Council's climate emergency declaration showing our commitment to take action on climate change - but it is not set in stone. The actions are based on a range of assumptions and current knowledge but recognises that learning from partners and communities, new technologies, changing public attitudes, public funding and government regulation are evolving that will influence the Action Plan. The Action Plan is therefore live and will be formally reviewed and updated annually.
- 17 The Action Plan is divided into 6 themes as follows:
- Theme 1: Community and Business
 - Theme 2: Transport & Active Travel
 - Theme 3: Energy
 - Theme 4: Waste and Fleet
 - Theme 5: Land use planning, regeneration and biodiversity
 - Theme 6: Enabling Actions (these actions support delivery of individual actions, such as communications, fundraising and partnership working)
- 18 Examples of actions in the plan include:-
- Requesting developers to undertake a Sustainability Checklist as part of the planning application process
 - Completing implementation of LED solutions for street lighting
 - Producing a tree and woodland strategy for Dudley Borough to ensure tree coverage on council-owned land is maintained and increased
 - Producing a sustainable events policy that emphasises minimisation of waste and encourages more sustainable options. This will be supported with guidance on sustainability best practice, options and suggestions for events that are held across the borough
 - Developing a Waste Strategy to maximise recycling and reduce waste, including the collection of food waste
 - Developing Sustainable Procurement Guidance and setting a 10% minimum social value contribution as part of the procurement process for new contracts

Dudley Council's approach to net zero will also realise co-benefits. For example, actions on sustainable travel modes will tackle air quality but this also has benefits to health from exercise and mental well-being, as-well as reducing carbon emissions.

Biodiversity & Carbon Offsetting

- 19 Biodiversity has already been impacted by the current rise in average temperatures. Species distributions are changing, along with the timing of migration, breeding and flowering. Dudley Council recognises the need to address the Biodiversity Crisis alongside the Climate Emergency.
- 20 Nature-based solutions can play a key role in mitigating against, and adapting to, the impact of a changing climate. Natural solutions and sustainable land management practices can be used to maximise our natural habitat's ability to absorb carbon from the atmosphere through natural processes, known as carbon sequestration.
- 21 The Dudley Climate Action Plan states that, only after seeking to reduce carbon emissions to as close to zero as possible through organisational change, will the Council offset residual carbon budgets through local carbon sequestration projects, such as habitat creation and enhancement schemes on local nature reserves and other wildlife sites.
- 22 As a minimum we are committing to:
 - (i) Maintaining and undertaking restoration on Dudley Nature Reserves
 - (ii) Creating opportunities on other green spaces for creation and enhancement of priority habitats including trees and woodlands, grassland and wetlands.

Net Zero Borough

- 23 The Council is setting an example and seeking to provide leadership by reducing its own carbon emissions and using the planning and regulatory powers local government has to shape and influence action on climate change in the Borough. However, the Council does not have the power to significantly reduce carbon emissions across the Borough as a whole, alone. Organisations, businesses, residents and community groups in Dudley are already exploring smarter, greener ways of working and living – and the Council recognises there is much to learn and share between partners. Following the launch of the Dudley Council's Climate Action Plan, the Council will be establishing a borough-wide Climate Partnership,

where the council will invite local organisations and representatives of the community to come together to explore and implement actions for the borough to become net zero by 2041.

Engagement and Communications

- 24 On 1st November 2023, the Council launched its climate change webpage – Dudley Climate Action – providing information on the climate emergency declaration and the Council’s vision for climate change.
- 25 The webpage will continue to evolve and develop to include information on:
- Ideas for climate action for community groups and businesses;
 - Funding and support available for climate action; and
 - Sharing best practice, case studies and toolkits.

Next Steps

- 26 The Council’s newly appointed Climate Policy Manager will work with officers across the authority to implement the Climate Action Plan and engage with borough partners to start work on development of the borough climate action plan.

Finance

- 27 External funding will be utilised to fund any costs that are not currently within existing budgets.

Law

- 28 The Council declared a Climate Emergency in July 2020 and has committed to become a net zero Council by 2030 and a net zero Borough by 2041. The UK Government has set a target for the UK to achieve net zero carbon emissions by 2050.

Risk Management

- 29 There are a number of key risks both for the Council and more widely which could impact on the success of the Action Plan:
- Currently not all the necessary infrastructure, finance and regulation is in place to enable the changes needed, with a burgeoning impact of the cost of living crisis on current and future patterns of expenditure at both a personal and organisational level.
 - The UK will only meet its emissions reduction targets if central government, regional bodies and local authorities, amongst others,

work together to resolve some of these key barriers, noting that local authorities only have powers or influence over roughly a third of greenhouse gas emissions in their local areas.

- Failure to develop and approve the Action Plan would present a reputational risk to the Council.

Equality Impact

- 30 In order to comply with Public Sector Equality Duty, and the Dudley Council Equality, Diversity and Inclusion strategy 2022-2025, for any activity undertaken under the action plan that has an impact on people, an Equality Impact Assessment shall be undertaken, to ensure there has been due regard of impact on differing groups.
- 31 Initial work with the Equality, Diversity and Inclusion Manager has highlighted how climate change has a varying impact on those falling into different categories and protected groups, such as the disparities caused by health status, disability status, age, pregnancy/ maternity, race, voluntary and community sectors; alongside the impact on public cohesion.
- 32 Notwithstanding this, in our changing borough, there is also the socioeconomic impact that should be considered, in terms of poverty and financial inclusion.

Human Resources/Organisational Development

- 33 Delivery of the Council's Climate Action Plan is based on current staffing resources and departmental headcount, and therefore this proposal has no direct HR impacts.

Commercial/Procurement

- 34 Procurement are working to build sustainability into the procurement process and note the desire to make Social Value a 10% weighting in all tenders. However, noting the Council's current financial position and its ability to monitor the delivery of social value this is something that should be brought in over time.
- 35 From a commercial perspective, the actions of the Council's Climate Plan could lead to increased pressure on the Council's current budgetary position.

Environment/Climate Change

- 36 This decision will support the Council in delivering a carbon reduction/climate action plan and define existing sources of the Council's carbon emissions under Scopes 1 and 2 of the Greenhouse Gas Protocol and set a carbon budget to net zero by 2030 for council operations and activities.

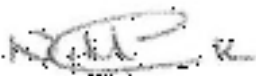
Council Priorities and Projects

37 Forging a Future for All

Our climate commitment is creating a sustainable borough on its way to net zero carbon emissions, improved air quality, reduced fuel poverty and outstanding waste and recycling services.

United Nations 17 goals, ensure access to affordable, reliable, sustainable and modern energy for all.

- 38 The recommendations from this plan will have a direct and positive impact on air quality, transport and travel emissions, housing efficiency, energy security and affordability/cost of living, provision of green skills and jobs and biodiversity.



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Appendices

- Appendix 1 – Dudley Climate Action Plan Phase 1 (2024 – 2027)
(Available online at the link below:-
<https://dudley.cmis.uk.com/Meetings/tabid/1116/ctl/ViewMeetingPublic/mid/543/Meeting/6638/Committee/468/Default.aspx>
Paper copies can be provided for Elected Members upon request)

List of Background Documents

Documents available publicly:

IPCC, 2018: Summary for Policymakers. *An IPCC Special Report on the impacts of global warming of 1.5°C*

[https://www.ipcc.ch/sr15/#:~:text=This%20report%20focuses%20on%20%27climate,%20Doffs%20\(high%20confidence\).](https://www.ipcc.ch/sr15/#:~:text=This%20report%20focuses%20on%20%27climate,%20Doffs%20(high%20confidence).)

Meeting of the Cabinet - 20th March 2024

Report of the Director of Environment

Camera Enforcement

Purpose of report

1. To give an update on the existing Average Speed Enforcement Scheme.

To outline the proposed changes to the partnership agreement with West Midlands Police.

To highlight the financial risks relating to the operation of the scheme and for any future costs to be reported to the Spend Control Group.
To outline the interim arrangements for 2024/25.

To seek delegated authority to the Director of Environment for approval to enter into a regional Joint Working Agreement or camera enforcement.

Recommendations

2.
 - To acknowledge the positive impact that the existing Average Speed Enforcement Scheme has had on road safety and speed compliance in Dudley.
 - To support the interim arrangements (Appendix B) and negotiations towards agreeing a West Midlands Joint Working Agreement for speed enforcement between West Midlands Police and the 7 local authorities.

- To accept that although the scheme is intended to be self-funding, there is a financial risk to all partners who enter into the joint working agreement. Any potential revenue costs will be capped and unexpected costs will be reported to Dudley's Spending Control Group.
- To authorise delegated authority to the Director of Environment for the decision on whether to enter into a new West Midlands regional joint working agreement for camera enforcement.

Background

3. Speed enforcement is a police power. Whilst Dudley Council has no direct control over speed enforcement itself, both the police and local authorities have a statutory duty to improve road safety and therefore often work in partnership on shared initiatives as part of a multi-agency approach.
4. An early example of this is the West Midlands Regional Safety Partnership. This was a joint initiative between West Midlands Police (WMP) and the 7 West Midland authorities to deliver fixed-site speed cameras. This partnership was disbanded in 2011 when the funding was stopped. Since then, fixed-site camera enforcement has not taken place in the West Midlands, and WMP have undertaken their speed enforcement responsibilities using mobile speed enforcement and, more recently, Average Speed Enforcement (ASE). Fixed-site camera housings have been retained across the borough as a deterrent.
5. In 2016, Birmingham City Council and Solihull agreed to pilot an ASE scheme with WMP. The initial operational model resulted in the Local Highway Authorities being responsible for the investment in infrastructure/ licensing etc. required to roll out ASE and the ongoing maintenance. The day-to-day operation and management of the system (back-office) was undertaken by WMP, with their costs being recovered through the income from diversionary courses, such as speed awareness. Where the income exceeded the back-office costs, the income would be returned to the highway authority to reinvest into road safety. However, where the costs of the back-office operation were not achieved, the shortfall would be underwritten by the highway authority.

6. Since the initial pilot, Coventry has also set up a Joint Working Agreements (JWA) with WMP. Most recently, in 2020 the four Black Country authorities entered a JWP with the police. In principle, all three agreements follow the same financial model.
7. **Current model (Appendix A)**

Due to the financial costs needed to implement the scheme, and ongoing operational costs, the Black Country scheme learnt lessons from the other agreements and took a conservative approach to implementing ASE routes. Combined with a robust data-led approach to route selection, this gave the best potential to deliver a sustainable scheme while minimising the financial risk to each authority. Dudley has two existing routes: A458 (Drews Holloway to The Hayes) and A4123 (Birmingham Rd to Priory Rd).
8. **Revenue Costs**

In developing the initial business case it was necessary to agree the level of resource required to deliver the project. Therefore, in conjunction with WMP it was determined that the project would have a target of 20,000 activations which would be shared equally (5000 per authority). Clearly the level of this income is currently unknown and is not guaranteed, therefore, each contributing authority was required to underwrite their share of the revenue costs (up to £41K per year).
9. The recovery of revenue costs is dependent on the conversion rate of activations. Currently the breakdown of offence outcomes is summarised below:
 - 42% result in a Fixed Penalty with income going direct to the treasury.
 - 22% result in appeals or non-payments for a variety of reasons.
 - 36% are processed to Speed Awareness courses.
10. It is this 36% of offenders attending course which covered the ongoing costs of running the ASE scheme. Each person pays around £96 to attend the course, with roughly half this amount covering the course administration, licences etc, and the remainder returned WMP to cover operational costs of the ASE scheme.

11. **Road Safety benefits/performance (Appendix C)**

After a slow start during Covid, the existing Black Country ASE scheme has performed well during the initial years of operation. The scheme along the A458 has seen overall speeds reduce from 44.4mph to 31.8mph (12mph). Recorded collisions have reduced dramatically, from a baseline of 26 injury collisions (2015-17) to just 9 recorded collisions (2020-2022). Similar results can be seen for A4123, with recorded collisions dropping from 32 injury collisions (2015-17) to just 3 recorded collisions (2020-2022).

12. **Proposed changes**

Following appointment of a new Assistant Chief Constable, WMP carried out a review of speed enforcement activity in June 2023, including mobile enforcement and ASE. This highlighted some key points:

- There is potential to increase the level of enforcement within the ASE scheme (subject to additional police resource).
- The 'true' police costs are considerably greater than the agreed WMP Cost Analysis set out in the existing contract (Appendix D)

With the three existing agreements nearing expiry, WMP expressed a desire to develop one JWA covering speed enforcement across the West Midlands.

13. Although all parties are in favour of a single JWA approach, there are some challenges to overcome before an agreement can be reached between WMP and the 7 local authorities:

- WMP increasing their existing operational costs by a factor of 3, as the previous operational costs quoted by WMP have been shown to be inaccurate and not account for all the costs incurred by WMP.
- Similarly, there are 'hidden costs' currently absorbed by the Local Authorities, which are not recovered from the current scheme.
- Black Country scheme being the most sustainable following a data-led approach would potentially subsidise other regional routes which are not as viable.
- Different financial positions/objectives of West Midland authorities (e.g., Birmingham).
- Coventry implementing many ASE routes but having only having a quarter of the enforcement of the entire Black Country.
- Potential for a West Midlands Scheme to become targeted at high-volume, high-speed roads and thereby not being as effective for Dudley.

14. **Interim arrangements (Appendix B)**

While these discussions are taking place, an interim agreement has been proposed by WMP to enable the scheme to continue throughout 2024/25. This is detailed in Appendix B.

Finance

15. It is important to recognise that speed enforcement is not intended to generate income, it is a tool to improve road safety. ASE schemes involve significant costs and ongoing revenue costs. Any scheme should be developed so it is essentially self-funding.
16. Surplus funds are not guaranteed, and a successful scheme will ultimately generate less revenue, as less drivers exceed the speed limit.
17. The financial performance of the existing Black Country scheme has been positive with no shortfall in year 1 and a surplus payment made to the local authorities. The most recent year has seen a shortfall, with local authorities are expected to cover the outstanding revenue cost. Dudley has a shortfall of £2,315 for 23/24. This is largely due to improved compliance with the speed limit, plus a high proportion of non-payment/appeals.
18. Negotiations regarding a new agreement/service plan will ensure that the financial risk to Dudley and other local authorities is mitigated as far as possible. In the spirit of partnership, representatives will negotiate on the use of surplus funds/ownership of risk and allowed costs for all parties.

Law

19. The Road Traffic Act 1988, Section 39, imposes a statutory duty on every Highway Authority in England to promote and improve road safety, by disseminating information or advice relating to the use of roads. The Act states that each local authority:
 - Must carry out studies into accidents arising out of the use of vehicles on roads or parts of roads, within their area.
 - Must in light of such studies, take measures as appear to be appropriate to prevent such accidents.
 - Must in constructing new roads, must take such measures as appear to be appropriate, to reduce the possibilities of such accidents when the roads come into use.

20. The Council's budgetary process is governed by Local Government Finance Acts 1988 and 1992, the Local Government and Housing Act 1989, and The Local Government Act 2003.
21. Draft contract documents and agreements will be discussed with DMBC legal team to ensure an agreement is acceptable and in the spirit of partnership.
22. Subject to delegated authority to the Director of Environment, the appropriate authorisation will be sought to enter into a legal agreement.

Risk Management

23. **Political risk (Lack of member support for a scheme).** This has been mitigated by including informal discussion with the portfolio holder for Highways and Environmental Services as part of the decision-making process.
24. **Management / Financial risk (Affordability / capacity to deliver).** This is mitigated through negotiations on a new West Midlands Joint Working Agreement. Robust route selection criteria and review using a data-led approach will ensure the scheme continues to see the maximum benefit while reducing the potential for cost deficit.

Equality Impact

25. No equality issues have been identified.

Human Resources/Organisational Development

26. Council staff costs associated with the assessment/delivery of road safety schemes are included in the Transport Capital Programme and existing revenue budgets.
27. Identified staff costs are proposed to be discussed for inclusion in the business case for the new West Midlands JWA. There are no further human resource or transformation implications associated with this report.

Commercial/Procurement

28. Procurement – Works are implemented using existing Crown Commercial Services Government framework.

Commercial – There are no commercial implications associated with this report.

Environment/Climate Change

29. *The proposed changes support the Council Plan and the West Midlands Local Transport Plan (see section 15 below).
The proposal support Climate Change, our Net Zero target by 2030 and the United Nations sustainable development goals. Specifically:*
3. *Good Health* – the criteria prioritise air quality corridors, trip generators such as hospitals and collision hotspots
 7. *Affordable & Clean energy* – the criteria consider EV charging needs
 9. *Industry, Innovation & Infrastructure* – the criteria consider congestions hotspots and key commuter routes.
 10. *Reduced Inequalities* – The application / notice changes are more inclusive.
 11. *Sustainable Cities & Communities* – The criteria consider local centres and all travel modes
 13. *Climate Action* – the criteria prioritise congestion hotspots, air-quality corridors, and modal shift.

Council Priorities and Projects

30. The programme meets the following Council priorities:

Council Vision

- A home of warm welcomes and close-knit communities (A place of healthy, resilient, safe communities with high aspirations and the ability to shape their own future).
- A home to world-leading transport Innovation (Better connected with high quality and affordable transport, combining road, tram, rail, and new cycling, and walking infrastructure).

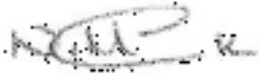
Council Plan 2022-25

- A safe and healthy borough
- The borough of opportunity
- The borough of ambition and enterprise

The emerging West Midlands Local Transport Plan 5

- Behaviour change
- Accessible and inclusive places
- Walk, wheel, cycle, and scoot.
- Public transport and shared mobility

- Safe, efficient, and reliable network
- Green transport revolution



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Appendices

- Appendix A - ASE Service Plan 23/24.
- Appendix B - West Midlands ASE Interim Agreement 24/25.
- Appendix C - A458 ASE Summary results 2021.
- Appendix D - WMP Proposed True Costs ASE Model.

(Appendices are available online at the link below
<https://dudley.cmis.uk.com/Meetings/tabid/116/ctl/ViewMeetingPublic/mid/543/Meeting/6638/Committee/468/Default.aspx>
Paper copies can be provided for Elected Members upon request)

Meeting of the Cabinet - 20th March 2024

Report of the Director of Regeneration and Enterprise and the Director of Environment

Proposal to accommodate the Eton/Star Academies College in Stafford Street, Dudley

Purpose of report

1.
 - To inform Cabinet that the proposal for the Star Academies/Eton project will no longer be located on Castle Street (and therefore work on gaining vacant possession will cease savings disposal costs).
 - For Cabinet to approve the actions required to dispose of Council land at Stafford Street, Dudley for the purposes of the Eton/Star Academies proposal to create a new college.

Recommendations

2. It is recommended:
 - That Cabinet note the costs, benefits and risks inherent in Star Academies' proposal.
 - The Cabinet endorses that the work to gain vacant possession on Castle Street will cease.
 - That Cabinet endorse the Director of Environment undertaking the work required to ascertain the impact on all town centre car parking provision and to identify possible solutions to remedy any shortfall this development would result in.
 - That Cabinet endorse the Director of Environment, to declare the site surplus and to implement work required to provide vacant possession of the site (including relocation of parking equipment).

- That Cabinet, subject to the above, endorse the Director of Regeneration and Enterprise, in accordance with the Council's Constitution, to commence work to dispose of Council owned land affected by the proposed College.

Background

3. Star Academies is a mixed Multi-Academy Trust that runs a diverse network of primary and secondary schools across the Country. Their schools work together as Star Partnerships in five cluster areas – Lancashire, Greater Manchester, West Yorkshire, the Midlands, and London.
4. Eton College signed a partnership agreement with Star Academies with the intent of opening 3 selective sixth form colleges in the state sector in the next 5 years. These will be in Middlesborough, Oldham and Dudley.
5. We understand that each new college will admit 240 students per year and will offer educational and extra-curricular opportunities available to pupils at Eton College itself.
6. Each new college will be part of the Star Academies multi-academy trust and will focus their recruitment on young people on free school meals, in receipt of the pupil premium, or who live in particularly deprived areas.
7. Star Academies have submitted a funding bid through the Government's Free Schools programme to set up the new colleges and it was announced in August 2023 that this bid has been successful. This grant allocation covers the capital build costs only.
8. They initially identified a site on Castle Street, Dudley as their preferred location for a new college. This site required several tenant relocations, significant demolition, and the relocation of a substation. The Department of Education (DfE) will not cover the costs of these "abnormal" development costs (despite verbal assurance to the contrary) and to have continued with this site would have cost the Council anywhere up to £4m in actual cost and lost opportunity cost. After lengthy discussions between Star Academies, the DfE and DMBC the decision has been made to seek an alternative location. Star Academies/Eton have chosen Stafford Street car park.
9. The site, and the area required, are shown at Appendix 1.

Proposed way forward

10. The DfE are keen to see all three facilities open at the same time and they are targeting an open date of September 2027.
11. Written confirmation will be sought from DfE and Star Academies confirming the only contribution from the Council will be the provision of the land for the take up of the proposed college and that should for any reason the college not proceed as proposed, then the land will revert back into Council ownership.
12. The Council has established a working group of officers and work in progress includes:
 - Draft Heads of Terms for a lease) is being developed with support from Legal Services. The Academies Act 2010, states that an academisation of an existing or former school is usually based on a 125-year lease to the Academy on a peppercorn basis. However, it should be noted that the site at Stafford Street is not/nor has been an educational site.
 - Work to ascertain overall parking provision in the town centre, the demand and what further steps may be required to ensure adequate and appropriate provision (short and long stay).
 - Consideration of relocation of the parking equipment. (Please note the EV chargers are approaching end of life and are planned for decommission once the new EV supplier's role out starts in 2024/25).
 - Subject to the final position of the college there may be a need to demolish the public toilets on the boundary of the car park. The costs of this demolition would need to be subject to a conversation with DfE and have not been discussed so far, pending confirmation of the exact land take required, and at which end of the car park the building is to be located.
13. Declaration that the site is surplus and authority to dispose of the land to Star Academies will need to be prepared in advance of the transfer.
14. The work to gain vacant possession of Castle Street will cease and Dudley Council Plus will remain located in its current premises.

15. In regeneration terms there is a more cogent argument for the location of the college at Castle Street/Tower Street in terms of accessibility and connectivity, given its proximity to the new Interchange. However, the announcement of the Longer-Term Plan for Towns in October 2023 which will focus on the area between the attractions at Castle Hill and Top Church means the Stafford Street site provides an anchor location and the footfall of students moving from the site to the local transport nodes (Interchange and metro stop at Flood Street), is potentially significant. If this new build is supported by public open space, active travel and connectivity, and public realm improvements between the two ends of the town there is scope for positive regenerative benefits to result.

Finance

16. At the end of financial year 2021/22, an earmarked reserve of £250,000 was created to fund the estimated cost at the time of all property related issues leading from this proposal. However, given the Council's current financial position and spending controls this reserve has been released, in order to fund the costs of interim staff in the current financial year.
17. It is not possible to currently estimate what the site is estimated to be worth, but this will be actioned as soon as the exact land take is known. This value is a lost opportunity cost to the Council, who is expected to provide the land at nil cost to the Academy (due to this being treated as an academisation). The DfE are being asked to confirm in writing that this is the sole contribution required from the Council given that no resource exists to fund any additional requirement.
18. Lost income to the Council in relation to the parking (income from tickets and fines) totals approximately £80,000 per annum. It is anticipated that this income will be redirected to the remaining town centre car parks.

Law

19. It should be noted that there is no formal commitment from either Star Academies or the Department of Education and that the costs expended by the Council will be at the Council's risk until such time as either a lease/transfer or agreement to lease/transfer are entered into.

20. The Council will need to review the terms of any Academy Order that is issued by the Department of Education. It may require that the Council is to grant a lease on the Department for Education standard term of 125 years at a peppercorn rent. If this is the case, then the Council will not have to comply with the requirements to obtain best consideration as set out in S.123 Local Government Act 1972.
21. However, if the Council is obliged to comply with S.123 Local Government Act 1972 then the terms of the disposal will need to be considered to ensure that it follows the legislation and the Council's Constitution.
22. It should be noted that the proposed site is not currently held for education purposes and a report would be needed to appropriate the use of the site.

Risk Management

23. Risks associated with the proposal are summarised below.
24. Financial:
 - The original £250,000 reserve is no longer available. There will be officer time costs and legal costs in the disposal transaction. There will be cost to relocate parking and charging equipment and a possible cost to demolish the public toilets
 - Once the review of parking has taken place there may be a need to make alternative provision elsewhere in the town (costs as yet unknown). Mitigation is maximising use of retained Tower Street Car park and use of Star site in evenings and weekends.
 - Loss of income to the Council from the loss of the short-stay and long stay car park at Stafford Street. Mitigating actions would include redirecting users to other car parks in the town centre, and potentially the provision of new car parking as part of the Longer-Term Plan for Towns Investment Plan.
 - Council transferring non-educational land into an Academy at nil value. Difficult to mitigate.
25. Timeline:
 - Alternative parking provision and removal of ancillary equipment before the site is transferred to DfE/Star.

Equality Impact

26. No significant equality impacts are anticipated at this stage because of this proposal. The relocation of services/businesses will be considered in more detail but will reflect the wider needs of all relevant stakeholders.

27. Childrens Services are aware of and involved in the Council's work in responding to the Star Academies proposal. However, the work required by the Council as a result of it, (i.e., the work required to dispose of Stafford Street) does not directly impact on children and young people.

Human Resources/Organisational Development

28. There are no direct HR/Organisational Development implications associated with this report.

Commercial/Procurement

29. There are no direct commercial or procurement implications associated with this report.

Environment/Climate Change

30. Since declaring a Climate Emergency in July 2020, the Council's strategy on reducing direct carbon emissions has been to reduce business travel, reduce energy demands, move to renewable energy systems, and improve the energy efficiency of our buildings. This will support the Council in reducing its own carbon footprint and help drive us towards our target to become a carbon net zero council by 2030. Subsequently all proposal opportunities for the Council should consider the following:

- Improve energy performance and make use of renewable technology
- Reduce carbon intensive activities such as those associated with travel
- Support a circular economy through waste minimisation and recycling
- Protect and enhance our local environment and green spaces.

31. **Considerations for Star Academies Eton proposal - to Improve energy performance and make use of renewable technology:**

A thorough environmental impact assessment should be conducted in due course, once detailed information about the project is available. However, throughout the design and planning process due consideration should be given to the following:

32. **Construction considerations:**

For new buildings, the embodied emissions from construction (from extraction of raw materials, transportation through to installation), make up a considerable amount of carbon emissions, associated with the new building over its entire lifecycle. To reduce the embodied emissions for the Star Academies Eton proposal, the carbon emissions associated with the building's construction should be measured, reduced and where possible offset to help achieve net zero carbon.

33. **Reducing operational energy considerations:**
For long term energy use, in the Star Academies Eton building, consideration should be made to reduce energy demand and consumption, alongside on-site renewable energy sources that should be prioritised within the budget available.
34. Consideration at the design stage should be made to reduce energy demand and consumption. Design considerations should make use of natural light and natural ventilation, supported by using efficient services throughout and a highly insulated building fabric, for example using the Passivhaus design model.
35. Building systems should be appropriately sized to limit over-engineering. Smart energy/ building management systems should be incorporated. Once energy consumption is reduced using PassivHaus methods, the use of on-site renewables should be considered, such as a Solar PV system and Air/Ground Source Heat Pumps.
36. The above approach is in line with the United Nations, Sustained Development Goal 13 – which focuses on climate action.

Council Priorities and Projects

37. As part of our response to external reviews and audits, the council is focussing on an Improvement and Sustainability Programme. The current council plan which was due to run from 2022-2025 has been paused to allow a new one-year plan to be developed. The new plan will reflect our focus on improvement and financial sustainability. The new plan which will be effective from 1st April 2024.
38. The new Eton will however provide children and young people with the best possible start in life by ensuring quality education, new skills, apprenticeship training and job opportunities are accessible to all.
39. This will also work towards our partnership Borough Visions 2030 – forging a future for all, where everybody has the education and skills they need, and where outstanding local schools, colleges and universities secure excellent results for their learners”.



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Appendices

Appendix 1 – Block plan indicating site of Proposed College

Appendix 2 – Summary of site issues, costs (where known) and risks

Appendix 2 – Summary of site issues, costs (where known) and risks

1 – Loss of Capital receipt for land	
Issues: As this is considered an academisation there is no capital receipt. The mitigation is the potential regeneration benefits the development will bring that compensate in other ways such as support for local businesses in the town centre.	
Costs: cost of land valuation	
Risks: High	
2 – insufficient Car Parking in Town Centre	
Issues: the car park currently has 236 spaces and the number to be lost to this proposal is unknown. Mitigation may include consideration of additional parking provision on Tower Street via the Longer-Term Plan for Towns programme. It may also be possible to use the facilities car park out of hours.	
Costs: Too few car parking spaces or the wrong spaces (in terms of designation such as short or long stay, or in a less convenient location) may prevent people from using the town, impacting on its vitality and viability.	
Risks: Medium	
3 – Ensuring students use the town centre and full regeneration benefits are felt.	
Issues: the site is further out of the town centre than Castle Street. There is a need to link students to public transport (Metro stop at Flood Street and Interchange) and to encourage footfall into the town centre to support its vitality and viability. Mitigation is the development of way finding, improvement of Inhedge Gardens and routes to the town and improved public realm funded via LtPFT programme.	
Costs: TBC	
Risks: Medium	
4 – Car Parking (Tickets and Fines)	
Issues: Loss of revenue income from parking. Mitigate by redirecting to other town centre car parks.	
Costs: £80k pa	
Risks: Low	
5 – Demolition of public toilets	
Issues: if the new college is located on the area of the car park occupied by the disused toilets there will be demolition costs which are normally considered by DfE as abnormal that are covered by the Council. This is open to negotiation with DfE and would be a significantly lower cost than those associated with Castle Street/Tower Street.	
Costs: TBC	
Risks: Low	