

Meeting of the Cabinet

Wednesday 25th October, 2023 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 20th September, 2023 (Pages 4 - 7)
4. Revenue Monitoring 2023/24 (Pages 8 - 28)
5. Capital Programme Monitoring (Pages 29 - 33)
6. 10 Year Business Rates (Pages 34 - 41)
7. 2023/2024 Housing Revenue Account Forecast Outturn (Pages 42 - 48)
8. Dudley Local Plan (Pages 49 - 68)
9. Black Country Local Nature Recovery Map and Strategy (Pages 69 - 73)
10. Dudley MBC responses to Duty to Co-operate Correspondence with Sandwell MBC (Pages 74 - 82)
11. To report on any issues arising from Overview and Scrutiny Committee and Select Committees.

12. 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: 17th October, 2023

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Minutes of the Cabinet

**Wednesday 20th September, 2023 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 I Bevan, S Clark, D Corfield and Dr R Clinton.

Opposition Group Members Nominated to attend the Cabinet

Councillors S Ali, C Bayton, J Cowell, J Foster, S Mughal, S Ridney and P Sahota.

Observer

Councillor I Kettle.

Officers

K O'Keefe (Chief Executive), H Martin (Director of Regeneration and Enterprise), I Newman (Director of Finance and Legal) and S Griffiths (Democratic Services Manager).

22 **Apologies for Absence**

Apologies for absence from the meeting were submitted on behalf of Councillors A Aston, P Atkins, R Buttery, K Casey, P Lowe, M Rogers and L Taylor-Childs.



23 **Declarations of Interest**

Councillor J Cowell declared a non-pecuniary interest, in accordance with the Members' Code of Conduct, as a Council tenant.

24 **Minutes**

Resolved

That the minutes of the meeting held on 6th July, 2023 be confirmed as a correct record and signed.

25 **Capital Programme Monitoring**

A report of the Chief Executive and the Director of Finance and Legal was submitted on progress with the implementation of and proposed amendments to the Capital Programme.

Cabinet Members and Officers responded to questions raised at the meeting concerning public sector decarbonisation, major regeneration projects (including risks), Very Light Rail and Council housing projects. The question raised by Councillor S Ridney concerning CCTV in Roseville, Coseley would be referred to the Cabinet Member for Housing and Safer Communities for an urgent response.

Resolved

- (1) That progress with the 2023/24 Capital Programme, as set out in Appendix A to the report, be noted.
- (2) That the new firewalls budget of £460,000, as set out in paragraph 6 of the report, be approved and included in the Capital Programme.
- (3) That the approval and inclusion within the Capital Programme of the budget of £26,000 for the Holiday Activities and Food Programme funded fully by the grant, as set out in paragraph 7 of the report, be noted.

- (4) That the transfer of £75,000 between the ICT Strategy and Storage Area Network, as set out in paragraph 8 of the report, be approved.
- (5) That the urgent amendment to the Capital Programme for additional costs in the Fire Suppression works contract for £70,000, as set out in paragraph 9 of the report, be approved and included in the Capital Programme.

26 **West Midlands Combined Authority (WMCA) – West Midlands Trailblazer Deeper Devolution Deal**

A report of the Director of Regeneration and Enterprise was submitted on the necessary actions in advance of the West Midlands Combined Authority (WMCA) Board meeting on 13th October, 2023 to support the ratification of the trailblazer deeper devolution deal.

Feedback on the draft Governance Review and Scheme would be forwarded to WMCA to enable any amendments to be made to the final drafts prior to approval at the WMCA Board. It was noted that similar reports were being considered by the other West Midlands Councils.

Members welcomed the report and supported the proposals. The Leader and the Director of Regeneration and Enterprise responded to questions concerning the implications for the Dudley Local Plan and the need to ensure staff resources were deployed to deliver on key priorities.

The Director of Regeneration and Enterprise undertook to clarify a discrepancy identified by the Cabinet Member for Climate Change concerning the financial values shown in the report relating to Air Quality Sensors.

Resolved

That the Leader be authorised to assent to the ratification of the deal on behalf of the Council, at the meeting of the West Midlands Combined Authority Board on 13th October, 2023, and to take any necessary or consequential actions to proceed with the deal implementation.

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

No questions were raised under this agenda item.

The meeting ended at 6.50pm

LEADER OF THE COUNCIL

Meeting of the Cabinet – 25th October, 2023

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

Revenue Monitoring 2023/24

Purpose

1. To report the forecast 2023/24 General Fund revenue outturn position.

Recommendations

2. That Cabinet:
 - Note the forecast General Fund revenue outturn position for 2023/24 and the effect on General Balances at 31st March 2024.
 - Note progress with delivery of savings as set out in Appendix B.
 - Agree the outline of spending controls set out in Appendix C and delegate authority to the Chief Executive and the Director of Finance and Legal to refine these controls as required.

Background

3. 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.

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

Forecast Revenue Outturn 2023/24

4. 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	6.7	6.9	0.2
Adult Social Care	110.7	117	6.3
Children's Services	82	84.8	2.8
Health and Wellbeing	2.7	2.7	0
Finance and Legal	14.2	14.9	0.7
Digital, Commercial and Customer Services	16.6	16.6	0.0
Housing and Communities	48.7	51.6	2.9
Public Realm	2.5	2.4	(0.1)
Regeneration and Enterprise	14.4	17	2.6
Corporate, Treasury and Levies	13.9	8.6	(5.3)
Total Service Costs	312.4	322.5	10.1
Total Resources	(307.3)	(307.3)	0.0
Use of Balances	5.1	15.2	10.1

5. Appendix A gives further detail of forecast performance at service level. Appendix B summarises delivery on savings previously agreed. The significant reasons for budget variances are summarised as follows:

- Net staff savings from vacancies net of additional pay award (£12.2m).
- Additional cost of agency staff £9.5m.
- Additional cost of Adults' and Children's care packages due to demand and price £9.8m.
- Adverse trading activity £2.8m.
- Utilities £1.5m.
- Home to School Transport £1.0m.
- Energy from Waste adverse variance £0.8m.
- Transport £0.6m.
- Property £0.4m.
- Legal fees £0.4m.

- Release of contingency held mainly for revaluation of Business Rates adjustment released (£3.3m).
- One off income from Enterprise Zone / LEP and Black Country Consortium (£1.2m).
- Triennial pension overpayment recovery (£0.9m).
- Other net pressures £0.9m.

6. 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
General Fund Balance 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		(10.1)
Forecast General Fund Balance at 31st March 2024	16.6	6.6

7. We are currently working on the Medium Term Financial Strategy for 2024/25 onwards. This is work in progress. We have updated our financial modelling to take account of the ongoing effects of budget changes made by Council in July, updated pay, inflation and interest forecasts and the ongoing effect of the spending pressures outlined above. We have factored in improved forecasts of Business Rates and for next April the maximum Council Tax increase that we expect to be permitted without a referendum (4.99%). We have also built in assumptions about potential areas for savings. We have not changed our previous assumptions about government grants. The resulting forecast indicates a significant risk that the General Fund reserve could be exhausted within the next one to two years, if action is not taken.

Dedicated Schools Grant

8. The majority of Special Education Needs and Disability (SEND) services are met from the High Needs Block within the Dedicated Schools Grant (DSG). As previously reported, we (in common with many other councils) have been experiencing significant financial pressures from increasing demand for children that require additional educational support. Dudley is part of the 'Delivering Better Value in SEND programme' (DBV) that aims to support local authorities to improve delivery of SEND services for children and young people while ensuring services are sustainable.
9. Notwithstanding the high-level recovery plan that has been agreed, there is a forecast cumulative deficit of £34.3m on the High Needs Block, resulting in an overall DSG deficit at 31st March 2024 of £31m. The Government has regulated temporarily to ensure that this pressure does not impact the General Fund and has confirmed that this statutory override will be extended for a further three years to 31st March 2026. If the statutory override is not extended, then this further compounds the risk that the Council's General Fund will be exhausted.

External Audit

10. In July, the External Auditors (Grant Thornton) issued their Annual Audit Plan 2022-23. In this report they commented on the Council's financial position and on the budget amendments to be considered by Cabinet on 6th July and Council on 10th July. They stated that they were minded to consider that these represented weaknesses both in financial sustainability and governance. They are currently finalising their Annual Auditor's Report covering the two years 2021/2022 and 2022/23 and this is expected to be received shortly.

Spending controls

11. In view of the position set out above, it is proposed that Cabinet approve the immediate introduction of spending controls to reduce the deficit in the current financial year and the ongoing impact on future years. It is proposed that these controls be reviewed after each financial year end, but remain in place at least until the Council's unringfenced reserves return to a level of 20% of net revenue spend.

12. The proposed controls are outlined in Appendix C. They are designed to minimise spending except where an exemption applies. The exemptions are designed to maintain essential services and the Council's ability to function. Where exemptions do not apply, it is inevitable that there will be an impact on the quality of services. It is proposed that the application of exemptions will be reviewed by the Improvement Delivery Board to be set up following the recent Corporate Peer Review. It is further proposed that authority be delegated to the Chief Executive and the Director of Finance and Legal to refine these controls as required to facilitate their implementation.

Finance

13. In the Section 25 report to Council on 6th March, the Director of Finance and Legal stated: "The financial reserves that will remain available to the Council as a result of agreeing the proposals contained in this report are adequate to enable the setting of a lawful budget for 2023/24. Although adequate to set a lawful budget for 2023/24, 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 2023/24. There are significant risks to the forecast and Members should note that, if these risks materialise, there could be a need to reduce spending plans and/or raise additional income in order to avoid imprudent reductions to the level of reserves. This would be challenging in view of the context set out above."
14. The Council's finances have further deteriorated since the statement set out above. The position does not, in the opinion of the Director of Finance and Legal, currently require a formal report under Section 114 of the Local Government Finance Act 1988. However, there is a risk that such a report will be required in the next one to two years if action is not taken to control expenditure.

Law

15. 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

16. 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

17. There are no direct Equality issues arising from this report.

Human Resources / Organisational Development

18. The proposed spending controls include controls over recruitment.

Commercial / Procurement

19. The proposed spending controls include controls over the letting of contracts.

Environment / Climate Change

20. There are no direct climate issues arising from this report.

Council Priorities and Projects

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



.....
Kevin O'Keefe
Chief Executive



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Iain Newman
Director of Finance and Legal Services

Contact Officers: Rachel Cooper
Telephone: 01384 814805
Email: rachel.cooper@dudley.gov.uk

List of Background Papers

General Fund Revenue Forecast Outturn 2023/24

	Latest Service Budget £'000	Forecast £'000	Variance £'000	Comment
Chief Executive	6,675	6,904	229	
People and Inclusion	3,040	2,961	(79)	Staff car park permits (£55k), other net savings (£24k).
Communications and Public Affairs	1,000	1,096	96	Events £96k
Chief Executives Office	2,635	2,847	212	Salary costs £156k, and non pay pressures £56k.
Adult Social Care	110,723	117,037	6,314	
Dudley Disability Service	53,522	57,113	3,591	Bedbased pressure £1295k (arising from 4 long term placements £545k and £750k of short term placements), Community Services pressure of £2793k (arising from 115 extra clients and +£70 pw increase in costs), backdated Business Rates at Ladies walk £219k. Offset by net staff savings (£716k).
Assessment and Independence	42,834	44,605	1,771	Additional 437 clients £2375k, and other net pressures £117k. Offset by net salary savings (£204k), and additional client income (£517k).

	Latest Service Budget £'000	Forecast £'000	Variance £'000	Comment
Access & Prevention, adults commissioning, Performance & complaints	9,906	9,751	(155)	Shortfall on Telecare income and additional staffing £84k, offset by net staffing savings within division (£239k).
Adult Safeguarding & Principal Social Worker	1,828	1,594	(234)	Net salary savings (£234k).
Integrated Commissioning	4,329	4,329	0	
Other ASC	(8,238)	(8,267)	(29)	Net Salary savings (£29k)
Adult Mental Health	6,542	7,912	1,370	Supported living £818k, Residential care £558k, other care costs £189k, offset by net salary savings (£195k).
Children's Services	81,958	84,762	2,804	
Adolescent Safeguarding	4,465	4,395	(70)	Net salary savings (£70k).
Family Safeguarding	5,955	5,737	(218)	Net salary savings (£218k).
Through Care	41,653	43,431	1,778	External Residential Placements £1,400k, Fostering £238k, Legal fees £156k, Transport £65k, offset by other net savings (£81k).
Front Door and Partnerships	2,673	2,776	103	Agency costs £103k.

	Latest Service Budget £'000	Forecast £'000	Variance £'000	Comment
Safeguarding Practice & QA	3,347	3,358	11	Other net pressures £11k.
Other Children's Services	2,293	2,501	208	Agency and temporary staff £208k.
Family Solutions	8,116	7,795	(321)	Use of grants to fund staffing activity (£321k).
Lead for Education Outcomes	8,927	10,090	1,163	Home to School Transport £1000k, School Improvement Officers £80k, other net pressures £83k.
Children's Disability Service and SEN Team	4,529	4,679	150	Direct payments £88k, other net pressures £62k.
Health and Wellbeing	2,641	2,695	54	
Communities and Healthy Places	403	403	0	
Environmental Health and Trading Standards	3,196	3,258	62	Legal fees 53k, other net pressures £9k.
H&W other	-958	-966	(8)	Other net savings (£8k).
Finance and Legal Services	14,181	14,835	654	
Law and Governance	5,015	5,675	660	Elections £200k, members allowances £83k, net cost of locums within legal £350k, other net pressures £27k.
Financial Services	6,742	6,787	45	Legal fees £45k.

	Latest Service Budget £'000	Forecast £'000	Variance £'000	Comment
Revenues and Benefits	1,808	1,757	(51)	Discretionary council tax discount £110k, other net pressures £94k, offset by release of reserves (£255k).
Audit and Risk Management	427	402	(25)	Net staff savings (25k).
Data Protection and Information Governance	189	214	25	Software licence £12k and salary costs £15k, offset by Traded service income (£2k).
Digital, Commercial and Customer Services	16,623	16,611	(12)	
Commercial	210	211	1	
Procurement	617	617	0	
Libraries	4,257	4,266	9	Legal fees.
Digital Customer Services	4,034	3,873	(161)	Net staff saving (£196k), various contractual pressures £66k and other net savings (£31k).
Technology Systems and Services	7,604	7,665	61	Net staffing savings (£40k), dilapidation one off pressure £24k, £60k pressure on contracted spend and other pressures £17k
DCCS other	-99	(21)	78	Shortfall of traded service income £71k and other net pressures £7k
Environment	48,731	51,660	2,929	
Waste & Transport Operations	10,984	11,962	978	Staffing £425k (of which pay award £225k, agency / sickness cover £1,600k, offset by vacancies (£1,400k)). Favourable Income

	Latest Service Budget £'000	Forecast £'000	Variance £'000	Comment
				(£100k); (of which Dry recycling plastics (£60k), vehicle sales (£40k)). Transport; Contracted out work £350k, increased costs of capital £150k, spot hire £115k, vehicles repairs £21k, bags and boxes £40k, barrier works £29k other net pressures of £118k which is mainly vehicle rechargeables offset by fuel savings (170k).
Energy, Sustainability and Climate Change	6,739	7,744	1,005	Staff saving (£48k), Energy from Waste £823k (of which PPA income shortfall £694k, Commercial waste income (£87k), EfW R&M cost £1441k, Increased fire suppression cost £91k, release of disputed dilapidation provision (£243k), avoided landfill costs (£320k), reduced payments to contractor due to lower income (£252k), reduced insurance premiums (£221k), release PPA reserve (£280k)). Household Waste Recycling Centre contract uplift inflation £150k, Pop up recycling £80k.
Neighbourhood Services	11,950	12,206	256	Net staffing savings (£775k), shortfall in pay and display income £103k, Street fines £653k, season tickets £50k, street scene income £43k, staff and council funded passes £117k, equipment £91k, other (£26k).

	Latest Service Budget £'000	Forecast £'000	Variance £'000	Comment
Transport & Highways Services	19,058	19,748	690	Net staff savings (£579k), offset by utilities £453k, under utilisation of in house staff £589k, potholes £152k and other pressures £75k.
Housing and Communities	2,507	2,422	(85)	
Maintenance	(80)	(51)	29	Under recovery of staff time £29k.
Community Safety	1,276	1,180	(96)	Maximising use of grants (£96k).
Housing Strategy	814	810	(4)	Other net saving (£4k).
Housing Options	290	290	0	
Housing Assets & Development	207	193	(14)	Net staffing savings (£14k).
Regeneration and Enterprise	14,418	16,967	2,549	
Culture, Leisure & Bereavement Services	236	1,536	1,300	Bereavement £374k (of which utilities £165k, shortfall of income £204k, other £5k). Halls, Himley, Market & Museums +£267k (of which net staffing costs £40k, Utilities 69k, shortfall of income £150k, other £8k). Leisure Centres £523k (of which £324k net staff costs, utilities £394k, other supplies & services +£72k, increased income (£267k)). Executive Support +£136k (of which net cost of interims +£160k, less other s&s savings (£24k)).

	Latest Service Budget £'000	Forecast £'000	Variance £'000	Comment
Planning	1,920	2,192	272	Net staff savings (£143k) offset by income shortfall £262k, consultants and other pressures £153k
Economic Growth & Skills	2,346	1,393	(953)	One-off windfall re Black Country Legacy funds (£555k), maximising Adult and Community Learning external funding (£200k), Other favourable variance being mainly Enterprise Zone budget (£198k).
Corporate Landlord Services	7,499	9,379	1,880	Catering Commercial £591k (of which Staffing £99k, external income £787k, provisions (£259k), other (£36k)). Catering & Cleaning Other £372k (of which Staffing (229k), internal income £590k, external income £289k, catering provisions (£209k) other (£69k)). Property £917k (of which Staffing (£104k), utilities £321k, Admin buildings including churn costs £220k, Construction and Design fees shortfall £163k, other internal income £98k, voids and NNDR £134k, Facility management £30k, CCTV £40k, external income £15k).
Projects and Placemaking	901	951	50	Other net pressures £50k
Regeneration Projects	1,516	1,516	0	

	Latest Service Budget £'000	Forecast £'000	Variance £'000	Comment
Corporate & Treasury	13,918	8,597	(5,321)	
Treasury	19,860	19,595	(265)	Lower borrowing costs and Minimum Revenue Provision due to slippage and lower interest rates (£1.255m) offset by higher HRA balances on usable reserves and high interest rates £0.829m. Higher interest rates paid on trust balances and adverse variances on internal balances £0.161m.
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	(20,962)	(25,367)	(4,405)	BR revaluation contingency released (£3,013k), Pensions GF Over Recovery (£942k), general contingency released (£334k), other (£116k).
Total Service Costs	312,375	322,490	10,115	
Total Funding	(307,271)	(307,271)	0	
Use of Balances	5,104	15,219	10,115	

Appendix B

Delivery of Savings in current MTFS

2022/23 Savings		2022/23 £'000	Feb 23 Cabinet	Latest Update 2023
Adults	Review and update the charging policy for transport	60	In progress	Delivered
Chief Executive	Income from Boundary signs	40	In progress	Delivered
Regen & Enterprise	Halls - net increase in income from ticket sales, bar, and food as a result of increased number of shows following additional capital investment per recent Business Case	100	In progress	In progress
Regen & Enterprise	Bring bars back in-house for Stourbridge Town Hall & Cornbow Hall	10	In progress	In progress
Total		110		

2023/24 Savings		2023/24 £'000	Latest update
Adults	Income generation through fairer cost policy change, financial reviews and implementing charge on first day of confirmation permanent stay in a care home	30	Delivered
Adults	Increase in joint funding agreements	600	In progress
Adults	Transformation of service structures	370	In progress
Adults	Application of eligible grant funding to support services	50	In progress
Adults	Deploy pre-payment cards and apply new approaches to the financial oversight of Direct Payments	100	In progress
Adults	Review, assessment, and appropriate financial packages of care	230	In progress
Adults	New bed based banding framework	120	Delivered
Adults	Increase charges to Private residents for Telecare services	130	In progress

2023/24 Savings		2023/24 £'000	Latest update
Adults	Introduce charges to Council tenants for Telecare services	130	In progress
Adults	Reduce the Creative Support contract by 50% when current extension ends	160	Delivered
	Total	1,920	
Children's	Efficiency savings - review of expenditure budgets for low/medium risk areas inclusive of car mileage (post lockdown), supplies and services, premises, and a review of terminated pension agreements. Staffing savings arising from vacancy review	350	Delivered
Children's	Youth Justice Service - reorganisation following changes to service delivery	90	Delivered
Children's	Redirection of grant funding via partnership delivery to support Early Help	40	Delivered
Children's	Cessation of voluntary sector contract	30	Delivered
Children's	Education Business Partnership - vacancy review	30	Delivered
Children's	Families Come First - prior year growth funding released now service embedded	110	Delivered
Children's	Efficiency as a result of implementing market forces and avoiding excessive use of agency staff	100	Delivered
	Total	750	
CEX	Vacancy management in HR&OD	60	Delivered
CEX	Remove vacant Corporate PMO & Performance Support Assistant post	30	Delivered
	Total	90	
DCCS	Removal of ADSL on completion of Fibre Optic installations	10	Delivered
DCCS	Not recruiting a role on digital and a role in technology	70	Delivered
DCCS	Reduction in printing costs	30	In progress
DCCS	Reduction in print and mailing costs	30	In progress
DCCS	Virtualisation and consolidation of servers	30	Delayed

2023/24 Savings		2023/24 £'000	Latest update
DCCS	Advancing to E5 Technology provides the most advanced functionality of Microsoft Office applications and additional security, giving an opportunity to rationalise other applications that are no longer required	100	In progress
	Total	270	
F&L	Reduced costs of self-insurance	100	Delivered
F&L	Vacancy management in Revenues and Benefits	80	Delivered
F&L	Adjust Members' Allowance budget to reflect entitlement to no more than one responsibility allowance	50	Delivered
	Total	230	
H&W	Continued work on Public Health Grant funded substance misuse preventative measures, to reduce use of rehabilitation beds.	100	Delivered
	Total	100	
H&C	Staff costs to be met from Homelessness grants.	40	Delivered
H&C	Reduce abortive fees for Disabled Facilities Grants	10	Delivered
H&C	Reduce costs incidental to Disabled Facilities Grants	20	Delivered
	Total	70	
ENV	Review Depot security	40	Unachieved
ENV	Parking - Review of charges (free hours remain)	140	Unachieved
ENV	Utilise Symology as the IT system for Street Lighting and end the contract with Mayrise as from 31st March 23	10	Delivered
ENV	Review of current free surface car parks	40	Reversed July 2023
ENV	Street Lighting Energy- Invest to save proposal, LED lighting across the Borough	140	In progress
ENV	Efficiencies for MOT's	50	In progress
ENV	Stores review	170	Delivered
ENV	Fleet review	150	In progress

2023/24 Savings		2023/24 £'000	Latest update
ENV	Energy For Waste arrangements	2,000	In progress
ENV	Review of parking enforcement	100	Unachieved
ENV	Reducing Market Saturday Rounds from 2 to 1	10	Delivered
ENV	Savings from not deploying waste to HWRC	200	Delivered
ENV	Trade Waste - Round Optimisation	50	Delivered
ENV	Review of Green Care working practices.	80	Delivered
ENV	Savings from Directorate Restructure phase 1	30	Delivered
ENV	Depot review - Blowers Green	10	Delivered
ENV	Street Lighting efficiency review	70	Delivered
ENV	Changes to standby/call out arrangements for winter gritting	20	Delivered
ENV	Review of HWRC operating hours	210	Reversed July 2023
	Total	3,520	
R&E	Review and reduction in cleaning consultancy services	20	In progress
R&E	Dell Stadium - to implement price changes from September 2022	30	Delivered
R&E	Saving of annual subscription to the Black Country Consortium as a result of the winding up of the BCLEP/BCC	50	Delivered
R&E	Leisure Centres - savings	560	Delivered
R&E	Himley - net increase in car park income and secondary spend due to increased visits as a result of the installation of Play Area.	70	Unachieved
R&E	Halls - net increase in income from ticket sales, bar and food as a result of increased number of shows following additional capital investment of £550k	50	Unachieved
R&E	Estate rationalisation - Regent House Dudley	100	Delivered
	Total	880	

2023/24 Savings	2023/24 £'000	Latest update
	Grand Total 7,830	

Where savings have been partly implemented or delayed, the financial impact is reflected in the 2023/24 outturn forecast in Appendix A or is being met from directorate earmarked reserves.

Spending Controls

1. The following controls are designed to minimise spending except where an exemption applies. The exemptions are designed to maintain essential services and the Council's ability to function.
2. The controls apply to all funds of the Council, both revenue and capital. They apply even where a budget has been approved by Council and that individual budget line has not been overspent.
3. Default restrictions on spending are as follows (except where an exemption 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
 - Existing agency and interim contracts should be terminated.
 - Fixed term contracts of employment should be terminated at their end date or next break point.
 - External recruitment should be frozen.
4. For an exemption 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.
 - The expenditure is essential to the good governance of the Council.
5. Exemptions in relation to recruitment, agency, interim and to all other contracts over £50k will be reviewed by the Improvement Delivery Board.

Meeting of the Cabinet – 25th October 2023

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

Capital Programme Monitoring

Purpose

1. To propose amendments to the Capital Programme.

Recommendations

2. That the Council be recommended:
 - That the additional budget for the next allocation of UK Shared Prosperity Funding spend and grant income of £469,000 be approved and included in the Capital Programme, as set out in paragraph 4.
 - To confirm that the property occupied by Homescene be acquired under the authority delegated in 2021 as set out in paragraph 5.
 - To delegate authority to the Chief Executive in consultation with the Leader to consider the outcome of the viability assessment and determine whether to proceed to the economic assessment and to delegate authority to the Director of Finance and Legal to amend the budget if this is the case, as set out in paragraph 6.

Background

3. 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	65,158	50,816	44,114
Private Sector Housing	16,354	3,388	71
Environment	9,973	12,768	3,000
Transport	14,020	9,570	8,530
Regeneration and Corporate Landlord	21,304	22,249	11,359
Culture, Leisure and Bereavement	2,937	2,904	1,500
Schools and SEND	14,227	20,924	27,600
Social Care, Health and Well Being	702	2,300	0
Digital, Commercial and Customer Services	2,135	1,100	1,161
Total spend	146,810	126,019	97,335
Revenue	3,963	3,922	3,702
Major Repairs Reserve (Housing)	25,517	26,000	26,456
Capital receipts	24,193	17,344	21,610
Grants and contributions	41,215	23,788	17,448
Capital Financing Requirement	51,922	54,965	28,119
Total funding	146,810	126,019	97,335

Note that the capital programme is subject to the availability of government funding. Note also that changes to the Public Sector Housing capital programme are being taken to Cabinet in a separate report.

UK Shared Prosperity Funding Year 2 Allocation

- Following approvals at 16th March 2023 Cabinet, the proposed funding allocation for year 2 UK Shared Prosperity Funding (UKSPF) has now been received from the West Midlands Combined Authority which includes a capital funding allocation of £459,746 for 2023/24 as part of the West Midlands regional business support programme. The intention is to provide capital grants to local businesses by way of an SME Grants and Net Zero Grants programme which will be launched in forthcoming weeks. It is proposed that £460,000 is included in the 2023/24 Capital Programme and will be fully funded by grant.

Flood Street

- The Council meeting of October 11th 2021 delegated authority to officers to acquire other parties' land interests in the Portersfield developable area which, at that time, included the property currently occupied by Homescene. Since that approval, the developable area has changed and that property is no longer within it. However, it is still deemed that acquisition of this property is of strategic importance for regeneration purposes. Exact figures cannot be provided at this point as contract

negotiations are still ongoing but there is sufficient headroom within the original allocation to fund this purchase. Cabinet and Council are therefore asked to confirm that this property can be acquired under the authority delegated in 2021.

6. Officers have been working with the West Midlands Growth Company to appoint external advisors to assess the potential for an ice rink and hotel development at Flood Street. This exercise is split into two phases: a viability assessment and an economic impact assessment. The second phase will only go ahead if the first phase is successful (i.e. if it demonstrates that the development is viable in its own right and without council subsidy). The West Midlands Growth Company have agreed to initially meet the £50,000 cost of the viability assessment on the basis that, if it is successful, the Council will contribute £15,000 to the viability assessment and pay the £5,000 cost of the economic impact assessment. It is proposed that Cabinet and Council delegate authority to the Chief Executive in consultation with the Leader to consider the outcome of the viability assessment and determine whether to proceed to the economic assessment and delegate authority to the Director of Finance and Legal to amend the budget if this is the case.

Finance

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

Law

8. 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

9. 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

10. 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

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

Commercial / Procurement

12. 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

13. 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

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



Kevin O'Keefe
Chief Executive
Services



Iain Newman
Director of Finance and Legal

Contact Officer: Jennifer McGregor
Telephone: 01384 814202
Email: jennifer.mcgregor@dudley.gov.uk

List of Background Papers

Relevant resource allocation notifications.

Meeting of the Cabinet – 25th October, 2023

Report of the Director of Finance and Legal

10 Year Business Rates

Purpose of report

1. To inform Cabinet of the key terms agreed with Government relating to the opportunity to retain 100% of regional Business Rates for the next 10 years.

Recommendations

2. It is recommended that Cabinet:
 - Note the performance to date of the West Midlands 100% Business Rates Retention pilot.
 - Agree to the Memorandum of Understanding (MoU) with Government regarding the offer of 10-year, 100% Business Rate Retention for the West Midlands, in accordance with the Trailblazing Devolution Deal.

Background

3. In 2017, the seven Constituent Local Authorities of the West Midlands Combined Authority (WMCA) entered into a pilot agreement with Government allowing them to benefit from retaining 100% of the Business Rates generated within their respective regions, compared with 50% nationally, in exchange for forgoing Revenue Support Grant ('RSG'). 1% of local business rates income under both the national and pilot schemes was retained by the West Midlands Fire and Rescue Authority. Other Mayoral Combined Authority areas also adopted 100% pilot arrangements over time.

4. Whilst initially expected to be a short-term pilot in advance of the national roll-out of 100% business rates retention, the arrangement has been rolled forward under the same terms and conditions annually and remains in effect during 2023/24. As part of the West Midlands Deeper Devolution Trailblazer Deal, Government has offered to Local Authorities forming both West Midlands and Greater Manchester Combined Authorities only, the opportunity to extend the arrangement, on a more permanent basis, for ten years commencing April 2024.

2017 Pilot Background and Performance

5. As detailed above, the pilot was expected to be in place for only one or two years and represented a fundamental change to the pre-2017 arrangements, where 50% of business rates were retained locally and the remainder was remitted centrally to HM Treasury (HMT), whilst RSG was also received from Central Government by each West Midlands authority.
6. The pilot arrangements essentially meant RSG was foregone, in exchange for the remaining 50% Central Share of business rates now being retained locally, rather than remitted to HMT.
7. Given this fundamental shift in the Local Authority financing mechanism, Government provided a “no detriment guarantee” which would be triggered if the resources generated for West Midlands authorities under the national business rates retention arrangements in effect at the time (50% retention) would have yielded a higher value of funding at pilot level (being all 7 constituent Local Authorities as a collective) compared with the 100% retention arrangements under the pilot. In the event of a collective-level detriment Government agreed it would directly reimburse the pilot as a whole. If, however, there were instances of isolated detriment (i.e. some Local Authorities worse off), the collective no detriment clause would not be triggered, and so no compensating funding from Government would be received. However, the arrangement agreed with Central Government stipulated that those Authorities in a gain position would directly reimburse those in a detriment position.
8. The pilot also contained an enhanced “safety net” level for each West Midlands authority of 97% of its Baseline Funding Level, compared with 92.5% nationally, to reflect the increased exposure to Business Rates risk by way of 100% retention. The safety net is the level below which Government guarantees an authority’s income from business rates will not fall.

WMCA Share

9. The 2016 Devolution Deal with Government (which was effectively the catalyst for the WMCA and the associated Investment Programme) included an arrangement whereby the Combined Authority would benefit from a share of Business Rates Growth in the region. Whilst the Devolution Deal itself suggested this was for a term of five years, it is considered HM Treasury consented to principles underpinning the 30-year arrangements.
10. At the time of the 2016 Devolution Deal, Local Authorities were in the national retention system (50% retained, 50% remitted centrally) and HM Treasury agreed to remit back to the Combined Authority any growth within the 50% Central Share that was due from the region to Central Government under the national arrangements in effect at that time.
11. The Combined Authority was initially expected to generate £3bn of income to fund the regional Investment Programme. This would facilitate £2bn of investment (with the remainder used for capital financing) and would be funded from Gainshare (a 30-year Government Grant), Mayoral Precept, Mayoral Business Rates Supplement and Business Rates Growth.
12. The move from the national 50% arrangements to the 100% retention arrangements complicated the calculations of Business Rates Growth and hence the amount due to the Combined Authority. Nevertheless, Local Authorities agreed to fund from Business Rates gains, the Combined Authority Investment Programme income profile in line with the original financial modelling expectations; that being £1.5m in year one growing incrementally by £1.5m each year. This arrangement, which is subject to annual agreement, remains intact and the sum due to the Combined Authority for 2023/24 totals £12.0m.
13. The WMCA share profile was originally intended to be used against the Investment Programme to meet the costs of capital financing, but due to this income stream not being solid and secure over the long term, no borrowing was undertaken against the funding stream and instead, the receipts have helped meet the costs of operating the WMCA portfolios in recent years.
14. The increasing profile of the contribution is included in WMCA Medium Term Financial Plans which are discussed with West Midlands Finance Directors at each planning cycle; with the in-year amount agreed and confirmed annually.

15. The annual share is currently distributed between the seven Local Authorities based on the total rateable value of each area (pro-rata). West Midlands Finance Directors have agreed to review the equitability of the arrangements in due course as some Local Authorities experience a disproportionate impact (relative to the actual gain) when funding the WMCA share in this way.
16. For local purposes, the WMCA share has been deducted in the gain/detriment calculations before the “no detriment” assessment is carried out.

Ten Year Retention Process

17. As detailed above, Government is offering to those Local Authorities forming Greater Manchester and West Midlands Combined Authorities, the ability to retain 100% of Business Rates for a ten-year period.
18. The process for entering into this arrangement will require agreement to a new MoU.
19. Technically, the MoU is not a legally binding document, but it will set firm parameters for how this funding stream will be managed over the period for which it is effective.
20. If the region is not able to reach a timely agreement with DLUHC on the contents of the MoU, then DLUHC have confirmed the existing pilot arrangements will continue for a further year (2024/25) with the opportunity to enter into a 9-year arrangement from April 2025. Whilst there may be no financial implications in 2024/25 for not agreeing the MoU, there is a risk that if Government policy does change in the next 12 months, the region would lose an opportunity which Greater Manchester are likely to accept.

Ten Year Retention Offer Details

21. WMCA, West Midlands authorities and the Department for Levelling Up Housing and Communities (DLUHC) have been negotiating the content of the MoU over recent weeks. WMCA officers have been supported fully in all discussions by officers from Solihull Metropolitan Borough Council (SMBC) who were nominated by the West Midlands Finance Director Group to represent the interests of Local Authorities in the negotiations.
22. In addition, during the negotiation period, the frequency of the Technical Rates Group meetings (of officers administering business rates arrangements from all Local Authorities) has been increased to ensure

proper communication and support is provided as the technical details are worked through and all positions are properly considered.

23. Some of the key factors to highlight are:

- **Term:** The ten-year arrangement represents a fundamental improvement over the rolling one-year term of the pilot. This should allow Authorities to assemble financial plans with more confidence and where enhanced incomes are projected, Authorities may be enabled to make longer term investment decisions given the arrangements have a degree of longevity.
- **No Detriment:** In discussions with DLUHC, they have been clear that the existence of the “no detriment” protection will not carry over to the ten-year arrangement. Details about how WMCA and SMBC officers have sought to mitigate the impact of the removal of this protection are detailed in the next section of this report.
- **Impact of a Reset:** Unlike the proposed Growth Zone or Levelling Up Zone Business Rates Retention arrangements, the ten-year arrangement will be affected by national resets to Business Rates baselines. At the point of a re-set, at a national level, the resources available to LA's are unchanged in aggregate. However, a reset changes how Government distributes these resources nationally and as such, some LAs could benefit from a reset whilst the reverse will be true for other Authorities. All core funding systems underpinned by Business Rates (the pilot, the national 50% scheme and the ten-year arrangements) are exposed to this issue but the MoU describes how WMCA and the LAs ensure protection from adverse outcomes associated with the reset, as far as is possible given the detail of how a reset will be undertaken has yet to be determined.
- **Safety Net:** The safety net is a protection within the system for local authorities which guarantees that reductions in Business Rates income is limited to a minimum percentage of the Baseline Funding Level. Under the pilot arrangements, each authority had an enhanced safety net level of 97%, compared with 92.5% nationally. WMCA and Solihull MBC have successfully negotiated for this enhanced level of protection to remain unchanged, at an individual authority level, under the proposed 10-year arrangements.
- **Grants Rolled In:** There is no change to the grants rolled in compared with the pilot arrangements. West Midlands authorities will continue to forgo RSG only in exchange for increased business rates retention.

- **Additional Levy:** The levy for the pool will remain at Nil, unchanged from the pilot arrangements.
- **WMCA Share:** A share of regional business rates due to the Combined Authority is required to remain in place.

No Detriment

24. As detailed above, DLUHC are not willing to retain the “no detriment” protection that existed under the pilot arrangements, whereby Government will reimburse the West Midlands authorities where they are collectively in a net deficit position. DLUHC’s view is the removal of this protection creates a more equitable balance of risk and reward for both Local and National Government.
25. As detailed in the earlier sections of this report, the no detriment protection has not been called upon since 2016 indicating it may be unlikely that the pool encounters a net detriment, however, the region is yet to experience the impact of a baseline re-set which could make the overall position more marginal, particularly in the early years following a re-set.
26. It is important to note that DLUHC have indicated there will not be a re-set until 2025/26 at the earliest. Additionally, it is as yet unclear what form a reset will take – for example whether it will be a full or partial reset, whether baseline funding levels will be updated in addition to business rates baselines (and if so on what basis) and which year(s) will be used to set the new baselines. These technical details are likely to have a significant influence on the outcome / impact of this national event. Nevertheless, the negotiating team have sought to agree appropriate protections which are acceptable to both sides.
27. A reset presents particular risks for the size of the WMCA share because in the year(s) immediately following a reset when business rates baselines are higher, the likelihood of there being insufficient business rates growth from which to fund the expected contribution is increased. Local authorities were concerned that in that scenario they might be expected to mitigate this risk from core resources, in which case they could be financially better off (particularly in the immediate year/s post re-set) in the national 50% scheme.
28. Through the negotiations with DLUHC steps have been taken to mitigate the loss of the no detriment protection. Firstly, the MoU includes a commitment from Government that, in the event a reset has adverse, unintended consequences on the West Midlands authorities’ ability to fund the WMCA share at the level expected, Government will work with the

region to protect the substance of the WMCA share and secondly; it provides a means of reviewing and modifying the arrangements throughout the ten-year term with the agreement of all Parties.

29. Outside of the MOU, locally-agreed no detriment protections (i.e. where Authorities in a gain position may compensate Authorities in a detriment position) are able to remain in place and it is recommended that these principles are maintained, with the precise details and mechanics to be worked through with the WM Finance Director Group and local technical group.

Post Reset

30. Following a national re-set, the region will need to assess how best to use the financial tools at its disposal to ensure that an appropriate share of business rates continues to be provided to assist with the sustainability of the Combined Authority in the most effective and equitable manner. The MoU is clear in stating that these decisions can be made locally.

Finance

31. The costs of the Council's contribution from Business Rates to the West Midlands Combined Authority are reflected in the budget and Medium Term Financial Strategy.

Law

32. The Council's budgeting process is governed by the Local Government Act 1972,

Risk Management

33. The background section sets out the risks associated in particular with the potential impact of a Business Rates reset and how these have been mitigated in negotiations with DLUHC.

Equality Impact

34. There are no equality impacts arising from these proposals.

Human Resources/Organisational Development

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

Commercial/Procurement

36. There are no commercial or procurement implications arising from this report.

Environment/Climate Change

37. There are no direct implications for the environment or climate change arising from this report.

Council Priorities and Projects

38. The Business Rates retention scheme supports WMCA activities that align with key council priorities.



Director of Finance and Legal Services

Report Author: Iain Newman
Telephone: 01384 814803
Email: iain.newman@dudley.gov.uk

List of Background Documents

10 Year Business Rates Retention MoU (pre sign off)

Meeting of the Cabinet – 25th October 2023

Joint Report of the Director of Housing and Community Services and the Director of Finance and Legal

2023/2024 Housing Revenue Account Forecast Outturn

Purpose

1. To present the latest revenue outturn for the Housing Revenue Account (HRA) for 2023/24.

Recommendation

2. That Cabinet note the latest HRA outturn forecast for 2023/24 (paragraph 6 and Appendix 1).

Background

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

HRA Outturn Forecast 2023/24

4. The 2023/24 budget approved by Council on 28th February 2023 forecast a surplus on the HRA of £0.8m at 31st March 2024. This included a 7% rent increase. There are now a number of variations expected to the income and expenditure as shown below and further details are shown in Appendix 1.

	Budget 23/24 £m	Forecast 23/24 £m	Variance 23/24 £m
Total income	(98.4)	(98.4)	0.0
<u>Expenditure</u>			
Finance	2.5	2.5	0.0
Community Safety	1.4	1.4	0.0
Strategy	2.0	1.9	(0.1)
Management & Admin	8.1	8.4	0.3
Community Housing	11.2	11.5	0.3
Technical adjustments	0.9	0.9	0.0
Responsive and cyclical repairs (Maintenance)	20.6	26.2	5.6
Programmed Investment Works (Development)	5.8	3.9	(1.9)
Depreciation and impairments of fixed assets	25.7	26.1	0.4
Interest Payable	17.7	17.8	0.1
Revenue Contribution	0.0	0.0	0.0
Capital Expenditure			
Other Expenditure	1.7	1.4	(0.3)
Total expenditure	97.6	102.0	4.4
Total: (surplus) or deficit for the year	(0.8)	3.6	4.4

5. The latest forecast for 2023/24 includes the following key variations to the budget:

- Reduced income due to voids being higher than budgeted, stock sales and profiling £0.8m,
- Increased interest on balances (£0.8m)
- Stock condition survey £3.3m
- Management capacity and expertise £0.7m
- Net recovery revenue works £0.7m
- Total savings from vacancies £0.5m after avoiding a cost pressure of up to £0.8m due to the latest employee offer being higher than the 4% budgeted.
- Increased depreciation due to inflationary impact £0.4m
- Increased borrowing costs due to rising interest rates £0.1m.
- Refund from triannual pension settlement (£0.3m)

6. The impact on HRA general balances is shown below:

	Budget £m	Latest Forecast £m
Forecast Balance at 31 March 2023	2.2	2.2
2022/23 outturn		2.9
Balance at 31st March 2023	2.2	5.1
Planned use of balances	(0.8)	(0.8)
Forecast variance against budget 2023/24		4.4
Balance at 31 March 2024	3.0	1.5

7. In addition there are forecast earmarked balances at 31st March 2024, mainly resulting from externally funded grants £2.6m.
8. Inflationary pressures are expected to continue into 24/25 and increasing interest rates are causing an adverse impact on overall budget. Further work is being undertaken to assess these pressures and a draft HRA budget will be brought to Cabinet in December.
9. Forecast reserve balances are less than budgeted figures for March 2024, and are forecast to stand at 1.5% of income. Across England HRA's with similar income profiles hold an average reserve of £30.5m or 34% of income. Local comparators hold on average a reserve equalling 11% of income.

Finance

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

Law

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

Risk Management

12. 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.
13. The Directorate Risk Register includes strategic risks relating to managing HRA budgets and managing housing compliance and the associated costs. These risks are reviewed and monitored monthly by the Directorate Management Team and also through the Housing Recovery Governance Group

Equality Impact

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

Human Resources / Organisational Development

16. The employers' flat rate pay offer is (in percentage terms) more valuable at the bottom end of the scale than at the top end, reflecting the fact that the cost of living crisis impacts most severely on low income households.

Commercial / Procurement

17. This report relates to our statutory functions as a social housing landlord and there are no direct commercial implications.

Environment / Climate Change

18. Individual projects and major schemes are assessed for their environmental impact before they commence. The Council is committed to addressing United Nations Sustainable Development Goals including those relating to poverty, health and wellbeing and reducing inequalities.

Council Priorities and Projects

19. This report relates to our statutory functions as a social housing landlord and will contribute to the health, wellbeing, and safety of our tenants. The report supports our aims for Housing summarised in the Council Plan:

- the provision of excellent services for tenants
- offering high quality housing
- supporting vulnerable people



Kathryn Jones
Director Housing and Communities



Iain Newman
Director of Finance and Legal

Report Author: Michael Jones
Telephone: 01384 814266
Email: Michael.Jones@dudley.gov.uk

Ian Grosvenor
Telephone: 01384 817495
Email: ian.Grosvenor@dudley.gov.uk

Appendix

Appendix 1 - HRA Forecast 2023/24 Revenue Outturn

Appendix 1

HRA Forecast 2023/24 Revenue Outturn

	Budget 2023/24 £m	Latest Forecast 2023/24 £m	Forecast Variance 2023/24 £m	Comment
<u>Income</u>				
Dwelling rents	(96.2)	(95.4)	0.8	Higher void losses budgeted 2%, actual 2.5% -£0.5m, stock profile differences: 150 sales £0.5m
Non-dwelling rents	(0.8)	(0.8)	0.0	No material variance, includes Garage and Shop rents
Charges for services and facilities	(0.2)	(0.2)	0.0	No material variance, includes heating and lighting charges
Contributions towards expenditure	(1.1)	(1.1)	0.0	No material variance, includes leaseholder and tenant recharges
Interest on balances	(0.1)	(0.9)	(0.8)	Increased interest rates 1.5% budgeted, 4% actual
Total income	(98.4)	(98.4)	0.0	
<u>Expenditure</u>				
Finance	2.5	2.5	0.0	Vacancies (£0.1m) offsetting pay award impact £0.1m
Community Safety	1.4	1.4	0.0	Vacancies (£0.1m) offsetting pay award impact £0.1m
Strategy	2.0	1.9	(0.1)	Vacancies (£0.1m)
Management & Admin	8.1	8.4	0.3	Harbour dilapidations £0.3m
Community Housing	11.2	11.5	0.3	Vacancies (£0.1m) offsetting pay award impact £0.2m, Utilities inflation £0.2m

	Budget 2023/24 £m	Latest Forecast 2023/24 £m	Forecast Variance 2023/24 £m	Comment
Repairs Management Centre	0.9	0.9	0.0	Transferred to Dudley Council Plus, and charged through central establishment charges
Responsive and cyclical repairs (Maintenance)	20.6	26.2	5.6	Stock condition survey £3.3m, Management capacity and expertise £0.7m, Recovery revenue works £1.6m
Programmed Investment Works (Development)	5.8	3.9	(1.9)	Vacancies and savings identified to fund recovery works
Depreciation and impairments of fixed assets	25.7	26.1	0.4	Inflation on building components increasing average cost per property
Interest Payable	17.7	17.8	0.1	Increasing interest rates on loans 5% budgeted, 6% actual
Other Expenditure	1.7	1.4	(0.3)	Refund from triannual pension settlement
Total expenditure	97.6	102.0	4.4	
(Surplus) / Deficit in year	(0.8)	3.6	4.4	

Meeting of the Cabinet – 25th October, 2023

Report of the Director of Regeneration and Enterprise

Dudley Local Plan

Purpose of report

1. To obtain Cabinet approval for the consultation of the Draft Dudley Local Plan (Regulation 18), to summarise the implications of the Plan for Dudley and outline the consultation process and next steps for the Plan preparation.

Recommendations

2. It is recommended that Cabinet:
 - Approve the Draft Dudley Local Plan (Appendix 1a and 1b), Draft Dudley Plan Policies Map (Appendix 2), Sustainability Appraisal Reports (Appendix 3) and Habitats Regulation Assessment (HRA) (Appendix 4) for consultation during November/December 2023.
 - Delegate authority to the Director of Regeneration & Enterprise in consultation with the Portfolio Member for Policy and Communities and Economic Delivery, to make any non-substantive changes considered necessary to the Draft Dudley Local Plan, Dudley Plan Policies map, Sustainability Assessment and HRA prior to commencement of the consultation process.
 - Delegate authority to the Director of Regeneration & Enterprise in consultation with the Portfolio Member for Policy and Communities and Economic Delivery, to agree the arrangements for a six-week consultation period.
 - Request a further report summarising key issues raised during the consultation, to inform preparation of the next stage of the Plan – Regulation 19 Publication Plan.

Background

3. The Local Plan (otherwise known as the Development Plan) forms the basis of decisions on planning applications and other matters relating to land use and development of land. It provides certainty for developers and protection for sites and buildings that are of value for environmental, economic and social reasons.
4. The development plan for Dudley currently comprises of the Black Country Core Strategy (BCCS) adopted in 2011, the Dudley Borough Development Strategy (2017) and the Brierley Hill, Dudley, Halesowen and Stourbridge Area Action Plans (AAPs).
5. Amongst other matters, the local plan identifies the number of additional homes and land for employment uses that should be provided over the plan period to meet identified needs. The current BCCS sets out the number and amount of land required up to 2026, whilst the Dudley Borough Development Strategy and the AAPs allocate sites to help achieve this number.
6. Local Plans are required to seek to provide a land supply for up to 15 years from the date of adoption. The BCCS, Dudley Borough Development Strategy and AAPs sought to meet needs up to 2026. The limited time remaining to 2026 means that the supply for homes and employment land is now running out.
7. The review of the BCCS commenced in 2016, followed by the publication of the Issues and Options consultation in 2017. This marked the first stage of the process and set out the scope of the local plan review and presented its key issues along with several options. A report setting out the Issues and Options consultation responses was considered by Cabinet at its meeting on 27th June 2018. A further consultation on the Draft BCP (Regulation 18) was carried out in Summer 2021, following approval by all four Black Country cabinets in July 2021.
8. Work had been progressing on the preparation of the next stage of the Black Country Plan (Regulation 19). However, a decision was subsequently made by each of the four Councils to withdraw from the Black Country Plan and progress with their own individual Plans.
9. At its meeting on 14th November 2022, Cabinet resolved to withdraw from the Black Country Plan and proceed with the preparation of the Dudley Local Plan.

10. At a subsequent meeting on 26th January 2023, Cabinet approved the revised Local Development Scheme 2023 to provide formal confirmation to commence work on the Dudley Local Plan.

Draft Dudley Local Plan (Regulation 18)

11. Following the decision to cease the preparation of the Black Country Plan (BCP), the Council has progressed with its own local plan – Dudley Local Plan (DLP). In preparing a borough wide DLP, it has provided the opportunity to review and update the remaining policies in the Dudley Borough Development Strategy, as well as bringing the Area Actions Plans (AAPs) for Dudley, Stourbridge, Halesowen and Brierley Hill into a single document making one complete plan for Dudley Borough. This will make the document easier to use for all stakeholders as well as reducing overall costs and impact upon staff resources.
12. A large amount of work had already been undertaken and resources expended to progress the Black Country Plan to an advanced stage. Much of this work have been taken forward into the DLP, including evidence base work and the previous consultation responses made on the BCP (a summary of the main Dudley related responses is attached in Appendix 7). In addition, the Council undertook an Issues and Options consultation on the Brierley Hill Plan in early 2022 and the outcomes from this work have been used to inform the DLP.
13. The Draft DLP (attached as Appendix 1(a) and 1(b)) has been written as a complete Plan with a full set of policies and proposals. Part one of the Draft Plan contains the vision, spatial strategy, strategic policies and new/updated local planning policies. Part two of the Plan contains details of existing site allocations for housing, employment and Gypsy and Traveller sites as well as some new site allocations. The document also contains chapters for Brierley Hill Strategic Centre and the three remaining town centres of Dudley, Halesowen and Stourbridge which will supersede the existing AAPs once the DLP is adopted. References to how the sites and consultation responses have been addressed are provided in Appendix 7.
14. There have been several changes in national policy guidance since the adoption of the development plan documents which are reflected in the Draft DLP. There are new policies on climate change, sustainable construction, trees, biodiversity net gain and mitigation. In addition, space standards, water efficiency and accessibility standards for new housing have been set to improve build quality. Contributions will also be sought for the provision of education and health services where this is viable. A summary of the main content of the Draft DLP and issues is set out below.

Vision and Spatial Strategy

15. The Vision for the Dudley Local Plan is:

By 2041 Dudley Borough, the historic capital of the Black Country, will be a place which has the benefit of:

- being an attractive, and desirable place to live, work and visit.
- being a destination of choice and for doing business.
- having strong, inclusive, resilient, and thriving communities with enhanced health and social wellbeing.
- sustainable urban growth having been delivered, meeting the needs of its communities and businesses.
- a network of vibrant centres, which maintain a retail focus, but embrace the area's diversity, culture and heritage and benefit from additional local community and leisure orientated facilities, as well as increased resident populations.
- being a place of excellence in enterprise, education, and training, having thriving employment areas, providing more jobs in new and future technologies, and with better links to further education establishments, which are more accessible to all residents.
- having a network of high-quality parks, green spaces, waterways, and nature reserves.
- a high quality and beautiful built and natural environment that respects and enhances local character, including valued historic buildings and areas, and continues to be regarded as a tourist destination and UNESCO Global Geopark with enhanced tourism facilities.
- being much more accessible, especially by public transport and a network of footpaths and cycleways providing connections to the rest of the West Midlands and the countryside around the borough.

16. The Vision will be delivered through three strategic objectives which have several strategic priorities underpinning these objectives. The three strategic objectives are as follows:

- **Enhancing our Natural and Built Environment** (inc addressing the climate change and ecological emergency, protecting and enhancing our natural and historic environment, biodiversity and ecological networks and ensuring sustainable patterns of development and protecting the Green Belt)
- **Enabling Economic Prosperity** (inc fostering economic growth and investment)

- **Enhancing Places and Communities** (inc creating well designed places, promoting health & wellbeing of communities, creating thriving neighbourhoods and delivering the resources, services, and infrastructure to support growth. Promoting Smart and sustainable transport.

17. Following consideration of options (as set out on the Sustainability Appraisal attached to Appendix 3), the growth strategy for the DLP will remain within the existing urban area. The plan does not propose to amend the Green Belt boundaries. Urban capacity evidence indicates that Dudley can meet the majority of its housing need within the urban area and therefore it is considered that exceptional circumstances are not triggered to justify Green Belt release for new housing development. Employment need evidence is indicating there is a shortfall in terms of meeting employment need in the borough. The employment land shortfall across the four local authorities will be dealt with at the Black Country Functional Economic Market Area (FEMA) level. Any employment land contributions made from other authorities towards the Black Country's shortfall will be dealt with and apportioned across the whole of Black Country FEMA.
18. The spatial strategy is an urban led strategy with the majority of land allocated on brownfield sites. The spatial strategy will be similar to the Black Country Core Strategy and will retain a Growth Network consisting of Brierley Hill Strategic Centre, Dudley, Stourbridge and Halesowen Town Centres and the Regeneration Corridors, as the primary focus for new development, cultural, educational, entertainment related uses, as well as a focus for regeneration, and infrastructure investment to support the delivery of housing and employment growth. In addition, a strategic housing site has been allocated at the former Ketley Quarry (subject to a live planning application) and further sites allocated to Lye and some of the borough's district centres.
19. There will be several priority housing sites allocated as follows:

Priority Site	Potential housing capacity
Brierley Hill SC – Daniels Land/Embankment	300
Brierley Hill SC– Land at Waterfront Way/Level Street	600
Dudley TC – King Street/Flood Street	120
Dudley TC -Trindle Road/Hall Street (Portersfield)	280
Ketley Quarry (outside of a centre)	650
Total	1,950

20. It is proposed to allocate Corbett Meadow as Local Greenspace designation. Members should note that a further site, Clockfields in Brierley Hill, was submitted for consideration. Following an assessment of the site, we were unable to allocate it as a Local Greenspace designation as it does not meet the criteria as set out in national planning guidance.
21. In addition, several Council owned sites which have potential to be allocated for Bio-diversity Net Gain (BNG) off-set sites, have been identified. These sites are subject to ongoing survey work/review. Members should note that no privately owned sites were submitted as part of the call for sites process.

Housing Provision

22. The overall housing requirement for the draft Local Plan to 2041 is 11,954 (2023 – 2041). This requirement is based upon Dudley's local need using the standard method.
23. The focus of housing will be in the urban area. Of the land to be allocated in the Plan, 95.62% will be on brownfield land and 4.38% on greenfield land. In preparing the DLP a review of all existing housing allocations has been undertaken, along with an identification of new sites, and an assessment of capacity in the strategic centre, town centres and district centres and the call for sites that have been submitted.
24. The housing supply to be allocated in the Plan will provide for 10,876 homes over the Plan period to 2041. This will leave a shortfall of 1,078 homes over the Plan period to 2041. The Government requires neighbouring local authorities to work together under Duty to Co-operate to meet housing and employment land needs when producing Local Plans. Dudley, along with other Black Country Authorities, had previously been working with neighbouring authorities to provide additional housing and employment land to assist in meeting the unmet needs. These discussions have been on-going as part of the DLP preparation.
25. The housing requirement will be delivered through a combination of existing committed developments and allocations from current local plans alongside new proposed sites which are detailed in the draft Plan.
26. The DLP includes a number of policies relating to the design and types of homes to be delivered within the borough, including the level of affordable housing that will be required from residential development. There is also a policy on Gypsy and Traveller and Travelling Showpeople Accommodation. Following completion of the Gypsy & Traveller Needs

Assessment in 2022 and a subsequent update of need figures for the extended Plan period to 2041, there will be a shortfall in Gypsy & Traveller Pitches. The Council will look to address the shortfall through the better utilization of existing site provision, windfall development and will seek potential additional provision through Duty to Co-operate.

27. A Viability and Delivery Study has been completed to test the likely impact of the draft DLP policies on the financial viability of different types of sites across the borough. For the purposes of housing, the study divided the borough into low, medium and high value areas. Taking into account the new policy requirements, the Study has concluded that a maximum of 10% affordable housing will be viable in the low value areas and on brownfield sites in medium value areas, 20% in medium value areas on greenfield sites and 30% on all sites in high value areas. Officers have undertaken a comparison of the proposed new affordable housing policy against the existing policy for planning applications approved over a 5-year period. This demonstrated that under the proposed new policy approximately 100 more affordable homes would have been provided compared to the existing policy.

Employment Land Provision

28. The Plan makes provision for approximately 25 ha of employment land. The recent evidence base (Economic Development Needs Assessment 4) suggest Dudley has a need of 72ha of employment land to 2041. This figure increases to 98ha when taking into account the need for the replacement of land which is to be developed for other uses, such as housing. This is split between 23ha for (B2) manufacturing use and 49ha for sites for (B8) logistics/storage use. There is a shortfall in Dudley's employment land provision by approximately 47ha. This figure is 73ha overall when taking into account replacement of land which has previously been developed.
29. Dudley forms part of the Black Country FEMA and has a functional economic relationship with a number of neighbouring local authorities including: South Staffs, Birmingham, and Wyre Forest, Bromsgrove, Solihull, Tamworth, Lichfield and Cannock Chase. As with housing provision, the Government requires neighbouring local authorities to work together under Duty to Co-operate to help meet the employment needs. Currently, there have been offers of employment land from neighbouring local authorities including Shropshire, South Staffordshire (including the West Midlands Interchange) to be tested through their local plan reviews. Of these contributions, 14ha can be directly attributed to Dudley Borough at this stage (from the West Midlands Interchange) leaving Dudley with a shortfall of approx. 33ha (or 59ha including replacement of employment

land losses). Contributions from other sources are currently apportioned to the FEMA overall and are the subject of ongoing discussions in terms of how they are apportioned to the individual Black Country authorities. The intention is for the overall shortfall for the FEMA to be addressed collectively by the Black Country authorities. Dudley will continue to hold Duty to Co-operate discussions with neighbouring authorities as the DLP progresses.

30. The DLP provides support for the Borough's visitor economy.

Centres

31. The DLP continues to identify a hierarchy of centres; these being the Strategic Centre at Brierley Hill, the three Town Centres of Dudley, Halesowen and Stourbridge. Alongside this there are three District Centres at Kingswinford, Lye and Sedgley and fifteen Local Centres.
32. Dudley's centres play an important role in meeting the needs of residents. Our centres are evolving in different ways, including a shift in focus between retail, leisure, commercial and residential. The proposed centres' policies aim to maintain their continued viability and vitality by enabling a flexible approach to centres through the reuse and repurposing of floorspace for a range of complementary uses.
33. There has been an increased move towards centre living, meaning that there is potential for new residential developments in centre locations. Additional capacity via the identification of new sites, vacant floor space or residential capacity uplift potential has been identified additional capacity of 314 homes.

Brierley Hill

34. Brierley Hill is the borough's Strategic Centre. This chapter replaces the existing Brierley Hill AAP and builds up on the work that was undertaken for the Brierley Hill Plan Issues and Options. The issues and options were consulted on in January – February 2022 and the policies and proposals within the new DLP chapter reflect the responses that were received to this consultation.
35. Within Brierley Hill there are a number of sites proposed to be allocated for housing. This includes two Priority Sites, Land at Waterfront way and Level Street and The Embankment/Daniels Land. These two sites will provide a large proportion of the residential growth proposed within the Strategic Centre.

Other opportunity sites identified for housing are:

- Level Street/Old Bush Street (95 dwellings)
- Harts Hill, east of Dudley Road (310 dwellings)
- Waterfront Way West (61 homes dwellings)
- Canal Walk South, Mill Street (250 dwellings)
- Moor Street and Bell Street (174 dwellings)
- Oak Court Car Park, Dudley Road (24 dwellings)
- Old Carriage Works, Mill Street (28 dwellings)

36. The chapter also includes allocations for office and employment uses and a number of leisure and community zones, that promote uses such as entertainment and leisure. These zones will help to provide a mix of uses within the Strategic Centre, ensuring that a sustainable and vibrant centre is created, which will attract people to visit and live within the area.

Dudley

37. The Draft DLP chapter for Dudley Town Centre includes the two Priority Sites of Flood Street/King Street (identified for mixed use, focused on retail and leisure with minimum of 120 dwellings, including the Metro route/stop and associated active travel and public realm improvements) and Portersfield (identified for residential-led redevelopment of a minimum of 280 dwellings with some retail/leisure use, including the new Interchange, Metro route/stop and associated active travel and public realm improvements). It includes a further 4 Opportunity Sites of:
- Tower Street/Castle Street (identified for mixed use, primarily education with potential retail/leisure/food & drink uses)
 - Trident Centre/High Street (identified for retail/leisure/food & drink mixed use, circa 60 dwellings)
 - Upper High Street/King Street (identified for small scale retail/leisure/food & drink/other town centre uses, circa 40 dwellings)
 - Abberley Street/King Street (identified for small scale retail/leisure/other town centre uses, circa 50 dwellings).
38. Several housing allocations are also identified within the inset plan boundary on brownfield sites (representing centre uplift sites). This includes several sites focused along the Wolverhampton Street area, which is identified as a potential 'corridor' of regeneration based on residential redevelopment.
39. The draft Priority Site policies set out the site context, preferred uses, site capacities, indicative delivery timescales and detailed site considerations related to infrastructure and site opportunities/constraints e.g., environmental and heritage designations. Key considerations for the

Dudley Priority Sites relate to the unique concentration of heritage assets in the town centre and to the forthcoming transport schemes, namely the Metro and associated active travel and public realm improvements.

40. The draft Opportunity Site policies set out the site context and preferred uses, and identifying key site-specific opportunities e.g., connectivity and public realm improvements. Draft policies also cover matters of specific relevance to the town. These are related to urban design, acceptable uses within the town core area and town centre boundary, heritage and conservation, public realm, and sustainable transport.
41. Many of the draft policies have been taken forward from the adopted AAP, particularly those related to design and the historic environment. Policies which have not been taken forward from the AAP are considered to either be adequately addressed via other draft DLP policies or are no longer required e.g., some of the AAP design policies are now covered by overarching draft DLP design policies. A key change is the increased focus on the two Priority Sites and the anticipated uses of these, as well as the uses of the Opportunity Sites within the town. There is a shift from an emphasis on retail-led provision and one towards provision of more diverse uses, including residential development, which reflects national trends (and national policy/legislative changes) for town centres. An amended Town Centre Core Area (formerly referred to as the Primary Shopping Area where there is a concentration of retail provision) is included within the draft DLP which relates to this shift in emphasis e.g., parts of the Priority Sites are now outside this core area to allow for non-retail development to come forward.

Stourbridge

42. The DLP Stourbridge chapter replaces the existing Stourbridge AAP (adopted in 2013) and will set out policies to cover matters specific to Stourbridge, including town centre uses, public realm, urban design and conservation, transport and site-specific policies.
43. Many of the draft policies have been taken forward from the adopted AAP. Policies which have not been taken forward from the AAP have been either adequately addressed via other draft DLP policies or are no longer required.
44. The Opportunity sites set out in the adopted AAP have been reassessed and the draft DLP Stourbridge Chapter has identified 3 Opportunity Sites as follows:

- North of Birmingham Street (identified for mixed use including commercial, Business and service uses (Class E) (excluding E(g)(ii) and (iii)) and residential (circa 70 dwellings))
- Mill Race Lane (identified for mixed use development including Employment uses (B2 and B8) and leisure uses (Class E and Sui Generis))
- Rye Market (identified for Class E (excluding E(g)(ii) and (iii)) at ground floor and residential (circa 50 dwellings) and car parking above.

Each opportunity site has an attached policy which sets out the site context and preferred uses for the site.

45 Seven housing allocations are also identified within the inset plan boundary on brownfield sites (representing centre uplift sites). These are the:

- Enville Street (circa 23 dwellings)
- Bradley Road (East) (circa 46 dwellings)
- Bradley Road (West) (circa 24 dwellings)
- 64-67 High Street (circa 40 dwellings)
- Peugeot Garage, Hagley Road (circa 35 dwellings)
- Titan Works, Old Wharf Road (circa 26 dwellings)
- 36-42 Market Street (circa 10 dwellings)

Halesowen

46. Many of the draft policies have been taken forward from the adopted AAP, particularly those related to design and the historic environment. Policies which have not been taken forward from the AAP are considered to either be adequately addressed via other draft DLP policies or are no longer required e.g., some of the AAP design policies are now covered by overarching draft DLP design policies.
47. A key change is the increased focus on the uses of the Opportunity Sites within the town. There is a shift from an emphasis on retail-led provision and towards provision of more diverse uses, including residential development, which reflects national trends (and national policy/legislative changes) for town centres. An amended Town Centre Core Area (formerly referred to as the Primary Shopping Area where there is a concentration of retail provision) is included within the draft DLP which relates to this shift in emphasis.
48. The draft DLP chapter for Halesowen has identified five Opportunity Sites, these are as follows;

- Trinity Point and High St Car Park (identified for mixed use, primarily Commercial, Business and Service uses, residential (circa 87 dwellings) and local community and learning uses).
- Link House and Pioneer House (identified for mixed use, primarily commercial, Business and Service uses, residential (circa 20 dwellings) and local community and learning uses).
- Little Cornbow (identified for mixed use, primarily commercial, business and service uses, residential (circa 43 dwellings) and local community and learning uses).
- Fountain House (identified for mixed use, primarily commercial, business and service uses, residential (circa 60 dwellings) and local community and learning uses).
- Pool Road Car Park (identified for mixed use, primarily commercial, business and service uses, residential (circa 30 dwellings) and local community and learning uses).

49. Two housing allocations are also identified within the inset plan boundary on brownfield sites (representing centre uplift sites). These are the Halesowen Police Station (circa 30 dwellings) and Will Thorne House (circa 20 dwellings).
50. The draft Opportunity Site policies set out the site context and preferred uses, and identifying key site-specific opportunities e.g., connectivity and public realm improvements.
51. Draft policies cover matters of specific relevance to the town. These are related to urban design, acceptable uses within the town core area and town centre boundary, heritage and conservation, public realm and sustainable transport.

Environment

52. The Draft DLP sets out the Council's approach to the Environment, through a series of Strategic Policies and non-strategic policies. Policies include the protection for nature conservation, trees, playing fields and open spaces. For the first time a policy has been included on Nature Recovery Networks and Biodiversity Net Gain (BNG), following on from the Environment Act 2021, which introduced these areas through legislation.
53. Policies have been updated and built upon from the existing Black Country Core Strategy where they are still relevant to Dudley. Environmental considerations do not recognise borough boundaries therefore it is important to have a series of robust policies that help to protect the

environment within Dudley, whilst ensuring that neighbouring areas are not adversely impacted upon as a result of any development.

Climate Change

54. This chapter of the Draft DLP covers policies to help respond to the climate emergency and make developments more sustainable. Policies included in this chapter cover areas such as Air Quality, Flood Risk, Energy Infrastructure, and renewable and low carbon energy. Some of these policies cover all developments, in some cases thresholds such as the size and scale of development will mean that certain policies will be applicable.
55. A series of strong policies to help tackle climate change and its impact is key to ensuring that developments can help achieve targets set out in relation to net zero during the plan period and beyond. These policies have been tested to ensure that they do not impact up on the viability of developments, therefore ensuring that that are achievable.

Transport

56. The Draft DLP sets out the Council's strategic approach to sustainable transport and active travel and includes detailed policy requirements for individual development proposals to consider in respect of transport matters.
57. The Draft DLP includes reference to priority transport projects for the borough, including the Wednesbury-Brierley Hill Metro Extension, the Walsall-Stourbridge tram/train extensions and road upgrades (to facilitate improved sustainable and active travel access). Reference is also made to wider regional transport projects in the context of the Council working as part of Transport for West Midlands (TfWM) and with relevant connections to the borough.
58. Policy provisions are set out in relation to the effective management of the Key Route Network, recognising the role of joint working as part of TfWM with other relevant local authorities. The Key Route Network caters for the main strategic demand flows of people and freight across the metropolitan area whilst providing connections to the national Strategic Road Network.
59. A draft policy covers matters in relation to the movement of freight. This includes the encouraging of using sustainable modes of transport such as rail and water. Protection is given to existing and disused railway lines eg Stourbridge-Walsall-Lichfield, which has been identified in the Regional

Freight Strategy as being an important link for freight moving between the southwest and northeast regions.

60. There is a focus on 'Active Travel' with a specific policy setting out priority projects within the borough for enhanced and expanded walking and cycling connections. There are requirements for new developments to link into existing and improved active travel networks and include cycle parking provision.
61. The Draft DLP policies largely reflect the main thrust of the existing adopted planning policies in terms of identifying strategic transport priorities and ensuring the impacts of new development in transport terms are considered effectively. The Draft DLP policies do though reflect the shift towards more emphasis upon active travel options and developing low emission vehicle technologies in recent years. They also reflect the use of new technologies for the effective management of traffic and travel options.

Minerals and Waste

62. The Draft DLP sets out policies for strategic waste management capacity requirements and strategic minerals provision. This includes the protection of existing waste and minerals infrastructure (existing operational sites) from alternative uses to ensure the current capacity of the borough can be maintained (unless the loss can be justified, as per the draft policy provisions).
63. The Draft DLP identifies a waste management capacity gap which will need to be addressed via additional waste facilities/operational capacity within the borough and in conjunction with other Waste Authorities (taking account of cross-boundary movements of waste and the use of facilities outside of the borough). A preferred broad location for new waste facilities is identified within the borough at the Local Employment Area of Bloomfield Road/Budden Road, Coseley. Other Local Employment Areas within the Borough are also considered broadly appropriate for such facilities (subject to site specific matters).
64. The draft DLP reflects the fact that there are no remaining active quarries within the borough and only one remaining brickworks. The focus of the minerals policies is on the production of secondary and recycled aggregates within the borough and joint working with the West Midlands Aggregate Working Group to address cross boundary matters on primary and secondary aggregates supply.

65. The draft policies set out a series of requirements for new waste and mineral development proposals to consider (e.g., impacts upon neighbouring amenity). The draft policies also set out requirements for all new developments to minimize waste and maximise recycling in construction and ensure the design of new developments with resource and waste management in mind.

Infrastructure Provision

66. Evidence so far is indicating that there are no major infrastructure constraints which would prevent proposed sites from coming forward. We have engaged with colleagues in Education, Utilities, Healthcare and Transport. Site specific infrastructure provision for affordable housing, open space, schools, and health facilities are referenced in policies and would be delivered through planning obligations. Strategic Infrastructure can be funded through the Community Infrastructure Levy (CIL). It is important to note that future planning reforms may impact the way infrastructure is delivered.

Call for Sites

67. Members should note that a Call for Sites was requested in February – March 2023 for site to be submitted for consideration in the Dudley Local Plan. A total of 25 sites were submitted for a range of potential uses including housing, employment, commercial and leisure uses. No sites were submitted for potential use as either Gypsy or Traveller sites. Of the sites submitted 6 were assessed as being suitable for housing (approx. 201 homes), 1 was considered appropriate for Local Greenspace Allocation and none were considered suitable for employment development.
68. In addition, sites were submitted within Dudley as part of two Call for Sites processes during the preparation of the Black Country Plan. These sites have been re-assessed as part of the Dudley Local Plan process.

Draft Plan Consultation

69. It is proposed to undertake a public consultation on the Draft DLP for a six-week period, which is anticipated to commence in November 2023 and run into December 2023.
70. The consultation will be carried out in accordance with the Council's adopted Statement of Community Involvement (SCI) and will include:
- Six-week consultation
 - Consultation summary document to be made available
 - Publication of documents on the Council's website

- Hard copies of the consultation documents to be made available in key Council buildings and libraries (including copies of FAQs, summary document and response forms)
- Several drop-in events will be arranged across the borough during the consultation for stakeholders to view the documents and speak to planning officers.
- Letters/emails will be sent out to everyone on the DLP consultation database to inform them of the consultation (approx 15,000 people are currently listed)
- Press, radio and social media campaign to raise awareness of the plan (multi-channel approach).
- Member briefings and drop in events will be available.
- Alternative formats will be available and alternative languages to be made available upon request.

A summary of the consultation plan is available in Appendix 6.

71. Following the consultation, responses will be analyzed and used to inform the review to the draft Plan. Any new evidence and changes to national guidance will also feed into the production of the Publication Plan (Regulation 19) which is programmed for consultation in Autumn 2024.

Duty to Co-operate

72. Dudley, along with the three other Black Country Authorities, were in discussions with several local authorities (Shropshire, South Staffordshire, Lichfield, Telford & Wrekin, Cannock Chase) to determine what scope there was from each authority to contribute to the Black Country's housing and employment land shortfall. A number of these authorities made some contributions towards meeting the Black Country's unmet needs which resulted in Statements of Common Ground previously being agreed with Shropshire, Lichfield, and South Staffordshire.
73. Discussions with these authorities and other stakeholders will continue for all cross boundary matters as the Dudley Local Plan progresses.

Evidence Base

74. The preparation of the Dudley Local Plan has been informed by the evidence base which was largely produced to inform the Black Country Plan. Most of this evidence base has been previously published. In addition, an updated EDNA, Waste Study and Minerals Study have been undertaken along with a Delivery and Viability Study of the proposed allocations. Copies of the most recent evidence base will be published alongside the Draft Plan and Sustainability Appraisal.

75. As the Dudley Plan progresses to Regulation 19 Stage, further evidence will be updated, including the Strategic Housing Market Assessment (SHMA), Gypsy and Traveller Assessment (GTAA), Centres Study, Open Space Audit, Strategic Flood Risk Assessment (SFRA), Water Cycle Study.

Sustainability Appraisal

76. The Council is required to assess the environmental impact of any plan which it produces. Accordingly, a Sustainability Appraisal Scoping report was produced for the emerging Dudley Plan. The Draft Plan, which is the subject of this Cabinet report, has been accompanied by a Sustainability Appraisal (SA) and a Habitat Regulations Assessment (HRA). These documents form an important part of the supporting evidence to the local plan review and help the Council to assess the possible impacts of the plan and its policies and therefore how impacts can be addressed or mitigated against. A copy of the latest SA is included in (Appendix 3) and a copy of the HRA is attached to Appendix 4).
77. The SA and HRA assessments will continue to be produced as the Plan progresses through its further stages.

Timetable

78. The timetable for the Dudley Local Plan was reflected in the updated Local Development Scheme (LDS) approved by Cabinet in January 2023. The Plan timetable was subsequently amended in summer 2023 and the LDS was updated (via delegated authority) to reflect the amended timetable.

The current timetable is as follows:

Consultation on Draft Plan (Regulation 18)	November – December 2023
Consultation of Publication Plan (Regulation 19)	Autumn 2024
Submission of the Plan to the Secretary of State for Examination	Spring/Summer 2025
Examination in Public	Mid/Late 2025
Adoption	Spring 2026 (depending on timescales for EiP)

This timetable has been reviewed by the Planning Advisory Service (PAS) who are supporting the Council in the preparation of its Plan review.

Finance

79. It is estimated that the additional cost of producing the Dudley Local Plan will be approximately £500,000 over the three financial years 2023/24 – 2025/26. This additional cost was included in the Council's Medium Term Financial Strategy, as presented to the Cabinet meeting of 14th December 2022.

Law

80. It is necessary to ensure that the Borough-wide local plan review is undertaken in accordance with various legal provisions as set out in the Planning and Compulsory Purchase Act 2004 (as amended) and the Town and Country Planning (Local Planning) (England) Regulations 2012.

Risk Management

81. Failure to have a development plan that is based on sound evidence could result in the borough having insufficient land to meet the need for housing, employment and other land uses that are necessary to support the economic and environmental well-being of the area. It could also result in development being placed in inappropriate locations, leading to an inefficient use of resources, traffic congestion and other harm. Having a development plan in place is also essential to defend the Council's position in planning appeals. Without an up-to-date development plan, the Council risks intervention from central government and may compromise our ability to make decisions locally.

Equality Impact

82. An overarching Equality Impact Assessment has been carried out for the current stage of the Draft Plan and will be a continuous process at each stage of the Plan preparation. A copy of the Equality Impact Assessment for the Draft Plan is attached to Appendix 5.

Human Resources/Organisational Development

83. It is considered that there are no additional human resources or organisational development implications resulting from this report.

Work on the DLP will be carried out by the Planning Policy Team in the Regeneration & Enterprise Directorate with assistance from officers in other Service Areas/Departments where necessary.

Commercial/Procurement

84. Preparation of the Borough local plan will involve the commissioning of evidence-based work from external consultants. All procurement will be carried in accordance with Dudley MBC's procurement procedures.

Environment/Climate Change

85. Climate change, environmental and sustainability matters form a core element of any development plan. The Council is required to assess the environmental impacts of any Plan which it produces. Accordingly, each stage of the Plan review process will be accompanied by a Sustainability Appraisal and a Habitats Regulation Assessment. By establishing a borough-wide Local Plan, the policies within the Plan will work towards addressing Climate Change and net zero carbon emissions by 2041.

Council Priorities and Projects

86. It is envisaged that the Dudley Local Plan will:
- Support the priority to '*Support stronger and safe communities*' through Local Plan preparation which will make provision for growth in housing and other land uses informed by public consultation so that communities can live in healthy places that build a strong sense of belonging and cohesion.
 - Support the priority to '*Create a cleaner and greener place*' through the Local Plan preparation which will make provision of a comprehensive network of green infrastructure and an integrated and well-connected multifunctional open space network delivering opportunities for sport and recreation whilst establishing and supporting a strong natural environment.
 - Support the priority of '*Grow the economy and create jobs*' through the Local Plan preparation which makes provision for land use allocations including employment and residential use, thereby encouraging economic growth, enhancing the borough and providing certainty for investment.
 - Support provision for future housing need by allocating land for new housing and policies for different tenures and affordable housing provision.
 - Make provision for land use allocations and policies ensuring growth is done in a sustainably manner and with the balanced infrastructure provision.

A Privacy Impact Assessment in line with GDPR requirements will be undertaken at all stages of the Local Plan Review process.



Helen Martin
Director of Regeneration & Enterprise

Report Author: Vicki Popplewell
Planning Policy Manager
Telephone: 01384 814136
Email: vicki.popplewell@dudley.gov.uk

Appendices

- Appendix 1a & 1b: Draft Dudley Local Plan Regulation 18 consultation document
- Appendix 2: Draft Dudley Local Plan Regulation 18 proposals map
- Appendix 3: Sustainability Appraisal (SA) – Draft Dudley Local Plan
- Appendix 4: Habitats Regulation Appraisal (HRA) - Draft Dudley Local Plan
- Appendix 5: Equalities Impact Assessment
- Appendix 6: Consultation Plan
- Appendix 7: Summary consultation responses

All appendices are available on the [Committee Management Information System \(CMIS\)](#)

Meeting of the Cabinet – 25th October, 2023

Report of the Director of Regeneration and Enterprise

Black Country Local Nature Recovery Map and Strategy

Purpose

1. This report informs Cabinet of the Black Country Local Nature Recovery Map and Strategy. The resulting recommendation is required to ensure that the Council's emerging Local Plan and planning decision making is based on up-to-date evidence and can continue to be used as the basis for robust and defensible planning decisions.

Recommendations

2. It is recommended that Cabinet:
 - Adopt the Black Country Local Nature Recovery Map and Strategy attached as Appendix 1 to this report for planning purposes, including strategic delivery of biodiversity net gain in Dudley.

More details regarding the boundary changes can be found in section 3 of this report.

Background

3. It is a requirement of Natural Environment and Rural Communities (NERC) Act 2006 that all public bodies must have regard to biodiversity conservation when carrying out their duties and functions. The Nature Recovery Network (NRN) is a major commitment in the Government's 25 Year Environment Plan (2018) designed to help wildlife recover by providing more habitat, in better condition, in bigger patches that are more closely connected, as set out in Making Space for Nature (2010).

4. The Environment Act 2021 (the Act) introduced mandatory Local Nature Recovery Strategies (LNRS) to support spatial planning for nature and reverse the national decline in biodiversity. Local Nature Recovery Strategies will be prepared for 48 areas covering the whole of England and are intended to help deliver the Nature Recovery Network. Responsible authorities, chosen by the Government to prepare Local Nature Recovery Strategies, are required to work with stakeholders across the public, private and voluntary sectors to:
 - map the most valuable existing areas for nature;
 - agree nature recovery priorities; and
 - agree what actions should be taken to recover nature and where.
5. The Act also requires certain types of development to achieve 10% biodiversity net gain (BNG), either on site or off site, to be secured for at least 30 years. Biodiversity Net Gain will apply to all eligible planning applications submitted for major developments from January 2024 onwards (date to be confirmed), and minor developments from April 2024 onwards (date to be confirmed). A small amount of grant has been allocated to each local authority to support the introduction of Biodiversity Net Gain. Local Nature Recovery Strategies should help ensure delivery of Biodiversity Net Gain in the best locations to help nature recovery.
6. In June 2023, the Government appointed West Midlands Combined Authority (WMCA) as the responsible authority to produce a Local Nature Recovery Strategy for the WMCA area, which includes Dudley. The WMCA Local Nature Recovery Strategy will be an evidence-driven spatial plan for nature recovery and natural environment outcomes, developed through an ongoing process of consultation, including with local authorities, and will be finalised by early 2025. However, in the interim, Local Nature Recovery Strategy evidence is needed to support the introduction of Biodiversity Net Gain in January 2024 and preparation of the Dudley Local Plan (DLP).
7. During 2021-2022, the Birmingham and Black Country Wildlife Trust were commissioned by the four Black Country authorities to prepare a “Black Country Local Nature Recovery Map and Strategy: An Emerging Approach” (BC Local Nature Recovery Strategy) as interim Local Nature Recovery Strategy evidence to support the introduction of Biodiversity Net Gain and the emerging Black Country Plan which has now been replaced by the DLP.

8. The Black Country Local Nature Recovery Strategy (attached as Appendix 1) first sets out a comprehensive habitat baseline for the Black Country, developed using satellite imagery and existing survey data. Using this baseline, a Local Nature Recovery Opportunity Map has been produced which reflects how ecological value varies across the area and the strength of connections between habitats. This Map defines Core Landscapes (CL) - the most valuable habitats which are a priority for protection and restoration and Priority Network Restoration Zones (PNRZ) – which link CLs into a coherent network for nature recovery.
9. As shown on the map in Appendix 1 there are six Core Landscapes in Dudley, these are:
 - CL08 - The Limestone Way & Sedgley Park – which also crosses into Wolverhampton.
 - CL09 - Cotwall End, Fens Pool & Barrow Hill.
 - CL10 - The Rowley Hills, Bumble Hole & Warrens Hall – which also crosses into Sandwell.
 - CL11- Stour Valley.
 - CL12 – Pedmore, Wychbury and Lutley.
 - CL13 – Illey, Lapal and Hasbury.
10. The Black Country Local Nature Recovery Strategy followed the methodology being developed for national Local Nature Recovery Strategies at the time. As a result, the WMCA Local Nature Recovery Strategy to be produced during 2023-25 is likely to reflect the majority of the BC Local Nature Recovery Strategy methodology, evidence and outputs. Therefore, it is proposed that the Council adopt the Black Country Local Nature Recovery Strategy to use for planning purposes, including strategic delivery of Biodiversity Net Gain in Dudley, whilst awaiting finalisation of the WMCA Local Nature Recovery Strategy. This approach is in accordance with the current national advice.

Finance

11. The costs of undertaking the work were funded from existing budgets and resources.

Law

12. This piece of work is a key element for the evidence base of the Dudley Local Plan work.
13. In addition, the Natural Environment and Rural Communities Act 2006 (NERC Act) and the Wildlife and Countryside Act 1981 (as amended) both

place a legal duty on local authorities to conserve and protect biodiversity in the exercise of their functions.

14. The Environment Act 2021 also introduced a requirement for Local Nature Recovery Strategies.

Risk Management

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

Equality Impact

16. Having an adopted Local Nature Recovery Map and Strategy in advance of preparation of a WMCA Local Nature Recovery Strategy provides supporting evidence for preparation of the emerging Dudley Local Plan. An equalities impact assessment will be produced for each iteration of the Plan.

Human Resources/Organisational Development

17. There are no Human Resources/Organisational Development impacts resulting from the report as any requirements will be managed from within existing resources.

Commercial/Procurement

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

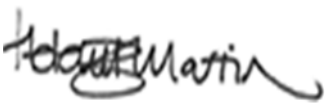
Environment/Climate Change

19. Climate change, environmental and sustainability matters form a core element of any development plan. The Black Country Local Nature Recovery Strategy will help to support the aims of the Local Plan by providing relevant informational and a focus for opportunities to prioritise ecological restoration.

Council Priorities and Projects

20. The current council plan runs from 2022-25 and contains four priorities which are linked to the Borough Vision. Adoption of the Black Country Local Nature Recovery Strategy to use for planning purposes may have an indirect effect on the delivery on the outcomes within the priorities of 'safe and healthy borough' and 'destination of choice'.

- Safe and health borough - ‘people have a safe and welcoming outdoor environment’: protecting and restoring key areas for biodiversity will contribute to our outdoor spaces.
- Destination of choice – ‘we celebrate the diverse history, culture and heritage of our townships’ as was recognised through our Geopark status, the geology and natural environment of our borough is an intrinsic part of our history. Through protecting it we also protect our heritage.
- Destination of choice – ‘maximising use of brownfield sites’: through adopting the Black Country Local Nature Recovery Strategy we identify key areas of biodiversity and so can protect them from intrusive development, which in turn may also lead to increased brownfield site redevelopment.



Helen Martin
Director of Regeneration and Enterprise

Report Author: Kaliegh Lowe
Telephone: 01384 814172
Email: Kaliegh.lowe@dudley.gov.uk

Appendices

Appendix 1 – Black Country Local Nature Recovery Map and Strategy: An Emerging Approach (2022)

Appendix 2 – Dudley Core Landscapes

Appendices are available on the [Committee Management Information System \(CMIS\)](#)

List of Background Documents

Black Country Local Nature Recovery Map and Strategy: An Emerging Approach (2022)

Meeting of the Cabinet – 25th October, 2023

Report of the Director of Regeneration and Enterprise

Dudley MBC responses to Duty to Co-operate Correspondence with Sandwell Council

Purpose of report

1. To seek approval for a proposed response to Sandwell Council's Duty to Co-operate (DtC) correspondence. The resulting recommendation is required to ensure that the Council fulfils its legal obligations under the DtC and that the interests of Dudley Borough are being fully considered in the plan-making of other local authorities.

Recommendations

2. It is recommended that Cabinet: -
 - Endorses the proposed Dudley Council response to Sandwell Council's DtC letter as set out in Appendix One.

Background

3. Dudley MBC has been involved in ongoing DtC correspondence and discussions with Local Planning Authorities on their respective Local Plans.
4. The Duty to Cooperate was introduced by the Localism Act 2011 and is set out in section 33A of the Planning and Compulsory Purchase Act 2004. It places a legal duty on local planning authorities and county councils in England and prescribed public bodies (as defined in Regulations) to engage constructively, actively and on an ongoing basis to maximise the effectiveness of local plan preparation in the context of strategic cross boundary matters.

Sandwell Council Duty to Co-operate Correspondence

5. Sandwell Council consulted on its new Sandwell Local Plan Issues and Options between February – March 2023. This Plan will inform how the borough will develop in the future and provide policies to guide decisions on development proposals and planning applications for the period to 2041. Dudley provided a formal response to Sandwell's Issues and Options consultation which was approved by Cabinet 16th March 2023.
6. Under the Black Country Plan, the Black Country Authorities were offered contributions from Shropshire Council of 1,500 homes and 30ha of employment land and from Lichfield Council of 2,000 homes. There were also potential contributions from other authorities including South Staffordshire, and Cannock Chase councils but their Plans are not as far advanced as Shropshire and Lichfield.
7. Sandwell will have a housing and employment land shortfall. On this basis the Council has written to the three Black Country Authorities (Dudley, Walsall, Wolverhampton) to request an agreed approach on how the contributions from Shropshire and Lichfield, and any other further contributions, should be apportioned to each authority where it is clearly evidenced that a local authority has a housing and or employment land shortfall.

Dudley's Proposed Response

8. Given that Dudley has identified a shortfall in its own employment and housing land supply in preparing its own Draft Plan local plan, the Council is not in a position to assist Sandwell with meeting its shortfall.
9. Duty to Co-operate discussions held between officers from the four local authorities feel that the most appropriate approach to apportioning any existing and future housing contributions should be evidence based and should use net migrations flows between each Black Country local authorities and the authority providing the contribution. If this approach is agreed as the best way forward, the four Black Country Authorities will need to agree a Statement of Common Ground (SoCG) to formally confirm the sharing of the housing contributions made to the Black Country Authorities.
10. The approach to employment land is different to that of housing. Rather than being dealt with at an individual local authority level any employment land contributions from neighbouring authorities are based upon a Functional Economic Area (FEMA). Dudley Council makes up one of the Black Country authorities, along with some neighbouring authorities, in the Black Country FEMA. Any employment land contributions made from other

authorities towards the Black Country's shortfall will be dealt with and apportioned across the whole of BC FEMA rather than at an individual local authority level.

11. In line with the details in paragraphs 9 and 10 above, a Dudley Council response to Sandwell DtC letter is set out in Appendix One for which Cabinet approval is sought.
12. Subject to Cabinet approval, officers will work with Sandwell Council and authorities to develop a Statement of Common Ground for Cabinet consideration at a later date.

Finance

13. There are no direct financial implications arising from this report. Resources used for reviewing the Local Plans and providing responses are met from existing resources held within the Regeneration & Enterprise Directorate.

Law

14. The Council has a legal obligation to engage under the Duty to Cooperate, as per section 33A of the Planning and Compulsory Purchase Act 2004. By responding to these consultations, the Council is ensuring it is fulfilling its legal duties.

Risk Management

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

Equality Impact

16. There are no direct Equality Impacts arising from this report.

Human Resources/Organisational Development

17. There are no HR/OD impacts resulting from the report as any requirements will be managed from within existing resource in line with the timescales outlined.

Commercial/Procurement

18. There are not considered to be any commercial/procurement implications arising from this report.

Environment/Climate Change

19. By engaging with neighbouring local authorities on their Local Plans the Council is able to put forward matters relevant to the Councils work to address Climate Change and achieve our Net Zero target by 2041, including the promotion of sustainable and active travel.

Council Priorities and Projects

20. Responding to these Local Plan consultations will assist with current wider Council Priorities including:
- People have access to a range of housing offers that are affordable, accessible and attractive, meeting the needs of our diverse communities
 - Business, residents and visitors benefit from improved highways and travel connectivity through multi-modal offer
 - Levelling up inequalities is ensuring all borough towns and neighbourhood have good access to services, retail and leisure opportunities
 - People have a safe and welcoming indoor and outdoor environment which promotes healthy, physical and active lifestyles



Helen Martin
Director of Regeneration and Enterprise

Report Author: Vicki Popplewell
Planning Policy Manager
Telephone: 01384 814136
Email: vicki.popplewell@dudley.gov.uk

Background Papers

None

Appendices

Appendix One – Dudley Council’s response to Sandwell Council DtC correspondence

Appendix One

Director of Regeneration and Growth
Sandwell MBC
Sandwell Council House
Freeth Street
Oldbury
B69 3DE

Dear xxx ,

Sandwell Local Plan – Duty to Cooperate

Thank you for your letter of 31st May 2023 which helpfully sets out the timetable for the preparation of the next stages of the Sandwell Local Plan and seeks the views of Dudley Council on a number of related Duty to Cooperate issues.

As you are aware, Dudley Council is in the process of developing its Local Plan. Subject to Cabinet approval, it is our intention to consult on the draft Plan (Regulation 18) in November/December 2023. The plan period for our new local plan will be to 2041.

Please find Dudley's formal response to Sandwell Duty to Co-operate letter as approved by the Council's Cabinet.

The Strategic Issues

We note and confirm that current legislation and guidance requires that the Black Country Authorities (BCAs) have a Duty to Cooperate with each other on strategic matters that cross administrative boundaries.

We agree that in a Black Country context, at this stage, the principal strategic issues that affect the preparation of the Sandwell Local Plan remain those set out in the ABCA letter of 26th April - meeting unmet housing needs, meeting unmet employment needs and strategic transport issues. There may also be intra Black Country issues which will need to be dealt with through the Plan process; for example, matters relating to mineral infrastructure and strategic waste facilities. Along with issues of more local significance, including site

specific proposals that will arise through the preparation of the Sandwell Local Plan and the Dudley Local Plan that may require further and ongoing engagement.

Strategic Housing Issues

We note that Sandwell Council will be writing to Shropshire and Lichfield Councils, regarding their submitted Local Plans, asking them to confirm that the housing 'offer' made to the Black Country Authorities, as a whole, still remains. We also note that Sandwell Council will be writing to all other authorities where Local Plans have progressed up to Regulation 19 stage and from whom the BCAs anticipate that a potential contribution may arise (South Staffordshire (Reg 19), Stafford (Reg 18), Solihull (examination), Bromsgrove (Reg 18), Telford & Wrekin (Reg 18) and Cannock Chase (Reg 19 approved by Cabinet but not yet consulted on).

We recognise that it is important to understand how any contributions that have been made to the Black Country as a whole can be apportioned between the BCAs in order to give certainty for individual Local Plans to progress. Specifically, given the cessation of work on the Black Country Plan (BCP), all the BCAs need to determine the extent of the shortfall between housing need and forecast supply in their area, taking into account contributions from neighbouring areas, in order to progress individual Local Plans and inform ongoing Duty to Cooperate work. The cessation of the BCP does not alter the needs of the four BC authorities as a whole, nor the total supply within their combined areas.

We recommend that this apportionment is in two stages. Firstly, it is important to understand the extent to which existing and forecast supply can accommodate identified housing needs over the Local Plan period. This stage 1 work will establish the housing shortfall for each of the BCAs.

In the case of Dudley, we have prepared a Draft Dudley Local Plan (Regulation 18) which we hope to publish for a six – week consultation in November 2023. In preparing our draft Plan our up-to-date evidence (including our latest SHLAA and Urban Capacity Study) suggests that Dudley's housing need over the plan period is 11,954 homes. Our housing land supply set out in the draft Plan to 2041 (based on our most recent SHLAA and Urban Capacity Report) will provide for 10,876 homes. This will leave us with a shortfall of 1,078 homes. On this basis we are not be in a position to contribute to meeting Sandwell's housing need and will instead be seeking contributions from neighbouring local authorities under the Duty to Co-operate.

The next stage should apportion any contributions to the individual BCAs which can evidence a housing shortfall from Stage 1. It is essential that this

apportionment approach is evidence based and reflects the likelihood that new homes built in the contributing authority will directly address the needs arising in the receiving authority. This likelihood can be estimated by considering historic patterns of migration between different areas, giving the apportionment figure credibility and a strong degree of certainty. On this basis, we strongly recommend that the level of apportionment is proportionate to the actual functional relationship between the exporting area and the individual BCA where the shortfall arises. The most robust dataset to base this approach on is migration data available on an annual basis from ONS, which is based on a combination of administrative data taken from the National Health Service Central Register, the Patient Register Data System and the Higher Education Statistics Agency.

This data is published over an extended period (2001-19) in the form of net flows – the difference between outflows and inflows. The relationship between the individual BCAs and Shropshire and Lichfield (those areas where Local Plan are the most progressed and where ‘offers’ have been made on a Black Country basis - 1,500 homes from Shropshire and 2,000 homes from Lichfield) is set out in Table 1 below.

Table 1 – net migration flows between the BCAs and Shropshire and Lichfield 2001-19

BCA	Net Movements to Shropshire	Proportion of all BCAs	Net Movements to Lichfield	Proportion of all BCAs
Dudley	2,702	28.7	224	3.4
Sandwell	1,614	17.2	1,208	18.5
Walsall	1,374	14.6	4,710	72.1
Wolverhampton	3,715	39.5	391	6.0
Total	9,405	100.0	6,533	100.0

This data shows that all BCAs are net ‘exporters’ of people to Shropshire and Lichfield. Wolverhampton has the strongest relationship with Shropshire (39.5% of net outflows from the BCAs), followed by Dudley (28.7% of net outflows from the BCAs), whereas Walsall has the strongest relationship with Lichfield (72.1% of net outflows) and Dudley has only a limited migration relationship with Lichfield. Using this approach, and subject to the stage 1 exercise, each of the BCAs would receive a proportion of the Shropshire and Lichfield ‘offers’ proportionate to their share of the net outflow figure as set out in Table 2 below.

Table 2 – potential contributions (homes) apportioned between BCAs

BCA	Apportionment from Shropshire	Apportionment from Lichfield
Dudley	431	68
Sandwell	258	370
Walsall	219	1,442
Wolverhampton	593	120
Total	1,501*	2,000

*Due to rounding up

It could be argued that migration can only arise when homes are available for households to move to. Past net migration rates therefore may not reflect future rates where an authority increases its housing supply. However, even in areas of high housing growth, new homes only account for a small proportion of the housing supply. If the Black Country met its housing needs in full (76,076 homes between 2020 and 2039), this would equate to a less than 1% annual growth in the total housing stock. Most household moves involve existing homes rather than new build. Use of past migration rates to apportion housing offers from neighbouring authorities therefore provides a robust methodology.

In order to confirm this approach, we recommend that all of the BCAs sign a single Statement of Common Ground confirming the ‘share’ of the overall BCA offer as set out in Table 2, subject to the Stage 1 exercise.

Going forward, we also recommend that this two-stage process could be applied to other, less progressed Local Plans where the BCAs are seeking a contribution towards meeting unmet needs. However, in the case of contributions offered to the Greater Birmingham and Black Country Housing Market Area (HMA) as a whole, the approach would need to be widened to cover all authorities in the HMA which can demonstrate a shortfall, including Birmingham.

Strategic Employment Issues

Your letter summarises the current and potential contributions from neighbouring areas to address the shortfall of employment land which arises across the Black Country Functional Economic Area (FEMA). The FEMA corresponding to the geography of the BCAs.

Given the need to establish and plan for needs arising across FEMAs as a whole and as set out in the Planning Practice Guidance (PPG), the approach to addressing the shortfall is different to that for housing. Contributions secured through current Statements of Common Ground between the BC

FEMA authorities and Shropshire and South Staffordshire Councils have potential to provide some 133.6 ha towards BC FEMA needs, which would reduce the overall Black Country FEMA shortfall. The BCAs should individually and collectively continue to engage with other neighbouring authorities preparing Local Plans which have a functional relationship with the BC FEMA, to help address the shortfall across the BC FEMA as a whole. The focus for this work will be those areas identified in the EDNA as having strong or moderate relationships with the BC FEMA (Bromsgrove and Tamworth) and other areas which have an evidenced relationship with the BC FEMA (Stafford and Telford & Wrekin). At the same time, the BCAs should continue to maximise all opportunities to accommodate needs arising through the preparation of individual Local Plans. For this reason, it is not considered necessary to apportion the current and potential contributions between the BCAs.

You will be aware that the Economic Development Needs Assessment is being updated in order to provide the most up to date position on forecast employment land demand and supply. This work will confirm the scale of the shortfall that Duty to Cooperate activity should seek to address.

Summary

In summary, the Council welcomes the progress being made with the preparation of the Sandwell Local Plan and the proposed approach towards meeting the Duty to Cooperate. We strongly commend the proposed approach towards the apportionment of housing contributions and that for employment land. As set out above, we also recommend that this approach is formalised through a Statement of Common Ground between the BCAs.

Yours sincerely