

## **Meeting of the Cabinet**

**Wednesday 13<sup>th</sup> December, 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 25<sup>th</sup> October, 2023 (Pages 4 - 11)
4. Review of Housing Finance (Pages 12 - 26)
5. Local Government Association (LGA) Corporate Peer Review Feedback (Pages 27 - 57)
6. Independent Improvement and Assurance Board (IAB) (Pages 58 - 61)
7. Long Term Plan for Towns – The Town of Dudley (Pages 62 - 69)
8. Stalled and Derelict Sites Programme (Pages 70 - 79)
9. Infrastructure Funding Statement 2022/23 (Pages 80 - 119)
10. Portersfield (Pages 120 - 127)
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: 5<sup>th</sup> December, 2023**

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## **Minutes of the Cabinet**

**Wednesday 25<sup>th</sup> October, 2023 at 6.00pm  
in Committee Room 2 at the Council House,  
Priory Road, Dudley**

### **Present:**

#### **Cabinet Members**

Councillor P Harley (Leader - Chair)  
Councillors P Atkins, I Bevan, R Buttery, Dr R Clinton, M Rogers and  
L Taylor-Childs.

#### **Opposition Group Members Nominated to attend the Cabinet**

Councillors S Ali, A Aston, J Cowell, J Foster, and P Lowe.

#### **Invitee/Observer**

Councillor I Kettle (Chair of Overview and Scrutiny Committee).

#### **Officers**

K O'Keefe (Chief Executive), B Heran (Deputy Chief Executive), M Bowsher (Director of Adult Social Care), C Driscoll (Director of Children's Services), K Jones (Director of Housing and Communities), H Martin (Director of Regeneration and Enterprise), I Newman (Director of Finance and Legal), H Mills (Senior Democratic Services Officer) together with other Officers.

L Fulci (Director of Digital, Customer and Commercial Services attended via Microsoft Teams.



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28 **Apologies for Absence**

Apologies for absence from the meeting were submitted on behalf of Councillors P Bradley, S Clark and D Corfield.

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29 **Declarations of Interest**

No interests were declared in accordance with the Members' Code of Conduct.

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30 **Minutes**

**Resolved**

That the minutes of the meeting held on 20<sup>th</sup> September, 2023 be confirmed as a correct record and signed.

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31 **Revenue Monitoring 2023/24**

A joint report of the Chief Executive and the Director of Finance and Legal was submitted on the forecast 2023/24 General Fund revenue outturn position.

The Leader referred to the current financial position of the Council, in that a deficit of £15 million was forecast, as a result in the rise of numbers and cost for social care placements, inflation rates and a reduction in traded services. It was reiterated that Dudley was a low taxing, low spending Council, which had low reserves. It was considered prudent to introduce controls to minimise spending except where an exemption applied. The Cabinet Member for Finance, Legal and Human Resources had written to the Prime Minister outlining the financial difficulties that were being experienced by all authorities and asking for additional support to be provided. The Medium-Term Financial Strategy report that would be submitted to the Cabinet meeting in December, would outline the Council's draft plans to address the deficit and to achieve a sustainable budget.

Members of the Opposition Group expressed concerns regarding the Council's current financial position and referred to the risks that had previously been presented by the Opposition Group during the budget setting process and at the Audit and Standards Committee, which had repeatedly been disregarded.

The Leader, Cabinet Members and Officers responded to detailed questions from Members of the Opposition Group regarding the impact the financial position would have on service delivery; what measures had been implemented and assessments undertaken and how much would be saved as a result; what action had been taken since the authority had received notification of issues highlighted by external auditors in July, 2023; how did the cost of Adult Social Care compare with other Local Authorities and how would the budget constraints affect Care Quality Commissioning outcomes; what was being done to build resilience of permanent staff and the reasoning behind the shortfall in traded services.

In response to comments from the Leader of the Opposition Group (Councillor P Lowe), the Leader of the Council (Councillor P Harley) agreed to share a copy of the letter sent to the Prime Minister and would continue to keep Councillor P Lowe and Councillor S Ali (Opposition Group Spokesperson for Finance and Digital) up to date and involved in the process. The Leader commented that this would be a long-term process. A joint sustainable approach was required to protect services.

## **Resolved**

- (1) That the forecast General Fund revenue outturn position for 2023/24 and the effect on General Balances at 31st March 2024, be noted.
  - (2) That the progress with delivery of savings, as set out in Appendix B to the report, be noted.
  - (3) That the outline of spending controls, as set out in Appendix C to the report, be approved and that authority be delegated to the Chief Executive and the Director of Finance and Legal to refine these controls as required.
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### 32 **Capital Programme Monitoring**

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

#### **Resolved**

That the Council be recommended:-

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

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### 33 **10 Year Business Rates**

A report of the Director of Finance and Legal was submitted on the key terms agreed with Government relating to the opportunity to retain 100% of regional Business Rates for the next 10 years.

#### **Resolved**

- (1) That the performance of the West Midlands 100% Business Rates Retention pilot be noted.

- (2) That 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, be approved.
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34 **2023/2024 Housing Revenue Account Forecast Outturn**

The Cabinet considered a joint report of the Director of Housing and Communities and the Director of Finance and Legal on the latest revenue outturn for the Housing Revenue Account (HRA) for 2023/24.

The Cabinet Member for Housing and Safer Communities and the Director of Housing and Communities responded to questions raised at the meeting concerning the impact the spending control restrictions, in terms of the termination of existing interim and agency staff contracts, would have on housing services; information on the latest estimated costs payable to Savills for ongoing works associated with the Stock Condition Survey and the impact the current financial situation would have on the implementation of Community Hubs.

**Resolved**

That the latest Housing Revenue Account outturn forecast for 2023/24, as set out in paragraph 6 and Appendix 1 of the report, be noted.

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35 **Dudley Local Plan**

The Cabinet considered a report of the Director of Regeneration and Enterprise on the Draft Dudley Local Plan, which summarised the implications of the plan for Dudley and outlined the proposed consultation process and next steps for the plan preparation.

The Leader responded to questions raised at the meeting in relation to the omission of healthcare provisions from the plan, the reasons as to why proposed developments were based around Castle Street as opposed to Hall Street and the lack of ambition to develop more affordable housing in excess of the 20% target.



## Resolved

- (1) That the Draft Dudley Local Plan (as set out in Appendix 1a and 1b), the Draft Dudley Plan Policies Map (as set out in Appendix 2), the Sustainability Appraisal Reports (as set out in Appendix 3), and the Habitats Regulation Assessment (HRA) (as set out in Appendix 4) for consultation during November/December 2023, be approved.
- (2) That authority be delegated to the Director of Regeneration and Enterprise, following consultation with the Leader (Cabinet Member for Policy) and the Deputy Leader (Cabinet Member for 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.
- (3) That authority be delegated to the Director of Regeneration and Enterprise, following consultation with the Leader (Cabinet Member for Policy) and the Deputy Leader (Cabinet Member for Communities and Economic Delivery), to agree the arrangements for a six-week consultation period.
- (4) That a further report summarising key issues raised during the consultation, to inform preparation of the next stage of the Plan – Regulation 19 Publication Plan, be submitted to a future meeting of the Cabinet.

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### 36 **Black Country Local Nature Recovery Map and Strategy**

A report of the Director of Regeneration and Enterprise was submitted on the Black Country Local Nature Recovery Map and Strategy, to ensure that the Council's emerging Local Plan and planning decision making was based on up-to-date evidence and could continue to be used as the basis of robust and defensible planning decisions.

## **Resolved**

That the Black Country Local Nature Recovery Map and Strategy, as set out in Appendix 1 to the report, for planning purposes, including strategic delivery of biodiversity net gain in Dudley, be approved and adopted.

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

The Cabinet considered a report of the Director of Regeneration and Enterprise on a proposed response to Sandwell Council's Duty to Co-operate (DtC) correspondence, to ensure that the Council fulfilled its legal obligations under the DtC and that the interests of Dudley Borough were being fully considered in the plan-making of other local authorities.

## **Resolved**

That the proposed Dudley Council response to Sandwell Council's Duty to Co-operate letter, as set out in Appendix 1 to the report, be noted and endorsed.

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### **38 Issues arising from Overview and Scrutiny Committee and Select Committees**

The Chair of the Overview and Scrutiny Committee (Councillor I Kettle) referred to the Quarter 1 Performance Report which was considered at the Overview and Scrutiny Committee on 19<sup>th</sup> October, 2023, in particular Performance Indicator PI 1447 - % of agency social workers (children's). The figures for the first quarter showed 26.6% agency staff were employed against a target of 15%, and although it was acknowledged that these figures may not fully reflect the current position as figures given were to the end of June, 2023 and management actions had been implemented to address issues since this date, Councillor I Kettle sought assurance that the ongoing issues were being addressed.

The Director of Children's Services gave an analysis of the long-standing workforce challenge with the key point being the safeguarding duty of the local authority. Whilst it was acknowledged that considerable progress had been made regarding recruitment, assurance could not be made that agency staff would not be used in the foreseeable future.

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

No questions were raised under this agenda item.

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The meeting ended at 7.06pm

LEADER OF THE COUNCIL

## **Meeting of the Cabinet – 13<sup>th</sup> December 2023**

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

#### **Review of Housing Finance**

##### **Purpose**

1. To present the latest financial forecast outturn for 2023/24 and provisional Medium Term Financial Strategy (MTFS) to 2026/27 (revenue and capital) for the Housing Revenue Account (HRA).
2. To consider:
  - a draft HRA budget for 2024/25 in the light of the latest government announcements on housing finance and our latest spending and resource assumptions.
  - a revised Public Sector Housing capital programme for 2023/24 to 2026/27.
  - rents for council homes with effect from 1st April 2024.
3. Cabinet is not being asked to make final decisions in relation to paragraph 2. The proposals in this report will be considered by the Housing and Safer Communities Select Committee in January, before returning to Cabinet and Council in February 2024.

##### **Recommendation**

4. That Cabinet note the latest HRA outturn forecast for 2023/24 (paragraphs 7 - 11 and Appendix 1).
5. That Cabinet note the proposed budget for 2024/25 and provisional Medium Term Financial Strategy (MTFS) to 2026/27 (paragraphs 12 - 21 and Appendix 2) and the revised Public Sector Housing capital programme for 2023/24 to 2028/29 (Appendix 3);

## **Background**

6. 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**

7. 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.
8. The balance brought forward from 2022/23 was £5.1m, compared to the £2.2m originally budgeted. This was reported to Cabinet on 6<sup>th</sup> July 2023.
9. The original 2023/24 budget and the latest forecast for 2023/24 are shown in the following table. The latest forecast shows a deficit of £3.8m leaving a reserves balance of £1.3m at 31<sup>st</sup> March 2023 as outlined in Paragraph 11.

	<b>Budget 23/24 £m</b>	<b>Forecast 23/24 £m</b>	<b>Variance 23/24 £m</b>
<b>Total income</b>	<b>(98.4)</b>	<b>(98.2)</b>	<b>0.2</b>
<b>Expenditure</b>			
Finance	2.5	2.4	(0.1)
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	1.0	0.1
Responsive and cyclical repairs (Maintenance)	18.4	24.8	6.4
Programmed Investment Works (Development)	8.0	6.0	(2.0)
Depreciation and impairments of fixed assets	25.7	25.2	(0.5)
Interest Payable	17.7	18.0	0.3
Revenue Contribution	0.0	0.0	0.0
Capital Expenditure			
Other Expenditure	1.7	1.4	(0.3)
<b>Total expenditure</b>	<b>97.6</b>	<b>102.0</b>	<b>4.4</b>
<b>Total: (surplus) or deficit for the year</b>	<b>(0.8)</b>	<b>3.8</b>	<b>4.6</b>

10. 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 £0.7m,
- Increased interest on balances (£0.7m)
- Stock condition survey £3.2m
- Management capacity and expertise £0.8m
- 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.
- General inflation costs £0.4m
- Increased borrowing costs due to rising interest rates £0.3m.
- Refund from triannual pension settlement (£0.3m)

11. The impact on HRA balances is shown below:

	<b>Budget £m</b>	<b>Latest Forecast £m</b>
Forecast Balance at 31 March 2023	2.2	2.2
Favourable 2022/23 outturn		2.9
<b>Balance at 31<sup>st</sup> March 2023</b>	2.2	5.1
Planned addition to balances	(0.8)	(0.8)
Forecast variance against budget 2023/24		4.6
<b>Balance at 31 March 2024</b>	<b>3.0</b>	<b>1.3</b>

12. In addition there are forecast earmarked balances at 31st March 2024, mainly resulting from externally funded grants £2.6m.

13. Inflationary pressures are expected to continue into 24/25 and interest rates are causing an adverse impact on overall budget.

14. Forecast reserve balances are less than budgeted figures for March 2024, and are forecast to stand at 1.4% of income. Across England HRA's with similar income profiles hold an average reserve of 34% of income. Local comparators hold on average a reserve equalling 11% of income.

### Rent Increase

15. The self-financing system introduced in April 2012 for Housing assumed that rent increases would be in line with government guidance at the time relating to social housing rents: that is, a maximum increase of September CPI plus 1%. September CPI as announced on 18th October was 6.7% which would allow weekly rents to be increased by 7.7% compared to 2023/24 levels.

16. Last year the Government conducted a consultation on proposed rent caps for social landlords, the outcome of that consultation was announced in the Autumn Statement and introduced a rent cap increase of 7% for 2023/2024, no such rent cap is proposed for 2024/2025.

17. It is proposed that the full rent increase of 7.7% is implemented to partly mitigate the impact of inflationary increases on pay, utilities and the cost of borrowing along with the outcomes of the Stock condition Survey. Paragraph 18 illustrates the impact of a 7.7% rent increases.
18. The current average rent for 2023/24 is £89.33, the proposed increase of 7.7% for 2024/25 will move average rents to £96.21 an average increase of £6.88 per week.

<b>Year</b>	<b>Rent increase %</b>	<b>Average weekly rent</b>	<b>Weekly Increase on 22/23</b>
<b>2024/25</b>	+7.7%	£96.21	£6.88

### Service Charges

19. In February 2023 council approved the introduction of service charges at a nominal rate of £5.20 a week. It is now proposed service charges are introduced at full cost recovery, on average this will be £12.46 per week for tenants in homes with communal areas.

### Medium Term Financial Strategy 2024/2025 to 2026/2027

20. Inflationary pressures are expected to continue into 2024/25, with assumed pay awards of 4% for 2024/25 and 2% thereafter. Borrowing costs are expected to remain high in the short term and utility prices are assumed to increase in line with inflationary increases.
21. The proposed draft HRA budget for 2024/25 to 2026/27 is shown in Appendix 2. This budget is based on implementing the maximum allowed 7.7% rent increase, and service charges at direct cost recovery, which would take effect from 1<sup>st</sup> April 2024, and building in additional resources to meet inflationary pressures.
22. A number of savings and growth proposals were prepared and prioritised before being presented at the HRA budget summit on 22<sup>nd</sup> November. These proposals are outlined in the following table.



	<b>24/25 £m</b>	<b>25/26 £m</b>	<b>26/27 £m</b>
<b>Base budget deficit + / Surplus (-)</b>	<b>(6.4)</b>	<b>(4.7)</b>	<b>(1.6)</b>
<b>Proposed Savings</b>			
Reduction in sub-contractor costs through reduced usage, reduced material usage and greater financial controls	(0.2)	(0.3)	(0.3)
Housing Maintenance Team staffing savings - vacant posts	(0.8)	(1.1)	(1.3)
Closure of Asbestos laboratory.	(0.1)	(0.1)	(0.1)
Asset Management Team Staffing savings - vacant posts	(0.1)	(0.2)	(0.2)
Outsourcing Call Handling Service for Out of Hours Service	(0.1)	(0.1)	(0.1)
<b>Total Proposed Savings</b>	<b>(1.3)</b>	<b>(1.8)</b>	<b>(2.0)</b>
<b>Unavoidable Additional Spending</b>			
Compliance costs	1.3	0.0	0.0
ICT Improvements including Northgate	0.3	0.0	0.0
Increase in temporary accommodation costs	0.7	0.7	0.8
<b>Total Unavoidable Additional Spending</b>	<b>2.3</b>	<b>0.7</b>	<b>0.8</b>
<b>Additional Spending</b>			
Grounds Maintenance in Communal areas	0.3	0.3	0.3
Cleaning in flatted communal areas	0.7	0.7	0.7
<b>Total Additional Spending</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>
<b>Net Savings and Growth</b>	<b>2.0</b>	<b>(0.1)</b>	<b>(0.2)</b>
<b>Revised deficit (+) / Surplus (-)</b>	<b>(4.4)</b>	<b>(4.7)</b>	<b>(1.8)</b>
<b>Unearmarked Balances b/f</b>	<b>1.3</b>	<b>5.7</b>	<b>10.4</b>
<b>Unearmarked Balances c/f</b>	<b>5.7</b>	<b>10.4</b>	<b>12.2</b>

## Estimates, Assumptions & Risk Analysis

23. The proposals in this report are based on a number of estimates, assumptions and professional judgements, which are subject to continuous review:
- i. Outcome of the Stock Condition Survey;
  - ii. that pay inflation does not vary materially from current forecasts;
  - iii. that cash limited non-pay budgets will be managed so as to absorb any price inflation not specifically provided for in 2023/24 and any inflationary pressures in 2024/25 and 2025/26 will be no more than the amount provided for;
  - iv. that borrowing costs remain within existing forecasts;
  - v. that employer contributions to the Local Government Pension Scheme (LGPS) are in line with the indicative figures provided pending completion of the triennial review;
  - vi. that there will be no material losses to the Council as a result of loans, guarantees and/or grant clawback;
  - vii. that the savings proposals set out in paragraph 19 will be delivered as planned;
  - viii. that there will be no other unplanned expenditure (including any resulting from demographic, legislative or case law pressures) or shortfalls in income, which cannot be met from reserves.
24. The assumptions set out above are subject to uncertainty. In the event that outcomes are more negative than the assumptions in this report, then action (to reduce levels of expenditure or increase income) may become urgent.

## Public Sector Housing Capital Programme

25. In February 2023, a five-year housing public sector capital programme was agreed, which reflected enhanced investment using the HRA's new borrowing flexibility. The five-year capital programme was developed based upon the themes set out within the Council's ten year Housing Asset Management Strategy (HAMS) approved by Cabinet in October 2019. The HAMS details the Council's strategic approach to managing and maintaining our properties, whilst also

delivering and providing new homes and housing solutions to help meet the projected levels of social housing need.

26. In light of the changing economic climate and the impact of the 7% rent cap announced in the 2022 Autumn Statement the five year capital programme was reviewed and the amended approach and options were approved by Cabinet on 28<sup>th</sup> February 2023. The revised capital programme focused on:
  - Ensuring regulatory compliance and building safety
  - Ensuring adequate investment in void properties to reduce void loss and meet an acceptable void standard.
  - During 2023/24 the council commissioned stock condition surveys on 100% of homes to gain a robust and up to date position on property condition and compliance. The stock condition surveys will be completed by March 2024 and the data gathered will be used to inform a new capital investment programme and asset management strategy, ensuring that appropriate planned investment works are delivered in occupied properties to maintain and improve the decent homes position
27. The 100% Stock Condition Survey is also delivering a fully revised EPC certificate for every property we gain access too. This will allow the resetting of the energy performance for all properties and add previously unavailable data to the viability modelling and potential future investment for all properties which will not benefit our tenants or the authority as a long term asset
28. While we retain our aspirations to build new homes, remodel existing stock and invest in community improvements, we cannot do this at the detriment of our priorities set out above so while we will continue to plan for investment in new homes and remodelling, we do so recognising that these plans will be put on hold until investment in our priorities is complete and until we have realigned our asset management strategy with the themes and priorities identified through surveying all of our homes.
29. The proposed capital programme at Appendix 3 sets out current anticipated spend for 2024/25, 2025/26 and 2026/27 based on what is currently known about investment needs. However the five year capital programme will need to be further reviewed following the completion of the stock condition surveys, which may inform a change in programme spend in the first three years. At this stage the

programme spend has not been profiled for 2027/28 and 2028/29 as this will need to be informed by longer term investment needs and the robust and up to date property information that the surveys will provide.

### **Finance**

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

### **Law**

31. 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**

32. 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. Uncertainty around inflation, interest rates, and rent cap consultation could have a significant impact on the Councils ability to provide landlord services. In view of the worsening outlook, this risk has been elevated to the maximum rating of 25 (Extreme). The forecasts and proposals in this report improve the outlook. However, significant risks and uncertainties remain. The risk rating will be reviewed in due course once the budget proposals have been finalised.

### **Equality Impact**

33. 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.
34. 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**

35. 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**

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

## **Environment / Climate Change**

37. 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**

38. 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](mailto:Michael.Jones@dudley.gov.uk)

Ian Grosvenor  
Telephone: 01384 817495  
Email: [ian.Grosvenor@dudley.gov.uk](mailto:ian.Grosvenor@dudley.gov.uk)

## Appendix 1

### HRA Budget and Forecast 2023/24

	<b>Budget 2023/24 £m</b>	<b>Latest Forecast 2023/24 £m</b>	<b>Forecast Variance 2023/24 £m</b>	<b>Comment</b>
<b><u>Income</u></b>				
Dwelling rents	(96.2)	(95.5)	0.7	Higher void losses budgeted 2%, actual 2.5% -£0.5m, stock profile differences £0.2m
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)	(0.9)	0.2	No material variance, includes leaseholder and tenant recharges
Interest on balances	(0.1)	(0.8)	(0.7)	Increased interest rates 1.5% budgeted, 4% actual, increased capital receipts pooling reserves.
<b>Total income</b>	<b>(98.4)</b>	<b>(98.2)</b>	<b>0.2</b>	
<b><u>Expenditure</u></b>				
Finance	2.5	2.4	(0.1)	Vacancies (£0.2m) 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

	<b>Budget 2023/24 £m</b>	<b>Latest Forecast 2023/24 £m</b>	<b>Forecast Variance 2023/24 £m</b>	<b>Comment</b>
Technical adjustments	0.9	1.0	0.1	Repairs Management centre costs transferred across to Dudley Council Plus and recharged here.
Responsive and cyclical repairs (Maintenance)	18.4	24.8	6.4	Stock condition survey £3.3m, Management capacity and expertise £0.7m, Recovery revenue works £1.6m
Programmed Investment Works (Development)	8.0	6.0	(2.0)	Vacancies and savings identified to fund recovery works
Depreciation and impairments of fixed assets	25.7	25.2	(0.5)	Rebased calculation with adjusted asset lives
Interest Payable	17.7	18.0	0.3	Increasing interest rates on loans 4% budgeted, 6% actual
Other Expenditure	1.7	1.4	(0.3)	Refund from triannual pension settlement
<b>Total expenditure</b>	<b>97.6</b>	<b>102.0</b>	<b>4.4</b>	
(Surplus) / Deficit in year	<b>(0.8)</b>	<b>3.6</b>	<b>4.4</b>	



## Appendix 2

### HRA Draft Budgets for 2024/25 to 2026/27

	2024/25 £m	2025/26 £m	2026/27 £m
<u>Income</u>			
Dwelling rents	(101.6)	(102.4)	(102.5)
Non-dwelling rents	(0.8)	(0.8)	(0.8)
Charges for services and facilities	(5.0)	(5.2)	(5.3)
Contributions towards expenditure	(0.9)	(1.1)	(1.1)
Interest on balances	(1.0)	(0.8)	(1.0)
<b>Total income</b>	<b>(109.3)</b>	<b>(110.2)</b>	<b>(110.6)</b>
<u>Expenditure</u>			
Finance	2.8	2.9	2.9
Community Safety	2.3	2.3	2.4
Strategy	2.1	2.1	2.1
Management & Admin	11.3	11.2	11.4
Community Housing	13.1	13.4	13.7
Responsive and cyclical repairs (Maintenance)	17.7	16.2	16.4
Programmed Investment Works (Development)	8.9	9.0	9.2
Depreciation and impairments of fixed assets	26.5	27.0	27.6
Interest Payable	18.6	19.7	21.3
Revenue Contribution Capital Expenditure	0.0	0.0	0.0
Other Expenditure	1.7	1.8	1.8
<b>Total expenditure</b>	<b>105.0</b>	<b>105.6</b>	<b>108.8</b>
<b>Surplus (-) / Deficit (+) in year</b>	<b>(4.3)</b>	<b>(4.6)</b>	<b>(1.8)</b>
<b>Surplus brought forward</b>	<b>(1.4)</b>	<b>(5.7)</b>	<b>(10.3)</b>
<b>Surplus carried forward</b>	<b>(5.7)</b>	<b>(10.3)</b>	<b>(12.1)</b>

## Appendix 3

### Proposed capital programme 2023/24 to 2026/27

	<b>2023/24 latest £m</b>	<b>2024/25 £m</b>	<b>2025/26 £m</b>	<b>2026/27 £m</b>
Responsive and cyclical repairs (Maintenance)	12.1	17.5	18.2	18.9
Programmed Investment Works (Development)	37.9	69.9	74.1	74.5
<b>Total</b>	<b>58.0</b>	<b>87.4</b>	<b>92.3</b>	<b>93.4</b>

### Resources

	<b>2023/24 latest £m</b>	<b>2024/25 £m</b>	<b>2025/26 £m</b>	<b>2026/27 £m</b>
Borrowing	0.0	16.3	21.7	41.2
Major repairs reserve	25.1	26.4	26.9	27.5
Usable capital receipts	32.0	43.7	43.7	24.7
Other (grants)	0.9	1.0	0.0	0.0
<b>Grand Total</b>	<b>58.0</b>	<b>87.4</b>	<b>92.3</b>	<b>93.4</b>

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**Meeting of the Cabinet – 13<sup>th</sup> December 2023**

**Report of the Chief Executive**

**Local Government Association (LGA) Corporate Peer Review Feedback**

**Purpose of report**

1. The Council took part in a Corporate Peer Challenge (CPC), organised by the Local Government Association (LGA) from 19<sup>th</sup> to 22<sup>nd</sup> September 2023. This report provides Cabinet with a summary of the feedback from this peer review.

**Recommendations**

2. It is recommended that:
  - Members acknowledge the contents of the feedback report, endorse the recommendations contained within the report and support the Council's approach to implementation.

**Background**

3. Peer Challenges are a core element of the Local Government Association's sector-led improvement offer to local authorities.

It provides a tried and trusted method of improvement, providing councils with a robust and effective improvement tool which is owned and delivered by the sector, for the sector. Peer challenge is not an inspection, it is a tool for improvement.

Peers remain at the heart of the peer challenge process and provide a 'practitioner perspective' and 'critical friend' challenge.

4. Peer challenges are delivered by experienced elected Member and officer peers. The make-up of the peer team reflected the focus of the peer challenge and peers were selected on the basis of their relevant expertise.

The peer team group representatives included Jacqui Gedman (Chief Executive, Kirklees), Cllr Rob Waltham (Leader of the Council (Conservatives - North Lincolnshire Council), Hilary Morris (Commercial Director, London Borough of Barking and Dagenham), Mark Ladyman (Assistant Director Economic Development, Darlington Borough Council), Paul Clarke (Director of Finance, London Borough of Islington), Anthea Lowe (Director of Policy & Governance, and Monitoring Officer, Telford and Wrekin Council), James Millington (LGA Adviser and Peer Challenge Manager).

5. The peer team explored the core components (underpinning features of good performance) that all LGA CPCs cover:
  1. **Local priorities and outcomes:** Are the council's priorities clear and informed by the local context? Is the council delivering effectively on its priorities and achieving improved outcomes for all its communities?
  2. **Organisational and place leadership:** Does the council provide effective local leadership? Are there good relationships with partner organisations and local communities?
  3. **Governance and culture:** Are there clear and robust governance arrangements? Is there a culture of respect, challenge and scrutiny?
  4. **Financial planning and management:** Does the council have a clear understanding of its current financial position? Does the council have a strategy and a clear plan to address its financial challenges?
  5. **Capacity for improvement:** Is the organisation able to support delivery of local priorities? Does the council have the capacity to improve?

In addition to these questions, the Council asked the peer team to review our commercial approach, progress to date and strategic direction.

6. The team then spent four days onsite during which they gathered information and views from more than 60 meetings, spoke to more than 150 people including a range of Council staff together with Members and external stakeholders, in addition to further research and reading.

## 7. **Key recommendations**

There are a number of observations and suggestions made as part of the feedback report. A number of key recommendations were also provided around the themes of finance, governance, capacity, culture and vision.

See appendix 1 for the full recommendations in the feedback report.

## 8. **Council Response**

The Council accepts the feedback in the report and thanks the LGA for carrying out this review.

In response to the recommendations the Chief Executive, in consultation with the LGA, has set up a voluntary Improvement & Assurance Board to drive the immediate improvements that are now needed across the Council.

This will enable the Council to take swift and concerted action to resolve the financial, governance and cultural issues that the peer challenge highlighted and provide elected members with assurance about remedial action on the financial position, and ensure the Council delivers on its best value duties.

9. A Council Improvement and Sustainability Programme is being developed to progress the recommendations from the peer review.

An Internal Delivery Group has been formed that will provide assurance that improvement activity across the Council is being effectively managed and will also review exemptions to spending controls.

## 10. **Next steps**

The LGA Corporate Peer Review process includes a six-month check-in session, which provides space for the council to update peers on its progress against the action plan and discuss next steps. This will be scheduled for Summer 2024.

## **Finance**

11. There were limited costs to prepare for or incurred during the peer review. Any costs to develop the position statement and data pack were met by the Chief Executive's contingency fund.

The peer team met with the Section 151 Officer and Head of Financial Services as part of the interviews and focus groups.

## **Law**

12. The peer team met with the Monitoring Officer as part of the interviews and focus groups.

The Improvement & Assurance Board will work closely with the existing Committees and Forums of the Council.

Section 112 Local Government Act 1972 provides that a Local Authority can appoint such officers as it thinks necessary for the proper discharge of its functions subject to Section 41 of the Localism Act 2011.

## **Risk Management**

13. The peer team met with the Head of Audit and Risk Management as part of the interviews and focus groups.

The financial, governance and cultural issues are recognised, and the establishment of both the Improvement Delivery Group and Improvement & Assurance Board will help to mitigate these issues with clear and transparent remedial actions.

## **Equality Impact**

14. There were no equality impacts expected during this review. The peer team met with members of the Corporate Equalities group as part of the interviews and focus groups.

## **Human Resources/Organisational Development**

15. There were no HR/OD impacts expected during this review. The peer team met with the Assistant Director for People & Inclusion and Trade Union representatives as part of the interviews and focus groups.

## **Commercial/Procurement**

16. There were no Commercial or Procurement impacts on this review. The peer team met with the Director of Digital, Customer & Commercial and Heads of Commercial and Procurement as part of the interviews and focus groups.

## **Environment/Climate Change**

17. The LGA recognised the importance of sustainability and climate action, including the need to deliver zero net carbon by 2030. In planning and

delivering the peer challenge, the LGA sought to model best practice in how it conducts its own business. The LGA aimed to reduce its carbon footprint by using public transport where possible, reducing waste such as keeping printing to a minimum, conducting meetings online instead of in-person where suitable, and selected sustainable providers, such as hotels that are working to reduce their carbon footprint.

### **Council Priorities and Projects**

18. The peer review provides an opportunity to consider whether the council's priorities are clear and informed by the local context, whether the council is delivering effectively on its priorities and achieving improved outcomes for all its communities.

It provided a robust challenge to our performance management framework, monitoring and reporting.



**Kevin O'Keefe**

**Chief Executive**

Report Author: Ajaib S. Paul  
Telephone: 01384 814410  
Email: [ajaib.paul@dudley.gov.uk](mailto:ajaib.paul@dudley.gov.uk)

#### **List of appendices:**

- Appendix 1 – LGA Corporate Peer Review Feedback Report (Final)

# LGA Corporate Peer Challenge

Dudley Metropolitan Borough Council

19<sup>th</sup> – 22<sup>nd</sup> September 2023

Feedback report







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## 1. Executive summary

Dudley Metropolitan Borough Council (DMBC) is facing a serious financial challenge and above all else it now needs to take urgent action to address its financial sustainability. This has been clearly outlined to DMBC's leadership and the peer team consider this to now be its number one priority - owned by Members and officers at every level across the organisation – alongside clear and consistent messaging. The Council's external auditors are also considering issuing statutory recommendations based on financial and governance concerns. Urgent corrective and collective action is required for the Council to be financially sustainable in 2025/26 – as currently this is in jeopardy.

The peer team recognise that the Council is passionate for the future of the place and has an impressive and ambitious regeneration programme for the Borough, particularly within Dudley. However, this must be accompanied by the completion and adoption of the Economic and Regeneration Strategy which is underpinned by a realistic and costed delivery plan. Importantly, this should be clearly linked to the inclusive growth for the Borough's communities and the financial sustainability of the Council.

The peer team felt that the focus on outcomes for Children's and Adults Services is not viewed as a shared priority across the Council nor as importantly as should be expected. The passion of staff and the improvement work delivered by those in these directorates is absolutely clear but it is less obvious how this is corporately owned across DMBC. There is a need to reset the status of this agenda to the Council given the importance of it.

It was clear that DMBC has dedicated Members and staff who are passionate about the Borough with a focus on 'doing the right thing' for both Dudley and the Council. However, the peer team heard that the organisational culture between Members and officers was challenging. There are some pockets of good Member and officer



working but the overall culture and the Member/Member and Member/officer relationships was not positive, with many relationships strained. This needs to change. If this is not addressed it will impact on DMBC's ability to meet its challenges over the coming period.

The Council has evidence of effective governance frameworks but cultural issues and behaviours are getting in the way of this and undermining them. There is also an urgent need to improve DMBC's internal control and assurance environment.

The Forging a Future for All, Borough vision, is widely supported by partners who are keen to play an active part in making this a success. This would now benefit from a focus on delivery to produce the outcomes which are anticipated, and partners are looking towards the Council for clarification of their role in this. For DMBC this will now need to be in the context of meeting the financial challenges. The Council Plan 2022-25 is clearly linked to the Borough vision, but it does not currently match the reality of DMBC's current financial position. The Council will need to consider and refocus its own Plan on what it is able to do within the context of the Medium Term Financial Strategy (MTFS).

The peer team heard there were significant issues around capacity and organisational structures. Discussions within the Council frequently described the organisation as being "very siloed" and this impacted on the successful delivery of the Council's priorities. For example, the Strategic Executive Board (SEB) was viewed as failing to provide the leadership and effective decision-making which DMBC requires. Recognising and addressing these issues is particularly important given the financial, governance and cultural challenges which now necessitate a 'one Dudley team' single focus.

## 2. Key recommendations

There are a number of observations and suggestions within the main section of the report. The following are the peer team's key recommendations to the Council:

### Finance

- 2.1 **Recommendation 1:** Urgently prioritise the development of a financial strategy, and any engagement with DLUHC, for the long-term sustainability of the Council
- 2.2 **Recommendation 2:** Engage across the organisation as 'One Dudley', at all levels, to address the financial sustainability of DMBC
- 2.3 **Recommendation 3:** Consider external strategic support to turn around the short-term and medium-term financial position, leveraging experience of organisations in financial distress and other support including through the LGA
- 2.4 **Recommendation 4:** Reconsider the alignment of the Council Plan to the Medium Term Financial Strategy in the current financial climate
- 2.5 **Recommendation 5:** Internal Audit recommendations need to be addressed as a priority. The Council should increase the importance of the delivery of recommendations, ensuring assurance levels are increased
- 2.6 **Recommendation 6:** Completion and adoption of the Economic and Regeneration Strategy. The pipeline/programme should be prioritised, the agreed top priority projects/themes to form the work plan (1-3 or 5 years rolling programme) and costed for delivery before approval is sought to progress.
- 2.7 **Recommendation 7:** Finalise the Estates Strategy with a delivery plan and timescales
- 2.8 **Recommendation 8:** Clearly differentiate between investment and commercialisation

### Governance

- 2.9 **Recommendation 9:** Improve the internal control and assurance environment

- 2.10 **Recommendation 10:** Develop a ‘golden thread’ throughout the Council to ensure the vision contained in the Council Plan is reflected in service strategies and team plans
- 2.11 **Recommendation 11:** Review the function and purpose of Informal Cabinet and the Strategic Executive Board
- 2.12 **Recommendation 12:** Roll-out training and support around the roles and responsibilities for both Members and officers
- 2.13 **Recommendation 13:** Keep the scrutiny function under review, including the work programme, and ensure there are adequate resources in place so that it is fit for purpose

### **Capacity**

- 2.14 **Recommendation 14:** Review the organisational structure and consider how to better utilise the resources DMBC already has to deliver the golden thread
- 2.15 **Recommendation 15:** Transform to release savings and invest in key services
- 2.16 **Recommendation 16:** Continue to develop an approach around the development of corporate health performance indicators, building on the approach to HR monitoring, to include other internal measures

### **Culture**

- 2.17 **Recommendation 17:** Focus on getting the basics right – refreshing the organisational values provides a good time to do this and reset the expectations

### **Vision**

- 2.18 **Recommendation 18:** Development of delivery plans for Dudley Borough’s Vision, Forging a Future for All
- 2.19 **Recommendation 19:** Develop a place marketing approach for the visitor economy
- 2.20 **Recommendation 20:** Consider the value in undertaking a regular Residents’ Survey
- 2.21 **Recommendation 21:** Development of the approach to the Council’s corporate performance to ‘tell the story’

## 3. Summary of the peer challenge approach

### 3.1 The peer team

Peer challenges are delivered by experienced elected Member and officer peers. The make-up of the peer team reflected the focus of the peer challenge and peers were selected on the basis of their relevant expertise. The peers were:

- **Jacqui Gedman** (CEX – Kirklees Council)
- **Cllr Rob Waltham MBE** (Leader - North Lincolnshire Council)
- **Anthea Lowe** (Director: Policy & Governance, Statutory Monitoring Officer – Telford and Wrekin Council)
- **Paul Clarke** (Director of Finance – London Borough of Islington)
- **Hilary Morris** (Commercial Director – London Borough of Barking and Dagenham)
- **Mark Ladyman** (Assistant Director, Economic Growth - Darlington Borough Council)
- **James Millington** (Peer Challenge Manager, LGA)

### 3.2 Scope and focus

The peer team considered the following five themes which form the core components of all Corporate Peer Challenges. These areas are critical to councils' performance and improvement.

1. **Local priorities and outcomes** - Are the council's priorities clear and informed by the local context? Is the council delivering effectively on its priorities?
2. **Organisational and place leadership** - Does the council provide effective local leadership? Are there good relationships with partner organisations and local communities?
3. **Governance and culture** - Are there clear and robust governance



arrangements? Is there a culture of challenge and scrutiny?

4. **Financial planning and management** - Does the council have a grip on its current financial position? Does the council have a strategy and a plan to address its financial challenges?
5. **Capacity for improvement** - Is the organisation able to support delivery of local priorities? Does the council have the capacity to improve?

In addition to these questions, DMBC asked the peer team to review the Council's commercial approach, progress to date and strategic direction.

### **3.3 The peer challenge process**

Peer challenges are improvement focused; it is important to stress that this was not an inspection. The process is not designed to provide an in-depth or technical assessment of plans and proposals. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read.

The peer team prepared by reviewing a range of documents and information in order to ensure they were familiar with the Council and the challenges it is facing. The team then spent four days onsite at DMBC, during which they:

- Gathered information and views from more than 60 meetings, in addition to further research and reading.
- Spoke to more than 150 people including a range of Council staff together with Members and external stakeholders.

This report provides a summary of the peer team's findings. In presenting feedback, they have done so as fellow local government officers and Members.

## 4. Feedback


### 4.1 Local priorities and outcomes

Dudley Metropolitan Borough is an important and key part of the Black Country in the heart of the West Midlands and is comprised of 5 key strategic townships and 4 commercial centres: Dudley, Brierley Hill, Stourbridge and Halesowen. The Borough's population is 323,581 and more than 20% of residents are aged 65 or over. Life expectancy for men in the most deprived areas of the Borough is 9.2 years lower than in the least deprived areas, and 8.6 years lower for women. The Borough is ranked 104<sup>th</sup> most deprived of 317 councils in England and 28.6% of its residents live in areas amongst the 20% most deprived in England. DMBC knows its communities well and has a good understanding of the challenges it is facing. The Council Plan 2022-2025 has four key priority areas where the Council is targeting its activity:

- Dudley the Borough of Opportunity
- A Borough of Ambition and Enterprise
- A Safe and Healthy Borough
- Dudley Borough the Destination of Choice

The Council also recognises the opportunities within the Borough and is championing these - including 30% of the Borough comprising of greenspaces. There are also internationally recognised attractions including Dudley Zoo and Castle; The Black Country Living Museum and Black Country Global Geopark - one of only eight geoparks in the United Kingdom. These are cornerstones of the local tourist offer leading to more than 4.5M day trips being made to Dudley each year and contributing £117M to the local economy (over 3 years from 2017-19). The Borough's employment rate is 77.3% which is the highest rate in the Black Country and the






median wage is £30,417 - which was the highest average full-time earnings in the Black Country in 2022. The Borough is also ranked the safest within the West Midlands Police area – with the lowest crime rate per 1000 people.

The peer team heard how the Council Plan is ambitious for the Borough but it could be clearer in how these priority areas are invested in and aligned to the Medium Term Financial Strategy (MTFS). This was not clear to the peer team and is crucial now given the financial challenges facing the Council. This will ensure DMBC is designed and aligned appropriately to deliver the Council Plan and its ambitions.

DMBC recognises the economic challenges around finance and inflation facing its communities and through its Council Plan has outlined its ambition for Dudley as a ‘Borough of Ambition and Enterprise’. This includes the ambition for £1bn to be invested in local regeneration, and the Council has levered in some impressive investment through the West Midlands Combined Authority (WMCA) including £60M of funding for the Wednesbury to Brierley Hill Metro Extension in addition to the £449M and £12.3M of Get Britain Building funding for the Very Light Rail Innovation Centre. There is a striking list of other projects and developments including the Health Innovation Centre, Portersfield, the leisure quarter and a Night time economy and food quarter, and the Eton sixth form college campus. It is important that the Council fully articulates how these projects will contribute to the economic growth of the Borough.


Inclusive Growth is an important factor in the future of the local economy. The Council has been championing the potential within the Borough and bringing funding in to deliver this. It should be congratulated for this. It is now important for DMBC to reassure itself that this regeneration and economic growth is clearly connected to its population, including its most deprived communities, and they benefit from the opportunities. The peer team recommend developing a clearer strategy for the future direction of inclusive growth within the Borough and ensure that this is communicated clearly to residents.



There have been recent significant improvements in Children's Services. This includes the Department of Education formally approving the conclusion of the Support and Supervision arrangements for Children's Services in March 2023 - recognising the positive impact on practice and leadership, and it recently launched the innovative Family Safeguarding model. Adult Social Care has also had an impressive focus on the prevention and recovery agenda and has been recognised through national awards – GB Care Awards 2021, iESE Public Services Excellence 2022 Gold winner - Project RITA. This is important for the communities of Dudley and the peer team recommend that the whole of the Council more widely recognises the work being delivered here to support the most vulnerable and that this is acknowledged and built upon as a continued focus for DMBC.

There are also challenges for the Council which are being addressed. These include within Adults around the preparations for the Care Quality Commission inspection regime and ensuring full Care Act adherence to address waiting lists. Within Children's the Accelerated Progress Plan (APP) for SEND is overseen through the multi-agency Strategic Partnership Board. Housing Services made a self-referral to the Regulator of Social Housing (RoSH) in March 2023 due to issues identified with data quality and validation. This led to a judgement that DMBC had breached the Home Standard, with the potential for serious detriment to customers. It now has a housing compliance recovery programme in place which will require sustained attention corporately. However, beyond the work being led by individual service areas it was not always clear to the peer team where the prioritisation of these areas is in relation to the Council's focus on regeneration.

The peer team recognise the impressive recent focus on Equalities, Diversity and Inclusion (EDI). This has seen DMBC establish its EDI Strategy and Delivery Plan, with oversight from Scrutiny; development of staff networks; and the approach to EqIAs is being further strengthened with training rolled-out to staff. There has been visible leadership from the CEX on this and it is making a real difference - with staff the peer team spoke to feeling that their voices are starting to be heard. This is still




developing for the Council and the peer team recommend that it continues on its journey, identifying how it can continue to build on these strong foundations: utilising the staff networks in the testing and development of policy; the ways in which it continues to prioritise this agenda; and uses images of its staff and communities to reflect the diversity of its population as part of its internal and external branding.

The peer team saw how Members were clearly well connected with the residents of the Borough. There may be a further opportunity to engage with communities in considering the benefits of undertaking a regular Residents' Survey. This would allow DMBC to add to its evidence base and showcase the positive change the Council is having as a result. This would also complement the MyDudley approach to engagement which is being launched in November and is being co-designed with the community. This will be a major step for the way in which DMBC connects with the Borough and the opportunities for residents to access services digitally.

DMBC does have an approach to corporate performance but this would benefit from some further attention to ensure this is strategic and embedded corporately to 'tell the story' and to inform continuous improvement. The data could be further used to move the narrative on how performance is driven across the Council and outcomes are secured. The LGA's LG Inform can be utilised as part of this to explore data for benchmarking with other areas and provide important information for DMBC to evaluate service delivery. Measures within [this LG Inform report](#) are an example, and not all of the performance metrics in the report will be suitable, and indeed the Council may have more up to date figures to include, but it may wish to continue to explore its performance and benchmarking further in this way. This information and other measures can provide a valuable contribution to the Council's performance framework and assist its approach in evaluating and improving service delivery. Also in the context of the Office for Local Government, and Best Value, now is a good time for DMBC to ensure it reflects this in the progression of its performance framework.

## 4.2 Organisational and place leadership




There is a clear and strong identity as ‘the historic capital of Black Country’ and this is championed with pride by Members and officers of the Council. DMBC has committed and passionate Members and officers and regardless of their political views councillors want the best for the area.

Dudley Borough’s Vision, Forging a Future for all, is widely accepted and partners are passionate and take ownership of the agenda. The community and voluntary sector are particularly bought into this and are championing this vision for the Borough. This clearly provided a key focal point for partner action as part of the collective Covid-19 response, but now presents an opportune moment for a clearer focus on the delivery plans with partners as part of the next stage. The learning from the shared focus of supporting communities through Covid-19 should provide all partners with confidence to coalesce around successfully driving delivery.

There are strong partnership relationships in place with some good examples of outcomes from joint work. This includes addressing community safety and anti-social behaviour issues with the Police; promoting tourism and the visitor economy with the many local attractions which are brought together by the Council to discuss their challenges and develop the visitor offer; and the employment and skills agenda with prominent local businesses and employers. Partners described how the Leader worked positively with others for the good of the Borough. The Council is viewed positively for the strategic leadership it provides across the area. By the nature of working in partnership these relationships require continued investment and the peer team would urge the Council to maintain these relationships and not lose sight of the benefits of working in this way. For instance, the tourism and visitor offers are important and the Council could be clearer on how this fits with the regeneration proposals. The development of a strategic marketing approach for the visitor economy may also be helpful.

The Council may wish to further consider the importance of its role outside of the Borough and within the region, and the continued benefits this brings. This includes with other councils and the WMCA. There is a lot of work within the region, with



devolution seen as important for the area and the Leader is championing this for the interests of the Borough. An increased focus on the role Dudley has across the region, outside of the Borough, would be welcomed by partners the peer team met with.

The peer team saw evidence of Children's and Public Health integration around early help to alleviate demand at a later stage. The peer team agreed how the ways in which DMBC is utilising its financial resources creatively to deliver improved outcomes for communities by joining up across these service areas was a good example of where a 'one council' approach can lead to improved outcomes and better delivery. Building on this positive experience of working cross-Council and using opportunities to innovate can be used as a model in other areas by DMBC.

DMBC's communications priorities are agreed for 2023/24. There are a range of established mechanisms in place for external communications including social media channels with a wide reach - more than 120,000 people each week on Facebook and Twitter - and the Your Borough Your Home magazine delivered to residents. Communications are key for the Council being able to connect with communities and to ensure staff know what the ambitions are for the area. With around 5,800 staff (excluding schools) this also represents important connections into the local community to support Council messaging. Ensuring priorities continue to be communicated clearly using a host of mechanisms will be important to connect people with the ambitions for the place.

In common with many other councils there are workforce challenges at DMBC. The Council is responding to these and has done some positive work in putting in place the People Strategy and Values and Behaviours Framework. Important to this is to make DMBC an employer of choice. The peer team heard that there is a perception of a high turn-over of staff in certain operational areas which would result in the loss of organisational knowledge. This risk needs to be recognised as the loss of organisational knowledge is a crucial factor in the delivery of future plans. DMBC's plans are a means of addressing this and sharing knowledge and skills across the




organisation. The five priorities of the People Strategy are:

- Attract, recognise, and retain talent
- Develop a high performing workforce
- Deliver inspirational and effective leadership
- Build a diverse, engaged, including and healthy workforce
- Foster a thriving learning culture which embraces change

It is now important to drive this forward so all staff are able to connect with this. The Council has moved forward with a range of activity including: apprenticeships - with 988 levy funded apprenticeship programmes started by staff including School and also the transfer of levy to support local businesses with 30 companies within Dudley Borough and 136 apprentices benefitting to March 2022; an in-house Leadership Development Programme for existing and aspiring managers; and the bespoke 'Dudley Manager' programme to be rolled-out from November. The peer team agree that all staff and Managers including the SEB need this support to develop, and will then be better placed to deliver on the Council's ambitions and respond to challenges.

However, the peer team does recognise a need for DMBC to review and refocus the organisational capacity and structures for the delivery of its priorities. Not through adding capacity through investment in the MTFs, but using resources in a way which maximises the existing talented staff in a different way. In particular, the peer team consider there is an opportunity at the senior level to review the function and effectiveness of the SEB to provide transparent leadership and effective decision making and refocus their efforts and energy to deliver outcomes. Equally, there appears to be little evidence that DMBC's transformation matches the scale of change needed to deliver financial sustainability and improve outcomes over the longer term, or that activities currently being considered as transformation are funded. This is important for the Council to address its future financial sustainability



and improve outcomes. The peer team's assessment is that there is management capacity in place for this but it does need to be more focused.


### **4.3 Governance and culture**

A consistent theme raised through the CPC were issues related to the organisational culture at DMBC. There are some pockets of good Member and officer working but overall organisational culture and the Member/Member and Member/officer relationships are strained and demonstrate a lack of understanding and respect for the roles. The peer team advise the Council to act and to pay significant attention to this to reset them to form consistent and positive working relationships, setting out the roles and responsibilities, as quickly as possible. This is particularly important for effective and efficient Member and officer working and to develop a more fully understood appreciation of the complementary nature of the roles. Investing time in these relationships and developing a more respectful and positive culture between Members and officers will lead to visible improvements around decision making and developing policy. DMBC will want to take some time to focus on what are the barriers, and behaviours for this and how to reset these relationships. The Member/officer charter developed by DMBC following the 2017 CPC is a useful starting place for revisiting this.

This should also include a focus and respect for the importance of the Standards regime and how it is regarded by all Members and officers. An effective Standards process is crucial for ensuring the culture improves. There should be consistency in responding to complaints and signposting to other routes where it is not part of the standards framework - this will make sure that Members of all parties feel appropriately listened to and supported.

The Council has governance frameworks in place but they are not all being utilised






and followed. Good governance at DMBC includes the reporting structure in terms of reports to Cabinet/Council, appropriate Audit Committee arrangements, Constitutional and policy arrangements, as well as the compliance with legal requirements, and the external auditors also reach this conclusion. Significantly, the external auditors' report does highlight some incidences where there is evidence of governance failings – including the revisitation of the budget earlier this year, the Social Housing Regulator's findings and attendance at the MIPIM event. The Housing issues and the MIPIM attendance have occurred as a result of a failure to follow the governance arrangements that are in place and understanding what went wrong here is important. A significant factor to this is the organisational culture which is undermining good governance at DMBC, with instances of ignoring formal approvals, and this needs to be addressed.

The peer team also heard that the role, purpose and function of Informal Cabinet in the decision-making process is currently unclear. It should be clear if the item is to note or for onward decision-making and it is important that decisions reflect all points of involvement throughout the Council for tracking this through and providing transparency. With some quick work this can be addressed and made clearer.

Council teams are working hard but there is a lack of focus in some areas of the organisation and the entrenched silo working was highlighted to peers consistently by the staff which they met with. Despite this, it was clear in some parts of the organisation that officers are working together and 'place' colleagues particularly commented about positive collaboration, but this appears to be ad-hoc rather than an expected norm driven at the top of the Council.

There are opportunities for improving the development and support offer for Councillors in their roles. Whilst there is training, development and support for Members this is primarily focused on the statutory offer of keeping the Council legal and compliant through planning, licensing and audit. There needs to be a focus beyond the statutory offer and if some of this support could be delivered in-house, there might also be potential to improve relations between Members and officers.






Councillors should also prioritise attendance, and this should be led by the group leaders of all political groups. This will be important following the all-out elections in 2024.

The peer team felt that it was difficult to see how the Council Plan connects to all levels of the organisation. There is a need to develop a 'golden thread' throughout DMBC to ensure the vision in the Council Plan is reflected consistently in the service strategies and team plans - ensuring staff across the organisation understand how they and their teams contribute towards achieving them. There is an opportunity to also ensure these strategies and plans are more reflective of the risks to delivery and mitigations to overcome, or respond to, those risks.

There was evidence of inconsistency in responding to Member enquiries. Areas particularly cited to the team included Greencare, Housing and Anti-social Behaviour - and given the wider concerns around Housing, this approach is unlikely to provide assurance that improvements are underway. Officers should consistently respect the role of all Members (whether in the administration or not) and ensure they are provided with information in a timely fashion. Equally, Members should ensure they follow the appropriate processes for raising enquiries at all times. The peer team consider that this will help to streamline and manage some of the frustrations which Members and officers spoke about and will also help to positively address some of the cultural issues identified.

In addition to the issues in responding to Member Enquiries the peer team also heard about inconsistent standards around response times to contacts and queries from the public and partners. Corporate standards, including those around expected response times to contacts and queries, are lacking and DMBC needs agreed clear expectations and a structured approach to this – so no matter where, or how, someone contacts the Council, what they can expect will be consistent. DMBC may want to consider strengthening the complaints process and team as currently this is not operating in a planned way by the leadership of the organisation, rather officers appear to be driving this forward responding to the vacuum felt by the absence of



arrangements. This is important in meeting DMBC's ambitions around clear and transparent contact and engagement with its residents.


DMBC should keep its Scrutiny arrangements under close review and reassure itself that they are fit for purpose. This should ensure that the structure is sustainable and aligned with available resources. There has been some good work but a focus on pre-decision scrutiny should be supported by a well-articulated work programme agreed at the start of each municipal year and created through a period of consultation with officers, Members and partners to make sure it is relevant and adds value to the organisation. It is also important that DMBC Directors attend Committees relevant to their areas of work.

The peer team heard about good relations and open communications between the Council and trade unions. Engagement was regular and positive with unions able to access relevant officers and raise concerns openly and appropriately. The peer team would encourage the Council to maintain these good working relationships.

#### **4.4 Financial planning and management**

The financial sustainability of the Council requires urgent attention as there are serious concerns about balancing the budget this year, and also setting future budgets. The narrative around service demand pressures is common across the local government sector, has been true for some time. However, DMBC is also challenged due to low reserves and it is time for DMBC to take urgent action to address budget gaps and the savings required. The financial position has been clearly outlined to the Council's leadership and this needs to be heard by everybody as its number one priority.


The external auditor Grant Thornton is considering issuing statutory recommendations due to significant weaknesses in the Council's financial



sustainability, governance and economy, efficiency and effectiveness (Housing compliance). The implications of statutory recommendations is such that they are akin to those required for a section 114 report, specifically the Council has to consider these and develop an action plan to address them, and if this action plan is deemed inadequate then DMBC risks this being taken out of its control. The peer team underlines that this is a significant risk to the Council and therefore its sustainability.

There have been financial challenges at the Council for some time but the peer team have not seen evidence that the skills and capacity required to recover the Council's financial position exist within DMBC. This is not about the competency of the finance team or understanding of the financial position but the grip and the action which the Council overall takes to address this. For instance, in 2022/23 the Council set a balanced budget of £287M, which included a planned savings package of £1.9M and a planned contribution to reserves of £2.2M - the draft budget outturn for 2022/23 showed an overspend of £7.9M, with key variances including Children's Services (increases in placement costs of £4M) and Council-wide fuel and utility costs (£2.1M). The Council's previous record on delivering savings is not strong and in 2021/22 DMBC agreed £5.4M in savings and delivered 79%, and for 2022/23 the Council planned to deliver £1.9M of savings and it delivered 46% of this. The current MTFs is based upon savings being identified and delivered of £7.8M in 2023/24, £11.8M in 2024/25 and £16.3M in 2025/26 – which will be significantly challenging based upon the Council's past performance on delivering efficiencies. Given the continued elevated inflationary environment, these savings requirements are likely to grow. DMBC should therefore consider bringing in expertise which has experience of dealing with an organisation which is in financial distress – as this will be a different set of actions required than dealing with business as usual activity.

There are significant pressures facing the Council in-year now. At the time of this review, and assessing the social care and utility cost pressures and shortfalls in commercial income, will mean a potential use of reserves of between £10M and £15M in 2023/24. The Council needs to now put in place an urgent in-year remedial




plan for the financial position to recover this. In doing this the Council will want to explore any immediate actions it can take to address the financial position, and this may include staff recruit freezes, the use of assets and focusing the organisational effort in the places of biggest impact. More longer-term organisational transformation is needed and is an important factor but DMBC will need to focus on the activity which will immediately start to address the financial position in the coming weeks and months.

DMBC recognises that it has a low level of reserves when compared to other Metropolitan Borough Councils. At present, financial forecasts indicate there could be just £3M in the General Fund balance by the end of next financial year, however this position remains under critical pressure. An increased collective ownership of the General Fund financial position is needed.

There is a need to now review the affordability of the Council's regeneration ambitions and the associated cash flows of investment and benefits through the development of the Economic and Regeneration Strategy. The peer team's view is there is a lot of activity ongoing and the link to the MTFS will be crucial. Ambitions need to be clearly understood in terms of the costed cashflows associated when DMBC is making spend before receiving the benefits at a later date. The implementation of increased rigour in business case development is needed for this, considering how to address optimism bias, options appraisal and appropriate decision-making processes. This will help with understanding the cash flow issues and if the projects are truly affordable in the short term.

The viability of the Housing Revenue Account (HRA) and Special Educational Needs and Disability (SEND) budgets are an equal priority to the General Fund budget and are at a critical state. The impact of the self-referral to the RoSH has highlighted the need for a recovery plan - which is being developed – and estimated at around £187M, and the SEND budget has a Dedicated Schools Grant (DSG) deficit of £22.1M, as at March 2023. There is currently a lot of debate within the sector on the viability of 30 year HRA business plans and if this should trigger a Section 114 report




if it is clear over the lifetime that this is unsustainable. Therefore, an urgent, credible and costed recovery plan should be produced which demonstrates sufficient evidence to support the avoidance of the implementation of Section 114 measures.

The Finance Team are well respected in the organisation and the knowledge and experience of strategic financial leadership of senior finance staff, including the s151 Officer will be important for meeting the current challenges. The Council will want to consider how to best ensure that all officers and Members have the skills and knowledge to play their part successfully. For instance, this may include additional specific development activity for staff and managers as part of the planned programme and opportunities to strengthen the financial governance skills of all Members to ensure DMBC can achieve financial sustainability.

There is evidence of good work within the Internal Audit Team but there is an urgent need to ensure this is acted on to improve the internal control and assurance environment. DMBC needs visibility on and a strengthened approach to responding to Internal Audit and increasing the profile of risk and the importance of delivery of audit recommendations, ensuring assurance levels are increased. Currently, more than half of the internal audit reports have either minimal or limited assurance – meaning in more than 60% of cases the view is that there is minimal or limited assurance that objectives will be achieved. Some of the consequences of the risks impact the sustainability, outcomes and safety of the organisation. There is also no independent member on the Audit and Standards Committee, and in light of this DMBC should review this position. The Council may wish to evaluate the operation of its Audit Committee against the CIPFA Position Statement on audit committees 2022.

### **The Commercial Approach**

DMBC asked that the peer team provided some specific feedback on its commercial offer and review its approach, progress to date and strategic direction. This follows on from the previous CPC in 2020 which made a recommendation to develop and




communicate a clear understanding of commercialisation through the development of a Commercial Strategy.

The peer team found that DMBC has invested in this approach. A Commercial Strategy has been developed and there is a positive perception of the Commercial Team from those we spoke to – with strong and embedded relationships between the Council's traded services and the Team. The Team is working well and they are well regarded and clearly having an impact on the services which they are engaging with. There is also a good understanding of the current trading position, with evidence of some data-led decision making and a recognition of the benefits of social value which is now underpinned by a clear policy. There is also a clearer strategy with respect to procurement, which will require sustained attention corporately to ensure consistency.

DMBC's commercial activity has been focused on stabilising and improving the offer of traded services but there is a recognition that traded services income is actually declining. DMBC is therefore currently focusing its attention on a series of services which are on a downward trajectory. With this in mind the peer team recommend that the Council considers how alternative delivery models might be used to reduce risk and increase income. There is some move towards this with the Joint Venture Connect2Dudley, but other potential income producing services such as Leisure remain as in-house models which could be reviewed. At this point the Council's commercial strategy and financial income is insufficient to address the immediate and significant financial challenge it is facing.

However, this is not to say that the commercial approach and mindset DMBC is cultivating is not extremely valuable for the Council and should not be built upon. The peer team would recommend that DMBC considers amending its definition of commercial activity to include internal operational efficiencies and embed the commercial culture wider within the organisation. For example, this might build on the work already done with the Finance Team to: positively impact the 'one council' approach to commercial decision-making; capturing important service level data;



stress test budgets; setting sustainable financial targets with regular reporting; and tightening up the approach for developing more robust business cases as mentioned previously. In this way the skills of the Commercial Team can play a valuable and important role in supporting an improved grip on the organisation.


#### **4.5 Capacity for improvement**

Council Members and staff are committed and loyal to the Council and want to deliver good outcomes for the communities of Dudley. The peer team recognised this in staff across the service areas and officers spoke with experience, passion and knowledge. Residents were also passionate about the area and keen to see the Council play an active role in driving forward the future of the Borough, in a way which continues to support them when needed and has a clear vision for improving lives for everyone. Internal and external support like this places the Council on a strong footing for the future.

DMBC has already evidenced recent improvements in particular areas of Council business. For instance, there have been particularly important strides in: Children's Services improvements; strengthening of the approach to supporting the workforce in the development programme; and through its ongoing approach to EDI where it has positively built on the findings of the brap (equalities charity) report commissioned into the allegations of 'evidence of institutionalised and systemic racism over years in the Council' raised by unions. The Council has responded to this through its programme of activity around EDI. These improvements can be built on and also provide confidence in DMBC's ability to meet challenges.

However, there are other recent and emerging challenges. For example, the improvements needed following the self-referral to the Housing Regulator recognise that this will add additional pressures to the strained financial position. Additionally, the voice of children and families and priority of outcomes needs to be more prominent - the Council will not want to backslide on any of the progress it has made





here. These issues need to be owned corporately and requires a whole Council approach to meet the ongoing demands.


To remain sighted on internal workforce challenges the Workforce Dashboard is monitored quarterly by directorates and the SEB with actions agreed. The dashboard is a good health check for how staff are feeling and also how they are working together. Additionally, as part of DMBC's approach to performance management it might be helpful to draw together a broader suite of internal Corporate Health indicators to monitor how well and efficient the Council is working. This will help management and leadership understand how the organisation is running and its efficiency.

There is some ongoing work which the Council recognises is important to finalise. This includes DMBC finalising the Estates Strategy with consideration for any estate rationalisation opportunities – this remains an outstanding message from the 2020 CPC. This is especially important now given the financial context of the organisation and the peer team recommend that the Council finalises this and it makes clear its contribution. This also needs to be linked to the development of a clear Economic and Regeneration Strategy by integrating the ambitious regeneration plans with an inclusive growth strategy and the adoption of a Local Plan, to underpin financial sustainability. This is not just about the buildings but the important role this has to play in supporting communities and the role they play in this growth trajectory.

The peer team observed that there may be some internal structural arrangements which would support the Council as part of its improvement journey. For instance, there is a lack of a central strategy team to support the direction and governance for the Council and with the current challenges highlighted DMBC should consider the value of creating space for this within the organisation.

The Council should consider the digital programme and potential exclusion in the move to digital transactions in MyDudley. This has the potential to be a powerful tool





for DMBC and it is positive that the Council is embracing this as part of its improvement programme and future model. However, the peer team would recommend DMBC continues to keep in mind the needs of those who are unable to access the digital channels and that adequate routes to engage with the Council remain open.

The forthcoming period is likely to be difficult for the Council and will require it to make some challenging decisions, and act with pace and determination. In doing this the peer team recommend that DMBC looks outwardly for support from across the sector. The LGA is well placed to help with this and to coordinate an offer of challenge and support to the Council.

## 5. Next steps

It is recognised that senior political and managerial leadership will want to consider, discuss and reflect on these findings.

Both the peer team and LGA are keen to build on the relationships formed through the peer challenge. The CPC process includes a progress review within twelve months of the CPC, which provides space for the Council's senior leadership to update peers on its progress against the recommendations from this report.

In the meantime, Helen Murray, Principal Adviser for the West Midlands, is the main contact between your authority and the Local Government Association. Helen is available to discuss any further support the council requires via [helen.murray@local.gov.uk](mailto:helen.murray@local.gov.uk).

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## **Meeting of the Cabinet – 13<sup>th</sup> December 2023**

### **Report of the Chief Executive**

### **Independent Improvement and Assurance Board (IAB)**

#### **Purpose of report**

1. To provide Cabinet with an overview of the newly established Improvement and Assurance Board to address the recommendations from the LGA Peer Review feedback, Annual Auditors report and financial challenges facing the Council.

#### **Recommendations**

2. It is recommended that:
  - Members acknowledge the contents of the report and support the Council in establishing an Improvement and Assurance Board

#### **Background**

3. The Council took part in a Corporate Peer Challenge (CPC), organised by the Local Government Association (LGA) from 19<sup>th</sup> to 22<sup>nd</sup> September 2023.

The feedback report made a number of observations and suggestions and also made some key recommendations to the Council around finance, governance, capacity, culture and vision.

In addition to this, the Annual Auditors report has highlighted concerns in our financial sustainability, governance and decision making.

4. The Council accepts the feedback in these reports and in response the Chief Executive, in consultation with the LGA, has set up a voluntary Improvement & Assurance Board to drive the immediate improvements that are now needed across the Council.

This will enable the Council to take swift and concerted action to resolve the financial, governance and cultural issues that the peer challenge highlighted and provide elected members with assurance about remedial action on the financial position, and ensure the Council delivers on its best value duties.

5. The Membership of the Improvement and Assurance Board is chaired by Tony Oakman, who brings his years of experience in local government to the position, including his time as a strategic director and deputy chief executive at Dudley a few years ago.

The rest of the board comprises the following:

- Councillor Patrick Harley, leader of the council
- Councillor Paul Bradley, deputy leader of the council
- Councillor Pete Lowe, leader of the opposition
- Councillor Judy Foster, deputy leader of the opposition
- Kevin O’Keefe, chief executive
- Balvinder Heran, deputy chief executive
- Iain Newman, section 151 officer
- Paul Clarke, director of finance at London borough of Islington. Paul will advise on financial resilience
- Jessica Crowe, director of culture, strategy and engagement at Haringey Council. Jessica will guide the board on improving governance and culture within the organisation
- Helen Murray, Local Government Association regional improvement lead
- Former councillor Peter Flemming, Local Government Association peer (con)
- Councillor Helen Holland (Local Government Association peer (lab))

The board will meet on a monthly basis and convened for the first time in November 2023 and will be reviewed in July 2024.

6. A Council Improvement and Sustainability Programme is being developed to progress the recommendations from the peer review.

An Internal Delivery Group has been formed that will provide assurance that improvement activity across the Council is being effectively managed and will also review exemptions to spending controls.

## **Finance**

7. The costs of the external chair of the Independent Improvement & Assurance Board will be met by Dudley MBC through the Chief Executives Strategic Contingency Fund from November 2023 to March 2024. The anticipated cost is around £1.8k per month.

Any costs from April 2024 will form part of the Medium-Term Financial Strategy.

The cost of the Financial Resilience and Governance independent officers will be met by their home local authorities as part of the sector led improvement principle. Any costs related to the elected member peers will be met by the LGA.

## **Law**

8. The Improvement & Assurance Board will work closely with the existing Committees and Forums of the Council. The relationship between the Improvement and Assurance Board and these Committees will not be reflected in the Council's constitution, instead, the Improvement & Assurance Board will oversee, challenge the existing constituted forums of the Council.

Section 112 Local Government Act 1972 provides that a Local Authority can appoint such officers as it thinks necessary for the proper discharge of its functions subject to Section 41 of the Localism Act 2011.

## **Risk Management**

9. The financial, governance and cultural issues are recognised and the establishment of both the Improvement Delivery Group and Improvement & Assurance Board will help to mitigate these issues with clear and transparent remedial actions.

## **Equality Impact**

10. There are no immediate equality impacts however there may be longer term impacts when the actions to address the financial sustainability and culture of the Council take place. At this point an assessment of the equality impact will be undertaken where necessary

## **Human Resources/Organisational Development**

11. There are no immediate HR/OD impacts however there may be longer term impacts when the actions to address the culture and also the financial sustainability of the Council take place and the spend controls are implemented.

## **Commercial/Procurement**

12. There are no immediate Commercial and/or Procurement impacts however there may be longer term impacts when the actions to address culture and also the financial sustainability of the Council take place.

## **Environment/Climate Change**

13. There are no environment or climate change impacts for this decision.

## **Council Priorities and Projects**

14. The financial sustainability of the Council is one of the core foundations of the Future Council Programme and Council Plan 2023-25. Our People Strategy focuses on developing a culture, systems, processes and ways of working that will ensure our workforce is placed to deliver Council priorities.



**Kevin O'Keefe**  
**Chief Executive**

Report Author: Ajaib S. Paul  
Telephone: 01384 814410  
Email: [ajaib.paul@dudley.gov.uk](mailto:ajaib.paul@dudley.gov.uk)

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**Meeting of the Cabinet – 13<sup>th</sup> December, 2023**

**Report of the Director of Regeneration and Enterprise**

**‘Long Term Plan for Towns’ – The Town of Dudley**

**Purpose of report**

1. The purpose of this report is to update Cabinet on the ‘Long Term Plan for Towns’ Initiative, a £1.1bn programme announced by the Department for Levelling Up, Housing and Communities (DLHUC) in early October. The town of Dudley is one of 55 locations identified to benefit from a £20m endowment investment over a ten-year period. The purpose of this report is to provide information on the initiative, the implementation process, funding and timescales, and to set out the proposed next steps, for approval.

**Recommendations**

2. It is recommended that:
  - Cabinet notes the details of the initiative and the proposed next steps.
  - Cabinet endorses the Director of Regeneration and Enterprise, in consultation with the Cabinet Member, to progress the implementation of the initiative as set out in the ‘next steps’ that do not require additional funding in advance of the receipt of capacity funding and Cabinet notes the ‘finance’ sections in this paper and the impact on the programme of the need to pause elements until said capacity funding is received.

## Background

3. Government announced the 'Long Term Plan for Towns' (LTPfT) initiative in early October, together with the 55 towns that will each benefit from a £20m investment over the 10-year period of the programme. The town of Dudley was one of the locations identified.
4. A guidance note has been produced by DLUHC, which set outs the key principles of the initiative, the key themes that towns will need to focus on, the governance and delivery mechanism, funding and proposed timescales. These are summarised below.

### Key principles

5. The LTPfT guidance sets out that DLUHC is drawing on its experience in delivering the Levelling Up Fund, the Towns Fund and Levelling Up Partnerships, together with feedback from local authorities and delivery partners. The initiative requires local people and their priorities to be at the centre of the process, supported by long-term flexible funding. The key principles include:
  - Longer term funding certainty – capital and revenue resources to be available over a ten-year period.
  - Building local partnerships – through the creation of a new **Town Board**, bringing together community leaders, employers, the local authority and the local MP, to develop a shared vision and oversee funding and delivery.
  - Having a clear plan for delivery – the preparation of a **Long Term Plan** for the town, setting out the vision and priorities, aligned to the three key themes (see below), articulating how existing assets and powers will be used to support the priorities, and how it will lever in additional funding.
  - Joint working between central and local government – LTPfT will ensure that towns benefit from the full support of central government, via the creation of a new Towns Taskforce that will report to the Prime Minister and Secretary of State for Levelling Up. The current 'High Streets Taskforce' will also be expanded by Government, to enable Town Boards to draw on specialist expertise as required.
  - Involving local people from the outset – in addition to the Town Board, which will require representation from the community, such as faith groups, local charities, neighbourhood forum, CVS, NHS. Police, arts,

heritage and sporting organisations; the preparation of the Long Term Plan will need to include a process of community engagement, to be maintained throughout the initiative. Engagement is required to help Boards define the key issues to tackle, identify strengths and weaknesses within the community and test potential projects.

### Key themes

6. The guidance states that Government will provide significant flexibility for a range of improvements, driven by the needs and wishes of the local community, to be made under three broad investment themes:

#### **Safety and Security**

The theme seeks to address the issues that prevent people visiting, and businesses from setting up in, town centres – crime and anti-social behaviour. Alongside the funding available through the Anti-Social Behaviour (ASB) Action Plan, the LTPfT guidance considers that new and improved security infrastructure – such as CCTV, street lighting, hotspot policing and wardens, as well as diversionary activity, could be measures included in the Long Term Plan.

#### **High Streets, Heritage and Regeneration**

Improving the physical fabric of town centres, to make them more attractive to residents, businesses, leisure activities, and to help retain skilled and younger people, is a key focus for the Long Term Plan. The guidance suggests measures such as converting vacant retail facilities into living space, preserving and improving heritage buildings, creating and maintaining parks and green spaces; alongside revenue programmes to maintain cleanliness, run market events, establishing Business Improvement Districts and supporting community skills development, could be appropriate.

#### **Transport and Connectivity**

Making towns more connected – to increase footfall and therefore viability, and to support access to employment – is considered critical if towns are to thrive into the future. Offering sustainable transport options, linking different parts of the town with new infrastructure, providing safe ways to walk or cycle into and around the town centre, alongside ensuring that public transport options are viable and attractive – are potential measures to be considered in preparing the Long Term Plan.



In addition to the three key themes summarised above, Government consider there are many **existing powers** that Town Boards can access to support the delivery of priorities. These include Compulsory Purchase, Public Space Protection Orders, High Street Rental Auctions, and Assets of Community Value – amongst others. A Town Board will be required to set out in its Long Term Plan how its members will use their existing powers to support the priorities, and, to support this, Government will develop a ‘toolkit’ of powers and consider where local authorities could be granted more flexibility in the use of such powers.

### Governance

7. The **Town Board** will be the focus for leading and delivering the LTPfT initiative. Towns will need to create one, and local people/community engagement will need to be at the heart of its work. The guidance identifies several key roles for the Town Board:
  - To be chaired by a business person or a local community leader.
  - Work with the local authority to develop the Long Term Plan.
  - Identify the issues and priorities for the Long Term Plan, including supporting a process of community engagement.
  - Identify opportunities for Board members to use their specific powers.
  - Identify opportunities to bring in additional private or philanthropic investment to support delivery.
  - Oversee the delivery of investments set out in the Long Term Plan.
8. Boards can establish sub-Boards to focus on particular investment themes or issues.
9. LTPfT delivery will be supported by the local authority, which will be the accountable body with responsibility for financial management via the Section 151 officer.

### Funding and Timescales

10. The **£20m endowment funding** comprises 75% (£15m capital) and 25% (£5m revenue). Further details are required from DLUHC on how the endowment process will work in practice and the financial implications for the Council, as accountable body. Capacity funding will be provided in 2024/25 to support stakeholders in running the Town Board and development of the Long Term Plan, including community engagement. Detail is awaited on whether local authorities can recover expenditure incurred in 23/24 to commence the above, and whether that funding is part of the £20m or additional to that.

11. Capacity funding will be made available by DLUHC when the Town Board structure is in place – with the Long Term Plan needing to be in place no later than Summer 2024.
12. From Summer 2024, and when the Long Term Plan is in place, Town Boards will be in a position to draw down the first year of support to deliver the priorities.

### Next steps

13. LTPfT is a 10-year programme from 24/25, but there are several key elements that the Council should be progressing prior to the start of 24/25. These can be summarised as:
  - Engagement with DLUHC – recent correspondence from the Cities & Local Growth Unit indicates that government is in the process of developing further guidance that will include advice on developing the Town Board, as well as further detail on funding. When this is received, the Director of Regeneration & Enterprise requires endorsement to engage with DLUHC and the proposed Towns Taskforce on the implementation of the initiative.

### *Creation of the Town Board*

- Engagement with the Dudley North MP – an initial discussion has been held with the MP, to discuss the initiative and the information available at this stage. The guidance identifies that the local MP should be represented on the Town Board and the Director of Regeneration & Enterprise requires endorsement to continue to engage with the MP on the composition of the Town Board.
  - Discussions with key groups and individuals – the key groups to be represented on the Board are set above and detailed in the guidance. The Director of Regeneration & Enterprise requires endorsement to engage with the key groups and individuals in Dudley town centre, including those on the current Dudley Town Board, to refresh and re-purpose the existing Dudley Town Board to comply with the LTPfT guidance and DLUHC requirements. This will need to include the identification of a Chair.
14. This work should commence now, to agree a new Dudley Town Board in advance of 24/25 (ideally by early 2024), so that Dudley is able to draw down the DLUHC capacity funding in early 24/25.

## 15. Preparation of the Long Term Plan

- The guidance states that the Long Term Plan should be in place by Summer 2024. To achieve that date, work should commence in late 2023 alongside the creation of the Town Board and in discussion with emerging Board members. The Plan and the investment strategy for the use of the endowment funding will take some while to prepare and agree – and if the Council wish to be in a position to drawdown resources for the first year from Summer 2024, then this work should commence as soon as possible.
- The Director of Regeneration & Enterprise requires endorsement to commence the preparation of the Long Term Plan from November 2023, including the planning of community engagement events, in conjunction with key stakeholders and emerging Board members. Membership of the final Board and agreement to the Plan will be subject to Cabinet approval.

## **Finance**

16. This report is highlighting that the Council has been successful in securing the £20m of LTPfT endowment funding, the capital/revenue split of that resource and the responsibility the Council will have as accountable body via the Section 151 Officer. It is a 10-year funding programme and the Long-Term Plan will set out the proposed investment strategy and the draw down of resources. This investment strategy will need to be prepared in full consultation with the DMBC Finance Team and the Section 151 Officer.
17. Capacity Funding will be provided in 24/25 by DLUHC to support the work of the Board and the preparation of the Long Term Plan, but at this stage the Council does not know the scale or timing of that capacity funding, or if it is additional to the £20m.
18. If the deadlines set out in the guidance are to be achieved and drawdown of core funding can commence from Summer 2024, work would need to commence on the creation of the Board and the preparation of the Long Term Plan in advance of the Capacity Funding being available. Such activities include:
  - Planning and delivering community engagements events linked to the identification of priorities and projects to be included in the Long Term Plan.
  - Supporting meetings of the emerging Town Board.
  - Professional support and specialist inputs required to prepare the Long Term Plan – including project coordination, economic modelling and cost benefits assessment, plans/designs and costings.

19. Given the spending controls agreed at Cabinet on 25<sup>th</sup> October 2023, the delivery of any planned community events and the engagement of professional support cannot be actioned until the capacity or full funds are available. The potential impact of this on the programme timetable is to be noted.
20. The estimated figure of capacity funding required to support the above (and other key activities that may emerge) in advance of capacity funding drawdown in 24/25 is circa £100,000.
21. The project will be delivered through the Regeneration and Enterprise Team supported by the Interim Regeneration Lead. Some projects may need to be paused/slowed to accommodate this work and any future expected Levelling Up Round 3 bids (announcement expected end of November 2023). The project activity will be reviewed following the Autumn statement for approval of a revised work programme, adjusted to fit capacity and priorities.

### **Law**

22. Section 111 of the Local Government Act 1972 provides the Council with power to do anything which is calculated to facilitate or is conducive or incidental to, the discharge of any of their functions. Pursuant to Section 1 of the Localism Act 2011 a local authority has a general power of competence to do anything that individuals generally may do.

### **Risk Management**

23. A risk register will be prepared to form part of the Long Term Plan and the Investment Strategy submitted to DLUHC for approval. This will set out the governance, financial, commercial, planning, procurement and other compliance risk that will need to be carefully managed throughout the initiative. A key risk at present is the lack of detail in respect of the term 'endowment' and how the draw down of the £20m funding will work in practice.

### **Equality Impact**

24. The Council's Equality and Diversity policies will be applied throughout the preparation and delivery of the LTPfT initiative, including the identification of any specific equality impacts. Where required equality impact assessments/statements will be prepared, for example in relation to the composition of the Town Board, public engagement and the projects in the Long Term Plan.

## **Human Resources/Organisational Development**

25. It is anticipated that some HR resources will be required to contribute to the preparation and delivery of the LTPfT initiative. When the details of what is required is fully known, the appropriate approvals will be sought and required HR processes followed with regards to this.

## **Commercial/Procurement**

26. Any contracts or commercial agreements needed to deliver the prescribed outcomes will be let in accordance with Contract Standing Orders.

## **Environment/Climate Change**

27. Sustainability and environmental protection will be a key consideration in the preparation of the Long Term Plan and the priorities within it. The guidance highlights the need for sustainable transport measures and to increase accessibility via walking and cycling; to preserve and re-use historic buildings; and to create parks and gardens in town centres - so there is an implicit need for the Long Term Plan to consider the environment.

## **Council Priorities and Projects**

28. Facilitating the economic and social regeneration of the Borough is a key priority of the Council. The LTPfT initiative will help the Council to deliver against this key priority and also Public Health and Wellbeing, Public Transport Connectivity, and Asset and Property Management. It will support these priorities through delivering town centre regeneration, in accordance with the three priority themes set out above.



### **Director of Regeneration and Enterprise**

Report Author: Mark Reynolds  
Telephone: 07946 382107  
Email: [mark.reynolds@dudley.gov.uk](mailto:mark.reynolds@dudley.gov.uk)

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**Meeting of the Cabinet - 13<sup>th</sup> December, 2023**

**Report of the Director of Regeneration and Enterprise**

**Stalled and Derelict Sites Programme**

**Purpose of report**

1. To seek approval for work to start on the preparatory stages required to use compulsory purchase order powers in relation to the Stalled and Derelict Sites programme, to promote the re-use of vacant and derelict land and property across the borough.
2. By bringing back into use vacant stalled and derelict sites the Council will improve the supply side of land and property to deliver new homes on brownfield land, protect the green belt and support the availability of affordable and mixed tenure homes. In turn this will make a positive impact on the economic, social health and wellbeing outcomes for Dudley residents.

**Recommendations**

3. It is recommended:-
  - That the Council confirms it is minded in principle to seek approval from the Secretary of State to use its Compulsory Purchase Order (CPO) Powers on sites within the borough that are detailed within the Stalled and Derelict Sites (S&DS) programme.
  - That the Director of Regeneration and Enterprise be authorised to undertake and commission the necessary detailed work to establish the case for a CPO, meeting the statutory tests and funding requirements for individual sites within the Stalled and Derelict Sites programme and will be subject to any internal spending control processes being in place.

## **Background**

4. The Council began developing a programme called Stalled and Derelict sites in late 2020. Since then the programme has delivered some initial successes. However, there remain a number of sites within the programme that now require a further intervention if we are to maintain momentum and see activity on the ground.
5. Whilst the Council has existing powers within various divisions of the council, bringing these to bear is in some instances insufficient to encourage some land and property owners to make steps towards development or discernible progress on their own.
6. Regeneration sites of all land use types that lie within the 2km corridor influenced by the Metro Line already benefit from a decision made by Cabinet to consider using CPO powers to bring forward development.
7. This report seeks to promote regeneration using CPO powers in areas of the borough beyond the Metro 2km corridor zone.
8. The S&DS programme has been developed in consultation with:
  - Ward councilors, via their ward walks with Chief Executive and include any representations made by members of the public within that exercise covering sites from across the borough.
  - A cross directorate officer working group representing Planning, Housing, Environmental Health & Trading Standards, Corporate Landlord, Projects and Placemaking and Economic Growth & Skills.
9. The Council already has a range of powers available to it, and these alternative options should be fully considered and where appropriate, implemented, before turning to use Compulsory Purchase as CPO is always the power of last resort.
10. This report is therefore seeking approval to undertake and commission the necessary detailed work to establish the case for a CPO on sites within the stalled and derelict sites programme, which is now established as a rolling programme of activity.
11. This detailed work will only commence when the full range of powers available to the council have been exhausted and will need to reflect the statutory tests and funding requirements for individual sites.

12. The work detailed will therefore likely include:

- Serving of statutory requisition for information.
- Instruction of a refencing agent (if required) to prepare plans and property schedule.
- Access the subject land (using statutory powers where necessary) for the purposes of carrying out such surveys as required connected to the exercise of CPO powers.
- Prepare a draft statement of reasons justifying the use of the CPO powers.

### **Finance**

13. The Stalled and Derelict sites programme has an existing total £1,000,000 budget.
14. The team have made 2 successful bids to Homes England and secured a total £125,000 revenue in 2022/23 & 2023/24 in support of the overall programme, with most recent award being for £70,000 to progress some of the work activity detailed on paragraph 12 above.
15. Any costs incurred for future CPO preparation works will be subject to any internal spending controls, will be in line with any previous budgets and external funding awarded and subject to the existing programme, project monitoring and reporting framework.

### **Law**

16. Section 226(1) of the TCPA 1990 grants a power to a local authority to acquire any land in its area, using sub clause (a) if it thinks the acquisition will facilitate the carrying out of development or redevelopment or improvement on or in relation to the land.
17. In order to make an acquisition under section 226(1)(a), the Council must also have regard to section 226(1A) which states that the Council must consider that the development, redevelopment or improvement will contribute to the promotion or improvement of the economic, social or environmental well-being of its area.
18. The Acquisition of Land Act 1981 governs the procedures which apply to an acquisition.
19. The Compulsory Purchase Act 1965 and the Compulsory Purchase (Vesting Declarations) Act 1981 govern post-confirmation procedures.



20. The Land Compensation Act 1961 governs the amount and assessment of any compensation due to the exercise of CPO powers once confirmed by the Secretary of State.
21. Section 111 of the Local Government Act 1972 provides the Council with power to do anything which is calculated to facilitate or is conducive or incidental to the discharge of any of its functions.
22. Section 1 of the Localism Act 2011 provides the Council with general power of competence to do anything that individuals may do.

### **Risk Management**

23. There are no foreseeable material risks resulting from the proposals.

### **Equality Impact**

24. There are no direct likely impacts of the proposals on people with protected characteristics (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation). The Council's Equality and Diversity policies will be applied throughout the delivery of the programme.
25. Should work advance to a stage where a site specifically requires a CPO, then an equality impact assessment will be made. The development of regeneration projects within the programme will progress with full regard to the requirement for equality impact assessment.
26. Research shows that children living in poor or overcrowded housing conditions are more likely to have respiratory problems, to be at increased risk of suffering with infections, have an increased likelihood of mental health problems and is linked to poorer educational outcomes. However, in surveys of families with a safe stable and affordable home, children experience fewer health problems, have improved school performance & report less psychological stress. Strong and secure homes contribute to strong and secure families, giving children a platform from which to improve their lives and thrive into adulthood.

### **Human Resources/Organisational Development**

27. Officers within Regeneration and Enterprise Division lead the Stalled and Derelict Programme, with support advice and work activity from colleagues across the council, whose skills knowledge can assist and use existing alternative statutory powers to advance the programme. External

expert advice, if required in pursuit of the steps outlined above, will be procured.

### **Commercial/Procurement**

28. The Homes England revenue funding has enabled the programme to utilise external surveying legal and architectural support. This has been procured following Standing Orders procedures. A works specification has been prepared and will go out via the Intend platform to seek competitive bids.
29. Any on site preparation investigation clearance demolition security type work will be overseen using internal resources and where necessary specialist external contractors will be procured via Intend.

### **Environment/Climate Change**

30. The proposal above does not have a direct impact on the environment, or the Climate Emergency. The S&DS programme itself in bringing forward land for affordable homes supports the Council and the Borough in working towards the UN Sustainability Development Goals

Goal 1 – No Poverty

Goal 3 – Good Health and Well Being

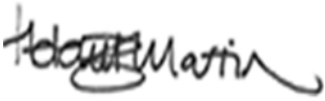
Goal 4 - Quality Education

Goal 11 Sustainable cities and communities

### **Council Priorities and Projects**

31. The Stalled and Derelict Sites programme contributes directly to the Council Plan priority for Dudley Borough to be the destination of choice by providing access to a range of housing offers that are affordable, accessible, and attractive, meeting the needs of our diverse communities and in maximising use of brownfield sites for residential developments ensuring the borough is the destination of choice.
32. A CPO must be underpinned with a scheme that can be justified in the use of the power of last resort, has access to funding and is capable of being delivered.
33. The S&DS programme in bringing forward land and sites for affordable homes supports the Council and the borough in working towards improving the impact in these policy areas:

- Public Health and Wellbeing
- Local housing needs
- Local deprivation and cost of living
- Asset and Property Management



**Helen Martin**  
**Director of Regeneration and Enterprise**

Report Author: Mary Cox / Paul Mountford  
Telephone: 01384 815345 / 01384 814186  
Email: [mary.cox@dudley.gov.uk](mailto:mary.cox@dudley.gov.uk)  
[paul.mountford@dudley.gov.uk](mailto:paul.mountford@dudley.gov.uk)

## **Appendices**

Appendix 1 Stalled & Derelict sites before and after images

## **List of Background Documents**

N/A

# Stalled & Derelict Sites

## Before and after photographs – Appendix 1

The following are all examples of sites that have / are in the process of being redeveloped as a result of intervention from the council's Stalled and Derelict Sites programme.

### 1. Market Street, Stourbridge.



32 Market Street, Stourbridge is the site of the former Page Arms Public House, and was the subject of informal enforcement action by the Local Planning Authority.

The site has now been successfully redeveloped for 19 residential units and is now fully occupied.

## 2. Former Commercial Inn, Pensnett.



The former Commercial Inn, Pensnett had been the subject of various planning applications and subsequent formal enforcement action through a Section 215 of The Town & Country Planning Act 1990.

The site is now nearing completion for 6-unit apartment scheme.



### 3. 122 to 128 Colley Gate, Halesowen.



122 to 128 Colley Gate is row of derelict shops that have remained vacant since circa 2015. The Council has now successfully acquired 122 to 126 Coley Gate which will facilitate a planned redevelopment of the site for residential use following approval of a planning application P22/0220 in May 2021 for 8 apartments.

#### 4. Enville Street, Stourbridge.



A council owned site which has remained a long-term vacant site. Stalled and Derelict Sites programmed assessed planning and development potential and achieved full planning approval subject to condition in March 22. Planning approved for 10 apartments split seven one-bed apartments and three-two bed apartments over three levels with 12 parking spaces.

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## **Meeting of the Cabinet – 13<sup>th</sup> December, 2023**

### **Report of the Director of Regeneration and Enterprise**

#### **Infrastructure Funding Statement 2022/23**

##### **Purpose of report**

1. To seek Cabinet approval for the Infrastructure Funding Statement 2022/23 and provide an update on available Community Infrastructure Levy (CIL) monies.

##### **Recommendations**

2. It is recommended that Cabinet:
  - Approve the Infrastructure Funding Statement 2022/23.
  - Note the available CIL monies and approve the approach to funds being carried forward.

##### **Background**

3. In September 2019 several Government reforms to Community Infrastructure Levy (CIL) came into effect. This included the introduction of an annual Infrastructure Funding Statement (IFS) placing a legal requirement on Local Authorities to have the document in place and published on their website by December 2020.
4. Dudley MBC introduced the first IFS in December 2020, which was approved by the Cabinet on 17<sup>th</sup> December 2020. This replaced the CIL Regulation 123 List, which identified key projects that were eligible to be funded or part funded via CIL. The IFS was further updated and approved by the Cabinet on 15<sup>th</sup> December 2021 and 14<sup>th</sup> December 2022.



5. The IFS is required to include as a minimum:
  - The Infrastructure List – the infrastructure projects or types of infrastructure which the Council intends will be, or may be, wholly or partly funded by CIL.
  - A S106 report setting out specific standard information on financial and non-financial income and spend details for the previous financial year (2022-2023) relating to S106 Agreements.
  - A CIL report setting out specific standard information on income and spend details for the previous financial year (2022-2023).
  - Details of highway works to be undertaken as part of new developments through section 278 agreements.
6. The IFS for Dudley MBC, as shown in Appendix One to this report, brings together a range of information relating to approved, received, allocated and spent S106 and CIL developer contributions and section 278 agreements for the 2022/23 financial year.
7. The IFS is a 'living' document and will be the subject of annual updates and monitoring.
8. Monies allocated to projects on the IFS account for 80% of total CIL receipts (Capital and Revenue Infrastructure Funding), with a further 10% taken from this and kept aside until it reaches approximately £1million. This will allow project holders to apply for funding for larger strategic infrastructure projects which currently have substantial funding gaps identified. This applies to all CIL receipts received from 1<sup>st</sup> January 2021 and will not be backdated or applied to receipts already with the Local Planning Authority. This was approved by the Cabinet on 17<sup>th</sup> December 2020.
9. It should be noted that inclusion of any type of infrastructure in the Infrastructure Funding Statement does not signify a commitment from the Council to deliver or fund, either in whole or in part, this type of infrastructure through CIL. The Infrastructure List as shown in the IFS has not ordered any project via preference or weighting of infrastructure.

## Infrastructure Funding Statement Process

10. For a project to be added to the Infrastructure List it will be required to satisfy the criteria as shown in the IFS (2022/23) background paper and Table 1 (below). Where a significant number of submissions are received, it may be necessary for the List to be amended to only include projects that enable significant infrastructure delivery to support the borough's growth agenda and support the strategic infrastructure requirements of the emerging Local Plan.
11. **Table 1: Criteria for Assessing Infrastructure Funding Statement Projects**

Criteria	Pass/Fail	Evidence
Is the project a Strategic Priority/Local Priority?		Strategic Boroughwide Priority – Local Plan/Corporate Plan Local Plan – Area Action Plan
Is the infrastructure project essential or significant in supporting new development in the Borough?		Is the project consistent with the Development Plan/Referenced in the Dudley Development Strategy or emerging Draft Local Plan?
Are there any constraints which will impact on the delivery of the infrastructure?		Projects that have no, major or moderate constraint will be considered for inclusion
Amount of CIL contribution sought		Details of the budget gap and confirmation no other capital funding source can be identified. Details of any S106 funds to be provided
Has the project identified match funding?		Has this been secured and details?
Timeline for delivery (start and end)		Detailed project plan or timeline demonstrating the project is feasible

12. A five-stage process was approved by the Cabinet in December 2020 as follows:
  1. Invite infrastructure project submissions
  2. Assessment of submitted projects for inclusion within the IFS
  3. Updated IFS presented to Cabinet for approval
  4. Assessment of projects within the IFS for CIL funding
  5. Proposed CIL allocations presented to Cabinet for approval.
13. Emails containing the notification letter were sent on 22<sup>nd</sup> August 2023 to all project holders that could be identified with projects on the existing IFS, requesting that they complete the submission form for the project to remain on the IFS (Appendix Two).
14. Emails containing the notification letter requesting new projects to be added to the IFS (Appendix Three) were sent on 22<sup>nd</sup> August 2023 to:
  - Councillors
  - those on the Dudley Local Plan consultation database
  - internal colleagues
  - duty to co-operate partners.
15. All recipients of the emails and letters were given until 3<sup>rd</sup> October 2023 to return their submission forms for either existing or new projects.
16. The Council was in receipt of submission forms from a total of four organisations/providers with a total of 9 projects put forward. This includes both new projects and requests that existing projects remain on the IFS. Each project has been detailed in the consultation statement (Appendix Four).
17. Officers from Planning Services ensured that a satisfactory level of information had been provided on each submission form and to ensure eligibility in line with CIL Regulations.
18. A summary of the projects received was sent to the Regeneration and Enterprise Strategy Group (RESG) on 26<sup>th</sup> October 2023 for advice and guidance on the new projects. Their recommendations have been incorporated into the draft IFS in this report (Appendix One).
19. CIL receipts available to be allocated to projects on the IFS at this time (October 2023) totals **£69,183.73**.

20. Currently, there are insufficient funds in the CIL IFS pot to allocate to any projects detailed on the Infrastructure Project List. If further monies are received by the 31<sup>st</sup> December 2023, which would allow funding of any projects, the report detailing this will be sent to RESG and Cabinet in Spring 2024. If no further monies are received to allow the funding of any projects by 31<sup>st</sup> December 2023, officers recommend that the £69,183.73 be rolled over into 2024/25 financial year and be retained until the next consultation window in mid/late-2024.
21. Where submission forms were not received for projects on the existing IFS, these have been deleted. However, as the IFS is updated annually, there will be opportunities each year to submit submission forms if project holders wish to pursue this avenue of funding.

### **Summary**

22. It is recommended that Cabinet approve the amended IFS, which has been through the annual review required by the CIL Regulations. As detailed above, if further funds are received by 31<sup>st</sup> December 2023 to allow funding of any projects, this will be detailed in a report to Cabinet in Spring 2024. If no further funds are received to allow the funding of any projects by this date, the current monies will be carried over to the next consultation window.

### **Finance**

23. This report relates to decision making on infrastructure requirements on planning applications and the spending of CIL receipts. The update of the IFS on an annual basis provides a transparent approach to make such financial decisions relating to infrastructure. The IFS provides a transparent approach to the reporting of a range of information relating to the approval, receipt, allocation and spend of S106 and CIL developer contributions.

### **Law**

24. The Council needs to ensure that robust and transparent mechanisms and procedures are in place to inform planning decisions on developer contributions and on the spend of CIL monies. The IFS brings together in one place information on approved, received, allocated and spent developer contributions. CIL Regulations require Councils to update their IFS on an annual basis, by December, for the preceding financial year.

## **Risk Management**

25. The introduction of an annual Infrastructure Funding Statement (IFS) places a legal requirement on Local Authorities to have the document in place and published on their website by December. The existing IFS was endorsed by Cabinet and published on the Council's website by the end of December 2020. The IFS 2022, which is the subject of this report, will replace the 2021 IFS and ensure we meet the legal requirements set by Government.

## **Equality Impact**

26. The proposals considered the Council's policy on Equality and Diversity and no issues have been identified.

## **Human Resources/Organisational Development**

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

## **Commercial/Procurement**

28. There are not considered to be any commercial or procurement implications as a result of this report. Any procurement activity resulting from the recommendations set out in the report will be governed by the Councils Contract Standing Orders and the Procurement Management Group (PMG) as applicable.

## **Environment/Climate Change**

29. Individual projects identified in the Infrastructure List of the Infrastructure Funding Statement will be assessed for their environmental impact and how they attempt to address climate change prior to any allocation of Community Infrastructure Levy funding. There are funds available through S106 agreements which are allocated to open space, nature conservation and public realm – the departments responsible for the allocation of this funding will fully assess the environmental impact of proposed projects prior to commencement.

## **Council Priorities and Projects**

30. Schemes that may be brought forward as a result of infrastructure requirements will support the Council's priorities: by supporting improvements to community infrastructure across the Borough helping to contribute to stronger and safer communities, supporting public realm and environmental improvements to create a cleaner and greener place as well to providing infrastructure to bring forward development, unlock sites and help grow the economy and create jobs.



### **Director of Regeneration and Enterprise**

Contact Officer: Carl Mellor  
Planning Manager  
Telephone: 01384 814136  
Email: [carl.mellor@dudley.gov.uk](mailto:carl.mellor@dudley.gov.uk)

### **List of Background Papers**

[Infrastructure Funding Statement Cabinet Report 2022](#)

[Infrastructure Funding Statement – Allocation of Funding Cabinet Report 2023](#)

### **Appendices**

Appendix One: Infrastructure Funding Statement December 2023

Appendix Two: Letter sent to project holders with projects currently listed on the Infrastructure Funding Statement

Appendix Three: Letter sent requesting new projects to be added to the Infrastructure Funding Statement

Appendix Four: Consultation statement

# INFRASTRUCTURE FUNDING STATEMENT

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December 2023



## GENERAL INFORMATION

This and other documents are or will be made available on request in alternative formats. If you require the document in one of these formats, please contact:

Regeneration and Enterprise, Dudley Council, Council House, Priory Road, Dudley DY1 1HF or telephone 01384 814136 or email [development.control@dudley.gov.uk](mailto:development.control@dudley.gov.uk)

## CONTACT INFORMATION

### **Vicki Popplewell**

Planning Policy Manager  
Regeneration & Enterprise  
4 Ednam Road, Dudley DY1 1HL  
Tel: 01384 814181  
Email: [vicki.popplewell@dudley.gov.uk](mailto:vicki.popplewell@dudley.gov.uk)

### **Carl Mellor**

Head of Planning  
Regeneration & Enterprise  
4 Ednam Road, Dudley, DY1 1HL  
Tel: 01384 814157  
Email: [carl.mellor@dudley.gov.uk](mailto:carl.mellor@dudley.gov.uk)

### **Helen Martin**

Director – Regeneration and Enterprise  
4 Ednam Road, Dudley DY1 1HL  
Tel: 01384 814004  
Email: [helen.martin@dudley.gov.uk](mailto:helen.martin@dudley.gov.uk)



# INTRODUCTION

## 1. Infrastructure Funding Statement

1.1 As a result of changes to the Regulations implemented through the Community Infrastructure Levy (Amendment) (England) (No.2) Regulations 2019<sup>1</sup> (which came into force on 1 September 2019), authorities now need to increase transparency for communities, by reporting on what they have received and spent through CIL and developer contributions and include information for the following year on CIL allocation. Changes to the Community Infrastructure Levy (Amendment) (England) (No. 2) Regulations 2019):

- removed the restriction on pooling more than 5 planning obligations towards a single piece of infrastructure;
- deleted the Regulation 123 List; and
- allows authorities to choose to pool funding from different routes to fund the same infrastructure, provided that authorities set out in their infrastructure funding statements which infrastructure they expect to fund through the levy and through planning obligations.

1.2 Each calendar year (by 31st December) the Council is required to publish an Infrastructure Funding Statement in relation to the next calendar year detailing the infrastructure projects or types of infrastructure which it intends will be wholly or partly funded by CIL.

1.3 This Statement (IFS) identifies the infrastructure projects or types of infrastructure which Dudley Council intends will be, or may be, wholly or partly funded by the Community Infrastructure Levy; whilst other sources of funding that can be pooled to fund the same infrastructure projects shown (see Table 9).

1.4 Funding for the delivery of infrastructure will be sought by the Council from multiple sources over several years. Developer contributions can be provided in several ways:

- through planning conditions – to make development acceptable that would otherwise be unacceptable.
- through planning obligations in the form of Section 106 agreements – where it is not possible to address unacceptable impacts through a planning condition.
- through the Community Infrastructure (CIL) – a fixed charge levied on new development to fund infrastructure.

1.5 It is generally expected that Developer Contributions: CIL and Planning Obligation (Section 106) will only provide a contribution to funding infrastructure costs. Alongside this funding there are mainstream sources of funding available to support delivery including sources of funding for education, transport, and utilities infrastructure.

## 2. Developer Contributions

### Section 106 Planning Obligations

2.1 Under section 106 (s106) of the Town and Country Planning Act 1990 a Local Planning Authority (LPA) can seek obligations, both physically on-site and contributions for off-site provision, when it is considered that a development will have negative impacts that cannot be dealt with through conditions in the planning permission.

2.2 For example, new residential developments place additional pressure on existing social, physical and economic infrastructure in the surrounding area. Planning obligations aim to

<sup>1</sup> <http://www.legislation.gov.uk/ukdsi/2019/9780111187449>

balance this extra pressure with improvements to the surrounding area to ensure that a development makes a positive contribution to the local area.

2.3 The obligations may be provided by the developers “in kind” – that is, where the developer builds or provides directly the matters necessary to fulfil the obligation. This might be to build a certain number of affordable homes on-site, for example. Alternatively, planning obligations can be met in the form of financial payments to the Council to provide off-site infrastructure works or contributions towards providing affordable housing elsewhere in the Borough. In some cases, it can be a combination of both on-site provision and off-site financial contributions.

2.4 Dudley MBC has historically sought financial contributions for the following areas:

- Nature Conservation Enhancements;
- Public Open Space Improvements;
- Transport Infrastructure Improvements;
- Public Realm Improvements.

2.5 Regulations state that a planning obligation may only constitute a reason for granting planning permission for the development if the obligation is:

- necessary to make the development acceptable in planning terms,
- directly related to the development; and
- fairly and reasonably related in scale and kind to the development.

S106 contributions have also been sought for Public Open Space Maintenance, however this is ring-fenced and incorporated within the Council’s greenspace maintenance budget each year.

2.6 Dudley Council’s requirements for s106 planning obligations are set out in the Council’s adopted Dudley Borough Development Strategy (2017)<sup>2</sup>. Additional guidance is available in the Planning Obligations Supplementary Planning Document<sup>3</sup>.

### **Community Infrastructure Levy**

2.7 Unlike s106 obligations, CIL is intended to fund more generalised, strategic infrastructure requirements across the Borough in order to support new development. It is a mechanism to secure financial contributions from developers on certain viable developments and CIL monies can be used to fund the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of the area.

2.8 CIL Rates must be set out via a published charging schedule and the Council’s latest charging schedule was adopted in July 2015 with effect from 1 October 2015. Further information can be found on the Council’s webpage<sup>4</sup>:

<sup>2</sup> <https://www.dudley.gov.uk/residents/planning/planning-policy/dudley-local-plan/dudley-borough-development-strategy/>

<sup>3</sup> <https://www.dudley.gov.uk/residents/planning/planning-policy/dudley-local-plan/planning-obligations-supplementary-planning-document/>

<sup>4</sup> <https://www.dudley.gov.uk/residents/planning/planning-policy/dudley-local-plan/community-infrastructure-levy/>

## Section 278 Highway Agreements

2.9 Section 278 agreements (s278) under the Highways Act 1980 are legally binding agreements between the Local Highway Authority (Dudley Council) and the developer to ensure delivery of necessary highway works as a result of new development.

2.10 It may allow for items such as:

- Roundabouts;
- Priority junctions;
- Junctions with traffic lights
- Right turn lanes;
- Improved facilities for pedestrians and cyclists;
- Improvements to existing junctions;
- Traffic calming measures.

### 3. S106 Contributions

3.1 The total amount of s106 monies held by the Council on 31<sup>st</sup> March 2023 was £3,879,168.41.

3.2 Table 1 shows the unspent monies held by the Council.

**Table 1: Total unspent S106 monies held by the Council at 31<sup>st</sup> March 2023**

Money held 31 <sup>st</sup> March by allocation	Amount Held
Open Space	£ 476,928.03
Open Space Maintenance	£ 449,236.84
Nature Conservation	£ 0.00
Public Realm	£ 169,201.96
Transportation	£ 171,226.71
Affordable Housing	£ 291,728.55
Education	£2,320,846.32
<b>Total</b>	<b>£3,879,168.41</b>

3.3 As of 31<sup>st</sup> March 2023, there were no monies transferred to external bodies.

#### **Financial contributions agreed in 2022/23 through s106 Agreements**

3.4 There was one s106 agreements made in 2022-2023.

#### **Monies received in 2022/2023 to be spent by the Council**

3.5 There was £593,054.77 s106 income received by the Council in 2022/2023.

#### **S106 monies spent in 2022/2023 by the Council**

3.6 A total of £181,770.07 was spent by the Council during the 2022-2023 financial year as shown in Table 2.

**Table 2: Total S106 monies spent in 2022-2023**

Monies agreed in 2022/2023	Amount
Open Space	£113,545.74
Education	£68,224.33
<b>Total</b>	<b>£181,770.07</b>

#### **Monies allocated in 2022-2023 which has not been spent**

3.7 Table 3 shows the amount of s106 monies that were allocated to specific projects but not yet spent. This refers to s106 monies received historically and not just in 2022-23. At the end of the 2022/23 financial year there was £2,911,377.75 of s106 monies allocated to specific projects but had not yet been spent.

**Table 3: S106 monies allocated to specific projects in 2022-2023 but not yet spent**

<b>Monies agreed in 2021/22</b>	<b>Amount</b>
<b>Open Space / Open Space Maintenance</b>	£ 204,437.65
<b>Nature Conservation</b>	£ 0.00
<b>Public Realm</b>	£ 0.00
<b>Transportation</b>	£ 94,815.23
<b>Affordable Housing</b>	£ 291,728.55
<b>Education</b>	£2,320,846.32 (allocation of funds under consideration)
<b>Total</b>	<b>£2,911,377.75</b>

- 3.8 Moving forward, subsequent Infrastructure Funding Statements will report on any monies that have been transferred to other external bodies.

#### **Non-Monetary contributions agreed in 2022-23 through s106 Agreements**

- 3.9 The Council agreed one s106 agreements in 2021-22 which involved a non-monetary agreement. This was for the provision of 71 on-site affordable housing units (100% of total provision), as part of the overall provision of units in connection with planning application P20/1189 – vacant land at Cookley Works.

#### 4. Section 278 Projects in 2022/23

4.1 The following table sets out the works carried out in the Borough under s278 agreements in the 2022/23 monitoring year.

**Table 4: S278 Projects in 2022/23**

Development Site	Summary of s278 works	Amount
<b>Cakemore Road / Nimmings Road, Halesowen</b>	Construction new arm off existing roundabout to facilitate new housing estate	£220,888.45
<b>Darkhouse Lane, Coseley</b>	Implementation of local safety scheme as part of the new housing estate	£104,266.15
<b>Tansey Green Road, Pensnett</b>	Construction of new roundabout to facilitate entrance to new housing estate	£329,429.24
<b>Bean Road / Birmingham New Road, Dudley</b>	Implementation of new traffic signals at this junction to facilitate new housing estate	£150,000.00
<b>Cochrane Road / Vine Street, Brierley Hill</b>	Construction of carriageway build-outs adjacent to new housing estate	£400,908.75
<b>Sandvik, Manor Way, Halesowen</b>	The creation of new entrances for business and residential premises	£335,445.11
<b>Birmingham New Road junction with Priory Road, Dudley</b>	Extension of right-hand turn lane into Priory Road	£65,067.17
<b>Ridge Hill, off Brierley Hill Road, Wordsley</b>	Amendment to existing entrance to create a bell mouth to new housing estate	£69,225.01

4.2 Table 5 below sets out the s278 highway works to be delivered as part of future developments in the Borough which will be implemented should development progress as planned.

**Table 5: S278 Committed Projects in future years**

Development Site	Summary of s278 works	Amount
<b>Zoar Street, Gornal</b>	Implementation of pedestrian crossing facilities to support the new food store	£250,000
<b>Old Wharf Road, Stourbridge</b>	Re-configuring of traffic signals and pedestrian facilities at this junction	£320,000
<b>Stallings Lane, Pensnett</b>	To construct a new roundabout to facilitate new housing estate and industrial premises	£600,000
<b>Bourne Street, Woodsetton</b>	Implementation of traffic calming features in conjunction with new residential estate	£55,000
<b>Stourbridge Road / Bull Street, Dudley</b>	Re-alignment of Bull Street and implementation of pedestrian facility on Stourbridge Road	£93,000
<b>Balds Lane, Lye</b>	Re-alignment of Balds Lane / Gibbs Road junction and introduction of pedestrian crossing facility	£78,000

<b>Bowling Green Road, Stourbridge</b>	Implementation of traffic calming features	£120,000
<b>Leys Road, Brierley Hill</b>	Implementation of a crossing facility	£25,000
<b>Lowndes Road, Stourbridge</b>	Implementation of vehicular drop-crossings and associated re-alignment works to Lowndes Road	£76,000
<b>Park Road, Cradley Heath</b>	Installation of 2no. pedestrian refuges	£150,000
<b>Bilston Street, Sedgley</b>	Implementation of a crossing facility to support a new food store	£180,000
<b>Limes Road, Dudley</b>	Re-siting of a pedestrian crossing facility to support a new residential development	£32,000
<b>Cradley Road, Cradley Heath</b>	Realignment of carriageway and formalising pedestrian crossing points to support a revised Industrial Estate entrance	£25,000
<b>Vine Street, Wordsley</b>	Formalising an emergency link to a residential estate	£55,000

## 5 Community Infrastructure Levy (CIL) Contributions

5.1 CIL was introduced by Dudley Council on 1<sup>st</sup> October 2015. The intention was to raise levies from the anticipated housing and retail developments. CIL differs from s106 planning obligations as it addresses infrastructure shortfalls and funds can be combined in a way to address these gaps.

5.2 In accordance with CIL Regulations, Cabinet approved the process for the allocation and spend of CIL monies at its meeting on the 26<sup>th</sup> October 2016. In relation to the spend of CIL receipts, the CIL Regulations require that they are split into 3 categories, as follows:

Capital and Revenue Infrastructure Funding	80%
Neighbourhood Funding	15% (capped at £100 per dwelling place)
Administrative Expenses	Up to 5%

5.3 By the 31<sup>st</sup> March 2023 a total of £1,681,926.56 receipts had been received as shown in Table 6 below.

**Table 6: Total CIL receipts received by 31<sup>st</sup> March 2023**

Year	CIL Income Received	5% Admin	15% Neighbourhood Funding	80% C&R funding allocation
<b>2016/17</b>	£75,630.74	£3,781.54	£11,344.61	£60,504.59
<b>2017/18</b>	£78,936.09	£3,946.80	£11,840.41	£63,148.87
<b>2018/19</b>	£442,726.11	£22,136.31	£66,408.92	£354,180.89
<b>2019/20</b>	£193,353.19	£9,667.66	£29,002.98	£154,682.55
<b>2020/21</b>	£462,685.21	£23,134.26	£69,402.78	£370,148.17
<b>2021/22</b>	£275,426.63	£13,771.33	£41,313.99	£220,341.30
<b>2022/23</b>	£153,168.59	£7,658.43	£22,975.29	£122,534.87
<b>Total</b>	<b>£1,681,926.56</b>	<b>£84,096.33</b>	<b>£252,288.98</b>	<b>£1,345,541.25</b>

### Unallocated receipts from previous years

5.4 Any Council that implements CIL was previously required to have a Regulation 123 List. This is a list of specific costed projects and types of infrastructure that have been identified by various providers across the Borough as candidates to be funded or part funded by CIL monies. It should be noted that inclusion on the List does not guarantee that CIL monies will, in the future, be allocated to the project; however, CIL monies cannot be allocated to a project that is not included on the List.

5.5 As of 31<sup>st</sup> March 2023, £1,234,105.91 had been allocated to 14 projects. The total amount of CIL carry forward to 2023-2024 financial year was £111,435.34.

5.6 There were several key infrastructure projects which were previously included on the Regulation 123 List with funding gaps of over £1million. These strategic projects form part of the Infrastructure Delivery Plan to support the growth and infrastructure requirements of the Core Strategy and the Area Action Plans for Brierley Hill, Stourbridge, Halesowen and Dudley. It is unlikely that, with the current allocation process and



projected CIL receipts, there will be enough funds in the pot at any one time to allow these projects to apply for funding. For this reason, a total of 10% will be taken from the Capital and Revenue Infrastructure Funding budget (currently 80% of total CIL receipts) and kept aside until it reaches £1million – or a significant figure to be reviewed annually - to allow larger strategic infrastructure projects to apply for funding through the CIL process. This will apply to all CIL receipts received by the Council from January 2021.

- 5.7 These projects are not currently identified on the Infrastructure List as they were not submitted for inclusion during the most recent consultation process. However, it is considered essential that the allocation to this pot of money continues for any future large, strategic projects added to the Infrastructure List.

10% large strategic project pot (01.01.2021 – 31.03.2023)	£50,732.06
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- 5.8 As 10% of CIL receipts received from 1<sup>st</sup> January 2021 are not available for allocation through the IFS, the total CIL receipts carried forward to the 2023-2024 financial year was **£60,703.28.**

#### Total value of demand notices issued in 2022-23

- 5.9 National guidance suggests that Councils should consider reporting on estimated future income where possible. Table 7 shows the number of demand notices issued in the 2022-2023 financial year and the contribution required from each planning application which totalled **£108,091.60**. This provides an indication of how much CIL funding could be paid to the Council in future financial years if development is completed.

**Table 7: Summary of total demand notices issued between 2022–2023**

Planning Reference	Site of CIL Contribution	CIL Demand Notice
<b>P21/0748</b>	55 Moss Grove, Kingswinford	£73,105.78
<b>P20/0749</b>	103 King Street, Wollaston	£4,835.62
<b>P21/1989</b>	Sedgley Police Station, Sedgley	£5,578.37
<b>P20/1490</b>	46 Dene Avenue, Kingswinford	£1,921.36
<b>P22/0897</b>	8 Hall Street, Oldswinford	£9,614.25
<b>P19/0982</b>	Land rear of 24-28 New England, Halesowen	£2,457.82
<b>P22/0109</b>	80 Cot Lane, Kingswinford	£2,501.04
<b>P22/1077</b>	99 Bridgnorth Road, Wollaston	£4,486.65
<b>P22/1795/PIP</b>	Land adj 18 Hurst Green Road, Halesowen	£3,590.71
<b>Total</b>		<b>£108,091.60</b>

#### Total CIL Receipts received in 2022-2023

- 5.10 Table 8a lists the CIL receipts (monies) received in the 2022-2023 financial year with details of how this was broken down into the various components of CIL funding in Table 8b.

**Table 8a: Total CIL receipts received in 2022 – 2023**

Planning Reference	Site of CIL Contribution	CIL Demand Notice
<b>P18/0854</b>	Unit 1, 49 High Street, Dudley	£7,176.00 (partial payment)
<b>P19/0352</b>	Vacant land site of Kingswinford Service Station, Stream Road, Kingswinford	£11,250.00 (partial payment)
<b>P21/0873</b>	21 Osmaston Road, Norton	£29,658.50 (partial payment)
<b>P20/1762</b>	51 Mount Pleasant, Kingswinford	£2,638.73
<b>P20/0749</b>	103 King Street, Wollaston	£4,835.62
<b>P19/0458</b>	Land adj 1 Holt Road, Halesowen	£3,317.16
<b>P21/1989</b>	Sedgley Police Station, Sedgley	£5,578.37
<b>P21/0748</b>	55 Moss Grove, Kingswinford	£73,105.78
<b>P19/0982</b>	Land rear of 24-28 New England, Halesowen	£2,457.82
<b>P20/1490</b>	46 Dene Avenue, Kingswinford	£1,921.36
<b>P22/0897</b>	8 Hall Street, Oldswinford	£9,614.25
<b>P21/2052</b>	9 Alderwood Precinct	£1,615.00 (partial payment)
<b>Total</b>		<b>£153,168.59</b>

**Table 8b: Breakdown of CIL receipts received in 2022-2023**

CIL Breakdown	Total
<b>Administration – 5% of total CIL received</b>	£7,658.43
<b>Neighbourhood element of CIL - 15% of total CIL received</b>	£22,975.29
<b>Infrastructure monies – 80% of total CIL received</b>	£122,534.87
<b>Total</b>	<b>£153,168.59</b>

### CIL receipts allocated and spent in 2022-2023

5.11 There were three CIL receipts spent in 2022-2023 as shown in Table 9. There were seven CIL receipts allocated in 2022-2023, Table 10 details the projects which were allocated funding. All projects that received allocated funding in previous years have now been completed and the monies have been spent.

**Table 9: CIL receipts spent in 2022-2023**

Scheme	Amount Allocated
<b>CIL receipt to Dudley MBC Borough Artist – erection of the Round Oak Steelworks Memorial (Public Art)</b>	£44,500.00
<b>CIL receipt to Dudley MBC Project Engineer – flood management and sustainable drainage scheme at Delph Road and Turners Lane</b>	£200,000.00
<b>CIL receipt to Dudley MBC Design &amp; Delivery – woodland project at Castle Hill and Peggy’s Meadow</b>	£165,000.00
<b>Total</b>	<b>£409,500.00</b>

**Table 10: CIL receipts allocated in 2022 - 2023**

Scheme	Amount Allocated
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<b>Allocation to Dudley MBC Borough Artist – ‘Stour Bridge’</b> parapet enhancement and associated celebration of Monarchs way via 8 ground plaques	£58,920.00
<b>Allocation to Dudley MBC Placemaking –</b> creation of a pocket park in Lower High Street, Stourbridge	£100,000.00
<b>Allocation to Dudley MBC Placemaking –</b> creation of two memorials in respect of the Covid-19 pandemic	£120,000.00
<b>Allocation to Dudley MBC Placemaking –</b> completion of the repairs required to the final section of the walled garden at Wollescote Hall	£170,000.00
<b>Allocation to West Midlands Combined Authority –</b> works to implement approximately 200 public electric charging vehicle sockets across the Black Country – funding is Dudley specific.	£35,000.00
<b>Allocation to Dudley MBC Street &amp; Green Care –</b> installation of a roundabout to improve and create a toddler play feature, and installation of a MUGA for children at Hawbush Park	£90,000.00
<b>Allocation to Dudley MBC Street &amp; Green Care –</b> improve and refurbish the play area, to include modernising equipment and installation of inclusive play facilities at Wordsley Park	£80,000.00
<b>Total</b>	<b>£653,920.00</b>

## Previously allocated CIL monies – completed projects

### Dudley MBC – Design & Delivery

5.12 The Design & Delivery department at Dudley MBC requested funding for works involved in the Castle Hill Woodland project and Peggy’s Meadow to include; enhancing ecological biodiversity and geodiversity, protecting the boundaries of the site from illegal fly tipping and the creation of a network of suitable paths and cycle routes. Works were completed in late 2022.



### Dudley MBC – Borough Artist



5.13 The Borough Artist at Dudley MBC requested funding for the design and installation of the Round Oak Steelwork Memorial public art project at Dudley Road, Brierley Hill. Works were substantially completed in 2023.

### **Dudley MBC – Project Engineers**

5.14 The Project Engineers at Dudley MBC requested funding for a flood management and sustainable drainage scheme at Delph Road and Turners Lane. The works consisted of installation of a new surface water drainage system and construction of a large storm water collection tank. Works were completed in 2022.

### **Shell Corner Partnership**

5.15 Shell Corner Partnership requested funding for a number of public realm works, including pavements improvements, gateway enhancements and a new cycle stand. Works were completed in early 2022.



### **Waterfront Media CIC (trading as Black Country Radio)**

5.16 Black Country Radio moved into new bespoke studios and their existing equipment was out-dated and unable to be used. They requested funding for new digital equipment for use in the studio and the project was completed in Spring 2021.



### **Canal and River Trust (CRT)**

5.17 Canal and River Trust (CRT) requested funding for refurbishment and restoration of the Grade II Listed Blackbrook Junction Bridge on the Dudley No.2 Canal in Saltwells Nature Reserve, to include works to improve the abutments, surfacing to ensure it is more accessible, maintenance and decorative/paintwork. Work on the project was completed in Winter 2020.



### **Friends of Mary Stevens Park**

5.18 Friends of Mary Stevens Park requested funding for improvement and enhancement of the play area at Mary Stevens Park which will better meet the needs of the community. 101 Work was completed and the play area re-opened to the public in Winter 2020.





### **Neighbourhood Funding portion of CIL**

5.19 The Neighbourhood Funding portion of CIL is required to be spent in consultation with the community using existing community consultation and engagement processes. No monies have been allocated as part of the CIL Neighbourhood Funding process.

### **Amount of CIL spent on administration costs**

5.20 A total of £7,658.43 was received for CIL administration, all of which has been spent on that purpose. It should be noted that this amount does not cover the total cost of delivering the Council's CIL administration service during 2022-2023.

## 6. Infrastructure Projects 2023-2024

- 6.1 This infrastructure statement is a 'living' document and will be the subject of on-going update and monitoring during 2023. The List was most recently updated in late 2022 and new schemes have been added. However, it should be noted that inclusion of any type of infrastructure in the Infrastructure Funding Statement does not signify a commitment from the Council to deliver or fund, either in whole or in part, this type of infrastructure through CIL. Nor does the order of the table imply any order of preference or weighting of infrastructure. The process of governance for CIL expenditure will be carried out separately whilst having regards to the Infrastructure Funding Statement.
- 6.2 It is generally expected that Developer Contributions: CIL and Planning obligations (s106) will only provide a contribution to funding the infrastructure costs. Alongside this funding, there are mainstream sources of funding available to support delivery, including sources of funding for transport, utilities infrastructure, education and health.
- 6.4 Moving forward, the Council will review the Infrastructure List on an annual basis. A consultation will be undertaken with key infrastructure providers requesting project submission forms to be completed (See Appendix One). The submitted forms will be assessed against the criteria set out in Table 10 below to determine their suitability. For a project to be added to the Infrastructure List it will be required to satisfy all six criteria. Where a significant number of submissions are received, it may be necessary for the list to be amended to only include projects that enable significant infrastructure delivery to support the borough's growth agenda and support the strategic infrastructure requirements of the emerging Draft Black Country Plan.

**Table 11: Criteria for Assessing Infrastructure Funding Statement Projects**

Criteria	Pass/Fail	Evidence
Is the project a Strategic Priority/Local Priority?		Strategic Boroughwide Priority – Local Plan/Corporate Plan Local Plan – Area Action Plan
Is the infrastructure project essential or significant in supporting new development in the Borough?		Is the project consistent with the Development Plan/Referenced in the Dudley Development Strategy or emerging Draft Black Country Plan?
Are there any constraints which will impact on the delivery of the infrastructure?		Projects that have no, major or moderate constraint will be considered for inclusion
Amount of CIL contribution sought		Details of the budget gap and confirmation no other capital funding source can be identified. Details of any S106 funds to be provided
Has the project identified match funding?		Has this been secured and details?
Timeline for delivery (start and end)		Detailed project plan or timeline demonstrating the project is feasible

## 7. CIL Spending Process

7.1 In accordance with CIL Regulations, Dudley's spend of CIL receipts, is split into 3 categories, as follows:

Capital and Revenue Infrastructure Funding	80% of total receipts with 10% to be retained for major infrastructure projects from 1 <sup>st</sup> January 2021
Neighbourhood Funding	15% of total receipts (capped at £100 per dwelling place)
Administrative Expenses	Up to 5% of total receipts

7.2 The amount of CIL funds will be reviewed at the start of each financial year and the following process for the allocation of CIL Funds will be applied:

1. At the start of each financial year, the Council will consult infrastructure providers across the Borough and invite infrastructure project submissions (See Appendix One).
2. All submissions will be assessed by officers against the infrastructure Criteria in Table 10, to determine their eligibility for inclusion on the Infrastructure List. All existing projects will be reviewed on an annual basis. (June–July).
3. Following the assessment of eligibility, the Infrastructure Funding Statement and List will be updated. This will be reported to the Regeneration and Enterprise Strategy Group (RESG), who subject to Cabinet Member sign off, will make recommendations to Cabinet on the content of the Infrastructure Funding Statement. The updated Infrastructure Funding Statement and infrastructure list will be submitted to Cabinet for approval (Autumn/Winter).
4. Following Cabinet approval, an assessment of projects within the Infrastructure Funding Statement will be undertaken for potential CIL allocation. This process will follow the eligibility criteria as set out in Appendix Two. Where a significant number of projects are considered to meet all the criteria in a particular year it may be necessary to only include those projects that include the most impact and which can be delivered in the short-term.
5. Proposed CIL allocations will be reported to the Regeneration, Enterprise and Strategy Group (RESG) for consideration, and subject to Cabinet Member sign off, recommendations will be made to Cabinet for any proposed CIL spend. In addition, RESG may make the decision not to allocate funds in a particular year if it is felt necessary to retain funds for future expenditure on larger infrastructure projects. Recommendations on proposed CIL allocations will be presented to Cabinet for approval in early 2024.



**Table 12: Infrastructure List**

Infrastructure Type or Project		Approximate Funding Gap
<b>Transport</b>	Provision of 120m footpath/cycleway connecting Lowndes Road with Wollaston Recreation Ground	£84,334.00
<b>Transport Exclusions</b>	Transport related mitigation measures required to make a development proposal satisfactory in planning terms will be excluded	
<b>Nature Conservation Exclusions</b>	Nature Conservation related mitigation measures required to make a development proposal satisfactory in planning terms will be excluded	
<b>Public Realm</b>	Dudley Town Centre Wayfinding	£100,000.00
	Foster Street public realm improvements	£122,250.00
	Fountain Square, Ryemarket public realm improvements	£120,000.00
	Shell Corner public realm improvements	£105,000.00
	Talbot Street, Ryemarket public realm improvements	£150,000.00
<b>Public Realm Exclusions</b>	Public Realm related mitigation measures required to make a development proposal satisfactory in planning terms will be excluded	
<b>Public Realm Maintenance Exclusions</b>	Public Realm maintenance related mitigation measures required to make a development proposal satisfactory in planning terms will be excluded	
<b>Air Quality Exclusions</b>	Air Quality related mitigation measures required to make a development proposal satisfactory in planning terms will be excluded	
<b>Canal and River Trust</b>	<b>Regeneration Corridor 11b – Brierley Hill to Stourbridge</b>	
	<u>Bridge/Lock Enhancements:</u> - Refurbishment to the listed stable block at Delph Locks.	£100,000 - £200,00
<b>Canals and Rivers Exclusions</b>	Canal and River related mitigation measures required to make a development proposal satisfactory in planning terms will be excluded	

Infrastructure Type or Project		Approximate Funding Gap
<b>Libraries, Archives and Adult Learning Exclusions</b>	Library, Archives and Adult Learning related mitigation measures required to make a development proposal satisfactory in planning terms will be excluded	
<b>Public Art</b>	Saltwells Local Nature Reserve – new public art entrance gateway for pedestrians and cyclists from Pedmore Road	£175,000
<b>Public Art Exclusions</b>	Public Art related mitigation measures required to make a development proposal satisfactory in planning terms will be excluded	
<b>Flood Management &amp; Sustainable Drainage Exclusions</b>	Flood Management and Sustainable Drainage related mitigation measures required to make a development proposal satisfactory in planning terms will be excluded	
<b>Open Space, Sport and Recreation</b>	Creation of 26-space car park at Kinver Street open space	£98,259.80
<b>Open Space, Sport and Recreation Exclusions</b>	Open Space, Sport and Recreation related mitigation measures required to make a development proposal satisfactory in planning terms will be excluded	
<b>Leisure Exclusions</b>	Leisure related mitigation measures required to make a development proposal satisfactory in planning terms will be excluded	
<b>Education</b>	As and when borough-wide specific education infrastructure projects are identified and costed, they will be added to this Infrastructure Funding Statement. Any projects listed would thus not be funded through Planning Obligations.	
<b>Education Exclusions</b>	All other site-specific Education requirements as identified in a site-specific assessment as part of an individual planning application.	

Infrastructure Type or Project		Approximate Funding Gap
<b>Other Community Infrastructure Exclusions</b>	Community Infrastructure related mitigation measures required to make a development proposal satisfactory in planning terms will be excluded	
<b>Heritage Infrastructure</b>	Lye War Memorial improvements	£150,000.00
<b>Heritage Infrastructure Exclusions</b>	Heritage related mitigation measures required to make a development proposal satisfactory in planning terms will be excluded	

**New comparison retail development at Merry Hill and Waterfront that would trigger infrastructure requirements as set out within Core Strategy policy CEN3 is to be delivered primarily through the use of Legal Agreements and not through CIL.**

Where site-specific exclusions are identified, they will be subject to statutory tests set out under Regulation 122 of the Community Infrastructure Regulations 2010 (as amended), which stipulates the following:

*A Planning Obligation may only constitute a reason for granting planning permission for the development if the obligation is:*

- a) Necessary to make the development acceptable in planning terms;*
- b) Directly related to the development; and*
- c) Fairly and reasonably related in scale and kind to the development.*



**Infrastructure Project Submission Form**

<b>Section 1 – Your organisation</b>	
Name of organisation:	
Name of principal contact:	
Address:	
Postcode:	
Telephone:	
Email:	
<b>Section 2: - About your Infrastructure Project</b>	
Details of Project Title	
.....	
.....	
.....	
.....	
Please provide brief description of the infrastructure project and the scale of the proposal	
.....	
.....	
.....	
.....	
Please provide details of the project location and provide a relevant location plan	
.....	
.....	
.....	
.....	
<b>Section 3: Benefits of the Infrastructure Project</b>	
Is the infrastructure/project consistent with strategic/local plans? For example, would the project meet the priorities of the Black Country Plan, Area Actions Plans, Dudley Borough Development Strategy? If yes, please provide full details	
.....	
.....	
.....	
.....	
Is the project essential to support new development within Dudley?	
.....	
.....	
.....	
.....	
Has the project been subject to any consultation and/or endorsement?	
.....	
.....	
.....	
.....	
<b>Section 4: Costs</b>	
<b>What is the total capital cost of the infrastructure/project (to include VAT)?</b>	
Please include details of costing plans and associated phasing	

.....  
.....  
.....  
.....

**What is the amount of funding that you are requesting (to include VAT)?**

£.....

Please could you provide evidence to justify the amount requested, please see Section 8.

**Does the infrastructure/project attract match funding? If yes, please provide full details**

.....  
.....  
.....

**What is the capital funding gap?**

.....  
.....

**Have you applied for/or received any funding for this infrastructure/project from elsewhere? If yes, please provide full details**

.....  
.....  
.....

**Is there any additional funding requirement for maintenance of the infrastructure/project? If yes, please provide full details**

.....  
.....  
.....

**Section 3 - Delivery**

Please can you provide a timescale for the delivery of the infrastructure/project? For example, details of when the infrastructure/project will commence and finish or if work has already started on the project?

.....  
.....  
.....

Would the funding request result in completion of the infrastructure/project?

Yes  No

Are there any significant issues that could impact delivery? For example, land ownership, remediation, reliance on other organisations/projects?

.....  
.....  
.....

Does the project assist in unlocking future development? For example, does the project help bring forward a development site?

.....  
.....  
.....

**Section 4 - Wider Benefits and implications**

Has the project already benefited from stakeholder engagement? If yes, please provide full details

.....

.....

.....

.....

---

Is there evidence to show that the project is meeting a local need or demand in the community? If yes, please provide full details

.....

.....

.....

.....

---

Will the implementation of the project benefit the wider community? For example, create jobs, enhance community facilities?

.....

.....

.....

.....

---

Would the project improve equality within the wider community? For example, would the proposal help to tackle discrimination, advance equality of opportunity or foster good relations between different protected groups? (i.e. age, disability, gender, pregnancy & maternity, race, religion or belief, sex or sexual orientation)

.....

.....

.....

.....

**Section 6 – Do you have the necessary permission to undertake this project?**

Does your project depend on permission (e.g. planning permission/complying with a planning condition) being given by any other person or organisation?	Yes <input type="checkbox"/> No <input type="checkbox"/>
If your project involves improvements or enhancements to land or buildings, do you have permission to do this?	Yes <input type="checkbox"/> No <input type="checkbox"/>

If you have answered yes to any of the above, please provide details below: -

.....

.....

**Section 7 - Payment of funding**

Payment will depend on you providing a copy of the suppliers/contractor's invoice or receipt to evidence the cost of the infrastructure required.

With most projects payment will be made on completion of the project. Any exceptions to this will be considered on a case-by-case basis. If you require payment prior to the project's commencement/completion, please could you provide details below and justification.

## Section 8 - Documents to support your application

Please could you provide the following details of the infrastructure/project:

- Description: indicating scale, nature and formal approval of the project including a location plan.
- Timescale for delivery.
- Detail of match funding or other applications relating to the project.
- Other organisations, development and plans that the project relates to.
- Evidence to justify the amount requested for the infrastructure/project. This could be a quote(s) from a reputable supplier(s) for the items requested.

*Note: To comply with the Council's rules and ensure value for money, the following must be provided:*

*Infrastructure projects requiring up to £500 – at least one verbal quotation recorded in writing.*

*Infrastructure projects requiring between a value of £500 and £1,500 – at least two verbal quotations, recorded in writing*

*Infrastructure projects requiring between a value of £1, 500 and £5, 000 – 3 verbal quotations recorded in writing.*

*Infrastructure projects requiring between a value of £5,000 - £75,000 – 3 written quotations.*

## Section 9 – Declaration

- To the best of my knowledge, the information provided in this application is correct.
- I have enclosed all the documents requested under Section 8.
- I agree to provide any extra information that the Council may require.
- If a funding allocation is approved, I agree that the organisation will use it only for the purpose stated and understand that Council officers may inspect the goods/equipment.
- I agree to ensure that any goods/equipment funded are sufficiently insured.
- I agree that the Council's internal and external auditors have the right to inspect any related documentation.
- I agree to withdraw, modify or repay part or all of the allocation if funding is not spent in the agreed timescale or has been awarded based on misleading or inaccurate information.

Signature: \_\_\_\_\_

Position in Organisation: \_\_\_\_\_ Date: \_\_\_\_\_

*Information that you provide on this form is subject to the provisions of the Data Protection Act 1998. We may share this information with the general public which may include publication on the Council's website as part of the statutory requirements under the Planning and Compulsory Purchase Act 2004 and the Community Infrastructure Regulations 2010 (as amended).*

**Please return this form by xxxxx together with the other requested documents to:**

**By email: [development.control@dudley.gov.uk](mailto:development.control@dudley.gov.uk)**

**By post: Planning Services, 4 Ednam Road, Dudley, West Midlands, DY1 1HL**

## Appendix Two

### CIL Funding Criteria for assessing infrastructure project funding requests

Category	Criteria	Assessment
<b>Funding</b>	Does the Project attract match funding?	Match Funding is simply leveraging a financial commitment towards the cost of the project from a source other than and in addition to CIL funding. Additional funding can make a project more deliverable and appealing.
	Is there an additional funding requirement for maintenance of the project?	Maintenance costs to maintain a project following completion can be hefty, for instance in public realm instances. If additional on-going maintenance is required, it is unlikely that the Council would be able to fund this out of its own reserves.
	Has it been demonstrated that without CIL funding the infrastructure would not be delivered e.g. have all funding sources been explored	Preference will be given to projects where it can be demonstrated that the only guarantee of delivery is with CIL funding.
<b>Delivery</b>	Can the infrastructure be delivered now?	There would be no issues with land ownership or site restraints, the project would be consistent with policy and ideally have planning consent.
		Minor issues could include any of the above, but they are surmountable and there is a commitment to release the site.
		Significant issues could include; landownership issues, remediation issues, reliant on other projects, reliant on other partners, not consistent with planning policy.
<b>Wider Benefits and implications</b>	Are there specific implications or risks if this project does not come forward?	Strategic risks would be those that would undermine the strategy for the Borough
		A major risk would be one that prevents a specific scheme coming forward
		Minor risks of non-delivery are local and non-widespread
	Has the project already benefited from stakeholder engagement?	Early engagement allows stakeholders to influence the project & iron out potential barriers. It ensures that the potential project is serving the needs of the community and they are aware of how they can input into the project preparation or implementation.
	Will the implementation of project create new local jobs?	Infrastructure projects can provide benefits to communities and help in delivering the objectives of Council and stakeholder plans
	Is there evidence to show that the project is meeting a local need or demand?	It should be demonstrated that the project is fulfilling a need or demand and where possible that this is for the benefit of the wider community and not a select few,
	Does the proposal have a positive impact on equality?	Does the proposal help to tackle discrimination or disadvantage, advance equality of opportunity or foster good relations between different protected groups? (i.e. age, disability, gender, pregnancy & maternity, race, religion or belief, sex or sexual orientation)
<b>Corporate fit</b>	Is the project consistent with strategic and local plans	Non-consistency risks non-approval and resource wastage.



## Appendix 2

4 Ednam Road, Dudley, West Midlands DY1 1HL  
www.dudley.gov.uk

Our ref:  
Infrastructure Funding  
Statement 2023

Service:  
Regeneration & Enterprise

Direct Line:  
01384 81 4136

Date:  
22<sup>nd</sup> August 2023

«Name» «Organisation» «Contact»
---------------------------------------

Dear Sir / Madam,

Dudley Council adopted its [Infrastructure Funding Statement 2022](#) in December 2022.

The Infrastructure Funding Statement (IFS) includes a list of the infrastructure projects or types of infrastructure that the authority intends to fund, either wholly or partly, by CIL, this is set out in Table 12 of the [Infrastructure Funding Statement 2022](#).

The current list contains approximately 50 projects. This includes a project(s) which your organisation submitted for the Infrastructure Funding Statement 2022.

The IFS is required to be updated on an annual basis. All projects that will be carried forward into the next IFS will undergo an assessment against the criteria in Table 11 of the IFS “**Criteria for Assessing Infrastructure Funding Statement Projects**”.

If your organisation submitted a project that was included on the List and still wish for the project to be considered in the next version of the IFS, we request that you complete and attach the “**Infrastructure Project Submission Form**” and return this to us by **Tuesday 3<sup>rd</sup> October 2023**. If we do not receive confirmation from you, your existing project(s) will be removed from the list.



In addition, if your organisation wishes to submit a new project(s) for consideration for the IFS, please complete an “**Infrastructure Project Submission Form**” and return to us by **Tuesday 3<sup>rd</sup> October 2023**.

**For copies of the Infrastructure Project Submission Form please visit our website at [Infrastructure Funding Statement](#) for PDF and Word versions.**

**Please note: If you wish to submit multiple projects, please use a separate form for each project. All projects submitted will then be considered for inclusion within the IFS and all submitters will be notified of the outcomes of this process.**

Please note that in order to be added to the Council’s IFS List, a project is required to satisfy all of the 6 criteria listed in the attached “**Criteria for Assessing Infrastructure Funding Statement Projects**” as set out in the IFS.

**Please return completed forms by email to: [planning.policy@dudley.gov.uk](mailto:planning.policy@dudley.gov.uk)**

Following the completion of the 2023 IFS, the available CIL monies will then be considered in Spring 2024 for funding based on the allocation criteria set out within the IFS. You can view the CIL Funding Criteria that is used for assessing infrastructure project funding requests in Appendix Two of the [Infrastructure Funding Statement 2022](#).

If you have any queries about the content of this email, please do not hesitate to contact us.

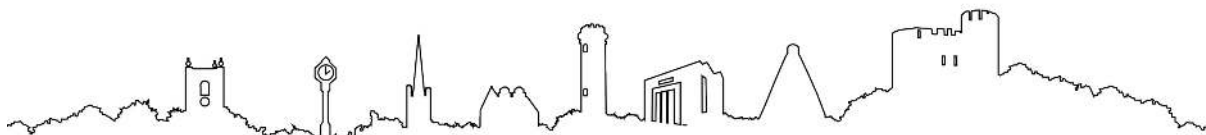
If you wish to discuss any content of this letter please call Planning Policy on 01384 814136.

Thank you for your cooperation in this matter, and we look forward to hearing from you.

Yours faithfully,



Carl Mellor  
Head of Planning



Working as One Council in  
the historic capital of the Black Country



## Appendix 3

4 Ednam Road, Dudley, West Midlands DY1 1HL  
www.dudley.gov.uk

Our ref:  
Infrastructure Funding  
Statement 2023

Service:  
Regeneration & Enterprise

Direct Line:  
01384 81 4136

Date:  
22<sup>nd</sup> August 2023

«Name»  
«Organisation»  
«Contact»

Dear Sir/Madam,

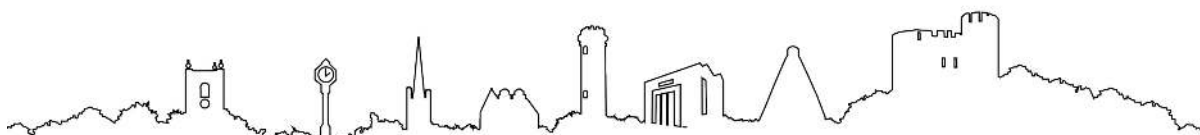
Dudley Council adopted its [Infrastructure Funding Statement 2022](#) in December 2022.

The Infrastructure Funding Statement (IFS) includes a list of the infrastructure projects or types of infrastructure that the authority intends to fund, either wholly or partly, by CIL, this is set out in Table 12 of the [Infrastructure Funding Statement 2022](#). The current list contains approximately 50 projects.

The IFS is required to be updated on an annual basis, as such the Council now invites the submission of projects for consideration for inclusion in the next version of the IFS. All projects that will be carried forward into the next IFS will undergo an assessment against the criteria in Table 11 of the IFS “**Criteria for Assessing Infrastructure Funding Statement Projects**”.

If your organisation wishes to submit a new project(s) for consideration for the IFS, please complete an “**Infrastructure Project Submission Form**’ and return to us by **Tuesday 3<sup>rd</sup> October 2023**.

**For copies of the Infrastructure Project Submission Form please visit our website at [Infrastructure Funding Statement](#) for PDF and Word versions.**



**Please note: If you wish to submit multiple projects, please use a separate form for each project. All projects submitted will then be considered for inclusion within the IFS and all submitters will be notified of the outcomes of this process.**

Please note that in order to be added to the Council's IFS List, a project is required to satisfy all of the 6 criteria listed in the attached "**Criteria for Assessing Infrastructure Funding Statement Projects**" as set out in the IFS.

**Please return completed forms by email to: [planning.policy@dudley.gov.uk](mailto:planning.policy@dudley.gov.uk)**

Following the completion of the 2023 IFS, the available CIL monies will then be considered in Spring 2024 for funding based on the allocation criteria set out within the IFS. You can view the CIL Funding Criteria that is used for assessing infrastructure project funding requests in Appendix Two of the IFS [Infrastructure Funding Statement 2022](#).

If you have any queries about the content of this email, please do not hesitate to contact us.

If you wish to discuss any content of this letter please call Planning Policy on 01384 814136.

Thank you for your cooperation in this matter, and we look forward to hearing from you.

Yours faithfully,



Carl Mellor  
Head of Planning



## CONSULTATION STATEMENT – Revised Infrastructure Funding Statement 2023

In connection with the preparation of the Infrastructure Funding Statement (IFS), this Consultation Statement demonstrates with whom the Council consulted and how they engaged with local people and other interested parties on the revised draft IFS.

The statement contains the following information:

- A summary of the individuals and organisations with whom the Council consulted
- How those organisations and individuals were consulted
- Details of any one to one meetings with organisations and individuals
- A summary of the issues raised, and
- How those issues have been addressed in the amended IFS for approval

A six-week consultation on the revised draft IFS took place between 22<sup>nd</sup> August 2023 and 3<sup>rd</sup> October 2023.

The following consultees were either sent a letter or email including a notification letter which provided a link to the Council's website to view the consultation documents and the relevant submission form. Submission forms were invited for projects to remain on the IFS and for any new projects to be considered for inclusion on the IFS.

Statutory, Duty to Co-operate and other organisations/developers on Consultee database by email or letter	Approximately 350
Dudley Councillors by email or letter	72

In addition to being published on the Council's website, paper copies of the most recent Infrastructure Funding Statement were distributed to the main reception at the Dudley Council Plus (259 Castle Street, Dudley).

In addition to the external consultation process, the notification letter and submission form was also circulated to relevant internal Council Staff inviting submissions relating to their particular areas of work and infrastructure provision.

The Council were in receipt of submission forms from a total of four organisations/providers with a total of 9 projects put forward for consideration. A detailed summary of the projects, key issues raised, and the Council's responses is provided below.

**Detailed summary of projects and comments made on the revised draft Infrastructure Funding Statement and the Council's responses**

Organisation / Individual	Summary of Response	Council Response	Proposed amendments to IFS
Canal and River Trust	<p>Canal and River Trust requested –</p> <p><b>Retention of project on the IFS:</b></p> <ul style="list-style-type: none"> <li>• Refurbishment to listed stable block at Delph Locks – funding gap is £100,000 - £200,000.</li> </ul> <p><b>Clarifications of existing projects:</b></p> <ul style="list-style-type: none"> <li>• Collaborative work regarding the NCN Route 54 improvements.</li> <li>• Collaborative work regarding connectivity between the new metro route and towpath network.</li> </ul>	<p>Request from Respondent accepted.</p> <p>Noted.</p> <p>Noted.</p>	<p>No change.</p> <p>No change.</p> <p>No change.</p>
Dudley Metropolitan Borough Council (Peter Reed)	<p>Ian Hunt requested –</p> <p><b>Amendment of project on the IFS:</b></p> <ul style="list-style-type: none"> <li>• Provision for a new 120m footpath / cycleway (4m in width) connecting Lowndes Road with Wollaston Recreation Ground – funding gap is £84,334.</li> </ul>	<p>Request from Respondent accepted.</p>	<p>Project funding gap amended.</p>
Dudley Metropolitan Borough Council (Placemaking)	<p>Placemaking requested –</p> <p><b>Addition of projects on the IFS:</b></p> <ul style="list-style-type: none"> <li>• Lye War Memorial improvements – funding gap is £150,000.</li> <li>• Dudley Town Centre Wayfinding – funding gap is £100,000.</li> <li>• Foster Street public realm improvements – funding gap is £122,250.</li> <li>• Fountain Square, Ryemarket public realm improvements – funding gap is £120,000.</li> <li>• Shell Corner public realm improvements – funding gap is £105,000.</li> </ul>	<p>All requests from Respondent accepted.</p>	<p>All projects added to IFS with identified funding gaps.</p>

	<ul style="list-style-type: none"> <li>Talbot Street, Ryemarket public realm improvements – funding gap is £150,000.</li> </ul>		
Dudley Metropolitan Borough Council (Street and Green Care)	<p>Street and Green Care requested –</p> <p><b>Retention of projects on the IFS:</b></p> <ul style="list-style-type: none"> <li>Creation of a 26-space care park for Kinver Street open space – funding gap is £98,259.</li> </ul>	Request from Respondent accepted.	No change.

**Meeting of the Cabinet – 13th December, 2023**

**Report of the Director of Regeneration & Enterprise**

**Portersfield**

**Purpose of report**

1. The purpose of this report is to update Cabinet on progress with the project; the proposed next steps and timescales moving forward; and to seek approval for proposed actions and for ongoing revenue funding.

**Recommendation(s)**

2. It is recommended that: -
  - Cabinet notes the progress made to date and the updates presented in the report.
  - Cabinet notes the headline activity and timescales proposed over the next six months, with further detail to be provided in due course on specific elements.
  - Cabinet notes the revenue budget and how that is proposed to be used, prior to seeking further financial approvals.

**Background**

3. Progress on the project in the last six months has included:
  - Completion of the Intrusive Geo-environmental and Geotechnical Site Assessment and reporting.
  - Completion of the topographical, archaeological, historic building, ecological and arboriculture surveys.



- Agreement on Heads of Terms (HoTs) with Avenbury and the subsequent preparation of a Collaboration Agreement, for discussion and agreement with Avenbury.
- Ongoing engagement with other third-party landowners, and further due diligence in respect of The Beaches land and the Dudley Motor Company.
- Completion of the Public Consultation exercise.

There are two key workstreams to progress over the course of the next quarter, both critical to the procurement of a development partner. These are summarised below, with details in the following sections.

- *Land Assembly* – securing HoTs with Avenbury has been a significant step forward, but that needs to be maintained through to a legal Collaboration Agreement, which will form the basis of a draft Development Agreement, necessary to procure a development partner.
- *Scheme Design and Development Brief* – following the public consultation event and the completion of the site investigation works, a scheme design and a development brief is now required. This will inform preparation of development appraisals, required to support analysis of viability and capital funding, and determination of the agreed scheme.

## **Land Assembly**

### **Avenbury**

4. The Council own and control around 44% of the total Portersfield site area, with Avenbury owning 27%. The balance of the site is owned and controlled by several other third-party landowners including WMCA.
5. HoTs have been agreed with Avenbury and legal adviser DWF has been appointed by DMBC to prepare a Collaboration Agreement (CA). The CA will document the intentions of both parties; how DMBC and Avenbury will work together to progress a joint disposal of their respective land interests to a third party developer; details of costs and value apportionment; and timescales. Agreement of the CA is the pre-cursor to the preparation of a Development Agreement (DA) that the collaborating parties will then prepare, setting out the proposed arrangements with the development partner.

6. DWF has prepared a draft CA which has been reviewed by the DMBC team and it is currently with Avenbury for review. The timescales for agreement of the CA will be dependent on discussions with Avenbury, but the objective is to seek completion prior to the end of 2023. Completion of the CA will also require DMBC to identify the proposed route for the procurement of a development partner, including the criteria that will be used during the dialogue process to evaluate submissions. This will be included in an appendix to the CA and is work that needs to be undertaken prior to formal agreement with Avenbury and signing of the CA.

#### Other third-party interests

7. Discussions continue to be held with the other third-party owners, including the Dudley Motor Company (DMC) and WMCA, with a view to securing negotiated acquisition.

#### Compulsory Purchase Order (CPO)

8. A CPO will require DMBC to demonstrate that it has made all reasonable efforts to work with the landowners (or reach mutual agreement to acquire) before land is sought to be acquired by compulsion.
9. With respect to Avenbury, the advice received is that the CA approach is the way to proceed, to bring forward the scheme in a collaborative rather than a potentially combative way. However, it is important to note that even though HoTs have been agreed and a draft CA is in circulation, Avenbury could still not progress within a reasonable timescale, or refuse to progress at all.
10. Aside from Avenbury, DMC and WMCA, there are twelve other separate land interests within the Portersfield site and negotiations are ongoing with ten, with offers sent to nine of those and one awaiting approval to inspect. There are two that are not responding to contact from Gateley Hamer. Progress in several cases is being frustrated by unreasonable expectations of value.
11. It is vital for a CPO process that the discussions and negotiations with all parties continue and are played out in their entirety, to demonstrate it is not possible to collaborate or to agree reasonable value. DMBC should continue to anticipate that a CPO process will be required and, supported by specialist adviser Gateley Hamer, should continue to progress engagement with third parties on that basis, right up to any CPO Inquiry.
12. Following (i) the agreement of a scheme and a development brief that satisfies the need for a comprehensive planning policy approach; and (ii) the appointment of a development partner, DMBC could then consider the need for a CPO and, if so, confirm the preparation of a CPO. This decision

point is likely be in Autumn 2024 - with the timescale for preparing and submitting the CPO, the Public Inquiry and the Inspectors reporting process, meaning that the vesting of land by DMBC and securing possession could take a further 2½. years.

13. A planning consent will also be required for the scheme, in advance of a CPO Public Inquiry. This is a key task for the development partner and can be prepared in conjunction with it, once it is appointed.

#### Next steps and timescales

14. The immediate next steps and timescales in respect of land assembly are:
  1. Engagement with Avenbury to confirm the Collaboration Agreement – ongoing activity, objective is to reach agreement by end of 2023 and then seek approval from Cabinet for DMBC to sign.
  2. Gateley Hamer to continue ongoing discussions and negotiations with other third party landowners, including the DMC.

#### Scheme Design and Development Brief

15. A scheme design and a development brief are required, to support the following:
  - The preparation of development appraisals – to enable an assessment of viability, the scale of any funding gap, potential funding sources and investment timescales, based on projected cashflow and receipts.
  - The preparation of documentation for the procurement of a Development Partner and the competitive dialogue process. A developer will need to know what scheme it is expected to deliver.
  - To form the basis of a comprehensive planning policy document; to support a future planning application and the CPO process.
16. Recent progress has included:

#### *Completion of the Public Consultation exercise*

Held from 26th July to 20<sup>th</sup> September 2023, 459 people completed the questionnaire which asked ten questions about movement, accessibility, heritage and landscaping. All questions secured a 'strongly agree or agree' rating from more than 70% of respondees, with several in the high 80%/low 90% rating.

#### *Completion of the Intrusive Geo-environmental and Geotechnical Site Assessment*

Undertaken by specialists TRC, the purpose of the investigation was to identify geotechnical risk, support due diligence and the acquisition process. It is not a geotechnical design investigation and would not support detailed or structural design work. The assessment has considered soil, groundwater and ground gas environmental conditions. The report notes that the made ground encountered would largely be considered suitable for reuse; there were no asbestos fibres or fragments identified within the aggregate stockpile originating from the demolition of Cavendish House and that the re-use of materials derived from site should be feasible, subject to meeting the geotechnical and engineering specifications required for any proposed development.

Based on the results, it recommends a number of remediation and mitigation measures for the proposed development.

Further ground investigation will be required to aid the civil and structural design of the proposed final scheme, including additional deep ground investigation likely to be required to satisfy the Coal Authority during the planning application process. These investigations could cost up to £150,000, but this is a cost to the development, and would be undertaken by the development partner at the appropriate time.

*Completion of the topographical, archaeological, historic building, ecological and arboriculture surveys.*

The completion of several key surveys, necessary to establish baseline site conditions and support the design process.

#### Next steps and timescale

17. The next steps for finalising the scheme design and the development brief are:
  1. The internal DMBC design team including officers from planning, highways, heritage, placemaking and regeneration - supported by the Interim Regeneration Lead – to review the public consultation results, the TRC site investigation report, the movement and accessibility factors, and the proposed end uses.
  2. Agree the form/content of the development brief required to demonstrate ‘comprehensive development’ for CPO purposes.
  3. Prepare a draft development brief and scheme design – this will include general parameters for end uses, movement/accessibility, height, design, scale, massing and sustainability targets. This will need to be agreed with Avenbury.
  4. Appoint a development appraisal and viability adviser – to review the scheme prepared and advise on viability. The costs for this can be met from the approvals currently in place.

5. Engage in an iterative process to finesse the scheme and the viability appraisals – to identify a preferred layout and development form.
18. Items 1, 2 and 3 are ongoing with the objective of producing a draft development brief by the end of December 2023. The intention is to appoint a development appraiser by the end of 2023, to enable the iterative design/appraisal process to complete by the end of January 2024, with decisions made on final scheme and funding gaps/sources in early February 2024.

#### Procurement of a Development Partner

19. The procurement of a development partner requires the following to have been completed:
  - Scheme design/Development Brief – as set out above, so a tenderer will know what it is expected to secure planning permission for and deliver.
  - Viability appraisal and confirmed sources of funding – so all parties understand the financial viability of the scheme, who is expected to contribute what, and that any funding gaps are addressed.
  - A Development Agreement – which sets out what DMBC (and its partner Avenbury) expects from the development partner, how the commercial relationship will function and the conditions around engagement and delivery. This firstly requires the completion of the CA with Avenbury.
20. Further details on the procurement process and the professional support required during the procurement and dialogue process will follow in early 2024, when financial arrangements are understood, and further approvals will be required. At this stage DMBC will highlight the likely procurement route and the evaluation criteria for the selection of a preferred partner, for inclusion in the CA.

### **Finance**

#### Revenue

21. There is currently c£246,000 of approved revenue funding remaining unspent. The intention is to continue with the following tasks, utilising this remaining budget:
  - land assembly programme, including Avenbury Collaboration Agreement, retaining the necessary budget to proceed through CPO.

- complete the development brief and scheme design - with supporting development appraisals.
  - progress vacant possession of the Dudley Motor Company site.
22. Further tasks, principally related to the preparation of a development agreement and the procurement of a development partner, will require additional funding approvals in due course.

### Capital

23. Cabinet has previously endorsed (and Full Council authorised) the Director of Finance and Legal, in consultation with the Cabinet Member for Finance and Legal, to amend the capital programme and the medium-term financial strategy to reflect the costs of acquisition of land.
24. The estimated costs of acquiring third party land are set out in the Property Cost Estimate (PCE) at £8.1m.

### Law

25. Section 111 of the Local Government Act 1972 provides the Council with power to do anything which is calculated to facilitate or is conducive or incidental to, the discharge of any of their functions. Pursuant to Section 1 of the Localism Act 2011 a local authority has a general power of competence to do anything that individuals generally may do.

### Risk Management

26. The corporate risk register recognises that the Portersfield Development is an ambitious project that has potential to drive regeneration of Dudley Town Centre and add value to the local economy but, at the same time, carries financial, commercial, planning, procurement and other compliance risk that will need to be carefully managed.
27. An updated Risk Register for the project is required and is a key early priority for an incoming Project Manager.

### Equality Impact

28. The Council's Equality and Diversity policies will be applied throughout the delivery of this project, including the identification of any specific equality impacts. Where required equality impact assessments/statements will be prepared, for example in relation to the development brief and public consultation.

## **Human Resources/Organisational Development**

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

## **Commercial/Procurement**

30. Any contracts or commercial agreements needed to deliver the prescribed outcomes will be let in accordance with Contract Standing Orders. The procurement route for a development partner will be identified in early 2024 and reported back to Cabinet.

## **Environment/Climate Change**

31. The development brief will set out the requirements to ensure that any scheme conforms to planning policy requirements.

## **Council Priorities and Projects**

32. Facilitating the Economic Regeneration of the Borough is a key priority of the Council. The regeneration of this key site in Dudley Town Centre will contribute to that aim by delivering a high-quality development in a high-quality public realm setting.

**Helen Martin, Director of Regeneration & Enterprise**



Report Author: Mark Reynolds  
Telephone: 07946 382107  
Email: [mark.reynolds@dudley.gov.uk](mailto:mark.reynolds@dudley.gov.uk)