



Meeting of the Cabinet


**Wednesday, 12th March, 2014 at 6.00pm
In Committee Room 2 at the Council House, Priory Road, Dudley**

Agenda - Public Session (Meeting open to the public and press)

1. Apologies for absence.
2. To report any changes in the representation of opposition group members at this meeting.
3. To receive any declarations of interest under the Members' Code of Conduct.
4. To confirm and sign the minutes of the meeting held on 12th February, 2014 as a correct record.

Budget, Strategic, Policy and Performance Issues

5. Capital Programme Monitoring (Key decision) (Pages 1 – 13)
6. Corporate Quarterly Performance Management Report (Pages 14 – 15)
7. Public Consultation on the Dudley Area Action Plan "Issues and Options" Stage Document (Pages 16 – 18)
8. Dudley Town Centre Regeneration (Key decision) (Pages 19 – 26)
9. Approval for Consultation of the Community Infrastructure Levy Drafting Charging Schedule and Draft Regulation 123 List (Pages 27 – 37)
10. Rail Devolution (Pages 38 – 50)
11. Black Country Executive Joint Committee – Collaboration Agreement (Pages 51 – 60)
12. To report on any issues arising from Scrutiny Committees.



Director of Corporate Resources

Dated: 4th March, 2014

Distribution:

Members of the Cabinet:

Councillor Sparks (Leader - Chair)

Councillor Lowe (Deputy Leader)

Councillors K Ahmed, Branwood, Crumpton, Foster, Partridge, S Turner, Waltho and Wood.

Opposition Group Members nominated to attend meetings of the Cabinet:

Councillors Harley, James, Kettle, Mrs Simms, Vickers and Wright

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- The Democratic Services contact officer for this meeting is Steve Griffiths, Telephone 01384 815235 or E-mail steve.griffiths@dudley.gov.uk

MEETING OF THE CABINET

Wednesday, 12th February, 2014 at 6.00 p.m.
in Committee Room 2 at the Council House, Dudley

PRESENT:-

Councillor Sparks (Leader of the Council) (Chair)
Councillor Lowe (Deputy Leader)
Councillors K Ahmed, Branwood, Crumpton, Foster, Partridge,
S Turner, Waltho and Wood.

Conservative Group Members appointed to attend meetings of the
Cabinet: Councillors Evans, Harley, James, Kettle, Vickers and Wright.

OFFICERS:-

Chief Executive, Director of Corporate Resources, Director of the Urban
Environment, Interim Director of Children's Services, Director of Public
Health, Treasurer, Assistant Director of Adult, Community and Housing
Services, Assistant Director of Corporate Resources (Human Resources
and Organisational Development), Assistant Director of the Urban
Environment and the Assistant Principal Officer (Democratic Services).

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APOLOGY FOR ABSENCE

An apology for absence from the meeting was received on behalf of
Councillor Mrs Simms.

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CHANGES IN REPRESENTATION OF OPPOSITION GROUP MEMBERS

It was reported that Councillor Evans was serving in place of Councillor
Mrs Simms for this meeting only.

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DECLARATIONS OF INTEREST

The following Members declared non-pecuniary interests, in accordance
with the Members Code of Conduct, in relation to Agenda Item No. 6
(Revenue Budget Strategy and Setting the Council Tax 2014/15):-

Councillor Vickers – as the Chair of the Tenterfields Children's Centre
Management Committee.

Councillor Evans – as a Member of the Advisory Board of the Queen
Victoria Children's Centre.

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MINUTES

RESOLVED

That the minutes of the meeting of the Cabinet held on 5th December, 2013, be approved as a correct record and signed.

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ANNUAL AUDIT LETTER 2012/13

A joint report of the Chief Executive and the Treasurer was submitted on the External Auditor's Annual Audit Letter for 2012/13.

The Cabinet Member for Finance reported that the Letter gave a positive assessment of the Council's financial statements and its arrangements to secure value for money. K. Bellingall was present at the meeting representing the Council's External Auditors, Grant Thornton.

RESOLVED

That the External Auditor's Annual Audit Letter for 2012/13, together with the views of the Auditor, be noted.

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REVENUE BUDGET STRATEGY AND SETTING THE COUNCIL TAX 2014/15

A joint report of the Chief Executive and the Treasurer was submitted on the deployment of General Fund revenue resources, a number of statutory calculations that had to be made by the Council and, subject to the receipt of the Police and Fire precepts, the Council Tax to be levied for the period from 1st April, 2014 to 31st March, 2015.

The Cabinet Member for Finance presented the report and noted that:-

- The figures in the report were based on the provisional local government finance settlement. The final settlement had now been received, however, this required only minor changes and did not affect the overall budget strategy. Revised figures would be incorporated in the report to the Council.
- Dudley Youth Council had submitted electronic and paper petitions calling for the views of young people to be taken into account and for the Council not to be cut funding for youth services. The report to the Council would be amended accordingly.

- The Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014 required that a named vote be taken on the revenue budget strategy and setting the Council Tax 2014/15 at the full Council meeting.

The Cabinet Member for Finance referred to the scale of the financial challenges faced by the Council as a result of reductions in Government funding. Significant efforts had been made to lobby for a fair deal for Dudley. Particular reference was made to the New Homes Bonus funding, which would now remain in Council control.

Full copies of the Equality Impact Assessments had been provided to Cabinet Members and the Opposition Members appointed to attend meetings of the Cabinet.

RESOLVED

(1) That the Council be recommended to approve:-

- The budget for 2014/15 and service allocations as set out in the report.
- That the statutory amounts required to be calculated for the Council's spending, contingencies and contributions to reserves; income and use of reserves; transfers to and from its collection fund; and council tax requirement, as referred to in Section 67(2)(b) be now calculated by the Council for the year 2014/15 in accordance with Sections 31A, 31B and 34 to 36 of the Local Government Finance Act 1992 as shown in Appendix 9 to the report.
- That, having calculated the aggregate in each case of the amounts in Appendix 9, the Council, in accordance with Section 30(2) of the Local Government Finance Act, 1992, agrees the following levels of Council Tax for Dudley Council services for 2014/15:-

Valuation Bands

A	B	C	D
£750.24	£875.28	£1000.32	£1125.36
E	F	G	H
£1375.44	£1625.52	£1875.60	£2250.72

Plus the amounts to be notified for the Police and Fire and Rescue Authority precepts.

- (d) The revision of 2013/14 budgets to reflect the variances set out in paragraph 15 of the report.
 - (e) That the Chief Executive, in consultation with the Director of Public Health and the Cabinet Member for Health and Wellbeing, be authorised to determine the allocation of the available public health grant funding for 2014/15.
 - (f) The Medium Term Financial Strategy as set out in the report.
- (2) That the Treasurer be authorised, in consultation with the Cabinet Member for Finance and the Opposition Spokesperson for Finance, to approve any changes to the budget proposals resulting from the final local government settlement and the setting of the Integrated Transport Authority Levy prior to the Council meeting on 3rd March, 2014, as set out in paragraphs 30 and 37 of the report.
 - (3) That the Council be recommended to determine that a referendum relating to Council Tax increases is not required in accordance with Chapter 4ZA of Part 1 of the Local Government Finance Act 1992.
 - (4) That Cabinet Members, the Chief Executive and Directors be authorised to take all necessary steps to implement the proposals contained in the report, in accordance with the Council's Financial Management Regime.
 - (5) That the Chief Executive and Directors be reminded to exercise strict budgetary control in accordance with the Financial Management Regime and care and caution in managing the 2014/15 budget, particularly in the context of commitments into later years and the impact that any overspending in 2014/15 will have on the availability of resources to meet future budgetary demands.
 - (6) That the Chief Executive and Directors, in consultation with the Leader, Deputy Leader and relevant Cabinet Members, be authorised to explore the areas set out in paragraph 55 of the report and report back to the Cabinet in July, 2014 with specific proposals.

- (7) That the arrangements for Local Government Pension Scheme employer contributions, set out in paragraph 31 of the report, including the implications for the Council's budgets for 2017/18 – 2019/20, be noted and that the Treasurer, in consultation with the Cabinet Member for Finance and the Opposition Spokesperson for Finance, be authorised to continue discussions with the Pension Fund and bring final proposals for approval by the Council on 3rd March, 2014.
- (8) That Directors be authorised to offer, through Human Resources, the opportunity of volunteering for redundancy to employees whose service is undergoing a restructure involving the saving of posts.
- (9) That the continued use of the delegated approvals process for any voluntary or compulsory redundancies be authorised.
- (10) That the Council be recommended to approve the Pay Policy Statement 2014 as set out in Appendix 11 to the report now submitted.

(This was a Key Decision with the Council and Cabinet being named as Decision Takers).

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DEPLOYMENT OF RESOURCES: HOUSING REVENUE ACCOUNT AND PUBLIC SECTOR HOUSING CAPITAL

A joint report of the Director of Adult, Community and Housing Services and the Treasurer was submitted on proposals for the deployment of the Housing Revenue Account and associated matters for 2014/15 and in respect of the Housing Capital Programme for the period from 2014/15 to 2018/19.

RESOLVED

- (1) That a rent increase for Housing Revenue Account dwellings on 7th April, 2014, with an average increase of £1.22 (1.5%) and a maximum increase of £2.17 as outlined in paragraph 3 of the report, be approved.
- (2) That an increase of 3.2% in service charges, as outlined in paragraphs 5 and 7 of the report, be approved.
- (3) That an increase of 12% in heating and lighting charges for sheltered housing from an average weekly charge of £13.11 to an average weekly charge of £14.43, other than at The Gables and Netherton Lodge where charges will remain at their current rates, as set out in paragraph 6 of the report, be approved.

- (4) That an increase from £2.10 to £2.20 for laundry tokens, as outlined in paragraph 8 of the report, be approved.
- (5) That an increase of 1.5% to the current charge for pitch licences at Oak Lane, as outlined in paragraph 9 of the report, be approved.
- (6) That an increase of 1.5% in water charges at Oak Lane to £6.25 per week, as set out in paragraph 9 of the report, be approved.
- (7) That maintaining the leaseholders' administration fee at current levels, as outlined in paragraph 10 of the report, be approved.
- (8) That maintaining charges for private Telecare clients at current levels, as outlined in paragraph 11 of the report, be approved.
- (9) That an increase of 11.8% for garage plot rent and access agreements, and the dates proposed for future increases, as set out in paragraphs 13 and 15 of the report, be approved.
- (10) That an increase in garage rents as outlined in paragraph 14 and the dates proposed for future increases, as set out in paragraph 15 of the report, be approved.
- (11) That the Council be recommended:-
 - (a) To approve the revised Housing Revenue Account budget for 2013/14 and the Housing Revenue Account budget for 2014/15, as outlined in Appendix 1 of the report.
 - (b) To approve the public sector housing revised capital budget for 2013/14 and the capital budget for 2014/15 to 2018/19 attached as Appendix 2 to the report.
 - (c) To authorise the Director of Adult, Community and Housing Services and the Director of Corporate Resources to bid for and enter into funding arrangements for additional resources to supplement investment in the public sector housing stock as outlined in paragraphs 25 and 26 of the report.
 - (d) To authorise the Director of Adult, Community and Housing Services, in consultation with the Cabinet Member for Housing and Community Safety, to manage and allocate resources to the capital programme as outlined in paragraph 27 of the report.

- (e) To confirm that all capital receipts arising from the sale of HRA assets (other than those specifically committed to support private sector housing) continue to be used for the improvement of council homes, as set out in paragraph 27 of the report.
- (f) To authorise the Director of Adult, Community and Housing Services to procure and enter into contracts for the delivery of the capital programme, as outlined in paragraph 28 of the report.
- (g) To receive the Housing Revenue Account medium term financial strategy and thirty year business plan attached as Appendix 4 to the report.

(This was a Key Decision with the Council and Cabinet being named as Decision Takers)

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CAPITAL PROGRAMME MONITORING

A joint report of the Chief Executive and the Treasurer was submitted on progress with the implementation of the Capital Programme and proposing certain amendments. The report also set out proposals in relation to the "Prudential Indicators" as required to be determined by the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code for Capital Finance in Local Authorities and the Local Government Act, 2003. The report also sought approval in relation to the Council's Minimum Revenue Provision (MRP) Policy for 2014/15.

RESOLVED

- (1) That the result of the Post Completion Review of relevant capital projects, as set out in Appendix C of the report, be noted.
- (2) That the Council be recommended:-
 - (a) That current progress with the 2013/14 Capital Programme, as outlined in Appendix A, be noted and that budgets be amended to reflect the reported variance.
 - (b) That the Disabled Facilities Grant allocation for 2014/15 be noted and the associated expenditure funded from this and other available Housing capital resources be included in the Capital Programme, as set out in paragraph 7 of the report.

- (c) That the revised funding for the Tiled House Lane Residential Home project be approved, and the Capital Programme amended accordingly, as set out in paragraph 8 of the report.
- (d) That it be noted that the programme to be funded from Adult Personal Social Services Capacity Grant this year includes £17,000 of expenditure on fire safety compliance work at Halesowen Library, and also that the Director of Adult, Community and Housing Services be authorised to allocate such funding for similar purposes, as appropriate within the overall objectives of the grant allocations, as set out in paragraph 9 of the report.
- (e) To approve the revised project for the provision of an MOT Testing Facility, as outlined in paragraph 10 of the report.
- (f) To approve the project to renew all Pay and Display machines and its inclusion in the Capital Programme, as outlined in paragraph 11 of the report.
- (g) To approve the Better Bus Area project and its inclusion in the Capital Programme, as set out in paragraph 12 of the report.
- (h) That the Schools Basic Need allocations for 2015/16 and 2016/17 be noted and the associated expenditure included in the Capital Programme, as set out in paragraph 13 of the report.
- (i) That the Schools Capital Maintenance allocation for 2015/16 be noted and the associated expenditure included in the Capital Programme, as set out in paragraph 14 of the report.
- (j) That the Schools Devolved Capital allocation for 2015/16 be noted and the associated expenditure included in the Capital Programme, as set out in paragraph 15 of the report.
- (k) That the Universal Infant Free School Meals allocation be noted and the associated expenditure included in the Capital Programme, as set out in paragraph 16 of the report.
- (l) That the Prudential Indicators as required to be determined by the CIPFA Prudential Code for Capital Finance in Local Authorities and the Local Government Act 2003, as set out in Appendix D to the report, be approved.

- (m) That the Minimum Revenue Provision Policy for 2013/14 be approved as set out in paragraph 21 of the report.

(This was a Key Decision with the Council and Cabinet being named as Decision Takers)

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DUDLEY BUSINESS INVESTMENT ZONE

A joint report of the Directors of the Urban Environment and Corporate Resources was submitted on the creation of the Dudley Business Investment Zone at the Waterfront area of Brierley Hill.

RESOLVED

That the Council be recommended:-

- (1) To approve the creation of a Dudley Business Investment Zone at the Waterfront area of Brierley Hill from the start of the 2014/15 financial year.
- (2) That the Cabinet Member for Regeneration be authorised to determine the composition of the Management Board.
- (3) That the Directors of the Urban Environment and Corporate Resources, in consultation with the Cabinet Members for Regeneration and Finance, be authorised to:-
 - (i) Negotiate and enter into the required legal agreements for the Dudley Business Investment Zone.
 - (ii) Create appropriate delegations for the financial administration of the Dudley Business Investment Zone.
 - (iii) Update and amend the draft management framework.
 - (iv) Amend the Council's discretionary rate relief policy to allow the reduction in business rates for businesses within the designated area for the Dudley Business Investment Zone, as detailed in the report.

(This was a Key Decision with the Council and Cabinet being named as Decision Takers)

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ADOPTION OF THE MEMBERS AND OFFICERS CODE OF CONDUCT –
PLANNING MATTERS

A report of the Director of the Urban Environment was submitted on the amended Members and Officers Code of Conduct for Planning Matters. A query was raised concerning references in the Code to formal and informal site visits and a response would be provided accordingly.

RESOLVED

That the Council be recommended to approve the revised Members and Officers Code of Conduct for Planning Matters.

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HIGH STREET INNOVATION FUND AND EMPTY SHOPS GRANT

A report of the Director of the Urban Environment was submitted on the expenditure of the High Street Innovation Fund and the remainder of the Empty Shops Grant.

RESOLVED

- (1) That the allocation of the Empty Shops Grant and High Street Innovation Fund, on the basis outlined in paragraphs 14 to 16 of the report, be approved.
 - (2) That the Director of the Urban Environment, in consultation with the Cabinet Member for Regeneration, be authorised to prepare eligibility criteria for the allocation of Empty Shops Grant and High Street Innovation Fund and issue grants to eligible applicants up to the limit of the Department of Communities and Local Government grant allocations.
 - (3) That the Director of Corporate Resources be authorised to determine applications for funding from the High Street Innovation Fund and the remainder of the Empty Shops Grant, based on recommendations from Community Forums, in the same manner as the existing Community Forum Area Grants process.
-

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PROVIDING SOCIAL HOUSING FOR LOCAL PEOPLE – STATUTORY
GUIDANCE ON SOCIAL HOUSING ALLOCATIONS FOR LOCAL
AUTHORITIES IN ENGLAND.

A report of the Director of Adult, Community and Housing Services was submitted summarising the statutory guidance on Social Housing allocations for Local Authorities in England.

RESOLVED

- (1) That a residency requirement be included as part of the qualification criteria requiring the applicant (or member of the applicant's household) to have lived in the Dudley Borough, subject to exemptions, for a period of two years; this to be implemented initially for a period of twelve months to enable a full evaluation and assessment of the overall impact.
- (2) That the Cabinet Member for Housing and Community Safety and the Director of Adult, Community and Housing Services be authorised to consider the guidance and ensure that the allocations policy is in line with the requirements of this statutory guidance.

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ISSUES ARISING FROM SCRUTINY COMMITTEES.

No issues were reported under this item.

The meeting ended at 6.55pm

LEADER OF THE COUNCIL

Meeting of the Cabinet – 12th March 2014

Joint Report of the Chief Executive and Treasurer

Capital Programme Monitoring

Purpose of Report

1. To report progress with the implementation of the Capital Programme.
2. To propose amendments to the Capital Programme.

Background

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

	2013/14	2014/15	2015/16
	£'000	£'000	£'000
Public Sector Housing	38,753	43,095	41,155
Other Adult, Community & Housing	8,395	5,258	550
Urban Environment	26,893	26,524	10,302
Children's Services	10,022	25,950	170
Corporate Resources	2,611	1,963	1,428
Total spend	86,674	102,790	53,605
Revenue	17,043	16,134	12,929
Major Repairs Reserve (Housing)	22,199	22,279	22,558
Capital receipts	5,185	20,439	13,150
Grants and contributions (inc. Lottery)	19,165	27,195	2,053
Capital Financing Requirement*	23,082	16,743	2,915
Total funding	86,674	102,790	53,605

*This will be funded internally from the Council's cashflow resources as far as possible, rather than from external debt.

Note that the capital programme for future years is in particular subject to government grant allocations, some of which have not yet been announced.

4. In accordance with the requirements of the Council's Financial Regulations, details of progress with the 2013/14 Programme are given in Appendix A. It is proposed that the current position be noted, and that budgets be amended to reflect the reported variances. An update on progress with the Council's most significant capital schemes is shown in Appendix B.

Adult, Community and Housing

Mortgage Rescue Scheme

5. The Council joined the Government funded Mortgage Rescue scheme as one of its original pathfinder authorities in 2009 and has completed 54 rescues to date of homeowners referred by its Homelessness Team. The scheme is a “product of last resort” for homeowners at risk of homelessness through mortgage repossession, and who cannot be helped to avoid homelessness through any other measures such as mortgage rescheduling, benefit support, lender forbearance, voluntary sales, equity release, etc. At present the Government provides a grant so that the properties can be purchased by a housing association and rented back to the previous owner. The Council now has the opportunity to become a syndicate member of the scheme which allows us to take ownership of properties that are rescued. In doing so the Council would benefit from a Homes and Communities Agency (HCA) grant of 47% toward the purchase price and a further 47% of the costs of any improvements needed to be made to the property to bring it up to the Decent Homes Standard (up to a maximum cost of £20,000). The Council would not be obliged to purchase any property offered to it and an evaluation would be carried out on each property before it is purchased to ensure that the purchase cost plus any costs incurred in bringing the property up to a Decent Homes Standard (and any future projected maintenance costs) represent a sound investment and good value for money. The properties would be managed as part of the Housing Revenue Account (HRA) stock, and the Council’s share of the acquisition, improvement and ongoing costs would be funded from existing HRA resources.

It is proposed that expenditure of £500,000 plus the value of any associated HCA Grant be added to the public sector housing capital programme over 5 years, and that the Director of Corporate Resources be authorised to acquire properties suitable for Mortgage Rescue on behalf of the Council.

Children’s Services

Schools Energy Efficiency

6. It is proposed to replace existing lighting with high efficiency lighting (either fluorescent or LED) and install insulation to heating, pipework and valves at 10 pilot schools, with the intention of reducing energy costs and carbon dioxide emissions. It is anticipated that this work could be funded by an interest free loan from Salix (an independent, publicly funded company, dedicated to providing the public sector with loans for energy efficiency projects) to be repaid over a period up to 8 years from the savings generated. Any savings thereafter will be retained by the schools. The initial estimated cost of the works is £430,000, although the costs (and savings) we will be clarified further before submitting any application.

It is proposed that the Interim Director of Children’s Services be authorised to submit an application for funding to Salix, and that subject to the application for funding being successful the project be approved and included in the Capital Programme.

Post Completion Review of Capital Projects

7. The Post Completion Reviews required by Contract standing orders have now been undertaken for the following schemes, with copies of the proformas summarising the reviews attached at Appendix C.

Urban Environment

A459 Halesowen Road, Netherton - Resurfacing

A4036 Dudley Road, Pedmore Road and Lye Cross - Resurfacing

Saltwells Road, Netherton - Resurfacing

Children's Services

Northfield Road Primary School – Re-roofing

It is proposed that these be noted.

Finance

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

Law

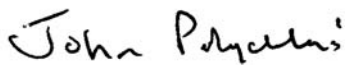
9. The Council's budgeting process is governed by the Local Government Act 1972, the Local Government Planning and Land Act 1980, the Local Government Finance Act 1988, the Local Government and Housing Act 1989, and the Local Government Act 2003.

Equality Impact

10. These proposals comply with the Council's policy on Equality and Diversity.
11. With regard to Children and Young People:
 - The Capital Programme for Children's Services will be spent wholly on improving services for children and young people. Other elements of the Capital Programme will also have a significant impact on this group.
 - Consultation is undertaken with children and young people, if appropriate, when developing individual capital projects within the Programme.
 - There has been no direct involvement of children and young people in developing the proposals in this report.

Recommendations

12. That the results of the Post Completion Reviews of relevant capital projects, as set out in Appendix C be noted.
13. That the Interim Director of Children's Services be authorised to submit an application for funding to Salix for the Schools Energy Efficiency project, as set out in paragraph 6.
14. That the Council be recommended:
 - That current progress with the 2013/14 Capital Programme, as set out in Appendix A be noted, and that budgets be amended to reflect the reported variance.
 - That in respect of the Mortgage Rescue Scheme, expenditure of £500,000 plus the value of any associated HCA Grant be added to the public sector housing capital programme over 5 years, and that the Director of Corporate Resources be authorised to acquire properties suitable for Mortgage Rescue on behalf of the Council, as set out in paragraph 5.
 - That subject to the application for funding being successful the Schools Energy Efficiency project be approved and included in the Capital Programme, as set out in paragraph 6.



John Polychronakis
Chief Executive



Iain Newman
Treasurer

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List of Background Papers

Relevant resource allocation notifications.

2013/14 Capital Programme Progress to Date

Service	Budget £'000	Spend to 31st January £'000	Forecast £'000	Variance £'000	Reasons for Variance
Public Sector Housing	38,753	27,947	38,753		
Other Adult, Community & Housing	8,395	5,670	8,395		
Urban Environment	26,893	18,445	26,869	-24	See note 1
Children's Services	10,022	5,156	10,022		
Corporate Resources	2,611	1,878	2,611		
TOTAL	86,674	59,096	86,650	-24	

1. Minor underspend in respect of Healthy Towns project; grant funding freed up will be used for associated revenue expenditure.

Progress with Major Capital Schemes**Adult, Community and Housing**New Council Housing

The Council has been successful in securing match funding from the Homes and Communities Agency (HCA) from the Care and Specialised Support Housing Fund and work has commenced on design and planning for the 14 two bedroom apartments for people with learning disabilities and who are on the autistic spectrum at the former depots at Norfolk Road, Wollaston and The Walk, Sedgley, and 3 two bedroom three person houses also at The Walk. Work is continuing on feasibility studies for other potential new build across the borough although no firm proposals have been developed yet. Spend this year is planned to be only design and planning fees, with construction on site planned to commence later in 2014. Schemes are expected to be delivered within budget.

Dementia Gateways

Work has been successfully completed on the dementia gateway at Brettell Lane, Brierley Hill and works have now also commenced on the second dementia gateway at Brett Young in Halesowen with completion in August 2014. Schemes are expected to be delivered within budget.

Tiled House Lane Residential Home Modernisation

Refurbishment works to carry out improvements to Tiled House Lane Residential Home have commenced and are expected to be completed, within budget, in May 2014.

Urban EnvironmentStreet Lighting

Street lighting improvement works are in progress and the Street Lighting Central Management System (CMS) is now fully commissioned and operational. 8,700 of the Council's 32,000 street lights can now be controlled via the CMS system remotely to help save energy; 4,200 of these can be dimmed. Spend is forecast to be within budget.

Better Bus Area

A planning application has been prepared and submitted for the proposals which involve the construction of a new signal controlled pedestrian crossing on the A4036 Pedmore Road, and the creation of additional road space and signal controls to facilitate bus priority measures at the junction of the Boulevard with Mill St, Brierley Hill. The planning application will be considered by the Council's Development Control Committee in March and subject to gaining planning permission works will be programmed to start on site in Summer 2014.

Recycling

The grant funded recycling vehicles are now operational and approximately two thirds of the boxes and bags have been deployed to households in line with Phases 1 and 2 of the rollout. Phase 3 rollout is expected to complete the recycling capital expenditure Spend is forecast to be within budget.

Wheeled Bins

Phases 1 and 2 wheeled bin deliveries have now been rolled out with Phase 3 bins expected to be delivered by February 2014. Spend is forecast to be within budget.

Priory Park Improvements

Awaiting some final snagging issues to be resolved by the main contractor, but capital project is virtually complete. Claims for capital funding from Heritage Lottery are almost complete. Revenue spend is progressing well with a large number of new volunteers involved in the improvements. Spend is forecast to be within budget.

Mary Stevens Park

Heritage Lottery Fund has given permission to start project. All conditions have been met. The Project Manager started work in December, and is due to start the process of regular project meetings to monitor progress. The design team will be recruited by March, and the procurement process has begun. Spend is forecast to be within budget.

Castle Hill

New Access Road: Phase 1a was completed during October 2012. Phase 1b (link road and roundabout) was completed April 2013.

Phase 2 onwards: This comprises the secondary route, recreational route, car parking and Visitor Hub. Planning permission was granted on 12th March 2013. The design team are currently working on detailed designs on a phased basis. Works commenced onsite for the initial phase of the secondary route on 23rd September 2013. Works commenced on the lower level car parks on 4th December 2013, with anticipated completion due early March 2014. Further works to commence early 2014, with final completion currently projected for December 2014.

Spend is forecast to be within budget.

Dudley Marketplace and Town Centre

The Dudley Marketplace project is currently underway and the first construction phase in Castle Street commenced on 20th January 2014. The Market Place phase will follow in the next financial year. Spend is forecast to be within budget.

Children's Services

DGfL3

Dudley Grid for Learning 3 includes a programme of ICT equipment upgrade and renewal across financial years 2013/14 & 2014/15. Consultation with schools to ascertain their priorities for the 'refresh' programme is underway and options have been presented to schools. Initial equipment procurement has commenced in response to schools and service needs. The programme and associated expenditure is therefore on schedule to bring improvement to schools ICT as planned.

Corbyn Road - base for joint Children's Safeguarding Unit and frontline social work teams

Tenders have now been returned, and work started on 20th January 2014 with a planned completion date of 27th June 2014. Expected outturn cost is within budget.

Pens Meadow Special School – Additional Places

A costed feasibility study has been produced and the next stage is for more detailed surveys to be undertaken to ascertain more up to date costs for refurbishment. Corporate Estates have been commissioned by the Directorate of Children's Services to negotiate a lease of the building on behalf of the Council. Construction & Design have been commissioned to provide full design services for the project.

Corporate Resources

Transforming our Workplace (ToW)

The project is now less than 6 months to completion. There has been some overspend on the refurbishment of core offices but this has been offset by underspend on other ToW budget lines such as fewer staff moves. Additionally, Non-Domestic Rate credits have been received for vacant offices during refurbishment periods. Work to offices at 3/5 St James's Road was originally due to complete before Christmas but has been delayed; predominantly due to slow work on site over November and December. However, furniture and ICT has been installed and the programme remains on target to relocate staff in early February. Alterations to offices at Mary Stevens Park Stourbridge are in progress ahead of the relocation of around 250 Children's Services staff commencing at the end of March. Work to the Council House complex and 8 Parsons Street is scheduled to commence in February 2014. The release of 12 surplus office sites has commenced with Castle Court, 5-7 The Broadway now on the market. The other 11 sites will be vacated in 2014. The whole programme of work is currently running to budget and is scheduled to complete accordingly to plan in July 2014.

Post Completion Review of Capital Schemes

Title of Scheme: A459 Halesowen Road, Netherton Resurfacing
Date of Cabinet approval (As part of Highways Structural Maintenance Programme): 27 May 2011 (i.e. inclusion in Capital Programme)
Original Budget (as first reported to Cabinet):..... £194,000 Planned Completion date: 31 May 2013
Outturn Cost £195,000 Actual completion date: 23 June 2013
Variation from Original Budget: Increase of £1,000 Delay: 3 weeks
Reason for Cost Variation and / or Delay in Completion (please indicate if any variation has previously been reported to Cabinet): There were some minor cost variations but overall the cost of the scheme was on target. About 50% of the resurfacing was carried out on Sundays to reduce traffic disruption through Netherton. The weekday work was completed on time. Two Sundays were lost because of the Bank Holiday weekends in May and the Sunday working was increased to allow for the resurfacing adjacent to some industrial premises when the businesses were closed.
Original Objectives of Scheme (please indicate when and to whom these were reported): Resurface the carriageway of Halesowen Road, Netherton to overcome the deterioration of the pavement layers.
Have these Objectives been met? (If "No" please provide explanation): Yes.

Signed by: **John Millar** (Director).....

Date: 31/01/2014

Title of Scheme: A4036 Dudley Road, Pedmore Road and Lye Cross Resurfacing
Date of Cabinet approval (As part of Highways Structural Maintenance Programme): 27 May 2011 (i.e. inclusion in Capital Programme)
Original Budget (as first reported to Cabinet):..... £205,000 Planned Completion date: 25 August 2013
Outturn Cost £200,000 Actual completion date: 15 September 2013
Variation from Original Budget: Reduction of £5,000 Delay: 3 weeks
Reason for Cost Variation and / or Delay in Completion (please indicate if any variation has previously been reported to Cabinet): Budget savings were achieved through a reduction in the amount of binder course material used. The majority of the resurfacing was carried out on Sundays to reduce traffic disruption. The layout of the junction required the work to be undertaken in multiple phases. This was more complex than originally envisaged and required three additional Sundays to complete the scheme.
Original Objectives of Scheme (please indicate when and to whom these were reported): Resurface the carriageway of the A4036 Dudley Road, Pedmore Road and Lye Cross to overcome the deterioration of the pavement layers.
Have these Objectives been met? (If "No" please provide explanation): Yes.

Signed by: **John Millar** (Director).....

Date: 31/01/2014

Title of Scheme: Saltwells Road, Netherton Resurfacing
Date of Cabinet approval (As part of Highways Structural Maintenance Programme): 27 May 2011 (i.e. inclusion in Capital Programme)
Original Budget (as first reported to Cabinet):..... £204,000 Planned Completion date: 4 October 2013
Outturn Cost£202,000 Actual completion date: 6 October 2013
Variation from Original Budget: Reduction of £2,000 Delay: 2 days
Reason for Cost Variation and / or Delay in Completion (please indicate if any variation has previously been reported to Cabinet): There were some minor cost variations but overall the cost of the scheme was on target. About 25% of the resurfacing was carried out on Sundays to reduce traffic disruption at the junction with Cradley Road. The Sunday work started later than planned as the surfacing gang was delayed at the Lye Cross scheme, resulting in the works being completed 2 days late.
Original Objectives of Scheme (please indicate when and to whom these were reported): Resurface the carriageway of Saltwells Road, Netherton to overcome the deterioration of the pavement layers.
Have these Objectives been met? (If "No" please provide explanation): Yes.

Signed by: **John Millar** (Director).....

Date: 31/01/2014

<p>Title of Scheme: Northfield Road Primary School – Re-roofing project.</p>
<p>Date of Cabinet approval: 08/02/2012 (i.e. inclusion in Capital Programme) This project was funded from the Capital Maintenance Grant approved for inclusion in the Capital Programme by Cabinet on the above date</p>
<p>Original Budget : £398,000. Planned Completion date: 30/08/2013</p>
<p>Outturn Cost (still provisional): £402,000. Actual completion date: 13/09/2013</p>
<p>Variation from Budget: £4,000. Delay: 10 working days.</p>
<p>Reason for Cost Variation and / or Delay in Completion (please indicate if any variation has previously been reported to Cabinet):</p> <p>Competitive tenders were invited in accordance with Council Standing Orders.</p> <p>Due to the age and nature of the pitched roof, there were a number of unknowns that needed further investigation when the contract was on site. The delay on the project completion date was due to some of the detailing and stonework repair being more time-consuming than originally thought.</p> <p>The overspend on the budget was due to additional works carried out, which included a working clock on the clock tower, these works were funded by the school, therefore no additional funding needed to be taken from the Capital Maintenance Grant budget.</p> <p>Cost variations were reported at regular intervals through PIT (Project Implementation Team).</p>
<p>Original Objectives of Scheme (please indicate when and to whom these were reported):</p> <p>The project was prioritised through the Council’s AMP (Asset Management Plan) Scoring Matrix mechanism that targets capital resources where they will have the greatest impact on raising educational Standards and improving the overall quality of school buildings. Also, the School’s Governing body and Senior Management Team highlighted the project as a priority in the School’s Building Development Plan.</p> <p>Following a meeting of the AMP Consultation Group held on 18th January 2012 the unanimous decision by the group was to recommend that the Directorate proceeded with the Re-roofing Scheme at Northfield Road Primary School. The Director of Children’s Services agreed to the programme at Capital Board that also took place on 8th February 2012.</p>

The completed project has provided a permanent solution to the pitched and flat roof failures and a school environment that is equipped for 21st century teaching and learning.

Have these Objectives been met? (If "No" please provide explanation):

Yes.

Signed by: Pauline Sharratt..... (Interim Director)

Date:7th February 2014

Meeting of the Cabinet - 12th March 2014

Corporate Quarterly Performance Management Report

Report of the Chief Executive

Purpose of Report

1. To present the third Corporate Quarterly Performance Management Report for 2013/14, relating to performance for the period 1st October to 31st December 2013.

Background

2. The overriding purpose of the Corporate Quarterly Performance Management Report is to provide the Cabinet with a regular update on the management of services and performance levels being achieved within the Council, across the seven Council Plan thematic priorities. Prior to submission to Cabinet the report is scrutinised by the Corporate Performance Management, Efficiency and Effectiveness Scrutiny Committee.
3. The report contains the following sections:
 - Section 1:** a brief introduction.
 - Section 2:** a performance summary of key performance indicators and actions.
 - Section 3:** more detailed progress on the key performance indicators and the key actions identified to determine our delivery of the Council Plan priorities.
 - Section 4:** current sickness absence information.
 - Section 5:** corporate risk status report

A full copy of the Corporate Quarterly Performance Management Report is available on the Internet via the Committee Management Information System. A paper copy can be sent to any Member on request.

Finance

4. There are no direct financial implications.

Law

5. The Council may do anything which is incidental to conducive to or which facilitates the discharge of its functions under Section 111 of the Local Government Act, 1972.

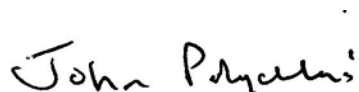
Equality Impact

6. There are no special considerations to be made with regard to equality and diversity in noting and receiving this report.

The Corporate Quarterly Performance Management Report includes details of the performance of the Council Plan strategic objectives and priorities for children and young people.

Recommendation

7. It is recommended that Cabinet
 - Receives the Corporate Quarterly Performance Management Report and approves its content.
 - Notes that the Corporate Performance Management, Efficiency and Effectiveness Scrutiny Committee considered the report on 25th February, 2014.



John Polychronakis
Chief Executive

Contact Officers: Geoff Thomas ext 5270 / Michael Wooldridge ext 4737

Meeting of the Cabinet – 12th March 2014

Report of the Director of the Urban Environment

Public consultation on the Dudley Area Action Plan ‘Issues and Options’ stage document

Purpose of Report

1. To seek Cabinet approval for the Dudley Area Action Plan (AAP) Issues and Options document to be used as a basis for public consultation commencing in March 2014.

Background

2. Dudley Town Centre has witnessed a number of key regeneration projects over recent years. Many of these projects were set out in the policies within the existing Dudley Unitary Development Plan which was adopted in 2005, and the accompanying Dudley Area Development Framework which was adopted as Supplementary Planning Guidance in the same year. There is now a need to produce a new planning policy document for Dudley Town Centre to replace these saved policies and proposals and bring them up-to-date. An Area Action Plan (AAP) is considered the most suitable means of achieving this.
3. The Dudley Area Action Plan (as with the already adopted AAP’s for Brierley Hill, Stourbridge and Halesowen) will form part of Dudley Borough’s wider ‘Local Development Framework’. It will provide a vision for the Borough’s Town Centre by 2026, and through its policies and site allocations, it will set out how that vision will be delivered. The vision, strategy and policies for the town centre which have been informed by earlier information gathering undertaken between September and October 2013 where much support was expressed for the key issues and the suggested ways forward within the Plan.
4. The Dudley Area Action Plan will therefore be a planning policy document against which decisions on planning applications will be made for the period 2016 to 2026. It will consider such issues as:
 - Which areas need regenerating, and which need to be conserved.
 - What new development is needed and where this should happen.
 - Where the primary shopping area of the Town Centre is, thereby guiding retail and non-retail development to appropriate locations.
 - Whether any new or enhanced infrastructure is needed to service the Town Centre, such as public spaces, streets or green infrastructure.
 - What principles should guide new development, particularly in terms of urban design.

5. The AAP needs to deliver the retail floorspace requirements which are set out in the Black Country Core Strategy Policy CEN4 'Regeneration of Town Centres,' for Dudley. These being 5,000 m² net of convenience (food) and 15,000 m² gross of comparison (clothes, white goods etc) retail floorspace. Implementation of one or more of the the three approved foodstore planning consents in the town centre will help deliver these floorspace totals.
6. The planning process requires that the community and other stakeholders are engaged in the preparation of development plan documents such as Area Action Plans – hence the need for this 'Issues and Options' formal public consultation. The document therefore necessarily includes a number of questions on which stakeholders and consultees can comment on the contents of the document and propose changes.
7. The period of consultation on the Issues and Options is recommended to begin on the 14th March and run for a period of 6 weeks until 25th April 2014. During that time, the document will be able to be viewed at the reception at 4 Ednam House, Dudley, Dudley Council Plus, all the main libraries and on the Council's website. A copy will also be made available in the Members Room and on the Internet via the Committee Information Management System. Officers will also engage with key interested stakeholders in the town.
8. Following this consultation the next stage in the process will be to prepare the Dudley Area Action Plan 'Preferred Options' document – this being informed by responses received consultation and by other evidence gathered. The 'Preferred Options' stage document is anticipated to be put before Cabinet by the end of 2014 for approval for statutory public consultation in early 2015.

Finance

9. The Dudley Area Action Plan will be funded from existing budgets and resources dedicated to the production of Development Plan Documents and other such statutory planning documents.

Law

10. The production of the Dudley Area Action Plan is necessary in order to update and replace the Dudley chapter of the Dudley Unitary Development Plan (UDP) and will deliver those regeneration requirements for the town set out in the Black Country Core Strategy.
11. The Dudley Area Action Plan is a Development Plan Document (DPD), produced in accordance with the relevant provisions of the Planning and Compulsory Purchase Act 2004, the Town and Country Planning (Local Planning) (England) Regulations 2012 and the NPPF (2012). When adopted, the Dudley AAP will form part of Dudley's statutory planning framework and will be used as the basis for decisions in planning applications for development in the Town.
12. In addition Section 2 of the Local Government Act 2000 allows the Council to do anything that it considers is likely to promote or improve the economic, social or environmental well-being of the area.

Equality Impact

13. The Dudley Area Action Plan will set the planning framework for the development of Dudley Town Centre up to 2026. The Area Action Plan will seek to ensure that sufficient homes, shops and employment, social and recreational facilities are planned and provided for in that time to meet the needs of the communities in the area. This will include meeting the needs of children and young people by seeking to provide sufficient facilities for them as well as having a positive effect for future generations.
14. This consultation document is accompanied by a Scoping Report and an Issues and Options Sustainability Appraisal (SA) Report. The Scoping Report provides the background information required for the consideration of sustainability issues. The SA Report promotes sustainable development through the integration of environmental, social and economic conditions into the AAP's preparation.

Recommendation

15. That Cabinet approves the Dudley Area Action Plan (AAP) Issues and Options document to be used as a basis for public consultation commencing on 14th March 2014 for a period of six weeks.



.....
J. B. Millar

Director of the Urban Environment

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List of Background Papers

Dudley Area Action Plan (AAP) Issues and Options document
Dudley AAP 'Issues and Options' Sustainability Appraisal Report
Dudley AAP Scoping Report – All documents available in Members Room
Adopted Black Country Core Strategy (2011)
<http://blackcountrycorestrategy.dudley.gov.uk/>

Meeting of the Cabinet – 12th March 2014

Joint Report of the Director of the Urban Environment and Director of Corporate Resources

Dudley Town Centre Regeneration

Purpose of Report

1. To update Cabinet on regeneration activity in and around Dudley Town Centre
2. To seek Cabinet approval to revised cashflows arising from the delivery of regeneration activity in and around Dudley Town Centre to be funded from the subsequent reinvestment of any surplus capital receipts generated by disposal of Council owned land and property, and all other income generated, from the Dudley town centre and Castle Hill portfolios of property to support the delivery of regeneration activity in and around Dudley town centre.
3. To seek Cabinet approval for the inclusion of the proposed Tower Street Car Park in the Capital Programme.

Background

4. The Dudley Area Development Framework (ADF) was adopted as supplementary planning guidance by the Council in 2005. Its vision is to achieve comprehensive redevelopment of nine opportunity areas together with public and civic spaces which will act as a catalyst for the transformation of the town centre. Implementation of the ADF is expected to bring significant benefits to the town centre arising from improvements to public and civic spaces and infrastructure, new development, jobs and increased resident population in the town.
5. Work is now progressing on the preparation of the Area Action Plan (AAP) for Dudley Town Centre which will update the ADF and bring the policies and proposals in the plan within the development framework for the Borough. This plan will complete the suite of documents for the Borough's Town Centres. The AAP furthers the objectives of the ADF and seek to gain investor and developer confidence in the Town by creating a greater degree of planning certainty about the regeneration proposals in the Town.

6. Since the adoption of the ADF the following have taken place:

[a] Establishment of New Heritage Regeneration Ltd

7. The Arms Length regeneration company, New Heritage Regeneration Ltd (NHRL), was launched on 30 January 2009 and aims to work at arms length to, but on behalf of, the Council and its public sector partners to provide a broad range of expertise in programme management and design, public and private finance, valuation, cost, commercial and legal advice, and funding. It seeks, through close working with the Council, to achieve major regeneration via the complementary skills of the private and public sectors.

[b] Public sector investment

8. A successful programme of land acquisitions in the Town Centre and at the Castle Hill site has been underway since 2007, initially funded by £5.9m of investment from the former Regional Development Agency, Advantage West Midlands. This investment has acted to reduce development risk by bringing land within the control of the Council, and secured an income stream from rental income to support the running costs of NHRL.
9. £2.6m has been secured for the Dudley Town Centre Townscape Heritage Initiative from the following sources;
- The Council
 - Heritage Lottery Fund
 - Department of Communities and Local Government (DCLG) Growth Points initiative
 - English Heritage's Partnerships in Conservation Areas programme
10. Funds totalling £7.1m have been secured under the European Regional Development Fund's Sustainable Urban Development programme, and in addition, support has been given by the Council and NHRL to successful funding bids totalling £3m submitted by Dudley Zoo and the Dudley Canal Trust to the Heritage Lottery Fund, European Regional Development Fund and the Black Country Local Enterprise Partnership's Growing Places fund

[c] Dudley Town Team (formerly Dudley Town Centre Partnership)

11. The Dudley Town Team has met on a regular basis over the last 5 years. Its membership includes Elected Members and representatives from business, the community and other key stakeholders. The Team will continue to play a key role in allowing effective consultation and engagement with stakeholders as details emerge on individual projects within the ADF

[d] Development activity

Dudley College

12. The Council and NHRL have worked closely with Dudley College to support the major redevelopment of its property in the town centre. The 'Evolve' Further Education Centre and the Sixth Form College opened in September 2012. Work commenced on site in July 2013 on the 'Advance' Engineering Centre and completion is due in September 2014.

Dudley Town Centre Townscape Heritage Initiative (THI)

13. The THI is a Heritage Lottery Fund (HLF) grant giving programme to assist the repair and regeneration of the historic environment within conservation areas in towns and cities. Its aims include:
 - to use built heritage as a stimulant for economic regeneration;
 - to contribute to the sustainability of local economies ;and
 - to support the communities that live and work in each project area
14. The Council has been successful in securing £2.6m of external funding and is contributing £150,000 from its own funds. The project has been a success, with 10 projects completed and 4 more projects underway, at a total cost of £4.1m

Castle Hill & Zoo

15. The opportunity is being taken to ensure that, under the coordination of NHRL and with the strategic engagement of Dudley Zoo, the Black Country Living Museum and the Dudley Canal Trust, ambitious proposals for the site are effectively integrated with town centre development. The proposals for the comprehensive redevelopment of the site are based on;
 - an ambition to raise visitor numbers from the present 600,000 per annum to 1 million per annum, which would place the attractions on a level with Warwick Castle and the Eden Project, and twice that of Cadbury World
 - a new access from Tipton Road
 - preparation of land for new and complementary tourism/leisure development
 - further capital investment in the Zoo
 - acquisition of further land required for development
16. Funding of £4.5 has been secured from the European Regional Development Fund's Sustainable Urban Development programme. In addition, support has been given by the Council and NHRL to successful funding bids totalling £3m submitted by Dudley Zoo and the Dudley Canal Trust to the Heritage Lottery Fund, European Regional Development Fund and the Black Country Local Enterprise Partnership's Growing Places fund

17. The Council has taken the opportunity to carry out acquisitions of strategic sites to support the delivery of this project, and in late 2010 secured the purchase of the former Gala Bingo and Royal Brierley sites. The change in proposed location from the Black Country Living Museum car park to the Royal Brierley site has secured a saving of approximately £1m to the Council and provided early and complementary development activity at the Castle Hill site
18. Work is progressing well on site with the first element of the work, the new £5.9m Dudley Archive centre, complete in October 2013. The access from Tipton Road to the site is complete as is the iconic Zoo Chair Lift and the refurbished premises providing new offices for the Zoological Gardens. The secondary access road and first phase of the car park infrastructure is due to complete in March 2014.

Public Realm developments

19. A key element of the ADF is the enhancement of the town's public realm; its streets, squares, parks and gardens. Work is underway on the preparation of proposals for enhancements that will support safe, accessible and attractive public spaces. The first of these to be brought forward is the Market Place project, £6m improvements to the Market Place and Castle Street which includes revised layout of market stalls; restoration of the fountain, demolition of the existing toilet block and replacement with improved toilet provision; repositioning of the Duncan Edwards statue; new street furniture, refurbishment of the floorscape with highly durable and natural materials.
20. ERDF funding for the works has been secured and work commenced on preliminary works in July 2013. The first phase of the main construction works, along Castle Street, commenced in January 2014 and the second phase based around the Market Place itself, is due to commence in June 2014

Foodstore developments

21. 3 planning applications have been approved for major foodstores in the Town Centre; 2 on the Cavendish House site and surrounding land and the third on the Falcon House site adjacent to King Street. Each of the 3 proposals includes significant tracts of Council land, and Compulsory Purchase Powers are likely to be required for each. Negotiations are currently underway with developers and operators to assist in the identification of the preferred proposal

Residential developments

22. One of the key principles of the ADF was to increase the population living in and around the Town Centre. Although the delivery of this has been adversely affected by the economic downturn, over 250 new homes are currently being built on the former Wolverhampton University campus site and on the former Gasworks site at Constitution Hill. Development of the former site has been possible as a direct result of Dudley College vacating this site as part of their Town Centre redevelopment strategy

Proposed Tower Street car park

23. An early aspiration in the ADF development programme was the provision of a multideck car park associated with a foodstore in the Tower Street Opportunity Area. A car park in this location is proposed given its convenient location for the Town Centre and to provide car park capacity to mitigate for the loss of car parking elsewhere to development. The location of the proposed car park is shown in Appendix B to this report. Following market testing with potential foodstore operators it became clear that other sites in the Town Centre were preferred and as a result it is proposed, subject to a detailed feasibility study, to develop the Tower Street site for a multideck car park on its own at an estimated capital cost of £2.5m. The levels of car park charging in the Town Centre do not make it attractive to the private sector and it is therefore proposed that the Council provide and manage the car park.

[f] Development of financial model

24. A funding model has been prepared for the Dudley ADF and Castle Hill and Zoo developments based on funding secured via investment from external sources and on the reinvestment of surplus capital receipts and other income generated from land and property owned by the Council at the Castle Hill site.
25. This approach is based upon development proposals being prepared for each project within the ADF programme, which will include sites within opportunity areas and public realm and transport infrastructure projects. Mechanisms for delivery of proposed development will be adopted to suit each area of development. New Heritage Regeneration will take an active lead role in preparation of development proposals where appropriate and in some instances will manage preparation of planning applications for development of sites, and then sell sites at an enhanced value with a planning consent. Money received will be fed back into the programme to deliver later phases of development. In other cases public sector partners, including registered social landlords and private sector developers will lead the planning application process.
26. The Cabinet has considered a number of reports on the delivery of the ADF, most recently on the 16th March 2011 when, amongst other things, approval was given to the reinvestment of surplus capital receipts generated by disposal of Council owned land and property and all other income generated through from the Dudley ADF and Castle Hill portfolios of property to support the delivery of the regeneration of Dudley Town Centre and Castle Hill.
27. The report referred to in Paragraph 26 above recognised that there will be a timing difference between expenditure on this project and receipt of funding where expenditure is funded from grant drawdown and related capital receipts. Based on the values and programme for development and capital receipts at the time the maximum expenditure to be financed by the Council in advance of capital receipts was estimated to be not greater than £3m.

28. One of the largest capital receipts supporting the ADF development programme relates to the disposal of Council owned land required for a proposed major foodstore. Since that time, proposals for 3 separate foodstore developments on the Cavendish House/Falcon House sites have been successful in securing planning permission, and this has led to delay in the anticipated date of a capital receipt. In addition, the value of the anticipated receipt has reduced and this has led to an increase in the size of the cashflow facility required from the Council if the ADF programme is to be delivered.
29. The potential value of the capital receipt has reduced because one of the possible foodstore proposals to come forward carries significant costs that reduce the value of the capital receipt. This proposal brings about major improvements to the public realm and the integration of the foodstore with the Town Centre as well as a significant amount of non-food retail space which will provide a footprint of space currently lacking in the town, plus a significant ongoing business rate income. It is proposed that the details of the preferred foodstore proposal, with details of the benefits that it will bring to the Town Centre, will be considered by the Cabinet in due course.
30. Given the above, the expenditure to be financed by the Council in advance of capital receipts is now estimated to be no greater than £9m. However, on the basis of estimated capital receipts later in the development programme, the ADF delivery programme is estimated to return to a positive balance in the 2017/18 financial year and provide a net return of £3.9m to the Council by the end of the development programme in 2021
31. In addition to the positive balance expected to be received at the end of the development programme referred to in paragraph 30, the development programme is anticipated to result in significantly increased levels of revenue from Council Tax and Business Rates.

Finance

32. Reinvestment of any capital receipts generated by disposal of Council-owned land and property within the Dudley ADF and Castle Hill project area will assist cash flow and enable a positive return on investment to be generated. This will be essential for supporting the overall delivery of the project.
33. The developments detailed within this report will be funded from a package consisting of ERDF, HLF and Growing Places contributions, as well as capital receipts generated from the sale of the development sites.
34. At current interest rates, the revenue cost of financing the cashflow set out in this report will rise to £120,000 at the highest point (currently projected to be 2015/16). The overall development plan is expected to result in increased revenue income from Council Tax and Business Rates.
35. The financial projections in this report are subject to delivery of the programme as set out. Delivery of the programme is subject to economic, commercial, planning and other risks.

Law

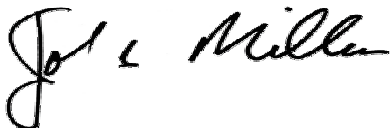
36. Section 2 of the Local Government Act 2000 enables the Council to do anything which it considers likely to achieve the promotion or improvement of the economic, social and environmental well being of its area.

Equality Impact

37. Delivery of the Dudley regeneration programme would bring significant benefits to Dudley town centre. It would have a major positive effect on all users of the town centre including residents, visitors, businesses, investors and developers. Benefits would be achieved for people of all ages, including children and young people,
38. All work undertaken in connection with delivery of the Dudley Town centre regeneration programme will be carried out in accordance with the Council's Equality and Diversity Policy.

Recommendations

39. It is recommended that:
- Cabinet recommend the Council to approve and include the proposed Tower Street car park in the Capital Programme.
 - Cabinet note the regeneration activity underway in and around Dudley Town Centre.
 - Cabinet give authority to incur capital expenditure of up to £9m on regeneration activity in Dudley Town Centre and Castle Hill in advance of capital receipts from the project.
 - That reports be submitted to Cabinet at least annually to review the implications on the Dudley Town Centre ADF programme of any variances in the value and timing of project costs and capital receipts.



.....
John B Millar
Director of Urban Environment



.....
Philip Tart
Director of Corporate Resources

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List of Background Papers

'Developer Selection Protocol', Dudley MBC Standing Orders

Cabinet Report (16 March 2011) 'Dudley Town Centre Regeneration', Joint report of the Directors of the Urban Environment & Corporate Resources

Cabinet Report (17 June 2009) 'Delivering the Masterplan for Dudley Town Centre', Joint report of the Directors of the Urban Environment, Law and Property and Finance

Cabinet Report (11 June 2008) 'Delivering of regeneration in the Borough: a proposed arms length company', Report of the Director of the Urban Environment

Cabinet Report (31 October 2007) 'Delivering the Masterplan for Dudley Town Centre', Report of the Director of the Urban Environment

Cabinet Report (13 June 2007) 'Delivering the Masterplan for Dudley Town Centre', Report of the Director of the Urban Environment

Cabinet Report (13 December 2006) 'Dudley Area Development Framework: Cavendish Quarter Compulsory Purchase Powers', Joint Report of the Directors of the Urban Environment and Law and Property

Cabinet Report (15 March 2006) 'Appointment of Consultants in Connection with Dudley Town Centre Area Development Framework', Joint Report of the Directors of the Urban Environment, Law and Property and Finance

Cabinet Report (8 February 2006) 'Dudley Area Development Framework: Cavendish Quarter Compulsory Purchase Powers', Joint Report of the Directors of the Urban Environment and Law and Property

'Dudley Area Development Framework' (December 2005) Dudley MBC

Cabinet Report (21 September 2005) 'Dudley Area Development Framework: Compulsory Purchase Powers', Joint Report of the Directors of the Urban Environment and Law and Property

Executive verbal report (17 December 2003) 'Establishment of the Dudley Town Centre Partnership', Director of the Urban Environment.

Meeting of the Cabinet – 12th March 2014

Report of the Director of the Urban Environment

Approval for consultation of the Community Infrastructure Levy Draft Charging Schedule and Draft Regulation 123 List

Purpose of Report

1. To inform Cabinet of progress regarding the development of a Community Infrastructure Levy (CIL) and seek approval for the Draft Charging Schedule (DCS) and Draft Regulation 123 List to be published for an six week period of public consultation.

Background

2. Following government regulation in 2010, Local Authorities were provided with the option of developing a Community Infrastructure Levy (CIL). The purpose was to have a mechanism to part fund infrastructure within a locality to support physical regeneration. Monies can be used to fund provision, improvement, replacement, operation or maintenance of infrastructure to support the development of the area.
3. In parallel the regulations reduced the ability of a Local Authority to fund infrastructure through planning obligations (section 106) and from April 2015 the use of S106 agreements as we know them will be limited to affordable housing and other specific on site requirements for example on site public art.
4. CIL is more for generalised contributions to support infrastructure across the Borough. In the future, instead of a development attracting a section 106 contribution for libraries, for example, allocation of CIL monies will be made by the Council on a regular basis to support nominated projects and that have been identified to support infrastructure and would depend on the CIL monies received.

5. Although CIL remains optional, the significant reduction of planning obligations from April 2015 means that without a Community Infrastructure Levy this could lead to severe pressure on existing infrastructure in areas and be a deterrent to growth. Overall it is therefore considered that the implications for not preparing a Community Infrastructure Levy from a financial context significantly outweigh the cost and resource implications for the Council preparing it.
6. Cabinet approved the preparation of a Community Infrastructure Levy on 8th February 2012 and subsequently approved the Preliminary Draft Charging Schedule on 6th December 2012.
7. As a result of the public consultation on that Preliminary Draft Charging Schedule in January and February 2013, a total of eighteen representations were received from a range of individuals and public and private sector organisations; where appropriate these representations have been incorporated into the Draft Charging Schedule and associated documents
8. This Draft Charging Schedule identifies zones within the Borough where different types of development could be implemented with a Community infrastructure levy (CIL) applied. The different zones represent varying levels of affordability to pay CIL across the Borough. Extensive work to check the viability of developments across the Borough has been carried out by property and land experts.
9. In conjunction with the preparation of a Community Infrastructure Levy, the Council is required to prepare what is called a 'Regulation 123 List'; this is a list of specific projects and types of infrastructure that has been identified by various infrastructure providers across the Borough (Appendix 1 of the schedule) as candidates to be funded by CIL monies. This list would need to be approved by Cabinet members and publicised. Once approved, it is anticipated that the Regulation 123 List will be regularly reviewed with any proposed changes approved by Cabinet. Appendix 2 of the DCS sets out a prioritization matrix for allocating monies for projects that are on the Regulation 123 list. Ultimately any spend of CIL receipts would be approved by Members before being committed and added to the capital programme.
10. The period of consultation on the Draft Charging Schedule and draft Regulation List 123 is recommended to begin on 14th March 2014 and run for a period of six -weeks until 24th April 2014. During that time, both documents will be able to be viewed at the reception area at 4 Ednam Road, Dudley and Dudley Council Plus, as well as at all main libraries and on the Council's website. The document is also available, alongside the list of all comments received on the Preliminary Draft Charging Schedule, on the Internet via the Committee Management Information system and a paper copy is in the Member's Room.

11. Following consultation, the Council will consider whether any further modifications will be required prior to submission to the Secretary of State. A further report will be taken to this Cabinet to seek approval for the Charging Schedule along with any proposed modifications. If Cabinet are minded to approve, and in line with Regulation 19 of the CIL Regulations 2010 (as amended), the Council will submit the Draft Charging Schedule and any proposed modification to the Planning Inspectorate for independent examination before final adoption, anticipated in Autumn 2014.

Finance

12. The preparation of the document will be funded from existing budgets and resources dedicated to the production of Development Plan Documents and other such statutory planning documents.
13. Adopting the CIL approach will involve altering the method of achieving infrastructure contributions through development. The Local Authority's use of the Section 106 process will be much reduced with CIL replacing it in many areas. Dudley Council will be able to use the funds from the levy to recover the costs of administering the levy, the regulations permit up to 5% of the total receipts to be spent on administration of the levy. If receipts are not adequate to fully cover administration costs as the scheme is introduced, options will be considered to meet such costs as they arise.

Law

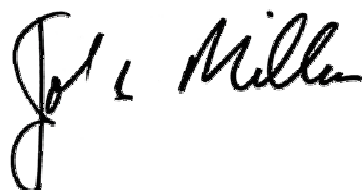
14. The CIL came into force on 6th April 2010 through the Community Infrastructure Levy Regulations (now amended in 2013). The Planning Act 2008 provides a wide definition of the infrastructure that can be funded by the levy, including flood defences, health, transport and social care facilities (list is not exhaustive). On the adoption of the levy the regulations restrict the local planning authority use of planning obligations for pooled contributions that are capable of being funded through CIL.
15. The regulations do not permit Affordable Housing to be funded through CIL and will continue to be collected through traditional planning obligations. The three mandatory tests which must, as a matter of law, be satisfied when seeking planning obligations are set out in Regulation 122 of the CIL Regulations 2010 namely: they must be 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.

Equality Impact

16. The proposals take into account the Council's Policy on Equality and Diversity. The adoption by the local planning authority of a CIL regime will ensure that the mitigation and benefits of development are addressed across the Borough. This will include meeting the needs of children and young people by seeking to provide sufficient facilities for them as well as having a positive effect for future generations.

Recommendation

17. It is recommended that the Cabinet approves the Draft Charging Schedule to be published for a 6 week period of public consultation.



J. B. MILLAR

DIRECTOR OF THE URBAN ENVIRONMENT

Contact Officer:

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List of Background Papers

Community Infrastructure Draft Charging Schedule
Infrastructure Delivery Plan (August 2013)
CIL Viability Assessment (August 2013)
CIL Preparation Cabinet Report 8th February 2012
CIL Preliminary Draft Charging Schedule for Consultation Cabinet Report 6th
December 2012

Draft Regulation 123 List
Infrastructure Projects Submitted for CIL Funding

The Community Infrastructure Levy (CIL) Regulation 123 requires all CIL charging authorities to publish a list of infrastructure likely to be funded, or part funded from CIL and to prioritise these projects. CIL can be used to fund the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of the charging authority's area.

The CIL Regulation 123 restricts use of Section 106 Planning Obligations for infrastructure that will be funded in whole or in part by the CIL to ensure there is no duplication or 'double funding' between the two types of developer contributions towards the same project.

Dudley's CIL Regulation 123 List is set out below. The List can be reviewed and updated regularly and the inclusion of a project or type of infrastructure does not signify a commitment from the Council to fund the project (either in whole or in part). This List excludes transport infrastructure at Merry Hill and some public art projects as these will be funded via Legal Agreements associated with the relevant planning permission(s) and not through CIL. As CIL will not become effective until October 2013 and is also not payable until after development commences, there will be limited CIL funds accruing during the 2013/14 financial year. Consequently all CIL monies are identified to be banked for future spend.

This List has been informed under the aspirations of the Black Country Growth Strategy and the policies and approach of the Core Strategy for the Black Country, Council Delivery Plan, Channel Strategy, S106 SPD and Local Transport Plan.

Regulation 123 List

The List has been split into three categories of Infrastructure Projects:

- Strategic Projects where the funding gap is over £4m
- Major projects where the funding gap is between £100,000 and £4m
- Minor projects to support small local infrastructure projects (< £100,000)

It is the intention of the Council that 75% of all CIL revenue should be banked for the strategic and major projects, 10% should be used to help fund minor projects and 15% will be the 'Meaningful Proportion' to be spent by the communities.

Project		Funding Gap	Priority
Strategic Projects			
Transport	Dudley Town Centre Traffic Management Plan	£4,500,000	
	Dudley Southern Gateway Major Scheme	£12,000,000	
	LTP3 Strategy delivery - ongoing capital programme	£34,026,000	
	Private sector contribution to Metro	£36.5m	
Nature Conservation	Canal Habitats Enhancement	£4,156,843	

Public Realm	Dudley Town Centre King Street/Trindle Road Boulevard	£10,629,805	
	Halesowen Town Centre Public Realm Implementation	£12,679,918	
	Stourbridge Town Centre Public Realm Implementation	£12,344,917	
Public Realm Maintenance	Dudley Town Centre Market Place, Castle St., High St. & St. Edmunds Place	£4,295,239	
	Dudley Town Centre King Street/Trindle Road Boulevard	£8,645,455	
	Halesowen Town Centre Public Realm Implementation	£10,040,395	
	Stourbridge Town Centre Public Realm Implementation	£10,040,394	
Dudley Group NHS Foundation Trust	Additional bed base a RHH	£4m	
Major Projects			
Transport	AAP Infrastructure - Stourbridge	£500,000	
	AAP Infrastructure - Halesowen	£150,000	
	A4101 Pensnett Improvements	£3,025,000	
Air Quality	Awareness campaign to promote the take up of retrofitting technologies including whole life costs for bus fleets and SMEs	£300,000	
	The provision and operation of air quality monitoring equipment	£780,000	
Canals and Rivers	Regeneration Corridor 14 – Towpath Enhancements	£139,500	
	Regeneration Corridor 16 – Towpath Enhancements	£338,640	
Libraries	Public Use ICT	£808,000	
	RFID Kiosks	£600,000	
	Building Refurbishment	£2,270,720	
Public Realm	Dudley Town Centre Market Place, Castle St., High St. & St. Edmunds Place	£2,811,835	
	Dudley Town Centre Crown Square	£463,436	
	Cradley/ Windmill Hill Public Realm Improvements	£570,000	
	Lye Public Realm Enhancements	£1,443,778	
	Pensnett Public Realm Enhancements	£1,443,778	
	Quarry Bank Public Realm Enhancements	£2,317,856	
	Shell Corner	£1,443,778	
	Brierley Hill High Street Public Realm	£2,577,825	

	Brierley Hill Northern Gateway Brierley Hill Link Space between High St. & Cottage St. Brierley Hill Place	£5,172,811	
Public Realm Maintenance	Dudley Town Centre Crown Square	£376,922	
	Cradley/Windmill Hill Public Realm Improvements	£998,205	
	Lye Public Realm Enhancements	£2,495,532	
	Pensnett Public Realm Enhancements	£2,495,532	
	Quarry Bank Public Realm Enhancements	£3,992,934	
	Shell Corner	£2,495,532	
	Brierley Hill High Street Public Realm	£2,096,602	
	Brierley Hill Northern Gateway	£1,118,187	
	Brierley Hill Link Space between High St. & Cottage St.	£314,490	
	Brierley Hill Place	£1,304,552	
Public Art	Hospital Art Programme	£280,000	
NHS	Hybrid theatre at RHH	£1.5 - £2m	
	Additional day case facilities at RHH	£1m	
	Growth in emergency dept. RHH	£2.5m	
	Aseptic Suite at RHH	£2m	
	Maternity at RHH	£2m	
	Additional CT & MRI Scanning and facilities at RHH	Up to £1.5m	
	Outpatient Expansion	£2m+	
	Mortuary Facilities at RHH	£500,000	
	X-Ray facilities at RHH	£500,000	
	Paediatrics at RHH	£2m	
	Pharmacy at RHH	£250,000	
Flood Management & Sustainable Drainage	Sustainable Urban Drainage Systems	£480,000	
	Land Drainage	£1,200,000	
	Storm Water Flood Management	£900,000	
	Water Quality	£120,000	
	Reservoirs	£120,000	
	Main River Flood Risk Management	£2,000,000	
Minor Projects			
Air Quality	Delivery & Promotion of Low Emissions Technologies: The provision of concessionary parking for electric vehicles	£32,200	
Nature Conservation	Railways Habitats Improvement	£60,823	
	Dudley Southern Hub	£92,055	
Canals and Rivers	SC1 Brierley Hill Strategic Centre – Access enhancements	£50,000 - £100,000	
	Regeneration Corridor 11a - Towpath Enhancements	£100,000	

	Regeneration Corridor 11a - Access Enhancements	£50,000 - £100,000	
	Regeneration Corridor 11a – Bridge/Lock Enhancements	£5,000 - £20,000 each	
	Regeneration Corridor 11b – Towpath enhancements	£100,000	
	Regeneration Corridor 11b – Access enhancements	£50,000 - £100,000	
	Regeneration Corridor 16 – Access enhancements	£50,000 - £100,000	
	Regeneration Corridor 16 – Bridge/tunnel enhancements	£5,000 - £20,000 each	
Libraries	Public Archives	£87,000	
	Arts Space	£37,000	
Public Realm	Dudley Town Centre Inhedge Gardens	£77,073	
Public Art	Round Oak Memorial	£44,500	

Project Prioritisation Matrices

Allocation of CIL monies to infrastructure projects on the Regulation 123 List will be made by a process of prioritisation. The Council has prepared two Draft Prioritisation Matrices for consultation, one for Strategic and Major Projects and one for Minor projects. These Matrices set out standard criteria to transparently enable the prioritisation of projects.

These matrices are currently in draft and may be altered following consultation. They do not cover every eventuality as projects are all individual. Therefore, some other points to consider in prioritising projects may include:

- How much of the scheme would be CIL funded?
- What percentage of the total CIL monies available would the scheme require?
- How soon would the benefits of the project be seen on the ground?

Site Prioritisation Matrix for Major and Strategic Projects (Higher Score = more feasible project)

Category	Question	Answer	Attributable Score	
Funding	Does the Project attract match funding?	No	0	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.
		1% - 20%	1	
		21% - 40%	2	
		41% - 60%	3	
		61% - 80%	4	
		81% - 100%	5	
	Is there an additional funding requirement for maintenance of the project?	No	5	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.
Yes – moderate		3		
Yes - significant		0		
Deliverability	Can the infrastructure be delivered now?	No – significant issues	0	Significant issues could include; landownership issues, remediation issues, reliant on other projects, reliant on other partners, not consistent with planning policy.
		No – minor issues	3	Minor issues could include any of the above but they are surmountable and there is a commitment to release the site.
		Yes	5	There would be no issues with land ownership or site restraints, the project would be consistent with policy and ideally have planning consent.
Wider Benefits and implications	Are there specific implications or risks if this project does not come forward?	Strategic	0	Strategic risks would be those that would undermine the development strategy for the Borough
		Major	3	A major risk would be one that prevents a specific scheme coming forward
		Minor	5	Minor risks of non delivery are local and non widespread
	Has the project already benefited from stakeholder engagement?	Yes	5	Obviously, early engagement allows stakeholders to influence the project and iron out potential barriers.
		No	0	
	Does the proposal have a positive impact on equality?	No	0	Does the proposal help to tackle discrimination or disadvantage, advance equality of opportunity or foster good relations between different protected groups? (i.e. on the basis of age, disability, gender reassignment, pregnancy & maternity, race, religion or belief, sex or sexual orientation)
Yes		5		
Corporate fit	Is the project consistent with other strategic plans (Local Transport Plan, LEP Growth Plan)?	Yes	5	Non-consistency risks non-approval and resource wastage.

Site Prioritisation Matrix for Minor Projects (Higher Score = more feasible project)

Category	Question	Answer	Attributable Score	
Funding	Does the Project attract match funding?	No	0	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.
		1% - 20%	1	
		21% - 40%	2	
		41% - 60%	3	
		61% - 80%	4	
	81% - 100%	5		
	Is there an additional funding requirement for maintenance of the project?	No	0	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.
Yes – mediocre		2		
Yes - significant		5		
Deliverability	Can the infrastructure be delivered now?	No	0	Is the project dependent on other projects/partners/land remediation/planning permission?
		Yes	5	
Wider Community Benefits and implications	Are there any foreseeable risks or negative impacts which may arise from the project?	No	0	These risks could include the Council's Air Quality Management Plan not being met; closure of local facilities; reduced or interrupted access to facilities or open space; loss of open or amenity space etc.
		Minor risks	2	
		Yes	5	
	Has the project already benefited from discussions with the local community?	Yes	0	Consultation with the wider community including 'hard to reach groups' is important to ensure 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.
		No	5	
	Will the implementation of project create new local jobs or wider community benefits?	No	0	Wider community benefits could include Safer Routes to Schools; pedestrian crossings; speed humps; public amenity space; better access; enhanced community facilities etc.
		Yes	5	
Is there evidence to show that the project is meeting a local need or demand?	No	0	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, for example multi-use community centres.	
	Yes	5		
Does the proposal have a positive impact on equality?	No	0	Does the proposal help to tackle discrimination or disadvantage, advance equality of opportunity or foster good relations between different protected groups? (i.e. on the basis of age, disability, gender reassignment, pregnancy & maternity, race, religion or belief, sex or sexual orientation)	
	Yes	5		
Council compliance	Does the project fit with local policy?	No	0	The proposed project should fit with Planning Policy, Transport Policy, Council Plan and Corporate Policies.
		Yes	5	

Meeting of the Cabinet 12th March 2014

Report of the Director of the Urban Environment

Rail Devolution

Purpose of Report

1. To inform Cabinet and seek its support for current negotiations by Centro for a devolved rail contract for the West Midlands to be known as “West Midlands Rail”.

Background

2. West Midlands Rail (WMR), a partnership of fourteen local transport authorities (see appendix A), has been invited by the Secretary of State to submit a proposal for the devolution of the specification and management of local rail services. The proposals, the detail of which is included in the Proposition (Appendix B) will split the existing London Midland franchise to create a West Midlands Rail Contract (WMRC) for the operation of local rail services. The contract would be democratically accountable to local members rather than central Government as is the case at present. The residual London Midland services would continue to be specified and managed by the Department for Transport (DfT). It is proposed that local management WMRC would commence in June 2017 and operate for a period of 7-9 years.
3. The proposal that is submitted to the Secretary of State will be non-binding and the starting point for more detailed discussions with the DfT. The DfT has indicated that it will need to make a decision in principle on whether to split the London Midland franchise in early 2015 in order to meet a June 2017 start for the WMRC.
4. The submission itself will consist of a formal business case using the standard DfT 5-stage model, and a summary of the proposal outlining the rationale for devolution (appendix B).

Benefits of local control

5. The link between passenger rail services and economic growth and regeneration are well recognised. Currently, all rail services operated in the West Midlands are specified and controlled by central Government leading to key decisions on investment and specification being made remotely.
6. Rail devolution brings decision-making close to the people who use the trains, and to the key bodies influencing the economic regeneration of the region's towns and cities. It will enable maximisation of the potential capacity released on the local rail network by HS2 and increase influence over national investment programmes. Integration between modes becomes a much simpler proposition when a substantial portion of the network is specified locally.
7. This contrasts with current arrangements, where change on the rail network is often difficult and time consuming.

Governance

8. Inclusive governance arrangements will be required to oversee the WMRC that enable Met district and neighbouring shire and unitary authorities to take part. It is proposed that these arrangements are formed independently of existing local government governance structures in a way that is transparent, inclusive, responsive and fair.
9. It is proposed that a separate body will be set up known as 'West Midlands Rail' which is likely to be a Special Purpose Vehicle (SPV), a company limited by guarantee. This company will operate by having a contract board made up of constituent authority elected members and delivery body. Strategic direction will be provided by a Leader's Rail Group sitting outside of the SPV. A brief overview of the proposed governance structure is shown below:

SPV (West Midlands Rail Ltd.)	Leaders Rail Group	<ul style="list-style-type: none"> • Meeting twice-yearly • Define annual strategy, agree key funding and investment decisions • Leaders, or their nominees, from each partner authorities
	Contract Board	<ul style="list-style-type: none"> • Meeting frequently • Scrutiny over the management of the WMRC by the Delivery Body, delivery of committed contract obligations by the operator and delegated authority for some financial and operational decisions • Board of directors made up of elected members representing partner authorities
	Delivery Body	<ul style="list-style-type: none"> • Professional and competent team managing the WMRC, providing reports on performance, projects and other issues to the contract board • Hold the contract with the train operator

10. Appendix C includes a detailed overview of the proposed governance arrangements for WMR.

Partner authority support

11. WMR is seeking support in principle from each partner authority for the submission of the proposition (appendix B) and the proposed governance arrangements (appendix C). It should be noted that the proposition is non-binding on Centro or any partner authority at this stage and is a starting point for more detailed discussions with the DfT.

Next steps

12. Key milestones for rail devolution are shown in the table below:

2nd West Midlands Rail Leader's Conference	4 March 2014
Proposal submitted to Secretary of State	Spring 2014
Decision to proceed in principle from Secretary of State	Summer 2014
Develop detailed specifications in collaboration with the DfT and partner authorities	2014 – 2015
Contract procurement	2015 – 2016
West Midlands Rail Contract commences operation	June 2017

13. The next decision required by Cabinet will be whether to formalise a partnership through incorporation of the SPV and associated bodies. This is likely to be after the announcement by the Secretary of State in the summer confirming whether devolution can proceed.

Finance

14. The non bidding expression of interest to the Department for Transport has no financial implications to the Council at this stage

Law

15. Section 111 of the Local Government Act 1972 empowers the Council to do anything calculated to facilitate or is conducive or incidental to the discharge of any of its functions.

Equality Impact

16. The contents of this report comply with the Council's Equality and Diversity Policy whilst specifically seeking to introduce measures that will be of direct benefit to children and some of the most vulnerable road users in the community including young children, the elderly, pedestrians and cyclists in general, and those with impaired mobility.

Recommendation

17. Cabinet is recommended to approve the signing of a letter of 'in principle' support for the proposal for rail devolution in the West Midlands and of the outline governance arrangements.



.....
John Millar
Director of the Urban Environment

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List of Background Papers

West Midlands Devolved Local Rail Contract Draft Prospectus Version 3.6

- Birmingham City Council
- Coventry City Council
- Dudley Metropolitan Borough Council
- Herefordshire County Council
- Northamptonshire County Council
- Sandwell Metropolitan Borough Council
- Shropshire County Council
- Solihull Metropolitan Borough Council
- Staffordshire County Council
- Telford and Wrekin Unitary District Council
- Walsall Metropolitan Borough Council
- Warwickshire County Council
- Wolverhampton City Council
- Worcestershire County Council

West Midlands Rail Proposition - Executive Summary

Our Vision

Championing the needs of passengers and businesses, West Midlands Rail will manage local rail services within a safe, integrated high quality public transport network. Investment will be directed at growing prosperity and a sustainable low carbon economy.

Our Proposition

To deliver our vision West Midlands Rail (WMR), representing the region's metropolitan, shire and unitary authorities, proposes to commission and manage local rail services within a new West Midlands Rail Contract from 2017. We will also have strong oversight of the West Coast Connect franchise on other key West Midlands routes through an agreement with the DfT. We will also work in partnership with Government in the delivery of other services in the region.

Our proposition represents both the West Midlands' wish to take responsibility for its own rail services and its active response to the Coalition Government's localism agenda.

WMR would transform the quality of rail services as the centrepiece of a growing, innovative, strongly branded integrated public transport network focused upon meeting the needs of passengers, businesses and the economy and contributing to a sustainable environment.

The proposition is underpinned by the clear and detailed vision for passenger rail services agreed by constituent authorities in '**A World Class Rail Network for the West Midlands**' (January 2013).

WMR would add local value to the DfT's Rail Investment Strategy ("High Level Output Statement" or "HLOS") together with investments stimulated by the Local Enterprise Partnerships (LEPs).

WMR would lay the foundations for a step-change in local rail capacity, connectivity and economic performance that would be released after HS2 commissioning in 2026.

WMR will have a robust governance structure reflecting the interests of all its constituent authorities, bringing fresh local democratic accountability close to the people who use rail services.

The Prize

5 outcomes underpin WMR's proposition:

1. Economic growth stimulated by greater rail capacity and better connectivity and integration
2. Better rail services and stations attracting more passengers and reducing carbon emissions
3. A rail service which is more accountable and responsive to local people and businesses
4. A local rail network ready to benefit from capacity released by HS2
5. A more efficient, effective railway which is better value for the taxpayer

Why Rail?

The West Midlands Rail Network is essential to the well-being of the region's economy, enabling people to reach the retail, commercial and tourism hearts of its cities and towns, carrying, for example, over 30% of Birmingham's commuters to work each day, and contributes to a sustainable regional environment.

Government investment committed to the existing rail network and HS2 offers new national connectivity enhancing the attraction and competitiveness of the West Midlands economy. It also releases capacity for our vision for more local and regional train services and better connectivity, spreading benefits across the economies of the cities, towns and rural areas of the West Midlands.

We propose that WMR would be the locally-controlled vehicle through which investment in the local rail network will generate maximum regional benefit and added value to that made by the Government.

Why Local?

The rail network matters most to local people and businesses who need it to connect the places they want to travel to, be affordable and easy to use, and to attract others to visit the West Midlands.

WMR understands what local people want and how growth in capacity of the rail network can support the vibrancy of the West Midlands economy and the quality of its environment.

Decision-making close to communities and customers who use West Midlands rail services would maximise the benefits from national and local investment in the existing rail network and HS2.

Locally commissioned and managed, WMR would offer significant advantages over the existing DfT centrally-led franchise process, being:

- **Local** - a locally-directed organisation for delivering our locally-developed Rail Vision
- **Flexible** - more expeditious in responding to local growth and investment priorities
- **Connected** - directly and routinely with local people, businesses, local government and LEPs
- **Informed** - closely understanding the patterns and growth of demand for local rail capacity
- **Integrated** - direct capability to integrate rail, metro, buses, bicycles, pedestrians and roads
- **Balanced** - understanding the local links between fares, service levels, facilities and investments
- **Demanding** - locally setting and scrutinising the highest commercial and operational standards

Cont'd.

How Are We Going To Do It?

The proposed West Midlands Rail Network reflects a substantial part of the economic geography of the West Midlands Travel to Work Area.

In covering this with a single accountable client body WMR becomes a principal point of contact for the DfT and client for Network Rail's delivery in the region.

Our proposition would be delivered through a practical plan for the 2017 Rail Contract:

1. A robust governance structure reflecting the interests of all its constituent authorities
2. Specification of passenger services, standards and performance indicators by WMR
3. A budget agreed with DfT for local passenger services for the length of the contract
4. Direct control over contract management by WMR
5. Fares, ticketing arrangements and innovative technology specified by WMR
6. Visible, attractive local branding and marketing integrated with other local transport services
7. Prioritised, funded network enhancement investment planned with rail and local stakeholders
8. Agreement with DfT on specification of other franchises operating in the West Midlands
9. Continued delivery of a safe, secure railway in partnership with operators and Network Rail

Most importantly we WANT to provide a growing, better, more relevant local rail service for the people and economy of the West Midlands and to do so through the ENTERPRISE and DETERMINATION WMR will bring.

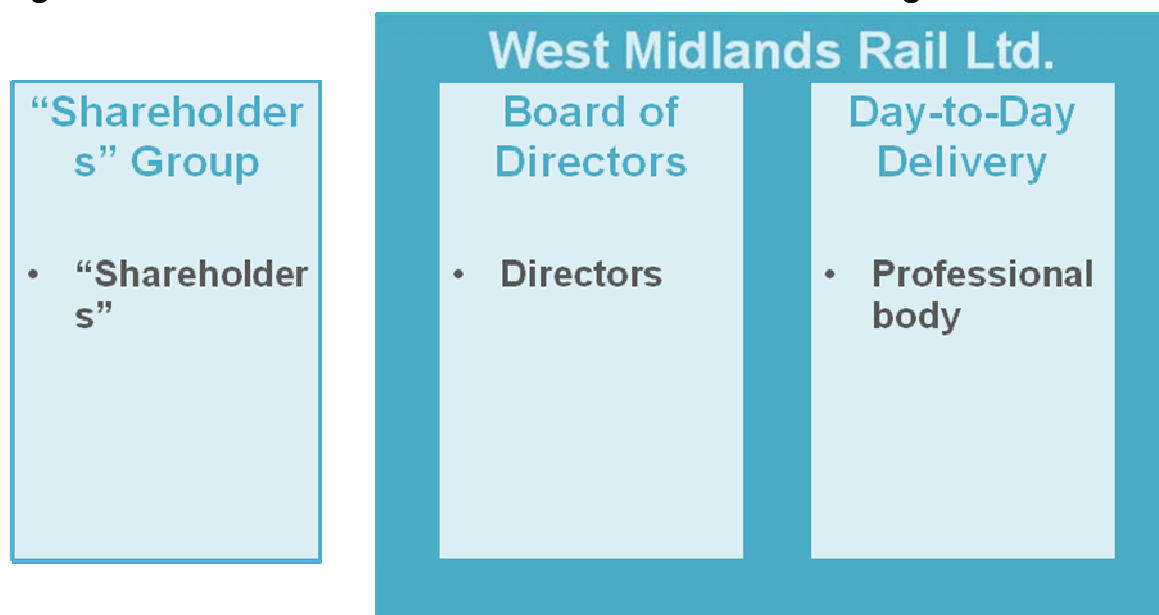
Governance Arrangements for West Midlands Rail Devolution

1. Introduction

- 1.1. A key part of the Proposition for West Midlands Rail Devolution is that Government will want to be satisfied that governance arrangements provide for robust and effective decision making and sound management of public funds for the duration of the Rail Contract/s. For the purposes of the submission to the Secretary of State in April 2014, outline principles for the proposed governance arrangements will be sufficient, recognising that further discussion between partner authorities will be required
- 1.2. The proposed governance arrangements set out how the West Midlands Authorities will make decisions together in a manner which balances democratic accountability, inclusivity and focussed financial decision making, with the capacity to manage and bear risk. The organisational structure has therefore been designed to allow effective delivery through timely decision making, sound financial management through positive engagement with rail users and key stakeholders.
- 1.3. Following extensive discussions with both members and officers from partner authorities which considered a number of possible models, the favoured approach the creation of a new body, West Midlands Rail Limited, (a company limited by guarantee). This new organisation would be the delivery body, with direct oversight by the “Shareholders Rail Board” made up of senior elected members from each participating authority.
- 1.4. The principle benefits of this approach over other models based on existing local authority structures are its inherent benefits to be an independent, inclusive body for both Metropolitan and Shire/Unitary local authorities.
- 1.5. This paper outlines the proposed governance arrangements, including shareholder authorities, addressing contract risk management, decision making, funding arrangements, contracts and powers.
- 1.6. West Midlands Rail Ltd. structure is shown in figure 1.

Cont’d.

Figure 1 Outline West Midlands Rail Ltd. Governance Arrangements



2. Governance Objectives

2.1. In developing these governance arrangements the following principles have been considered as key requirements:

- Effective, inclusive and transparent decision making between Partner authorities
- Democratic accountability
- Robust financial management and capacity to manage and bear risk.
- Agility to respond to unexpected events affecting the delivery of the contract/s
- Respect for individual partner requirements against a minimum baseline for contracted services
- Flexibility to enable individual authorities to enter into direct agreements with the delivery body
- Ensuring integration/coordination with other transport modes, other rail franchises and innovative initiatives

3. Working Assumptions

3.1. The purpose of West Midlands Rail Ltd. would be to manage the West Midlands Rail Contract and other related agreements under the direction of a Shareholders Rail Board.

3.2. A number of assumptions have been made regarding the form of the West Midlands Rail Contract as a basis for developing the governance structures:

- That the contracting body will be West Midlands Rail Ltd. comprising the thirteen West Midlands Transport Authorities in the proposed contract area, Birmingham, Coventry, Dudley, Herefordshire, Sandwell, Shropshire, Solihull, Staffordshire, Telford and Wrekin, Walsall, Warwickshire, Wolverhampton and Worcestershire
- DfT has determined that it will retain responsibility for the Birmingham - Northampton service. Recognising the importance of this route to the local rail network, its economy and stakeholders, it is proposed that West Midlands Rail Ltd. will have a direct agreement with DfT over the specification of services on that corridor. In respect of this agreement, Northamptonshire may wish to be part of the proposed West Midlands Rail Ltd. governance arrangements.
- DfT will pay WMR grant to cover the subsidy requirement between fare revenues and operating costs for the duration of the West Midlands Rail Contract. This will be ring fenced and include local administrative costs. Such matters will be set out in a DfT Funding Agreement
- A key element of the proposed governance framework relates to managing decision making and underwriting the financial risk.
- Other bodies, such as DfT and Local Enterprise Partnerships may be invited to attend the Shareholders Rail Board and have a voice in a non-voting capacity.

4. West Midlands Rail Ltd.

4.1. West Midlands Rail Ltd. would be incorporated as a company limited by guarantee whose aims and objectives would be to contract with a train operating company to provide rail services covering the West Midlands contract area. In further detail:

- West Midlands Rail Ltd. would be a limited company operating under the Companies Act 2006 with a Memorandum and Article of Association setting out its objectives, the responsibilities of directors and how the shareholders exert control over the board of directors
- West Midlands Rail Ltd. will act as the delivery body for rail services and funding.
- West Midlands Rail Ltd. 'shareholders' would be all partner local authorities
- The 'shareholders' would form a 'Shareholder' Rail Board as the policy making body, and it would be responsible for appointing a Board of Directors who would need to hold relevant experience and knowledge
- The Board of Directors would prepare a business plan (to deliver the policies of the 'Shareholder' Rail Board) and would manage the operation and finances of the Rail Contract.

- The ‘Shareholder’ Rail Board meetings would constitute general meetings under the articles and would normally meet in public. It would set the strategy and be able to call in decisions of the Board of Directors and have a monitoring role.
- West Midlands Rail Ltd. would require parent authority guarantees to provide the Government and bidders with confidence in West Midlands Rail Ltd. as a contracting body.
- A West Midlands Rail Ltd. Members Agreement would regulate details of governance, decision making and funding arrangements between West Midlands Rail Ltd. as the delivery body and partner/member authorities

5. ‘Shareholder’ Rail Board

5.1. This would comprise the Leader (or other senior elected member nominated by the Leader) of each authority in the contract area. The ‘Shareholder’ Rail Board would take the strategic policy and funding decisions.

6. Board of Directors

6.1. The Board of Directors will adopt the code of corporate governance and would oversee the management of the contract/s by the West Midlands Rail Ltd. delivery team.

7. Call-In

7.1. The Rail Contract with the TOC will include an agreed rail service specification. Each authority will have the power of “call-in” over any decision to reduce the agreed minimum level of service in that authority.

8. Funding

8.1. Funding for the Rail Contract will be through a combination of Fare revenues and Government (DfT) Grant. If higher than assumed fare revenues are achieved then surplus grant could be reserved against future shortfalls or invested in improved rail services. In the event of a deficit arising, the Board of Directors will be required to propose a Deficit Reduction Plan which would set out how the finances of West Midlands Rail Ltd. can be brought back into balance. Such measures may include adjusting fares, reducing resource utilisation and running promotions. The plan may also set out how each risk taking authority could be required to fund its share of the deficit if required, based on risk proportions.

West Midlands Rail
16 Summer Lane
Birmingham
B19 3SD

XX [month] 2014

Support for West Midlands Rail Devolution Proposals

I am writing to express our support for the principle of rail devolution in the West Midlands. Local passenger rail services in the West Midlands are very important to the economy in the region. The *West Midlands Rail* proposals provide for greater local accountability that would enable us to enhance rail services, focussing them on regional prosperity and growth.

Passenger rail services in the West Midlands are extremely important to [authority] and our businesses, residents and visitors. [*Insert brief overview of authority record of investment in rail*].

We welcome the West Midlands rail devolution initiative being developed by West Midlands Rail and participating local authorities, and consider that the proposed governance arrangements provide a robust structure in which our interests will be appropriately represented. The West Midlands rail devolution proposals would be a key delivery vehicle for the delivery of the draft rail vision for the region, '*A World Class Rail Network for the West Midlands*', bringing greater prosperity to the region and enhanced personal mobility to individuals, by developing an integrated, branded, public transport network. We also support the underpinning objectives of delivering a local rail service that meets capacity demands, whilst providing better value for money to the taxpayer. On this basis we support the submission of the formal proposition and business case to you, and look forward to hearing the outcome the Secretary of State's consideration.

Yours...

[name]
Leader of [authority]

Meeting of the Cabinet – 12th March 2014

Report of the Chief Executive

Black Country Joint Executive Committee – Collaboration Agreement

Purpose of Report

1. To seek Cabinet approval for the Council to enter into a Collaboration Agreement in relation to the Black Country Executive Joint Committee

Background

2. City Deal and Growth Deal is a Government initiative under which certain powers, such as the ability to set and spend budgets, are devolved from central government to local authorities in a bid to increase economic growth. The Black Country sub-region has been successful in its application to be included in the City Deal and Growth Deal initiative, and whilst the details of how it will precisely work and its core elements are to be finalised with the Government, the Government wants to see a decision making entity that is both accountable and transparent. Discussions with the Government have resulted in the proposal for a Joint Committee for the Black Country.
3. In brief, the key themes which form the basis of the City Deal Proposal are:
 - Creating a pool of readily developable investment sites across the Black Country to cater for indigenous growth and the capture of mobile investment and to ensure that short/medium term opportunities such as supply chain demand in sectors such as automotive and aerospace can be serviced. This element of the City Deal process comes with provision for a Black Country Land Development Fund, financed through a borrowing facility of up to £20m.
 - Addressing the skills gap highlighted by Black Country high value manufacturing businesses through the creation of 1,400 new high level/high value manufacturing apprenticeships, and the encouragement of more young people to take up STEM (Science, Technology, Engineering and Mathematics) subjects as the basis for future careers in the high value manufacturing sector.
 - The trialling of a new neighbourhood based support programme targeting some of those locations demonstrating high levels of unemployment through placement on sustainable career paths.

- The establishment of a “growth factory” to create a seamless business support and innovation service across the Black Country supporting over 700 high value manufacturing companies.
4. The Association of Black Country Authorities has agreed that each Council’s Cabinet would seek to approve the creation of a Joint Committee, comprising of the Leaders of the four Black Country Councils, to be the lead decision making forum for City Deal and Growth Deal. As a result, the Cabinet on the 30 October 2013 approved, via the annual review of the Constitution, the establishment of the Black Country Executive Joint Committee, and a number of other matters related to the functioning of this Committee.
 5. Cabinet subsequently approved on the 5 December 2013 that the Council become a joint signatory to the Black Country City Deal document and that the Cabinet will receive a further report detailing any agreed financial commitments by the Council arising from negotiations in relation to specific elements of the City Deal process and on the implementation stages of the Black Country City Deal priorities at a Borough level.
 6. It is the desire of Government to create a regional decision making entity that is both accountable and transparent and which also operates in a streamlined manner in order to support effective economic growth. At the same time decisions on the Council’s financial and resource commitments will need to remain with the Cabinet. As a consequence the issue of timing of meetings of the Joint Committee and the Cabinet and effective communication through the Joint Committee’s governance structure will need to be carefully managed in order to support project delivery.
 7. In summary, the Joint Committee’s governance structure is as follows:
 - An Advisory Board to oversee the delivery of the programme and which makes key recommendations to the Joint Committee. It will act as a strategic advisory body; reviewing and recommending objectives for strategic investment across the Black Country in relation to the City Deal and Growth Deal
 - A Working Group to manage the Programme on a operational basis
 8. The proposed Constitution and Terms of Reference of the Advisory Board and the Working Group are shown in Appendix 1 to this report
 9. In order to capture and promote a spirit of mutual co-operation, to define roles and responsibilities and commit to resources, each of the Black Country Councils and the Black Country Consortium is being asked to enter into a Collaboration Agreement, for which the approval of Cabinet is required.

Finance

10. This report has no direct financial implications. The Black Country Executive Joint Committee terms of reference refer to the allocation of spending and capital expenditure programmes. The report to Cabinet on the 30 October 2013 made it clear that this should not be construed as overriding the powers that are properly reserved to this Council to make budget decisions in relation to this Council's revenue or capital expenditure. Similarly, the report on the 5 December 2013 noted that projects and initiatives coming forward under the City Deal programme would need to be considered on an individual basis. As a result, any revenue or capital commitments being considered by the Black Country Executive Joint Committee will still need to be approved by the Cabinet and full Council in the usual way.

Legal

11. Under the Local Government Act 1972 and Local Government Act 2000 as amended by the Localism Act 2011 and regulations issued by the Secretary of State, the Council's Cabinet has the power to set up a Joint Executive Committee

Equality Impact

12. The Black Country City Deal proposal aims to improve and maximise the economic and social benefits for all residents and is therefore in accordance with the Council's Policies in relation to equality and diversity.

Recommendations

13. It is recommended that:
 - The Council enter into a Collaboration Agreement with Walsall, Wolverhampton and Sandwell Councils and the Black Country Consortium.
 - The Directors of Corporate Resources and Urban Environment be authorised to negotiate the terms of the Collaboration Agreement and to renegotiate them as and when required.
 - The Cabinet Member for Regeneration represent the Council on the Black Country Executive Joint Committee's Advisory Board.
 - The Cabinet Member for Regeneration, in consultation with the Directors of the Urban Environment and Corporate Resources, be authorised to agree the procedures for the development of projects to be considered for approval by the Black Country Executive Joint Committee.

John Polychronakis

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John Polychronakis
Chief Executive

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List of Background Papers

- Meeting of the Cabinet – 30 October 2013; Report of the Director of Corporate Resources - Annual Review of the Constitution
- Meeting of the Cabinet – 5 December 2013; Report of the Chief Executive- Black Country City Deal
- Collaboration Agreement in relation to the Black Country Executive Joint Committee City Deal and Growth Deal – Walsall Council
- Black Country City Deal negotiation document submitted 13 May 2013
- Draft City Deal Agreement from the Cabinet Office dated November 2013

Constitution and Terms of Reference of Advisory board

The Black Country wide Advisory Board will oversee the delivery of the programme making key recommendations to the Joint Committee.

CONSTITUTION

1. The Advisory Board shall comprise of:
 - I. The Cabinet member for regeneration for four Black Country local authorities (voting members)
 - II. Four business community representatives of the Black Country LEP (voting members)
 - III. The Executive Directors of the Black Country local authorities with responsibility for regeneration (non-voting member)
 - IV. A Black Country Consortium Ltd representative (non-voting member)
 - V. Such government department representatives as the committee agrees to (non-voting member)
 - VI. Such representatives of the community, business and or other bodies as the committee agrees to (non-voting member)
 - VII. The Program Manager (non-voting member)
2. The Advisory Board shall at its Annual Meeting (held in line with the start of municipal year) elect a Chair and Vice-Chair from among its voting members. In the event of both being absent from the meeting, the Chair and Vice-Chair for whatever reason, the Advisory Board shall elect a chair from amongst the voting members present for that meeting. Only a voting member is entitled to be elected as Chair or Vice-Chair of the Committee.
3. Four voting members of the Advisory Board shall constitute a quorum.
4. All questions shall be decided by a majority of the votes of the voting members present, the Chair having the casting vote in addition to his/her vote as a member of the Committee.

5. The Advisory Board shall meet as agreed at AGM and set the forthcoming years timetable of meetings.
6. A meeting of the Advisory Board may also be convened by the Chair within 21 days of the receipt of a requisition of any two voting members of the Advisory Board addressed to the Secretary of the Advisory Board. All requisitions shall be in writing and no business other than that specified in the requisition shall be transacted at such a meeting. However in cases of genuine urgency a meeting of the Advisory Board may be convened at any time by the Chair, upon 5 working days notice to all members of the committee.
7. The Advisory Board shall from time to time appoint such sub- Advisory Boards to consider and deal with any of the functions of the Advisory Board as may be thought desirable. Membership of which is determined by the Advisory Board subject to a any Advisory Board must have a Councillor and LEP representative from the Advisory Board as members of the sub-Advisory Board.
8. The Advisory Board Secretary shall be Walsall Council, and all meetings of the Advisory Board shall take place at Walsall Council.
9. The role of the Secretary shall include:
 - i. the Secretary will be responsible for preparing the agenda and submitting reports prepared by either of the Councils or other bodies to the Advisory Board and minutes of the Advisory Board.
 - ii. The Secretary shall be responsible for making arrangements for recommendations from the Advisory Board , including supporting reports, to the Joint Committee will be sent to Walsall Metropolitan Borough Council secretary of the Joint Committee to enable compliance with the necessary legislative requirements for access to information
10. Members of the Advisory Board or sub- Advisory Board that are elected representatives appointed by a Black Country Council must comply with their own Councils code of conduct.
11. Non Councillor members of the Advisory Board or sub- Advisory Board with conflicts of interest must comply with the following rules:

- a. A conflict-of-interest arises where any decision potentially gives direct commercial or financial payment or benefits to:
 - a. you,
 - b. a close member of your family, a
 - c. an organisation that you are either:
 - i. are employed by or hold office with or
 - ii. in which you own more than 10% of the issued share capital
 - b. a conflict-of-interest as set out in situations above does not arise in relation to any business regarding allocation of funding streams or projects to be allocated to or benefit the area of any of the four Black Country Councils.
 - c. Upon a conflict-of-interest arising:
 - i. in the case of a voting member that member must declare an interest and not vote, but may remain in the room to make representations;
 - ii. in the case of non-voting members that member must declare an interest but may remain in the room to make representations.
12. Gifts and hospitality policy for elected members will be the same as that of their own local authority. For non elected voting members, they should declare any gifts or hospitality that has a value over £25 which may be seen as related to their role on the Advisory Board and or any specific scheme, project or funding stream.
13. Only the Joint Committee can make amendments or variations to this Constitution and Terms of reference.

Functions of the Advisory Board

- 1) To receive reports from the Working Group, Black Country councils, central government, the businesses community, Lead and or Accountable bodies under City Deal and Growth Deal and Growth Deal and such other persons or bodies as the Advisory Board deems appropriate.
- 2) To receive reports from any Sub Advisory Board of the Advisory Board.
- 3) To act as a strategic advisory body; reviewing and recommending objectives for strategic investment across the Black Country in relation to the City Deal and Growth Deal, including;

- a. Providing a coherent single position on the major strategic City Deal and Growth Deal issues;
 - b. Formulating proposals for allocation of spending;
 - c. Formulating proposals for major priorities;
 - d. Consider and agree recommendations made by Working Group;
 - e. Recommending Lead and or Accountable Body status for a body or organisation;
 - f. Referring final recommendations from the Working Group as to items a) to e) above to the Joint Committee for formal approval.
- 4) Receiving regular monitoring reports from the Working Group on the City Deal and Growth Deal program and/or funding streams and/or individual Projects upon the effectiveness and performance of delivery by the Lead and/or Accountable Body
 - 5) reporting regularly or upon request of the Joint Committee, and in any event at least once a year to the annual general meeting of the Joint Committee, to the Joint Committee upon the effectiveness and performance by the Lead and/or Accountable Body in delivering the City Deal and or growth Deal initiatives, programmes and or funding streams for which they are responsible
 - 6) influence and align government investment in order to boost economic growth;
 - 7) to ensure alignment between decision making on City Deal and Growth Deal and decisions on other areas of policy such as land use, transportation, economic development and wider regeneration;
 - 8) Co-ordinate and align decision making on other areas of policy such as land use, transportation, economic development and wider regeneration with the LEPs ensuring that business views are taken on board and that LEP growth plans are reflected in strategic priorities;
 - 9) Advising the Joint Committee in relation to the City Deal and Growth Deal capital expenditure programmes and potential programs and ensuring policy and programmes are delivered effectively through partners;
 - 10) To report to the Joint Committee on such matter as it considers appropriate and relevant to City Deal and Growth Deal and the Programme.

Working Group

Manage the Programme on a operational basis.

To manage promotion of the programme.

To agree the timeline for delivery of the implementation of the Programme, monitor progress and ensure that the key milestones are achieved.

To undertake the initial appraisal of Project proposals and agree them being worked up in a Business Case

Approve Project Business Cases and provide recommendations to the Advisory Board in the form of the Business Case with recommendations.

To establish a Programme Register setting out Project details including, project Authority, Project Authority project Lead officer, Project Objectives, funding amount, Key dates, specific tasks/targets that need to be delivered to ensure project success, Project key risks and mitigation measures in place, any relevant cut of date for funding spend and latest Project position.

Executive Directors will ensure that the Programme Register is kept fully up-to-date by officers, in their respective authorities, who are responsible for Leading on the Projects for which their Authority is the Lead Authority.

To devise, oversee, manage and monitor the Programme and elements of it generally and specifically review and evaluate on a regular basis ongoing individual Projects progression and delivery against the Business Case for the project, including any key miles stones, financial spend and compliance with any central Government grant terms.

Receive from Lead Authorities detailed updates on Projects in accordance with the timescales set out in the Business case or otherwise as necessary, and Provide written updates along with appropriate recommendations to the Advisory Board on the progress of the specific Projects.

To identify and manage risk for the Programme and individual Projects

To ensure appropriate financial management is in place and complies with any government grant terms, EU and UK law, and accounting good practice.

The Programme Manager will be responsible for arranging the Working Groups meeting, its agenda and minuting decisions of the Working Group, and providing written updates and recommendations on behalf of the Working Group to the Advisory Board on the progress of the specific programme tasks and Projects.

The Programme Manager will be responsible maintaining the Project Register.

Make recommendations to the Advisory Board on the progress of the specific Projects.

Membership:

Decision making membership

- Relevant Executive Directors (or their nominated proxy)

Adviser/support membership (none decisions making members)

- Programme Manager
- Regeneration Managers
- Project Managers
- Project Support Officers
- Other officers as appropriate