

Meeting of the Cabinet

**Wednesday 20th September, 2023 at 6.00pm
In Committee Room 2 at the Council House,
Priory Road, Dudley, West Midlands, DY1 1HF**

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

1. Apologies for absence
2. To receive any declarations of interest under the Members' Code of Conduct
3. To confirm and sign the minutes of the meeting held on 6th July, 2023 (Pages 4 - 6)
4. Capital Programme Monitoring (Pages 7 - 26)
5. West Midlands Combined Authority – West Midlands Trailblazer Deeper Devolution Deal (Pages 27 - 80)
6. To consider any questions from Members to the Leader where two clear days' notice has been given to the Monitoring Officer (Cabinet Procedure Rule 2.5)

Distribution:

Members of the Cabinet:

Councillor P Harley (Leader)

Councillor P Bradley (Deputy Leader)

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

Opposition Group Members nominated to attend meetings of the Cabinet:

All Shadow Cabinet Members are invited to attend Cabinet meetings (to speak but not vote)



Chief Executive

Dated: 12th September, 2023

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Minutes of the Cabinet

**Thursday, 6th July, 2023 at 6.00pm
at Saltwells Education Development Centre, Netherton**

Present:

Cabinet Members

Councillor P Harley (Leader - Chair)
Councillor P Bradley (Deputy Leader - Vice-Chair)
Councillors P Atkins, I Bevan, R Buttery, S Clark, D Corfield, Dr R Clinton,
M Rogers and L Taylor-Childs.

Opposition Group Members Nominated to attend the Cabinet

Councillors A Aston, C Bayton, J Cowell, J Foster, S Ridney and P Sahota.

Officers

K O'Keefe (Chief Executive), B Heran (Deputy Chief Executive), I Newman
(Director of Finance and Legal), M Farooq (Lead for Law and Governance –
Monitoring Officer) and S Griffiths (Democratic Services Manager).

18 Apologies for Absence

Apologies for absence from the meeting were submitted on behalf of
Councillors S Ali, K Casey, P Lowe and Q Zada.

19 Declarations of Interest

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

20 **2022/23 Provisional Revenue Outturn and Medium Term Financial Strategy**

A joint report of the Chief Executive and the Director of Finance and Legal was submitted on the provisional revenue outturn for 2022/23 and changes to the Medium Term Financial Strategy. In presenting the report, the Cabinet Member for Finance, Legal and Human Resources drew attention to the Council's financial position as set out in the report and made the Cabinet aware of the comments of the External Auditors as set out in their Annual Audit Plan 2022/23.

The Leader, Cabinet Members and Officers responded to detailed questions from Members of the Opposition Group concerning vacancy levels, the library service, children's services and schools budgets, regeneration, income generation from commercial activities and additional spending in highways and environment.

Resolved

- (1) That the draft General Fund and Housing Revenue Account (HRA) outturns for 2022/23 be noted.
- (2) That the potential need to amend the outturn in respect of a loan to the Black Country Innovative Manufacturing Organisation (BCIMO), as set out in paragraph 3 of the report, be noted.
- (3) That the effect of the General Fund outturn on General Fund balances as at 31st March, 2023 be noted.
- (4) That the continuation of the local scheme to disregard War Pensions in the Housing Benefit and Council Tax Reduction schemes, as set out in paragraph 9 of the report, be approved.
- (5) That the financial position of the Council, as set out in the report and as summarised in paragraph 26 of the report, be noted.
- (6) That the Council be recommended to amend the budgets as outlined in paragraphs 19 and 20 of the report.

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

No questions were raised under this agenda item.

The meeting ended at 6.35pm

LEADER OF THE COUNCIL

Meeting of the Cabinet – 20th September 2023

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

Capital Programme Monitoring

Purpose

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

Recommendations

3. That the Council be recommended:
 - That progress with the 2023/24 Capital Programme, as set out in Appendix A, be noted.
 - That the new firewalls budget of £460,000 be approved and included in the Capital Programme, as set out in paragraph 6.
 - That the approval and inclusion within the Capital Programme of the budget of £26,000 for the Holiday Activities and Food programme funded fully by the grant, as set out in paragraph 7 be noted.
 - That the transfer between the ICT Strategy and Storage Area Network of £75,000 be approved, as set out in paragraph 8.
 - That the urgent amendment to the Capital Programme for additional costs in the Fire Suppression works contract for £70,000 be approved and included in the Capital Programme, as set out in paragraph 9.

Background

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

	2023/24	2024/25	2025/26
	£'000	£'000	£'000
Public Sector Housing	65,158	50,816	44,114
Private Sector Housing	17,171	1,459	71
Environment	9,973	12,768	3,000
Transport	14,020	9,570	8,530
Regeneration and Corporate Landlord	21,304	22,249	11,359
Culture, Leisure and Bereavement	2,937	2,904	1,500
Schools and SEND	20,205	20,971	21,600
Social Care, Health and Well Being	2,607	300	0
Digital, Commercial and Customer Services	1,882	893	1,393
Total spend	155,257	121,930	91,567
Revenue	4,307	3,488	3,612
Major Repairs Reserve (Housing)	25,517	26,000	26,456
Capital receipts	24,193	17,344	21,610
Grants and contributions	41,235	23,586	17,448
Capital Financing Requirement	60,005	51,512	22,441
Total funding	155,257	121,930	91,567

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

5. An update on progress with the Council's most significant capital schemes is shown in Appendix A. It is proposed that the current position be noted.

Firewall replacement

6. In the Medium Term Financial Strategy an additional £90,000 per annum growth for firewall improvements was added to Digital, Customer and Commercial Services' revenue budgets. Following an appraisal it has been determined that it would be better to replace the firewalls and the costs of £460,000 will then be capitalised.

It is proposed that £460,000 is included in the 2023/24 Capital Programme and will be funded by revenue contributions from the growth provided in the revenue budget.

Holiday Activities and Food Grant

7. The Council has been awarded £1,288,420 of Holiday Activities and Food Grant by the Department for Levelling Up, Housing and Communities in 2023/24. Up to 2% of this grant may be capitalised which equates to £25,768. It is proposed that this amount is added to the capital programme to set up a website and booking system to support the HAF programme. Amendments to the Capital Programme are in normal circumstances made by Council following approval by Cabinet. Owing to Procurement and implementation timescales this decision is urgent and cannot reasonably be deferred to the next available meeting of the Council. It can therefore be approved by Cabinet as allowed by the Council's constitution in these circumstances.

It is proposed that £26,000 is included in the 2023/24 Capital Programme and will be funded by the grant.

Storage Area Network

8. In October 2022 a decision was made to replace the Storage Area Network (SAN) for a system that would provide the opportunity to consolidate data centres and server requirements, at the time the estimated cost of this was £400k. Following a procurement exercise there is a requirement for an additional £75k to complete the replacement of the SAN.

It has been identified that within the ICT Strategy approved programme that this additional cost can be covered by the Server Refresh 2023/24 budget as the SAN has a direct relationship to the servers and results in a reduced Server Refresh budget requirement, therefore it is proposed that the SAN budget be increased from £400k to £475k and the ICT Strategy Budget be reduced by the corresponding £75k.

Urgent Amendments to the Capital Programme

9. A budget of £2,000,000 for fire Suppression works for the Energy From Waste plant were approved at the Council meeting of 28th November 2022. The final tenders for this work have now been received and the total cost is expected to be £2,069,567.53. Therefore an urgent decision sheet was signed by the Leader in consultation with the Director of Finance and Legal (reference DFL/09/2023) for the additional £70,000 budget to be incorporated into the Capital Programme.

Finance

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

Law

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

Risk Management

12. Risks, and their management, are considered prior to proposals being brought forward to include projects in the Capital Programme. This includes risks relating to the capital expenditure itself, funding of that expenditure (e.g. grant availability and conditions), and ongoing revenue costs and/or income.

Equality Impact

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

Human Resources/Organisational Development

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

Commercial / Procurement

16. All procurement activity will be carried out in accordance with the Council's Contract Standing Orders, and the relevant officers will take the procurements through the Procurement Management Group to monitor compliance at the relevant Gateways.

Environment / Climate Change

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

Council Priorities and Projects

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



Kevin O'Keefe
Chief Executive
Services



Iain Newman
Director of Finance and Legal

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List of Background Papers

Relevant resource allocation notifications.

Appendix A – Update of progress on major capital schemes

Progress with Major Capital Schemes**Public Sector Housing**New Council HousingProjects on site

- New Swinford Hall – conversion to 18 affordable apartments - completion September 2023
- Corporation Road B – 5 houses – Potential phased completion September to October 2023
- Whitegates Road – 3 houses - completion September 2023
- Beacon Rise – 11 homes - completion October 23 – with £605k Homes England Grant secured
- Lower Valley Road – 17 affordable homes, 14 apartments (mix of one and two beds) and 3 x two bedroom wheelchair bungalows. £935,000 Homes England Grant secured - completion January 2024
- Swan Street – 75 units – 54 Sheltered and 21 houses - £4m Homes England Grant secured, completion February 2026.

Planning approval has previously been secured to progress several sites under the brownfield land programme, the funding for which is managed by Walsall Council on behalf of the West Midlands Combined Authority. Due to the current pressures on the HRA Capital Programme the Council have retracted from the brownfield programme and are focusing on investment in the current stock.

Planning approval has been obtained, and a Compulsory Purchase Order has commenced to facilitate the redevelopment of 122 to 128 Colley Gate, Cradley, to deliver a new housing scheme of 8 units. The development was originally intended to be funded through the HRA capital programme but due to the pressures referenced above alternative options are now being considered, acknowledging that the redevelopment of the properties at Colley Gate remains a priority.

EnvironmentStevens Park, Quarry Bank Lottery & Council funded project

The refurbishment & extension of Tintern House including remedial works is complete and the final account has been agreed.

The Emily Jordan Foundation Projects are running their projects: 'Spokes' (Bicycle restoration & sales) 'Twigs' (Horticultural training & sales) & 'Go Green' (recycling).

The Community Development Officer is carrying out a series of events & activities until Autumn 2024.

Wrens Nest Wardens' Base

The acquisition of 113 and 115 Wrens Hill Road was completed on 6th August 2021.

Meetings over the course of 2022 culminated in Officers holding workshops in October and November with the Friends of Wrens Nest and architects from Corporate Landlords to develop a preferred design option for a Wardens Base and Visitor Facility.

A Feasibility Study has therefore been completed with costings. The project cost is currently estimated at £639k + £50k for contingencies and risk. Whilst £279k remains in the capital programme for the project, this leaves a shortfall of some £410k. The Heritage Lottery have been approached and recommend that an Expression of Interest is submitted for consideration.

Dudley Townscape Heritage

The Townscape Heritage (TH) programme is funded through the National Lottery Heritage Fund (NLHF) which offers grant assistance to carry out repair, reinstatement and refurbishment works to historic buildings, as well as a programme of complementary education and community engagement activities. The Phase 2 TH programme, operating with a grant budget of £1.178m from the NLHF and £300,000 match funding from the Council, commenced in February 2017. All projects are due for completion by the end of September. A deadline for submission of the evaluation and the final claim to the Heritage Fund by the end of the year is being agreed.

The programme focuses on buildings in the town centre's historic core. The work at 203/204 Wolverhampton Street, 216 Wolverhampton Street, 204a Wolverhampton Street and 14 New Street is complete, with Fountain Arcade at practical completion with only snagging items outstanding. Other properties within the programme include the following:

- 208 and 209 Wolverhampton Street: shopfronts have been installed and awaiting signage
- Plaza Mall: shopfront has been manufactured and is scheduled for installation from early September
- 207 Wolverhampton Street: project includes comprehensive repairs to the building and reinstatement of shopfront. Work to windows, re-rendering and reinstatement of shopfront continuing apace and due for completion August/September

A wide-ranging activities programme, running alongside the capital works programme, has been developed and delivered in conjunction with teams in Adult and Community Learning, Museums, Communications and Public Affairs and the Historic Environment Team. A revised programme was agreed with the Heritage Fund which was adapted in light of Covid-19 restrictions. Further activities were included in the programme working with delivery partners (Co Lab) who already have established links with the community of Dudley. This has seen the successful 'Growing up in Dudley' project, which has gathered images and oral reminiscences, and 'Dudley Days' which held workshops with a small group of participants to create music inspired by connections with Dudley. Teaching resources have been produced as part of the programme and have been shared with schools. The project also works closely with the Historic Environment Team to produce information in the form of trails and leaflets to enhance understanding and appreciation of the historic environment, including a suite of guides to assist owners of historic buildings. The project continues to work with volunteers where possible and research has been carried out on the former Woolworth's building resulting in a new document which will be printed for the upcoming Heritage Open Day in September 2023. A further document about Fountain Arcade has been produced and will be added to the suite of building leaflets included on the Dudley Heritage Open Days webpage, where the virtual tours of a number of buildings are available, and the Historic Environment Team's webpage. The exhibition display in the form of 4 pull-up banners about the history of Dudley have continued to be on display at the Museum and have also been used at other events including the recent National Gallery John Constable exhibition in the Churchill precinct and will be exhibited at the forthcoming Heritage Open Days at the Coroner's Court and at the Castle. The programme has included the installation of a blue plaque on the former School of Art to commemorate Percy Shakespeare, a 4-page insert in the autumn (2021) edition of the Home magazine and the printing of the City ID map for Dudley. Training sessions for bricklaying students at Dudley College have also taken place, where students received hands-on training from a conservation bricklaying specialist. Preparations are currently underway to open the Coroner's Court for the Heritage Open Day on 9th September with other participating buildings including Top Church and The Crown. There will be a further reprint of the many trails and leaflets produced during the course of the Townscape Heritage programme in time for the Heritage Open Day, for distribution at the event and for wider distribution at the borough's many visitor attractions.

Brierley Hill High Street Heritage Action Zone

The High Street Heritage Action Zone Programme (HSHAZ) is a nationwide initiative designed to secure lasting improvements to historic high streets for the communities who use them. It is Government funded and run by Historic England with the aim of making the high street a more attractive, engaging and vibrant place for people to live, work and spend time. It is designed to unlock the potential

of high streets across England, fuelling economic, social and cultural recovery. Brierley Hill High Street was one of 68 High Streets selected to receive a share of the fund.

The Brierley Hill High Street HAZ is a 4 year programme, due for completion by March 2024. At the start of the programme a grant of £1.8m was awarded by Historic England with £400,000 match funding coming from the Council, equating to an overall grant of 81.80% from Historic England and an overall budget of £2.2m. At the end of September 2021, this figure was increased with an additional grant of £242,171 from Historic England, which with the 18.20% match from the Council provides a total grant increase of £296,052.46 and an overall budget of just under £2.5m. The programme provides grant assistance to third parties to carry out repair, reinstatement and refurbishment works to historic buildings as well as grant assistance towards bringing vacant floorspace back into use. It also provides grant towards public realm improvements, plus there is a programme of complementary education and community engagement activities. The spend profile and the priorities for funding have been agreed and approved by Historic England.

Public Realm Programme and War Memorial

For years one and two, the priority has been works to the Brierley Hill War memorial. The works to the memorial have been divided up into two phases. Phase 1 commenced on-site in August 2021 and focused on installing lighting, repairs and architectural reinstatement works to the Brierley Hill War Memorial and its immediate setting and Phase 2 commenced on-site late November 2021 and focused on the War Memorial Garden where significant stabilisation works to the embankment have been undertaken along with structural repairs to the intermediate walls that runs through its centre plus the laying out of a soft landscaping scheme. Works on both phases are now complete. The Phase 1 parts of the scheme have been handed back over to responsible Council departments. With respect to the Phase 2 works, once the second campaign of weeding has been completed, this scheme will be handed over also.

In terms of public realm proposals for the Civic Hall Green and St Mary's Church and for the public realm proposals being delivered through the Future High Street Fund, the public were consulted on the proposals in October/November of 2022. The main contractor is on-site, all the new paving has been laid on the Market Side of the High Street and the contractor is now working on the opposite side of the road laying new paving around the Civic Hall Green, excavating the tree pits and making a start on excavation of the new path in the Civic Hall Green. The paving is being installed at the southern end of the High Street, south of St Mary's Church in the splitter islands. Lighting columns have been redecorated and new street furniture has been ordered and will be installed shortly. The planning application has been submitted for the link space. The For more information about the public realm proposals click on this link:

<https://www.regeneratingdudley.org.uk/brierley-hill-projects> or look at the High Street HAZ webpage: <https://www.dudley.gov.uk/brierley-hill-haz>

Buildings Programme

This part of the programme is very dependent on the acceptance of grants by building owners and on contractors being appointed and being able to manage time pressures (imposed by the tight spend window for the project), significant rising costs and material delays.

As part of the original bid submission to Historic England, a number of historic buildings were identified to be a priority for grant assistance. Contact has now been established with the owners of all the priority projects and the majority of them are positively engaging with the Council and have now appointed a Conservation Accredited Architect in order to progress their proposals.

Grants have been offered and accepted on six projects:

- 2a and 2 Albion Street – works have commenced on-site and are nearing completion.
- 68 High Street – works have commenced on-site and are nearing completion.
- 101 High Street (Phase 1 – roof) - works have commenced on-site and are nearing completion.
- Brierley Hill Institute – contractor is due to start on-site soon
- 8 Mill Street – works have commenced on-site and are underway
- St Mary's Church (door) – grant accepted and works completed.

Several other priority projects are in the process seeking the necessary planning consents and drawing up tender documentation. Both Brierley Hill Market and 101 High Street (Phase - new shopfront) have live planning applications lodged with the local planning authority awaiting determination and their tender documentation is in the process of being prepared. For 123 High Street the tenders have been returned and are in the process of being assessed. 3-5 Church Street has been re-appraised, and consideration is being given to it being valued engineered and re-tendered. As is currently stands, if all these projects progress to completion all of the HAZ funding will be fully committed.

Community Programme

Community engagement and activities are also being positively progressed and developed in conjunction with Brierley Hill Community Forum, Friends of Marsh Park, Dudley Market, the Black Country Living Museum and also with teams in Adult and Community Learning (ACL), Museums, Communications and Public Affairs, Dudley Business First and the Historic Environment Team. There is in place an Activity Plan for the project. The main focus for this quarter has been getting ready for the September Heritage Open Day event on Saturday 16th September, for more information visit the this website:

<https://www.heritageopendays.org.uk/visiting/printable-area-lists/town/Brierley%20Hill/detailed>

Cultural Programme

Other major element of the High Street Heritage HAZ is the development of a Cultural Programme in conjunction with Brierley Hill Community Forum. The Arts Council England, National Heritage Memorial Fund and Historic England are providing funding for the development and delivery of the HS HAZ Cultural Programme providing the total sum of £94,000 and this has to be delivered in accordance with an agreed Milestone and Instalment schedule.

Following a second call out for local creatives to submit new ideas for the final year of the programme, the following projects have been approved and are now in the process of being delivered. All the funding for this programme has been committed.

- Radio Public Library (social art project) – Workshop 24
- Pop Up Gallery and Shop – Dudley College
- Brierley Hill Song Book – Dan Whitehouse
- Great Big Green Week – Ekho Collective
- These People, This Place - Ekho Collective
- 100 Faces of Brierley Hill
- Comic Con – Brierley Hill Library

For more information visit <https://www.facebook.com/brierleyhillculture>

Public Sector Decarbonisation

As previously reported the council was awarded a grant of approximately £4.4m through the Public Sector Decarbonisation Scheme (PSDS) and managed by Salix, the purpose being to switch sites from carbon-intensive forms of heating such as oil and gas, to electrical forms of heating (air source heat pumps) with additional works including Solar photovoltaic (PV), battery storage and LED lighting upgrades where possible. The scheme covers Dudley Council House and Town Hall, Stourbridge Library, Himley Hall and Ward House as well as the following schools: Amblecote, Caslon, Cotwall End, Glynne, Queen Victoria, Straits, Milking Bank and Wrens Nest Primary Schools.

Works commenced during the summer of 2021 with all the installations at the named schools and corporate sites. All works are now practically completed at the various locations (Education & Corporate) including Solar Panels LED Lighting and Air Source Heat Pumps. A Salix audit is currently taking place. Site visits occurred on 1st September with no issues raised. Audit of reporting and finance is to follow.

Low Carbon Place Strategy

The Council was awarded approximately £2.5m European Regional Development Funding (ERDF) to deliver a project that will reduce carbon emissions. This is a joint project between Housing and Corporate Landlord Services that will reduce carbon emissions from council owned homes as well as corporate buildings such as the Council House. £2.5m of match funding is being met from existing HRA budgets. In November 2021 the council appointed a new central heating installer for council housing as the previous went into administration.

The programme recommenced slowly in December 2021 as the contractor mobilised. A project change request has been granted requesting a further 18 months be added to the programme deadlines, to enable this resultant delay to be accommodated which affects the Housing side of the programme. It should also be noted that where homes are sold under the Right to Buy scheme, but have had the benefit of the grant, the council is required to refund the capital impact of the grant. The programme of energy efficiency improvements to the corporate estate is nearing completion. All outstanding work is now practically complete and final reports have been submitted to the funding body. No queries have been raised to date; however it is likely that an audit will take place on some sample sites in the near future.

Very Light Rail (VLR)

Following a detailed review of the various issues, delays and variations previously reported the project Quantity Surveyor, RLB, have now presented their assessment of the final account for the project which is indicating an overspend of approximately £1.1m against the available budget. This is based on formal project handover having taken place on 16 September 2022.

The final account has now been agreed and signed off with the contractor.

Works continue in closing out outstanding issues and building snagging.

The project team have completed the paperwork to receive an additional £400,000 of ERDF funding which will be used to fund some of the overspend.

Metro Complementary Measures

The £9.1 million budget is to fund the works associated with the delivery of the Wednesbury to Brierley Hill Metro extension.

The legal agreement with Transport for West Midlands (TfWM) states that the Council will fund the complementary measures along the route including pedestrian crossings. The Council has also agreed with TfWM to fund the uplift

of materials where the Metro is built through Dudley Town centre in order to provide high quality public realm. Large public realm interventions have been identified along the route at key stops, notably Station Drive (now Dudley Castle), Flood Street and Brierley Hill, to be funded by this programme of works. The £1million accelerated funding associated with the Towns Fund has been used to fund works to adopt Zoological Way, part of the works for the new loop road to access the Metro stop and some of the public realm work along the Zoo entrance on Castle Hill. Other public realm uplift works completed include those along the Metro route of Castle Hill to maintain and enhance the conservation character of the area, complementing the high-quality public realm at Market Square.

Midland Metro Alliance (MMA) are constructing the Metro extension for TfWM. In July 2022 the WMCA Board confirmed that costs had increased for the WBHE and therefore it will be phased. In June 2023 the WMCA board received and agreed a report on a package of funding which could facilitate delivery of the Metro to Waterfront (phase 2a), including Deeper Devolution Deal, WMCA funding and CRSTS. Funding is subject to business case development and assessment. Delivery of phases 2b and 2c (to Merry Hill and Brierley Hill respectively) are still subject to funding. The first phase finishes at Flood Street, Dudley and is planned to be open to passengers in December 2024.

The Council is continuing to work with TfWM to confirm the scope of the complementary measures, the uplift of materials and the public realm interventions given the change in delivery by TfWM.

Towns Fund

Full planning permission was granted for the scheme at November 2021 Planning Committee under application P21/1505. After a short period to confirm the application would not be called in by DLUHC the application planning consent was granted on 16 December 2021.

In the current macro-economic environment of high inflation, there are cost implications on the main construction period moving from 2023/24 to 2024/25. Cost modelling undertaken by independent cost consultant showed a £3-5m shortfall in funding for the consented 4332 m² building.

The Alliance design team have moved on since this review and are currently looking at a design that matches the existing planning scheme with minimal amendments and within the available budget. This includes some reduction in areas and some reduction in the amount of internal fit out that is completed. The team are currently working to finalise project costs, design and budget by the end of November 2023 to allow a start on site in the spring of 2024. At this stage the team are progressing on the basis of no further funding being

available from the NHS although should further funding be identified in the future flexibility will be built into the building to accommodate as needed.

Land assembly via negotiation, demolition and CPO continues to progress with demolition of the Hippodrome having commenced and the CPO for the remaining land having been sealed and published with an anticipated timeline of approximately 12 months.

At this stage all works are progressing in line with available budget.

CCTV

Phase 1 – Complete and operational.

Phase 2 - reflects the initial extension of coverage approved at the outset of the project. The main problems faced in this phase have been access to staff and materials throughout the last 18 months. Additional public realm cameras in this phase include:

- Cameras in Sedgley Bilston Street – completed.
- Wolverhampton Street Dudley – completed.
- Coronation Gardens – completed.
- Castle Gate – design work is complete. Columns have been erected, camera heads to be installed shortly. Waiting confirmation of power installations and fibre optic circuit. Expected to be completed July 2023, however, this depends on ongoing works associated with the installation of Tram lines which is affecting work permits to work in the same area which is impacting fibre installation. Only 2 cameras remaining to complete.
- The cameras to Lye town centre have been completed and are operational
- All 12 deployable cameras are now in use.

Phase 3 - work includes the additional cameras requested and approved at Council in 2021, to be sited at:

- Kent Street Upper Gornal – completed.
- Shell Corner Halesowen – completed, although needs to be revisited following a RTA which damaged a column that is now waiting replacement.
- Netherton High Street – completed.
- Wollaston traffic island – completed
- Toys Lane/Furlongs Road Colley Gate – completed.
- Queensway Pedmore – completed.
- Wynall Lane – completed.

Additional 12 deployable cameras have been ordered, expected to be operational in September/October 2023.

Dudley Interchange

Transport for West Midlands (TfWM) has secured all the funding for the Interchange. Gateley Hamer are appointed to manage the CPO process. Counsel advice recommended that the CPO is split into two - one for the Interchange and associated highways works and another for the Portersfield scheme and highway works.

At the September 2021 Cabinet it was agreed that DMBC will use its CPO powers to purchase Farm Foods, the Photographic Studio on Birmingham Street and the properties required for the associated highways. As a result of the need to CPO properties the start date for the Interchange has been moved to Spring 2024, Completion is expected Summer 2025. Work was delayed as counsel recommended that a single planning application is required for both the building and the highway works. New planning application has been submitted. Updated report in relation to the CPO was approved at June Cabinet. Approval was granted by Planning Committee on 12th September.

In December 2022 Gateley Hamer submitted the CPO to the Planning Casework Unit (PCU) for confirmation by the Secretary of State. The PCU have confirmed that objections to the scheme have been received and a Planning Inspector has now been appointed by the PCU and a CPO Inquiry is planned for early October 2023. A Statement of Case and rebuttal to the CPO objections are in preparation for submission to the Planning Inspector within the required timescales.

In parallel Transport for West Midlands (TfWM) have completed a value engineering exercise on the Interchange building design and design changes have been submitted to the Council for consideration.

Alternative temporary locations for the bus stops around Tower Street and Coronation Gardens during construction of the Interchange have been identified and this is currently being reviewed and costed by TfWM with support from the Council. The programme for the Interchange required the existing bus station to be closed early in 2024 so preparatory work for the temporary stops will commence in November / December this year.

Dudley Town Centre Highways Infrastructure (Portersfield Development)

As reported previously the WMCA has conditionally approved funding to support changes to the highways Infrastructure to create access to the Portersfield development site and improve access to the wider Town Centre. This funding amounts to £6.0m. In addition to early design work, some site

clearance was carried out to allow for intrusive site investigation to provide information to support the design process. In terms of any land acquisition required for highway changes this will be covered under a CPO that will be required for the overall development of the site. Highway design work relating to realigning Trindle Road was previously frozen to avoid any abortive spend until the review of the overall development site has been completed.

As a result of the wider development review an alternative highway option to leave Trindle Road on its current alignment is now being developed which includes high quality sustainable access measures, to support walking, cycling and bus movements, and this will be integrated into the design to support the wider overall sustainable Portersfield development aspirations.

Black Country Blue Network 2

The Blue Network project is nearing completion. The European Regional Development Fund funded project finished on 30th June 2023. Sedgley Beacon, Holloway Street and Castle Hill are all completed with a few minor tidying up / snagging works on the latter two. Turls Hill and Coseley projects led by Greencare are well underway and will be completed within timescales. We are forecasting that all outputs will be achieved and the scheme delivered within budget.

Refurbishment of Dudley Council House Campus

Phase 1 to the 1st floor of the Council House has been handed over from the contractor and senior leadership has reoccupied their new offices and associated spaces. Building work to Phase 2 on the Council House basement, parts of the 1st and 2nd floors of the Priory Street offices is due to complete in early September which will be followed by those rooms being furnished ready for occupation towards the end of September. As part of each phase work has been done to improve accessibility.

A new Phase 2a will immediately follow Phase 2 and this will see the refurbishment of the Old Police Building. This work now reflects the need to increase desk and meeting space as opposed to creating a collaboration hub. Further phases currently reflect:

- New Phase 3 - Ground floor including main reception – churn is planned for December 2023, then contractor will be expected to start on site Jan 2024 and complete by June 24
- New Phase 4 – Members car park – contractor would be expected to start in July 2024 and complete by end of September 2024

The forecast final cost (assuming remaining phases continue as originally anticipated) currently projects an overspend. Work is being undertaken to

review the detail and consider options which may include identifying additional budget and/or re-scoping the remaining phases.

Brierley Hill (Future High Streets)

The Council secured £9.99m from the Future High Streets Fund in December 2020. This is to support a programme of activity at Brierley Hill, to be implemented in the period 2021 to 2026. The key objectives are to improve footfall, reduce vacancy rates and improve the diversity of shops and facilities. All Future High Streets Funding has to be drawn down by 2023/24. DMBC match funding, identified through existing approvals, will be used to fund projects within the latter part of the programme. The overall investment value of the programme is in the region of £44m.

Project summaries:

Public Realm and Connectivity Improvements (£4.75m) - Funding to connect the new Midland Metro terminus to the High Street, improve existing public realm connectivity between key buildings and provide new public spaces and pocket parks. Improvement works at the High Street commenced on site on 4 January 2023 and will run until the spring of 2024.

Key Retail Sites (£1.048m) - Support to restructure the Moor Centre shopping precinct. The private sector owner failed to secure planning approval for the works. As the result, the Council's investment to support redevelopment could not be progressed within the Future High Street spend timescales. Following consultation with the Department for Levelling Up, a formal Project Change Request was submitted in September 2022 to move funding from the Moor Centre to support the public library (£365k) and public toilet refurbishment works (£194k). Tenders for both of these projects were double the original estimates. This was the result of materials shortages, the high rate of inflation and transportation costs. The remainder of funding (£489k) would be transferred to the public realm programme where similar cost increases have incurred. The Department for Levelling Up approved the Project Adjustment Request in January 2023.

Infrastructure and Air Quality Improvements (£255,000) - Future High Streets will provide support to amend two highway junctions at Venture Way. The intention is to improve pedestrian connectivity between the High Street and medical centre; reduce queuing traffic which has resulted in movement delays; and improved air quality levels. The works have now completed.

Addressing Housing Need (£3.55m) - Funding was secured to acquire and remediate 10 acres of brownfield land known as Daniels Land and the High Plateau. These are two long-term vacant sites, formerly part of the Round Oak Steel Works that have remained undeveloped for over 40 years. Dudley Council's Housing Department would then construct up to 220 new mixed tenure homes to meet local housing needs. An urban design study was prepared to inform an architect's brief for detailed design proposals to be progressed.

Discussions have continued with Sovereign Centros which is the managing agent acting on behalf of the site owners who also own the Merry Hill shopping centre. Early construction of the Metro viaduct and Embankment tram halt is key to delivery of the housing redevelopment project.

West Midlands Combined Authority's decision in July 2022 to delay the Metro link from Dudley to Brierley Hill has severely impacted upon the delivery programme. As the result, the proposed redevelopment works are unable to proceed within the FSHF timescale. The Housing Department's capital programme has been reduced and the redevelopment project is unable to be taken forward within this timescale. As the result, a second Project Adjustment Request accompanied by an economic appraisal, was submitted to the Department for Levelling Up in July 2023. This is to re-allocate the £3.55m of funding from Daniels Land and the High Plateau to a replacement schedule of projects within Brierley Hill town centre. Due to the large sum of money being re-allocated in the final year of the grant expenditure programme, a 12 month extension of the timescale to spend FHSF grant monies has been requested. The outcome of the Project Adjustment Request is expected in September 2023.

In parallel, discussions are being progressed for West Midlands Combined Authority and Homes England to acquire the sites. These are strategic acquisitions to support Metro delivery, fund remediation works and build new homes. Control of the sites will also provide the public sector with the opportunity to address the long-term severance within the strategic centre. This is caused by the poor direct connectivity between the High Street and Merry Hill.

Public Library (£308,000) - refurbishment of Brierley Hill public library and meeting room spaces. Scheme designs were the subject of community consultation and have been well received. Freeholder approval has been received for the refurbishment works. Tenders were significantly over budget due to inflation and increases in the cost of building materials. A Project Variation Request to move funding from the Key Retail sites project to the library was approved in January 2023. The refurbishment works to the library commenced in May 2023 and will complete in September 2023.

Public Toilets (£80,000) - Reopening of public toilets to support the High Street visitor return following the coronavirus pandemic, and the provision of welfare facilities for Metro tram drivers. Midland Metro Alliance is making an additional contribution of £38,000 to support the works. Feasibility designs were prepared and discussed with stakeholder groups. Tenders were significantly over budget due to inflation and increases in the cost of building materials. A Project Variation Request to move funding from the Key Retail sites project to the public toilets was approved in January 2023. The refurbishment works to the toilets commenced in April 2023 and will complete in August 2023.

In addition to the Future High Streets Fund award, the Council has secured further investment from the West Midlands Combined Authority. This is to acquire land to support implementation of the High Street Link. A funding agreement between WMCA and DMBC completed in March 2022. This is a long-term vacant gap site where there is the opportunity to provide a new connection from the High Street to the Metro terminus and Health Centre. The land acquisitions completed in June 2023. Site clearance and demolition works will complete in August 2023. A start on site for the pedestrianisation works is expected in the autumn of 2023.

A Town Board has now been established to oversee the various interventions underway in Brierley Hill. These include the Future High Streets Fund, Heritage Action Zone, and delivery of the Midland Metro. It includes Mike Wood MP, local Ward Members, DMBC and business, community, and educational sector representatives. The Town Board meets on a quarterly basis.

Schools

Schools Basic Need Projects

Now that the project at Wordsley School and Crestwood Schools are now complete, focus is now on ensuring there are sufficient secondary school places in the Halesowen area. Talks with Halesowen Secondary Heads is ongoing.

Numbers for both primary and secondary school places continue to be closely monitored and processes are in place to recommend capital projects to address any projected growth across both sectors.

Special Educational Needs and Disability (SEND) Projects

Informed by both the SCAP23 and Delivering Better Value in SEND programme, we are continuing the process of re-profiling our special school and mainstream provision to bring it more closely in line with the current SEND

pupil cohort through development of Dudley's SEND Sufficiency Strategy, and the special provision capital funding is a key component in this process.

In addition to funds carried forward from previous years, we have received a further allocation of capital funding for SEND. Projects to be funded are still being scoped with the need for detailed feasibility studies to be undertaken but is likely to include further expansion within our maintained special schools. A tender process has now been completed to establish a further primary SEMH base. This tender has now been concluded and the base will be established at Caslon primary school. The base is now operational, and work continues to create an outside play area exclusively for the base.

A further five bases have now been allocated to schools and we are in the process of scoping the works that need to be carried out to classrooms and playgrounds.

Meeting of the Cabinet – 20th September, 2023

Report of the Director of Regeneration and Enterprise

West Midlands Combined Authority - West Midlands Trailblazer Deeper Devolution Deal

Purpose of report

1. To set out the necessary actions in advance of the West Midlands Combined Authority (WMCA) Board meeting on 13th October, 2023 to support the ratification of the trailblazer deeper devolution deal (the deal).

Recommendations

2. That any feedback on the draft Governance Review and Scheme be forwarded to WMCA to enable any amendments to be made to the final drafts of the Governance Review and Scheme prior to formal approval at the WMCA Board on 13th October, 2023.
3. That the Leader be authorised to assent to the ratification of the deal, on behalf of the Council, at the meeting of the WMCA Board on 13th October, 2023 and to take any necessary or consequential actions to proceed with the deal implementation.

Background

4. On 10th March, 2023 at the WMCA Mayor and Portfolio Leaders' Group (MPL), the Leaders of the seven West Midlands Councils agreed in principle to the trailblazer deeper devolution deal announced at the Spring Budget. Formal approval of this decision has been scheduled for the WMCA Board meeting on 13th October, 2023. Before the deal is considered at the WMCA Board meeting, engagement is taking place through the governance structures of the West Midlands Councils concerning the ratification of the deal.

5. Since the MPL meeting on 10th March, 2023, a collective decision was taken at WMCA Board not to pursue the statutory process to provide WMCA with the 'health improvement duty' offered through the deal. The potential health improvement duty, therefore, does not form part of the deal that local authorities are being asked to ratify.
6. The decision to submit the Governance Review and Scheme to the Secretary of State will require a unanimous decision of all the Constituent Authority members under the terms of the WMCA Constitution.
7. Following the receipt of a draft Statutory Order each of the Constituent Councils will then be asked to give formal consent to the making of the Order.
8. To support the deal ratification process, the following documents have been provided:
 - a. Appendix A - Governance Review – a requirement of the statutory process needed to implement the devolution of the Bus Service Operator Grant commitment in the deal;
 - b. Appendix B – Scheme – a requirement of the statutory process needed to implement the devolution of the Bus Service Operator Grant commitment in the deal;
 - c. Appendix C – a detailed Implementation Plan with thematic summaries that act as an executive summary for engaging Leaders.

Approval processes after WMCA Board on 13th October, 2023

9. Subject to the deal being ratified at the WMCA Board in October, there will be further decisions for local authorities on key workstreams. The most important of these are:
 - a. The single settlement - WMCA officers, with support from local authority senior officers and Finance Directors, are working collaboratively to prepare for negotiations with the Treasury and the Department for Levelling Up, Housing and Communities to agree a memorandum of understanding (MoU) on the design of the single settlement. The negotiations on the MoU are unlikely to have concluded before the October WMCA Board meeting, however, there will be a decision-point at a future WMCA Board to seek local authority agreement to the MoU; and
 - b. 10-year business rate retention - It is possible that insufficient detail on the workings of the 10-year business rate retention scheme offered through the deal will be available for the October WMCA Board

meeting. If this is the case, there will be a further decision-point at a future WMCA Board to seek local authority approval to enter this arrangement.

10. WMCA Board will be engaged in other decisions on deal implementation; the accompanying implementation plan highlights a number of these instances. This is additional to the extensive engagement underway or scheduled across the region between the Combined Authority and local authority officers on the more detailed aspects of deal implementation.
11. This means there will be further decision-points for local authorities after the proposed ratification decision at WMCA Board in October, particularly (but not exclusively) on the funding and financial elements of the deal.

Consequences of non-ratification

12. The deal is a non-statutory agreement between different Government departments, WMCA and its constituent authorities. Therefore, if the necessary agreement at the WMCA Board to ratify the deal is not obtained, the consequences are at the discretion of the Secretary of State. Should the necessary agreement not be obtained, there is a risk that all or some of the commitments in the deal, and their benefits to the region, may be withdrawn or modified.
13. In particular, non-ratification of the deal and accompanying governance review and scheme would end the statutory process required to progress the devolution of the Bus Services Grant.

Opt in/out elements of the deal

14. There are a number of commitments in the deal where even if the requisite number of local authorities ratify the deal at the October WMCA Board meeting, individual local authorities will still be able to opt out of these functions being exercised in their areas. These are as follows:
 - a. Growth Zones
 - b. Local area energy planning
 - c. High street rental auctions

Overview of the deal

15. The deal contains over 190 commitments of different types. These include:

- a. Commitments to provide new funds to the Combined Authority and its constituent authorities, such as for housing and regeneration;
 - b. Commitments to increase flexibility and local decision-making power over existing and future funds, particularly through the single settlement;
 - c. Commitments to new partnerships and co-working with government to design and deliver programmes, such as employment support, culture and heritage and working with Great British Railways; and
 - d. Commitments to undertake further work with government on regional priorities, including transport innovation.
16. Taken together, the deal represents a significant step forward for the region's multi-year financial stability, particularly over local government revenue retention. This will help to reduce financial risks, de-risk investment decisions, provide new funding to deliver affordable housing, regeneration and transport schemes and give the region an influential role in shaping government policy in line with our shared inclusive growth agenda.
17. The documents enclosed provide greater detail on the commitments in the deal, the outcomes we expect they will achieve and how we will work across the region to implement them.

Finance

18. The commitments in the deal provide a mixture of new funding streams for the region.

Fund	Value	New Money
Growth Zones	c.£0.5bn (minimum)	Yes
Business Rates Retention	c.£450m	Difficult to Assess
Affordable Housing Programme	£200-400m	Yes
Single Regen' Fund	£100m	Yes
Wednesbury to Brierley Hill Metro Extension	£60m	Yes
Smart City Region	£10m	Yes
Air Quality Sensors	£0.5m	Yes
Digital Devices	£4.0m	Yes
Industrial Decarb	£10.5m	Yes

Natural Environment	£1m	Yes
Cultural Infrastructure Fund	£5m	Yes

19. The potential value of the deal to the region is, to a large extent, influenced by the region's ability to establish Growth Zones (formerly known as 'Levelling Up Zones') as intended, and the retained revenue which will flow back to local authorities through the business rates system.
20. In addition to the sums in the table above, the deal, particularly through single settlement and other initiatives like the Affordable Housing Programme, provides greater flexibility on how funding is used and brings decision-making on spending closer to the region.

Law

21. The proposals are in accordance with the provisions of the Local Democracy, Economic Development and Construction Act 2009. Formal ratification of the deal by WMCA Board in October will take place at the same time as the Board formally asking the Secretary of State to lay a Draft Order with respect to the formal statutory functions arising from the deal.

Risk Management

22. There is a risk that, despite the commitment to working closely with government to secure the devolution provisions and funding commitments, any changes in policy or government could prevent the third Devolution Deal plans from coming to fruition. There is also a risk that negotiations with government do not lead to the expected level of devolutionary commitment currently envisaged. Council officers will continue to work with the WMCA and Government as appropriate to secure the best possible deal and benefits for Dudley.

Equality Impact

23. The proposed Deeper Devolution Deal will support the Council's commitment to equality and diversity by supporting the Council's strategic priorities, including increasing the economic prosperity of the area and providing positive community impacts.

Human Resources/Organisational Development

24. Existing staff resources from across several service areas, in particular Regeneration and Enterprise, are providing support to the work of the WMCA. Officers work to represent the Council and its priorities through partnership working in working groups across the region. Officers continue to play an active role in discussions and negotiations to ensure the Council is effectively engaged and can respond and receive the benefits of the devolution deal.

Commercial/Procurement

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

Environment/Climate Change

26. The deal will help drive the net zero ambitions for the West Midlands by devolving tools and funding that will remove uncertainty and inefficiencies in the existing funding system, such as devolving housing retrofit funding and incentivising net zero bus service transition. There is recognition of the region's involvement in wider energy system management and planning, and responsibility for heat zone designation, energy efficiency advice and attracting private sector finance. In addition, funding is anticipated for industrial decarbonisation programmes for regional businesses, natural environment finance models and air quality monitors to support the region's wider environment and net zero ambitions.

Council Priorities and Projects

27. The proposed Deeper Devolution Deal will support key Council priorities and help to increase the economic prosperity of the area and provide healthy and positive community impact for the Borough, by aiding, funding and delivering strategic economic and development priorities.



Director of Regeneration and Enterprise

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Appendices

Appendix A - Governance Review

Appendix B – Scheme

Appendix C – a detailed Implementation Plan with thematic summaries that act as an executive summary for engaging Leaders.

West Midlands Combined Authority Draft Governance Review

The Transfer of functions in relation to Bus Service Operator's Grant under section 154 (1) of the Transport Act 2000 to WMCA as a Mayoral function

The Transfer of functions in relation to Bus Service Operator's Grant under section 154 (3) of the Transport Act 2000 to WMCA

Proposal for the Making of an Order under sections 105A of the Local Democracy, Economic Development and Construction Act 2009 as amended by the Cities and Local Government Devolution Act 2016

Introduction

This report has been prepared by the West Midlands Combined Authority in consultation with the Leaders of Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton Local Authorities. The report sets out the findings of the governance review undertaken across the whole geography of the WMCA area in accordance with section 111 of the Local Democracy, Economic Development and Construction Act 2009 as amended by the Cities and Local Government Devolution Act 2016 (the 2009 Act) to consider how the transfer of the delivery of Bus Service Operators Grants (BSOG) from the Secretary of State to WMCA as a Mayoral function would impact on the effectiveness of service delivery. As outlined in the deal, this is an administrative function to be exercised by the Mayor, with decisions from WMCA Board inputting into the policy of allocation taken by a two-thirds majority subject to consultation on National reforms.

The Governance Review has been undertaken as part of the overall review of functions which was carried out by WMCA to support the Trailblazer Devolution Deal negotiated between the WMCA and the Government.

Executive Summary

The West Midlands has been at the forefront of devolution in England. In November 2015, the government and WMCA agreed an ambitious devolution deal, including a directly elected mayor and powers to improve transport, skills, housing and to drive growth in the region. In 2017, devolution was deepened, and new funding agreed, including significant further investment in transport. The West Midlands has seized these opportunities, demonstrating what local leaders can achieve when empowered with the tools they need. Local leaders have increased investment in transport from £38 million in 2016/17 to £363 million in 2021/22, pioneered new approaches to brownfield development and net zero homes and delivered the c. £130 million Adult Education Budget, securing an over 10% increase in 2020 alone in the portion of the population with Level 3 skills.

The West Midlands is now embarking on a new phase by bringing greater investment, control over investment and powers to the region.

The new deal is estimated to be worth in the region of £1.5bn and it is hoped that this will reboot the economy, provide vital housing, jobs and skills, bolster our

existing strengths in transport and Smart City Region innovation, and drive our net zero ambitions. The deal looks to create a more prosperous and better-connected West Midlands which is fairer, greener and healthier.

In February 2022, Government announced, in its Levelling Up White Paper, new devolution deals for the West Midlands, along with Greater Manchester. Since then, the region and its partners have been working closely with Government to secure the best deal for the region, its economy and its communities.

The Deal recognises that the WMCA currently lacks the key levers and flexibility to 'unleash the potential of devolution' and goes on to address this through a range of new powers, responsibilities and resources.

WMCA Leaders agree that in order to fulfil local economic priorities and provide the best services for the citizens of the West Midlands, there is a need to draw down significant additional powers and funding from the Government through a deeper devolution deal. There is consensus that powers and funding should sit at the lowest feasible level of governance and that they should be drawn down from government and not drawn up from local authorities.

The WMCA has therefore commissioned this Governance Review to look at whether transferring responsibility for the proposed new functions - the distribution of Bus Service Operator's Grant (BSOG) to WMCA and subject to national reform, policy making powers in relation to BSOG allocation - is likely to improve the delivery of the service in the WMCA area.

This Review seeks to evidence how the deal will deliver significant new responsibilities and investment that will benefit our communities and businesses across the region.

When referring to WMCA as the decision-making body in this document, it means the WMCA Board made up of those members appointed by the seven constituent councils, the ten Non- Constituent Councils and the Mayor, taking decisions in accordance with statutory voting rights.

Section 1: Summary of the Wider Deal

This section sets out the wider deal including those non-statutory powers that do not require formal consultation, but which provide the wider context for the deeper devolution deal.

Governance and Accountability

The WMCA will be held accountable through the mechanisms set out in the Local Government Accountability Framework, English Devolution Accountability Framework and enhanced scrutiny measures. The Mayor and WMCA will be expected to present to Parliamentary Select Committees as requested, in conjunction with Mayor's Question Time and quarterly engagement with West Midlands MPs.

Administration of the Bus Service Operators Grant would be treated as a part of the normal business operations of the Combined Authority and would be subject to the same accounting, auditing and transparency requirements as other income and expenditure.

Fiscal Devolution, Funding and the Single Settlement

The commitment to 10-year Business Rates Retention across the region is estimated to be worth £450m over the period and will drive confidence in public sector borrowing, de-risk investment modelling and accelerate delivery. It will also remove the uncertainty of the current pilot scheme, boosting public financial sustainability and local authority spending power.

Through its 'Single Settlement', the Government commits to giving WMCA single capital and revenue funding certainty, equivalent to government departments – increasing regional autonomy and the ability to prioritise decisions locally in the areas of:

- local growth and place
- local transport
- housing and regeneration
- adult skills
- housing retrofit

These settlements will cover an entire spending review period.

In addition, Government has committed to a £25m capital fund to support business decarbonisation, culture, environmental programmes and the West Midlands' Smart City Region initiative.

Transport

Building on the West Midlands' strengths in transport innovation, as the country's first future transport zone, and its close partnership working with Government, the Deeper Devolution Deal provides:

- Devolution of the Bus Service Operators Grant to improve services and incentivise net zero transition;
- A pioneering Local Transport Plan approach which embeds 'quantifying carbon reductions' (QCR);
- Leading a collaborative research and learning programme through an 'influencing transport lab' (ITL);
- Establish the UK's first transport sandbox to test new innovations and inform national policy, while boosting global investment and cluster growth;

- Closer partnership with Great British Railways to deliver a rail service closer to the standards of London;
- Additional £60m to Wednesbury-Brierley Hill Metro extension
- Supporting development of the region's ambitious Very Light Railway scheme in Coventry.

Housing, Land and Regeneration

A £100m Single Regeneration Fund will be deployed flexibly across the region, and for the first time, brownfield land funding will support commercial, employment land and mixed-use development, as well as delivering 4,000 homes.

The commitment of up to £400m Affordable Housing Programme ('AHP') funding to the region, and greater influence over affordable housing delivery and strategy acts a precursor to full devolution of the AHP, worth billions of pounds in funding, to the region from 2026, this is the first time this has happened outside Greater London.

The WMCA will be involved in decisions on major UK government land disposals and reconfiguration, this will help in driving regeneration and unlocking private investment through repurposing and redeveloping publicly owned land.

The region will also be able to designate 'Levelling Up Zones': priority areas that would benefit from enhanced and targeted fiscal measures. These 'growth zones' will attract 25 year Business Rates Retention (with no reset).

Skills and Employment Support

Further areas of post-19 education and skills will be devolved to WMCA along with greater oversight of post-16 technical education and skills, and careers, including a crucial role to ensure the local skills system responds to the Local Skills Improvement Plan ('LSIP'). This will include, from the next Spending Review, greater devolution of non-apprenticeship adult skills functions and funding, and greater freedoms around Free Courses for Jobs and Bootcamps. WMCA will also become the 'central convenor' for careers advice in the region, working closely with Government to ensure provision meets the economic needs of the West Midlands.

Alongside establishing a Regional Labour Market Partnership Board, WMCA will be able to co-design contracted employment support programmes with DWP to ensure they are the aspirations of the region, supported by enhanced data-sharing agreements and in the longer term may commission such services on behalf of the DWP.

Business Productivity and Innovation

WMCA will adopt a new role in integrating and promoting business support services across the region, this will be powered by a new Strategic Productivity Partnership with departments across Government, greater involvement in the governance of the

British Business Bank's UK funds, and collaboration with the UK Investment Bank on commercial arrangements for infrastructure finance.

Building on the West Midlands' participation in the £100m Accelerator funding, through a Strategic Innovation Partnership WMCA will be able to present regional innovation opportunities to inform UKRI's future funding strategies. This will include working collaboratively to bolster regional R&D growth and pilot new initiatives, such as the UK Further Education Innovation Fund, place-based knowledge transfer programmes, and public procurement flexibilities.

Trade and Investment

The Department for Business and Trade ('DBT') will recognise the West Midlands Growth Company as the lead agency for investment in the region and work with them to develop a WM International Strategy, enhance data sharing routes and undertake a review of key account management with the region's major employers.

DBT will also support WMCA to boost West Midlands' presence in trade missions and dedicate support from the UK Export Academy to increase trade opportunities.

Net Zero and Environment

From 2025, Government will pilot with the West Midlands the devolution of housing retrofit funding. This will remove uncertainty and inefficiencies in the existing funding system and inform future models for Government net zero funding.

There is recognition of the region's involvement in wider energy system management and planning, and responsibility for heat zone designation, energy efficiency advice and attracting private sector finance. In addition, funding from the £25m capital pot is anticipated for industrial decarbonisation programmes for regional businesses, natural environment finance models and air quality monitors to support the region's wider environment and net zero ambitions.

Digital and Data

The Department of Science and Technology ('DSIT') will work proactively with WMCA through a Digital Infrastructure Leadership Group to accelerate broadband roll-out and connectivity, and through a £4m fund, provide 20,000 devices to boost digital inclusion.

Government will agree a new Data Partnership with WMCA, which will streamline WMCA's negotiations with individual government departments over access to specific datasets and support timely access to data particularly around: skills, careers and labour markets; business support, trade and investment; and energy and climate resilience.

Alongside this, Government will work with WMCA and its public body partners across the region to improve routes for data-sharing to enable WMCA to undertake regional analysis of data to better inform strategic decision-making locally.

Culture, Social Economy and Tourism

To maximise the Commonwealth Games Legacy Fund, a new Regional Culture and Heritage Framework will seek to align and maximise funding from arm's length bodies, including opportunities for co-investment and greater collaboration. Local authorities will be closely involved in the development of the Framework and continue to engage directly with funding bodies.

Recognising WMCA's commitment to double the size of the social economy, Government will work with the Combined Authority to develop a pioneering Social Economy Accelerator Programme and Growth Fund.

DCMS and Visit England will work with WMCA and WMGC to create England's second Destination Development Partnership pilot and the associated merits of establishing WMGC as a Local Visitor Economy Partnership ('LVEP').

Section 2: Purpose of the review

The purpose of this governance review, undertaken in accordance with Section 111 of the 2009 Act is to look at the exercise of statutory functions in the West Midlands with a view to deciding whether the new function contained in the deal would be likely to

- Improve the exercise of statutory functions in the area of the WMCA;
- Secure more effective and convenient local government for the area; and
- Reflect the identities and interests of our local communities

If the Review demonstrates that transfer of the new function to WMCA would improve service delivery, the WMCA will prepare and publish a scheme with the new function and changed constitutional arrangements. Under section 105B of the 2009 Act, the review needs to demonstrate that the exercise of the power to make an Order under section 105A in the West Midlands area would be likely to improve the exercise of statutory functions in relation to the West Midlands area.

Given that the implementation for the new function will be under Section 105A of the 2009 Act, a public consultation will not be required. The Secretary of State will be provided with a copy of the agreed scheme and governance review and will need to consider whether a new order should be made under the 2009 Act to provide the WMCA with the new function suggested by the deal.

Only the new powers and duties contained within the deal require consideration as part of the statutory process. However, in order to provide the context within which these powers and duties will be exercised, a summary of all the proposals, has been included. The full Deal text can be accessed here [West Midlands Combined Authority: "Trailblazer" deeper devolution deal - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/424242/West_Midlands_Combined_Authority_-_Trailblazer_deeper_devolution_deal_-_GOV.UK.pdf)

The new function requiring agreement under the requirements of the 2009 Act relates to the paying of the **Bus Service Operators Grant**. Under sections 154 (1) and 154 (3) of the Transport Act 2000

Background

Commercial Bus Service Operator's Grant (BSOG) is existing funding which Government currently pays directly to operators. BSOG is directly linked to bus fuel consumption, and this can undermine environmental objectives, with a reduced incentive on operators to invest in more zero emission buses. Circa £26m per annum was paid to bus operators across the WMCA area (pre-pandemic).

With a unique bus market, with one commercial operator operating over 95% of the West Midlands bus network, ensuring that value for money is achieved locally from public subsidy and planning an effective recovery for bus services post pandemic is difficult. This has been further exacerbated by a reduction in local bus market competition, with five local bus operators ceasing operations since March 2020, and ongoing bus industry pressures such as driver shortages, wage, and fuel cost inflation. The WMCA needs new levers to incentivise and influence the direction and navigation of a modern and responsive bus network but importantly to stimulate private sector competition back into our bus market.

Proposal

Subject to national reform, and through greater local control and design of policy, the WMCA would look to incentivise bus operators to use the grant to ensure investment in bus services aligns with WMCA policy outcomes. WMCA priorities for BSOG would seek to target: -

- Incentivising greener vehicle fleet investment and maximising our position as the UK investment leader in decarbonising bus fleets. Further boosting over £150m of fleet investment between public and private partners.
- Incentivising and working with private bus operators to expand bus services into areas of poor accessibility. This would place greater focus on where bus route mileage is delivered, compared to the current approach focused on total quantum. This would help to tackle the issue of 'overbussing' on certain routes to maintain a dominate commercial position at the expensive of more marginal, socially beneficial services, thus helping to deliver greater benefits with the same level of public funding.

The WMCA is directly managing two additional bus support funding grants, which are Network Stability Fund and Network Planning Fund (Bus Recovery Grant extension). The local management of this grant (on behalf of DfT) has delivered a stable bus network throughout 2022, supporting the most successful Commonwealth Games ever, and allowed for close working with bus operators to plan and improves services from January 2023.

Administering the Bus Service Operators Grant will support WMCA early engagement with bus operators in the West Midlands, ahead of the further devolution of powers in relation to policy and BSOG. This may mitigate against unpredictable and potentially disruptive market behaviour and may act to encourage high levels of professional conduct in the market being maintained during this period. These powers would assist being able to gain valuable insight and the additional scrutiny provided by WMCA may be able to encourage more efficient practices by the operators.

Section 3: New Statutory Responsibilities

This section sets out the formal statutory process of the governance review in relation to the new statutory function that will be taken on by the WMCA.

Legal context

The Government and the WMCA have reached agreement in relation to the devolution to the WMCA of a further range of powers.

To give effect to certain elements of the Deal, it is necessary for the WMCA to comply with the requirements of sections 105B and has chosen to carry out this Governance Review under sections 111 and 112 of the 2009 Act which set out the procedure to be followed in order to make changes to existing combined authority arrangements.

However, it should be noted that many aspects of the Deal do not require legislative change to implement. The power outlined below is the only one that is expected to require legislative or regulatory change before it can be exercised by Mayor and therefore follow the process outlined:

1. **Bus Service Operators Grant** - The government will devolve powers for the payment of the bus service operators grant to WMCA as a general function of the Mayor. This is in line with the commitment in the National Bus Strategy and the government is currently working on the reform of the grant. WMCA will provide support to identify the funding for bus services entirely within the WMCA boundary that is paid to commercial operators and would be suitable to be devolved to WMCA, both currently and subject to national reform.

The reform of the grant, and subsequent devolution to the WMCA Board of policy making powers, will enable the grant to support the government's and WMCA's shared priorities to support important local bus services and reduce environmental impacts through facilitating the transition to zero emission buses. This devolution will also be supported by the WMCA delivering commitments set out on in its adopted Enhanced Bus Partnership (EP) Plan and Bus Service Improvement Plan (BSIP).

It is proposed that there be a three-stage process to achieve these ambitions:

1. Immediate devolution of powers under Section 154 (1) of the Transport Act 2000 to the WMCA to administer BSOG
2. WMCA to then administer its share of the BSOG funding according to current Department for Transport (DfT) policy.
3. That the proposed Statutory Instrument include a commitment to further devolve policy powers to the WMCA Board under Section 154 (3) of the

Transport Act 2000 subject to the conclusion of national consultation and guidance being issued by the Secretary of State.

WMCA will work with DfT once the consultation period has concluded to finalise the design of a national BSOG reform package using the evidence generated through the consultation to present options to ministers that set out the impacts on and acceptability to key stakeholders, including WMCA.

If national reforms are delayed significantly, the exploration of alternatives including full BSOG policy devolution for the WMCA, may be brought forward.

Process to be followed

105B - Section 105A orders: procedure

Section 105A(1)(a), (1) (b), (2) and (3)(b) of the 2009 Act (other public authority functions): provides for the Secretary of State to make provision by order for a function of a public authority that is exercisable in relation to a combined authority's area to be a function of the combined authority and to make provision by order conferring on a combined authority in relation to its area a function corresponding to a function that a public authority has in relation to another area.

The Secretary of State may make an order under section 105A only if a proposal for the making of the order in relation to the combined authority has been made to the Secretary of State by the appropriate authorities, or the appropriate consent is given and the Secretary of State considers that the making of the order is likely to improve the exercise of statutory functions in the area or areas to which the order relates.

For the purposes of subsection (1)(b), the appropriate consent is given to the making of an order under section 105A only if:

- in the case of an order in relation to an existing combined authority, each appropriate authority consents;
- in any other case, each constituent council consents.

Section 111 of the 2009 Act

Section 111 of the 2009 Act allows combined authorities to undertake, in relation to an existing combined authority (such as the WMCA), a review of one or more “combined matters”. For the purposes of section 111 of the 2009 Act a “combined matter” is defined at subsection 111(3) as being:

- a. a matter in relation to which an order may be made under any of sections 104 to 107;
- b. in relation to the combined authority or any executive body of the combined authority, where that body exists at the time of the review, a matter concerning the combined authority or the executive body that the combined authority has power to determine.

Insofar as sub-section 111(3)(a) of the 2009 Act is concerned, sections 104 to 107 of the 2009 Act set out the range of matters that the Secretary of State may include within an order concerning a combined authority. These include power for the Secretary of State to:

- make in relation to a combined authority any provision that may be made in relation to an Integrated Transport Authority under certain provisions of the Local Transport Act 2008;
- make in relation to a combined authority any provision that may be made in relation to an Economic Prosperity Board (EPB) in relation to the exercise of local authority functions;
- make provision for a function of a public authority that is exercisable in relation to a combined authority's area to be a function of a combined authority;
- make provision for conferring on a combined authority in relation to its area a function corresponding to a function that a public authority has in relation to another area;
- make provision for any function of a combined authority which has an elected mayor (a "mayoral combined authority") to be a function only exercisable by the elected mayor;
- make provision for the costs of an elected mayor for the area of a combined authority that are incurred in, or in connection with, the exercise of "mayoral functions" to be met from precepts issued by the authority under section 40 of the Local Government Act 1992.

Section 112 of the 2009 Act

Where a combined authority that has undertaken a review under section 111 of the 2009 Act concludes that the exercise of the power by the Secretary of State to make an order under any one or more of sections 104, 105, 105A, 106 and 107 would be likely to improve the exercise of statutory functions in relation to an area of a combined authority, it may prepare and publish a 'scheme' relating to the exercise of the power or powers in question.

In addition to the above requirements, the Secretary of State cannot make an order under sections 104, 105 or 105A of the 2009 Act without the consent of the constituent councils or the WMCA.

Section 4: Governance options, Conclusions and Recommendation

- Option 1 – To endorse the findings of the governance review and proceed with the scheme.
- Option 2 – Not to endorse the findings of the governance review and only implement those parts of the deal that do not constitute new powers or duties.

As previously stated, any new powers or functions would need to be devolved to the Combined Authority via secondary legislation, and therefore would require Government (and local) approvals to make the relevant order.

Conclusion

The review has found that the evidence shows that the Deeper Devolution Deal will maximise the WMCA's current role and responsibilities and revolutionise how Government funding is implemented leading to more effective delivery of statutory functions. The deal represents a significant step forward in delivering more and better jobs to the area. It delivers significant new responsibilities and investment that will benefit our communities and businesses across the region. It means that decisions previously taken centrally can now be taken closer to the people affected and gives the area greater financial freedom and flexibility to manage our investment choices according to local priorities.

Administering the Bus Service Operators Grant will support WMCA early engagement with bus operators in the West Midlands, ahead of the further devolution of powers in relation to policy and BSOG. This may mitigate against unpredictable and potentially disruptive market behaviour and may act to encourage high levels of professional conduct in the market being maintained during this period. These powers would assist being able to gain valuable insight and the additional scrutiny provided by WMCA may be able to encourage more efficient practices by the operators.

The further devolution to WMCA of the policy element of Bus Service Operators Grant, would provide WMCA with flexibility as to its application and would allow WMCA to deploy the grant to incentivise operators to move to zero emission vehicles thus providing environmental benefits to air quality locally and also incentivise operators to expand services to areas of under-provision providing economic and social benefits to those who live and work in the area.

Recommendations:

1. To improve the effective exercise of statutory functions across the area of the WMCA, adopting the new power under Section 154 (1) and duty contained within the deal (Option 1) is considered optimal for the reasons detailed below.
2. To improve the effective exercise of statutory functions across the area of the WMCA, adopting the new power under Section 154 (3) subject to national consultation and guidance from the Secretary of State is considered optimal for the reasons detailed below.
3. That a governance scheme is published (a draft scheme is included at Appendix A) that confirms the adoption of the new powers and duties detailed in this report.

The reasons are summarised below:

a. The deal delivers significant new responsibilities and investment that will benefit our communities and businesses across the region.

b. Bus Service Operators Grant

Section 154 (1) of the Transport Act 2000:

Administering the Bus Service Operators Grant will support WMCA early engagement with bus operators in the West Midlands, ahead of the further devolution of powers in relation to policy and BSOG. This may mitigate against unpredictable and potentially disruptive market behaviour and may act to encourage high levels of professional conduct in the market being maintained during this period. These powers would assist being able to gain valuable insight and the additional scrutiny provided by WMCA may be able to encourage more efficient practices by the operators.

Section 154 (3) of the Transport Act 2000:

Devolving section 154 (3) of Bus Service Operators Grant to WMWCA will improve the exercise of this statutory function in the West Midlands by enabling WMCA to deploy the grant to incentivise a move to zero emission vehicles and also an expansion of services to areas which are underprovided for. This new function will support the government's and West Midlands' shared priorities to support important local bus services and reduce environmental impacts through assisting the change to zero emission buses.

c. The proposals will build on established regional governance arrangements which represent the views of local communities

d. The proposals will secure more effective and convenient local government by reducing complexity and streamlining the delivery of public services within the area.

e. The statutory criteria for preparing and publishing a scheme are met, i.e., the making of an order under S104 and S105A to enable the adoption of the new powers and duties for the area of the WMCA is the best option and will be likely to improve the exercise of statutory functions in that area.

f. In addition, adoption of the new powers and duty will:

- **have a positive impact on the interests and identities of local communities** by securing environmental benefits through low emission vehicles and by expanding bus services to areas with low accessibility.
- **secure more effective and convenient local government** by reducing complexity and streamlining the delivery of public services within the area.

West Midlands Combined Authority

Draft Scheme for the transfer of functions in relation to Bus Service Operator's Grant under section 154 (1) of the Transport Act 2000 to WMCA as a Mayoral function

Draft Scheme for the future transfer of functions in relation to Bus Service Operator's Grant under section 154 (3) of the Transport Act 2000 to WMCA

Proposal for the Making of an Order under sections 105A of the Local Democracy, Economic Development and Construction Act 2009 as amended by the Cities and Local Government Devolution Act 2016 (the 2009 Act)

This scheme has been prepared by the West Midlands Combined Authority in consultation with the Leaders of Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton Local Authorities.

The scheme sets out proposals for conferring on WMCA of the function of the Secretary of State of administering Bus Service Operator's Grant under sections 154 (1) of the Transport Act 2000 as a Mayoral function.

The scheme also sets out proposals for the future conferring on WMCA of the function of the Secretary of State in relation to the making of policy for the administration of Bus Service Operator's Grant under section 154 (3) of the Transport Act 2000. It is proposed that this function be conferred to be exercisable subject to the the conclusion of consultation on national BSOG reform and the publication of guidance by the Secretary of State.

If national reforms are delayed significantly, the exploration of alternatives including full BSOG policy devolution, may be brought forward.

Introduction

The West Midlands has been at the forefront of devolution in England. In November 2015, the government and WMCA agreed an ambitious devolution deal, including a directly elected mayor and powers to improve transport, skills, housing and to drive growth in the region. In 2017, devolution was deepened, and new funding agreed, including significant further investment in transport. The West Midlands has seized these opportunities, demonstrating what local leaders can achieve when empowered with the tools they need. Local leaders have increased investment in transport from £38 million in 2016/17 to £363 million in 2021/22, pioneered new approaches to brownfield development and net zero homes and delivered the c. £130 million Adult Education Budget, securing an over 10% increase in 2020 alone in the portion of the population with Level 3 skills.

The West Midlands is now embarking on a new phase by bringing greater investment, control over investment and powers to the region.

The new deal is estimated to be worth in the region of £1.5bn and it is hoped that this will reboot the economy, provide vital housing, jobs and skills, bolster our existing strengths in transport and Smart City Region innovation, and drive our net zero ambitions. The deal looks to create a more prosperous and better-connected West Midlands which is fairer, greener and healthier.

The WMCA have conducted a Governance Review under Section 111 of the 2009 Act (the Review) in relation to the delegation to the Combined Authority of additional functions and duties relating to:

- Bus Service Operators Grants (under section 154 (1) of the Transport Act 2000)
- Bus Service Operators Grants (under section 154 (3) of the Transport Act 2000)

Governance Review and Proposal

Background

Commercial Bus Service Operator's Grant (BSOG) is existing funding which Government currently pays directly to operators. BSOG is directly linked to bus fuel consumption, and this can undermine environmental objectives, with a reduced incentive on operators to invest in more zero emission buses. Circa £26m per annum was paid to bus operators across the WMCA area (pre-pandemic).

With a unique bus market, with one commercial operator operating over 95% of the West Midlands bus network, ensuring that value for money is achieved locally from public subsidy and planning an effective recovery for bus services post pandemic is difficult. This has been further exacerbated by a reduction in local bus market competition, with five local bus operators ceasing operations since March 2020, and ongoing bus industry pressures such as driver shortages, wage, and fuel cost inflation.

The WMCA needs new levers to incentivise and influence the direction and navigation of a modern and responsive bus network and to stimulate private sector competition back into our bus market.

Proposal

Administering BSOG will support WMCA early engagement with bus operators in the West Midlands, ahead of the anticipated further devolution of powers in relation to policy and BSOG. This may mitigate against unpredictable and potentially disruptive market behaviour and may act to encourage high levels of professional conduct in the market being maintained during this period. These powers would assist WMCA in being able to gain valuable insight and the additional scrutiny provided by WMCA may be able to encourage more efficient practices by the operators.

Subject to national reform, and through greater local control and design of policy, the WMCA would look to incentivise bus operators to use the grant to ensure investment

in bus services aligns with WMCA policy outcomes. WMCA priorities for BSOG would seek to target: -

- **Incentivising greener vehicle fleet investment and maximising our position as the UK investment leader in decarbonising bus fleets.** Further boosting over £150m of fleet investment between public and private partners.
- **Incentivising and working with private bus operators to expand bus services into areas of poor accessibility.** This would place a greater focus on where bus route mileage is delivered, compared to the current approach focused on total quantum. This would help to tackle the issue of 'overbussing' on certain routes to maintain a dominant commercial position at the expensive or more marginal, socially beneficial services, thus helping to deliver greater benefits with the same level of public funding.

The WMCA has direct experience in managing bus funding support grants, such as Local Transport Fund (up to July 2023), BSOG+ (up to 2025) and local raised funding through the WMCA's Transport Levy (for subsidies services).

With significant investment made to support bus services across the West Midlands, the devolution of BSOG funding to the WMCA would support this continued improved local planning of bus services. As stated above and subject to national reforms, WMCA requires flexibility in the way in which the grant is distributed to support its aim of incentivising a move to zero emission buses and an expansion of services into areas with poor accessibility. WMCA can also act as a trailblazer area for the early delivery of national BSOG reforms, working in partnership with DfT.

Overall, these reforms would help to achieve our wider network expansion plans that match the Government's Levelling Up mission and the aim to increase bus use outside of London, bringing us much closer to London standards. This aligns with the WMCA's Local Transport Plan outcomes to improve accessibility, electrify the transport system and reduce traffic to drive behaviour change.

Bus services are important for those who lack access to a private vehicle, those on the lowest incomes, and for those living in the most deprived communities. The WMCA area has some of the most deprived wards in England and circa 25% of households do not have access to a car, with this increasing to 40% in some of our most deprived communities.

The devolution of BSOG administration and anticipated policy making powers to WMCA would enable WMCA to deliver economic, social and environmental benefits through the distribution of the grant and to improve the effectiveness of service delivery.

Conclusion

Having considered the findings of the Review, the WMCA concluded that an Order by the Secretary of State to make the changes considered in the Review, including delegating additional functions to the Combined Authority, would be likely to improve the exercise of statutory functions in relation to the Combined Area. The WMCA have therefore resolved to prepare and publish this Scheme under section 112 of the 2009 Act.

Functions exercised by the Mayor

Bus Service Operators Grant (Public Authority Function) (Section 105A of the Local Democracy, Economic Development and Construction Act 2009)

It is proposed that the Government will devolve powers for the payment of the bus service operators grant to WMCA to be a general function of the Mayor under section 154 (1) of the Transport Act 2000.

It is further proposed that the Government will devolve powers, at a future date to be agreed with WMCA, following the conclusion of nation consultation and guidance being issued by the Secretary of State in relation to bus service operators grant to WMCA under section 154 (3) of the Transport Act 2000.

Since the award of Bus Service Operators Grant is a public function of the Secretary of State the Order will be made under section 105A of the 2009 Act. The procedural requirements under Section 105B do not include a requirement for public consultation before the making of an Order and in this case it is not thought necessary for a public consultation exercise to be carried out.

WMCA will provide support to identify the funding for bus services entirely within the WMCA boundary that is paid to commercial operators and would be suitable to be devolved to WMCA, both currently and following national reform.

Governance and constitutional matters

Governance Arrangements

A decision in relation to the conferring of a new function on WMCA would require a unanimous vote of the members representing the Constituent Authorities at the WMCA Board.

The Award of Bus Service Operator's Grant will need to be included as a Mayoral function in the definition of Mayoral general functions set out in Article 22(5) of the West Midlands Combined Authority Functions and Amendment) Order 2017

Review and Scrutiny

The operation of the function of the award of Bus Service Operators Grant will be subject to review and Scrutiny in accordance with the Constitution and the Scrutiny Protocol.

West Midlands 'Trailblazer' Deeper Devolution Deal: Thematic Summaries

August 2023



West Midlands
Combined Authority



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Introduction

The purpose of this document is to provide local authorities (LAs) an overview of the trailblazer deeper devolution deal (the deal) between the region and Government. It sets out how the commitments in the deal will be implemented, how LA partners will be engaged in decision-making, LAs roles in delivery and indicative timescales for commitments to be progressed and implemented. A more detailed breakdown of deal implementation activities is set out in the fuller implementation plan that follows these summaries. The different policy areas in the deal have been grouped into the following themes:

- Operating more effectively. This covers governance and accountability, data and the single settlement;
- Economy. This covers business support and finance, innovation, trade and investment and visitor economy;
- Employment and skills. This covers adult skills, careers and employment support;
- Transport. This covers rail, buses, transport innovation, transport planning and infrastructure capital support;
- Supporting clusters. This covers digital, social economy and Places for Growth;
- Net zero and environment. This covers energy efficiency, industrial decarbonisation, heat zoning, natural capital, local area energy planning and air quality;
- Transforming places. This covers housing, regeneration, Levelling Up Zones and business rate retention;
- Pride in place. This covers homelessness, anti-social behaviour and early years.

In addition, there are three further special features that cover areas of the deal in more detail. These are:

- Single settlement;
- Transport;
- Levelling Up Zones.

Plans on a page

For every thematic summary, a 'plan on a page' is provided to show indicative timescales for implementation activities.

A bar like the below with a single diamond is used to indicate a deadline:



A bar like the one below with a diamond at either end is used to indicate the duration of an activity:



- Operating more effectively
- Economy
- Supporting nascent clusters
- Pride in Place
- Transforming places
- Adult Skills and Employment Support
- Net Zero and Environment
- Transport

Overview of the deal

There are over 190 different commitments in the deal. The commitments are of different kinds, including:

1. Commitments to provide new funds to the region;
2. Commitments to increase flexibility and local decision-making power over existing and future funding;
3. Commitments to new partnerships to plan and manage the delivery of government programmes; and
4. Commitments to enable the region to co-design new policy initiatives with Government.

The highest number of commitments relate to the themes of economy, operating more effectively and transport. Taken together, these commitments, the policy levers and funding they include, represent a step-change in our ability to realise our collective vision of a better connected, more prosperous, fairer, greener and healthier West Midlands.

Financial value of the deal to the region

The total value of the deal in fiscal terms to the region is estimated at c£1.5 billion. This estimate is to a large extent influenced by the ability of the region to establish Levelling Up Zones as intended, and the economic growth in the region which will flow back to LAs through the Business Rates system.

Fund	Potential Value	New Money?
Levelling Up Zones ¹	c.£0.5bn Minimum	Yes
10-year Business Rates Retention	c.£450m	Difficult to assess
Affordable Housing Programme	£200-400m	Yes
Single Regeneration Fund	£100m	Yes
Wednesbury to Brierley Hill Metro Extension	£60m	Yes
Smart City Region	£10.0m	Yes
Air Quality Sensors	£0.5m	Yes
Digital Devices	£4.0m	Yes
Industrial Decarb	£10.5m	Yes
Natural Environment	£1.0m	Yes
Cultural Infrastructure Fund	£4.0m	Yes

¹ Estimate based on incremental Business Rate Retention if all 6 LUZs are given Government consent and delivered.

Operating more effectively

Inclusive Growth Fundamental: Power and Participation

Exec Lead: Ed Cox

Governance, Scrutiny and Accountability

What will the deal achieve?

A condition set by government for the region to receive the benefits of the deal is strengthening existing WMCA scrutiny arrangements and introducing new processes to enhance our accountability, both to central government and to our residents.

What will we deliver?

- Quarterly MPs/Mayor/Portfolio Leader sessions.
- Review of WMCA overview and scrutiny arrangements.
- Revised outcome reporting to Government.
- Publication of a Scrutiny Protocol by Government.
- Enhanced Mayoral Question Times.
- Enhanced resources and profile for WMCA scrutiny committee chairs.

How will local authorities be involved?

- The Terms of Reference for MPs Quarterly Sessions will be shared with Regional Chief Legal Officer and Senior Local Authority Officer Group for feedback;
- LAs will have the opportunity to vote on a resolution to implement the MPs Quarterly Sessions at WMCA Board;
- Through the Regional Chief Legal Officers Meeting, local authorities will be consulted on the recommendations of the review of WMCA overview and scrutiny practices by DLUHC and the Centre for Local Governance and Scrutiny.

Data

What will the deal achieve?

The deal will increase the range of central government data that WMCA and partners have access to, improve data sharing within the region and support our ability to use outcomes evidence in decision making. Improvements in the region's data sharing capability are key to supporting the realisation of benefits across multiple other elements of the deal, for example, partnership agreements in housing and adult skills.

What will we deliver?

- Changes to WMCA data governance;
- Access to the Chief Data Officer's Council;
- A Data Partnership with Government;
- Data sharing gateways with Government departments.

How will local authorities be involved?

LA leaders will be asked to agree proposed changes to enhance WMCA Data Governance and get WMCA ready for enhanced data sharing and agree new data sharing practices and principles at a regional level.

The West Midlands Insights on Society and Economy group with local authorities will develop proposals for local data sharing and scope out what data is held within local authorities and WMCA and what data would be beneficial from central government. Together, they will build on the process used to create the Birmingham Data Charter and lead to the co-creation of a West Midlands Data Charter.

Single settlement

Exec Lead: Linda Horne

What will the deal achieve?

The deal offers the region the opportunity to receive government department-style multi-year financial settlements. This will reduce the amount of competitive bidding for government funding, provide more certainty over levels of funding and enable joined-up, strategic funding delivery. The single settlement will also streamline reporting and evaluation processes associated with bidding to multiple competitive pots. The single settlement will provide us with greater power over investment decisions locally, and greater ability to fund our priorities.

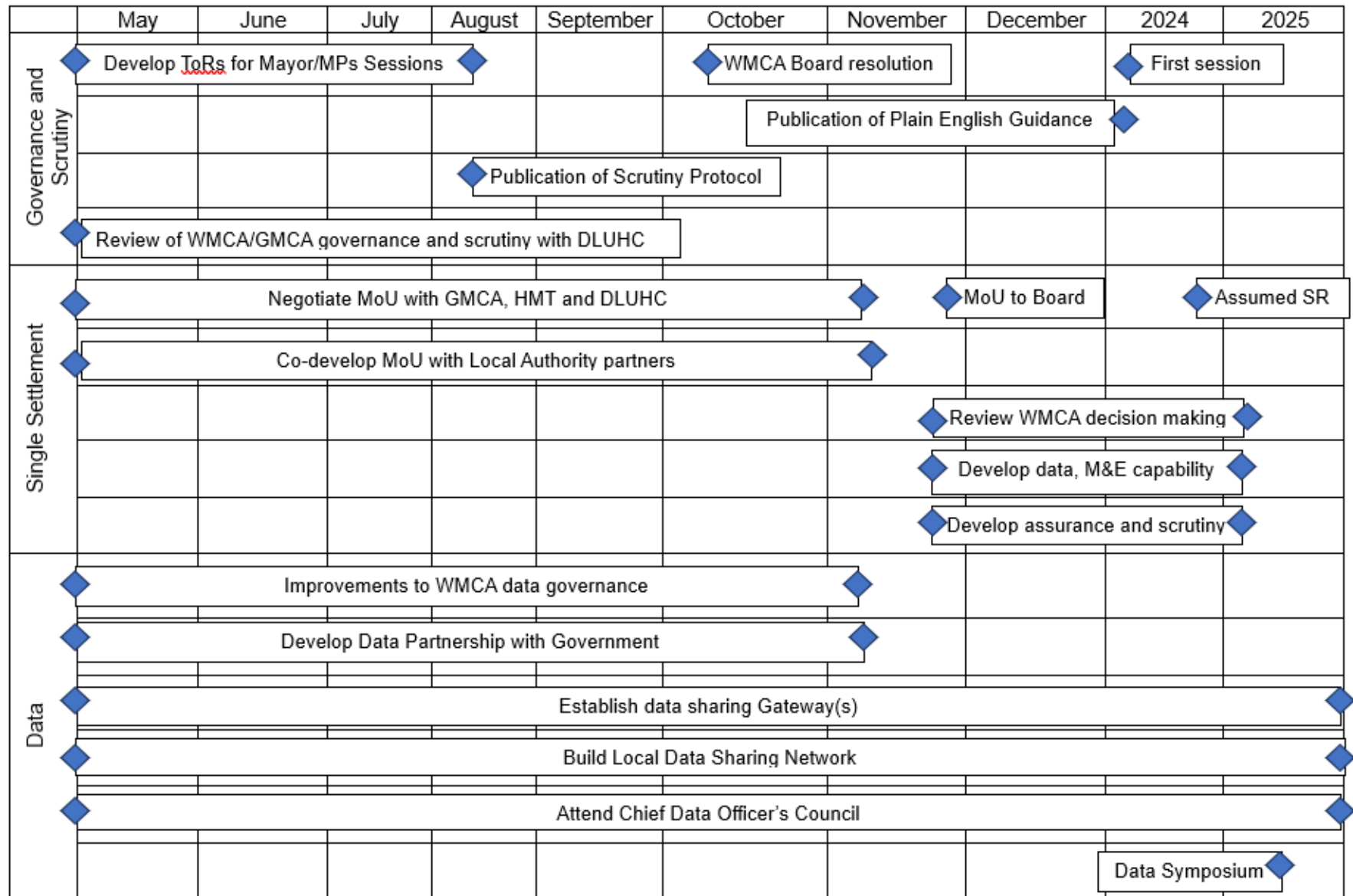
What will we deliver?

- A Memorandum of Understanding covering the design principles for the single settlement.
- Reduction in competitive bidding for government funding.
- Streamlined monitoring, evaluation and assurance processes.
- Funding from central government with fewer prescribed spending conditions.
- Greater funding certainty for greater time periods, enabling simpler financial planning.

How will local authorities be involved?

- The decision on whether or not to sign the MoU will be taken to WMCA Board for agreement.
- The Senior Local Authority Group (SLAOG) will be used to co-develop negotiating positions to be communicated to DLUHC and Treasury. Finance Directors and other subject matter experts from local authorities will also be engaged.
- Special sessions with Leaders will be arranged over Summer and early Autumn to update them on negotiations and refine negotiating positions.
- After the MoU has been developed, there will be further engagement through Chief Execs on the changes that are required to WMCA governance and decision-making structures to make most of single settlement funding.
- As part of our approach to funding delivery, we currently expect place-based plans to set out local funding priorities and strategies that join up the multiple functions – and funding streams – of the single settlement.

Operating more effectively





Special Feature: Single Settlement

Challenge & Opportunity

The region has proved its capability to deliver large-scale funding programmes that make a real difference to people, communities and businesses.

Whether it's the 100 derelict sites that have been unlocked, the 200 transport projects the region will deliver by 2026 or the tens of thousands of adult learners who have received support to boost their skills – we have shown we can work in partnership to deliver change at scale.

With the right tools, the region could do more. We receive funding from government through a myriad of funding streams, each with a separate delivery timetable, different output prescriptions and overlapping reporting and accountability arrangements. This gets in the way of our ability to take joined up, strategic decisions drawing on all our resources in the round.

How the deal addresses it

The commitment to a single department-style settlement for the region will change this.

It will allocate a single capital and revenue settlement to the region spanning multi-year Spending Review periods, supporting medium-term, strategic planning.

It will allow us to realise the benefits of delivering local growth and place, local transport, housing and regeneration, adult skills and net zero functions in parallel, generating more impact for the region.

It will give the region greater flexibility and more control to deliver projects and initiatives aligned to local needs and place-based opportunities.

It will significantly reduce pressures on officer time from having to make repeat bids into national funding competitions, with decisions routed through regional decision-making structures instead.

Why that's different from pre-deal

The single settlement represents a significant step forward relative to the status quo.

The single settlement will change the way the region works with and receives funding from government for the better, underpinned by new accountability arrangements and a jointly agreed outcomes framework.

It will see new ways of working between partners across the region, with more local control over decisions routed through local decision-making and accountability structures.

When things will happen

- Summer 2023: Early engagement within the region on the design of the single settlement;
- Autumn 2023: A memorandum of understanding between the region and government;
- 2024: Further work across the region to prepare for single settlement implementation, working towards an allocation at the next Spending Review (timing tbc, but assumed to be Autumn 2024);
- 2025 (tbc): Following the next Spending Review, the first single settlement would be allocated to the region.

Economy

Inclusive Growth Fundamental: Inclusive economy

Exec Lead: Ed Cox

Trade and investment

What will the deal achieve?

The deal will help to bring greater foreign direct investment into the region and help more businesses to export by strengthening the region's influence over the Department for Business and Trade, increasing the region's visibility to overseas investors, securing support from the Office for Investment and better connecting businesses to sources of export and investment support.

What will be delivered?

An International Strategy, joint agreement of future High Potential Opportunities and joint delivery with the Department for Business and Trade.

How will local authorities be involved?

Directors of Economic Development will work with the WMCA and West Midlands Growth Company to progress the commitments in the deal, feeding into the Economic Growth Board and Combined Authority Board.

Innovation

What will the deal achieve?

The deal gives the region greater influence over national innovation funding and makes a number of commitments that will help businesses across the region to innovate and adopt new technologies, building on the region's status as an Innovation Accelerator and the recently-published WMCA – Innovate UK Action Plan.

What will be delivered?

A new Strategic Innovation Partnership, bi-annual meetings with HMG Science Ministers and a knowledge transfer partnership with Innovate UK.

How will local authorities be involved?

LA officers will be engaged via Business Support Officers Group and Directors of Economic Development. Directors of Economic Development are, with Innovation Board and universities, shaping the direction of the Partnership, with the Economic Growth Board and Combined Authority Board in decision-making roles.

Visitor Economy

What will the deal achieve?

The deal strengthens the West Midlands Growth Company's role in coordinating the region's visitor economy.

What will be delivered?

West Midlands Growth Company to be granted Destination Development Partnership pilot 2 status and support more LAs to achieve Local Visitor Economy Partnership status.

How will local authorities be involved?

LAs have been engaged in the development of DDP proposals through signing off the Growth Company’s Business Plan, while two LAs have already received LVEP status. LAs will be engaged through ongoing quarterly meetings.

Business support and finance

What will the deal achieve?

The deal gives the region greater influence over national business support programmes now and the ability to make the case for devolved business support in future. The deal will also help to better align sources of SME finance and infrastructure investment with regional opportunities.

What will be delivered?

A new Strategic Productivity Partnership, regional engagement in the future of Growth Hubs, a role for the region in the governance of the British Business Bank’s regional fund (MEIF2).

How will local authorities be involved?

With input from the Business Support Officers Group and Business Insights Forum, Directors of Economic Development are shaping commitments in this section of the deal to feed into Economic Growth Board and CA Board. Across this theme, data and intelligence gathered through the Business Growth West Midlands Service will be used to inform policy design in the economy and skills partnership.

	May	June	July	August	Sept	October	November	December	2024	2025
Business support								Report to SoS on outcomes of SPP	Bi-annual SPP meetings	
				First Strategic Productivity Partnership Meeting						
				Agree new Brit Bus Bank relationship					MEIF2 launch	
Innovation		Launch new WM Growth Hubs								
		Engage government on future of Growth Hubs								
			Launch of Innovation Accelerator							
Trade and Investment		Mayor and VCs agree steer					Meeting with Science Ministers			
		Innovation Board ratify asks						Stocktake with Mayor and VCs		
			WMGC 'lead agency' recognition by WMCA and geographic footprint alignment; decision on DBT membership of WMGC							
			Working arrangements in place to assess UK business environment and HMG-WMGC data sharing							
			MoU between WMGC, WMCA and Office for Investment; signposting arrangement between DBT							
				International Strategy complete						

Employment and skills

Inclusive Growth Fundamental: Education and Learning

Exec Lead: Clare Hatton

Adult skills and employment

What will the deal achieve?

Although the deal has separate chapters on adult skills and employment support, we continue to advocate to Government that these are complimentary and should be treated as one workstream. This will ensure adult skills and employment support are properly integrated and mutually reinforcing.

In adult skills, the deal commits to the creation of a joint governance board to provide oversight of post-16 technical education and skills in the WMCA area, ensuring our training offer is aligned to local skills needs, providing strategic oversight of the Local Skills Improvement Plan, supporting better data sharing and providing oversight for the development of an all-age careers strategy. The deal offers greater flexibility over how existing adult skills funding (Free Courses for Jobs and Skills Bootcamps) can be spent and a commitment to fully devolve these funds as part of the single settlement. The deal recognises WMCA as the central convenor of careers provision, with joint governance of the current National Careers Service contract and a commitment to co-designing future careers provision for all ages in the region.

On employment support, the deal commits to the creation of a new regional Labour Market Partnership Board to oversee the development and implementation of a regional labour market strategy. It provides a new role in co-designing future contracted employment programmes for young people and adults, which the CA will commission on behalf of DWP on a WMCA footprint.

We continue to push for the Joint Governance Board for Adult Skills and the Labour Market Partnership Board to be combined into one.

What will be delivered?

- Terms of reference for an integrated adult skills and employment support board;
- Sign-off of the Local Skills Improvement Plan and of the application for the Local Skills Improvement Fund that supports LSIP implementation;
- An all-age careers strategy;
- Co-design of future contracted employment support programmes, on a WMCA footprint (N.B. no new contracted employment support programmes expected during this SR period);
- Free Courses for Jobs and Skills Bootcamps expanded to create a stronger training offer that meet labour market and skills needs across the economy;
- Better access to data that supports planning and delivery of adult skills provision and demonstrates outcomes and impact;
- Joint governance of the current National Careers Service contractor and role in shaping future specifications.

How will local authorities be involved?

- LAs will have a key role in new governance structures for skills and employment support programmes within the WMCA area. These are currently in development. In the interim, we will engage with LAs via Directors of Economic Development, with governance decisions taken at Economic Growth Board;
- The CA will also work closely with individual LAs and our LA Employment & Skills Officers Group to understand and respond to employment and skills needs in their area – to inform adult skills procurement in each area;
- Adult skills provision will continue to be delivered through an ecosystem of LAs, FE colleges, independent training providers, universities and the VCS. LAs will continue to receive grant funding for community learning provision;
- The CA will also work closely with individual LAs and our LA Employment & Skills Officers Group to understand and respond to employment and skills needs in their area – to inform commissioning of employment support provision.

	May	June	July	August	September	October	November	December	2024	2025
Adult Skills and employment	Develop new governance structures – with agreed Terms of Reference - for employment and skills									
	Deploy greater flexibility in Adult Skills funding									
	MoU signed with HMT and DLUHC on Single Settlement								Assumed SR	



Special feature: A transport network closer to the standards of London

Challenge

After decades of underinvestment, our region is beginning to turn our transport network around. But significant challenges remain in tackling the defining issues of our time, such as climate change, air quality, our health, and now the cost of living and energy pressures facing our citizens.

To enable Inclusive Growth means improving people's access to opportunities. But the pandemic and the cost of living crises have resulted in problems to overcome. Public transport costs have gone up whilst demand to travel has dropped, this has put levels of service at risk. And although people are driving less as fuel has increased in cost, this has not resulted in a proportionate uptick in travel by other modes; people are less socially and economically active.

Progress has been made to strengthen the West Midlands' transport since the first two devolution deals in 2015 and 2017: the next five years will see at least 40% more investment in transport capital compared to the last five years. Moreover, the region remains a world leader in the future of transport.

Connectivity reduces production costs, enables businesses to reach customers more effectively, links employers to a wider pool of potential employees and ultimately encourages business development. Without an integrated network, our progress on levelling up and economic standing relative to other regions will be constrained.

How the deal addresses it

- The deal commits to explore a fully integrated, multi-modal fares and ticketing structure alongside pay as you go ticketing infrastructure pilots and co-development of a regional branding proposition for rail – key tenets of regional transport integration;
- A formal partnership between the West Midlands Rail Executive and Great British Railways (GBR) will increase local, democratic accountability over the region's railway;
- The deal unlocks an additional £60 million for the Wednesbury to Brierley Hill Metro extension;
- With the devolution of the Bus Service Operators Grant, we can change the mechanisms for providing public subsidy to private bus operators to improve accessibility across the region and support the decarbonisation of bus fleets.

Why that's different from pre-deal

We have made great improvements to our network since the first devolution deal was agreed. However, the pandemic has shifted patterns and behaviours, with patronage remaining below pre-pandemic levels. The bus industry, in particular, is facing acute challenges.

The deal gives the region a greater set of tools to face these challenges and create an integrated transport system that is fit for the future. In line with our Local Transport Plan, we will use the provisions of the deal to deliver a network with improved accessibility, reduced traffic and decarbonised public transport.

When things will happen

- 2024/2025: Reformed commercial BSOG devolved;
- January 2025 onwards: WMRE – GBR Partnership goes live;
- 2027 onwards: Full very light rail routes could form part of the second round of the City Region Sustainable Transport Scheme.



Transport

Inclusive Growth Fundamental: Connected Communities

Exec Lead: Anne Shaw

Rail

What will the deal achieve?

The deal will lead to a partnership agreement between West Midlands Rail Executive (WMRE) and Great British Railways (GBR). This will enhance local accountability and influence over the regional rail network. It will increase our ability to influence rail planning with local growth and social priorities, better integrate rail with other modes of transport and support the roll out of integrated smart ticketing.

What will we be delivered?

A new partnership agreement between WMRE and GBR and a pilot for fully integrated fares and ticketing.

How will local authorities be involved?

The partnership agreement will be approved through the WMRE Board.

Infrastructure and planning

What will the deal achieve?

The deal will drive further investment in the regional transport network, alleviate cost pressures on existing schemes and support regional transport planning. This is additional to the announcement of a further round of funding through the City Region Sustainable Transport Scheme.

What will be delivered?

£60m of additional funding towards the Wednesbury to Brierley Hill Metro Extension and additional transport planning resources for the Combined Authority implement new data and analytical tools.

How will local authorities be involved?

The Senior Transport Officer's Group will support the development and oversight of relevant business cases, with strategic decisions taken by the Combined Authority Board. Coventry City Council is leading the development of very light rail infrastructure.

Buses

What will the deal achieve?

The deal hands more power to the region over payments to bus operators; commits to investigate additional powers to tackle anti-social behavior on the transport network; and to further work to obtain pavement parking powers for local authorities.

What will be delivered?

Devolution of the Bus Services Operator Grant (BSOG).

How will local authorities be involved?

Transport Support Group will test and refine advice to DfT on the design of the BSOG scheme and its appropriate boundaries. The BSOG Governance Review and Scheme is provided alongside this document for local authority feedback and will be approved at WMCA Board in October.

Transport innovation

What will the deal achieve?

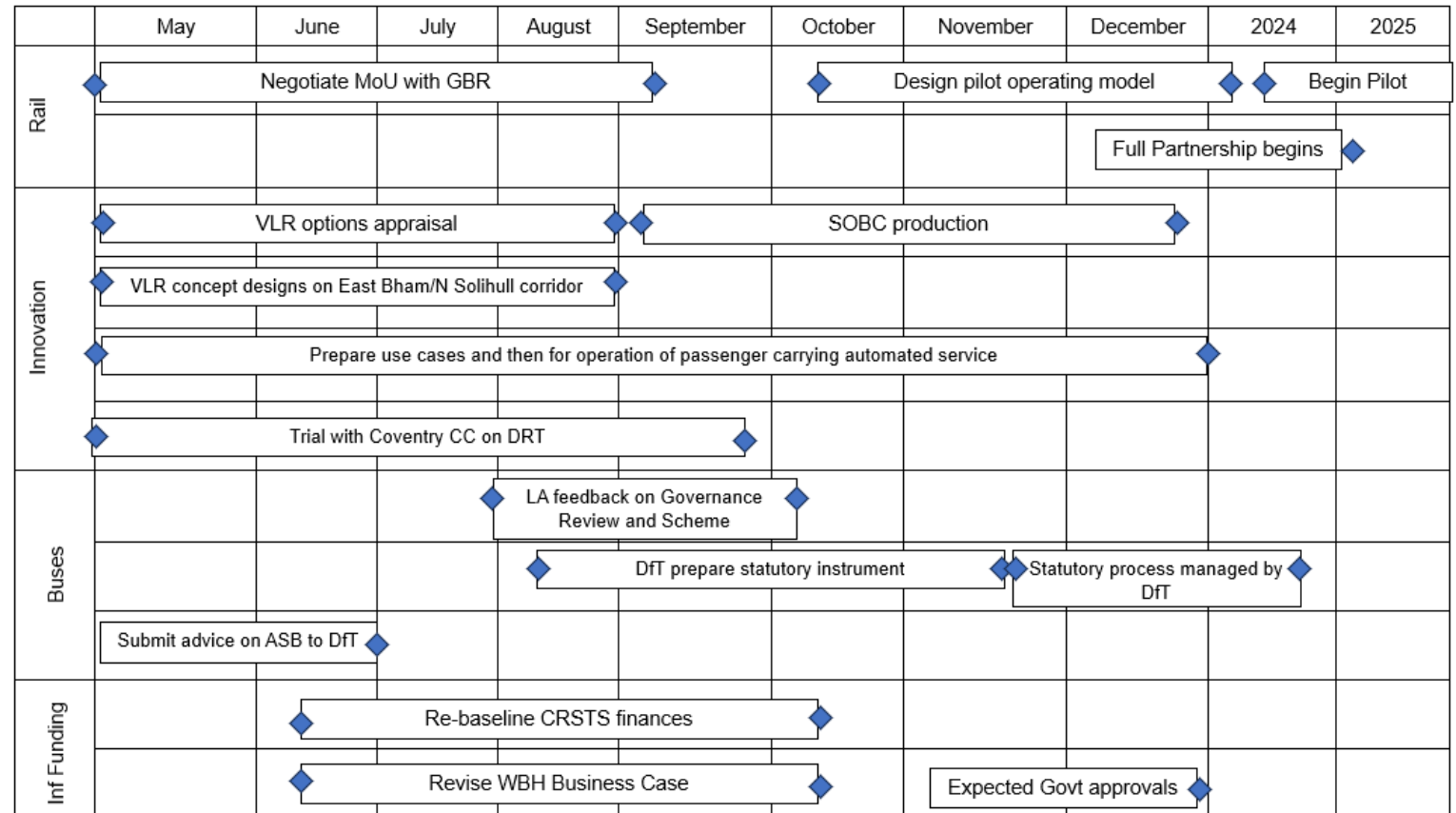
The deal will enable the region to test and demonstrate new, innovative technologies to drive behaviour change in transport usage, including through low-emission and autonomous vehicle trials.

What will be delivered?

Funding and sponsorship from the Department for Transport to develop proposals and evidence.

How will local authorities be involved?

The Senior Transport Officer's Group will support policy development, with strategic decisions taken by the Combined Authority Board.



Supporting clusters

Inclusive Growth Fundamental: Health and Wellbeing, Inclusive Economy

Exec Lead: Ed Cox

Digital

What will the deal achieve?

The commitments in the deal recognise West Midlands 5G's contribution to mapping and closing digital connectivity gaps in the region. The deal includes a commitment from government to engage with the WM Digital Infrastructure Leadership Group to accelerate broadband roll-out, provides funding to purchase devices to boost digital inclusion and provides funding for the Smart City Region project. This will introduce a network of sensors in healthcare settings to enable remote monitoring and the deployment of 5G technology to underpin remote health diagnosis.

What will we deliver?

- £4m fund for digital inclusion to roll out 20,000 devices;
- £10.1m for Smart City Region project;
- Greater high speed broadband coverage across the region.

How will local authorities be involved?

Accelerating broadband roll out will be coordinated by WM5G, but local authorities will be essential in managing the delivery of broadband through intelligence on forthcoming works and use of planning powers to deliver works.

The Smart City Region project will be project managed by WM5G and delivered by NHS partners in each local.

For digital inclusion, local authorities will take receipt of the purchased devices and distribute them to their networks of voluntary sector organisations, who, in turn, will distribute them to vulnerable residents.

Social Economy

What will the deal achieve?

Recognising WMCA's commitment to double the size of the social economy, the deal will enable WMCA to provide specialist business support to social economy organisations to grow their trading activity. It will also enable local areas develop their own circular, inclusive local social economies.

What will we deliver?

The £1.75 million Social Economy Business Support programme will provide an opportunity for social enterprises, community-owned businesses, co-ops and trading charities, the opportunity to gain the business skills and confidence needed to grow their businesses. This programme will provide incentive grants to encourage increased trading income, leading to more employment, volunteering and beneficiary impact.

The local place-based Cluster development will provide £50,000 each to 8 localities – one per constituent LA and one identified by Power to Change.

How will local authorities be involved?

For the Business Support programme, local authorities will be asked to help recruit participants from their area. For the place-based cluster development, local authorities will identify and offer their support for place-based economy clusters.

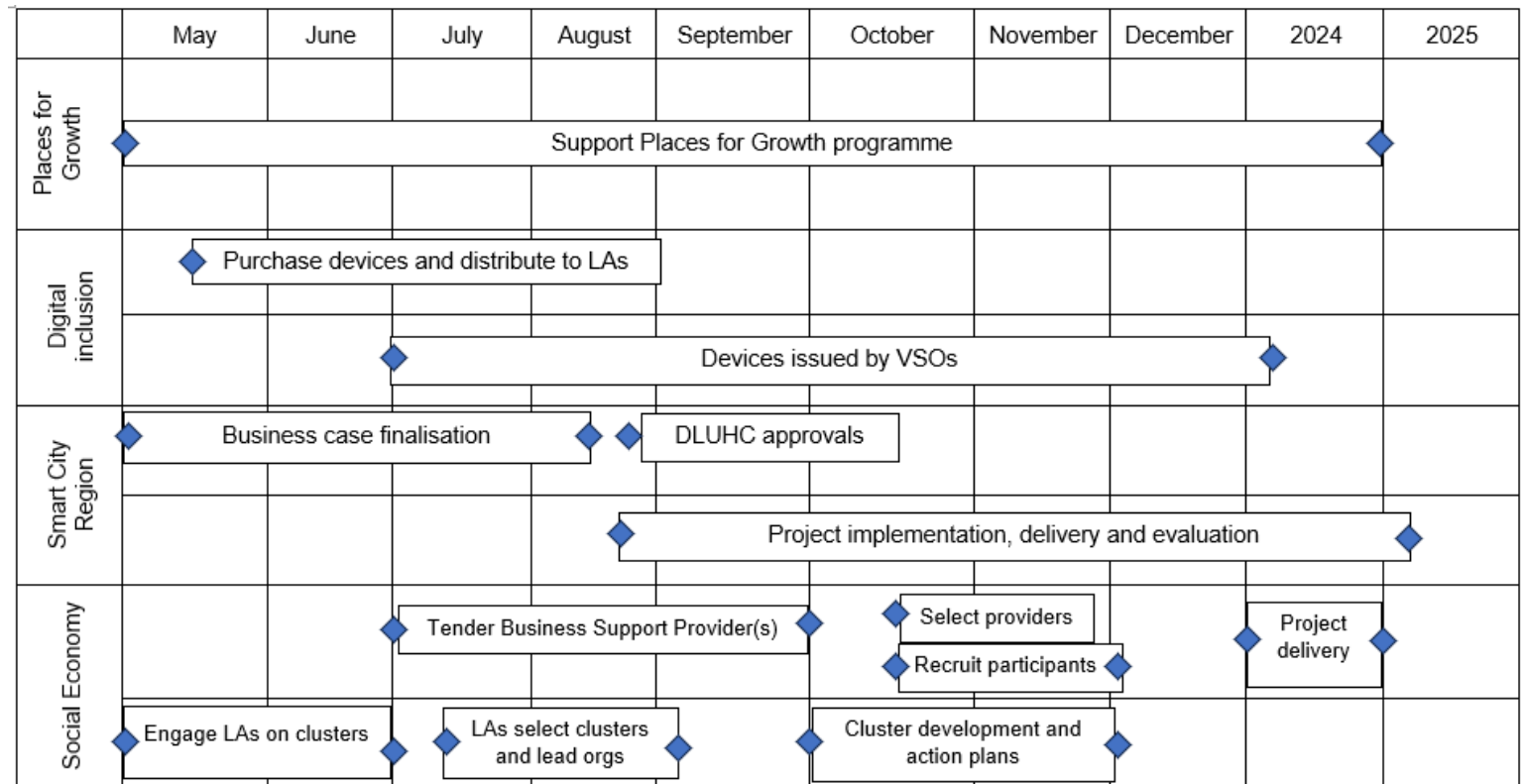
Places for Growth

What will the deal achieve?

In recognition of the region's growing skills clusters such as in transport and infrastructure a new West Midlands Fast Stream pilot will set a blueprint for establishing long term career pathways for people in the region by delivering a pipeline of civil service talent and skills

What will we deliver?

We will support Government to relocate 2,100 civil service roles to the West Midlands by 2025.



Net Zero and Environment

Inclusive Growth Fundamental: Climate resilience

Exec Lead: Ed Cox

Domestic retrofit and minimum energy efficiency standards

What will the deal achieve?

The deal secures a greater role for the region in measures that will support retrofit and net zero delivery through the devolution of retrofit and potentially other net zero funding. The deal also opens up the opportunity for local authorities to adopt additional powers to enforce tighter minimum energy efficiency standards (MEES); and commits to further work to bring more private investment into energy efficiency upgrades.

What will be delivered?

Aside from the delivery of retrofit and market enabling activity through the single settlement, the deal provides the opportunity to strengthen MEES with enhanced energy efficiency requirements, allowing the region to maintain its trajectory regardless of national policy decisions in this area. However, this needs to be considered within the context of adequately resourcing existing, as well as any additional, standards.

How will local authorities be involved?

The Local Authority Retrofit Officers Group meeting provides the opportunity to explore how these opportunities should be taken forward in partnership with LAs, with senior level engagement through the Net Zero Directors group.

Industrial decarbonisation

What will the deal achieve?

The deal will support efforts to increase businesses' energy efficiency and resilience to high energy costs, identified through the work of the Mayor's Industrial Energy Taskforce. The deal also re-affirms the greater role the region will be able to play in coordinating the roll-out of clean heat infrastructure, which will further support industrial and domestic heat decarbonisation.

What will be delivered?

The deal provides an additional £10.5m from DLUHC to compliment the £14.1m from DESNZ for businesses to undertake energy efficiency audits and invest in energy efficiency measures, agreed as a result of the groundbreaking work of the Black Country Industrial Cluster.

How will local authorities be involved?

The WMCA has worked with partners to align this funding with other publicly and privately funded programmes already in place, such as the recent Decarbonisation Net Zero programme tendered by WMCA using UKSPF funding. The WMCA will coordinate the monitoring and evaluation of the outputs delivered through these programmes.

Local Area Energy Planning

What will the deal achieve?

The deal encourages the WMCA to use its convening power and partnerships to drive local area energy planning across the region, and to use Energy Capital's expertise to inform approaches to energy system investment and management. This is backed in the deal by the expectation that National Grid will engage with the WMCA to ensure their investments will meet local needs and encouragement to engage with OfGEM on their future systems and network regulation workstream, focusing on network investment.

What will be delivered?

The WMCA will develop a Local Area Energy Planning programme in partnership with local authorities and industry across the region to provide partners with data, tools, expertise, resources and influence to support local area energy planning and investment. Collaborative decision-making structures are being established, which bring together private sector energy system investors, to consider energy infrastructure investment from a multi-vector perspective and feedback will be provided to OfGEM and government. This will ensure that the offer in the deal and its underlying intent are achieved.

How will local authorities be involved?

The Local Area Energy Planning-Coordination Group will oversee this programme, working closely with an industry Net Zero Infrastructure Delivery Panel. Additional workshops will be led by LAs to drill down into specific issues in specific areas. Energy Collaboration Days will also continue to be held monthly to enable joint working between energy officers across both the public and private sector.

Heat Zoning Network Pilot

What will the deal achieve?

Heat networks will be an important element of our energy infrastructure going forward and form important anchor projects in the delivery of local net zero solutions. The deal commits to heat network zoning as a national programme and identifies the WMCA and its constituent authorities as heat network zone coordinators (by 2025), with the ability to require buildings, within designated zones, to connect to heat networks.

What will be delivered?

Heat Network Zones are currently being scoped and piloted by Birmingham and

Coventry. This will lead to the identification of potential heat network zones across the region, supported by LAEP, providing the necessary scale to engage key partners, including commercial investors, to bring schemes forward that meet local needs. For the new role established by Government for Heat Zone coordinators, this role will be scoped with Local Authorities and resources sought to enable implementation.

How will local authorities be involved?

Where local authorities have the potential for heat networks, they will be approached directly to collaborate with the WMCA. LA's will remain central to the development and delivery of heat networks and associated zone(s) but may choose to work collaboratively with the WMCA to share resources and expertise to drive the delivery of these networks and zones.

Net Zero and Environment

Natural capital

What will the deal achieve?

The region will enable the region to attract more investment in natural capital schemes, supporting the development of the region's Local Nature Recovery Strategy.

What will be delivered?

£1m to the region through the Local Investment in Natural Capital (LINC) Programme to boost regional capacity.

How will local authorities be involved?

The Natural Capital Officers group is supporting the development of the LINC Programme and will work to develop and bring forward projects from the constituent authorities to the LINC project pipeline. The pipeline will attract significant private investment into the region to help delivery of our targets for nature recovery, climate adaptation and mitigation and connecting people with nature. This will be fed into both the Environment and Energy and WMCA Boards.

Air Quality

What will the deal achieve?

The deal provides £0.9m in capital funding to install air quality monitors across the region in areas where there are gaps in coverage. The data from these sensors will be fed into a web-based dashboard accessible to the public.

What will be delivered?

Air quality sensors and a live web-based dashboard.

How will local authorities be involved?

Officers working on air quality in the different local authorities will help decide where the low-cost sensors provided through this funding are located, ensuring that they are being placed in areas with no coverage currently. Data from the sensors will be published on an air quality web platform that will be developed in collaboration with local authorities through the West Midlands Environment Protection Group. This work will support the aims and outcomes identified in the West Midlands Air Quality Framework, currently out for consultation following consideration by the WMCA Environment and Energy Board.

	May	June	July	August	September	October	November	December	2024	2025	
MEES						LA engagement on MEES					
LAEP		LAEP development & implementation									
Industrial Decarb	DESNZ and DLUHC Develop Business Case										
						Project delivery					
Heat Zoning	Government to have established Heat Zoning Coordinators										
Air Quality	Develop Business Case										
			DLUHC approvals			Project delivery					
Natural Capital	Create and manage pipeline of investable projects										
		Create Natural Asset Register									
							Setup Fund				



Special Feature: Unlocking Regeneration through Levelling Up Zones

Challenge & Opportunity

The West Midlands has a strong track record of regenerating brownfield land, unlocking over 100 derelict, stalled and contaminated sites across the region and delivering thousands of new homes, workspaces and jobs.

However, the speed of delivery and breadth of outcomes that could be achieved have been hindered by the complexity, prescriptive measures and cyclical nature of funding streams.

The trailblazer deal presents an opportunity to overcome these barriers to high-impact regeneration.

How the deal addresses it

Through our pioneering Levelling Up Zones, the region will be able to bring together multiple regeneration levers – funding simplification, optimisation of publicly owned land and greater influence over affordable housing provision – and pursue a joined-up approach to the design and delivery of regeneration programmes, aligned to regional priorities and complementing existing activity.

As part of this package, the deal allows the region to establish areas that could attract 100% business rate growth retention for 25 years. This greater degree of revenue retention certainty will support local authorities to make longer-term, strategic investments in infrastructure and regeneration projects.

Taken in conjunction with the single settlement, the Zones represent a game-changer for the region, its financial position and the economic prospects of some of its most deprived communities.

Investment Zones

In addition, in March 2023 Government also announced the West Midlands as one of 8 Investment Zones – innovation-led economic clusters offering both tax incentives and business rate retention.

In the West Midlands, our approach will be to ensure Investment Zones complement and add value to Levelling Up Zones.

This will give the region an expansive toolkit to drive growth and investment across the region and build its comparative economic advantage over other parts of the country.

Why that's different from pre-deal

Instead of fragmented, output-driven funding approaches, the deal puts the region in a position to adopt a strategic and empowered approach to regeneration that meets the needs of, and opportunities for, local communities.

The package of measures will ensure the West Midlands is a beacon for private sector investment.

When things will happen

- Autumn 2023: Levelling Up Zone proposals are submitted to Government in line with the national Investment Zone programme;
- April 2024: It is anticipated that Levelling Up Zones – particularly those that contain business rate retention powers – will commence, aligned to the Investment Zone programme.



Transforming Places

Inclusive Growth Fundamental: Affordable and Safe Places

Exec Lead: John Godfrey

Regeneration

What will the deal achieve?

The deal will give the region more influence over Homes England policy and funding decisions, ensuring different programmes align for maximum impact and better reflect our priorities; more influence over the disposal of government owned land in the region, to help unlock land assembly opportunities for regeneration schemes; and a flexible source of funding to support commercial, employment and mixed-use development on brownfield land.

What will we deliver?

A Strategic Place Partnership between Homes England, government departments and arm's length bodies; a Public Land Partnership with the Cabinet Office; and a £100m Single Regeneration Fund, which will deliver 4,000 homes across the region.

How will local authorities be involved?

The pipeline of sites for the Single Regeneration Fund will be co-produced by LAs and the Combined Authority. Projects will be approved via the existing SAF process, with local authority leaders and deputies approving funding via Investment Board.

Housing

What will the deal achieve?

The deal gives the region increasing levels of influence and direction over Affordable Homes Programme (AHP) funding and spending decisions, beginning with an Affordable Homes Partnership with Homes England between 2023 and 2026 and leading to the devolution of AHP to the region at the next Spending Review. In addition, the region will now, for the first time, be able to use AHP funds for estate regeneration purposes.

What will we deliver?

At least £200m, and up to £400m, will be spent in the region via the Affordable Homes Programme between 2023 and 2026. This delivery will inform the negotiations for the successor programme post-2026.

How will local authorities be involved?

Local authorities will be key in identifying suitable sites for AHP, informing the joint pipeline and supporting the delivery of sites through coordination of planning processes and social housing development plans. Local authorities are still able to bid for AHP funding separately and can leverage the region's improved access to Homes England to escalate and resolve issues.

Business rates retention and Levelling Up Zones (see special feature)

Exec Lead for BRR: Linda Horne

What will the deal achieve?

The deal provides local authorities with certainty that they will be able to retain 100% of their business rates for the next 10 years, a marked improvement on the one year rolling arrangement at present and estimated to be worth £450 million to the region. This certainty will help to underpin additional, longer-term investment decisions where business rates incomes are likely to be stable.

The deal also allows the region to bring together regeneration levers to drive joined up investment and regeneration in up to 6 Levelling Up Zones – including, for example, areas that could attract 100% business rate growth retention for 25 years – complementing the national Investment Zones programme.

What will we deliver?

Retained business rates would flow to local authorities. Once operational, the Zones would have local management structures with some outcome reporting to the Combined Authority.

How will local authorities be involved?

Constructive engagement across the region is already underway to co-design the designation of Levelling Up Zone sites, as presented to Board in August.

	May	June	July	August	September	October	November	December	2024	2025
Growth Zones	◆ Negotiate Zone criteria with DLUHC ◆									
	◆ Co-develop Zone proposals with LAs ◆		◆ WMCA Board approval for Zone proposals ◆							
			◆ negotiate interventions with DLUHC ◆				◆ Sites announced at assumed SR ◆			
SRF	DLUHC Bus Case to HMT ◆◆		◆ Negotiate Fund T&Cs ◆◆		◆ Funding begins for projects up to FY 25/26 ◆◆					
AHP	◆ Engage LAs to ensure pipeline is <u>uptodate</u> ◆◆									
	◆ Create joint AHP team with HE ◆◆		◆ Develop strategy, joint pipeline ◆◆						◆ Full devo of AHP from assumed ◆◆	
Partnerships	◆ Negotiate Strat Place Partnership, Public Land Reform, AHP agreements with Govt ◆◆									
					◆ Consult LAs on emerging proposals ◆◆		◆ WMCA Board approval ◆◆			
BRR	◆ Negotiation with DLUHC on design of 10yr BRR ◆◆						◆ Scheme announced at assumed SR ◆◆			
	◆ Consult LAs on DLUHC proposals ◆◆								◆ Beginning of 10 Year BRR ◆◆	

Pride in Place

Inclusive Growth Fundamentals: Affordable and Safe places, Connected Communities

Exec Lead: Ed Cox

Homelessness

What will the deal achieve?

The deal commits to further work between the WMCA, Homes England and DWP to secure investment and systems change to join up the homes and jobs agenda for young people across the region. Additionally, in Birmingham, investment has been secured to enable homeless families living in Temporary Accommodation to move into the private rented sector.

What will be delivered?

An expansion of the Live and Work model in additional localities across the region and a Rent Simplification pilot for young people in supported accommodation to enable transition into work. Birmingham City Council will use the £3.8m secured to lease good quality private sector accommodation for homeless families living in Temporary Accommodation.

How will local authorities be involved?

For the Live and Work expansion and Rent Simplification pilot local authority partners will be engaged regularly via the WMCA Homelessness Taskforce and the WMCA Homelessness Taskforce Members Advisory Group. The Rent Simplification pilot proposal is being developed in partnership with DWP and local authority benefits teams. As we progress the feasibility of the model and establish mechanisms for delivery, we will work with our local authority partners to establish how this could be delivered across local authorities within commissioned supported accommodation for young people. The investment to lease good quality private rented sector properties in Birmingham for homeless families, supporting Birmingham City Council's ongoing work to end the use of bed and breakfast accommodation for families, will be managed and delivered directly by Birmingham City Council and overseen by DLUHC.

Early Years

What will the deal achieve?

The deal invites engagement with government to explore pilot opportunities in relation to early years provision.

How will local authorities be involved?

The Combined Authority has encouraged the Regional Directors of Children's Services to take forward this opportunity.

Anti-social behaviour

What will the deal achieve?

The deal commits to further work between the region and Department for Transport (DfT) to explore how devolution could help to address anti-social behaviour on the public transport network. The deal also recognises the street-based anti-social behaviour issues facing local authorities.

What will be delivered?

Engagement between local authorities, the Combined Authority, central government and the Police and Crime Commissioner to explore ways to address these issues.

How will local authorities be involved?

Further engagement is needed to understand the policy options that could be available to the region.

Culture

What will the deal achieve?

The deal provides the means to coordinate and strengthen our cultural and heritage offer. The Regional Culture and Heritage Framework will align and maximise funding from arm's length bodies, such as the Arts Council, including opportunities for co-investment and greater collaboration. DLUHC will also fund a Cultural Infrastructure programme to extend, refurb and improve cultural venues to better support our places, communities and citizens.

What will be delivered?

- A new partnership agreement with between the region and the Department for Culture, Media and Sport and its arm's length bodies, to align different funding streams and a Regional Cultural and Heritage Framework to guide its work;
- £4 million capital funding to support regional culture projects, building on the £4.1 committed through the Commonwealth Games Legacy Fund for culture.

How will local authorities be involved?

- Local authorities will be engaged in the development of the Culture and Heritage Framework through the Local Authority Cultural Officers Group;
- Each of the seven constituent authorities will receive a grant through the Cultural Heritage Infrastructure Fund.

	May	June	July	August	September	October	November	December	2024	2025	
Partnership Agreement	Develop Regional Culture and Heritage Framework										
	Develop Arm's Length Body Partnership Agreement and Forward Plan										
Cultural Infrastructure	Business case finalisation				DLUHC approvals						
							Project implementation, delivery, evaluation				
Homelessness				monthly discussions with DWP to consider simplifying benefits systems, develop and design pilot							
			Follow-up with Homes England on LAs and RPs' bid development								
	Support DWP developed Shared Outcomes Fund bid										



West Midlands
Combined Authority