

## **Meeting of the Cabinet**

**Thursday 15<sup>th</sup> February, 2024 at 6.00pm**  
**In Committee Room 2 at the Council House,**  
**Priory Road, Dudley, West Midlands, DY1 1HF**

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

1. Apologies for absence
2. To receive any declarations of interest under the Members' Code of Conduct
3. To confirm the minutes of the meetings held on 13<sup>th</sup> December, 2023 and 11<sup>th</sup> January, 2024, as correct records and sign (Pages 5 - 18)
4. Capital Programme Monitoring (Pages 19 - 51)
5. Medium Term Financial Strategy 2024/25 (Pages 52 - 133)
6. Review of Housing Finance (Pages 134 - 150)
7. Dudley Council Pay Policy 2024/25 (Pages 151 - 171)
8. Gender Pay Gap report 2023 – Snap shot date 31<sup>st</sup> March, 2023 (Pages 172 - 192)
9. Annual Review of the Constitution (Pages 193 - 200)
10. Suspension of Council Plan 2022-2025 (Pages 201 - 203)
11. Traffic Regulation Orders Process Review (Pages 204 - 238)
12. On-Street Disabled Parking Places (Pages 239 - 253)

13. West Midlands Combined Authority – Formal ratification of the Single Settlement Memorandum of Understanding (MoU) between the West Midlands Combined Authority and His Majesty’s Government (Pages 254 - 291)
14. Dudley MBC response to the Sandwell Local Plan consultation, Telford and Wrekin Local Plan consultation and South Staffordshire Council Duty to Cooperate letter response (Pages 292 - 330)
15. To report on any issues arising from Overview and Scrutiny Committee and Select Committees.
16. 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: 7<sup>th</sup> February, 2024**

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## **Minutes of the Cabinet**

**Wednesday 13<sup>th</sup> December, 2023 at 6.00pm  
in Committee Room 2 at the Council House,  
Priory Road, Dudley**

### **Present:**

#### **Cabinet Members**

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

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

Councillors S Ali, A Aston, C Bayton, K Casey, J Cowell, J Foster, S Mughal, S Ridney and P Sahota.

#### **Officers**

B Heran (Deputy Chief Executive), K Jones (Director of Housing and Communities), I Newman (Director of Finance and Legal), M Abu Affan (Director of Public Health and Wellbeing); P Mountford (Head of Economic Growth and Skills) and H Mills (Senior Democratic Services Officer).

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### 40 **Apology for Absence**

An apology for absence from the meeting was submitted on behalf of Councillor P Lowe.

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41 **Declarations of Interest**

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

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42 **Minutes**

**Resolved**

That the minutes of the meeting held on 25<sup>th</sup> October, 2023 be confirmed as a correct record and signed.

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43 **Review of Housing Finance**

The Cabinet considered a joint report of the Director of Housing and Communities and the Director of Finance and Legal on the latest financial forecast outturn for 2023/24 and provisional Medium Term Financial Strategy (MTFS) to 2026/27 (revenue and capital) for the Housing Revenue Account.

Following the presentation of the report, Members of the opposition group expressed concerns regarding the proposed full rent increase of 7.7% and the full cost recovery for service charges equating to £12.46 per week (on average), for tenants in homes with communal areas, particularly during a period of rising costs of Council Tax and other amenities. Members also requested clarification as to whether it was the intention for grounds maintenance to be outsourced and if so, the impact this would have on wider Council Services; assurance that residents would benefit from an improvement in the level of service/maintenance provided as a result of the increase and whether there was a commitment for discretionary payments to assist those tenants' experiencing difficulties.

The Cabinet Member for Housing and Safer Communities responded to questions accordingly and in doing so commented that a prudent analysis had been undertaken with regard to the rent increase and service charge model, which would conform to Universal Credit to alleviate inconsistencies. It was further commented that there was no intention to outsource grounds maintenance and that there was an array of support available for residents that were experiencing difficulties to meet their payments. Housing representatives would be available at Cost of Living Hubs and additional capacity would be considered.

In referring to the transfer of the Telecare Service to the Adult Social Care Directorate, it was stated that whilst this had provided a saving within the HRA, it was recognised that it had created a pressure on Adult Social Care. The Telecare Service was considered an exceptional service, and Members were assured that there would be no impact to existing Council tenants that were users of the service and who continued to be eligible. The service would continue to be needs tested in the same way as all social care services.

### **Resolved**

- (1) That the latest Housing Revenue Account (HRA) outturn forecast for 2023/24, as outlined in paragraphs 7 to 11 (inclusive) and Appendix 1 to the report submitted, be noted.
- (2) That the proposed budget for 2024/25, the provisional Medium Term Financial Strategy (MTFS) to 2026/27, and the revised Public Sector Housing capital programme for 2023/24 to 2028/29 as outlined in paragraphs 12 to 21 (inclusive) and Appendices 2 and 3 to the report submitted, be noted.

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

A report of the Chief Executive was submitted to provide a summary of the feedback from the Corporate Peer Challenge (CPC), organised by the Local Government Association (LGA) from 19<sup>th</sup> to 22<sup>nd</sup> September, 2023.

## **Resolved**

That the contents and recommendations contained within the feedback report be acknowledged and endorsed and that the Council's approach with regard to implementation be supported.

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

The Cabinet considered a report of the Chief Executive which provided an overview of the newly established Improvement and Assurance Board to address the recommendations from the Local Government Association Peer Review feedback, Annual Auditor's report and the financial challenges the Council faced.

## **Resolved**

That the report be noted and that the establishment of the Council's Improvement and Assurance Board be supported.

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### 46 **Long Term Plan for Towns – The Town of Dudley**

A report of the Director of Regeneration and Enterprise was submitted on the Long Term Plan for Towns Initiative, the implementation process, funding, timescales and the proposed next steps.

Following the presentation of the report, Members of the opposition group commented positively on £20 million endowment investment that Dudley was set to benefit from, however, emphasised the need for the membership of the Town Board to reflect the area and community and suggested that one Councillor from each of the Central Dudley Wards be appointed as members, together with a young person representative. The need for due consideration to be given with regard to converting vacant retail into living space, to ensure it was appropriate and fit for purpose, and the need for the investment to be made now and not spread over a ten-year period was emphasised.

## **Resolved**

- (1) That the details of the initiative and the proposed next steps be noted.



- (2) That the Director of Regeneration and Enterprise, following consultation with the Deputy Leader (Cabinet Member for Communities and Economic Delivery), be authorised to progress the implementation of the initiative, as set out in the 'next steps' that do not require additional funding in advance of the receipt of capacity funding and that the 'finance' sections in the report and the impact on the programme of the need to pause elements until the capacity funding is received, be noted.
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## 47 **Stalled and Derelict Sites Programme**

The Cabinet considered a report on stalled and derelict sites programme, in particular to seek approval for work to commence on the preparatory stages required to use compulsory purchase order powers and to improve the supply of land and property to deliver new homes on brownfield land, protect green belt and support the availability of affordable and mixed tenure homes.

Arising from the presentation of the report, Members suggested that an updated list or map identifying stalled and derelict properties, with a narrative of why some properties were not listed, would be useful, however due to commercial sensitivity it was recognised that this may need to be provided in the form of a private report to a future meeting.

### **Resolved**

- (1) That the Council confirm that it is minded in principle to seek approval from the Secretary of State to use its Compulsory Purchase Order (CPO) powers on sites within the borough that are detailed within the Stalled and Derelict Sites programme.
  - (2) That the Director of Regeneration and Enterprise be authorised to undertake and commission the necessary detailed work to establish the case for a CPO, meeting the statutory tests and funding requirements for individual sites within the Stalled and Derelict Sites programme, and that this will be subject to any internal spending control processes that are in place.
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48 **Infrastructure Funding Statement 2022/23**

A report of the Director of Regeneration and Enterprise was submitted to seek approval for the Infrastructure Funding Statement 2022/23 and to provide an update on available Community Infrastructure Levy (CIL) monies.

Arising from questions raised by Members of the opposition group in relation to Section 106 monies; the process in which these monies were allocated; details of how much Section 106 monies and CIL neighbourhood funding allocations were available for each ward; and confirmation of what the affordable housing allocation was and why it had not been spent, would be provided by Officers following the meeting.

**Resolved**

- (1) That the Infrastructure Funding Statement 2022/23 be approved.
- (2) That the available Community Infrastructure Levy monies and the approach to funds being carried forward be approved.

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49 **Portersfield**

The Cabinet considered a report of the Director of Regeneration and Enterprise in relation to the progress with the Portersfield project, which outlined the proposed next steps and timescales moving forward.

Members of the opposition group commented on the need to broaden the vision for the site and to provide an element of mixed-use development, rather than being predominately residential. Consideration for the inclusion of health facilities and GP Practices was advocated.

**Resolved**

- (1) That the progress made to date and the updates presented in the report be noted.
- (2) That the headline activity and timescales proposed over the next six months, with further detail to be provided in due course on specific elements, be noted.

- (3) That the revenue budget and how that is proposed to be used, prior to seeking further financial approvals, be noted.
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50 **Issues arising from Overview and Scrutiny Committee and Select Committees**

No issues were raised under this agenda item.

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

No questions were raised under this agenda item.

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The meeting ended at 7.30pm

LEADER OF THE COUNCIL



## **Minutes of the Cabinet**

**Thursday 11<sup>th</sup> January, 2024 at 5.00pm  
in Committee Room 2 at the Council House,  
Priory Road, Dudley**

### **Present:**

#### **Cabinet Members**

Councillor P Harley (Leader - Chair)

Councillor P Bradley (Deputy Leader – Vice-Chair)

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

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

Labour Group - Councillors S Ali, A Aston, J Cowell, J Foster, P Lowe and S Ridney.

Independent Group – Councillors S Keasey and M Westwood.

#### **Officers**

B Heran (Deputy Chief Executive), M Abu Affan (Director of Public Health and Wellbeing), M Bowsher (Director of Adult Social Care), C Driscoll (Director of Children's Services), H Martin (Director of Regeneration and Enterprise), N McGurk (Acting Service Director - Neighbourhood Delivery), I Newman (Director of Finance and Legal), H Mills (Senior Democratic Services Officer) together with other officers.

#### **External Auditor**

A Smith – Grant Thornton (for Agenda item no. 4)

#### **Observers**

Councillors R Collins, D Harley, I Kettle, E Lawrence and R Priest.



52 **Apologies for Absence**

Apologies for absence from the meeting were submitted on behalf of Councillors L Taylor-Childs and P Sahota.

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53 **Declarations of Interest**

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

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54 **Medium Term Financial Strategy**

The Cabinet considered a joint report of the Deputy Chief Executive and the Director of Finance and Legal on the latest General Fund revenue position for 2023/24 and provisional Medium Term Financial Strategy (MTFS) to 2026/27, together with a supplementary report of the Director of Finance and Legal in respect of the MTFS and Pens Meadow School.

Councillor S Clark (Cabinet Member for Finance, Legal and Human Resources) presented the report and in doing so referred to the financial position of the Council and the potential risk of a Section 114 notice being issued by the Director of Finance and Legal within the next 12-month period. The unprecedented pressures associated with social care, a history of Dudley being a low Council Tax Authority and ongoing inflation rises were all considered to be contributing factors to the Council's financial situation and a common theme across all authorities in the Country. It was considered that the financial settlement provided by Government did not keep pace with the rising costs, which resulted in the Council being expected to use their own reserves. Whilst regrettable, it was considered necessary to impose additional charges, such as charging for green waste collections, and to look to reduce the total operating model of the Council to make savings. It was further reported that the Council had approached central government for exceptional financial support.

In referring to paragraphs 4 and 15 of the report in relation to the building of a new Pens Meadow School to replace the current split site provision, it was stated that the Cabinet was requested to consider whether or not to approve a specific override to the spending controls or to defer the Pens Meadow School project. Advice was set out in the supplementary report of the Director of Finance and Legal.

Following the presentation, whilst acknowledging the Council's financial position and advice of the Director of Finance and Legal, the Leader expressed his support for the Pens Meadow Project to continue as it was considered that the current school facilities were not suitable or fit for purpose. Whilst he recognised that the project would require funding now, he reported that it would ultimately reduce spending in future years. It was reported that the cost for a high needs child to attend Pens Meadow School was in the region of £31,000 per year, whereas for a child to attend a provision in the private sector would cost between £60,000 and £90,000.

Councillor R Buttery (Cabinet Member for Children's Services and Education) supported the comments made by the Leader and stated that plans to redevelop Pens Meadow had been under consideration for a significant period of time, during which no repairs or improvements had been made for that length of time. Whilst the teaching and care of children at the school was recognised to be outstanding, the facilities were considered inadequate, located on two separate sites which caused difficulties for both pupils and staff and therefore Members were urged to support the continuation of the project.

The Opposition Spokesperson for Finance and Digital (Councillor S Ali), referred to the dire and perilous financial position of the Council which, in his view, was as a result of a reduction in central government funding since 2010/11 and a systematic decimation of Dudley's funding of services and mismanagement by the administration. The use of financial reserves to meet shortfalls was referred to, together with previous years' budgets not being delivered, on which concerns had previously been raised by Members and the external auditors. Clarification on the impact of the spending control measures, the services affected, what savings had been made and whether a legal budget would be set for the 2024/25 financial year was requested.

In responding to questions raised, Councillor S Clark advised that the first phase of spending controls implemented had focussed on staffing and agency, which forecasted an improvement of £1.5 million and that a legal budget would be set for this financial year.

The Leader of the Council concurred with comments made with regard to the disappointing settlement in comparison to previous years and expressed concern about the settlement being received on the last working day of the calendar year. This inevitably caused difficulties when trying to resolve discrepancies. Representations would continue to be made to local Members of Parliament for the settlement to be delivered at the same time as the Chancellor's autumn statement.

The Leader commended the Children's Services Directorate on their efforts to reduce spend with regard to children in care, equating to £19 million, however recognised that this was still not enough and more needed to be done to drive down cost for both adults and children's social care. Whilst it was acknowledged that the Council worked closely with NHS partners, the relationship between the NHS and Local Authorities needed to improve to ensure services operated efficiently and effectively.

Councillor P Lowe (Opposition Group Leader), on behalf of the Labour Group, acknowledged the difficulties the Cabinet had in establishing a legal budget and asked for clarification on what had changed since 5<sup>th</sup> December, 2023, when it was reported that it was hoped that services would not be cut and that the Council would not be bankrupt or issuing a Section 114; how confident was the Local Authority that any requests to the Government for exceptional financial funding would be agreed and whether the proposed budget was considered 'barely legal'.

In responding to questions, Councillor S Clark advised that comments made on 5<sup>th</sup> December, 2023 had been made prior to confirmation of the settlement, which once received had been less than expected and initially forecasted. He expressed disappointment in terms of the settlement, however, remained confident that a legal budget would be set for the 2024/25 financial year. It was reported that the overspend had been for various reasons which included an increase in costs of adult and children's social care and the increase of wages to bring up to a minimum level, which had impacted on the Council's depleted and low reserves. Government support to continue to finance adult social care was required.

The Leader, Cabinet Member for Finance, Legal and Human Resources and the Director of Finance and Legal (Section 151 Officer) responded to questions from Councillor S Keasey regarding how the Council had lost control of the budget; did the 2023/24 budget remain legal following the changes made in July 2023; could a guarantee be provided that community funding would not be cut; was there any evidence to support the decision to continue with the Pens Meadow Project irrespective of the Section 151 Officer's professional advice and would this impact upon future working relationships and would Councillor allowances be reviewed, together with the introduction of car parking charges.

The Cabinet Member for Finance, Legal and Human Resources advised that decisions needed to be made now to prevent a Section 114 notice being issued. It was acknowledged that the Council's current financial situation was perilous and difficult decisions would need to be made. The impact of the increase in costs in respect of adult social care and children's

social care were reiterated and the way in which the NHS and the Local Authority worked together needed to be addressed by the Government as a matter of urgency.

In referring to the Pens Meadow Project, the Director of Finance and Legal stated that his advice was based on financial fact in that to build a school would incur debt charges during a period when the Council was at risk of issuing a Section 114 Notice. The potential for savings would be in future years and did not impact the immediate financial issue, therefore the advice provided was in spite of any potential future benefits. Resources at year end were forecast to be sufficient to set a legal budget at this time, but by an uncomfortably small margin. Forecasts would be reviewed on a week to week, month to month basis to assess whether a Section 114 Notice would be required.

### **Resolved**

- (1) That the forecast General Fund revenue outturn position for 2023/24 and the effect on General Balances at 31<sup>st</sup> March, 2024, be noted.
  - (2) That the progress with delivery of savings as set out in Appendix B in the report, be noted.
  - (3) That the actions of the External Auditors as outlined in paragraph 12 of the report submitted, be noted.
  - (4) That the various risks and issues which will need to be taken into account in finalising budget proposals for 2024/25 and the Medium-Term Financial Strategy, be noted.
  - (5) That, following consideration of the benefits and risks as set out in paragraph 15 of the report and the supplementary report of the Director of Finance and Legal, an override of the spending controls in order to allow the project to replace Pens Meadow School to proceed, be approved.
  - (6) That the preliminary financial strategy, as outlined in the report, as a basis for scrutiny and consultation, be approved.
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55 **Grant Thornton Auditor's Annual Report**

A report of the Director of Finance and Legal was submitted on the Grant Thornton draft Auditor's Annual Report (AAR) combined for 2021-2022 and 2022-2023.

A Smith (External Auditor) attended the meeting and presented the report, and in doing so advised that the report had previously been considered by the Audit and Standards Committee on 18<sup>th</sup> December, 2023. Three areas were assessed as part of their work which related to financial sustainability, governance and the arrangements in place by the Council to improve economy, efficiency and effectiveness.

Significant weaknesses had been identified in the Council's arrangements in relation to financial sustainability, governance and improving economy, efficiency and effectiveness. In addressing these concerns, four key recommendations had been made including those relating to the Council's financial position and the need to replenish reserves and rebuild them to become financially resilient moving forward. A reset in relationships between Officers and Members was also recommended to help restore trust and respect, and a further recommendation related to the Council settling the requirements of the Regulatory Notice issued by the Regulator of Social Housing with respect to the identification of a failure to meet minimum service standards.

With reference to the previous agenda item in relation to the 2024/25 budget, concerns were raised with regard to the continued use of reserves and the Council's current financial position and therefore consideration would now be given to issuing a statutory recommendation in advance of the budget setting, which would request the Council to identify a minimum of an additional £2.5 million worth of savings and preferably more so as to create a contingency that could be used and deployed to address any in-year pressures that may arise.

The Leader and the External Auditor responded to questions from Members of the Opposition Groups regarding how audits were conducted; who was responsible for the poor Member and Officer relationships and was pressure being placed on Officers by Councillors; and why action had not be taken by the Cabinet when the Auditor's report had first been presented in July 2023.

The Leader assured Members that measures had been put in place and work was ongoing to address the recommendations, however these issues were not a quick fix and would take time to implement. The Improvement Board was now established and had been tasked to look at the total operating model to produce savings. Updates would be provided to the Cabinet and Shadow Cabinet accordingly.

### **Resolved**

That the Auditor's Annual Report (AAR) and the management actions, as detailed in the draft AAR attached as Appendix 1 to the report submitted, be received and supported.

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

No issues were raised under this agenda item.

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

No questions were raised under this agenda item.

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The meeting ended at 6.08pm

LEADER OF THE COUNCIL

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**Meeting of the Cabinet – 15th February 2024**

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

**Capital Programme Monitoring**

**Purpose of Report**

1. To report progress with the implementation of the Capital Programme.
2. To propose amendments to the Capital Programme.
3. To propose the “Prudential Indicators” as required to be determined by the CIPFA Prudential Code for Capital Finance in Local Authorities and the Local Government Act 2003 (updated December 2021).
4. To propose the Council’s updated Capital Strategy.
5. To propose the Council’s Minimum Revenue Provision (MRP) Policy for 2024/25.

**Recommendations**

6. That the Council be recommended:
  - That progress with the 2023/24 Capital Programme, as set out in Appendix A be noted.
  - That the additions and amendments to the Capital Programme be approved, as set out in paragraphs 10 -21,



- That the Prudential Indicators as required to be determined by the CIPFA Prudential Code for Capital Finance in Local Authorities and the Local Government Act 2003, as set out in Appendix B, be agreed.
- That the updated Capital Strategy set out in Appendix C be approved.
- That the Minimum Revenue Provision (MRP) Policy for 2024/25 be approved as set out in paragraph 25.

## **Background**

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

	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Public Sector Housing	65,158	50,816	44,114
Private Sector Housing	14,536	4,806	71
Environment	5,492	9,891	5,500
Transport	13,433	11,853	8,896
Regeneration and Corporate Landlord	19,814	22,688	12,709
Culture, Leisure & Bereavement	1,542	2,499	3,300
Schools and SEND	12,271	20,472	19,600
Social Care, Health and Well Being	702	1,850	0
Digital, Commercial and Customer Services	2,135	1,100	1,161
<b>Total spend</b>	<b>135,083</b>	<b>125,975</b>	<b>95,351</b>
Revenue	4,003	3,936	3,702
Major Repairs Reserve (Housing)	25,517	26,000	26,456
Capital receipts	24,193	17,344	21,610
Grants and contributions	41,081	26,580	17,448
Capital Financing Requirement	40,289	52,115	26,135
<b>Total funding</b>	<b>135,083</b>	<b>125,975</b>	<b>95,351</b>

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

8. Details of progress with the 2023/24 Programme are given in Appendix A. It is proposed that the current position be noted.

9. A report was taken to Cabinet in December to review Housing Finance for the current and future years. This was taken to the Housing and Public Realm Scrutiny Committee in January. The Public Sector Housing figures above have not been adjusted for these changes as these have not yet been approved at a Council meeting. The figures in the capital strategy (Appendix C) are updated for the latest forecasts to ensure the Prudential indicators are correct.

## **Amendments to the Capital Programme**

10. Private Sector Housing

The Capital Programme currently includes a budget of £5.050m for houses built for sale (funded by capital receipts). This is split between £1.050m for Himley Road (original budget approved in March 2021 and budget revision approved in December 2021) and £4m for Brierley Hill (first taken to Cabinet in March 2021). Due to capacity issues within the Housing directorate it is proposed that these two schemes are removed from the Capital Programme. Work already completed at Himley Road will be transferred to the Public Sector Housing capital programme (and the houses built will all become Council dwellings) and this spend is included within the budget proposals taken to Cabinet in December 2023.

It is proposed that these two projects (and their associated capital receipts) are removed from the Capital Programme.

11. Regeneration – Future High Streets Fund

We have received approval from the Department for Levelling Up to remove the Daniels Land redevelopment project from the Future High Streets Fund Programme. This is because of delays with delivery of the Midlands Metro that have affected the redevelopment timescale. The project was originally to be delivered by the Housing Department through the Housing Revenue Account. The result is DLUHC has agreed to reallocate £3.55m of grant spend from this project to a schedule of replacement projects within and adjacent to Brierley Hill High Street.

It is proposed that the additional £3.55m Future High Streets grant and associated expenditure is added to the Capital Programme. (The removal of this grant from the Public Sector Housing section of the Capital Programme has been addressed in the previous Cabinet meeting where a separate paper regarding Housing Finance was discussed).

## 12. Woodside Day Centre

Works to refurbish this centre were originally proposed to Cabinet in October 2022 and a budget of £60,000 was reallocated to this project. Further capital works have been identified costing £74,000 which were originally to be funded as revenue but better suit the classification of capital. The additional work makes the site more inclusive and welcoming for people with disabilities. Note that this spend was agreed prior to the spending controls and this is just a reclassification between capital and revenue rather than additional spend.

It is proposed that £74,000 is transferred from the Adult Personal Social Services Capital budget (which currently has a budget of £391,000 brought forward from previous years) to fund this additional spend.

## 13. Parks Development

The Parks Development Team have been awarded £5K to fund chess tables & accompanying seats or benches at two local Parks, and these will be installed at Stevens Park Quarry Bank and Abbey Street Park. The facility at Abbey Street is in partnership with the friends of the Park and the local library. The funding is part of the Department for Levelling up, Housing & Communities (DLUHC) under the Levelling up for Parks Fund and each site will receive £2,500 to provide the facility.

It is proposed that £5,000 is added to the Capital Programme for this project to be fully funded by a grant from DLUHC.

## 14. Basic Need Grant

In recent years the Department for Education has allocated £6.855m Basic Need Capital Funding to Dudley taking the overall allocation to £12.531m. This funding is to support local authorities to ensure sufficient school places are available within the borough for every child aged 5 to 16 needing one as set out in the 1996 Education Act. While this funding is primarily to assist local authorities to deliver new places, the funding is un-ringfenced and it is for the Local Authority to determine how best to use the funding for local priorities. We have recently received confirmation that this funding is not ringfenced and therefore the Council's contribution to Coseley free school can now be funded from this grant rather than prudential borrowing as previously approved by Council.

It is proposed that the Basic Need grant and its associated expenditure are added to the Capital Programme. It is also proposed that Dudley's contribution to the Coseley free school is now funded from this grant rather than prudential borrowing.

15. Childcare Capital Expansion Funding

In addition, in 2023/24 the Department for Education has allocated £444,000 childcare capital expansion funding to the Council. This funding is intended to support local authorities in delivering the expansion of the 30 hours early years entitlement for working families and of wraparound provision in primary schools. The funding is un-ringfenced and it is for local authorities to determine how best to use the funding to meet local priorities.

It is proposed that this grant of £444,000 and its associated expenditure are added to the Capital Programme.

16. Environment – Forestry Commission funding

We are due to receive £43,887.60 from the Forestry Commission relating to the Local Authority Treescapes Fund; which is a grant to support tree planting. There is a further revenue grant for the maintenance costs which will be paid from 2024/25 to 2026/27 for approximately £69,000 per annum.

It is proposed that the £44,000 capital grant allocation for 2023/24 and the associated spend is added to the Capital Programme.

17. Environment – Trading Standards Vehicle

The Trading Standards team requires a crew cab vehicle for safe and secure removal of goods from rogue traders. The vehicle is expected to cost £24k which will be procured through fleet.

It is proposed that the £24,000 is added to the Capital Programme and will be fully funded from a revenue contribution from proceeds of crime income.

18. Gornal Wood Crematorium

In March 2023 Council approved a budget of £500,000 for refurbishment works at Gornal Wood Crematorium. A further assessment at the site has led to additional works identified that need to be undertaken (namely electrical and drainage works with a value of £600,000) to ensure this site

is fit for purpose and to maintain the level of income generated by this facility. There is currently a £3.9m budget within Culture, Leisure and Bereavement for burial land and it is proposed that £600,000 is transferred from this budget across to the Gornal Wood Crematorium refurbishment budget. Officers will endeavour to identify and layout new burial land with the reduced £3.3m budget. If this cannot be achieved, priority will be given to developing new sites in priority order.

It is proposed that £600,000 is transferred between the budget headings outlined above within the Culture, Leisure and Bereavement Capital Programme.

#### 19. Food Waste Collections

The Council has recently been notified that we will be receiving £2,679,480 transitional capital funding to fund the delivery of weekly food waste collections to commence 01/04/2026. This funding is intended for the purchase of food bins (this includes internal kitchen caddies, external kerbside caddies and communal bins) and food waste collection vehicles. This funding will be provided through Section 31 grants.

It is proposed that this grant and its associated expenditure is added to the Capital Programme.

#### 20. Dudley Town Centre

At a Cabinet meeting in June 2023 a £250,000 capital budget was recommended (and subsequently approved by Council) for improvements to Dudley market. This was due to be funded by Regeneration and Enterprise revenue budgets. The cost for reconfiguring the market stalls can now be funded by the UK Shared Prosperity Fund. The work is expected to cost approximately £40,000 and will commence once planning permission has been granted. The planned work is aimed at making the market more appealing to customers and traders and will include a food offer and associated seating area.

It is proposed that the change in funding and reduced budget is reflected in the Capital Programme.

#### 21. Changing Places

Dudley was awarded £150,000 of Changing Places round 1 grant funding in summer 2022 for facilities to be installed at the Black Country Living Museum, Dudley Zoo and Cornbow shopping centre. A further £70,000 for round 2 for Stourbridge Town Hall was awarded in early 2023. Following tenders for the work at Stourbridge an additional funding



request was presented to DLUHC for £51,800 and for an extension to end June 2023 to complete the project. The additional costs are a result of the age of the building leading to a greater complexity to complete the installation works. This was agreed by DLUHC on 30th January 2024.

It is proposed that the additional expenditure and grant is added to the Capital Programme.

### **The CIPFA Prudential Code for Capital Finance in Local Authorities**

22. The Local Government Act 2003 introduced a system of “prudential borrowing” which allows councils to set their own borrowing limits subject to criteria of prudence, affordability, and sustainability. The CIPFA Prudential Code (updated in December 2021) sets out the indicators that authorities must use, and the factors they must consider, to demonstrate that they have fulfilled this objective.
23. Details of the various indicators required, and the proposed figures to be set in relation to each indicator are set out at Appendix B. The Code requires authorities to produce a Capital Strategy. The proposed updated Capital Strategy for the Council is set out in Appendix C.

### **Minimum Revenue Provision (MRP) Policy Statement**

24. Before the start of each financial year each authority must agree its policy on making Minimum Revenue Provision (MRP) for repayment of non-HRA borrowing incurred to fund Capital expenditure, in respect of that financial year. (There is no requirement to make MRP in respect of HRA borrowing.)
25. It is proposed that the Council agrees the following MRP Policy for 2024/25:
  - MRP for all borrowing and credit arrangements be calculated on an annuity basis over the initial estimated life of the relevant assets. *(This is unchanged from the 2023/24 Policy. It is how a standard repayment mortgage operates, with less principal repaid in the early years so that the total of interest and principal repaid each year remains constant over the mortgage period.)*

### **Finance**

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

## **Law**

27. 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**

28. 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**

29. These proposals comply with the Council's policy on Equality and Diversity.
30. 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**

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

## **Commercial / Procurement**

32. 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**

33. 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**

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



**Balvinder Heran**  
**Deputy Chief Executive**

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### **List of Background Papers**

Relevant resource allocation notifications.

CIPFA Prudential Code for Capital Finance in Local Authorities.

## 2023/24 Capital Programme Progress to Date

## Appendix A

Service	Budget – June 2023 £'000	Additions / Amendments £'000	Slippage £'000	Revised Budget £'000	Forecast £'000	Variance £'000	
Public Sector Housing	65,158	0	0	65,158	65,158	0	1
Private Sector Housing	18,868	-985	-3,347	14,536	14,536	0	
Environment	19,306	691	-14,505	5,492	5,565	73	2
Transport	13,216	2,258	-2,041	13,433	12,533	-900	3
Regeneration and Corporate Landlord	20,767	1,112	-2,065	19,814	19,721	-93	4
Culture, Leisure & Bereavement	5,381	60	-3,899	1,542	1,589	47	5
Schools and SEND	31,950	8,245	-27,924	12,271	12,271	0	
Social Care, Health and Well Being	907	1,645	-1,850	702	702	0	
Digital, Commercial & Customer Services	1,882	460	-207	2,135	2,135	0	
<b>Total</b>	<b>177,435</b>	<b>13,486</b>	<b>-55,838</b>	<b>135,083</b>	<b>134,210</b>	<b>-873</b>	

1. Public Sector Housing Capital Programme changes are being taken to the Council meeting of 26th February; for information the proposed revised budget for 2023/24 is £58m.
2. Environment - forecast overspend of £70k on the Energy From Waste project is to be funded by revenue budgets within Environment. The other overspends (Greenspaces (£2k) and Liveability (£1k)) will also be funded by revenue.
3. Transport – Primrose Bridge Underspend (£900k), the Council is working with the funding provider to determine whether we need to repay the grant or repurpose it towards other Transport projects.
4. Regeneration & Corporate Landlord – underspends on Low Carbon Place Strategy (£66k) and Blue Network (£27k) will result in reduced grant claims and a potential reduction in revenue contributions (work is in progress to check this).
5. The forecast overspend within Culture, Leisure and Bereavement of £47k relates to the Stourbridge Crematorium works and will be funded by additional revenue contributions.

**CIPFA Prudential Indicators**

The indicators set out below are specified in the CIPFA *Prudential Code for Capital Finance in Local Authorities* (“the Code”), which is required to be complied with as “proper practice” by Regulations issued consequent to the Local Government Act 2003. They are required to be set and revised through the process established for the setting and revising of the budget, i.e. by full Council following recommendation by the Cabinet. Indicators for the forthcoming and following years must be set before the beginning of the forthcoming year, but may be revised at any time following due process.

The first group of indicators (1-5) are essentially concerned with the prudence and affordability of the Council’s capital expenditure and borrowing plans in the light of resource constraints. The remaining indicator (6) is primarily concerned with day-to-day borrowing and treasury management activity. Indicator 5 is a new requirement in the revised Prudential Code which was published in December 2021.

The proposed figures for each indicator have been developed in the light of the Council’s overall resource position and medium term financial strategy and have regard to the following matters as required by the Code:

- Service Objectives;
- Stewardship of Assets;
- Value for Money;
- Prudence and Sustainability;
- Affordability;
- Practicality.

Affordability and prudence are specifically addressed by the indicators set out below. The other matters listed form a fundamental part of the Council’s budget setting, management, and monitoring procedures - as summarised in the Financial Management Regime (FMR) which forms part of the Constitution - and with particular relevance to capital expenditure, set out in more detail in the Council’s Capital Strategy.

Appropriate procedures have been established for proper management, monitoring, and reporting in respect of all the indicators, and the risks associated therewith.

Indicators set for 2023/24, 2024/25 and 2025/26 this time last year have been reviewed and where necessary are proposed to be updated to reflect latest forecasts.

## 1. Estimated and Actual Capital Expenditure

This indicator forms the background to all the other indicators, given that the overall rationale of the prudential system is to provide flexibility for borrowing to fund capital investment. Estimated capital expenditure is required to be calculated for the next 3 financial years, and actual expenditure stated for the previous financial year, with totals split between HRA and non-HRA capital expenditure.

Subject to the other proposals in this report being agreed, together with those contained in reports elsewhere on the agenda, the proposed indicators are as follows.

	<b>2022/23</b> £m <b>Actual</b>	<b>2023/24</b> £m <b>Revised Estimate</b>	<b>2024/25</b> £m <b>Revised Estimate</b>	<b>2025/26</b> £m <b>Revised Estimate</b>	<b>2026/27</b> £m <b>Estimate</b>
Non - HRA	41.4	66.3	71.1	49.7	29.2
HRA	57.9	58.0	87.4	92.3	93.4
<b>Total</b>	<b>99.3</b>	<b>124.3</b>	<b>158.5</b>	<b>142.0</b>	<b>122.6</b>

## 2. Estimated and Actual Capital Financing Requirement (CFR)

The Capital Financing Requirement is a measure of the Council's underlying need to borrow to fund its capital expenditure once other sources of funding - grants, capital receipts and revenue - have been taken into account. The CFR increases when expenditure is incurred, and reduces when provision is made to repay debt.

The proposed indicators consistent with the level of capital expenditure set out above are as follows.

	<b>2022/23</b> £m <b>Actual</b>	<b>2023/24</b> £m <b>Revised Estimate</b>	<b>2024/25</b> £m <b>Revised Estimate</b>	<b>2025/26</b> £m <b>Revised Estimate</b>	<b>2026/27</b> £m <b>Estimate</b>
Non - HRA	256.2	264.9	288.9	299.1	297.7
HRA	474.8	483.8	502.8	524.5	563.7
<b>Total</b>	<b>731.0</b>	<b>748.7</b>	<b>791.6</b>	<b>823.6</b>	<b>861.4</b>

## 3. Gross Debt and the Capital Financing Requirement.

In order to ensure that in the medium term, debt can be incurred only for capital purposes, this indicator requires that gross external debt does not (except in the short term) exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for the current and next two financial years. Note that debt for this purpose excludes ex West Midlands County Council debt managed on behalf of other authorities.

It is anticipated that this requirement will be met for the years 2023/24 to 2026/27.

#### 4. Estimated and Actual Ratio of Capital Financing Costs to Net Revenue Stream

This indicator is intended to demonstrate the affordability of capital investment decisions in terms of the ratio of capital financing costs to overall resources, expressed as a percentage. The proposed indicators consistent with the level of capital expenditure set out above are as follows.

	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
	<b>Actual</b>	<b>Revised Estimate</b>	<b>Revised Estimate</b>	<b>Revised Estimate</b>	<b>Estimate</b>
Non - HRA	8.4	8.4	9.6	10.4	10.0
HRA	43.2	42.8	40.1	40.4	41.7

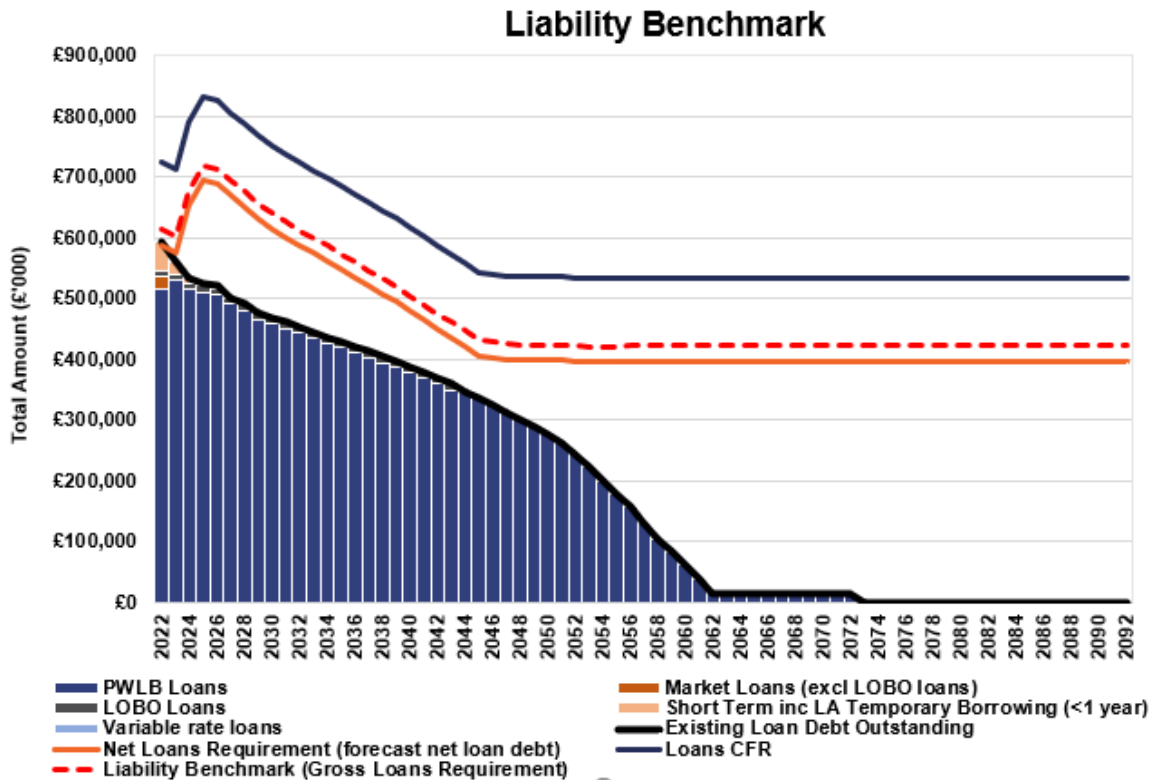
#### 5. The Liability Benchmark

The revised Prudential Code introduced a new prudential indicator called the Liability Benchmark (LB). The Council is required to estimate and measure the LB for the forthcoming financial year and the following two financial years, as a minimum. There are four components to the LB:

- Existing loan debt outstanding – the Council’s existing loans that are still outstanding in future years,
- Loans capital financing requirement (CFR) – this will include only approved prudential borrowing
- Net loans requirement – this is the Council’s gross loan debt less treasury management investments at the last financial year end projected into the future
- Liability benchmark – (also known as the gross loans requirement) which is the net loans requirement plus short-term liquidity allowance.

As the chart shows there is currently a gap between the existing loan debt outstanding and liability benchmark this indicates that further borrowing is likely

to be required in the next few years.



## 5. The Authorised Limit, Operational Boundary, and Actual External Debt

These indicators are intended to ensure that levels of external borrowing are affordable, prudent and sustainable. The Authorised Limit for external debt is a statutory limit (as per. section 3 of the Local Government Act 2003) that should not be breached under any circumstances. The proposed limits set out below have been calculated to take account of the Council's capital expenditure and financing plans and allowing for the possibility of unusual cash movements. If this limit is likely to be breached, it will be necessary for the Council to determine if it is prudent to raise the limit, or to instigate procedures to ensure that such a breach does not occur.

The Operational Boundary for external debt is a management tool for day-to-day monitoring, and has also been calculated with regard to the Council's capital expenditure and financing plans allowing for the most likely, prudent, but not worst case scenario for cash flow. Temporary breaches of the operational boundary, due to variations in cash flow, will not be regarded as significant.



Both the Authorised Limit and the Operational Boundary are split between conventional borrowing and “other long term liabilities” such as leases and other capital financing arrangements which would result in the related assets appearing on the Council’s Balance Sheet. Such arrangements would include for example finance leases for the procurement of vehicles. Provided that the total Authorised Limit and Operational Boundary are not exceeded, the Director of Finance and Legal may authorise movement between the constituent elements within each total so long as such changes are reported to the next appropriate meeting of the Cabinet and Council.

Note that debt for these purposes includes ex West Midlands County Council debt managed on behalf of other authorities.

	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
	<b>Actual</b>	<b>Revised</b>	<b>Revised</b>	<b>Revised</b>	
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Authorised limit for external debt:</b>					
Borrowing	n/a	810	824	839	883
Other long term liabilities	n/a	12	11	10	9
<b>Total</b>	<b>n/a</b>	<b>822</b>	<b>835</b>	<b>849</b>	<b>892</b>
<b>Operational boundary:</b>					
Borrowing	n/a	738	809	809	842
other long term liabilities	n/a	12	11	10	9
<b>Total</b>	<b>n/a</b>	<b>750</b>	<b>820</b>	<b>819</b>	<b>851</b>
<b>Actual External Debt:</b>					
Borrowing	702.9	n/a	n/a	n/a	n/a
Other long term liabilities	11.9	n/a	n/a	n/a	n/a
<b>Total</b>	<b>714.8</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>

## Dudley MBC Capital Strategy

### Background - The CIPFA Prudential Code for Capital Finance in Local Authorities

1. The Local Government Act 2003 introduced a system of “Prudential Borrowing” which allows councils to set their own borrowing limits subject to criteria of prudence, affordability, and sustainability. The CIPFA Prudential Code sets out the indicators that authorities must use, and the factors they must take into account, to demonstrate that they have fulfilled this objective.
2. The recently updated Code requires that: “In order to demonstrate that the authority takes capital expenditure and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability, authorities should have in place a Capital Strategy that sets out the long-term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes.”
3. The Strategy will be updated and approved by Full Council at least annually, along with the indicators required by the Prudential Code.

### Capital Expenditure

4. A simple definition of Capital Expenditure is that expenditure which gives a future benefit or service potential to the Council for a period of more than one year. It is accounted for separately from revenue (day-to-day) expenditure and funded from different sources from revenue expenditure.
5. More specifically, expenditure that can be capitalised includes:
  - purchase, reclamation, enhancement or laying out of land;
  - purchase, construction, preparation, enhancement or replacement of roads, buildings and other structures;
  - purchase of plant, machinery, vehicles, furniture & equipment (including ICT hardware);
  - purchase of ICT software programmes;
  - grants (and some loans) to third parties for any of the above.
6. During its life, an asset may pass through up to four basic stages:
  - a. Acquisition or construction;
  - b. Ongoing management and maintenance;
  - c. Major enhancement;

d. Obsolescence, decommissioning and disposal.  
Phases (a) and (c) may necessitate capital expenditure.

7. Capital expenditure extends further than direct acquisition and expenditure on assets by the Council. It also includes property and equipment that is leased for a significant part of its useful life or where the lease payments amount to a significant part of its value. Entering into such leases, and other similar credit arrangements, will therefore form part of the Council's capital expenditure and must be authorised by Council and included in the Capital Programme (see process below) *before* any lease is entered into. The implementation of IFRS16 from 1<sup>st</sup> April 2024 may require a reclassification of some leases currently being accounted for as operational leases to finance leases which will mean they will be classed as capital expenditure. It is proposed that these are taken to Cabinet in early 2024/25 for inclusion in the Capital Programme. Leases in that meet the revised criteria for finance leases taken out after 1<sup>st</sup> April 2024 should be approved in the same way as other capital expenditure.

## **Strategic Context**

8. The Council is refocussing its priorities and projects around those that will prevent a higher cost, deliver cost reductions/increased income and help to deliver the Council's improvement and sustainability programme.
9. The Council Plan is supported by Directorate plans that will provide more detailed information on the service actions we are taking to deliver our priorities.
10. The Capital Strategy is one of the means by which the priorities of the Council will be achieved. We recognise that to accomplish our goals, best possible use needs to be made of existing public sector assets, while resources available for new investment must be deployed as efficiently and effectively as possible.

## **Links to other Strategies and Plans**

11. The Capital Strategy is consistent with the Council's other strategies and plans. Of particular relevance is the Corporate Estate Strategy which reflects the key Council Plan aims, recognising that good asset management should help the Council to

- Empower communities and engender civic pride;
- Improve the economic wellbeing of an area;
- Increase co-location, partnership working and the sharing of knowledge;
- Reduce carbon emissions and improve environmental sustainability;

- Prioritise and align resources with the Customer Connect initiative to deliver exceptional services for citizens of and visitors to Dudley.

12. The Estate Strategy comprises 3 main parts:

- The current position of the Council's estate;
- Its desired future position;
- How we propose to deliver it.

The current strategy has been under review since April 2023. A specific element of this – the office estate strategy – is expected to be approved by April 2024.

## **Partnership and External Funding**

13. The Strategy not only covers all aspects of Capital expenditure within the Council, but also those areas where the Council works in partnership – for example using its own resources as match funding to maximise the overall resources available for its own and its partners' priorities.

14. It also informs the bidding for additional capital resources (e.g. from Central Government and other sources of external grant funding).

## **Capital Priorities**

15. The Council's current capital investment priorities, including those where it is working in partnership, are as follows.

### Public Sector Housing

16. Priorities:

- Planned programmes of investment to improve and maintain our homes in good order through efficient investment in key building components including but not limited to roofs, electrics, kitchens, and bathrooms.
- Ensuring that Council homes are economically viable and available for occupation to a standard that meets both Decent Homes and the tenants needs.
- Tackling fuel poverty and energy efficiency for residents and contributing towards decarbonisation and the climate change emergency.
- Delivering social care programmes in residents' homes and improvements in sheltered schemes which support and where possible increase the ability for residents to live independently in their own homes.
- Delivering regeneration, environmental and community safety improvements to our estates.
- Strategic stock investment and de-investment programmes in accordance with the Housing Asset Management Strategy 2019 – 2029 and providing suitable investment at affordable levels for communal facilities across the housing portfolio.

- Providing new affordable social housing within the borough through acquisitions and development.
- Providing an efficient repair service to deliver all responsive and routine maintenance responsibilities, and undertake all statutory compliance responsibilities and cyclical maintenance programmes.

## Private Sector Housing

### 17. Priorities:

- Continued use of loan, grant and other forms of financial solutions to assist vulnerable occupiers living in the private sector to remain independent in their homes through resourcing, supporting and potentially delivering property repair, improvements and adaptations.
- Winter Warmth / Energy Advice Service providing advice, practical support, equipment, and repairs to ensure vulnerable occupiers have access to support to keep warm, healthy and heat their homes efficiently.
- Continued strategic use of loan, grant, and other forms of financial solutions to bring long term empty private properties back into use.
- Sustaining our improved performance in delivering adaptations for disabled persons through use of mandatory Disabled Facilities Grants.
- Provision of rent deposit guarantees / loans to private sector landlords / potential tenants to facilitate access to accommodation for persons in need.
- Work with stakeholders and local and national developers to support in the development of homes for private sale.

## Highways and Transport

18. The Transport Capital Programme supports maintenance and improvement works on the Council's highway infrastructure and its associated assets, including street lighting, the repair and maintenance of pavements and public rights of way, structures, bridges and retaining walls.

19. Through effective asset management, the Council will continue to maximise opportunities offered by new technology using innovative ways of maintaining and improving its highway network.

20. By working with the Department for Transport, Transport for the West Midlands and the wider Combined Authority, West Midlands partners, local partners and the community, external funds will continue to be sought for existing and new projects. We will also, using Government Grants, continue to invest and improve the Borough's transport networks to ensure their safety, efficiency and minimise their environmental impact particularly associated with traffic congestion and air quality.

21. Current priorities:

- Delivery of the Highway Maintenance Programme for roads and pavements.
- Investment in the Street Lighting Infrastructure (to generate greater energy efficiency).
- Works on highway structures, bridges and retaining walls.
- Integrated Transport (minor schemes designed to improve the safety and increase the capacity of the highway network and encourage sustainable modes of travel).
- Completion of major and minor highway schemes and other projects.

## Economic Regeneration

22. External funds are maximised to support the delivery of key economic regeneration projects and initiatives. Previously this has included the Heritage Lottery Fund, European Regional Development Fund (ERDF), Growing Places, Local Growth Fund, Get Building, Future High Streets Fund and Towns Fund, and funding accessible via the West Midlands Combined Authority.
23. In 2022 the Government launched the Levelling Up White paper in March 2022, which included as a central pillar, £2.6 billion of funding via the UK Shared Prosperity Fund (UKSPF) for local investment to March 2025 with the primary aim being ‘to build pride in place and increase life chances across the UK aligning with the Levelling Up White paper missions. UKSPF is the replacement funding for European Structural Investment Funds. The West Midlands, via the Combined Authority (WMCA) has been allocated £88.4million with local authorities having funding devolved using a 70:30 methodology. UKSPF is now in its second of three years with funding being allocated to support a range of projects against the three priorities of: People and Skills, Communities and Place, and Supporting Local Business.
24. The Council will continue to seek to maximise the use of external funds through its engagement with external partners including the WMCA, as part of the Deeper Devolution Deal discussions, and Homes England, in addition to seeking to bid direct to Government for new funding streams.
25. The Transport for West Midlands (TfWM) project to deliver the Metro extension from Wednesbury to Brierley Hill is underway with works through Dudley Town Centre to Flood Street in the final year of delivery. Following the Combined Authority’s decision to pause delivery from Flood St due to budget pressures a funding package was developed summer 2023 with a view to funding the Metro to Waterfront. A further announcement of a funding allocation to the West Midlands Mayor in the autumn should support ongoing delivery of the Metro. Both funding packages are subject to WMCA and Department for Transport approval of a business case being developed by TfWM.

The Council has funded some measures to uplift the public realm alongside the Metro extension through the borough funded by prudential borrowing. Some of these have already been delivered, some are underway and others will now be paused until September 2025 following the decision on 11<sup>th</sup> January regarding the MTFS however alternative sources of funding will actively be sought.

26. TfWM is also leading on the delivery of a new Transport Interchange for Dudley Town Centre which will replace the existing Bus station and link with Metro. Temporary bus stops are now in place to support the closure of the current bus station through the development period.
27. Following applications in the previous round of the Levelling-up Fund (LUF) and ongoing lobbying alongside a good track record for delivery, Government has announced the award of two, £20m LUF awards for regeneration projects in Halesowen and Brierley Hill. Additionally, a further £20m award for Dudley Town Centre has also been announced as part of the Government's Long Term Plan for Towns. This funding is subject to further work and agreements and has not yet been drawn down.
28. These funding announcements are in addition to existing external funding which is already supporting town centre regeneration in the borough. This includes Townscape Heritage funding from Heritage Lottery Fund to improve the built historic environment in conservation areas in Dudley town centre, and a combination of Future High Streets Fund and Heritage Action Zone monies in Brierley Hill which are delivering improvements to public realm, community facilities, building restoration and culture-led activities.
29. A recurring budget funded mainly by borrowing will be used for structural maintenance of Council buildings which cannot be met from other resources. Projects arising from the Council's Estate Strategy, including those in pursuance of the "One Public Estate" strand of the Council's Transformation agenda will also be progressed subject to value for money assessment.

### Environmental Services

30. Current priorities are:
  - Possible alternative sites for the Household Waste Recycling Centre.
  - Ongoing programme for replacement of vehicles used to deliver services including exploring wider use of electric vehicles.
  - Delivery of the Green Spaces Asset Management Plan.
  - Promote and develop our open spaces and nature reserves through Geopark status and accreditation.
  - Develop a new sustainable Waste Strategy that is compliant with the emerging national picture.

## Cultural

31. Current priorities are:

- New burial sites to be identified across the borough.
- A new children's play area and on-site café facility at Himley.
- Refurbishment of the Red House Glass Cone.

## Schools

32. The key investment priorities for the use of available capital resources (mainly funded by a number of Government grants) are:

- Maximise the efficient and effective use of resources in collaboration with partners to improve service delivery.
- Work in joint partnership with schools to target available resources in accordance with the asset management programme.
- Address the backlog of urgent repairs and maintenance identified by condition surveys for all schools using fair and transparent prioritisation processes.
- Continue to address the issues of Basic Need requirements ensuring sufficient school places across the primary and secondary schools sector (maintained and non-maintained) through effective place planning processes.
- Continue to develop the infrastructure required to improve the Special Educational Needs (SEN) provision including the issues of Basic Need requirements ensuring sufficient school places for Special Schools in line with the SEND Strategy.
- Continue to maximise bidding opportunities for external funding to replace or upgrade those school buildings with the most urgent need as identified by the principles of Asset Management Planning.
- Ensure the continuing delivery of the Directorate's asset management plan in accordance with DfE requirements especially for the collation of robust data on school places and condition.
- Ensure revisions to regulations and guidance for school buildings are adhered to and complied with.

## Social Care, Health and Well Being

33. Working in partnership to support residents to continue to live independently. Investment in the infrastructure to enable telecare to convert from an analogue to digital system.

## Commercial and Customer Services

34. Ongoing programme for replacement and upgrading of ICT infrastructure used to deliver services.



## Capital Programme

35. The detailed Capital Programme for the Council's own expenditure on acquisition, development and maintenance of the assets required to deliver service outcomes will be updated on an ongoing basis in accordance with the Governance processes set out below. Taking into account the Council's capital grant allocations, together with affordable levels of "prudential" borrowing and locally generated capital resources in the form of capital receipts and contributions from revenue budgets, the Capital Programme currently being proposed is as follows (including proposals included within this report and the Housing Finance report being taken to February Council):

	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Public Sector Housing</b>	58,000	87,400	92,300	93,400
<b>Private Sector Housing</b>	9,486	3,418	71	71
<b>Environment</b>	5,565	9,891	5,500	5,443
<b>Transport</b>	13,433	11,853	8,896	8,246
<b>Regeneration and Corporate Landlord</b>	23,004	20,534	13,074	3,354
<b>Culture, Leisure &amp; Bereavement</b>	1,542	2,499	3,300	0
<b>Schools and SEND</b>	11,271	19,916	17,741	11,000
<b>Social Care, Health and Well Being</b>	702	1,850	0	0
<b>Digital, Commercial and Customer Services</b>	2,135	1,100	1,161	1,095
<b>TOTAL</b>	<b>125,138</b>	<b>158,461</b>	<b>142,043</b>	<b>122,609</b>

## Property Investment

36. The Council will incur capital expenditure on acquisition or development of property only where the primary purpose is service delivery and/or regeneration, and in the case of the latter then only where a development would not happen without Council involvement, and the potential regeneration gain justifies any financial or other risks. It will not invest in property for the sole or primary purpose of revenue income or other financial return.

## **Sources of Funding**

### Grants & Contributions

37. These are mainly provided by Central Government Departments or other Public Sector Agencies and are usually to fund specific projects or broader categories of spend, in line with the funder's priorities. They may be received in response to specific bids, or on a formula allocation basis. They may also require match funding from the Council's other capital resources, or from other local partners or spending beneficiaries.
38. To a lesser extent, contributions may be available in the form of "Section 106" planning agreements, Community Infrastructure Levy, or otherwise from local business partners.
39. Some Government capital grant funding is scheme specific to the extent that it cannot be used for anything else ("ringfenced") but is often only notionally allocated to specific areas of spend. Thus it can be spent at the Council's discretion, the only real condition usually being that it must be spent on capital rather than revenue items. However the Council has generally followed a process where such resources are (internally) earmarked to the relevant service area.

### Revenue & Reserves

40. To the extent that revenue resources and reserves are available once day-to-day spending needs have been covered, these may be used to fund capital expenditure.

### Borrowing (commonly known as Prudential Borrowing)

41. The Council can borrow to fund capital expenditure so long as it has sufficient revenue resources to service the resulting debt charges – principal and interest.
42. Any proposals to fund capital expenditure from borrowing where the revenue costs can be met from existing resources (e.g. "spend to save" type initiatives) are considered by Cabinet and Council in the same way as any other capital projects.
43. Any proposals to fund capital expenditure from borrowing where the revenue costs cannot be met from existing resources must be considered along with other revenue budget pressures as part of the annual revenue budget setting and MTFS review process in the light of overall revenue resource availability.

### Capital Receipts

44. Assets (usually land and buildings) no longer required for the provision of services may be declared “surplus to requirements” and sold. The detailed disposal process is set out in the Corporate Estate Strategy.
45. Proceeds from disposals of General Fund assets do not constitute available capital resources, but generate revenue savings by repaying existing borrowing or as a substitute for new borrowing (see above) that would otherwise be required. Proceeds from Right to Buy sales and other Public Sector Housing disposals are currently earmarked for Housing investment.

### **Budget and Medium Term Financial Strategy**

46. As set out above, any proposals to fund capital expenditure from borrowing where the revenue costs cannot be met from existing resources must be considered along with other revenue budget pressures as part of the annual revenue budget setting and MTFS review process in the light of overall revenue resource availability.
47. Likewise capital projects generating net savings may be brought forward, along with other savings proposals, as part of the overall budget and MTFS review process.
48. All forecast debt charges and other revenue costs arising from approved new capital spend (together with debt charges arising from past expenditure funded from borrowing, and the revenue costs of ongoing maintenance of existing assets) will be included in the revenue budget and MTFS of the General Fund or HRA as appropriate.

### **Treasury Management Strategy**

49. Long term borrowing requirements to fund overall capital expenditure not met from other means - the “Capital Financing Requirement” (including the extent to which this can be met internally rather than from external borrowing) and short term cashflow requirements in respect of the Capital Programme and funding, are taken into account in the Council’s Treasury Management Strategy. At 31<sup>st</sup> March 2023, long term borrowing and similar liabilities for the Council’s own purposes (i.e. excluding debt managed on behalf of other authorities), amounted to £636m. This compared with long term assets held to the value of £1,964m.

### **Affordability and Risk**

50. The Capital Strategy sets out the framework within which individual capital projects are approved for inclusion in the Capital Programme and does not in itself authorise any capital expenditure. Affordability and risks are considered when proposals are brought forward for such inclusion. This will include risks relating to the capital expenditure itself, funding of that expenditure (e.g. grant availability and conditions), and ongoing revenue costs and/or income.
51. Risks relating to (treasury) management of borrowing to fund capital expenditure and overall revenue resource availability to fund debt charges and other revenue costs arising from capital expenditure are explicitly recognised in the Treasury Management Strategy and the overall MTFS (General Fund and HRA) as appropriate.

## **Governance**

### Inclusion of projects in the Capital Programme

52. All proposals to include projects in the Capital Programme must be approved by full Council following recommendation by Cabinet. This applies regardless of the source(s) of funding for the project.
53. The only exceptions to the requirement that all capital projects be approved by full Council are:
- i. In cases of urgency, a project may be included in the Capital Programme by Cabinet alone (if the decision cannot wait until the next meeting of Full Council).
  - ii. In cases of urgency, a project may be included in the Capital Programme by the Leader of the Council in consultation with the Chief Officer, Finance and Legal – using the Decision Sheet process (if the decision cannot wait until the next meeting of Cabinet). The Decision Sheet will need to cover the same issues as would be required for reporting to Cabinet (see below), and must also include an explanation of why the normal processes cannot be followed. If the degree of urgency is such that the normal requirements of the Constitution with regard to public notice and “call-in” would prejudice the delivery of the project, approval of the Chair of the appropriate Scrutiny Committee (to waive notice) and Mayor (to waive call-in) will also be required.

*Note however that these “urgency” procedures are intended to be used only in exceptional circumstances and are not intended as a substitute for proper project planning. Use of the procedures is reported to the next available Council, or Cabinet & Council meetings as appropriate.*

- iii. Other specific standing authorisations have been given to include particular categories of expenditure in the Capital Programme without individual Cabinet approval. These include:
- School projects funded wholly from delegated budgets or fundraising activities (subject to prior approval by the Director of Children's Services & the Director of Finance and Legal).
  - Various categories of project funded by s106 monies.
  - Regeneration projects in certain areas subject to availability of external funding.
  - Parks & Open Spaces projects funded as a result of "Friends" bids.
  - ICT Strategy projects.
  - Projects funded from a number of regular Government funding allocations.
  - Community Infrastructure (CIL) funded projects approved by Cabinet.

### Responsible Officers

54. Directors will identify a Responsible (Lead) Officer for each project who will take overall responsibility for coordinating all aspects of the project from initial proposal through to post completion review.
55. The Responsible Officer role is key to the efficient operation of the Council's Capital Programme. Responsible Officer details will be held on the Council's financial systems, and any change must be notified to the relevant accountant so that these can be amended.

### Justification

56. Prior to the inclusion of *any* project in the Capital Programme, each proposal must be justified against the following criteria:
- i. Contributes towards the delivery of the Council's strategic objectives, e.g. as set out in the Council Plan.
  - ii. Contributes towards the achievement of a specific priority/objective(s) as set out in a Directorate Service Plan, and/or arises from agreed capital strategies e.g. Housing Investment Programme, Local Transport Plan, and/or assists the Council to meet its statutory objectives or respond to new legislative requirements, and/or contributes to the achievement of Best Value.
  - iii. Can be supported by a coherent funding strategy; will minimise use of the Council's own resources.
  - iv. Has a clear and well thought out brief which defines the objectives of the project and specifies any issues which are time critical; is otherwise achievable within the financial year concerned.

- v. Has been fully evaluated against alternative methods of achieving the same objectives, and alternative funding sources. (See Option Appraisal section below.)

### Option Appraisal

57. Every capital project must be evaluated against alternative methods of achieving the same objectives.
58. Options appraisal must be an integral part of the decision-making process and the scale and nature of a project will determine the level of options appraisal detail needed to make a decision.

### Prioritisation

59. In order that the limited resources available for capital investment are used in the most effective way, it is essential that robust and consistent prioritisation processes are used to determine which projects proceed.
60. In theory, it would be possible to devise a methodology for prioritising *all* potential capital projects against the resources available - to maximise the total benefit of the Council's capital investment as a whole. In reality however, this would pose major problems, not least the difficulty in devising a prioritisation methodology which could fairly compare and score bids for schemes of all magnitudes and degrees of complexity across the whole range of Council services.
61. Some Government capital grant funding is scheme specific to the extent that it cannot be used for anything else ("ringfenced") but is usually only notionally allocated to specific areas of spend. Thus it can be spent at the Council's discretion, the only real condition usually being that it must be spent on capital rather than revenue items.
62. However the Council has generally followed a process where such resources are (internally) earmarked to the relevant service area, but with an emphasis on demonstrating appropriate prioritisation *within* service programmes, and *within* spend headings.
63. It is the responsibility of the relevant Directors to make sure that such prioritisation is robust and stands up to scrutiny. Prioritisation should include formal scoring mechanisms or other objective methods wherever possible and appropriate.

Where a project relies on council resources prioritisation is achieved by including the revenue costs in the budget pressures process for consideration against other pressures in light of the overall resource position.

64. It should in particular be noted that even where capital resources are earmarked to particular spend areas, there is usually still a large degree of flexibility concerning allocation to specific projects. Likewise, where resources are being bid for (see below) there will usually be discretion over which particular projects are submitted. In such circumstances it is just as important in gaining best value from available resources to ensure that robust prioritisation is undertaken before bids are submitted.
65. Note that prioritisation and option appraisal are not the same – but are two distinct elements of the overall project selection process. Option appraisal is concerned with choosing the best way of achieving an objective, e.g. how to increase safety on a particular road. Prioritisation is concerned with which projects go ahead within limited resources, e.g. which road safety projects should proceed first.

### Reporting

66. At the initial stage of project development, an Asset Decision Proforma (ADP) - see Appendix 1 – is completed in conjunction with Corporate Landlord Services (CLS) to capture key project information. Note that this proforma, and the requirement for CLS input relates to all major property decisions, and is not restricted to capital programme approvals. Any issues must be resolved before proceeding to the next stage of the process.
67. Each meeting of the Cabinet receives a Capital Monitoring Report which includes the details of proposals to include projects in the Capital Programme. (Exceptionally there may be a stand-alone report where a major project / service area is involved. In such cases a Proforma should still be completed and submitted as above.)
68. If following receipt of tenders, it is clear that costs will exceed the approved budget – or if any other circumstances change that materially affect the scheme as approved by Cabinet & Council – it will be necessary to report back to Cabinet & Council, in order for the budget to be amended, or any other changes approved.

## **Project Management & Monitoring**

69. Capital expenditure must be in compliance with all relevant Standing Orders, Financial Regulations and Codes of Practice. Directors must ensure that all Responsible Officers are aware of these requirements, and that Responsible Officers are competent in Project Management skills.

70. Expenditure on and progress of each project will be monitored regularly.

### **Project Review**

71. A post completion review of each major capital project should be undertaken by the appropriate Director to ensure all lessons learned are documented and shared with relevant officers.



## ASSET DECISION PROFORMA

### Key Data

Directorate:	Division:
Lead (Responsible) Officer:	Phone:
Asset <i>(include address, accurate site plan and photos as necessary)</i> :	
Brief description of project <i>(i.e. acquisition via purchase or lease; alteration; extension; major refurbishment; change of use / relocation; disposal via sale or lease)</i> :	

### Outcomes

Benefits to service delivery <i>(quantified hard and soft benefits to the Council anticipated from project, including benefits to customers and partners, e.g. shared use)</i> :
Link to Strategic Objectives <i>(refer to specific Community / Council Plan objectives)</i> :
Link to Directorate Asset Plan <i>(refer to specific action / objective)</i> :
Confirmation of consideration of ensuring improved energy efficiency for the asset by planned works <i>(Yes/no - describe outcome)</i>
<i>(For alteration and refurbishment) impact on Asset (i.e. value, useful life, flexibility of use)</i> :

### Background Processes

Provide details of scoring mechanism or other process used to prioritise this project:
--

Provide details of option appraisal undertaken in accordance with Standing Orders <i>(including consideration of alternative sites and alternative delivery methods, together with costs/benefits of each)</i> :
Results of Feasibility Study:
Results of Risk Assessment <i>(including identification of key risks)</i> :
Results of Consultation:

### Financial

<i>(For acquisition, alteration, refurbishment)</i> - capital cost: £'000 - to be funded from £'000
Financial year(s) of proposed spend:
<i>(For disposal)</i> - expected proceeds: £'000 - costs of disposal: £'000
<i>(For all proposals)</i> implications for revenue expenditure <i>(and if net cost, how funded)</i> : - costs: £'000 - savings: £'000

Signed: _____ (Responsible Officer)	Date: _____
Signed: _____ (Accountant)	Date: _____
Signed: _____ (on behalf of Corporate Landlord Services)	Date: _____

Signed: _____ (Director)	Date: _____

**Meeting of the Cabinet – 15<sup>th</sup> February 2024**

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

**Medium Term Financial Strategy**

**Purpose**

1. To recommend to Council the deployment of General Fund revenue resources, a number of statutory calculations that have to be made by the Council and the Council Tax to be levied for the period 1st April 2024 to 31<sup>st</sup> March 2025.

**Recommendations**

2. That Cabinet recommends the Council notes:
  - a) The actions of the External Auditors as set out in paragraphs 13 and 14.
  - b) The forecast variances to budget in 2023/24 and progress with delivery of savings set out in paragraph 18 and Appendices C and D.
  - c) The advice of the Director of Finance and Legal on future saving measures and Council Tax set out in paragraph 54.
3. That Cabinet recommends to Council that, with effect from 1st April 2025, for properties which have been unoccupied and unfurnished for between one and five years, an Empty Homes Premium of 100% is applied, resulting in a 200% Council Tax charge being payable in these circumstances, as set out in paragraph 33.

4. That Cabinet recommends to Council that, with effect from 1<sup>st</sup> April 2025, for properties that have been empty and furnished for more than one year, a premium of 100% is applied, resulting in a 200% Council Tax charge being payable in these circumstances, and that authority be delegated to the Director of Finance and Legal in consultation with the Cabinet Member for Finance and Legal to approve a policy for exceptions to this premium as set out in paragraph 34.
5. That Cabinet recommends to Council that, with effect from 1st April 2025, discretionary business rates relief be limited to charities whose registered office is in and/or only provide services to people who live in the Dudley Borough and that authority be delegated to the Director of Finance and Legal in consultation with the Cabinet Member for Finance and Legal to amend the policy to give effect to this change as set out in in paragraph 39.
6. That Cabinet authorises the Director of Finance and Legal, in consultation with the Cabinet Member for Finance and Legal and the Opposition Spokesperson for Finance and Legal to approve any changes to the budget proposals resulting from final decisions on the West Midlands Combined Authority Transport Levy and non-transport funding contributions, as set out in paragraph 40.
7. That subject to any amendments arising from the above, Cabinet recommends the Council approves the following:
  - The budget for 2024/25, and Directorate allocations (including the Public Health budget) as set out in the report.
  - That the statutory amounts required to be calculated for the Council's spending, contingencies and contributions to reserves; income and use of reserves; transfers to and from its collection fund; and Council Tax requirement, as referred to in Section 67(2)(b) be now calculated by the Council for the year 2024/25 in accordance with Sections 31A, 31B and 34 to 36 of the Local Government and Finance Act 1992 as shown in Appendix M of this report.
  - That, having calculated the aggregate in each case of the amounts in Appendix M, the Council, in accordance with Section 30(2) of the Local Government Finance Act, 1992, agrees the following levels of Council Tax for Dudley Council services for 2024/25.

## Valuation Bands

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

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

### **Background**

10. At its meeting on 11<sup>th</sup> January 2024, the Cabinet approved a preliminary budget strategy as a basis of consultation. This report sets out latest proposals taking into account changes to projected spending and resources resulting from the ongoing review of forecasts and assumptions. Changes to forecasts compared with the figures reported in January are set out in Appendix B.
11. At 31<sup>st</sup> March 2022 our unringfenced revenue reserves as a proportion of net revenue spend were 19%. The average<sup>1</sup> for all Metropolitan Councils at the same date was 55%. Calculated on the same basis, our position at 31<sup>st</sup> March 2023 was still 19%. Comparisons with other councils are not yet available.
12. Since that point, there has been a significant deterioration in the Council's finances. Pressures are being experienced by councils across the country, but the issue is particularly urgent for Dudley due to our low level of reserves. Our forecast unringfenced reserves at 31<sup>st</sup> March 2024 are around 8% of net revenue spend. Based on the forecasts in this report they will fall to around 4% by 31<sup>st</sup> March 2025. The Council is technically able to set a lawful budget for 2024/25.

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<sup>1</sup> The percentage quoted is based on the Median average of all Metropolitan Councils

However, there is little scope to meet unexpected pressures or to cover the costs of change to address the forecast budget gaps in later years. There is therefore still a risk that during the next year it will be necessary to issue a notice under Section 114 of the Local Government Finance Act 1988. These matters are considered more fully in the draft report of the Director of Finance and Legal required under Section 25 of the Local Government Act 2003 (see Appendix A).

13. The External Auditors (Grant Thornton) have issued their Auditor's Annual Report for 2021/22 and 2022/23. They have commented on financial decision making at the corporate level and on the deteriorating financial position. They have identified significant weaknesses in Financial Sustainability, Governance and Economy, Efficiency and Effectiveness.
14. The External Auditors have also made statutory recommendations under section 24 schedule 7 of the Local Audit and Accountability Act 2014. They highlight the risk that the Section 151 Officer will have to issue a Section 114 notice in the near future. In summary, they recommend that the Council maximises the opportunities for positive movements in 2023/24; strictly enforces the existing spending controls; undertakes a review to identify the statutory minimum level of service required; identifies saving and income options to fully address the budget gap in 2024/25 (where possible with recurrent options that address the ongoing gap in later years); and creates a prudent central contingency to manage in-year pressures and the cost of change. These statutory recommendations will be debated by Full Council on 26<sup>th</sup> February.

### Consultation on Budget Proposals

15. A consultation on budget proposals for 2024/25 was launched in January and ends on 16<sup>th</sup> February 2024. A total of 1,322 valid responses were received as at 2<sup>nd</sup> February 2024. These are summarised at Appendix E.

16. Overview and Scrutiny Committee considered a report on the Medium Term Financial Strategy on 25<sup>th</sup> January 2024. The Committee resolved that its comments on the proposals for the Medium Term Financial Strategy to 2026/27, taking account of the considerations in the report and the issues raised at the meeting, be referred to the Cabinet for consideration at its meeting on 15<sup>th</sup> February 2024. The minutes of the Overview and Scrutiny Committee are available on the [Council's Internet site](#). In the interests of full transparency, the proceedings of the Committee were broadcast on the Internet and the recording of the meeting is available on our [YouTube Channel](#).
17. A link to the report to Cabinet on 11<sup>th</sup> January was distributed to representatives of Non-Domestic Ratepayers, in pursuance of the statutory duty to consult. Further detailed information (as required under the statutory duty) is being distributed, and any comments will be reported to the Council Tax setting meeting on 4th March.

#### Forecast Revenue Outturn 2023/24

18. On 6<sup>th</sup> March 2023 Council set the 2023/24 budget. The budget was amended by Council on 10<sup>th</sup> July 2023. The latest forecast performance, a £9.0m adverse variance against the amended budget, is summarised below:

<b>Directorate</b>	<b>Latest Budget £m</b>	<b>Outturn £m</b>	<b>Variance £m</b>
Chief Executive	6.8	6.7	(0.1)
Adult Social Care	110.7	117.6	6.9
Children's Services	82.0	86.9	4.9
Health and Wellbeing	2.7	2.6	(0.1)
Finance and Legal Services	14.2	14.8	0.6
Digital, Commercial and Customer Services	16.5	16.1	(0.4)
Environment	48.8	49.9	1.1
Housing and Communities	2.5	1.8	(0.7)
Regeneration and Enterprise	14.4	16.0	1.6
Corporate, Treasury and Levies	13.8	8.9	(4.9)
<b>Total Service Costs</b>	<b>312.4</b>	<b>321.3</b>	<b>8.9</b>
<b>Total Resources</b>	<b>(307.3)</b>	<b>(307.2)</b>	<b>0.1</b>
<b>Use of Unallocated General Fund Reserve</b>	<b>5.1</b>	<b>14.1</b>	<b>9.0</b>



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

- Vacancies net of pay award and agency costs (£7.2m).
- Additional net cost of Adults' and Children's care packages due to demand and price £12.9m.
- Adverse trading activity £3.2m.
- Allowance for impairment of loans £2m
- Utilities £1.5m.
- Home to School Transport £1.0m.
- Energy from Waste adverse variance £0.8m.
- Property £1.2m.
- Legal fees £0.5m.
- Release of contingency held mainly for revaluation of Business Rates adjustment released (£3.3m).
- One off income from Enterprise Zone / LEP and Black Country Consortium (£1.4m).
- Triennial pension overpayment recovery (£0.9m).
- Net favourable variance from capital slippage and higher interest rates (£1.9m)
- Other net adverse variances £0.6m.

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

	<b>Budget £m</b>	<b>Latest Position £m</b>
Forecast Unallocated General Fund Reserves 31 <sup>st</sup> March 2023	20.8	20.8
2022/23 outturn (as reported to July Cabinet)		1.0
<b>Unallocated General Fund Reserve at 31<sup>st</sup> March 2023</b>	<b>20.8</b>	<b>21.8</b>
Planned use of Reserves approved by Council March 2023	(4.2)	(4.2)
Further planned use of Reserves approved by Council July 2023		(0.9)
Adverse Forecast variance 2023/24 outturn		(9.0)
<b>Forecast Unallocated General Fund Reserve at 31<sup>st</sup> March 2024</b>	<b>16.6</b>	<b>7.7</b>

#### Dedicated Schools Grant

21. The majority of Special Education Needs and Disability (SEND) services are met from the High Needs Block within the Dedicated Schools Grant (DSG). As previously reported, we (in common with many other councils) have been experiencing significant financial pressures from increasing demand for children that require additional educational support. Dudley is part of the 'Delivering Better Value in SEND programme' (DBV) that aims to support local authorities to improve delivery of SEND services for children and young people while ensuring services are sustainable.
22. Notwithstanding the high-level recovery plan that has been agreed, there is a forecast cumulative deficit of £34.0m on the High Needs Block, resulting in an overall DSG deficit at 31<sup>st</sup> March 2024 of £30.7m. The Government has regulated temporarily to ensure that this pressure does not impact the General Fund and has confirmed that this statutory override will be extended to 31<sup>st</sup> March 2026. If the statutory override is not extended beyond that point, then this further compounds the risk that the Council's General Fund will be exhausted.

## Spending controls

23. In view of the financial position presented to October Cabinet spending controls were approved to reduce the deficit in the current financial year and the ongoing impact on future years. Spending controls apply even where budget has previously been approved by Council. It was proposed that these controls be reviewed after each financial year end, but remain in place at least until the Council's unringfenced reserves return to a level of 20% of net revenue spend.
24. Although the forecast outlook for the current year remains grave, it has improved from the deficit of £15.2m that was forecast in October to the deficit of £14.1m that is being forecast now (see paragraph 18). This movement reflects a range of favourable and adverse factors, not all of which are directly linked to the spending controls. However, it should be noted that the first phase of implementation of the controls has focussed on staffing and agency and that this element of the forecast has improved by £4.5m.

## Medium Term Financial Strategy (MTFS) to 2026/27

25. In updating the Council's MTFS, Members will need to consider carefully:
  - (a) the levels of Government support allocated to the Council;
  - (b) proposals for additional spending, opportunities to free up resources (including savings), and Council Plan priorities;
  - (c) the implications of spending levels in later years as part of the Council's medium term financial plan;
  - (d) the views of consultees;
  - (e) the external factors and risks inherent in the Strategy;
  - (f) the impact on Council Tax payers;
  - (g) the potential impact on people with protected characteristics as defined in the Equality Act 2010. Members will need to have due regard to the public sector equality duty under the Equality

Act 2010. (Further details are set out in the Equality Impact section below).

## Government Funding

26. The Chancellor delivered the Autumn Statement on 22nd November and the Provisional Local Government Finance Settlement was published on 18<sup>th</sup> December 2023. The settlement confirmed the following allocations of funding at the national level and was broadly in line with our forecasts:

- Local Authorities will see an increase in baseline funding levels and compensation grants for locally retained business rates, to ensure that multipliers are in line with Consumer Price Index (CPI) of inflation.
- The Non-Domestic Rating Act has decoupled non-domestic rating multipliers. Previously the standard multiplier was derived by adding a supplement (1.3p in 2022/23) to the small multiplier. In future, the small and standard multipliers will be set independently of each other.
- At the Autumn statement, the Chancellor announced that for 2024/25 the small multiplier will be frozen at 49.9p for the fourth consecutive year, and that the standard multiplier will be updated in line with September CPI from 51.2p to 54.6p.
- This decision increases the gap between the two multipliers and has consequences for the business rates retention system.
- An additional £692m nationally of Social Care grant for Adults and Children's Services.
- Maintaining existing Improved Better Care Fund allocations at 2023/24 levels.
- Increasing the Market Sustainability and Improvement Fund to £845m nationally and combining with Workforce Fund (£205m nationally in 2024/25) increasing the overall total value to £1,050m.
- A reduction of £406m nationally for the Services Grant.
- An additional £200m nationally of Discharge Funding for Adult Social Care.

27. The Final Local Government Settlement was received on 6 February 2024. This includes an additional allocation of £3,253,000 of Social Care grant and £46,000 of Services Grant. It is assumed that this is ongoing for the duration of the MTFS. It is proposed that the additional £3.3m will be placed in a central contingency (see the recommendation of the External Auditors in paragraph 14). In addition, local authorities will be required to produce productivity plans by July 2024.
28. Specific funding allocations for Dudley are reflected in the MTFS table under paragraph 50. We have responded to the 2023/24 provisional settlement consultation. Our response is summarised at Appendix F.

### Council Tax

29. Accounting for Council Tax Collection Fund surpluses and deficits and associated grants is complex, particularly in terms of timing. Latest forecasts indicate a Council Tax surplus for 2023/24 of £1m, mainly as a result of a reduction in council tax reliefs.
30. Looking forward forecasts have been adjusted to reflect current numbers of households in receipt of discounts and exemptions. The assumptions for new house building and collection rates have been maintained. The position will continue to be monitored closely and any updated forecasts reported to Cabinet in February.
31. The Final Local Government Finance Settlement set referendum limits for 2024/25 of a basic increase of up to 2.99% and in addition an Adult Social Care Precept of up to 2%. It is anticipated that similar limits will be set for future years. Forecasts in this report are based on a 4.99% Council Tax increase in 2024/25 onwards.
32. The Council has previously taken decisions under the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 to apply an “Empty Homes Premium”, thereby increasing the Council Tax payable on properties that have been empty and unfurnished for more than two years as follows:
  - for properties which have been empty for between two and five years a premium of up to 100%, resulting in a 200% Council Tax charge;

- for properties which have been empty for between five and ten years a premium of up to 200%, resulting in a 300% Council Tax charge;
  - for properties which have been empty for ten years or more a premium of up to 300%, resulting in a 400% Council Tax charge.
33. The Levelling Up and Regeneration Bill has introduced the power to reduce the qualifying period from two years to one year. It is now proposed from 1<sup>st</sup> April 2025, to apply a premium of 100% for properties which have been empty and unfurnished for between one year and five years.
34. The Bill has also introduced a power to charge a premium on empty and furnished properties. We are awaiting guidance from the Government on exceptions to this power (e.g. a property being actively marketed). It is now proposed from 1<sup>st</sup> April 2025, to apply a premium of 100% for properties which have been empty and furnished for more than one year. It is proposed that Cabinet recommend to Council to delegate authority to the Director of Finance and Legal in consultation with the Cabinet Member for Finance and Legal to approve a policy for exceptions to this premium.
35. The combined impact of these two proposals is estimated to generate £0.2m per annum additional Council Tax.

### Business Rates

36. Accounting for Business Rates Collection Fund surpluses and deficits and associated grants is complex, particularly in terms of timing. Latest forecasts indicate a Business Rates deficit for 2023/24 of £6.7m. This reflects the brought forward deficit position in relation to Covid19 Additional Relief Fund (CARF), and adjustments in relation to appeals. There is also a transfer in from the S31 grant reserve of £5.7m.
37. A revaluation of all properties for business rates took effect from 1 April 2023. There is still some uncertainty concerning the impact of the 2023 revaluation on our Business Rate and grant income, in particular the impact of appeals under the “Check, Challenge, Appeal” process. We have made a provision and kept this under review in the light of actual appeals received together with external advice on potential future appeals and comparisons with other councils.

38. Future year forecasts reflect actual levels of empty property and other reliefs, numbers of properties in rating and the ongoing impact of our review of appeals set out above. We have also adjusted forecasts of Business Rates and Section 31 Grant income to reflect the Consumer Price Index. The final budget and MTF5 includes adjustments between retained business rates, business rates grant and tariff to reflect the precise impact of revaluation and inflationary uplifts (the combined value of these three lines in paragraph 50).
39. In line with legislation (Section 43 of the Local Government Act 1988) all registered charities receive 80% mandatory business rates relief which reduces the Council's collectible income. It is currently the Council's policy to apply further discretionary relief of 20% at an additional cost of £0.6m per annum. It is proposed, with effect from 1<sup>st</sup> April 2025, to limit discretionary relief to charities whose registered office is in and/or only provide services to people who live in the Dudley Borough and to delegate authority to the Director of Finance and Legal in consultation with the Cabinet Member for Finance and Legal to amend the policy to give effect to this change. This is estimated to increase collectible income by £0.2m per annum.

### Combined Authority

40. The West Midlands Combined Authority (CA) receives three elements of funding via the constituent authorities as follows:
- The Transport Levy to fund its transport functions, allocated by statute on a population basis.
  - A contribution to reflect assumed real terms growth in the central share of business rates from 2016/17 onwards to fund its regeneration activities, under the terms of the Devolution Deal.
  - A further contribution to fund its non-transport functions currently allocated by agreement partly on a population basis and partly by equal shares.
41. Forecasts in this report assume that the Transport Levy will be uplifted by 3% year on year.

### Base Budget Forecasts

42. The Base Budget reflects the impact on spending of forecast inflation and other anticipated changes, before directorate additional spending or savings proposals are taken into account. Details are as follows:

	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
2023/24 base	311.5	311.5	311.5
Pay (note 1)	9.3	12.4	15.5
General price inflation (note 2)	-	1.8	3.6
Utilities inflation (note 3)	1.4	2.2	2.8
Income uplift (note 4)	(1.2)	(2.3)	(3.5)
Combined Authority (see paras 24-25)	0.5	1.1	1.6
Treasury (note 5)	0.4	2.0	1.1
NNDR revaluation (note 6)	(3.0)	(3.0)	(3.0)
Other adjustments (note 7)	(0.2)	(0.3)	0.0
<b>Base Budget Forecast</b>	<b>318.7</b>	<b>325.4</b>	<b>329.6</b>

Notes:

(1) This allows for an average pay increase of 6.2% in the current year, 4% increase for 2024/25 and a further 2% increase for 2025/26. Note that Central Government does not control Local Government pay directly.

(2) No general provision has been made for 2024/25, with any specific inflationary issues being reflected in additional spending in paragraph 26 below. From 2025/26 a 2% per annum increase has been applied to general non pay lines (excluding utilities and social care costs).

(3) This allows for

- An increase of 14% for electricity and 32% increase for gas for 2024/25.
- An increase of 10% for electricity and 20% increase for gas for 2025/26.
- An increase of 5% for electricity and 10% increase for gas for 2026/27.
- An increase of 6.7% for business rates for 2024/25 based on September 2023, with 2% annual increases thereafter.

(4) Assumes a general increase of 2% per year on fees and charges, with exceptions being reflected in savings in paragraph 29 below.

(5) Impact of Capital Programme, treasury management and investment income forecasts.

(6) Changes to Business rate tariff, due to revaluation.

(7) Fall-out of previous one-off items, adjustments to Medium Term Financial Strategy following July cabinet, removal of severance costs



provision, contingency for unexpected pressures and costs of change and other adjustments.

### Additional Spending

43. The following table outlines proposed additional directorate spending arising from a combination of demographic, inflationary and other unavoidable service pressures as well as improvements to services to residents and growth in organisational capacity. Further detail is provided in Appendix G.

	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Chief Executive	0.1	0.1	0.1
Adult Social Care	17.7	25.2	33.2
Children's Services	7.8	10.5	12.5
Finance and Legal Services	0.1	0.2	0.5
Digital, Commercial and Customer Services	1.4	1.3	1.6
Environment	1.5	1.7	1.8
Housing and Community	0.0	0.0	0.0
Regeneration and Enterprise	1.2	1.2	1.0
<b>Total</b>	<b>29.8</b>	<b>40.2</b>	<b>50.7</b>

## Savings

44. In total the following saving (including proposed increases to service income) proposals have been identified. Details are set out in Appendix H.

	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Chief Executives	0.4	0.5	0.5
Adult Social Care	6.7	7.9	7.9
Children's Services	1.8	2.2	2.2
Finance and Legal Services	0.0	0.1	0.1
Health and Wellbeing	0.4	0.4	0.4
Digital, Commercial and Customer Services	0.5	0.9	0.9
Environment	4.2	3.1	3.0
Housing and Community	0.4	0	0
Regeneration and Enterprise	1.2	1.6	2.4
<b>Total</b>	<b>15.6</b>	<b>16.7</b>	<b>17.4</b>

45. The impact of changes compared to the January report position are shown in Appendix B and relate to:
- One off vacancies held as a result of Spending Controls
  - One off use of grants to fund General Fund Expenditure

## Public Health

46. The 2023 Autumn Statement announced indicative Public Health allocations for 2024/25 which for Dudley is £23m representing an increase of 1.32%. Final allocations were announced on 5<sup>th</sup> February 2024 and Dudley's allocation is £23.3m representing an increase of 2.28%.
47. In 2023/24 there is a forecast surplus £0.3m on the Public Health Grant due largely to a contingency when negotiating new contracts with health partners. This surplus will be added to the ringfenced Public Health Reserve. Programmes of work are planned, in line with council priorities, to ensure that the best use is made of these reserves.

48. The overall forecast position for the Public Health Grant funded budget can be summarised as follows:

	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Base budget forecast	23.3	23.6	23.9
One-off spending plans	0.6	0.1	0.1
GF switch family safeguarding	0.8	0.2	0.0
<b>Total spend</b>	<b>24.7</b>	<b>23.9</b>	<b>24.0</b>
Forecast grant	23.3	23.6	23.9
<b>Deficit</b>	<b>(1.4)</b>	<b>(0.3)</b>	<b>(0.1)</b>
Reserve brought forward	1.8	0.4	0.1
Reserve carried forward	0.4	0.1	0.0

49. The proposed Public Health grant funded budget for 2024/25 is shown in Appendix I.

## Medium Term Financial Strategy

50. The principles underlying the MTFs are set out in Appendix J. They apply to all aspects of Council activity, including the Housing Revenue account (HRA). The MTFs reflecting the revised spending proposals set out above, and forecasts of likely resource availability can be summarised as follows.

	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Base Budget Forecast</b> – see para 42	318.7	325.4	329.7
<b>Additional spending</b> – see para 43	29.8	40.2	50.7
<b>Savings</b> – see para 44	(15.6)	(16.7)	(17.4)
<b>Total Service Spend</b>	<b>332.9</b>	<b>348.9</b>	<b>362.9</b>
Council Tax	155.6	164.7	174.0
Collection Fund Surplus/(Deficit) – Council Tax	1.0	-	-
Retained Business Rates	88.4	88.9	90.7
Business Rate Grant	37.0	37.6	38.3
Collection Fund Surplus/(Deficit) – Business Rates	(6.7)	-	-
S31 Grant Reserve	5.7	-	-
Tariff & Cap	(6.3)	(6.5)	(6.6)
Tariff – One Off Adjustment	(1.1)	-	-
New Homes Bonus	0.1	0.1	0.1
Improved Better Care Fund (IBCF)	16.6	16.8	17.0
Social Care Grant	36.1	36.5	36.9
Services Grant	0.5	0.5	0.5
<b>Total Resources</b>	<b>326.9</b>	<b>338.6</b>	<b>350.9</b>
<b>Deficit funded from Unallocated General Fund Reserve</b>	<b>6.0</b>	<b>10.3</b>	<b>12.0</b>
Unallocated General Fund Reserve (surplus) b/f	(7.7)	(1.7)	n/a
<b>Unallocated General Fund Reserve c/f</b>	<b>(1.7)</b>	<b>n/a</b>	<b>n/a</b>

51. The table above assumes that Council Tax increases by 4.99% in 2024/25. Based on proposed referendum limits, this would not require a referendum in accordance with Chapter 4ZA of Part 1 of the Local

Government Finance Act 1992. It is also assumed that Council Tax will continue to increase by 4.99% per year from 2025/26 onwards.

52. Based on the forecasts, additional spending and savings proposals set out above, we are forecasting significant deficits in all years. From 2025/26 onwards, the outlook is unsustainable unless we identify additional income and/or savings going significantly beyond the proposals already built into this report (see paragraph 44 and Appendix H). The Council now has the urgent task of reviewing its Total Operating Model including:
- Review of leisure centres including the option to outsource.
  - Review of the ongoing viability of halls and associated catering facilities, including options to operate on a concession basis.
  - Review of the scope of the library service.
  - A strategic review of parking, including on-street and off-street charging options.
  - A review of waste and recycling, taking account of recent government guidelines on food waste.
  - A review of all other service areas considering options to cease, reduce, outsource, merge or otherwise transform services so as to be as cost-effective as possible.
  - A consequent review of the overall structure of the Council.
53. No assumptions can be made about the financial impact of the reviews set out above. Given the urgency of the situation, we have applied to the Department for Levelling Up, Housing and Communities (DLUHC) for Exceptional Financial Support (EFS). We have requested a capitalisation direction (in effect permission to borrow for revenue expenditure) of up to £10million to address the forecast deficit in 2024/25 as well as the costs of change to implement savings for later years. We await the outcome of our application, but any approved support is likely to be conditional on the Council taking such steps as DLUHC consider are reasonable to manage the financial position.
54. The advice of the Director of Finance and Legal is that, while DLUHC are likely to expect the Council to take measures along the lines set out in paragraph 52, those measures may be insufficient on their own to make the Council financially sustainable. Members should also note that a capitalisation direction would only provide a short-term solution. Our current rate of Council Tax is around 10% lower than that of the average Metropolitan council and this reduces our annual

spending power by around £15.7million. It is likely that this differential will remain broadly the same unless, in a future year, we are permitted to increase Council Tax by more than the Council Tax Referendum limit set for councils in general. Alongside our EFS application, officers have asked DLUHC to consider setting us a higher Council Tax Referendum limit for April 2025. If this were granted, any decision to use this freedom to increase Council Tax would still have to be made by elected members. It should also be noted that the impact on low-income households could be mitigated by amending the Council Tax Reduction scheme while still generating a net increase in income.

Detailed 2024/25 Budget Proposals

55. It is now proposed to recommend to Council the following revenue budget allocations to services.

**Revenue Budget Allocations 2024/25**

<b>Directorate</b>	<b>£m</b>
Adult Social Care	129.304
Children’s Services	97.357
Health and Wellbeing	3.477
Chief Executive	0.252
Corporate and Treasury	15.725
Finance and Legal	6.544
Digital, Commercial and Customer Services	5.674
Environment	55.695
Housing and Community	3.007
Regeneration and Enterprise	15.907
<b>Total Service Budget</b>	<b>332.942</b>

56. Details of each Directorate’s budget analysed by main service area are shown at Appendix L.
57. The amount required from Council Tax Payers to fund the Total Service Budget together with the Band D Council Tax calculation is shown in the following table.

## Funding the Revenue Budget 2024/25

Source of Funding	2023/24 £m	2024/25 £m
Dudley MBC Service Budget	311.490	332.942
Less: Retained Business Rates	(82.343)	(88.410)
Tariff	0.798	1.432
Business Rate Grant (inc. reserve)	(28.709)	(36.728)
New Homes Bonus (NHB)	(0.052)	(0.071)
Improved Better Care Fund (iBCF)	(16.628)	(16.628)
Social Care Grant	(27.627)	(36.127)
Services Grant	(2.700)	(0.481)
Collection Fund Surplus(-)/Deficit – Council Tax	(1.046)	(1.004)
Collection Fund Surplus(-)/ Deficit – Business Rates	(1.708)	6.662
Contr. to/from(-) General Fund Reserve	(4.305)	(6.006)
<b>Dudley's Council Tax Requirement (including Social Care Precept)<sup>2</sup></b>	<b>147.170</b>	<b>155.581</b>
Tax Base	93,834.60	94,480.09
<b>COUNCIL TAX (Band D) FOR DUDLEY</b>	<b>1,568.40</b>	<b>1,646.71</b>

58. The proposed Dudley MBC Council Tax for a Band D property for 2024/25 of £1,646.71 represents an increase of 4.99% compared with 2023/24. A referendum will not be required in respect of the Council's own element of overall Council Tax.
59. It is proposed that the Council approves the statutory calculations required by virtue of Sections 31A, 31B and 34 to 36 of the Local Government Finance Act 1992 as set out in Appendix M.
60. The total levels of Council Tax, which will be considered by the Council at its meeting on 4<sup>th</sup> March 2024, will include the precepts for Police, and Fire and Rescue and these may change the overall percentage increase payable by residents. It will, therefore, be necessary to incorporate the figures for the precepts in the Budget Report to Council.

<sup>2</sup> For 2024/25 includes £22.550m in respect of the Social Care Precept

## **Finance**

61. The Council's finances have significantly deteriorated in the last year. We are now at a point where any further deterioration runs the risk of triggering a formal report under Section 114 of the Local Government Finance Act 1988. In view of this risk, we have applied to DLUHC for Exceptional Financial Support.

## **Law**

62. The Council's budget setting process is governed by the Local Government Finance Acts, 1988, 1992, and 2012, and the Local Government Act 2003.
63. Section 67 of the Local Government Finance Act 1992 requires the Council to make calculations concerning its spending and Council Tax for the area. These calculations enable the Council's statutory obligations to be fulfilled.
64. The Local Government Act 2003 requires the Chief Financial Officer to report on the robustness of estimates made for the purpose of final budget calculations, and the adequacy of the proposed financial reserves and this will be included in the final budget report.
65. Pursuant to Section 114(3) of the Local Government Finance Act 1988 the chief finance officer shall make a report if it appears to him that the expenditure of the authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure. Following the issuing of the report all new agreements that incur expenditure are stopped for a period of up to 21 days in which time the full council must meet and respond to the report.
66. Pursuant to Schedule 7 of the Local Audit and Accountability Act 2014 the External Auditor can consider issuing a report concerning any matter that comes to the auditor's attention during the course of the audit, which they judge should be considered by the External Auditor and brought to the public attention.
67. The Localism Act 2011 introduced a new chapter into the Local Government Finance Act 1992 making provision for Council Tax referendums to be held if an authority increases its Council Tax by an



amount exceeding principles determined by the Secretary of State and agreed by the House of Commons.

68. It is important for Members to note that Sections 30(6) and 31A(11) of the Local Government Finance Act 1992, impose a statutory duty upon the Council to calculate its council tax requirement and to set its council tax for 2024/25 before the 11<sup>th</sup> March 2024.
69. The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 are designed to enable a local authority to compensate employees whose employment terminates on grounds of redundancy or in the interests of the efficient exercise of the authority's functions. Any local arrangements in place must also be compliant with the Employment Rights Act 1996 and the Equality Act 2010.

### **Risk Management**

70. The forecast in this report are based on a number of estimates, assumptions and professional judgements, which are subject to continuous review:
  - i. that pay inflation does not vary materially from current forecasts;
  - ii. that the 2024/25 finance settlement and any specific grant income is in line with forecasts (noting in particular that there is uncertainty around the assumed allocation of additional Autumn Statement funding to Dudley);
  - iii. that the underlying impact of any local government funding reforms (if they occur during the life of this MTFS) is neutral;
  - iv. that underlying net income from Business Rates rises in line with forecast CPI, and that income and expenditure in respect of the EZ is in line with current forecasts;
  - v. that the impact of appeals against Business Rates is contained within the provisions assumed in this report;
  - vi. that the cost of Council Tax Reduction awarded will not substantially exceed forecasts, and the underlying tax base will continue to grow as anticipated;

- vii. that cash limited non-pay budgets will be managed so as to absorb any price inflation not specifically provided for in 2024/25 and any inflationary pressures in 2025/26 and 2026/27 will be no more than the amount provided for;
  - viii. that income and expenditure relating to treasury management activity are in line with forecasts;
  - ix. that government policy on maximum underlying Council Tax increases without the need for a referendum will be in line with the levels announced at the Autumn Statement;
  - x. that the Adult Social Care market is able to absorb National Living Wage pressures within the proposed provision;
  - xi. that employer contributions to the Local Government Pension Scheme (LGPS) from 2026/27 onwards are in line with contributions in the current triennial review period;
  - xii. that any impact of social care reforms at the end of the MTFs period can be met within the available funding;
  - xiii. that there will be no material losses to the Council as a result of loans, guarantees and/or grant clawback;
  - xiv. that spending pressures in relation to Special Education Needs and Disability can be contained within the Dedicated Schools Grant;
  - xv. that there will be no call on the Council to underwrite the commitments of the West Midlands Combined Authority beyond the contributions outlined in this report;
  - xvi. that the savings proposals set out in Appendix H will be delivered as planned;
  - xvii. that there will be no other unplanned expenditure (including any resulting from demographic, legislative or case law pressures) or shortfalls in income, which cannot be met from reserves.
71. The assumptions set out above are subject to uncertainty. In the event that outcomes are more negative than the assumptions in this report then, given the already adverse outlook, there is an increasing

likelihood that this would trigger a report under Section 114 of the Local Government Finance Act 1988.

72. The Corporate Risk Register recognises the risk that the Council may be unable to set and/or manage its budget so as to meet its statutory obligations within the resources available. This risk has been allocated the maximum rating of 25 (Extreme).

### **Equality Impact**

73. Section 149 of the Equality Act 2010 - the general public sector equality duty - requires public authorities, including the Council, to have due regard to the need to:
- eliminate discrimination, harassment and victimisation and other conduct that is prohibited by the Act;
  - advance equality of opportunity between people who share a protected characteristic and those who don't;
  - foster good relations between people who share a protected characteristic and those who don't.
74. Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
- remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic
  - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it
  - encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
75. The legislation states that "the steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities." In practice, this means that reasonable adjustments should be made for disabled people so that they can access a service or fulfil employment duties, or perhaps a choice of an

additional service for disabled people is offered as an alternative to a mainstream service.

76. Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
  - tackle prejudice, and
  - promote understanding.
77. Compliance with the duties in this section may involve treating some persons more favourably than others; but that is not to be taken as permitting conduct that would otherwise be prohibited by or under this Act.
78. The duty covers the protected characteristics of age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
79. In line with the Public Sector Equality Duty, Directors have been asked to identify which savings proposals for 2024/25 may have a significant impact on people who share a protected characteristic and to complete equality impact assessments on these proposals in order to establish the extent of the impact. These are published on the council's website at: <https://www.dudley.gov.uk/council-community/equality/plans-policies-and-reports/equality-impact-assessments/>
80. In making decisions on budget proposals, Members need to have due regard to the Public Sector Equality Duty alongside the forecast financial position, risks and uncertainties set out in this report. Actions to mitigate the impact of savings have where necessary been taken into account in equality impact assessments.
81. With regard to Children and Young People, a substantial element of the proposed budget for the Children's Services Directorate will be spent on maintaining and improving services for children and young people. The expenditure of other Directorates' budgets will also have a significant impact on this group.

## **Human Resources / Organisational Development**

82. The spending controls include controls over recruitment. Where savings impact on existing staff, those will be managed in line with the Council's Managing Employees at Risk of Redundancy policy.

## **Commercial / Procurement**

83. The spending controls include controls over the letting of contracts.

## **Environment / Climate Change**

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

## **Council Priorities and Projects**

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



.....  
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Deputy Chief Executive



.....  
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## **List of Background Papers**

**Report of the Director of Finance and Legal as required by  
Section 25 of the Local Government Act 2003**

1. Section 25 of the Local Government Act 2003 requires the designated Chief Finance Officer of the Authority (the Director of Finance and Legal Services) to report to it on the following matters and the Authority must then have regard to that report when making decisions about the statutory budget calculations:
  1. the robustness of the estimates for the purposes of the statutory budget calculation;
  2. the adequacy of the proposed financial reserves;
  
2. The estimates which comprise the budget proposed in this report have been completed by my staff and staff in Directorates, on the basis of known commitments, an allowance for pay awards and spending pressures and an appropriate assessment of the potential risks and uncertainties. We have also had regard to the availability of external funding, particularly specific Government grants and partnership funding and income levels from fees and charges. The proposals for additional spending are based on specific initiatives or projects or provide a cash-limited allocation for a particular activity. The proposals for efficiency and other savings result from a detailed review of existing spending and represent a realistic estimate of what can be saved if the action proposed is implemented.
  
3. The table below shows the forecast level of unringfenced General Fund revenue reserves consistent with the budget being proposed.

	<b>Actual 31.3.23 £'000</b>	<b>Forecast 31.3.24 £'000</b>	<b>Forecast 31.3.25 £'000</b>
<b>Unallocated General Fund Reserve</b>	<b>21,752</b>	<b>7,652</b>	<b>1,652</b>
Insurance	5,857	5,865	5,865
Other Grants	3,241	3,081	0
Dudley Grid for Learning	601	429	279
Business rates grants	5,696	5,696	0
Schools Trading	1,931	1,931	1,931

	<b>Actual 31.3.23 £'000</b>	<b>Forecast 31.3.24 £'000</b>	<b>Forecast 31.3.25 £'000</b>
Paragon equalisation	2,437	2,012	1,307
Pensions over-recovery	1,515	0	0
Redundancies contingency	0	800	800
Deputy Chief Executives Transformation	500	0	0
EfW Contract Mobilisation	280	0	0
Community Forums	277	277	227
Adults - Safeguarding Board	46	46	0
Successor - Adults	500	90	10
DLUHC Grant for ASC	19	0	0
Dept Health Workforce Grant for ASC	153	0	0
CQC Reserve	200	0	0
CSC Building repairs	50	0	0
Children's Safeguarding Board	76	76	0
OFSTED Improvement	230	0	0
Coseley Site Management	70	0	0
Revenue & Bens backlog	60	0	0
Revenue & Bens fees reimbursement	255	0	0
Law & Governance	20	0	0
HR&OD	80	0	0
Procurement of HR System	0	150	0
CIL - Neighbourhood Element	269	289	259
BC Core Planning	49	0	0
Housing Enforcement	3	0	0
Stalled & Derelict site development	99	0	0
Infrastructure Interventions	50	0	0
Major projects special support	24	0	0
Portersfield	447	0	0
Security Costs	100	0	0
Eton College Proposal	250	0	0
Transit Sites	200	200	200
Dudley Market	25	0	0
Leisure Concession	50	80	0
Sustainable Plan	0	140	0
ICT Restructure & Cyber Resilience	110	100	0

	<b>Actual 31.3.23 £'000</b>	<b>Forecast 31.3.24 £'000</b>	<b>Forecast 31.3.25 £'000</b>
Procurement	180	50	0
Digital Platform Implementation	490	250	0
Digital Staff Upskilling	230	90	0
Digital GMIS	40	40	0
CCTV Consultant Review	50	0	0
MyDudley Comms	0	20	0
Ash Die Back	280	0	0
Road Signage Inventory and Works	250	0	0
Ryemarket Roof Repairs	50	0	0
EfW Consultancy	0	150	0
<b>Total Earmarked Reserves</b>	<b>27,340</b>	<b>21,862</b>	<b>10,878</b>
<b>Total Unringfenced Reserves</b>	<b>49,092</b>	<b>29,514</b>	<b>12,530</b>

4. The Insurance reserve will continue to be maintained at a level consistent with the insurable risks borne by the Council and the level of outstanding claims at any time and will fluctuate accordingly.
5. The Other Grants reserves includes unspent balances mainly from grants in relation to Homelessness, Domestic Abuse, Troubled Families, Family Hubs, DBV Programme along with the equalisation account for the Impact project.
6. The Business Rate Grant reserve carries forward consistently additional income received in lieu of business rates. This will offset the impact on the Collection Fund of the lost income, which was charged to the General Fund in 2024/25.
7. The Schools Trading reserves are balances held by schools to support their community and pupil focused activities.
8. In addition to the above, the Council also holds ringfenced revenue reserves which can be used only for specific purposes:



- a. HRA reserves which can be used only for Public Sector Housing;
  - b. Reserves arising from unspent Dedicated Schools Grant (DSG);
  - c. Public Health reserves arising from unspent ringfenced Public Health Grant.
9. At 31<sup>st</sup> March 2022 our unringfenced revenue reserves as a proportion of net revenue spend were 19%. The average<sup>3</sup> for all Metropolitan Councils at the same date was 55%. Calculated on the same basis, our position at 31<sup>st</sup> March 2023 was still 19%. Our forecast unringfenced reserves at 31<sup>st</sup> March 2024 are around 8% of net revenue spend. Based on the forecasts in this report they will fall to around 4% by 31<sup>st</sup> March 2025. From that point forward the outlook is unsustainable.
10. In my professional opinion:
- (a) The estimates made for the calculation of the Council's budget requirement under Section 32 of the Local Government Finance Act 1992, contained in this report, are robust.
  - (b) The Council is able to set a lawful budget for 2024/25.
  - (c) Reserves are low by comparison with other councils. The rate of Council Tax (and as a result the level of spending) is also low compared to other councils. Forecasts already build in the maximum increase in Council Tax without a referendum for 2024/25. There are significant risks to the forecast and Members should note that, if these risks materialise and if mitigating actions are not taken, then I may need to issue a notice under Section 114 of the Local Government Finance Act 1988.



Iain Newman  
Director of Finance and Legal

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<sup>3</sup> The percentage quoted is based on the Median average of all Metropolitan Councils

**Changes compared with January report**

	<b>2024/25 £m</b>	<b>2025/26 £m</b>	<b>2026/27 £m</b>
<b>Previous forecast (surplus) / deficit</b>	<b>10.1</b>	<b>11.5</b>	<b>13.4</b>
<b>Changes to Spending Proposals:</b>			
One off savings resulting from Spending Controls	(3.1)	0.0	0.0
Treasury Forecasts based on revised Capital programme	(1.0)	(0.8)	(1.0)
Contingency	3.3	3.3	3.3
<b>Total Changes to Spending Proposals</b>	<b>(0.8)</b>	<b>2.5</b>	<b>2.3</b>
<b>Changes to government funding:</b>			
Additional Social Care and Services Grant	(3.3)	(3.3)	(3.3)
<b>Total Changes to Government Funding</b>	<b>(3.3)</b>	<b>(3.3)</b>	<b>(3.3)</b>
<b>Changes to local resources:</b>			
Impact of Empty Homes Premium Relief policy update paragraph 34 and 35	0.0	(0.2)	(0.2)
Impact of Discretionary Rates policy update paragraph 40	0.0	(0.2)	(0.2)
<b>Total Changes to Resources</b>	<b>0.0</b>	<b>(0.4)</b>	<b>(0.4)</b>
<b>Latest forecast deficit</b>	<b>6.0</b>	<b>10.3</b>	<b>12.0</b>

**General Fund Revenue Forecast Outturn 2023/24**

	<b>Latest Service Budget £'000</b>	<b>Forecast £'000</b>	<b>Variance £'000</b>	<b>Comment</b>
<b>Chief Executive</b>	<b>6,769</b>	<b>6,663</b>	<b>(106)</b>	
People and Inclusion	3,134	2,827	(307)	Staff savings (£180k), Staff car park permits (£55k), Software development and HR Assistance project (£54k) and other net savings (£18k)
Communications and Public Affairs	1,000	1,146	146	Shortfall on Musicom £70k and Street vendors and town centre income generation £20k, Staffing costs £21k. Reduced income and property costs £35k.
Chief Executives Office	2,635	2,690	55	Salary costs £162k and non pay pressures £50k offset by reduction in spend on strategic contingency £150k
<b>Adult Social Care</b>	<b>110,723</b>	<b>117,624</b>	<b>6,901</b>	
Dudley Disability Service	53,540	58,638	5,098	Bedbased pressure £1841k arising from 7 long term placements £640k and £1201k of short term placements, Community Services pressure of £3622k arising from 177 extra clients and +£38 pw increase in costs, backdated Business Rates

	<b>Latest Service Budget £'000</b>	<b>Forecast £'000</b>	<b>Variance £'000</b>	<b>Comment</b>
				at Ladies walk £219k. Offset by net staff savings (£592k).
Assessment and Independence	42,834	43,868	1,034	Additional 332 clients £2172k, salary pressures £51k, £166k other pressures. Offset by; additional grants & joint funding (£1355k).
Access & Prevention, adults commissioning, Performance & complaints	9,906	9,662	(244)	Net staffing savings within division (£254k), Public Health switch for carers contract (£100k). Offset by Telecare £170k, (of which income shortfall council tenant £80k and private income £50k and additional staffing costs £40k).
Adult Safeguarding & Principal Social Worker	1,828	1,632	(196)	Net salary savings (£196k)
Integrated Commissioning	4,285	4,275	(10)	Net salary savings (£10k)
Other ASC	(8,194)	(8,394)	(200)	Net Salary savings (£50k); Release of reserves (£150k – CQC and Workforce). £100k CQC reserve contribution to DCX Sustainable Plan.
Adult Mental Health	6,524	7,943	1,419	Supported living £819k, Residential care £497k, other care costs £240k, Woodside centre pressure £170k, offset by net salary savings (£307k)

	<b>Latest Service Budget £'000</b>	<b>Forecast £'000</b>	<b>Variance £'000</b>	<b>Comment</b>
<b>Children's Services</b>	<b>81,975</b>	<b>86,853</b>	<b>4,878</b>	
Adolescent Safeguarding	4,465	4,339	(126)	Net salary savings (£126k)
Family Safeguarding	5,955	5,799	(156)	Net salary savings (£156k)
Through Care	41,622	46,652	5,030	External Residential Placements £5,127k, Fostering int/ext £36k, Legal fees £156k, Transport £77k, offset by other net savings (£366k).
Front Door and Partnerships	2,630	2,596	(34)	Net staff savings (£34k)
Safeguarding Practice & QA	3,345	3,359	14	Reduction in school contributions £14k
Other Children's Services	2,534	2,595	61	Agency and temporary staff £161k, offset by use of reserve (£100k)
Family Solutions	8,047	6,715	(1,332)	Use of grants to fund staffing activity (£618k), use of reserve (£385k), Public Health grant reserve support (£270k), other net savings mainly vacancies (£59k)
Lead for Education Outcomes	8,927	10,110	1,183	Home to School Transport £1000k, School Improvement Officers £80k, other net pressures £103k

	<b>Latest Service Budget £'000</b>	<b>Forecast £'000</b>	<b>Variance £'000</b>	<b>Comment</b>
Children's Disability Service and SEN Team	4,450	4,688	238	Direct payments £45k, other net pressures £193k
<b>Health and Wellbeing</b>	<b>2,641</b>	<b>2,612</b>	<b>(29)</b>	
Communities and Healthy Places	403	403	0	
Environmental Health and Trading Standards	3,196	3,167	(29)	Legal fees 53k, other net pressures £48k, offset by use of public health grant in trading standards (£130k).
H&W other	-958	-958	0	
<b>Finance and Legal Services</b>	<b>14,243</b>	<b>14,825</b>	<b>582</b>	
Law and Governance	5,015	5,662	647	Elections £220k, members allowances £83k, net cost of locums within legal £300k, other net pressures £44k
Financial Services	6,733	6,778	45	Legal fees £45k
Revenues and Benefits	1,868	1,772	(96)	Discretionary council tax discount £81k and other net pressures £78k, offset by release of reserves (£255k)
Audit and Risk Management	427	394	(33)	Net staff savings (£33k)

	<b>Latest Service Budget £'000</b>	<b>Forecast £'000</b>	<b>Variance £'000</b>	<b>Comment</b>
Data Protection and Information Governance	200	219	19	Mainly Software licence £19k
<b>Digital, Commercial and Customer Services</b>	<b>16,481</b>	<b>16,131</b>	<b>(350)</b>	
Commercial	210	183	(27)	Leisure Service Concession project £30k, pay award pressure £10k and other staffing pressure £7k, offset with (£59k) staffing contribution from DGFL other savings of (£15k).
Procurement	617	545	(72)	Saving on Staffing (£132k), pressure on replacement of Intend (Atamis) £57k, other pressures £3k
Libraries	4,257	4,273	16	Legal fees £16k.
Digital Customer Services	4,034	3,633	(401)	Staffing saving of (£480k) comprising of; pay award pressure £164k, agency pressure £63k, £23k overtime pressure vacancy savings (£730k), additional income on Programme Office Team for Burden Funding (£7k), utilities pressure of £31k, MyDudley Comms reserve request £30k and other adverse expenditure variances £25k
Technology Systems and Services	7,148	7,433	285	Staffing saving of (£143k) comprising of; pay award £76k and vacancy savings of (£219k), adverse income variance mainly in Print Services

	<b>Latest Service Budget £'000</b>	<b>Forecast £'000</b>	<b>Variance £'000</b>	<b>Comment</b>
				£288k, additional costs of 3rd party contracts £106k and additional premises costs mainly linked to Wallows £34k.
DCCS other	215	64	(151)	Salary savings of (£116k) and saving on postage (£100k) offset by consultancy £25k and reserve request for Improvement Programme £40k.
<b>Environment</b>	<b>48,799</b>	<b>49,927</b>	<b>1,128</b>	
Waste & Transport Operations	11,154	12,125	971	Staffing £374k (of which pay award £251k, agency / sickness cover £1,650k, offset by vacancies (£1,568k) plus other staffing pressures of £41k). Favourable Income (£78k); (of which Dry recycling plastics (£85k), vehicle sales (£14k) Shortfall on Waste Business Income (£21k)). Contracted out work £350k, increased costs of capital £150k, spot hire £172k, vehicles repairs £23k, bags and boxes £40k, barrier works £30k other net pressures of £60k, fuel savings (£150k).
Energy, Sustainability and Climate Change	6,904	8,128	1,224	Energy from Waste contract £1,255k (of which PPA income shortfall £653k, Commercial waste income £233k, EfW R&M cost £1,420k, Increased fire suppression cost £91k, release of disputed dilapidation provision (£243k), avoided landfill & street Sweeps costs (£370k), pressure on NNDR



	<b>Latest Service Budget £'000</b>	<b>Forecast £'000</b>	<b>Variance £'000</b>	<b>Comment</b>
				£64k, reduced payments to contractor due to lower income (£242k), reduced insurance premiums (£221k), release PPA reserve (£280k) and creation of £150k Reserve Request for EfW Strategy Consultancy). Household Waste Recycling Centre contract uplift inflation £150k, Pop up £80k, offset by staff saving (£221k) and other minor variances (£40k).
Neighbourhood Services	11,884	10,630	(1,255)	Net staffing savings (£2,315k), savings on vehicles including fuel (£90k), shortfall in pay and display income £158k, Street fines £692k and street scene income £258k. Other pressures including utilities £42k.
Transport & Highways Services	18,857	19,045	188	Net staff savings (£686k), offset by utilities £247k due to price inflation and £175k due to usage during roll out of infrastructure improvements, materials £160k, income pressure £360k offset with other savings on vehicles of (£68k).
<b>Housing and Communities</b>	<b>2,507</b>	<b>1,775</b>	<b>(732)</b>	
Maintenance	(80)	60	140	Under recovery of staff time £69k and high incidence of sickness resulting in under recovery 71k

	<b>Latest Service Budget £'000</b>	<b>Forecast £'000</b>	<b>Variance £'000</b>	<b>Comment</b>
Community Safety	1,386	746	(640)	Maximising use of grants (£618k) and vacancies (£22k).
Housing Strategy	704	605	(99)	Staffing savings net of pay award (£141k), Other net pressures including Tenants Perception Survey (Private Sector) £42k.
Housing Options	290	290	0	
Housing Assets & Development	207	74	(133)	Net staffing savings (£19k). Movement due to increased capitalisation (£114k).
<b>Regeneration and Enterprise</b>	<b>14,418</b>	<b>16,042</b>	<b>1,624</b>	
Culture, Leisure & Bereavement Services	236	1,763	1,527	Bereavement £518k (of which utilities £124k, shortfall of income £370k, other £24k). Halls, Himley, Market & Museums +£319k (of which net staffing costs £50k, Utilities £57k, shortfall of income £193k, other £19k). Leisure Centres £600k (of which £374k net staff costs, utilities £410k, other supplies & services +£163k, increased income (£347k)). Executive Support +£90k (of which net cost of interims +£130k, less other s&s savings (£40k)).
Planning	1,920	2,094	174	Net staff savings (£335k), release of Dudley Local Plan reserve (£49k) offset by income shortfall £444k, consultants and other pressures £114k

	<b>Latest Service Budget £'000</b>	<b>Forecast £'000</b>	<b>Variance £'000</b>	<b>Comment</b>
Economic Growth & Skills	2,346	984	(1,362)	One-off windfall re Black Country Legacy funds (£555k), maximising Adult and Community Learning external funding (£199k), Other favourable variance being mainly Enterprise Zone budget (£208k), Impact Project surplus (£250k) and maximising the use of UKSPF/CWG Legacy funds (£150k)
Corporate Landlord Services	7,499	9,041	1,542	Catering Commercial £606k (of which Staffing £129k, external income £766k, provisions (£269k), other (£20k)). Catering & Cleaning Other £262k (of which Staffing (650k), internal income £602k, external income £565k, catering provisions (£275k) other +£20k). Property £674k (of which Staffing (£175k), utilities £271k, Admin buildings including churn costs £244k, Construction and Design fees shortfall £169k, other internal income £69k, external income £104k, voids and NNDR £42k, Facility management £30k, CCTV (£80k)).
Projects and Placemaking	901	901	0	Income shortfall £50k offset by general savings (£50k)
Regeneration Projects	1,516	1,259	(257)	Release of unspent reserves Eton Project (£207k) and Stalled & Derelict sites (£50k)

	<b>Latest Service Budget £'000</b>	<b>Forecast £'000</b>	<b>Variance £'000</b>	<b>Comment</b>
<b>Corporate &amp; Treasury</b>	<b>13,821</b>	<b>8,896</b>	<b>(4,925)</b>	
Treasury	19,860	17,982	(1,878)	Lower borrowing costs and MRP compared to MTFs due to slippage and lower interest rates (£1,490k) offset by higher HRA balances on usable reserves and high interest rates £0.829m. Higher interest rates on interest paid on trust balances £56k. Higher interest rates and payments compared to budget (£1,365k) Reduction in income from fleet re internal borrowing and increased interest paid to Paragon for internal balances £92k.
Levies	15,020	14,369	(651)	Reduced share of Transport Levy (£51k), Surplus due to latest profile re EZ modelling of the black Country (£600k)
Corporate	(21,059)	(23,455)	(2,396)	BR revaluation contingency released (£3,013k), Pensions GF Over Recovery (£942k), other pension savings (£77k) general contingency released (£334k), other (£30k), £2,000k allowance for impairment of loans.
<b>Total Service Costs</b>	<b>312,377</b>	<b>321,348</b>	<b>8,971</b>	
Total Funding	(307,271)	(307,192)	79	Less S31 grant than budgeted for £79k

	<b>Latest Service Budget £'000</b>	<b>Forecast £'000</b>	<b>Variance £'000</b>	<b>Comment</b>
<b>Use of Unallocated General Fund Reserve</b>	<b>5,106</b>	<b>14,156</b>	<b>9,050</b>	

### Delivery of Savings in current MTFS

The extent of progress is reflected within the Forecast General Fund Outturn (Appendix A) and any ongoing deficits are built into the Additional Spending Pressures for the future Medium Term Financial Strategy (Appendix C).

2022/23 Savings		2022/23 Target £'000	Value Delivered to date £'000	Latest Update 2023
Adults	Review and update the charging policy for transport	60	60	
Chief Executive	Income from Boundary signs	40	40	
Regen & Enterprise	Halls - net increase in income from ticket sales, bar, and food because of increased number of shows following additional capital investment per recent Business Case	100	50	£50k from bar sales has not been achieved while £50k of events income was delivered
Regen & Enterprise	Bring bars back in-house for Stourbridge Town Hall & Cornbow Hall	10	0	Not achieved
	<b>Total</b>	<b>210</b>	<b>150</b>	<b>71%</b>

<b>2023/24 Savings</b>		<b>2023/24 Target £'000</b>	<b>Value Delivered to date £'000</b>	<b>Comment</b>
Adults	Income generation through fairer cost policy change, financial reviews and implementing charge on first day of confirmation permanent stay in a care home	30	30	
Adults	Increase in joint funding agreements	600	600	
Adults	Transformation of service structures	370	370	
Adults	Application of eligible grant funding to support services	50	0	Ongoing review of grant eligibility to support service
Adults	Deploy pre-payment cards and apply new approaches to the financial oversight of Direct Payments	100	100	
Adults	Review, assessment, and appropriate financial packages of care	230	165	Continual progress is being made to review and assess to ensure that appropriate levels of care are being provided
Adults	New bed based banding framework	120	120	
Adults	Increase charges to Private residents for Telecare services	130	50	Ongoing review on shortfall in

2023/24 Savings		2023/24 Target £'000	Value Delivered to date £'000	Comment
Adults	Introduce charges to Council tenants for Telecare services	130	80	savings, the accuracy of data and impact will be realised at year end
Adults	Reduce the Creative Support contract by 50% when current extension ends	160	160	
	<b>Total</b>	<b>1,920</b>	<b>1,675</b>	<b>87%</b>
Children's	Efficiency savings - review of expenditure budgets for low/medium risk areas inclusive of car mileage (post lockdown), supplies and services, premises, and a review of terminated pension agreements. Staffing savings arising from vacancy review	350	350	
Children's	Youth Justice Service - reorganisation following changes to service delivery	90	90	
Children's	Redirection of grant funding via partnership delivery to support Early Help	40	40	
Children's	Cessation of voluntary sector contract	30	30	
Children's	Education Business Partnership - vacancy review	30	30	
Children's	Families Come First - prior year growth funding released now service embedded	110	110	
Children's	Efficiency as a result of implementing market forces and avoiding excessive use of agency staff	100	100	
	<b>Total</b>	<b>750</b>	<b>750</b>	<b>100%</b>



2023/24 Savings		2023/24 Target £'000	Value Delivered to date £'000	Comment
CEX	Vacancy management in HR&OD	60	60	
CEX	Remove vacant Corporate PMO & Performance Support Assistant post	30	30	
	<b>Total</b>	<b>90</b>	<b>90</b>	<b>100%</b>
DCCS	Removal of ADSL on completion of Fibre Optic installations	10	10	
DCCS	Not recruiting a role on digital and a role in technology	70	70	
DCCS	Reduction in printing costs	30	0	Ongoing review
DCCS	Reduction in print and mailing costs	30	30	
DCCS	Virtualisation and consolidation of servers	30	30	Saving made via an alternative route in 2023/24
DCCS	Advancing to E5 Technology provides the most advanced functionality of Microsoft Office applications and additional security, giving an opportunity to rationalise other applications that are no longer required	100	70	Options been looked at deliver the remaining £30k, but currently unlikely to be delivered.
	<b>Total</b>	<b>270</b>	<b>210</b>	<b>78%</b>
F&L	Reduced costs of self-insurance	100	100	
F&L	Vacancy management in Revenues and Benefits	80	80	

2023/24 Savings		2023/24 Target £'000	Value Delivered to date £'000	Comment
F&L	Adjust Members' Allowance budget to reflect entitlement to no more than one responsibility allowance	50	50	
	<b>Total</b>	<b>230</b>	<b>230</b>	<b>100%</b>
H&W	Continued work on Public Health Grant funded substance misuse preventative measures, to reduce use of rehabilitation beds.	100	100	
	<b>Total</b>	<b>100</b>	<b>100</b>	<b>100%</b>
H&C	Staff costs to be met from Homelessness grants.	40	40	
H&C	Reduce abortive fees for Disabled Facilities Grants	10	10	
H&C	Reduce costs incidental to Disabled Facilities Grants	20	20	
	<b>Total</b>	<b>70</b>	<b>70</b>	<b>100%</b>
ENV	Review Depot security	40	21	£21k delivered from an alternative route, unlikely to make the remaining saving in 2023/24.

2023/24 Savings		2023/24 Target £'000	Value Delivered to date £'000	Comment
ENV	Parking - Review of charges (free hours remain)	140	36	£2k reversed for overnight charges, price increase implemented income received 15.9% up on same period in 2022/23 which is circa £36k for the year if this trend continues. Therefore a shortfall of £102k
ENV	Utilise Symology as the IT system for Street Lighting and end the contract with Mayrise as from 31st March 23	10	10	
ENV	Review of current free surface car parks	40	0	Saving reversed in July 2023
ENV	Street Lighting Energy- Invest to save proposal, LED lighting across the Borough	140	140	

2023/24 Savings		2023/24 Target £'000	Value Delivered to date £'000	Comment
ENV	Efficiencies for MOT's	50	50	Implemented and achieved but outsourcing work continues to be a pressure due to the age of the fleet.
ENV	Stores review	170	170	
ENV	Fleet review	150	150	
ENV	Energy For Waste arrangements	2,000	1,300	In progress, fluctuations in market price per MWh and performance of plant availability.
ENV	Review of parking enforcement	100	0	Not delivered, tender to go back out in Feb 2024.
ENV	Reducing Market Saturday Rounds from 2 to 1	10	10	
ENV	Savings from not deploying waste to HWRC	200	200	
ENV	Trade Waste - Round Optimisation	50	50	
ENV	Review of Green Care working practices.	80	80	

2023/24 Savings		2023/24 Target £'000	Value Delivered to date £'000	Comment
ENV	Savings from Directorate Restructure phase 1	30	30	
ENV	Depot review - Blowers Green	10	10	
ENV	Street Lighting efficiency review	70	70	
ENV	Changes to standby/call out arrangements for winter gritting	20	20	
ENV	Review of HWRC operating hours	210	0	This was reversed in July 2023
	<b>Total</b>	<b>3,520</b>	<b>2,347</b>	<b>67%</b>
R&E	Review and reduction in cleaning consultancy services	20	20	
R&E	Dell Stadium - to implement price changes from September 2022	30	30	
R&E	Saving of annual subscription to the Black Country Consortium as a result of the winding up of the BCLEP/BCC	50	50	
R&E	Leisure Centres - savings	560	560	
R&E	Himley - net increase in car park income and secondary spend due to increased visits as a result of the installation of Play Area.	70	0	Project delayed, but work has now started

2023/24 Savings		2023/24 Target £'000	Value Delivered to date £'000	Comment
R&E	Halls - net increase in income from ticket sales, bar and food as a result of increased number of shows following additional capital investment of £550k	50	0	Not achieved – this £50k relates to the forecast surplus to be generated by Brookes Bistro.
R&E	Estate rationalisation - Regent House Dudley	100	100	
	<b>Total</b>	<b>880</b>	<b>760</b>	<b>86%</b>
	<b>Grand Total</b>	<b>7,830</b>	<b>6,232</b>	<b>80%</b>

### Public Consultation on 2024/25 Budget – Interim Analysis Report

#### Introduction

The analysis in this report relates to the public consultation on the council budget for 2024/25, which started on 3<sup>rd</sup> January 2024 and is due to finish on 16<sup>th</sup> February 2024. This interim report considers all valid responses received up to midday on 2<sup>nd</sup> February 2024.

The consultation asked members of the public to identify their top five priority areas from a list of services and to rank them from most important to fifth most important. Questions on demographics were also asked so the characteristics of respondents could be compared to those of the borough population. A final question asked for comments on how the council could improve.

#### Analysis and Responses

This report looks at the responses to the primary question on the priority order of service importance, followed by an examination of the demographic characteristics asked of respondents in the consultation. The suggestions received for improvements are not presented here; a full list of these comments will be provided separately for consideration with the final analysis report.

To 2<sup>nd</sup> February 2024 the council received 1,336 responses to the consultation. As the budget relates to those living in Dudley Borough, respondents were asked to provide a postcode and house number so their resident status could be corroborated. Of the 1,336 consultation responses 14 did not provide verifiable address information, so were discounted.

The following analysis is based on the resultant 1,322 valid responses. A data table accompanies each question.

## Service Priority

This question asked respondents to "...tell us your top five priority areas from the service list below (1 being the most important and 5 being the fifth most important)." The question listed 17 services in alphabetical order and required all respondents to choose and rank 5 services only. The count of respondents choosing each service and at which level of importance is shown in Table 1.

**Table 1: Count of service area importance (Where first = most important)**

Service area (ordered as per consultation)	Count of service importance by respondents				
	First	Second	Third	Fourth	Fifth
Benefits & other welfare services	66	46	46	42	59
Safeguarding children & family support	166	126	68	69	60
Community safety	187	93	85	80	105
Disabilities & mental health for children and adults	130	120	95	73	63
Food hygiene, air quality & trading standards	8	30	32	67	76
Good quality housing	69	70	58	60	48
Leisure centres & sport development	16	25	39	64	58
Libraries	37	46	60	74	88
Litter & street cleansing	38	91	133	157	96
New buildings & business developments leading to job creation	43	43	49	40	53
Older people's services	145	134	147	113	96
Parks & nature reserves	36	59	117	110	111
Refuse collection & recycling	176	201	165	128	115
Roads & street lighting	120	147	118	110	121
Supporting children's learning	66	53	58	54	65
Tourism & our heritage	7	13	14	29	50
Youth services	12	25	38	52	58

To take account of both the services and priority indicated by respondents, responses were allocated scores to reflect their relative level of importance. For example, a service ranked as most important was assigned a score of 5, second most important a score of 4 and so on. Once this methodology was applied the total score for each service area was calculated. To show overall importance, these scores are presented as a percentage of the total scores across all services (see Table 2).



**Table 2: Service area by overall importance**

<b>Service Area (Ordered by percentage of total scores)</b>	<b>% of total scores</b>
Refuse collection & recycling	12.9
Older people's services	10.2
Roads & street lighting	9.5
Community safety	9.2
Safeguarding children & family support	8.8
Disabilities & mental health for children and adults	8.2
Litter & street cleansing	6.9
Parks & nature reserves	5.5
Good quality housing	4.9
Supporting children's learning	4.5
Benefits & other welfare services	4.0
Libraries	4.0
New buildings & business developments leading to job creation	3.4
Leisure centres & sport development	2.4
Food hygiene, air quality & trading standards	2.3
Youth services	2.2
Tourism & our heritage	1.2

Note: Percentages may not total to 100.0% due to rounding

Taking consideration of the services chosen by respondents and their indicated level of importance, the top five priority services are Refuse collection and recycling with 12.9% of the total scores, followed by Older people's services with 10.2%, Roads and street lighting with 9.5%, Community safety with 9.2% and Safeguarding children and family support with 8.8%. Please see Table 2 for the order of importance and percentage of total score for all services.

## Demographic Characteristics

A further section of the consultation ("About yourself") asked people about their demographic characteristics. The analysis of responses by these characteristics are based on the 1,322 people with a valid borough address. Note as questions in this section were optional some respondents did not provide demographic information. Comparisons are given to the demographics of the borough population aged 18 and over, using the most recent data available.

### Gender

1,241 people provided information on gender. The gender split was 49.8% male and 50.2% female. This differs marginally from the Dudley Borough figures (see Table 3).

**Table 3: Gender of respondents compared to Dudley Borough**

Gender	Number of Responses	% of Responses	% Dudley Borough
Male	618	49.8	48.6
Female	623	50.2	51.4
<b>Total</b>	<b>1,241</b>		
<i>No response given</i>	<i>81</i>		

Source for Dudley Borough figures: Population aged 18 and over by sex, Mid-Year Population Estimates 2022, Office for National Statistics

Note: Percentages may not total to 100.0% due to rounding

### Age

1,241 people answered the question on age. The number and percentage of responses by age group are given in Table 4. Comparison to the Dudley Borough figures shows the consultation responses have an under representation in the age groups below 45 and a converse over representation in the 45 to 64 and 65+ age groups.

**Table 4: Age of respondents compared to Dudley Borough**

Age	Number of Responses	% of Responses	% Dudley Borough
Under 25	5	0.4	9.1
25-44	161	13.0	32.1
45-64	504	40.6	32.7
65+	571	46.0	26.0
<b>Total</b>	<b>1,241</b>		
<i>No response given</i>	<i>81</i>		

Source for Dudley Borough figures: Population aged 18 and over by age group, Mid-Year Population Estimates 2022, Office for National Statistics

Notes: Percentages may not total to 100.0% due to rounding

The Dudley Borough population aged 18 to 24 has been used to calculate the percentage for the under 25 age group. The number of responses from people aged under 18 is 1.

## Ethnic Group

1,236 people provided information on their ethnic group. 96% of responses came from White ethnic groups. This indicates this group is overrepresented in the consultation when compared to the Dudley population. The detailed breakdown of numbers and percentages is given in Table 5.

**Table 5: Ethnic group of respondents compared to Dudley Borough**

Ethnic Group	Number of Responses	% of Responses	% Dudley Borough
White	1,187	96.0	87.5
Black	5	0.4	2.3
Mixed	6	0.5	1.6
Asian	21	1.7	7.3
Other	17	1.4	1.2
<b>Total</b>	<b>1,236</b>		
<i>No response given</i>	86		

Source for Dudley Borough figures: Population aged 18 and over by ethnic group, Census 2021, Office for National Statistics  
 Note: Percentages may not total to 100.0% due to rounding

## People with physical or mental health conditions or illnesses lasting or expected to last 12 months or more that reduce ability to carry out day-to-day activities (Disability)

The wording of this question is based on that used in the national Census 2021 as it meets the harmonised standard for measuring disability and is in line with the Equality Act (2010). 1,244 people answered this question, with 24.7% of respondents indicating they had reduced ability to carry out day-to-day activities due to a physical or mental health condition or illness, compared to the borough figure of 22.6%. Please see Table 6 for the full results.

**Table 6: Physical or mental health conditions or long-term illnesses that reduce ability to carry out day-to-day activities (Disability); respondents compared to Dudley Borough**

Disability	Number of Responses	% of Responses	% Dudley Borough
Yes	307	24.7	22.6
No	937	75.3	77.4
<b>Total</b>	<b>1,244</b>		
<i>No response given</i>	78		

Source for Dudley Borough figures: Population aged 18 and over by disability, Census 2021, Office for National Statistics  
 Note: Percentages may not total to 100.0% due to rounding

## Area of residence

Postcodes were used to assign each respondent's location to their area of residence. This analysis examines how the geographic distribution of respondents compares to that of the borough's population, as shown in Table 7. The Dudley Central and Dudley North areas are underrepresented. Brierley Hill is also underrepresented but the proportion of responses from this area are the most similar to the proportion seen in the borough's population. Halesowen and Stourbridge are both overrepresented.

**Table 7: Area of respondent's residence compared to Dudley Borough population**

Area of Residence	Number of Responses	% of Responses	% Dudley Borough
Brierley Hill	267	20.2	20.8
Dudley Central	252	19.1	22.5
Dudley North	202	15.3	16.4
Halesowen	289	21.9	20.4
Stourbridge	312	23.6	19.9
<b>Total</b>	<b>1,322</b>		

Source for Dudley Borough figures: Population aged 18 and over, Census 2021 Table TS007, Office for National Statistics  
 Note: Percentages may not total to 100.0% due to rounding

The areas of residence used in this analysis consist of groups of electoral Wards as defined below:

Area of Residence	Constituent Wards
Brierley Hill	Brierley Hill; Brockmoor and Pensnett; Kingswinford North and Wall Heath; Kingswinford South; Wordsley
Dudley Central	Castle and Priory; Netherton, Woodside and St Andrews; Quarry Bank and Dudley Wood; St James's; St Thomas's
Dudley North	Coseley East; Gornal; Sedgley; Upper Gornal and Woodsetton
Halesowen	Belle Vale; Cradley and Wollescote; Halesowen North; Halesowen South; Hayley Green and Cradley South
Stourbridge	Amblecote; Lye and Stourbridge North; Norton; Pedmore and Stourbridge East; Wollaston and Stourbridge Town

### Summary of response to the Provisional 2024/25 Settlement

A summary of our responses to the main issues raised in the consultations is as follows:

1. We supported the proposed methodology for the distribution of the underlying Revenue Support Grant<sup>4</sup> in 2024/25, welcoming the stability provided by the proposals.
2. We welcomed simplification of the system of local government funding by rolling grants into the local government finance settlement.
3. In respect of the council tax referendum principles proposed for 2024/25, we reiterated our belief that as a matter of principle democratically-elected councillors should be trusted to make decisions balancing service needs against affordability. We addressed this issue in our request for Exceptional Financial Support.
4. With regards to proposals for a new Funding Guarantee grant, we disagreed with having any form of funding floor as it has no regard to relative spending needs. This funding should be redirected and allocated on the basis of the Settlement Funding Assessment.
5. We welcomed the fact that a significant proportion of the additional funding provided by the Autumn Statement is being directed to authorities with social care responsibilities and that priority is given to addressing current market pressures over funding reform. We agreed with the general principle of allocating funding according to assessed need, noting however that we can see no logic for limiting the equalisation component for the Social Care Grant. This limitation will result in a few relatively affluent Social Care authorities receiving more (from this grant and the Social Care precept) than their proportion of assessed need, at the expense of all other authorities.
6. We re-iterated our opposition to the New Homes Bonus (NHB) grant. There should be no top slice from RSG and this funding

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<sup>4</sup> For Dudley, underlying Revenue Support Grant is reflected in the calculation of our Tariff as part of the 100% Business rates Retention pilot.

should be allocated in proportion to the Settlement Funding Assessment.

7. We opposed the proposals for the Rural Services Delivery Grant. Funding requirements should be assessed using statistically-proven drivers of cost that reflect demographics and consider the particular needs of dense urban areas as well as those of sparse rural areas. This payment is not underpinned by any calculations of the additional costs resulting from sparsity and there is no objective justification for giving preference over other drivers of cost.
8. We opposed the decision to hold back a proportion of Services Grant to allow for adjustments to New Homes Bonus. There should be no top slice from RSG and this funding should be allocated in proportion to the Settlement Funding Assessment.

## Appendix G

### Additional Spending

<b>Adult Social Care</b>	<b>Category</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>	<b>2026/27 £'000</b>
Additional placements in excess of budget forecast for people within Assessment and Independence	UN	3,340	3,340	3,340
Additional placements in excess of budget forecast for people within Dudley Disability Service	UN	3,500	3,500	3,500
Additional placements in excess of budget forecast for people within Mental Health Service	UN	790	790	790
Sustainable rates for residential and nursing care for older people	UN	2,870	5,750	8,630
Inflation uplifts across all care packages	UN	7,150	11,780	16,930
<b>Total</b>		<b>17,650</b>	<b>25,160</b>	<b>33,190</b>

<b>Children's Services</b>	<b>Category</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>	<b>2026/27 £'000</b>
External Residential Placements for children in care - increase in number of placements	UN	1,320	1,320	1,320
Supported Accommodation - increase in placement numbers	UN	560	560	560
Increase in placement costs across Residential, Supported Living, Foster care	UN	4,160	6,440	7,920
Increase in Direct Payments for Children with disabilities to meet inflationary pressures and align with Adult Social Care rates	UN	280	340	410
Additional costs of home to school transport for children with special educational needs and disabilities	UN	1,300	1,680	2,080
Increase in savings rates for children in care to be in line with national rates	UN	180	180	180
<b>Total</b>		<b>7,800</b>	<b>10,520</b>	<b>12,470</b>

<b>Chief Executive</b>	<b>Category</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>	<b>2026/27 £'000</b>
Budget Pressures arising from loss of income from HR and Payroll Traded services linked to academisation	UN	140	140	140
<b>Total</b>		<b>140</b>	<b>140</b>	<b>140</b>

<b>Finance and Legal Services</b>	<b>Category</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>	<b>2026/27 £'000</b>
Increased cost of Section 13A Council Tax relief due to increased numbers of care leavers living in the Borough.	UN	110	110	110
Universal Credit migration impact on Housing Benefit recovery and subsidy.	UN	0	80	330
Increased non-pay costs for Electoral Registration as a result of high inflation and additional demands owing to new legislation.	UN	40	40	40
<b>Total</b>		<b>150</b>	<b>230</b>	<b>480</b>

<b>Digital, Commercial and Customer Services</b>	<b>Category</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>	<b>2026/27 £'000</b>
Loss of income because of schools academisation and failure to buy back core services.	UN	70	180	315
Adjustment of print budget income	UN	425	425	425
Cloud hosting application 1 (e.g. business world/business world replacement)	UN	250	130	130
RPI increase on contracts: Agresso (Unit 4), BACS Subs (Bottomline), Axway Automation (Axway), LiquidLogic Integration	UN	20	20	20



<b>Digital, Commercial and Customer Services</b>	<b>Category</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>	<b>2026/27 £'000</b>
Fund permanent security contractor for DC+ walk in centre (currently Dudley Council Plus, 259 Castle St).	UN	50	50	50
Fees for online payments	UN	20	20	20
Implement Civica ICON payment Webpaystaff	UN	60	10	10
Procure up to 70 more Microsoft E5 licences	UN	20	20	20
Library further inflation uplift	UN	170	250	330
Migration of Umbraco to hosting in cloud.	OR	70	30	30
Upgrade or replacement of Council contract management system.	OR	60	30	30
Microsoft E5 licensing model to enable additional benefits of using the enhanced security, telephony, business intelligence, and data management.	OR	130	150	150
Royal Mail price increase	UN	10	20	20
<b>Total</b>		<b>1,355</b>	<b>1,335</b>	<b>1,550</b>

<b>Environment</b>	<b>Category</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>	<b>2026/27 £'000</b>
Car Park Income - External Season Tickets	UN	90	90	90
Car Park Income - Pay and Display	UN	140	140	140
New Roads and Street Works Act - Sampling Legislation Change	UN	30	30	30
Concessionary contract for kerbside collection of mattresses, carpets, Underlay and bed-bases.	UN	250	250	250
Household Waste Recycling Centre & Green Waste Disposal Inflation	UN	250	340	400
Energy from Waste (EfW) Life Cycle review and inflation	UN	780	850	900
<b>Total</b>		<b>1,540</b>	<b>1,700</b>	<b>1,810</b>

<b>Regeneration and Enterprise</b>	<b>Category</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>	<b>2026/27 £'000</b>
Re-basing income - Bereavement Services	UN	300	300	300
Re-basing income - Non-schools catering - Brookes Bistro	UN	200	0	0
Re-basing income - Non-schools catering - Leisure Centre cafes	UN	250	250	250
Re-basing income - Non-schools catering - Town Hall Bars	UN	150	150	150
Voids Management Budget for Corporate Landlord Services	UN	120	120	120
Dudley Market - re-base income plus maintenance budget	UN	40	20	0
Burial land requirements – debt charges relating prudential borrowing of £3.9m in relation to the cost of land purchase and subsequent works required	UN	80	150	150
Dudley Canal Maintenance Agreement with Dudley Canal Trust	UN	10	10	10
Additional budget required - more deployable CCTV cameras	EM	0	30	30
Dudley Local Plan	UN	10	130	0
Impact of National Living Wage on outsourced Cleaning Contract for Admin Buildings	UN	20	40	40
<b>Total</b>		<b>1,180</b>	<b>1,200</b>	<b>1,050</b>

Key

UN – Unavoidable cost pressures

EM – Elected Member priority

OR – Officer recommendation

## Proposed Savings

<b>Adult Social Care</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>	<b>2026/27 £'000</b>
Relocation of service at Woodside to Community Centre	10	10	10
Eligible grant funding to support services	100	100	100
Income generation through fairer cost policy change, financial reviews and implementing charge on first day of confirmation permanent stay in a care home	40	70	70
Transformation of service structures	200	280	280
Application of eligible grant funding to support services	20	20	20
Deploy pre-payment cards and apply new approaches to the financial oversight of Direct Payments	840	840	840
Review, assessment and appropriate financial packages of care	140	230	230
Efficiencies arising from the procurement of residential and nursing care for older people	130	230	230
Re-provision of the Unicorn Day Centre to alternative Council Day Opportunities	460	930	930
Re-purpose grant money, combined with establishment management	1,080	490	490
Increase to Continuing Healthcare Clients income following consultancy reviews.	3,710	4,660	4,660
<b>Total</b>	<b>6,730</b>	<b>7,860</b>	<b>7,860</b>

<b>Children's Services</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>	<b>2026/27 £'000</b>
Family Safeguarding	540	2,000	2,000
Review of Sycamore site	0	30	30

<b>Children's Services</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>	<b>2026/27 £'000</b>
Additional income target from traded services	0	150	150
One off impact Spending Controls – Grant switches – Troubled Families	750	0	0
One off impact Spending Controls – Grant switches – Family Hubs	300	0	0
One off impact Spending Controls – Grant switches – vacancies	190	0	0
<b>Total</b>	<b>1,780</b>	<b>2,180</b>	<b>2,180</b>

<b>Chief Executive</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>	<b>2026/27 £'000</b>
Remove Strategic Contingency Fund	200	200	200
Vacancy management in HR&OD	30	70	70
Vacancy management and reduced hours / posts in Communication and Public Affairs team (including Graphic Design and Forging the Future support)	0	160	160
Switch funding of Forging the Future post	30	30	30
Reduce frequency of Your Borough Your Home Magazine	40	40	40
One off impact Spending Controls - vacancies	130	0	0
<b>Total</b>	<b>430</b>	<b>500</b>	<b>500</b>

<b>Health and Wellbeing</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>	<b>2026/27 £'000</b>
Existing staff to be funded from the Public Health Grant	130	130	130

<b>Health and Wellbeing</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>	<b>2026/27 £'000</b>
Remove discretionary grant funding per ward distributed via Community Forums	240	240	240
<b>Total</b>	<b>370</b>	<b>370</b>	<b>370</b>

<b>Finance and Legal</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>	<b>2026/27 £'000</b>
Vacancy management in Revenues and Benefits	40	130	130
<b>Total</b>	<b>40</b>	<b>130</b>	<b>130</b>

<b>Digital, Commercial and Customer Services</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>	<b>2026/27 £'000</b>
Net saving from mobile phone contract	110	160	160
Reduction in printing costs	10	20	20
Reduction in print and mailing costs	120	180	180
Virtualisation and consolidation of servers	10	20	20
Northgate cloud migration savings	60	60	60
Reduction in c.4 customer service advisors in DC+. Increase customer self serve	120	470	470
One off impact Spending Controls - Vacancies	70	0	0
<b>Total Savings</b>	<b>500</b>	<b>910</b>	<b>910</b>

<b>Environment</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>	<b>2026/27 £'000</b>
Charging for Green Waste collections	1,310	1,360	1,340
Reduction of opening hours of the Household Waste Recycling Centre Facility	30	30	30
Redesign of weed control services with a newly created street scene team.	35	50	50
Redesign of street cleansing and grounds maintenance with a newly created street scene team.	342	342	342
Redesign of clean teams with a newly created street scene team.	253	253	253
Street Cleansing – reduction in funding or replacing litter bins and general maintenance work.	200	200	200
Green Care – reduction in funding for In Bloom floral displays.	100	100	100
Street Lighting energy- upgrade to LED lighting across the Borough (invest to save).	160	310	310
Review of car parks maintenance.	30	30	30
Closing Narrow Boat Way facility and move to Lister Road – (lease expires March 2024) and efficiencies for MOT's	40	40	40
The closure of the inhouse stores and the procurement of a parts contract.	40	40	40
Fleet Review	40	40	40
Review of parking enforcement	100	100	100
Growth in Commercial Waste Business Unit	170	170	170
One off impact Spending Controls – Grant switches – Highways Incentive Fund	80	0	0
One off impact Spending Controls – vacancies	1,220	0	0
<b>Total</b>	<b>4,150</b>	<b>3,065</b>	<b>3,045</b>

<b>Housing and Community</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>	<b>2026/27 £'000</b>
One off impact Spending Controls – Grant switches – Prevent Grant	250	0	0
One off impact Spending Controls – vacancies	100	0	0
<b>Total</b>	<b>350</b>	<b>0</b>	<b>0</b>

<b>Regeneration and Enterprise</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>	<b>2026/27 £'000</b>
Rationalisation of office buildings.	0	0	810
Himley - net increase in car park income and secondary spend due to increased visits because of the proposed installation of Play Area.	0	20	20
Review of School Catering	900	1000	1000
Alternative provision of food and beverage at leisure centres	180	200	200
Deferral of Metro complementary measures work. Until Sept 2025	100	400	400
<b>Total Savings</b>	<b>1,180</b>	<b>1,620</b>	<b>2,430</b>

Proposed use of Public Health Grant 2024/25<sup>5</sup>

<b>Service</b>	<b>£000s</b>
Healthy Aging	1,184
PH Business Management Team	1,195
Communicable Diseases	466
CYP Team 5+	3,180
CYP Team 0-5	6,601
Community Council	921
Commissioning For Intelligence	679
Long Term Conditions	499
Sexual Health	2,161
Supportive Environments	1,226
Working Age Adults	1,107
Substance Misuse	3,478
Emergency Planning	206
Healthy Towns	349
<b>Total Spend</b>	<b>23,252</b>

<sup>5</sup> Excludes expenditure funded from reserves



### Underlying Principles of the Medium Term Financial Strategy

#### General

1. The Council's financial planning and budgeting will be undertaken on a medium-term basis (at least 3 years).
2. The starting point for each year's budget and the MTFS will be the previous year's "base budget", plus appropriate provision for anticipated:
  - Pay inflation;
  - General provision for non-pay inflation as appropriate;
  - Capital Programme implications (debt charges and running costs / savings);
  - Changes in functions and funding arrangements;
  - Fallout of specific grants and other income;
  - New specific grants;
  - Treasury activities impact (investment & borrowing rates);
  - Other necessary adjustments.
3. The Council's final budget and MTFS will be determined according to the Council's priorities, ensuring that funding is allocated according to the corporate vision, aims, and objectives.
4. Detailed directorate budgets will flow from the MTFS, with provision for pay inflation allocated to directorates, together with the financial impact of specific spending pressures and savings items.
5. Plans will reflect the resources allocated to directorates as part of the MTFS and set out how services will be delivered within these constraints.
6. Directors are responsible for delivering planned service outputs within cash-limited budgets.
7. The financial implications of the Council's partnership working will be reflected in the MTFS.

8. An annual Budget Review process will be undertaken by the Chief Executive, Deputy Chief Executive, Directors, and Members in accordance with an agreed plan and timetable with the objective of setting the following year's Budget and Council Tax and reviewing the MTFS.
9. The Budget Review will accord with the Council's statutory duties including consideration of the public sector equality duty in Section 149 of the Equality Act 2010. The detailed review process to be used will be subject to annual revision as necessary.

### **Reserves and Balances Policy**

10. In consultation with the Director of Finance and Legal, earmarked reserves may be established from within cash-limited budgets to properly reflect ongoing financial commitments, fund future service developments (in line with Council priorities) or expenditure of an uneven nature (e.g. renewal of equipment).
11. All earmarked reserves will be periodically reviewed. Any reserves no longer required for their original purpose will be transferred to Unallocated General Fund Reserves.
12. Unallocated General Fund Reserves will be managed to enable spending pressures and resources to be balanced over the medium term.
13. In accordance with legislative requirements, the Director Finance and Legal will report to the Council (when considering the budget for the following financial year) on the adequacy of the proposed levels of reserves.

### **Risk Assessment and Management**

14. A comprehensive financial risk assessment will be undertaken for all parts of the revenue and capital budgets, including any lessons learned from previous experience.
15. The significant risks will be reported to Members for consideration when setting the budget and Council Tax, and when approving Capital projects as appropriate. These risks will also be taken into account when determining appropriate levels of reserves as set out above.

16. A specific risk assessment will also be undertaken for any proposals to increase or reduce expenditure.
17. Financial and other risks will be actively managed as part of the Council's established policies and procedures.
18. Directorates are required in the first instance to manage financial risks and accommodate unforeseen expenditure and/or income shortfalls from within their cash limited budgets or from earmarked reserves - only seeking allocations from Unallocated General Fund Reserves where this is proven to be impossible.

### **Income**

19. Fees and charges will be kept under review, including consideration of areas where charges are possible, but are not currently made. Any cost subsidy must be justified in terms of its contribution to the Council's strategic aims.
20. Directorates will also monitor on an ongoing basis all opportunities to generate extra income to meet new service pressures or fund existing expenditure, thereby reducing pressures on bottom line budgets and Council Tax.

### **Budget Realignment – Pressures**

21. As part of the annual budget review, proposals will also be considered for additional expenditure to meet spending pressures arising from:
  - Legislative change;
  - Demographic change;
  - Customer needs;
  - Performance standards / Government targets;
  - Fall-out of specific grants, or other reductions in income;
  - Specific non pay inflation, to the extent this exceeds cash limited budgets or any general provision.
22. Each pressure will be considered in the light of:
  - Its impact on Council priorities;
  - A risk assessment of not funding the pressure;
  - The possibility of funding from external or capital resources.

23. Proposals will be prioritised in terms of their necessity and contribution to the Council's priorities. A risk assessment will also be made of the impact of not taking the proposal forward.
24. A package will be agreed in the light of overall resource availability.
25. The impact of agreed budget increases on service outputs will be monitored as part of the Council's overall performance monitoring processes to ensure that the intended outputs have been achieved.

### **Budget Realignment - Other Savings**

26. Each year all revenue budgets will be reviewed as part of an overall agreed process and timetable to assess their contribution to the Council's strategic aims. Particular focus will be on those areas of discretionary non-surplus-generating expenditure.
27. As a result of the above, proposals will be brought forward for savings in light of the Council's overall financial position. In particular, options will be considered which might result from:
  - Additional income from fees and charges;
  - Additional external funding;
  - Review of low priority spending.
28. Each saving will be considered in the light of:
  - A risk assessment relating to achievability;
  - A risk assessment relating to service and equality impacts that take into consideration the public sector equality duty under the Equality Act 2010. Members will effectively assess potential impacts on protected groups, consider how to mitigate them and demonstrate how communities and groups have been consulted with as part of the decision making process.
  - Any one-off costs involved in achieving the saving.
29. Once approved, the implementation of any budget reductions will be monitored as part of normal budget and output monitoring processes.

### **Capital Programme**

30. The Council's Capital Programme will complement the revenue budget in achieving the Council's priorities. It will be constructed and developed in accordance with the principles outlined in the Council's approved Capital Strategy.
31. All known revenue costs arising out of capital spend will be included in the revenue budget.
32. Where proposals are made to use the flexibilities offered by the "Prudential Borrowing" regime to undertake unsupported borrowing, these (and their revenue implications) will be considered as part of the annual budget review process in the light of overall revenue resource availability and the contribution of the proposed expenditure to achieving the Council's aims.

### **Treasury Management**

33. All borrowing and/or investment activity will be carried out in accordance with the approved Treasury Strategy and, and within the Prudential Indicators set annually by the Council.
34. This will include forecasting the main Balance Sheet items at least 3 years forwards to ensure optimal borrowing / investment decisions, and as a basis for subsequent monitoring.

### **Performance Management**

35. The delivery of required service outputs and the achievement of financial performance targets will be monitored by budget holders, as an integral part of the Council's performance management framework.
36. As set out above, particular emphasis will be given to monitoring the impact of budget growth and savings.

### **External Funding and Partnerships**

37. In addition to income from fees and charges discussed above, the Council will maximise external funding in the form of specific grants from the Government and other sources towards expenditure which will enable its aims and objectives to be achieved.

38. With regard to specific grants, the anticipated level of funding (where known) over the medium term is taken into account when reviewing budgets as part of the MTFS - particularly where new/ increased grant funding can contribute to meeting budget pressures, or where the fallout of existing grant may create a budget pressure in itself if the need for the underlying expenditure is ongoing.
39. The Council seeks to ensure that its many partnerships continue to be appropriate means of delivering its aims and objectives in a value for money manner. For the key partnerships operating throughout the Council, the joint plans agreed with partners and other stakeholders will include detailed financial elements - including each partner's medium term financial (or other resource) commitment. These will be consistent with the Council's budget and MTFS.
40. The Council will also seek to ensure where possible that the mainstream budgets and financial plans of our partners reflect the Council's (and the community's) priorities.
41. For all external sources of funding or partnership support, an exit strategy will be put in place.

### **Consultation**

42. The Council Plan which determines the priorities for the MTFS, Capital Programme and annual revenue budget are subject to extensive consultation with the general public and other stakeholders and partners.
43. In addition, public consultation will be undertaken as appropriate during the budget process.
44. In accordance with the Council's Constitution, the Scrutiny Committees are consulted on the Cabinet's budget proposals and any related specific issues relevant to their Council Plan and service responsibilities. In framing their responses, the Select Committees are asked to consider both the spending and funding implications (including the impact on Council Tax) of any observations they may wish to make.

45. The Council is required by law to consult with representatives of Business Ratepayers each year before the final budget and Council Tax are agreed.

## Risk Assessment

1. The following table sets out the significant risks which Members must consider prior to agreeing a budget and MTFs, albeit that these risks become more difficult to assess within a medium term timescale.

<b>Risk</b>	<b>Impact</b>
Pay inflation exceeds forecasts	Forecasts allow for an increase of 4% in 2024/25 and 2% thereafter. A 1% increase in pay inflation would cost around £1.3m extra per year.
Power Purchase Agreement	A 10% change in electricity prices equates to £0.2m. A 10% change in MWH generated by the incinerator would equate to £0.2m variance
Government grant income is less than assumed	We have assumed that the final 2024/25 finance settlement and any specific grant income is in line with forecasts; that in subsequent years income from general and specific grants are cash flat (except where government have indicated real terms increases); and that the underlying impact of any local government funding reforms is neutral. The latter is a significant area of uncertainty (with the potential to be either negative or positive).
Underlying Business Rate income lower than assumed	A 1% shortfall in income would reduce annual resources by £1.2m.
Cost of Council tax Reduction (CTR) exceeds forecasts and tax base does not grow as anticipated	The impact of a 1% variation in total cost of CTR would amount to around £0.2m. We have assumed the numbers of working age claimants will remain stable but overall there will be fewer claimants. Failure to grow the tax based as anticipated would reduce annual resources by around £0.9m.



<p>Price inflation is more than provided for.</p>	<p>There is no provision for general price increases on non-pay budgets for 2024/25. With the exception of specific pressures provided for, all non-pay budgets will be cash limited and any inflationary pressures will need to be managed within directorate budgets and through efficient procurement. We have provided £4m for non-pay inflation from 2025/26. 1% price inflation in excess of provision would cost around £1m extra per year</p>
<p>Income and expenditure relating to treasury management activity are not in line with forecasts</p>	<p>All General Fund borrowing is at fixed rates, and maturity dates are spread in order to mitigate risk. A 1% increase in interest rates compared with current assumptions would cost £2.6m in total more than budgeted for over the life of the MTFS.</p>
<p>There will be no other unplanned expenditure or shortfalls in income that cannot be met from reserves.</p>	<p>Unforeseen costs or costs greater than estimated - including those arising from demographic, legislation and case law pressures – may be unavoidable. A 1% loss of income (excluding grants &amp; interest) would cost around £0.6m per year.</p>
<p>Reduction in maximum underlying Council Tax increases without the need for a referendum.</p>	<p>A 1% reduction in Council Tax increase would cost around £1.5m per year.</p>
<p>Adult Social Care budget is insufficient to meet demand, market and other pressures.</p>	<p>A 1% increase in care charges over the budget allowed would cost £1.3m per year.</p> <p>The average targeted income from a continuing health care assessment is £3.5k. There are currently a number of high cost cases under review.</p>

## Appendix L

### Analysis of Proposed 2024/25 Budget by Service Area

	<b>£'000</b>
Physical and Sensory support 18-64	9,455
Learning Disability support 18-64	48,436
Mental Health support 18-64	5,630
Support for older Adults 65+	35,442
Support for Carers	31
Social Care activities	13,129
Adult Social Care Information and Early Intervention	6,002
Adult Social Care commissioning and service delivery	11,179
<b>Total Adult Social Care</b>	<b>129,304</b>
Registrars, Events and Other Services	185
Other Corporate costs	67
<b>Total Chief Executive</b>	<b>252</b>
Schools	21,033
Youth Service	1,515
Children & Families Social Services	71,397
Other Children's Services	3,412
<b>Total Children's Services</b>	<b>97,357</b>
Libraries and Archives	4,881
Other Corporate costs	793
<b>Total Digital, Commercial and Customer Services</b>	<b>5,674</b>
Transport Levy	13,622
Other WMCA contributions	1,815
Flood Defence Levy	116
Other Corporate and Treasury	(4,120)
Contingency & Other Corporate costs	4,292
<b>Total Corporate and Treasury</b>	<b>15,725</b>
Elections & Electoral Registration	885
Tax Collection & Benefits	3,140
Coroners, Democratic and Other Costs	2,519
<b>Total Finance and Legal</b>	<b>6,544</b>

Public Health	293
Environmental Health & Consumer Protection	3,184
<b>Total Health and Wellbeing</b>	<b>3,477</b>
Private Sector Housing	1,327
Homelessness & Welfare	661
Community Safety	728
Other Services	291
<b>Total Housing</b>	<b>3,007</b>
Waste Collection & Disposal	21,317
Street Cleansing	4,070
Traffic Management & Road Safety	1,240
Flood Defence & Land Drainage	363
Highways Maintenance (including depreciation)	21,001
Other Engineering & Transportation Services	1,274
Recreation & Sport and Open Spaces	6,246
Other Services	184
<b>Total Public Realm</b>	<b>55,695</b>
Cemeteries & Crematoria	(1,740)
Culture and Heritage	2,551
Recreation & Sport and Open Spaces	4,462
Planning, Building and Development Control	2,706
Economic Regeneration	3,247
Environmental Initiatives	419
Adult Learning	1,359
Community Safety	575
Catering	949
Other Services	1,379
<b>Total Regeneration and Enterprise</b>	<b>15,907</b>
<b>Total Service Budget <sup>6</sup></b>	<b><u>332,942</u></b>

<sup>6</sup> Within the Environment budgets detailed above there is £0.435m of spending on staff resources to deliver on the Council's climate targets.

**Details of Calculations to be Determined by the Council**

1. That the following amounts be now calculated by the Council for the year 2024/25 in accordance with Sections 31A, 31B and 34 to 36 of the Local Government Finance Act 1992:

(a) £ 827.016m being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) of the Act. *(The Council's spending, contingencies, contributions to reserves, and specified transfers from the general fund to the collection fund.)*

(b) £ 671.435m being the aggregate of the amounts which the Council estimates for the items set out in Sections 31A (3) of the Act. *(The Council's income, use of reserves, and specified transfers from the collection fund to the general fund.)*

(c) £ 155.581m being the amount by which the aggregate at (a) above exceeds the aggregate at (b) above, calculated by the Council, in accordance with Section 31A (4) of the Act, as its council tax requirement for the year.

(d) £1,646.7067 being the amount at (c) above divided by the Council Tax base 94,480.09, calculated by the Council, in accordance with Section 31B (1) of the Act, as the basic amount of its council tax for the year.

(e) Dudley Council Tax for each Valuation Band

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

being the rounded amounts given by multiplying the amount at (d) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different bands.

## **Meeting of the Cabinet – 15<sup>th</sup> February 2024**

### **Joint Report of the Director of Housing and Communities and the Director of Finance and Legal**

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

##### **Purpose**

1. The purpose of this report is:
  - a. To present the latest HRA financial forecasts for 2023/24.
  - b. To set rents for council homes for 2024/25.
  - c. To set the Housing Revenue Account (HRA) budget for 2024/25.
  - d. To update the capital expenditure budget for strategic investment and necessary programmed maintenance of the Council's housing stock for 2023/24 to 2026/27.
  - e. To approve the Medium Term Financial Strategy

##### **Recommendation**

2. That Cabinet:
  - note the latest HRA outturn forecast for 2023/24 (paragraphs 8 - 14 and Appendix 1)
  - approve the increase in rents for HRA dwellings by 7.7% from 1st April 2024 (paragraphs 15 - 17)
  - approve the introduction of service charges at full cost recovery (paragraph 18)

That Cabinet recommends to Council:

- approve the HRA revenue budget for 2024/25 (paragraph 19 - 21 and Appendix 2)
- approve the public sector housing revised capital budgets for 2024/25 to 2026/27 attached as Appendix 3, noting consultation arrangements outlined in paragraphs 4 - 7.
- authorise the Director of Housing and Communities and the Director of Finance and Legal to bid for and enter into funding arrangements for additional resources to supplement investment in the public sector housing stock as outlined in paragraphs 24 to 29 and Appendix 3 and that expenditure funded from such resources be added to the Capital Programme
- authorise the Director of Housing and Communities, in consultation with the Cabinet Member for Housing and Safer Communities, to manage and allocate resources to the capital programme as outlined in paragraphs 24 to 29 and Appendix 3
- authorise the Director of Housing and Communities, in consultation with the Cabinet Member for Housing and Safer Communities, to develop and implement service charges as outlined in paragraph 18
- confirm that all capital receipts arising from the sale of HRA assets (other than any receipts that may be specifically committed to support private sector housing) should continue to be used for the improvement of council homes (paragraphs 24 to 29 and Appendix 3)
- authorise the Director of Housing and Communities to continue to buy back former right to buy properties, to buy other properties, and to buy land where required to assemble a viable site for housing development, subject to a robust assessment of good value for money and sustainability in terms of lettings, maintenance and major works (paragraphs 24 to 29 and Appendix 3)

- authorise the Director of Housing and Communities to procure and enter into contracts for the delivery of the capital programme, as outlined in paragraphs 24 to 29 and Appendix 3
- receive the HRA medium term financial strategy.

## **Background**

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

## **Budget Consultation**

4. Officers have met with the Board of the Dudley Federation of Tenants' and Residents' Associations (DFTRA) and the Housing Board in January 2024 to discuss proposals for rent levels and sundry charges in 2024/25 onwards and the priorities in the HRA budget, including the capital programme.
5. These proposals were also detailed in the Review of Housing Finance report, which was presented to Cabinet in December 2023 and formed the basis of a report to the Housing and Safer Communities Select Committee in January 2024. There were no formal resolutions to make recommendations to Cabinet.
6. The proposals were also discussed at the Housing Assurance Board in February 2024, and the Board formally recorded its support for the proposals.
7. Throughout the consultation and discussions outlined in paragraphs 4 to 6 above the main theme of conversation has focused upon affordability for customers and the need to ensure appropriate advice and support for customers who may be financially impacted by the proposals. Proposals to introduce a discretionary transitional fund were welcomed by all involved in the discussion.



## HRA Outturn Forecast 2023/24

8. The 2023/24 budget approved by Council on 28th February 2023 forecast a surplus on the HRA of £0.8m at 31st March 2024. This included a 7% rent increase. There are now a number of variations expected to the income and expenditure as shown below and further details are shown in Appendix 1.
9. The balance brought forward from 2022/23 was £5.1m, compared to the £2.2m originally budgeted. This was reported to Cabinet on 6<sup>th</sup> July 2023.
10. The original 2023/24 budget and the latest forecast for 2023/24 are shown in the following table. The latest forecast shows a deficit of £3.6m leaving a reserves balance of £2.3m at 31<sup>st</sup> March 2024 as outlined in paragraph 12.

	<b>Budget 23/24 £m</b>	<b>Forecast 23/24 £m</b>	<b>Variance 23/24 £m</b>
<b>Total income</b>	<b>(98.4)</b>	<b>(98.3)</b>	<b>0.1</b>
<b><u>Expenditure</u></b>			
Finance	2.6	2.4	(0.2)
Community Safety	1.4	1.3	(0.1)
Strategy	2.0	1.6	(0.4)
Management & Admin	9.0	8.9	(0.1)
Community Housing	11.2	10.8	(0.4)
Technical adjustments	0.0	0.0	0.0
Responsive and cyclical repairs (Maintenance)	18.3	20.8	2.5
Programmed Investment Works (Development)	8.0	10.4	2.4
Depreciation and impairments of fixed assets	25.7	25.2	(0.5)
Interest Payable	17.7	18.3	0.6
Revenue Contribution	0.0	0.0	0.0
Capital Expenditure			
Other Expenditure	1.7	1.4	(0.3)
<b>Total expenditure</b>	<b>97.6</b>	<b>101.1</b>	<b>3.5</b>
<b>Total: (surplus) or deficit for the year</b>	<b>(0.8)</b>	<b>2.8</b>	<b>3.6</b>

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

- Reduced income due to voids being higher than budgeted, stock sales and profiling £0.5m,
- Increased interest on balances (£0.8m)
- Non delivery of tenant recharges £0.2m
- Other income variances £0.2m
- Stock condition survey £3.3m
- Management capacity and expertise £0.3m
- Net recovery revenue works £1.6m
- Increased reactive works £0.6m

- Depreciation adjustment (£0.5m)
- Total net savings from vacancies (£2.6m) after avoiding a cost pressure of up to £0.8m due to the latest employee offer being higher than the 4% budgeted.
- General inflation costs £0.2m
- Increased borrowing costs due to rising interest rates £0.6m.
- Refund from triannual pension settlement (£0.3m)
- Other variances £0.3m

12. The impact on HRA balances is shown below:

	<b>Budget £m</b>	<b>Latest Forecast £m</b>
Forecast Balance at 31 March 2023	2.2	2.2
Favourable 2022/23 outturn		2.9
<b>Balance at 31<sup>st</sup> March 2023</b>	2.2	5.1
Planned addition to balances	(0.8)	(0.8)
Forecast variance against budget 2023/24		3.6
<b>Balance at 31 March 2024</b>	<b>3.0</b>	<b>2.3</b>

13. In addition there are forecast earmarked balances at 31st March 2024, mainly resulting from externally funded grants £2.6m.
14. Forecast reserve balances are less than budgeted figures for March 2024, and are forecast to stand at 2.4% of income. Across England HRA's with similar income profiles hold an average reserve of 34% of income. Local comparators hold on average a reserve equalling 11% of income.

### Rent Increase

15. The self-financing system introduced in April 2012 for Housing assumed that rent increases would be in line with government guidance at the time relating to social housing rents: that is, a maximum increase of September CPI plus 1%. September CPI as

announced on 18th October 2023 was 6.7% which would allow weekly rents to be increased by 7.7% compared to 2023/24 levels.

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

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

### Service Charges

18. In February 2023 council approved the introduction of service charges at a nominal rate of £5.20 a week. It is now proposed service charges are introduced at full cost recovery, on average this will be £11.54 per week for tenants in homes with communal areas. £0.2m has been set aside to support tenants unable to pay and a policy is being written.

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

19. Inflationary pressures are expected to continue into 2024/25, with assumed pay awards of 4% for 2024/25 and 2% thereafter. Borrowing costs are expected to remain high in the short term and utility prices are assumed to increase in line with inflationary increases.
20. The proposed draft HRA budget for 2024/25 to 2026/27 is shown below. This budget is based on implementing the maximum 7.7% rent increase, and service charges at full cost recovery, which would take effect from 1<sup>st</sup> April 2024, and building in additional resources to meet inflationary pressures. It is anticipated inflation will reduce and rent increases are assumed at 3% in 25/26 and 2% in 26/27.



	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<u>Income</u>			
Dwelling rents	(101.9)	(102.8)	(102.9)
Non-dwelling rents	(0.8)	(0.8)	(0.8)
Charges for services and facilities	(4.5)	(4.6)	(4.7)
Contributions towards expenditure	(0.9)	(1.1)	(1.1)
Interest on balances	(1.2)	(1.6)	(1.8)
<b>Total income</b>	<b>(109.3)</b>	<b>(110.9)</b>	<b>(111.3)</b>
<u>Expenditure</u>			
Finance	2.8	2.8	2.9
Community Safety	1.6	1.6	1.7
Strategy	2.4	2.1	2.2
Management & Admin	11.0	11.2	11.4
Community Housing	13.5	13.8	14.0
Responsive and cyclical repairs (Maintenance)	17.3	15.8	15.9
Programmed Investment Works (Development)	9.8	10.0	10.1
Depreciation and impairments of fixed assets	26.5	27.0	27.6
Interest Payable	19.0	20.5	21.7
Revenue Contribution Capital Expenditure	0.0	0.0	0.0
Other Expenditure	1.7	1.8	1.8
<b>Total expenditure</b>	<b>105.6</b>	<b>106.6</b>	<b>109.3</b>
<b>Surplus (-) / Deficit (+) in year</b>	<b>(3.7)</b>	<b>(4.3)</b>	<b>(2.0)</b>
<b>Surplus brought forward</b>	<b>(2.3)</b>	<b>(6.0)</b>	<b>(10.3)</b>
<b>Surplus carried forward</b>	<b>(6.0)</b>	<b>(10.3)</b>	<b>(12.3)</b>

21. The movements from the proposals presented to Cabinet in December 23 are detailed in Appendix 2.

## Estimates, Assumptions & Risk Analysis

22. The proposals in this report are based on a number of estimates, assumptions and professional judgements, which are subject to continuous review:
- i. Outcome of the Stock Condition Survey
  - ii. that the savings proposals and implementation of service charges will be delivered as planned;
  - iii. that pay inflation does not vary materially from current forecasts;
  - iv. that cash limited non-pay budgets will be managed so as to absorb any price inflation not specifically provided for in 2024/25 and any inflationary pressures in 2025/26 and 2026/27 will be no more than the amount provided for;
  - v. that borrowing costs remain within existing forecasts;
  - vi. that employer contributions to the Local Government Pension Scheme (LGPS) from 2026/27 onwards are in line with contributions in the current triennial review period;
  - vii. that there will be no other unplanned expenditure (including any resulting from demographic, legislative or case law pressures) or shortfalls in income, which cannot be met from reserves.
23. The assumptions set out above are subject to uncertainty. In the event that outcomes are more negative than the assumptions in this report, then action (to reduce levels of expenditure or increase income) may become urgent.

## Public Sector Housing Capital Programme

24. In February 2023, a three-year housing public sector capital programme was agreed, which reflected enhanced investment using the HRA's new borrowing flexibility. The three-year capital programme was developed based upon the themes set out within the Council's ten year Housing Asset Management Strategy (HAMS)



approved by Cabinet in October 2019. The HAMS details the Council's strategic approach to managing and maintaining our properties, whilst also delivering and providing new homes and housing solutions to help meet the projected levels of social housing need.

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



29. The proposed capital programme at Appendix 3 sets out current anticipated spend for 2024/25, 2025/26 and 2026/27 based on what is currently known about investment needs. However, the five year capital programme will need to be further reviewed following the completion of the stock condition surveys, which may inform a change in programme spend in the first three years. At this stage the programme spend has not been profiled for 2027/28 and 2028/29 as this will need to be informed by longer term investment needs and the robust and up to date property information that the surveys will provide.

## **Finance**

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

## **Law**

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

## **Risk Management**

32. The Corporate Risk Register recognises the risk that the Council may be unable to set and/or manage its budget so as to meet its statutory obligations within the resources available. Uncertainty around inflation, interest rates, uncertainty around the outcomes of the stock condition survey and Decent Homes 2 could have a significant impact on the Council's ability to provide landlord services. In view of the outlook, this risk has been elevated to the maximum rating of 25 (Extreme). The forecasts and proposals in this report improve the outlook. However, significant risks and uncertainties remain. The risk rating will be reviewed in due course once the budget proposals have been finalised. Although the MTFs shows an increased level of reserves these provide some contingency to address any unforeseen



cost pressures mainly arising from the stock condition survey and Decent Homes 2.

### **Equality Impact**

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

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

35. The spending controls include controls over recruitment.

### **Commercial / Procurement**

36. This report relates to our statutory functions as a social housing landlord and there are no direct commercial implications.
37. The spending controls include controls over letting of contracts.

### **Environment / Climate Change**

38. Individual projects and major schemes are assessed for their environmental impact before they commence. The Council declared a Climate Emergency in July 2020 and has a goal to become carbon net zero by 2030. It is also committed to addressing United Nations Sustainable Development Goals, including those relating to poverty, health and wellbeing and reducing inequalities.

### **Council Priorities and Projects**

39. This report relates to our statutory functions as a social housing landlord and will contribute to the health, wellbeing, and safety of our tenants. Through the destination of choice priority of the 2022-25 council plan, housing which is affordable and accessible is a key outcome. This will be achieved through investment and maintenance



of the council's housing stock. This report also reflects the importance of financial sustainability which will be a key council priority for the coming year.



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**List of Background Papers - none**

## Appendix 1

### HRA Budget and Forecast 2023/24

	<b>Budget 2023/24 £m</b>	<b>Latest Forecast 2023/24 £m</b>	<b>Forecast Variance 2023/24 £m</b>	<b>Comment</b>
<b>Income</b>				
Dwelling rents	(96.2)	(95.7)	0.5	Higher void losses budgeted 2%, actual 2.5% £0.5m
Non-dwelling rents	(0.8)	(0.8)	0.0	No material variance, includes Garage and Shop rents
Charges for services and facilities	(0.2)	(0.2)	0.0	No material variance, includes heating and lighting charges
Contributions towards expenditure	(1.1)	(0.7)	0.4	Tenant recharges £0.2m, Other variances £0.2m
Interest on balances	(0.1)	(0.9)	(0.8)	Increased interest rates 1.5% budgeted, 4.5% actual, increased capital receipts pooling reserves.
<b>Total income</b>	<b>(98.4)</b>	<b>(98.3)</b>	<b>0.1</b>	
<b>Expenditure</b>				
Finance	2.5	2.4	(0.1)	Vacancies (£0.2m) offsetting pay award impact £0.1m
Community Safety	1.4	1.3	(0.1)	Vacancies (£0.2m) offsetting pay award impact £0.1m
Strategy	2.0	1.6	(0.4)	Vacancies (£0.4m)
Management & Admin	9.0	8.9	(0.1)	Release contingency (£0.1m)

	<b>Budget 2023/24 £m</b>	<b>Latest Forecast 2023/24 £m</b>	<b>Forecast Variance 2023/24 £m</b>	<b>Comment</b>
Community Housing	11.2	10.8	(0.4)	Vacancies (£0.8m) offsetting pay award impact £0.2m, Utilities inflation £0.2m
Responsive and cyclical repairs (Maintenance)	18.4	20.8	2.4	Net vacancies (£1.4m), Stock condition survey £3.3m, Management capacity and expertise £0.3m, Revenue works £0.2m
Programmed Investment Works (Development)	8.0	10.4	2.4	£1.6m recovery works, £0.6m Section 11 disrepair costs, £0.2m other variances
Depreciation and impairments of fixed assets	25.7	25.2	(0.5)	Rebased calculation with adjusted asset lives
Interest Payable	17.7	18.3	0.6	Increasing interest rates on loans 4% budgeted, 6% actual
Other Expenditure	1.7	1.4	(0.3)	Refund from triannual pension settlement
<b>Total expenditure</b>	<b>97.6</b>	<b>101.1</b>	<b>3.5</b>	
(Surplus) / Deficit in year	<b>(0.8)</b>	<b>2.8</b>	<b>3.6</b>	

## Appendix 2

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

	2024/25 £m	2025/26 £m	2026/27 £m
<b>Previously reported Surplus (-) in year</b>	<b>(4.4)</b>	<b>(4.7)</b>	<b>(1.8)</b>
Service charges – reduced based on detailed calculation	0.4	0.5	0.5
Service charge void rate included	0.1	0.1	0.1
Rent – increased stock due to reduced disposals in 23/24	(0.3)	(0.4)	(0.4)
Interest on balances due to higher interest rate assumptions	(0.1)	(0.7)	(0.8)
Interest payable due to increased borrowing	0.4	0.8	0.4
Temporary accommodation growth removed, to be funded by grants	<b>(0.7)</b>	<b>(0.7)</b>	<b>(0.7)</b>
Include support fund for service charges	<b>0.2</b>		
Increased capacity within community housing service	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>
Increased programmed investment works (Development)	<b>0.4</b>	<b>0.5</b>	<b>0.4</b>
<b>Surplus (-) in year</b>	<b>(3.7)</b>	<b>(4.3)</b>	<b>(2.0)</b>
<b>Surplus brought forward</b>	<b>(2.3)</b>	<b>(6.0)</b>	<b>(10.3)</b>
<b>Surplus carried forward</b>	<b>(6.0)</b>	<b>(10.3)</b>	<b>(12.3)</b>

## Appendix 3

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

	<b>2023/24 latest £m</b>	<b>2024/25 £m</b>	<b>2025/26 £m</b>	<b>2026/27 £m</b>
Responsive and cyclical repairs (Maintenance)	17.9	17.5	18.2	18.9
Programmed Investment Works (Development)	41.0	69.9	74.1	74.5
<b>Total</b>	<b>58.9</b>	<b>87.4</b>	<b>92.3</b>	<b>93.4</b>

## Resources

	<b>2023/24 latest £m</b>	<b>2024/25 £m</b>	<b>2025/26 £m</b>	<b>2026/27 £m</b>
Borrowing	9.2	19.2	21.7	39.2
Major repairs reserve	25.1	26.4	26.9	27.5
Usable capital receipts	22.7	40.8	43.7	26.7
Other (grants)	1.9	1.0	0.0	0.0
<b>Grand Total</b>	<b>58.9</b>	<b>87.4</b>	<b>92.3</b>	<b>93.4</b>

## **Meeting of the Cabinet – 15<sup>th</sup> February 2024**

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

#### **Dudley Council Pay Policy 2024/25**

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

1. Dudley Council is required to produce an annual Pay Policy Statement in order to comply with Sections 38 and 39 of the Localism Act 2011. The Statement must articulate the Council's policies towards a range of issues relating to the pay of the workforce, particularly the most senior staff (or "chief officers") and the relationship of their pay to the lowest paid employees.

##### **Recommendations**

2. It is recommended:-
  - That the Council be recommended to approve the Pay Policy Statement for 2024/2025.

##### **Background**

3. Under provisions contained in the Localism Act 2011, the Council is required to prepare an annual Pay Policy Statement setting out its policies towards a range of issues relating to the pay of its workforce including:
  - the remuneration of "chief officers";
  - the remuneration of the lowest paid employees;
  - the relationship between the remuneration of chief officers and that of other employees.
4. The Council has clearly established policies and processes for the determination of the pay and grading of its employees and these are summarised in the Pay Policy Statement, which has to be approved by a resolution of Full Council no later than 31st March 2024.

5. The pay negotiations for 2023/24, effective from 1 April 2023, went through the appropriate collective bargaining mechanisms.
6. Following approval of the pay policy by Council, data on all senior salaries in 2024/2025 will be published prior to 31st March 2024 alongside data required by the Local Government Transparency Code 2015 will also be available by 31<sup>st</sup> March 2024.

### **Finance**

7. Financial implications of the Pay Policy will be fully reflected in the Council's Medium- Term Financial Strategy, which is to be presented to the Council in March 2024.

### **Law**

8. It is a requirement of Section 38 of the Localism Act 2011 that an annual Pay Policy Statement be prepared and approved by Local Authorities. The Act prescribes information to be included in the statement, its manner of publication and the requirement for the Council to act in accordance with its approved Policy Statement.

### **Risk Management**

9. No material risks have been identified.

### **Equality Impact**

10. The Pay Policy highlights the relationship between the highest and the lowest salary levels and confirms that the Council has a pay ratio that is within the Hutton report. The Council is committed to publishing equal pay information on an annual basis.

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

11. As well as meeting the Council's legal obligations, the annual Pay Policy Statement supports effective employee relations through the provision of clarity and transparency in its arrangements for the payment of its employees.

### **Commercial/Procurement**

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



## **Environment/Climate Change**

13. There are no direct environment/climate change implications associated with this report.

## **Council Priorities and Projects**

14. Dudley Council's ability to deliver its priorities is dependent on its workforce and the pay policy summarises the policies and processes for the determination of the pay and grading of employees.



**Balvinder Heran**  
**Deputy Chief Executive**

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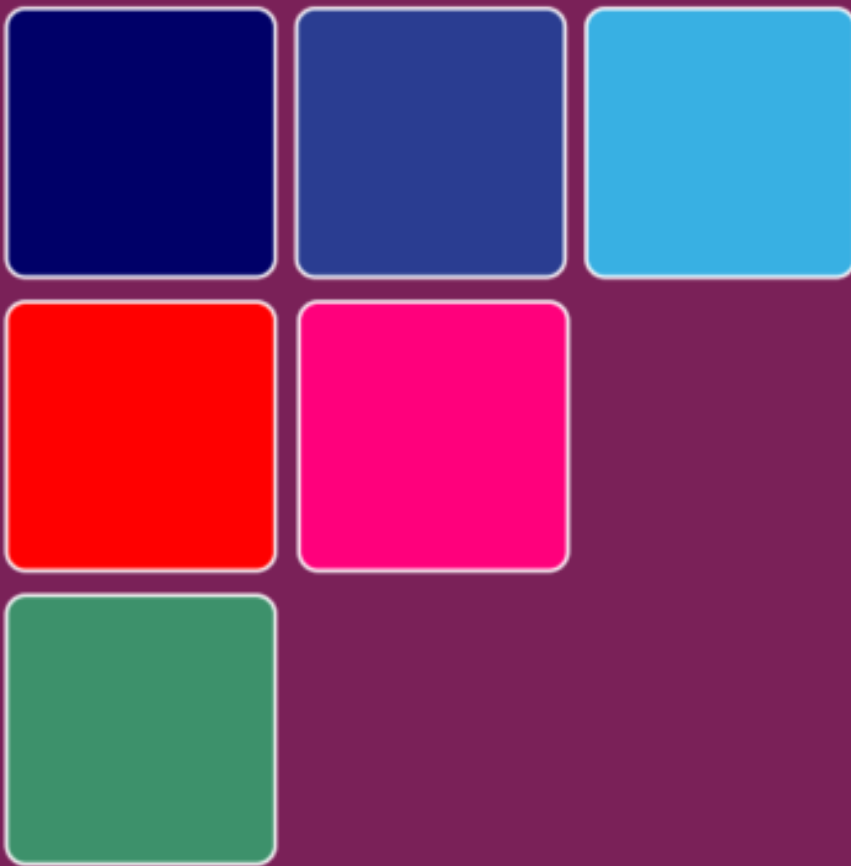
## **Appendices**

- Appendix 1 – Pay Policy Statement

Dudley Council

# Pay Policy Statement

## 2024-25



## Contents

1. Introduction and Purpose
2. Legislative Framework
3. Pay Structure
4. Senior Management Remuneration
5. Recruitment to Senior Management Positions
6. Additions to Salary of Chief Officers
7. Payments on Termination
8. Publication
9. Lowest Paid Employees
10. Accountability and Decision Making

Annex 1 - Dudley Council – Organisation chart Annex

Annex 2 - Dudley Council - NJC Pay Spine

Annex 3 – Employee distribution across DNJC grades (including employees of the Council and community and voluntary controlled schools)

## 1.0 Introduction and Purpose

- 1.1 The purpose of this Policy Statement is to clarify the Council's strategic stance on pay in order to provide direction for members and officers making detailed decisions and to provide the citizens of Dudley with a clear statement of the principles underpinning decisions on the use of public funds.
- 1.2 Under Section 112 of the Local Government Act 1972, the Council has the "power to appoint officers on such reasonable terms and conditions as the authority thinks fit".
- 1.3 This Pay Policy Statement (the "Statement") sets out the Council's approach to pay policy in accordance with the requirements of Sections 38 to 43 of the Localism Act 2011 and associated guidance. This excludes staff employed on teachers' terms and conditions of employment which are set nationally and support staff working in schools where the Council is not the employer. Workers engaged on a casual basis are also excluded.
- 1.4 The Statement provides transparency with regard to the Council's approach to setting the pay of its employees by identifying:
- the methods by which salaries of employees are determined;
  - the detail and level of remuneration of its most senior staff i.e. 'chief officers', as defined by the relevant legislation;
  - the remuneration of the lowest-paid employees;
  - the relationship between the remuneration of 'chief officers' and that of other employees;
  - the persons or bodies responsible for ensuring the provisions set out in this Statement are applied consistently throughout the Council and recommending any amendments to the Full Council.
- 1.5 The Statement sits alongside the Pay Arrangements Policy 2019, which sets out the Council's approach to pay and reward, including temporary payments for additional responsibilities and temporary market forces supplement payments.
- 1.6 An annual Pay Policy Statement is produced for each financial year, in accordance with the relevant legislation prevailing at that time, for approval

by a resolution of Full Council. This Statement covers the period 1st April 2023 to 31st March 2024.

- 1.7 Once approved by the full Council, the statement will come into immediate effect and will be published by no later than 1 April each year, subject to review on a minimum of an annual basis in accordance with the relevant legislation prevailing at that time.

## **2.0 Legislative Framework**

- 2.1 In determining the pay and remuneration of its employees, the Council will comply with all relevant employment legislation. This includes the Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, The Agency Workers Regulations 2010 and where relevant, the Transfer of Undertakings (Protection of Employment) Regulations. With regard to the equal pay requirements contained within the Equality Act, the Council ensures there is no pay discrimination within its pay structures for employees covered by the National Joint Council for Local Government Services and that all pay differentials can be objectively justified through the use of equality proofed Job Evaluation mechanisms which directly relate salaries to the requirements, demands and responsibilities of the role.

## **3.0 Pay Structure**

- 3.1 The salary information reported in this Statement are as at 1 April 2023 and are subject to any cost of living increase as negotiated by the appropriate national bodies.
- 3.2 The pay negotiations for 2023/24, effective from 1 April 2023, went through the appropriate collective bargaining mechanisms.
- 3.3 Most of the workforce (other than teachers) are employed on the National Joint Council (NJC) for Local Government Services terms and conditions of employment. Based on the application of the Local Government Single Status and LGE Job Evaluation Schemes, the Council uses the NJC nationally negotiated pay spine (grades 1 to 12) and a local pay spine (grades 13-18) as the basis for its local grading structure. Annex 3 shows the distribution of staff across the grading structure.

- 3.4 Chief Officer posts are evaluated taking into account advice from the regional employers' organisation. At a national level, basic pay increases are negotiated through the Joint National Committee (JNC) on a collective bargaining basis and normally chief officer pay awards reflect those of the NJC for Local Government Services.
- 3.5 The remaining employees are employed on other nationally defined rates. This includes those subject to:
- National agreements reached by the Soulbury Committee for certain education-related jobs (43 employees).
  - Joint Negotiating Committee (JNC) Craft for Local Authority Craft and Associated Employees (233 employees).
  - JNC Youth and Community Workers (15 employees).
- 3.6 In addition, where services have transferred into the Council from other organisations, including Public Health staff in 2013, employees have remained on their existing terms and conditions of employment, in accordance with employment legislation, unless they have subsequently transferred to NJC terms and conditions of employment as part of a review and restructure of their service area.
- 3.7 All other pay related allowances are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining mechanisms and/or as determined by Council Policy. In determining its grading structure and setting remuneration levels for all posts, the Council takes account of the need to ensure value for money in respect of the use of public expenditure, balanced against the need to recruit and retain employees who can meet the requirements of providing high quality services to the community, delivered effectively and efficiently and at times at which those services are required.
- 3.8 New appointments will normally be made at the minimum of the relevant grade, although this can be varied where necessary to secure the best candidate. From time to time, it may be necessary to take account of the external pay market in order to attract and retain employees with particular experience, skills and capacity. Any additional payments will be made in accordance with the Council's Policy and Procedure for Market Forces Supplements (Appendix 2 of the Pay Arrangements Policy 2019). The Policy and Procedure outlines

the criteria, which must be met for payment of a market forces supplement, including the approval process by senior management and the Cabinet Member for Finance, Legal and HR. The Council will ensure the requirement for such is objectively justified by reference to clear and transparent evidence of relevant market comparators, using appropriate data sources available from within and outside the local government sector. Market forces supplements when used will be time limited and subject to review. All posts receiving a market forces supplement will be reported in this annual Statement.

3.9 The Council has agreed to pay the Foundation Living Wage, from 1 April each year, where the NJC pay rates are lower than the Foundation Living Wage. From 1 April 2023 the minimum NJC hourly rate will be £10.60 and the Foundation Living wage is £10.90 per hour. The Council will pay a supplement on the two NJC points which are lower than £10.90 whilst the NJC 2023 pay award is negotiated and implemented.”

3.10 The following chief officer posts are in receipt of a Market Forces Supplement:

- Director of Children’s Services
- Director of Adult Social Care

## **4.0 Senior Management Remuneration**

4.1 For the purposes of this statement, senior management means ‘chief officers’ as defined within S43 of the Localism Act and section 4(1) of the Local Government and Housing Act 1989 which defines designated, statutory and non-statutory positions. The posts falling within the statutory definition are set out below, in Table 1, with details of their basic salary as at 1st April 2023<sup>1</sup>

4.2 Table 1 lists the 15 chief officer posts and 3 officers who report directly to the head of paid service as defined within S43 of the Localism Act that make up 0.34 % of the 4438 people employed by the Council (excluding schools).

<sup>1</sup> Data to populate this was run on 11 December 2023 based on Chief Officers in post and expected to be in post with effect from 1st April 2024 and the latest pay table as at 1 April 2023.

<b>Title</b>	<b>Grade/point</b>	<b>Pay Range Minimum (£)</b>	<b>Pay Range Maximum (£)</b>
Chief Executive	Chief Officer	191,017	191,017
Deputy Chief Executive	Chief Officer	160,789	160,789
Director of Children's Services (includes a market supplement of £32,055 and a payment for statutory duties of £10,903)	Chief Officer	148,949	148,949
Director of Adult Social Care (includes a market supplement of £26,829 and a payment for statutory duties of £10,903)	Chief Officer	143,723	143,723
Director of Public Health & Wellbeing	Chief Officer	116,894	116,894
Director of Finance & Legal (including a payment for statutory duties of £10,903)	Chief Officer	116,894	116,894
Director of Environment	Chief Officer	105,991	105,991
Director of Digital, Customer & Commercial Services	Chief Officer	105,991	105,991
Director of Regeneration & Enterprise	Chief Officer	105,991	105,991
Service Director – Neighbourhood Delivery	Chief Officer	105,991	105,991
Director of Housing & Communities	Chief Officer	105,991	105,991
Service Director of Education, SEND & Family Solutions	Chief Officer	105,991	105,991
Service Director for Children's Social Care	Chief Officer	105,991	105,991
Lead for Law & Governance (including a payment for statutory duties of £10,903)	Grade 17	90,036	93,590



Officers who report direct to Head of paid Service			
Assistant Director – People & Inclusion	Grade 18	86,638	92,350
Head of Communications and Public Affairs	Grade 16	72,412	76,924
Head of Chief Executives Office	Grade 13	52,430	56,168

An organisation structure chart showing the current senior management structure for the Council can be found in Annex 1 of this Policy Statement.

- 4.3 The Lead for Law and Governance is the designated statutory Monitoring Officer role defined under section 5(1) of the Act and the post reports to the Director of Finance and Legal.
- 4.4 The Chief Executive is employed under the terms and conditions of the Joint Negotiating Committee for Chief Executives, the Deputy Chief Executive, Directors and Service Directors are employed under the terms and conditions of the Joint Negotiating Committee for Chief Officers.

## 5.0 Recruitment to Senior Management Positions

- 5.1 The Council's Policy and Procedures with regard to recruitment of 'Chief Officer' posts is set out within the Officer Employment Procedure Rules as contained in Part 4 of the Council's Constitution. When recruiting to all posts the Council will take full and proper account of its own Equality and Diversity, Recruitment and Redeployment Policies, including any particular requirements for those who have transferred into the Council, e.g. Public Health. The determination of the remuneration to be offered to any newly appointed Chief Officer will be in accordance with the pay structure and relevant policies in place at the time of recruitment. Where the Council is unable to recruit to a post at the designated grade, it may consider the use of temporary market forces supplements in accordance with its relevant policies.
- 5.2 The terms of reference of the Council's Appointments Committee, contained within the Council's Constitution, include:

- Recommending to the Full Council on the appointment of the Chief Executive;
- Recommending to the Full Council any new appointments or severance packages that exceed a threshold of £100,000 (excluding pension payments);
- The appointment of the Deputy Chief Executive, and Directors.

5.3 Where the Council remains unable to recruit to a Chief Officer post under a contract of employment, or there is a need for interim support to provide cover for a vacant substantive post, the Council may, where necessary, consider and utilise engaging individuals under 'contracts for services'. These will be sourced through a relevant procurement process, and in accordance with HMRC rules, ensuring the Council is able to demonstrate the maximum value for money benefits from competition in securing the relevant service.

5.4 Market forces supplements/recruitment allowances are paid where it is justified in order to recruit and fulfil a role or to retain an officer within a role.

## 6.0 Additions to Salary of Chief Officers

6.1 The Council does not apply any bonuses or performance related pay to any of its Chief Officer posts.

6.2 In addition to basic salary, set out below are details of other elements of 'additional pay', which are chargeable to UK Income Tax and do not solely constitute reimbursement of expenses incurred in the fulfilment of duties:

- Fees are paid for deputy returning officer duties in accordance with the rates approved by the Council and increased in line with national pay awards. Employees who act as deputy returning officers at local elections are currently paid a fee of £78 per ward.
- A mileage allowance is paid to all employees using their own vehicle for work purposes. The rate is 45p per mile (or, where applicable, the NHS mileage rate is 67p per mile). Mileage rates are taxable above an approved amount (known as MAP) and this is set by HMRC.

- The Council may consider granting an honorarium (of an amount dependent upon the circumstances of each case) to Chief Officers who perform duties outside the scope of their role over an extended period. Any requirement for an honorarium will be dealt with through evaluation of the additional duties. Such a temporary arrangement would need to be approved by the relevant Cabinet Member in consultation with the Chief Executive and formalised in a Decision Sheet and would be in the interests of efficient administration of a service(s).
- By law, all staff are entitled to 5.6 weeks holiday (28 days for a full-time employee; this is inclusive of bank holidays). The statutory provision was designed to give employees paid time away from the work environment and there are sound health and wellbeing reasons for them to have that time. For those reasons contracting out of the minimum holiday entitlement by paying them instead is not allowed. The Local Government Association specifies that holidays should be taken within the year to which they relate therefore the Council encourages employees to use their annual leave throughout the year. Untaken annual leave is reimbursed through payment only where an employee has not taken a proportionate amount of leave when exiting the Council's employment.

## **7.0 Payments on Termination**

- 7.1 The Council's approach to statutory and discretionary payments on termination of employment of staff, prior to reaching normal retirement age, is set out within policies on managing employees at risk of redundancy, the discretionary severance payments scheme and any policies adopted in accordance with Regulations 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006 or as amended, and Regulations 12 and 13 of the Local Government Pension Scheme (Benefits, Membership and Contribution) Regulations 2007 or as amended. For employees who transferred from the NHS, the NHS Agenda for Change Staff Handbook and NHS Pension Regulations apply.
- 7.2 Any other payments falling outside the provisions, or the relevant periods of contractual notice shall be subject to a formal decision made by the Full Council or relevant elected members, committee or panel of elected members with delegated authority to approve such payments.

7.3 The Constitution states that any severance packages for employees leaving the Council that exceed £100,000 (excluding pension payments) should be the subject of a recommendation by the Appointments Committee to full Council.

## **8.0 Publication**

8.1 Upon approval by the Full Council, this Statement will be published on the Council's website. Reference is made to the Council's Constitution, which is also available on the Council's website. In addition, for posts where the full-time equivalent salary is at least £50,000, the Council's Annual Statement of Accounts will include a note setting out the total amount of:

- salary, fees or allowances paid to or receivable by the person in the current and previous year;
- any bonuses so paid or receivable by the person in the current and previous year;
- any sums payable by way of expenses allowances that are chargeable to UK income tax;
- any compensation for loss of employment and any other payments connected with termination;
- any benefits received that do not fall within the above.

## **9.0 Lowest Paid Employees**

9.1 As referred to above, there are a number of national pay scales covering different groups of employees.

9.2 The lowest paid persons employed under a contract of employment with the Council are employed on full time (37 hours) equivalent salaries in accordance with the minimum spinal column point currently in use within the Council's NJC grading structure which is £22,366 per annum.

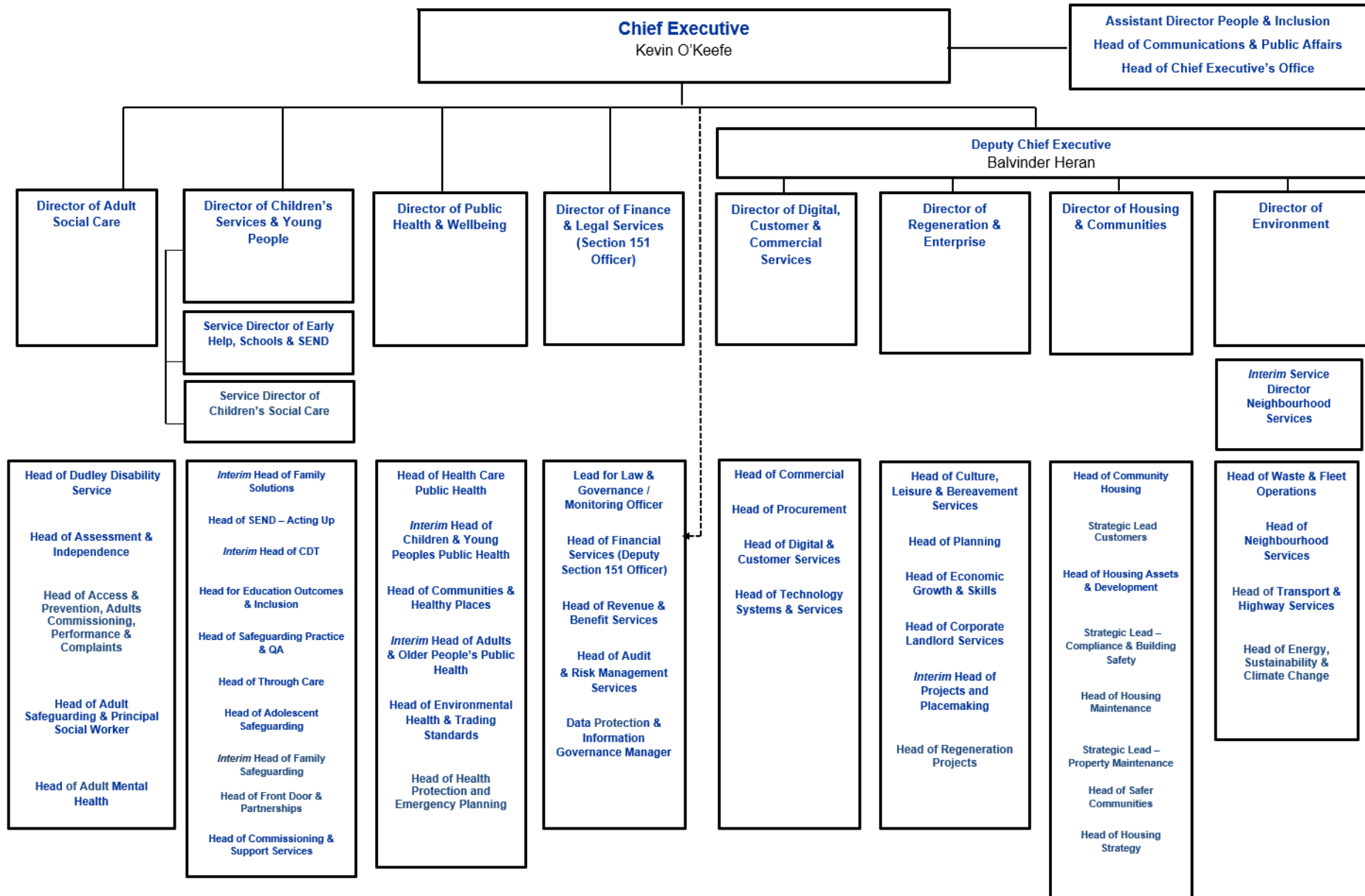
- 9.3 The Council employs Apprentices who are not included within the definition of 'lowest paid employees' as they are employed under the terms, conditions and pay rates applicable to the relevant apprenticeship scheme. Apprentices are paid in accordance with the National Minimum Wage, according to age. The relationship between the rate of pay for the lowest paid and Directors/'Chief Officers' is determined by the processes used for determining pay and grading structures as set out earlier in this Policy Statement.
- 9.4 The statutory guidance under the Localism Act 2011 recommends the use of pay multiples as a means of measuring the relationship between pay rates across the workforce and that of senior managers, as included within the Hutton 'Review of Fair Pay in the Public Sector' (2010). The Hutton review was asked by the Government to explore the case for a fixed limit on dispersion of pay through a requirement that no public sector manager can earn more than 20 times the lowest paid person in the organisation. The report concluded that the relationship to median earnings was a more relevant measure, and the Local Government Transparency Code 2015 requires the publication of the ratio between highest paid salary and the median average salary of the whole of the authority's workforce.
- 9.5 The current pay levels within the Council defined the multiple (rounded to the nearest whole number):
- between the lowest paid full time equivalent employee and the Chief Executive as 1:9
  - between the lowest paid employee and average Deputy Chief Executive/Director as 1:5
  - between the median (average) full time equivalent earnings and the Chief Executive as 1:7
  - between the median (average) full time equivalent earnings and average Deputy Chief Executive/Director as 1:5
- 9.6 As part of its overall and ongoing monitoring of alignment with external pay markets, both within and outside the sector, the Council will use available benchmarking information as appropriate. The Council participates in the

Local Government Earnings Survey, which provides pay bill and average pay rate information for all local government employees (excluding Teachers) in England and Wales.

## **10.0 Accountability and Decision Making**

- 10.1 In accordance with the Council's Constitution, the Full Council, the relevant Committee and elected members or officers with delegated authority are responsible for decision making in relation to the recruitment, pay, terms and conditions and severance arrangements for employees of the Council. These are contained in Part 4, Officer Employment Procedure Rules, of the Constitution. The full terms of reference of the Appointments Committee are set out in Part 3.

# Annex 1 – Dudley Council Organisation Structure



## Annex 2 – National Joint Council Pay Spine

The Dudley Council pay spine is based on nationally negotiated rates through the National Joint Council.

The table below sets out the Main Salary Grades effect from 1<sup>st</sup> April 2023.

<b><u>Grade</u></b>	<b><u>National Joint Council value</u></b>	<b><u>National Joint Council value</u></b>	<b><u>National Pay Spinal</u></b>
	<b>Pay range minimum</b>	<b>Pay range maximum</b>	
<b>Grade 1</b>	£22,366	£22,366	2
<b>Grade 2</b>	£22,737	£22,737	3
<b>Grade 3</b>	£22,737	£23,114	3-4
<b>Grade 4</b>	£23,500	£23,893	5-6
<b>Grade 5</b>	£24,294	£25,979	7-11
<b>Grade 6</b>	£26,421	£28,770	12-17
<b>Grade 7</b>	£29,269	£32,076	18-23
<b>Grade 8</b>	£33,024	£35,745	24-27
<b>Grade 9</b>	£36,648	£39,186	28-31
<b>Grade 10</b>	£40,221	£43,421	32-35
<b>Grade 11</b>	£44,428	£47,420	36-39
<b>Grade 12</b>	£48,474	£51,515	40-43



<b><u>Locally Agreed Senior Grades**</u></b>					
<b>Grade 13</b>		£52,430		£56,168	50-53
<b>Grade 14</b>		£57,584		£61,325	54-57
<b>Grade 15</b>		£63,532		£70,204	58-61
<b>Grade 16</b>		£72,412		£76,924	62-65
<b>Grade 17</b>		£79,133		£82,687	66-69
<b>Grade 18</b>		£86,638		£92,350	70 - 73

### Footnotes

\* Where applicable, a supplement will be paid to bring employees in line with the Real Living Wage

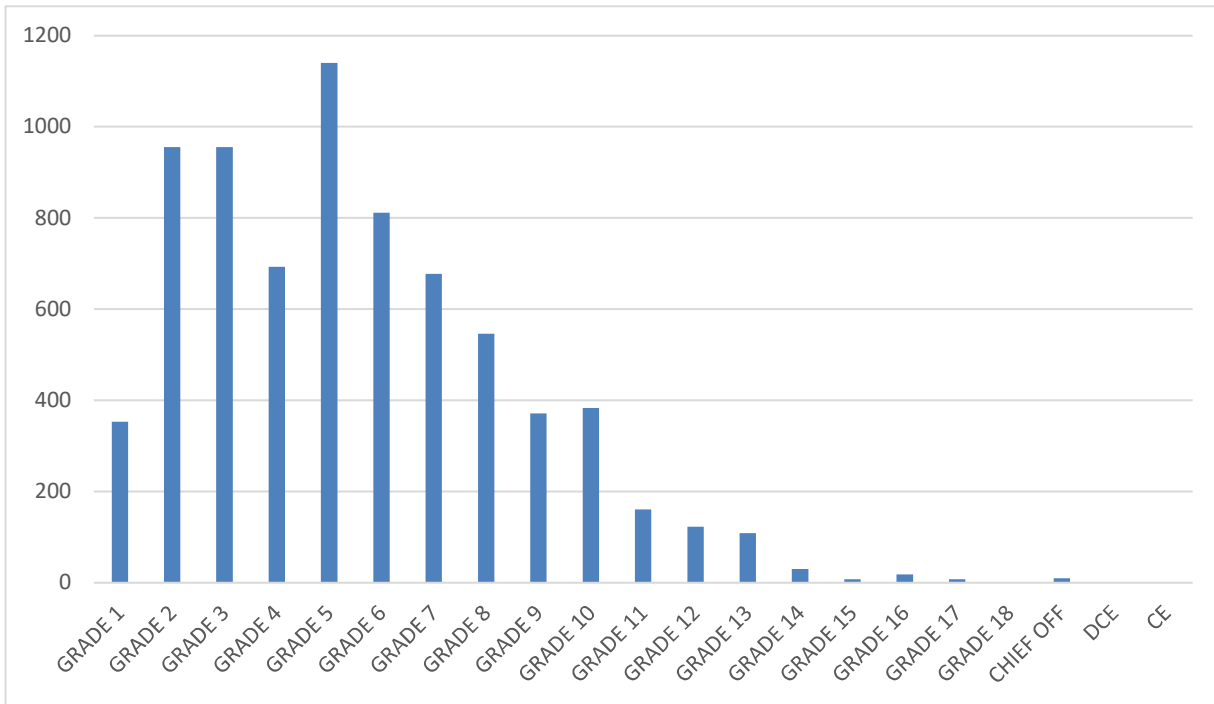
\*\* Senior grades 13 – 18 are locally agreed as part of the Collective Agreement implemented in 2012.

The above rates are subject to any pay award agreed for April 2024.

### Annex 3

#### Employee distribution across DNJC grades

(including employees of the Council and community and voluntary controlled schools)



Payment Table	Grade	Number of Contracts
DNJC 2021	GRADE 1	353
DNJC 2021	GRADE 2	955
DNJC 2021	GRADE 3	955
DNJC 2021	GRADE 4	693
DNJC 2021	GRADE 5	1140
DNJC 2021	GRADE 6	811
DNJC 2021	GRADE 7	677
DNJC 2021	GRADE 8	546
DNJC 2021	GRADE 9	371
DNJC 2021	GRADE 10	383
DNJC 2021	GRADE 11	161
DNJC 2021	GRADE 12	123
DNJC 2021	GRADE 13	109
DNJC 2021	GRADE 14	30
DNJC 2021	GRADE 15	8
DNJC 2021	GRADE 16	18
DNJC 2021	GRADE 17	8
DNJC 2021	GRADE 18	1
CHIEFS	CHIEF OFF	10
CHIEFS	DCE	1
CHIEF EXECUTIVE	CE	1

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**Meeting of the Cabinet – 15<sup>th</sup> February, 2024**

**Report of the Deputy Chief Executive**

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

**Purpose of report**

1. To consider and approve the Gender Pay Gap report 2023 which is due for publication by 30th March 2024 in accordance with the requirements of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

**Recommendations**

2. It is recommended that Cabinet :-
  - Approve the Gender Pay Gap 2023 report attached at Appendix 1 for public disclosure, and thereafter the report is published and data reported to the government before the 30th March 2024 to ensure compliance with the requirements of the 2017 Regulations.

**Background**

3. The Equalities Act 2010 (Gender Pay Gap Information) Regulation 2017 aims to tackle the gender pay gap that exists in organisations and provide transparency around gender pay gap reporting. Thus, all employers with more than 250 employees are required to publish an annual gender pay gap report on the difference between the average earnings of men and women, expressed as relative to men's earnings.
4. The gender pay gap differs from equal pay in that equal pay relates to pay differences between men and women who carry out the same jobs, similar jobs or work of equal value. The gender pay gap is a measure of any disparity in pay between the average earnings of male and female employees.

5. Figures contained within the report must be calculated using a specific reference date known as the 'snapshot date', which for public sector organisations is 31st March. Employers are required to publish the report within a year of the snapshot date. Thus, the report compiled for Dudley Council is based on a snapshot date of 31st March 2023 and must be published by 30th March 2024.

#### Dudley's Current Position and Action taken to date

6. The full Gender Pay Gap report for 2023 is attached at Appendix 1 to this report. The analysis is based on the overall pay difference between Dudley's male and female workforce and is provided in accordance with the six mandatory calculations that are required to be reported on to meet the Regulations. These are:

**Mean gender pay gap** – the difference in the mean hourly pay of male and female employees expressed as a proportion of the male figure

**Median gender pay gap** – the difference in the median hourly pay between male and female employees, expressed as a proportion of the male figure

**Mean Bonus gender pay gap** – the difference in the mean bonus pay between male and female employees, expressed as a proportion of the male figure

**Median Bonus gender pay gap** – the difference in the median bonus pay between male and female employees, expressed as a proportion of the male figure

**Hourly pay quartiles** – the number of male and female employees in each quartile of the overall pay range

**Bonus pay proportion** – the proportion of male and female employees who received a bonus in the year.

7. Having analysed Dudley's position in accordance with the above mandatory calculations, it confirms that as of 31<sup>st</sup> March 2023,
  - the average hourly rate for Male employees was **£16.53** (*an increase from £15.19 in 2022*).
  - The average hourly rate for Female employees was **£15.23** (*an increase from £14.21 in 2022*).

The mean gender pay gap, therefore, is **7.9%** (as a percentage of male pay) which reveals that, overall, the gender pay gap has slightly increased when compared to last year at 6.5%. The increase can be attributed to a decrease in headcount from 5225 to 5062 with the biggest change being in Female Part-Time staff (156 employees less than last year). These positions are generally on lower paid grades, so a reduction in these posts

would shift the balance slightly to the full-time, high paid grades, thus affecting the gender pay gap. Any change in composition of the workforce can impact the gender pay gap.

Whilst the gender pay gap for Dudley has seen a slight increase this is significantly lower than The Office of National Statistics (ONS) data from the Annual Survey of Hours and Earnings (ASHE) for 2022 which states that the national mean gender pay gap for all employees is 13.13%.

8. When making comparisons against the 2022 report, there has been a very slight increase in the 'median' Gender Pay Gap figure from **12.7%** to **12.8%**. The 'median' calculation being the actual mid-point between the highest and lowest paid. The median hourly rate for Male employees was **£15.63** (*an increase from £13.95 in 2022*). The median hourly rate for Female employees was **£13.62** (*an increase from £12.17 in 2022*). The median gender pay gap, therefore, is **12.8%** (as a percentage of male pay) which is slightly higher than the national average at 11.96%.
9. Data has been calculated in accordance with the reporting legislation, this includes calculating an hourly rate for employees as at 31 March 2023, excluding overtime. Dudley Council does not operate a bonus scheme and therefore bonus calculations are not included.
10. Like other local authorities, the lower paid roles within the Council such as cleaner, catering assistant, administration are predominantly female with, for example, a significantly higher number of female catering assistants compared to male. The majority of these roles are also part-time with female employees making up 81.5% of part time workers. As a result, the gender pay gap within Dudley is, in part, due to the high concentration of female employees in part-time and lower paid job roles when compared to the average (mean) hourly rate of all employees across the Council
11. The causes of any gender pay gap remain complex and there is not one single particular reason why a gender pay gap exists. However, some of the work undertaken to reduce the Gender Pay Gap in Dudley is outlined on page 7 of the gender pay gap snapshot report (appendix 1) including:
  - Requests for part-time, flexible or job share working is considered for all positions, not excluding senior higher paid roles.
  - We have refreshed the provision of recruitment and selection training, to reflect our new position on Equality, Diversity, and Inclusion to ensure that those conducting interviews have the relevant knowledge and an understanding of matters that may arise.
  - The mandatory e-learning programme has been reviewed and now that the new LMS has been procured, bespoke EDI e-learning modules are placed on this to tackle inequalities and also to focus on new areas

such as the menopause champions, Gender equality and the Gender pay gap.

- An equality module on each of the Leadership Development programmes, which is an evaluated programme.
  - The refresh of a Corporate Induction programme which includes a section on Equality, diversity, and inclusion.
  - The launch of the carers passport, to support employees to stay in work.
  - The Council's continued commitment to ensure our pay rates reflect the Real living wage which impacts predominantly on the lower paid employees who are mainly female and ensures that a minimum hourly rate is paid as calculated by the Living Wage Foundation.
12. Dudley will continue to do more to tackle the gender pay gap at Dudley by building on our long-standing commitment to encourage more women into careers that are traditionally male dominated and vice versa. Further work planned in the year ahead is outlined on page 8 in the report at appendix 1.

## **Finance**

13. There are no direct financial implications arising from this report.

## **Law**

14. The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 impose obligations on employers with 250 or more employees to publish information relating to the gender pay gap in their organisation. In particular, employers are required to publish the following:
- The difference between the average hourly rate of pay paid to male and female employees;
  - the difference between the average bonus paid to male and female employees;
  - the proportions of male and female employees who receive bonuses;
  - the relative proportions of male and female employees in each quartile pay band of the workforce.
15. To comply with the Regulations, employers must both:
- Publish their gender pay gap data and a written statement on their public facing website
  - Report their data to government online using the gender pay gap reporting service.

## **Risk Management**

16. If action is not taken to reduce the gender pay gap this could impact on the ability to attract and recruit to posts. In particular, this could affect hard to fill roles, where we are competing against other employers regionally and nationally for candidates. The actions included in the pay gap report at appendix 1 and in the People and EDI Strategies are intended to mitigate this risk.

## **Equality Impact**

17. The Council is committed to the promotion of equality of opportunity and choice for all of its employees and considers its transparency, reporting and monitoring as being an important step in tackling any issues of inequality.
18. Following an initial assessment for equality impact and identification of potential significant equality impacts, a full equality impact assessment has been completed and is attached at appendix 2.

## **Human Resources/Organisational Development**

19. The Council is committed to seeking to further reduce the current gender pay gap and will continue to review and take necessary action, where appropriate, to close the gap in accordance with its commitment to promote equality in employment.

## **Commercial/Procurement**

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

## **Environment/Climate Change**

21. There are no direct environment/climate change implications associated with this report.

## **Council Priorities and Projects**

22. Both the People Strategy and Equality, Diversity, and Inclusion Strategy focus on a number of areas aimed at tackling any gap in the pay of female employees. Details of planned activity is also reflected in the delivery plans that sit beneath these strategies.



Balvinder Heran

**Balvinder Heran**  
**Deputy Chief Executive**

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## **Appendices**

- Appendix 1 – Gender Pay Gap Report 2023
- Appendix 2 - Equality Impact Assessment

## Equality impact assessment



**Name of policy, service or decision: Gender Pay Gap Report 2023**

**Lead directorate: People and Inclusion**

<p><b>1. Description – what is being assessed?</b> Dudley Metropolitan Borough Council's Gender Pay Gap 2023 for publication in response to our public sector duty under the Equality Act 2010 and the proposed action plan to reduce the gap.</p>
<p><b>2. Lead officer on assessment: Daniele Brennan, Equality, Diversity and Inclusion Manager</b></p>
<p><b>3. Head of service: Jacqueline Branch, AD People and Inclusion.</b></p>
<p><b>4. Members of assessment team:</b></p> <ul style="list-style-type: none"><li>• Daniele Brennan, Equality, Diversity, and Inclusion Manager</li><li>• Nadia Owen, Senior Manager for HR Delivery &amp; Intelligence</li><li>• Karen Jesson, HR Delivery Manager - Business Partnering &amp; Intelligence.</li></ul>
<p><b>5. Date assessment began: November 2023.</b></p>
<p><b>Background</b></p>
<p><b>6. What are the aims and objectives or purposes of the policy or service?</b></p> <p>The Government's Equality Act 2010 (Gender Pay Gap Information) Regulations 2016 introduced a mandatory gender pay gap reporting duty for employers of 250 or more employees and came into force for qualifying public sector employers from 6th April 2017 as an extension of the existing Public Sector Equality Duty.</p> <p>The pay information provided must be based on data from a specific pay period with employers having to calculate and publish their overall mean and median pay gap information before 30<sup>th</sup> March and annually thereafter as part of a regular reporting cycle.</p> <p>Dudley Metropolitan Borough Councils Gender Pay Gap report sets out the position at the "snapshot" date of 31st March 2023.</p> <p>The Council's "Gender Pay Gap" calculation shows the difference between the mean (average) and the median (mid-point), earnings between men and women expressed as a percentage of men's earnings and a breakdown by pay quartiles.</p>
<p><b>7. Who is it intended to affect or benefit (the target population)?</b></p>

The report is intended to benefit our female employees.

**8. What are the main potential equality issues to be looked at?**

The disproportionate rate of pay between female and male employees, and how we continue to close the gap between the sexes in relation to pay, as well as the recognition of the potential disproportionate impact of the “cost of living crisis” on women.

**Evidence gathering**

**9. Provide details of all information about the policy, service or decision which will help with the assessment.**

**Equality monitoring data:**

**What monitoring data is collected for each of the protected characteristics?  
Set out relevant details of this data.**

- The Corporate Equalities Group will consider and comment on the Gender Pay Gap Report 2023, at its meeting on 6<sup>th</sup> February 2024.
- The Trade Unions will be informed of the findings of the Gender Pay Gap report
- The Corporate and Economic Strategy Select Committee will review and approve the 2024/2025 Equality, Diversity, and Inclusion action plan, which will support the work required to continue to reduce the Council’s Gender Pay gap. They will continue to receive an annual report setting out the situation at future “snapshot dates” and recommended actions to monitor progress.
- A range of people policies, procedures and practices are already in place which will support the Council to tackle the gender pay imbalance long term.
- A creation of a learning module on our learning platform around the gender pay gap, and equitable practices in relation to gender.

**Data analysis**

**10. What does the information tell you? What patterns or trends are there? What comparative data is there - how does your data compare with background data e.g. from the Census, national data or research, or other authorities?**

The average hourly rate for Male employees was **£16.53** (an increase from £15.19 in 2022).

The mean gender pay gap, therefore, is 7.9% (as a percentage of male pay) which reveals that, overall, the gender pay has increased when compared to 2022.

The average hourly rate for Female employees was **£15.23** (an increase from £14.21 in 2022). *Last year this was at 10%, showing the gap has closed to the benefit of the female employees in Dudley Council.*

In addition, it should be noted that the 'median' Gender Pay Gap figure has also slightly increased from **12.7% to 12.8%**.

The median hourly rate for Male employees was **£15.63** (*an increase from £13.95 in 2022*). The median hourly rate for Female employees was £13.62 (an increase from £12.17 in 2022).

The median gender pay gap, therefore, is 12.8% (as a percentage of male pay) which is slightly higher than the national average at 11.96%.

**11. From your data analysis, what are the main issues relating to each protected characteristic (if any)? Consider all three parts of the public sector equality duty.**

All protected characteristics	
Age	Neutral
Disability	Neutral
Gender reassignment	Neutral
Marriage or civil partnership	Neutral
Pregnancy or maternity	Neutral
Race	Neutral

Religion or belief	Neutral
Sex	Negative
Sexual Orientation	Neutral
<b>Are there any significant issues relating to other groups of people e.g. through social class or in particular parts of the borough?</b>	
<p>Research from Legal &amp; General finds that working women are significantly closer to the headline if they lose their income (14 days vs. 28 days for men). However, women are more likely to be taking action to address impact of crisis on household finances by cutting back on both essentials (72%) and luxuries (86%). Cost-of-living concerns could worsen existing gender pay gap and long-term savings inequalities.</p>	
<b>Identifying adverse impacts</b>	
<p><b>12. What are the main potential adverse impacts on particular protected characteristics that need to be taken into account in changing the service or policy/making a decision? Indicate any positive impacts.</b></p> <p>The Council's current Gender Pay Gap report illustrates the negative impact on women of perceived organisational barriers which can stop women from applying for and progressing to more highly paid job roles.</p>	
<b>Alternatives/mitigating actions</b>	
<p><b>13. How will any adverse impacts identified be reduced or removed? Explain if it is decided that an adverse impact is unavoidable.</b></p> <p>The Council is committed to taking appropriate action to continue to reduce its Gender Pay Gap. Monitoring its progress over time a series of actions and measures have been identified to reduce the gap as priorities.</p> <p>Through the delivery of the People Strategy 2022-2025, and the Equality, Diversity, and Inclusion Strategy 2022-2025 we shall focus on:</p>	

- Recruitment and retention
- In the current financial climate, we shall focus on growing our own, and opportunities to enable people to take on more opportunities.
- Flexible working
- Career development, through a learning environment and
- Progression of female employees in senior managerial posts.

### **Monitoring arrangements**

#### **14. How will the equality impact of the policy/service be monitored in future?**

This will be monitored yearly, as through our reporting life cycle.

### **Action planning**

#### **15. Provide details of actions or improvements identified during the EIA.**

- Utilise recruitment fairs and career fairs to encourage candidates from under-represented groups publicising the Council's commitment to work-life balance through its recruitment offers of part time, job share, and flexible working opportunities.
- The use of talent and workforce planning, to identify areas of under-representation throughout our organisation.
- Continue to develop new ways of working that continue to promote Equality, diversity, and inclusion in our workforce.
- Inclusive leadership training is included in our leadership development programmes along with sessions offered to managers on inclusive conversations.
- The creation of new bespoke EDI modules on the learning platform including, gender Equality, and the gender pay gap.
- Further development work is planned to embed inclusivity within the workforce, including the development of a competency framework to support equality as a leadership accountability.
- Undertake further work to fully understand the financial disparity between men and women across all grades and as per the EDI strategy, work to understand in ethnicity inequalities, that may disproportionately affect women from Black and minority ethnic backgrounds.
- Continue to incorporate a question into future employee/pulse surveys asking all employees "what makes Dudley an employer of choice" to provide us with analysis by gender.

- Further review benchmark information and actions being taken by other organisations, including the Government Equalities Office, to continue to address Dudley's gender pay gap.

**Decision making**

**16. Who will be making a decision relating to the policy or service (e.g. the Cabinet, a Cabinet member through a decision sheet, a director or chief officer through delegated authority) and when will a decision be made?**

Not applicable.

**Signed assessment lead officer: *D Brennan***

**Date: 30.11.2023**

**Chief officer/head of service:**

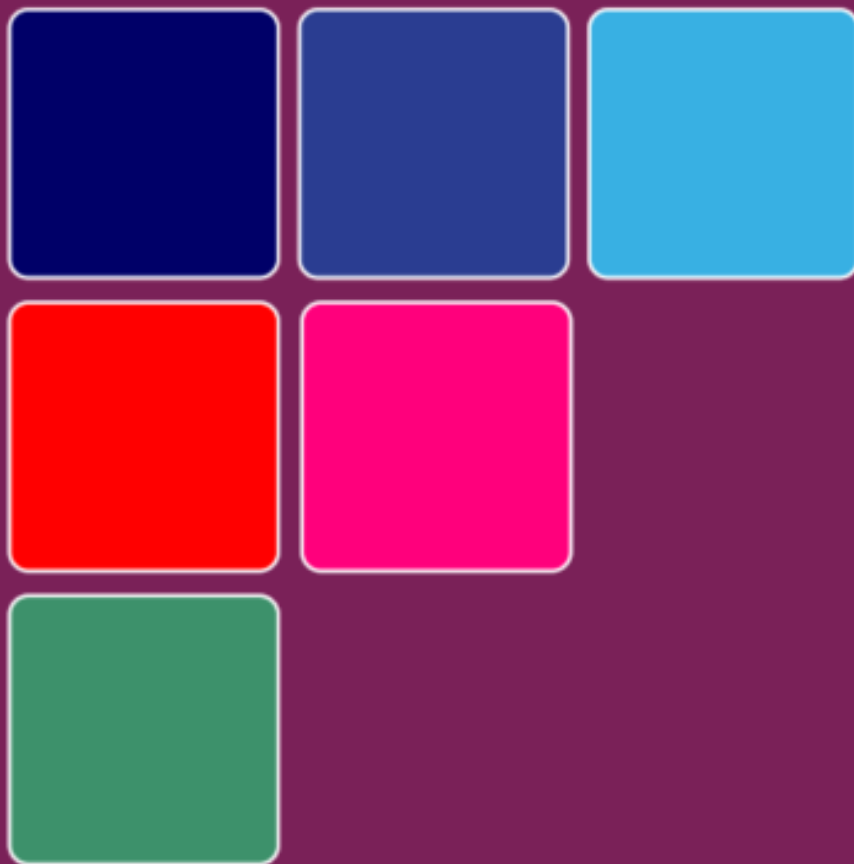
**Date:**

Version: February 2019

Dudley Council

# Gender Pay Gap Report

Snapshot date: 31<sup>st</sup> March 2023





## Introduction

The Equality Act 2010 (Gender Pay Gap Information) Regulations 2016 requires employers with 250 or more employees to publicly disclose information regarding how large the pay gap is between their male and female employees. The intention of the mandatory Gender Pay Gap Reporting regulations is to demonstrate that, as a public sector organisation, we are ensuring compliance with the Public Sector Equality Duty and are transparent in our disclosure of such information in accordance with the required need to publish such information about gender pay gaps annually on 31<sup>st</sup> March.

Dudley Council is committed to the promotion of equality of opportunity and choice for all employees and is working to ensure that it has a diverse and inclusive workforce that reflects the community it serves.

The following information is based on a snapshot of pay as of 31 March 2023 (including casual workers but excluding agency workers) where at that time the workforce profile comprised of 64% female and 36% male and was made up of 55.18% full time and 43.78% part time employees. The information excludes anyone being paid at a reduced rate in the March 2023 pay period i.e. anyone on maternity leave.

The analysis is based on the overall pay difference between Dudley's male and female workforce and is provided in accordance with the six mandatory calculations that are required to be reported on to meet the Regulations. These are:

**Mean gender pay gap** – the difference in the mean hourly pay of male and female employees expressed as a proportion of the male figure

**Median gender pay gap** – the difference in the median hourly pay between male and female employees, expressed as a proportion of the male figure

**Mean Bonus gender pay gap** – the difference in the mean bonus pay between male and female employees, expressed as a proportion of the male figure

**Median Bonus gender pay gap** – the difference in the median bonus pay between male and female employees, expressed as a proportion of the male figure

**Hourly pay quartiles** – the number of male and female employees in each quartile of the overall pay range

**Bonus pay proportion** – the proportion of male and female employees who received a bonus in the year.

The overall gender pay gap is defined as the difference between the mean (average) or median (actual mid-point between highest and lowest) of basic annual earnings of men and women and is expressed as a percentage of the mean or median basic annual earnings of men. For the purposes of clarification, the specific elements of pay are included i.e., basic pay, allowances, paid leave, and shift pay – excluding overtime, and an average hourly pay rate is calculated for every employee based on these payments and working hours. Dudley Council does not operate a bonus scheme and therefore bonus calculations are not relevant.

For the purposes of definition, the gender pay gap differs from equal pay. Equal pay relates to pay differences between men and women who carry out the same jobs, similar jobs, or work of equal value. The gender pay gap is a measure of any disparity in pay between the average earnings of male and female employees.

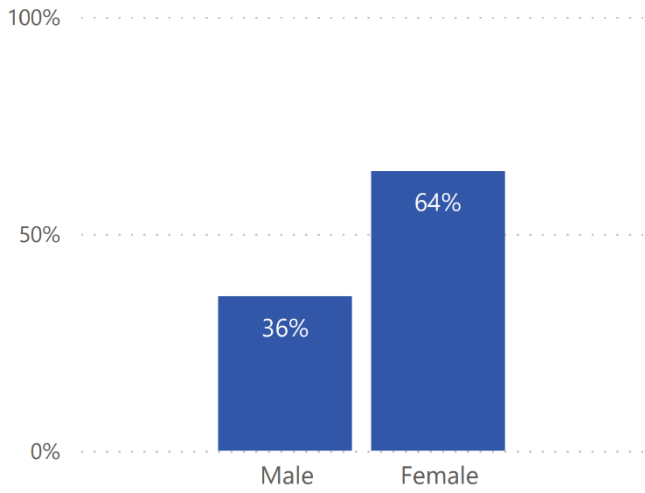
As a local authority, and unlike most employers who operate and will be analysing their pay in a single sector, Dudley's pay structure covers a multitude of diverse service areas ranging from senior managerial positions through to construction, recreation, catering, cleaning, and caring services. Grades vary according to the level of responsibility and each grade is made up of several incremental points which employees progress through annually until reaching the top of their grade.

The makeup of the workforce at Dudley being mainly female will affect the gender pay gap calculations, as will the distribution of the workforce. Dudley Council also continues to maintain its services in-house compared to other local authorities who have outsourced some services and this, as a result, may also impact on the calculations and should be considered when making comparisons.

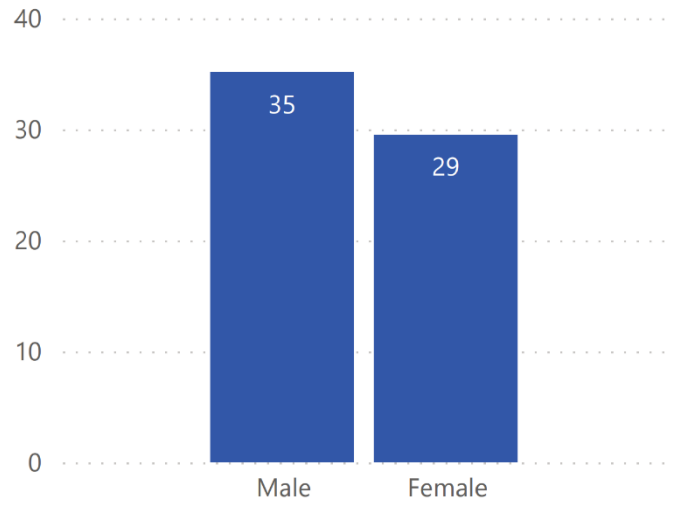
When compared to last year, Dudley has seen a slight increase in its Gender Pay Gap from 6.5% (mean) to 7.9%. The increase can be attributed to a decrease in headcount from 5225 to 5062 with the biggest change in Female Part-Time staff (156 employees less than last year). These positions are generally on lower paid grades, so a reduction in these posts would shift the balance slightly to the full-time, high paid grades, thus affecting the gender pay gap. Any change in workforce composition will impact the gender pay gap.

# Dudley MBC Gender Pay Gap—March 2023

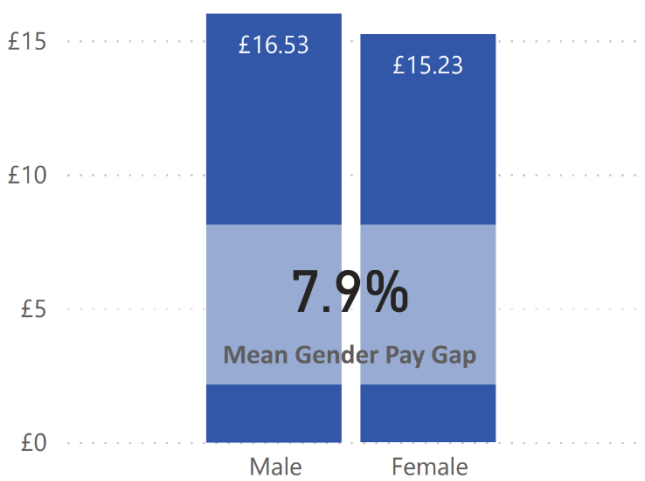
### Total Workforce Demographic



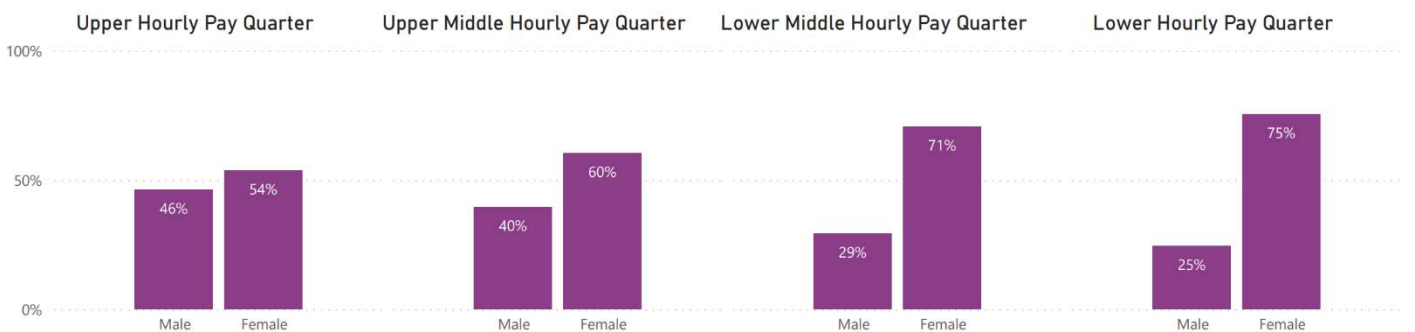
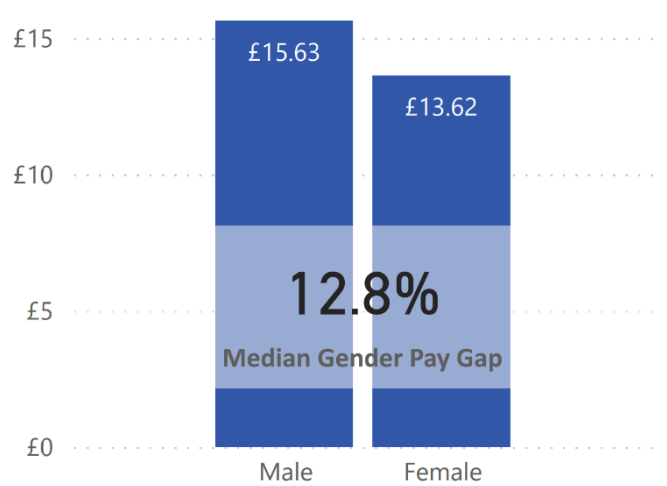
### Average Contractual Weekly Hours



### Mean Hourly Rate



### Median Hourly Rate



**Dudley Council does not operate any Bonus schemes and therefore has no bonus gender pay gap**

## Result Summary:

Dudley Council's pay structure follows a standard public sector approach to pay and grading and covers grades ranging from domestic/cleaner job roles to senior managerial levels. Grades vary according to the level of responsibility and each grade is evaluated through a job evaluation process in accordance with the National Job Evaluation scheme. Employees progress annually through the pay range of their grade until reaching the top, irrespective of their gender.

**The overall gender pay gap is a high-level indicator of male and female hourly rates.** The makeup of the workforce can affect the gender pay gap calculations, as can the distribution of the workforce. Most Dudley Council employees are employed within the lower grades which will distort the overall pay gap by reflecting workforce composition rather than pay inequalities.

The mean and median average looks at all hourly rates of employees ranging from an apprentice up to the Chief Executive and therefore the mean and median calculations will be distorted by the large range in hourly rates and is not as representative of the data as it would be if the range was small – the greater the pay dispersion, the less reliable are the calculations of the gender pay gap (*CIPD Gender Pay Gap Reporting 2020*)

The mean gender pay gap for Dudley has seen a slight increase from 6.5% to 7.9% based on the position last year and has also seen a very slight increase in terms of the median gender pay gap from 12.7% to 12.8%.

### Mean Gender Pay Gap

- The average hourly rate for Male employees was **£16.53** (*an increase from £15.19 in 2022*).
- The average hourly rate for Female employees was **£15.23** (*an increase from £14.21 in 2022*).
- The mean gender pay gap, therefore, is **7.9%** (as a percentage of male pay) which reveals that, overall, the gender pay has increased from 6.5% last year.

### Median Gender Pay Gap:

- The median hourly rate for Male employees was **£15.63** (*an increase from £13.95 in 2022*).
- The median hourly rate for Female employees was **£13.62** (*an increase from £12.17 in 2022*).
- The median gender pay gap, therefore, is **12.8%** (as a percentage of male pay).

***The CIPD Gender Pay Gap Report 2020 has identified that if the mean gender pay gap is significantly lower than the median, then the dataset is skewed by the presence of low earners – and if most employees in this group are mainly female (as is the case in Dudley), a gender pay gap arises.***

### **Hourly Pay Quartiles:**

The distribution of male and female employees within the quartiles are:

- **Lower Quartile:** 25% Male and 75% Female.
- **Lower Middle Quartile:** 29% Male and 71% Female.
- **Upper Middle Quartile:** 40% Male and 60% Female.
- **Upper Quartile:** 46% Male and 54% Female.

This reveals that female employees make up the highest proportion in all quartiles.

### **Dudley's Gender Pay Gap and Gender Monitoring in more detail:**

The lower paid job roles within the council i.e., Domestic, Cleaner, Catering Assistant, and Administration have a high concentration of female employees. 81.54% of part time workers within the council are female. 18.46% are male.

As a result, the gender pay gap within Dudley is, in part, due to the high concentration of female employees in part time and lower paid job roles when compared to the average hourly rate of all employees across the Council.

There are also services within the council where job roles are predominantly male dominated (e.g., Environment and Housing). The mean gender pay gap in these service areas is 17.1% and 15.7% respectively. This % is due to the high concentration of male full-time employees within these service areas and will affect the gender pay gap as women continue to remain under-represented in these areas.

The mean gender pay gap within Regeneration & Enterprise is 12.7%. This is due to a large range of diverse job roles within this service area ranging from Catering Assistant and Casual Leisure Centre workers to Managerial positions. The mean gender pay gap within this service is reflective of the high volume of female part time workers at the lower ends of the pay scale and the higher proportion of male employees in managerial level positions.

The Pupil Referrals Unit is the highest at 33.1%. This analysis refers to only one Pupil Referral Unit remaining with the Council and is made up of significantly female employees (17 in total) occupying mainly support staff roles such as teaching assistants which are at the lower end of the payscale and only 4 male employees with 3 being in senior roles at the higher end of the payscale.

#### Gender Pay Gap by Directorate

Directorate	Female Hourly Rate	Male Hourly Rate	Mean Gender Pay Gap	Median Female Hourly Rate	Median Male Hourly Rate	Median Gender Pay Gap
Adult Social Care	£15.55	£17.59	11.6%	£13.91	£16.12	13.7%
Chief Executives Directorate	£16.12	£16.32	1.3%	£13.91	£13.91	0.0%
Children's Services	£18.63	£20.15	7.5%	£17.06	£18.42	7.4%
Digital, Customer & Commercial Services	£16.32	£18.24	10.5%	£14.04	£18.00	22.0%
Environment	£11.97	£14.44	17.1%	£11.18	£13.31	16.0%
Finance & Legal	£16.47	£19.53	15.7%	£15.63	£17.53	10.8%
Health & Wellbeing	£19.84	£22.04	10.0%	£18.66	£21.51	13.3%
Housing	£15.50	£18.31	15.3%	£14.44	£18.97	23.9%
Pupil Referral Unit	£17.63	£26.37	33.1%	£16.59	£26.27	36.8%
Regeneration & Enterprise	£12.42	£14.22	12.7%	£10.79	£12.70	15.0%
<b>Total</b>	<b>£15.23</b>	<b>£16.53</b>	<b>7.9%</b>	<b>£13.62</b>	<b>£15.63</b>	<b>12.8%</b>

#### Gender Pay Gap by Ethnicity

Ethnic Group	Female Hourly Rate	Male Hourly Rate	Mean Gender Pay Gap	Median Female Hourly Rate	Median Male Hourly Rate	Median Gender Pay Gap
Other Ethnic Groups	£15.10	£20.99	28.1%	£12.70	£20.98	39.5%
Asian or Asian British	£15.85	£18.68	15.1%	£13.91	£17.53	20.6%
Prefer not to disclose	£16.15	£17.80	9.3%	£13.91	£17.53	20.6%
White	£15.07	£16.44	8.3%	£13.43	£15.63	14.1%
Data not collected	£15.34	£16.31	6.0%	£13.91	£15.44	9.9%
Mixed	£15.46	£15.11	-2.3%	£14.26	£12.70	-12.3%
Black or Black British	£16.46	£15.46	-6.5%	£13.91	£14.04	0.9%
<b>Total</b>	<b>£15.23</b>	<b>£16.53</b>	<b>7.9%</b>	<b>£13.62</b>	<b>£15.63</b>	<b>12.8%</b>

***The above tables reflect the council structure as at the snapshot date of 31<sup>st</sup> March 2023.***

The Chief Executive's Directorate have a smaller than council average gender pay gap at 1.3%. There are significantly less men working in this Directorate and therefore the workforce profile is predominantly comprised of female employees.

### Reducing the Gender Pay Gap

#### What is Dudley doing to address its gender pay gap?

We will do more to tackle the gender pay gap at Dudley by building on our long-standing commitment to encourage more women into careers that are traditionally male dominated and vice versa.

#### Steps taken to date to address this include:

Although the gender pay gap figures have increased, the causes of any gender pay gap remain complex and overlapping and there is not one single over-riding reason why a gender pay gap exists. For the purposes of this narrative however, the following points evidence some of the good work which has already been done to reduce the Gender Pay Gap:

- The provision of Family Friendly policies to support work/life balance, including Flexible Working Arrangements, Agile Working, Shared Parental Leave, Childcare Vouchers and an Authorised Leave Scheme.
- Requests for part-time, flexible or job share working is considered for all positions, not excluding senior higher paid roles.
- Menopause champions, with supporting guidance have been launched in the organisation.
- We have refreshed the provision of recruitment and selection training, to reflect our new position on Equality, Diversity, and Inclusion to ensure that those conducting interviews have the relevant knowledge and an understanding of matters that may arise.
- The mandatory e-learning programme has been reviewed and now that the new LMS has been procured, bespoke EDI e-learning modules are placed on this to tackle inequalities and also to focus on new areas such as the menopause champions, Gender equality and the Gender pay gap.
- An equality module on each of the Leadership Development programmes, which is an evaluated programme.
- The refresh of a Corporate Induction programme which includes a section on Equality, diversity, and inclusion.
- The Council's continued commitment to ensure our pay rates reflect the Real living wage which impacts predominantly on the lower paid employees who are mainly female and ensures that a minimum hourly rate is paid as calculated by the Living Wage Foundation.
- The launch of the carers passport, to support employees to stay in work.

**Work planned in the year ahead will see the council:**

- More effectively utilise recruitment fairs and career fairs to encourage candidates from under-represented groups publicising the Council's commitment to work-life balance through its recruitment offers of part time, job share, and flexible working opportunities.

- Continue to develop new ways of working that continue to promote Equality, diversity and inclusion in our workforce whilst enabling work-life balance.
- Undertake further work to fully understand the financial disparity between men and women across all grades and as per the EDI strategy, work to understand ethnicity inequalities, that may disproportionately affect women from Black and minority ethnic backgrounds.
- Continue to incorporate a question into future employee/pulse surveys asking all employees “what makes Dudley an employer of choice” to provide us with analysis by gender.
- Further review benchmark information and actions being taken by other organisations, including the Government Equalities Office, to continue to address Dudley’s gender pay gap.



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**Meeting of the Cabinet – 15<sup>th</sup> February, 2024**

**Report of the Lead for Law and Governance (Monitoring Officer)**

**Annual Review of the Constitution**

**Purpose**

1. To consider the annual review of the Constitution. The full [Constitution](#) is available on the Council's website.

**Recommendations**

2. That the Council be recommended:
  - To endorse the revision of Article 6 and the associated Scrutiny Procedure Rules as incorporated in Part 4 of the Constitution.
  - To extend the trial of the revised 'Question Time' session at Full Council meetings for the remainder of this municipal year and that, subject to the outcome of the trial, the necessary revisions to Council Procedure Rule 11 be incorporated in the Constitution for the 2024/25 municipal year.
  - To note the inclusion of the revised Contract Standing Orders, as approved by the Audit and Standards Committee, within Part 5 of the Constitution.
  - To note the provisions of Council Procedure Rule 24.6 and the associated legal provisions concerning the recording of meetings.
  - To endorse the provisions in Article 12 of the Constitution (Officers), including the deputising arrangements in the absence or inability to act of the Chief Executive.

## **Background**

3. The Council introduced the Constitution in May 2002. Section 37 of the Local Government Act 2000 requires the Council to keep the Constitution up to date. This is reflected in Article 15, which requires the Monitoring Officer to monitor and review the operation of the Constitution to ensure that the aims and principles are given full effect.
4. The Full Council is responsible for adopting and changing the Constitution. An exception to this is that, under Article 4.02(a), amendments to the Scheme of Delegation in Part 3 of the Constitution are approved by the Leader of the Council by way of a Delegated Decision Sheet. This is subject to the Leader of the Opposition Group being notified of any proposed changes before a decision is made by the Leader.
5. In addition, amendments to the Constitution can be made by the Monitoring Officer, from time to time, under powers delegated by the Council. Minute No. 12 of the Annual Council meeting of the Council on 18<sup>th</sup> May, 2023 authorises the Monitoring Officer to make any necessary and consequential amendments to the Constitution arising from decisions made by the Council and to reflect any ongoing restructuring activity, changes in legislative requirements, statutory provisions or associated regulations or guidance. Any changes made during the year are reflected in the current Constitution, which is available on the Council's website.
6. The Constitution promotes the Council's democratic governance arrangements. All previously approved amendments to the Constitution have been implemented. Members are asked to consider the matters referred to below:

### **Scrutiny Procedure Rules**

7. At the Annual Meeting of the Council on 18<sup>th</sup> May, 2023, approval was given to the establishment of the Overview and Scrutiny Committee, together with seven Select Committees, for the 2023/24 municipal year.
8. A report on the consequential revisions to Article 6 of the Constitution and the associated Scrutiny Procedure Rules was submitted to the Overview and Scrutiny Committee on 12<sup>th</sup> June, 2023. Concerns were expressed at that meeting regarding the proposed scrutiny 'call in' arrangements, in particular a proposal that all 'called-in' decisions

would be considered by the Overview and Scrutiny Committee rather than the Select Committee that had called in the decision.

9. This matter was considered further by the Overview and Scrutiny Committee on 19<sup>th</sup> October and 7<sup>th</sup> December, 2023. The Committee recommended that scrutiny 'call-ins' continue to be referred to and determined by the appropriate Select Committee. This recommendation has now been reflected in the Scrutiny Committee Procedure Rules in the Constitution.
10. The Local Government Association (LGA) Corporate Peer Challenge report stated that the Council should keep its scrutiny arrangements under close review and reassure itself that they are fit for purpose. This should ensure that the structure is sustainable and aligned with available resources. The overview and scrutiny arrangements will be kept under review for the remainder of this municipal year, in advance of the Annual meeting of the Council in May, 2024. Consideration of the future overview and scrutiny arrangements will also take account of the Scrutiny Protocol for English institutions with devolved powers, published by the Government in November, 2023. The Scrutiny Protocol is 'non-statutory guidance' and should therefore be considered to set best practice in scrutiny.

#### Questions from Members at Full Council Meetings (Council Procedure Rule 11)

11. At the meeting of the Council on 4<sup>th</sup> December, 2023, a revised format for the 'Question Time' session was introduced on a trial basis.

The revised format involves:

- A 30-minute time limit for the Question Time session.
- The first three questions to be offered to the Leader of the main Opposition Group (on the basis that the Group Leader may ask the questions or nominate other Member(s) to ask one or more of the questions to the Leader, Cabinet Members or Committee Chairs).
- The Mayor to then select, from the list of those indicating to speak, Members to ask questions to the Leader, Cabinet Members or Chairs with a view to achieving a fair distribution of questions from political groups and other Members.
- If the 30 minutes time limit is reached, questions can be sent to the Leader, Cabinet Members or Chairs in writing or by email.

- A time limit of two minutes per question, any supplementary question and any responses will apply during the Question Time Session.
12. It is recommended that this trial be extended for the two remaining ordinary Full Council meetings in this municipal year, namely the programmed meetings of the Council on 26<sup>th</sup> February and 15<sup>th</sup> April, 2024. Subject to the outcome of the trial, the necessary revisions to Council Procedure Rule 11 will be incorporated in the Constitution for the 2024/25 municipal year.

#### Contract Standing Orders

13. On 25<sup>th</sup> September, 2023, the Audit and Standards Committee considered an update to the Council's Contract Standing Orders. The report was dealt with by the Committee pursuant to its delegated powers.
14. The revised Contract Standing Orders were approved with effect from 26<sup>th</sup> September, 2023 and have been incorporated into the Constitution.

#### Recording of Meetings

15. Following the recent introduction of updated technology in the Council Chamber and Committee Rooms, it is felt appropriate to remind Members of the legal position and existing provisions of the Constitution concerning the recording of meetings.
16. Council Procedure Rule 24.6 provides that:

*“The public proceedings of full Council meetings shall be recorded and broadcast on the Council’s internet site. This is, however, subject to the Mayor (or the person presiding) having the discretion to terminate or suspend the web cast if he/she is of the opinion that continuing to web cast would, in any way, prejudice the conduct of the Council’s business. Recordings of the full Council meeting will be made by using the fixed audio/visual equipment in the Council Chamber as authorised by the Council.*”

*The Council has no objection to recording, filming, photography, use of social media, blogging or any similar electronic facilities during any meetings to which the public have access provided that the use of any equipment does not disrupt the meeting or the lawful transaction of business.”*

17. The public agenda documents for all formal Council, Cabinet and Committee meetings includes a statement that:

*“The use of mobile devices or electronic facilities is permitted for the purposes of recording/reporting during the public session of the meeting. The use of any such devices must not disrupt the meeting – Please turn off any ringtones or set your devices to silent.”*

18. The above reflects the legal position, in particular compliance with the Openness of Local Government Bodies Regulations 2014. These Regulations provide that the filming, photographing and making of an audio recording of all public meetings is permitted. In line with this, Democratic Services Officers routinely use the facilities in the Council Chamber and Committee Rooms to record meetings held in public session to assist with the production of minutes.
19. These rights do not, however, apply to informal meetings or any meetings held in private session.

#### Chief Executive - Deputising Arrangements

20. On 30<sup>th</sup> April, 2019, the Council approved the appointment of Kevin O’Keefe, Chief Executive as the statutory Head of Paid Service. This is reflected in the Constitution under Article 12 (Officers). The Council also approved the appointment of Kevin O’Keefe as the Electoral Registration Officer and Returning Officer.
21. Article 12 also sets out the responsibility of the Deputy Chief Executive to discharge any functions that are required to be undertaken in line with the Constitution or pursuant to any necessary legal requirements due to the absence or inability to act of the Chief Executive. Also, in the absence of Kevin O’Keefe, the Council is required to designate a named officer to undertake the duties of the Electoral Registration Officer and Returning Officer. A recommendation will be submitted to the Council on 26<sup>th</sup> February, 2024.
22. The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 provide that functions relating to elections should not be the responsibility of a local authority’s Executive (Cabinet).

## **Ongoing Review of the Constitution**

23. Maintaining and updating the Constitution is an ongoing duty of the Monitoring Officer. Work will continue to identify any required updates, consolidate various provisions, remove duplication or any content that is no longer relevant. A report on the Constitution is submitted to the Annual Council Meeting in May, where any amendments made to the document are confirmed.
24. The ongoing review of the Constitution will take account of recommendations arising from the Local Government Association Corporate Peer Challenge and the External Auditor's Annual Report.

## **Finance**

25. Any costs arising from compliance with the Constitution are met from existing budgets. The commissioning of any external support will require additional resources to be identified.

## **Law**

26. Section 37 of the Local Government Act 2000 requires the Council to keep its Constitution up to date.

## **Risk Management**

27. This report deals with the Council's Constitution and governance arrangements, which will ensure that the Council considers any ongoing material risks as part of the Council's Risk Management Framework.

## **Equality Impact**

28. The Constitution makes provision for the discharge of the Council's powers and duties relating to equality and diversity including the consideration of any specific implications of proposals affecting children and young people.

## **Human Resources/Organisational Development**

29. The ongoing review of the Constitution is undertaken within existing resources by the Monitoring Officer, supported by the Democratic Services Team. Regular monitoring and updating is necessary to ensure that the Constitution remains fit for purpose and underpins the

efficient and effective operation of the Council's governance arrangements.

### **Commercial/Procurement**

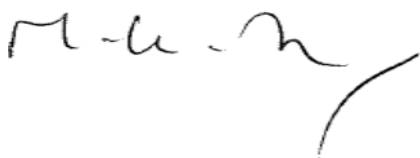
30. The Constitution includes governance documents that set a framework in which the Council's commercial/procurement activity is properly undertaken. This includes the Council's Standing Orders relating to Contracts.

### **Environment/Climate Change**

31. Within our governance arrangements, the Council requires that all reports should include an assessment of the impact on the environment. The Council has declared a Climate Emergency and reports on individual proposals should address the impact on the Council's work to address Climate Change and achieve the Net Zero target by 2041. In addition, individual reports should consider how the proposals support the [United Nations sustainable development goals](#).
32. To reinforce the Council's commitment, the Leader has established a specific Cabinet portfolio for Climate Change. The Council has also established the Climate Change Select Committee for the 2023/24 municipal year.

### **Council Priorities**

33. This report deals with the Council's Constitution, which underpins the delivery of key Council priorities including the Borough Vision, Council Plan and Future Council Programme.



**Mohammed Farooq**  
**Lead for Law and Governance (Monitoring Officer)**

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## **List of Background Documents**

Report and Minutes of the Annual Council meeting - [18<sup>th</sup> May, 2023](#)

Reports and Minutes of the Overview and Scrutiny Committee - [12<sup>th</sup> June, 19<sup>th</sup> October and 7<sup>th</sup> December, 2023](#)

Local Government Association (LGA) Corporate Peer Challenge – Report to the Cabinet – [13<sup>th</sup> December, 2023](#)

External Auditor’s Annual Report – Report to the Audit and Standards Committee – [18<sup>th</sup> December, 2023](#)

Government [Scrutiny Protocol](#) for English institutions with devolved powers

Report and Minutes of the Audit and Standards Committee - [25<sup>th</sup> September, 2023](#)

[Openness of Local Government Bodies Regulations 2014](#)

[Local Authorities \(Functions and Responsibilities\) \(England\) Regulations 2000](#)

[The Council’s Constitution](#) - Full copy on the Council’s Website



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**Meeting of the Cabinet – 15<sup>th</sup> February 2024**

**Report of the Deputy Chief Executive**

**Suspension of Council Plan 2022-2025**

**Purpose of report**

1. Propose suspension of the Council Plan 2022-2025

**Recommendations**

2. It is recommended that Cabinet: -
  - Suspend the Council Plan for the period from April 2022 to March 2025 and replace it with a focussed one-year plan for 2024/25.
  - Replace with a one-year Council plan for 2024-25 focussed on those priorities and projects that will prevent a higher cost, deliver cost reductions/ increased income and the delivery of the Council's improvement and sustainability programme.

**Background**

3. The Council is facing significant budget challenges. Spending Controls were introduced in October 2023 to ensure that all spending was undertaken in line with the criteria set out by the Cabinet.
4. By suspending the Council Plan all projects and priorities can be re-visited and only those that meet the criteria within the spending controls/support the delivery of the Council's Improvement and Sustainability Programme put forward in the proposed 2024/25 Council Plan.

It will mean a revision to the current performance management arrangements and current quarterly corporate performance management reporting will cease at Q2 2023/24 with no further performance reports

presented to Overview and Scrutiny Committee or Select Committees for the remainder of this financial year.

5. Council Plan 2024-25

The Plan will be presented to Cabinet on 20<sup>th</sup> March 2024. Once agreed, a revised set of key performance indicators will be developed to monitor the progress of the plan.

6. The Plan will be communicated to all key audiences including the Forging a Future Executive.

**Finance**

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

**Law**

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

**Risk Management**

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

**Equality Impact**

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

**Human Resources/Organisational Development**

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

**Commercial/Procurement**

12. There is no direct commercial impact.



## **Environment/Climate Change**

13. The Council Plan 2024-25 should support and contribute to the Council's commitment to become a carbon net zero authority by 2030, as part of its Climate Emergency declaration.

It should recognise the impact on the Council's future financial sustainability of failing to decarbonise its operations to act as a buffer against rising fuel prices and volatility in the energy markets, as well as the need to adapt service delivery to protect council assets and residents, particularly vulnerable people, from the worst effects of climate change, such as preventing excess deaths from overheating and extreme cold.

## **Council Priorities and Projects**

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

*Balvinder Heran*

**Balvinder Heran**  
**Deputy Chief Executive**

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## **Meeting of the Cabinet - 15<sup>th</sup> February 2024**

### **Report of the Acting Service Director - Neighbourhood Delivery**

#### **Traffic Regulation Order Process Review**

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

1. This report outlines proposed changes to Dudley's existing Traffic Regulation Order Policy. The purpose of the proposed changes is to update the assessment process in line with current transport priorities. The changes will reduce the length of time taken for requests to be assessed, advertised and implemented, thus improving the customer experience. Changes are also proposed to the advertising process to make street notices more user-friendly, accessible and inclusive for members of the public. If approved, the policy will be implemented immediately and used for all future Traffic Regulation Order requests.

##### **Recommendations**

2. That the Cabinet be recommended:-
  - To note the information provided in Appendix C (Technical note Dudley TRO Process Review) and support the recommendations in the report in relation to requests for Traffic Regulation Orders (TRO's).
  - To adopt the proposed new Traffic Regulation Order process (Appendix A), and authorise for the following actions be conducted:
    - i) All new requests for TROs be directed through a revised process which takes place three times a year, instead of annually, except for Developmental, Temporary, Emergency/Urgent or Experimental Orders and disabled parking bays, which are dealt with by separate processes.

- ii) All new requests are acknowledged and then undergo an initial 'feasibility check' to ensure they meet key criteria. Unsuccessful requests will be discounted, and the requestor advised as soon as practical.
  - iii) Predefined scoring process is used to prioritise requests, and ward members being notified of TRO's being proposed prior to public consultation.
  - iv) That the website is update with information on the new assessment method and expected timescales.
- To approve the revised format of site notices as recommended in Appendix A, to make them more visible and easier to access the relevant TRO information.

### **Background**

3. The current DMBC policy for the method of assessment of Traffic Regulation Orders requests was approved in 2014. The policy was amended following a scrutiny review (Appendix D).
4. The current system works on an annual basis with requests being accepted between 1 October and 30 September each year. Requests are then ranked using a scoring based on physical and environmental factors.
5. Part of the reason for the annual programme was to avoid conflict with elections and purdah. However, this has resulted in a very lengthy process. The entire process can take up to two years between receiving a request and a decision being made.
6. The current system has been unchanged for over 10 years, and needs to reflect changes in government transport policy, as well as regional and local strategies as part of a wider network management.
7. An external consultant conducted a review of the existing TRO policy. This looked at the guidance and legislation for traffic regulation orders and processes used by other local authorities across the country. The review then made recommendations regarding timescales, assessment criteria and communication / decision process which would improve Dudley Council's existing TRO policy.

8. The review has also considered the request process and legal notification procedure to identify any improvements that can be made to assist the customer in making their request, as well as improvements to the layout of on-site notices to ensure they can be accessed and understood more easily.

### **Proposed Process**

9. **Quarterly Programme** - It is proposed each year to assess requests every three months instead of the current annual assessment. The three-month period between March and May will be omitted to avoid conflict with local elections. This will lead to smaller more frequent traffic regulation orders (10 locations each quarter instead of the current 30 on the annual programme). Any requests which are not straight forward or need revising can be carried over to the next cycle to avoid delaying the overall TRO programme.
10. **Feasibility Check** - Each request will undergo an initial feasibility check to ensure the request is reasonable and supports the highway needs of the surrounding area. The reasons for the request will be checked against criteria set out in Section 3 of the Road Traffic Regulation Act 1984. The road layout of the location will be checked to confirm that the request could be accommodated. Finally, there will be a check to determine if the request can be incorporated into any approved/planned schemes.
11. Requests that do not meet the feasibility check will be discounted at this stage, and the requestor notified of the decision.
12. **Full Assessment** - Any requests that meet the feasibility check will then be fully scored against criteria which support the Dudley Council Plan and the current West Midlands Local Transport Plan (see Appendix B). Criteria being considered will be based on environmental and physical factors, such as road type, proximity to trip generators such as local centres, schools, hospitals, and the impact of the issues on the highway network and the local area.
13. **Customer Expectation and Timescales** - Customers will be advised of the application process on receipt of a request. It is anticipated a decision being made on the outcome of a request within 12 weeks under the new process.

## **Finance**

14. The current traffic regulation order programme is financed through the capital programme from the integrated transport block allocation. Future programmes will continue to be financed from the existing budget allocation.
15. The advertising of legal orders varies depending on the size of the order. Smaller, traffic regulation orders will cost less to advertise, but the overall annual cost may increase if orders are created more frequently. However, with smaller more frequent orders, the expectation is that any additional cost will be offset by combining the advertising of TRO notices with other notices that are advertised throughout the year as part of the current works programme. An example of this is the current 'housekeeping' TRO, which is currently advertised separately to the annual programme, but can be incorporated into the quarterly cycle.

## **Law**

16. Traffic regulation orders are made under powers contained in section one of the Road Traffic Regulation Act 1984 subject to regulations laid down by the Secretary of State. The procedure for creating an order is set out in The Local Authorities' Traffic Orders (Procedure) (England and Wales) Regulations 1996.
17. The Council conducts its functions to provide, improve and maintain highways under Sections 24, 41 and 62 of The Highways Act 1980 and exercises traffic regulatory powers under Sections 1 and 84 of the Road Traffic Regulation Act 1984.
18. The provision of a Local Transport Plan is a requirement of The Transport Act 2000.
19. The Council's budgetary process is governed by Local Government Finance Acts 1988 and 1992, the Local Government and Housing Act 1989, and The Local Government Act 2003.

## **Risk Management**

20. No significant risks have been identified under the Risk Management Framework.

21. **Political risk (Lack of member support for a scheme).** This has been mitigated by including informal discussion with the portfolio holder for Highways and Environmental Services as part of the decision-making process. Ward Councillors for each proposed request will be consulted prior to any notice being advertised.
22. **Management / Financial risk (Affordability / capacity to deliver).** This is mitigated through regular Project Implementation Meeting with finance and Senior Managers throughout the year.

### **Equality Impact**

23. An Equality Impact Assessment has been completed and submitted to the People and Inclusion Team.
24. The application process will incorporate online, telephone and written applications. Where possible, this will be integrated with existing services, such as MyDudley and signposting to translation services as required.
25. The size, style and wording of street notices will be reviewed to provide a simpler, more understandable format. Focus groups will be consulted on proposed changes to legal notices to ensure they are appropriate.
26. The proposed scoring process includes specific provisions to benefit pedestrians and other vulnerable users of the highway, assist social inclusion and the mobility of the less able, together with measures to improve access for young people to schools and education. No equality impacts have been identified.
27. Individual consultation will take place with residents and local business, where appropriate, each being asked to comment on the proposals to ensure the potential of each scheme is maximised and incorporates the needs of all users. Consultation will be in line with The Local Authorities' Traffic Orders (Procedure) (England and Wales) Regulations 1996.

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

28. Staff resource costs associated with the assessment/delivery of TRO works are included in the Transport Capital Programme. There are no further human resource or transformation implications associated with this report.



## **Commercial/Procurement**

29. Procurement – Works are implemented using existing framework agreements.

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

## **Environment/Climate Change**

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

## **Council Priorities and Projects**

31. The programme meets the following Council priorities:

### Council Vision

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

### Council Plan 2022-25

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

## The emerging West Midlands Local Transport Plan 5

- Behaviour change
- Accessible and inclusive places
- Walk, wheel, cycle, and scoot.
- Public transport and shared mobility
- Safe, efficient, and reliable network
- Green transport revolution



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**Nick McGurk**  
**Acting Service Director - Neighbourhood Delivery**

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### **Appendices**

Appendix A - Dudley MBC Traffic Regulation Order Process Map  
Appendix B - Dudley MBC Traffic Regulation Order Score Sheet  
Appendix C - Technical Note Dudley TRO Process

### **List of Background Documents**

Appendix D - Previous Scrutiny Report

## **Dudley MBC Traffic Regulation Order Policy and Process Map.**

### **1. Scope**

Dudley Council received many requests each year for permanent traffic regulation orders to address parking problems, road safety concerns and congestion. This policy and process map considers how these requests are assessed and prioritises against Council / Regional / National objectives.

### **2. Legislation**

- a. Traffic regulation orders are made under powers contained in section one of the Road Traffic Regulation Act 1984 subject to regulations laid down by the Secretary of State. The procedure for creating an order is set out in The Local Authorities' Traffic Orders (Procedure) (England and Wales) Regulations 1996.
- b. The Council conducts its functions to provide, improve and maintain highways under Sections 24, 41 and 62 of The Highways Act 1980 and exercises traffic regulatory powers under Sections 1 and 84 of the Road Traffic Regulation Act 1984.
- c. The provision of a Local Transport Plan is a requirement of The Transport Act 2000.
- d. The Council's budgetary process is governed by Local Government Finance Acts 1988 and 1992, the Local Government and Housing Act 1989, and The Local Government Act 2003.

### **3. Departures from Standard**

None

### **4. Our Approach**

When traffic regulation order (TRO) requests are received, a standard email reply will be sent to outline the process for TRO requests and give information on the next review date. For any responses received through the post, a reply letter will be sent to advise the resident.

The TRO request will then be logged on to the scoring spreadsheet and given a unique reference number (the next line on the spreadsheet). The original e-mail or letter (scanned) will then be saved with the unique reference in the title.

TRO requests are to be reviewed three times a year. These reviews will take place in June, September, and December. These dates have been selected to avoid the election period.

TRO requests will be logged and will undergo an initial feasibility check in the form of prequalifying questions to ensure it meets the key criteria. If a request is not feasible, it will be discounted, and the requestor notified. If it is justified, it will be scored within the scoring spreadsheet and at the point of the review, the top ten scoring requests will be selected to proceed. Should TRO requests achieve the same score, then this may result in fewer than 10 requests progressing or more depending on the scores. IE should the 10th, 11th and 12th request all be tied, then only nine requests would be progressed to avoid the need to introduce 12 requests and associated increased workload.

Should the 10th and 11th requests be tied, then 11 requests would be progressed.

Emails or letters will be sent to all requestors to notify them of the decision to progress or not.

Under the former TRO request policy, requests were considered once annually with approx. 30 being progressed. As a transition to the new process, there are some existing requests which have been made within the last 12 months. Under the new process, only 10 schemes would be introduced. The residents making requests, which ranked in positions 11 to 30, would likely feel aggrieved at having waited up to a year and have their requests rejected. To acknowledge this situation, it is proposed to you have a transition period. For the first review period of the new policy, requests ranked in positions 11 to 30 are transferred to the next review period to be reconsidered.

After these initial 20 requests are reconsidered during the second TRO review of the new policy, no further unsuccessful requests will be stored and kept under consideration for the next review period. Should requestors wish a request to be considered again, another request will be required.

If a repeat request is received, which was not justified on the first assessment, it will not be considered again within a 3-year period unless there has been a change in the circumstances at the location.

Councillors and stakeholders will be consulted on the requests which are being progressed and a TRO advert prepared. This advert will include all of the successful TRO requests for that review period, along with any disabled residents parking places or TRO's associated with new developments / planning requirements.

The statutory process for implementing a TRO requires a consultation with stakeholders and councillors, along with a four-week formal consultation stage required before any measures can be introduced. A typical programme for a TRO to be introduced is 3 months from the point a request is selected to proceed following scoring. This could be longer should objections be received from stakeholders, counsellors or from members of the public. Under the new quarterly process, any locations which receive objections and may require amending will be rolled over into the next TRO cycle to avoid delaying the overall programme.

## Receive TRO Request

By email

Online

By Post



Send standard response explaining timeframes

Website triggers email with standard response explaining timeframes and email to traffic team with request information

Scan original letter & Send response to explain process and timeframes

Enter request into scoring spreadsheet completing "Request Logging & Prequalifying Questions" Section

Give request unique reference from spreadsheet & file email

If the request does not meet the prequalifying criteria set out in the scoring system, email / write letter to requester explaining reasons

If the request can be incorporated into a scheme in development, email project lead with request. Project Lead to email requestor to give details of the proposed works and timescales.

At the next review of requests, complete scoring matrix for all requests which have not been incorporated into existing schemes or rejected on the basis of failing to meet prequalifying criteria

Once scoring matrix is complete for all requests, proceed with the top 10 requests\*

Email all unsuccessful requestors with a standard email to explain that the request is not to be progressed, highlighting that if the issue persists they can log it again for future consideration.

Send standard email to successful requestors with update explaining process to completion.

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## TRO Consultation Process Map

Prepare notices, plans and statement of reasons.



Brief Cabinet Member for Highways and Environmental Services on proposed TRO



Finalise legal notices and agree advertising dates



Consult local ward members



Public consultation. Proposals are advertised in Express and Star  
and on street for 28 days



Results of consultation reported to Cabinet Member for Highways and Environmental  
Services, in consultation with the Director via a decision sheet



Outcome of decision sheet formalised with a legal sealed TRO



Signs and lines implemented on site to reflect the content of the TRO

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## DUDLEY MBC - TRAFFIC REGULATION ORDER SCORE SHEET

Location.....

From..... (contact)

Summary of Request

.....  
 .....

### FEASIBILITY

CRITERIA	QUESTION	RESPONSE	DECISION
Delivery	Could the request be included in an approved scheme?	Yes	Discount - pass to scheme lead
		No	Proceed to scoring
Moving Traffic request	Will baseline data need collecting?	Yes	Delay until data collected
		No	Proceed to scoring
One-way / access restriction	Is an alternative route available?	Yes	Proceed to scoring
		No	Discount
Road dimensions	Will the road accommodate the request?	Yes	Proceed to scoring
		No	Discount

IF REQUEST MEETS ALL ABOVE CRITERIA, PROCEED TO FULL SCORING

### PHYSICAL

CRITERIA	DEFINITION	ALLOCATION	SCORE
Road Type	Key Route Network	10	
	Primary Route	3	
	Other Strategic	2	
	Estate	1	
	End of Route / Residential	0	
Additional route status	Bus route	5	
	Gritting route	2	
	Air Quality route	3	
Sub Score (20)			

### ENVIRONMENTAL

CRITERIA	DEFINITION	ALLOCATION	SCORE
Impact of Issue	Multiple Streets	10	
	Both sides of the carriageway	4	
	One side of the carriageway	2	
	Junction	6	
Duration of Issue	All day	5	
	Working day	4	
	Peak times	3	
	Over night	2	
	Weekends only	2	
High volume trip generator within 400m	Yes	5	
	No	0	
Personal injury collisions within 50m (in last three years)	Killed or seriously injury (KSI)	10	
	Slight injury	2	
	None	0	
Sub Score (30)			

<b>Total Score</b> (Max score 50)	
--------------------------------------	--

Scored by.....(Initials) Applicant advised – date...../...../.....

# Technical Note

**Dudley Metropolitan Borough Council TRO Process  
Review**

**COMHA1DMB0 / 01**

**20/09/2023**



## Document Control Sheet

<b>REPORT TITLE:</b>	Technical Note
<b>REPORT NUMBER:</b>	01
<b>PROJECT NAME:</b>	Dudley Metropolitan Borough Council TRO Process Review
<b>PROJECT NUMBER:</b>	COMHA1DMB0

STATUS/AMENDMENT	PREPARED	REVIEWED	APPROVED
[Enter details of amendment]	Name: Oliver Brown Signature:  Date: 15.09.2023	Name: Sonia Smith Signature:  Date: 18.09.2023	Name: Simon Catton Signature:  Date: 20/09/23
[Enter details of amendment]	Name: Signature: Date:	Name: Signature: Date:	Name: Signature: Date:
[Enter details of amendment]	Name: Signature: Date:	Name: Signature: Date:	Name: Signature: Date:
[Enter details of amendment]	Name: Signature: Date:	Name: Signature: Date:	Name: Signature: Date:

## Executive Summary

Dudley Metropolitan Borough Council have commissioned Amey to review and suggest improvements to the existing policy for dealing with requests for minor schemes involving Traffic Regulation Orders (TROs).

The current process is to score and rank all incoming requests before undertaking an annual review. After the review the top 30 requests in the scoring system are progressed.

The process does not provide good service to the residents of the borough as it can take over a year from a TRO request being made before a scheme is implemented. Implementing 30 TROs at the same time also puts a strain on Dudley Metropolitan Borough Council staff.

A new scoring system is proposed linking more closely with Dudley Metropolitan Borough Council objectives. It is also proposed that scoring takes place three times a year to reduce the waiting time following making a TRO request. These three reviews would take place in June, September & December and have been set to avoid the period around local elections.

Increasing the number of review periods from one a year to three will increase the cost of advertising TROs for the council. Orders must be advertised in a local newspaper, and this is currently done as one large advert annually. Three smaller adverts will individually cost less than one large advert, but combined, the cost will exceed that of a single large advert.

This process would spread the workload of implementing TROs across the year rather than all at once, reducing pressure on staff. The new process would also improve the service provided for introducing Disabled Residents Parking Places and TROs associated with new developments and planning requirements as these are also included within the annual TRO advert.

It was also requested that Amey consider the site noticing which is required for any TRO as part of the regulatory process the council must follow. Complaints are regularly received, stating that the existing notices were not seen or were difficult to interpret.

Streamlined notices are proposed which include less detail but contain a QR code linking to a Dudley Metropolitan Borough Council web page listing all active TRO consultations. This will allow for more information and plans to be distributed to residents and business owners without the need for costly letter drops. The new notices would also be easier to prepare for members of the Dudley Metropolitan Borough Council Traffic team with less site-specific information required on each notice.

It is recommended that Dudley Metropolitan Borough Council adopts the new TRO policy despite the potential increased costs associated with advertising. It is considered that the reduced waiting period will provide a better level of service to residents whilst also reducing pressure on staff members.

It is also recommended that Dudley Metropolitan Borough Council I adopts the new site noticing template as laid out in this report to provide better information to residents.

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# 1. Introduction

## 1.1. Brief

- 1.1.1 Amey have been asked by Dudley Metropolitan Borough Council's Traffic & Road Safety Team to review the existing process which they follow to score and select minor schemes which require Traffic Regulation Orders (TROs).
- 1.1.2 The purpose of the review is to provide a better service to residents and businesses in the borough by providing responses more quickly, whilst also being a transparent process.
- 1.1.3 Whilst also considering changes to the TRO process, Amey have been also asked to consider how site noticing associated with TRO adverts could be improved following complaints.

## 1.2. Background

- 1.2.1 The existing process for dealing with requests for TROs (such as localised waiting restrictions (typically double yellow lines), loading restrictions, the provision of loading bays, one-way streets etc) is undertaken on an annual basis so residents could be waiting over 12 months before receiving feedback on if requests have been successful or rejected.
- 1.2.2 In some cases, this could lead to potentially unsafe practices / conditions on the highway remaining an issue for up to two years (when the time to implement the TRO once it has been selected to be taken forward is considered).

## 1.3. What is a TRO?

- 1.3.1 A Traffic Regulation Order (TRO) is the legal tool used by Highway Authorities to control vehicular movement and waiting along and on the highway.
- 1.3.2 The Road Traffic Regulation Act 1984 lists the reasons for which a TRO can be introduced. These include:
  - ⑩ To prohibit traffic or certain classifications of vehicles from proceeding along a road or section of road
  - ⑩ To restrict or prohibit waiting and loading
  - ⑩ To prohibit or make certain movements compulsory
  - ⑩ to set a speed limit or direction of travel on a road or part of road
- 1.3.3 There are two types of TRO, Stationary Vehicle Offences (SVO) and Moving Vehicle Offences (MVO).
- 1.3.4 SVOs relate to prohibitions or restrictions on kerbside activity such as waiting restrictions, loading restrictions or the provision of restricted use bays such as loading bays, disabled parking bays or limited waiting bays.
- 1.3.5 MVOs relate to prohibitions and restrictions of movement for all or certain types of vehicles, such as a prohibition of entry at a junction, a one-way road or a weight limit on a bridge.
- 1.3.6 The highway is intended to maintain traffic flow and no right of parking exists on the highway. The only rights you have on a highway are to pass and repass. Parking provision is therefore a concession and, however desirable, should not be at the expense of traffic flow. Parking restrictions aim to resolve specific local issues.

## 2. TRO Process Review

### 2.1. Current Process

- 2.1.1 Requests for minor TROs are received throughout the year and addressed together annually in October. Requests are scored against criteria using the scoring sheet which can be found in Appendix A to this report.
- 2.1.2 Examples of minor TRO requests include short lengths of double yellow lines, (No Waiting At Any Time Restrictions), parking bays, no entry signage, or one-way streets.
- 2.1.3 The scoring sheet includes factors including:
- ⑩ Road type,
  - ⑩ carriageway width,
  - ⑩ If the request is for works on a bus or winter gritting route,
  - ⑩ The nature of properties impacted by the proposal,
  - ⑩ The level of support for the request
- 2.1.4 The score sheet is completed by a member of the Traffic & Road Safety team and the score is inputted into a spreadsheet where the requests for the year are stored and ranked by score.
- 2.1.5 Generally, the top scoring 30 requests are taken forward for advertisement and implementation. In practice this figure varies year by year as many requests may achieve the same score which can then result in a requirement to implement fewer than 30 schemes e.g., if the a score of 28 is taken as a cut off one year, this may result in 26 requests which are to be implemented, but to lower the cut off to 27 would add an additional 10 requests which all scored 27, thereby requiring more requests to be implemented than there is capacity for the Dudley Metropolitan Borough Council Traffic team to handle.
- 2.1.6 The successful schemes are then progressed with design drawings prepared and necessary consultation undertaken.
- 2.1.7 A single TRO advert is then prepared which encompasses all of the successful requests but also disabled bay applications and any orders associated with new developments in line with planning approvals.

### 2.2. Issues with the Current Process

- 2.2.1 The benefit of the current process is that only one TRO Advert is placed in the Express and Star local newspaper which keeps costs to a minimum, the process does cause some issues.
- 2.2.2 As covered in sections 1.2.1 & 1.2.2 to this report, the main issue relating to the current process is that residents can wait over 12 months to find out if a request will be progressed. This does not represent a good service to residents
- 2.2.3 The current process also puts strain on council staff with numerous requests needing to be processed at the same time once selected and approved.
- 2.2.4 Council staff also have to deal with more enquiries with frustrated residents getting in contact for updates on requests during the long waiting period.
- 2.2.5 The existing scoring system has also been criticised for not putting sufficient weight on the safety and other related highway factors such as the proximity to major traffic generators, being on a bus route, Air Quality Corridor or gritting route.

## 2.3. Proposed Changes

### TRO Process

- 2.3.1 It is recommended that instead of collating all TRO requests over a year long period and undertaking a single programme of implementation, requests be logged and reviewed on three occasions throughout the year.
- 2.3.2 Initially a quarterly review was considered, however it was deemed that dealing with TRO requests around the time of elections would be problematic due to purdah.
- 2.3.3 Instead, requests would be reviewed in June, September and December, with the 10\* highest scoring requests selected to be progressed.
- \* NB 10 requests could be subject to change depending on scoring issues (as covered in 2.1.4)
- 2.3.4 This new process would then see three smaller TRO adverts placed through a year rather than the existing one.
- 2.3.5 It is anticipated that the cost of these three smaller adverts will exceed the price of one large newspaper advert. However, there is potential to offset these advertising costs by combining TRO adverts with other schemes which are implemented by Dudley Metropolitan Borough Council and require legal orders which are advertised throughout the year.
- 2.3.6 The benefits of the proposed approach would be as follows:
- ⑩ TRO requests will be dealt with and implemented more quickly representing a better service to the residents and businesses of the borough.
  - ⑩ Other TROs such as disabled residents parking places and those associated with developments would also be undertaken more frequently, as they are currently bundled with the annual TRO advert.
  - ⑩ The process would also reduce pressure on Dudley Metropolitan Borough Council staff as they would introduce the TRO requests over the course of a year rather than all together.
  - ⑩ It is anticipated that the more frequent TRO scoring would reduce the number of residential queries which staff have to respond to.
- 2.3.7 A process map detailing the proposed new TRO Request Policy can be found in Appendix B to this report.

### TRO Scoring

- 2.3.8 A new scoring system for the TRO requests has also been developed to incorporate more factors including:
- ⑩ air quality
  - ⑩ the collision history
  - ⑩ The nature of the road in question (e.g. Primary route or local estate road etc)
  - ⑩ The impact of the reported problem (e.g. along a route, on one side of a carriageway etc)
  - ⑩ The duration / frequency of the reported issue (e.g. every day, working days, short durations)
  - ⑩ Proximity to a high-volume traffic generator such as a school or hospital
- 2.3.9 This better aligns with the Dudley Metropolitan Borough Council's priority of promoting sustainable travel choices and the wider West Midlands Local Transport Plan objectives of creating accessible places, encouraging walking, wheeling & cycling, promoting public transport and creating a safe, reliable highway network.

2.3.10

- 2.3.11 Scoring criteria have been set to be purely factual so the process can be truly transparent with no scope for scoring to be considered subjective.
- 2.3.12 Some requests are made which are not considered to be feasible. Instead of these going through the full scoring process and being considered in one of the three reviews each year, there are six initial gateway questions associated with the new scoring system. When each request is received it will be logged onto the system and the prequalifying questions will be completed at that time. Any request not meeting the criteria set out in these questions will be rejected and not taken any further. At this stage, the requestor will be notified that the request will not proceed.
- 2.3.13 The prequalifying questions are associated with:
- ⑩ The nature of the request (neighbourly disputes will not be prioritised)
  - ⑩ The carriageway width in the location of the request,(if the street is too narrow for what is requested, a request will not be considered)
  - ⑩ If there is a planned scheme in the area which the request could be incorporated into
  - ⑩ If surveys would be required to be undertaken (if so, the request will be considered separately)
  - ⑩ For requests for one-way streets, prohibitions of entry and access restrictions, if there is an alternative route for impacted traffic (if not, the request will not be considered further)
  - ⑩ Once a request has been rejected on the grounds of not meeting prequalifying questions it will not be considered again, unless there have been changes which would mean the request would meet the prequalification.
- 2.3.14 A list of requests which are selected in each review will be shared on the Dudley Council website.
- 2.3.15 A copy of the new scoring system for TRO requests can be found in Appendix C to this report.

## 3. Site Noticing

### 3.1. Requirement for Site Noticing

- 3.1.1 The process for making a permanent TRO is subject to national legislation in the form of The Local Authorities' Traffic Orders (Procedure) (England and Wales) Regulations 1996. These regulations identify a series of steps that must be taken before making an order.
- 3.1.2 These steps include consultation with stakeholders, impacted frontages, the emergency services, the highway authority, bus companies, road haulage association etc, publishing of a notice of the proposed TROs in a local newspaper, a 21-day objection period and a process to consider and resolve objections. A final notice is also published in a local newspaper once an Order is approved and officially sealed.
- 3.1.3 Once an Order is sealed it can be introduced onsite and then enforced.
- 3.1.4 As part of the Local Authorities' Traffic Orders (Procedure) (England & Wales) Regulations 1996 authorities are required to "take such ... steps as it may consider appropriate for ensuring that adequate publicity about the order is given to persons likely to be affected by its provisions."
- 3.1.5 The procedure also lists some measures which may be considered to be appropriate which are:
- ⑩ Publication in the London Gazette and or local newspaper
  - ⑩ displaying notices in roads affected by the order or the delivery of notices,
  - ⑩ letters to impacted properties.
- 3.1.6 As that the procedure does not specifically state what must be done as a minimum, different Local Authorities approach the publication of TROs in different ways.
- 3.1.7 The current practice is to erect site notices specific to each individual site impacted by an order but do not issue letters to impacted properties in the vicinity of the works.

- 3.1.8 Some authorities do not erect any notices at all but post letters to impacted frontages to give details of proposals and how to object, along with putting information on TRO adverts on council websites and or social media.
- 3.1.9 Other authorities choose to letter drop and erect notices, and post information online.

### 3.2. Issues With Site Noticing

- 3.2.1 Complaints are commonly received during TRO objection periods or when a scheme is introduced that residents didn't see the site notices or that the notices are difficult to read or understand.
- 3.2.2 An example site notice is enclosed within Appendix D to this note.
- 3.2.3 The current site notices include details of the proposed TRO along website links to further information to support the site notice such as plans and a statement of reasons. The long-winded nature of web addresses makes it difficult for residents to follow, particularly in poor weather conditions.

### 3.3. Proposed Changes to Site Noticing

- 3.3.1 When making changes to local procedures relating to TROs, consideration is commonly given to the processes which have been followed previously and as such, what residents have become accustomed to.
- 3.3.2 Given that Dudley Metropolitan Borough Council already follows a process of erecting a site notice it could be considered prudent to continue to erect a notice of sorts but in light of the criticism relating to how difficult the current notices are to read and understand, it is recommended that some changes to the nature of site notices are implemented.
- 3.3.3 A new format of site notice could be created that would be more eye-catching, easier to read and less onerous to prepare.
- 3.3.4 These would be designed to be more visible to residents in an attempt to reduce the number complaining that they did not see notices posted on street and could incorporate a QR code which would link to the council website where a page for ongoing consultations would contain a list of schemes, and then the resident would select the relevant site and find plans and supporting information as required. This would allow one QR code to be used on all site notices, making the notices quicker to create. The only site-specific information needed on the notice would be the scheme title and objection period closing date.
- 3.3.5 To accommodate those residents with no access to the internet, a phone number to discuss the proposals would be included.
- 3.3.6 A mock-up of how a new format site notice could look can be found in Appendix E to this report.

## 4. Conclusion & Recommendations

- 4.1.1 The existing TRO policy requires residents of the borough to wait up to 12 months before finding out if a request is to be progressed with a further three months required to undertake necessary consultation and statutory advertisement. This does not represent a good level of service and also puts strain on council staff, requiring the delivery of up to 30 projects at the same time.
- 4.1.2 Introducing the proposed new policy would improve service by reducing the time residents would need to wait to find out if a TRO request has been successful to a maximum of 6 months. Unfeasible requests will also be discounted following an initial check and requestors notified at an early stage.
- 4.1.3 It is envisaged that the scoring system could be put online, allowing residents to complete much of the scoring at the time of making the request. Although the information provided by requestors would still need to be checked, it is anticipated that this would further reduce the burden for members of the Traffic & Road Safety team. For those residents who do not have access to the internet, the application process could be undertaken via the Dudley Metropolitan Borough Council Plus call centre staff.
- 4.1.4 This would also reduce the strain on council staff by spreading workload throughout the year.



- 4.1.5 It is therefore recommended that the new process is adopted immediately and implemented at the earliest opportunity.
- 4.1.6 The existing site notices erected to advertise proposed TRO changes in an area have long been a source of complaint for residents of the borough. The site notices are wordy, and residents find these difficult to follow.
- 4.1.7 It is recommended that a streamlined site notice format be introduced which would link to a website containing plans and supporting information on proposals along with a point of contact for both objections and to discuss the proposed restrictions.

## Appendix A: Current TRO Scoring Sheet



**TRAFFIC REGULATION ORDER SCORE SHEET**

Location..... Date Received.....

From..... (contact) Petition Yes / No

Summary of Request

.....

.....

Supporting information attached yes/no

Total score..... Scored by..... Initials.....

Applicant advised – date...../...../.....

**PHYSICAL**

CRITERIA	DEFINITION	ALLOCATION	SCORE
Road Type	Primary Route	8	
	Other Strategic	4	
	Estate	2	
	End of Route / Residential	1	
Width of Carriageway	<6.5m	3	
	6.5 to 9.0m	2	
	>9m	1	
Bus Route	Service Buses, winter gritting	5	

Sub Score =

**ENVIRONMENTAL**

CRITERIA	DEFINITION	ALLOCATION	SCORE
Poor Visibility, Obstructive parking	Route	8	
	Junctions	6	
	In several streets	4	
	Both sides of carriageway	2	
Duration of problem	One side of carriageway	1	
	For 24 hours	5	
	During daytime only	4	
	During peak hours only	3	
Affected Interests	During night time only	2	
	For short periods	0	
	Local Economy - Shops	4	
	Commerce - Offices	3	
	Heavy Industry – Industrial Estate	2	
	Residential properties	1	

Sub Score =

C:\Documents and Settings\Helen.Moore\Local Settings\Temporary Internet Files\OLK15\2013 TRO Ranking Score Sheet2.doc

<b>COMMUNITY</b>
------------------

CRITERIA	DEFINITION	ALLOCATION	SCORE
Engagement	Petition	10	
	Emergency Services	8	
	Ward Councillor	6	
	Refuse Collection/Council Service	4	
	Multiple Public – more than 2 in street	2	
	Single requestor	0	
Vulnerable Road Users / Assistance for environmental travel	Pedestrians / Cyclists / Disabled Equestrian	0 (Zero) or 5	
Healthy Lifestyles	Will assist healthier forms of travel	2	

Sub Score =

<b>Total Score</b> (max = 51)	
----------------------------------	--

## Appendix B: Proposed TRO Policy Process Map

## Dudley Metropolitan Borough Council Traffic Regulation Order Process Map

When Traffic Regulation Order (TRO) requests are received, a standard email reply will be sent to outline the process for scoring TRO requests and give information on the next review date. For any responses received through the post, a reply letter will be sent to update the resident.

The TRO request will then be logged onto the scoring spreadsheet and given a unique reference number (the next line on the spreadsheet). The original email or letter (scanned) will then be saved with the unique reference in the title.

TRO requests are to be reviewed three times a year. These reviews will take place in June, September and December. These dates have been selected to avoid the election period.

TRO requests will be logged and will undergo an initial feasibility check in the form of prequalifying questions to ensure it meets the key criteria. If the request is not feasible, it will be discounted, and the requestor notified. If it is justified, it will be scored within the scoring spreadsheet and at the point of the review, the top 10 scoring requests will be selected to proceed. Should TRO requests achieve the same score then this may result in fewer than 10 requests progressing, or more depending on the scores i.e. should the 10<sup>th</sup>, 11<sup>th</sup>, 12<sup>th</sup> and 13<sup>th</sup> request all be tied, then only nine requests would be progressed to avoid needing to introduce 13 requests and the associated increased workload.

Should the 10<sup>th</sup> and 11<sup>th</sup> requests be tied, then 11 requests would be progressed.

Emails or letters will be sent to all requestors to notify of the decision to progress or not.

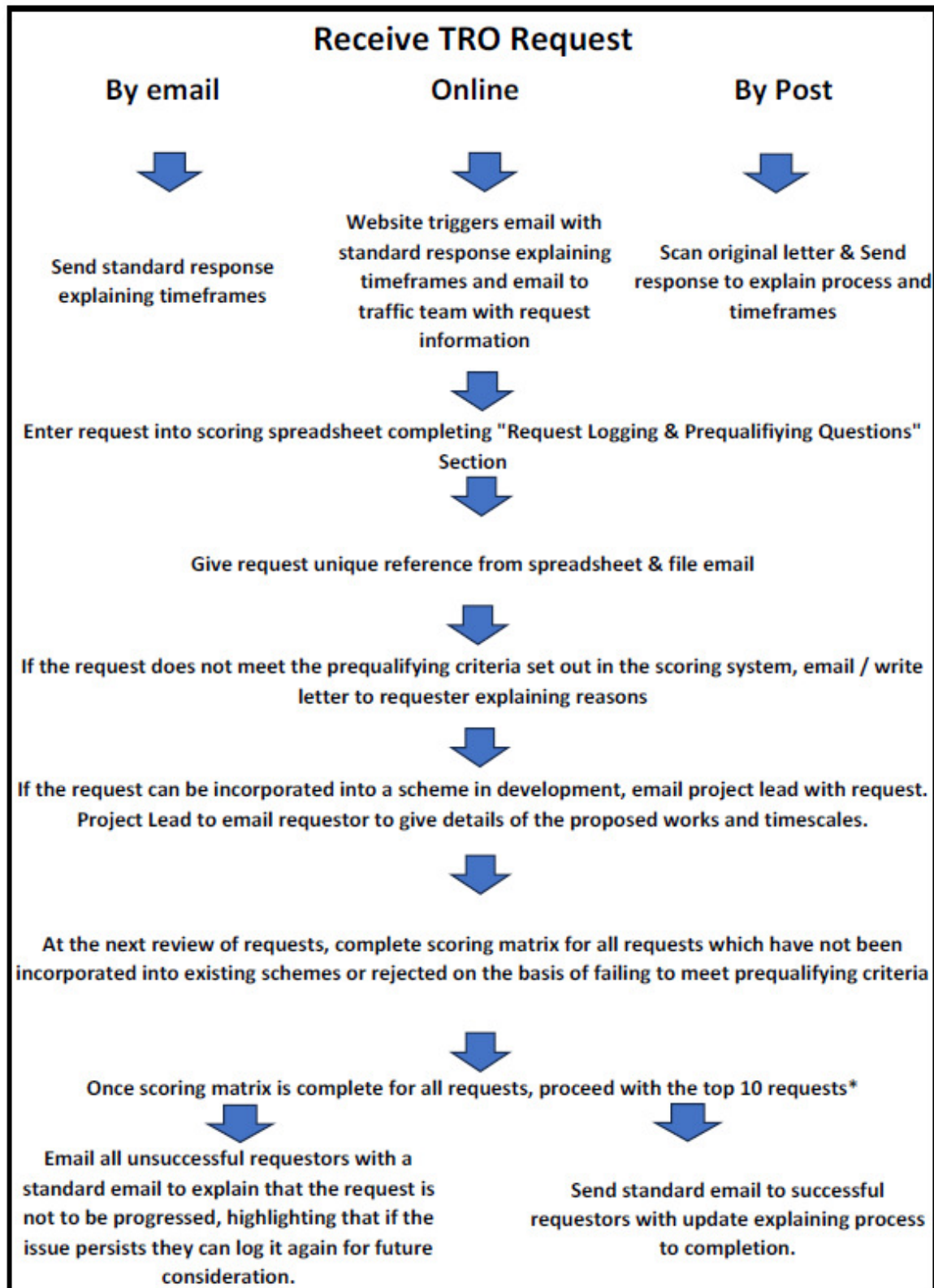
Under the former TRO request policy, requests were considered once annually with 30 being progressed. As a transition to the new process, there are some existing requests which have been made within the last 12 months. Under the new process, only 10 schemes would be introduced. The residents making requests which ranked in positions 11-30 would likely feel aggrieved at having waited up to year only to have their request rejected. To acknowledge this situation, it is proposed that those requests ranked in positions 11 to 30 in the first review under the new policy are transferred to the next review period and be reconsidered.

After these initial 20 requests are reconsidered during the 2<sup>nd</sup> TRO request review under the new policy, no further unsuccessful requests will be stored and kept under consideration for the next review period. Should requestors wish a request to be considered again, another request will be required.

If a repeat request is received, which was not justified beforehand. It will not be considered again unless there has been a change in the circumstances at the location.

Councillors and stakeholders will be consulted on the requests which are being progressed and a TRO advert prepared. This advert will include all of the successful TRO requests for that review period, along with any Disabled Residents Parking Places or TROs associated with new developments / planning requirements.

The statutory process for implementing a TRO requires a consultation with Stakeholders and Councillors, along with a four-week formal consultation stage required before any measures can be introduced. A typical programme for a TRO to be introduced is 3 months from the point a request is selected to proceed following scoring. This could be longer should objections be received from stakeholders, councillors or from members of the public.



## Appendix C: Proposed Scoring System







## Appendix D: Example Site Notice - Existing

**THE BOROUGH COUNCIL OF DUDLEY (2022/2023 TRO) (VARIOUS ROADS)**  
**(PROHIBITION AND RESTRICTION OF WAITING AND LOADING, NO STOPPING ON**  
**ENTRANCE MARKINGS, DISABLED PARKING PLACES AND PARKING PLACES)**  
**(NUMBERS 3,4,5,6 AND 7 ORDER TYPE) (STOURBRIDGE, HALESOWEN, CENTRAL**  
**DUDLEY, NORTH DUDLEY AND BRIERLEY HILL AREAS)**  
**ORDER 2022**

**NOTICE IS HEREBY GIVEN** that the Dudley Metropolitan Borough Council propose to make the above mentioned Order, the effect of which will be that certain lengths of the roads listed below will have new restrictions in place as stated:

**Scheme Reference P695/1**

<b>Restriction of Waiting Monday – Friday 3pm-4pm</b>	Whittingham Road, Halesowen
<b>Restriction of Waiting Monday – Friday 8am-9am</b>	Whittingham Road, Halesowen

A copy of the draft Order, maps and statement of reasons for proposing to make the Order may be examined at <https://www.dudley.gov.uk/residents/parking-and-roads/travel-and-transport/local-transport-policy/traffic-consultation/> and selecting 'Traffic Consultation database'.

**There are other roads within the Borough that are affected by this Order. All maps and statement of reasons relating to these roads can also be viewed by visiting the webpage above.**

Any letters of objection and all written comments with respect to the proposed Order should be emailed to [traffic.management@dudley.gov.uk](mailto:traffic.management@dudley.gov.uk) or addressed to Group Engineer - Traffic and Road Safety, Dudley MBC, 4 Ednam Road, Dudley, DY1 1HL, stating the grounds on which they are made and should be received by no later than 30<sup>TH</sup> September 2022.

Further information about the proposals can be obtained from [joanne.kirkham@dudley.gov.uk](mailto:joanne.kirkham@dudley.gov.uk) or [helen.wilkins@dudley.gov.uk](mailto:helen.wilkins@dudley.gov.uk)

Dated: 5<sup>th</sup> September 2022

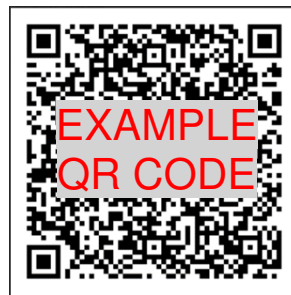
## Appendix E: Example Site Notice – Proposed

**THE BOROUGH COUNCIL OF DUDLEY****STREET NAME****SCHEME REFERENCE: P695/1****NOTIFICATION OF CHANGES IN YOUR AREA**

**NOTICE IS HEREBY GIVEN** that the Dudley Metropolitan Borough Council propose to make changes to kerbside parking in your area. The objection period for this order closes on DATE.

For more information including an explanation of the proposed changes, maps and a statement of reasons can be found by following the QR code below. Alternatively, visit [www.dudley.gov.uk](http://www.dudley.gov.uk) and search for the above scheme reference.

Potential to add a simplified web address e.g. [www.dudley.gov.uk/traffic-consultation](http://www.dudley.gov.uk/traffic-consultation)



If you do not have access to the internet, please call **0300 555 2345** for more information on the proposals.

Further information about the proposals can be obtained from [joanne.kirkham@dudley.gov.uk](mailto:joanne.kirkham@dudley.gov.uk) or [helen.wilkins@dudley.gov.uk](mailto:helen.wilkins@dudley.gov.uk)

Dated: XX<sup>th</sup> September 2023

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## **Meeting of the Cabinet - 15<sup>th</sup> February 2024**

### **Report of the Acting Service Director - Neighbourhood Delivery**

#### **On-Street Disabled Parking Places**

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

1. To adopt a clearly revised policy for the provision of On Street Disabled Parking Places within the Borough and to define the basis on which a decision to provide these parking places will be made by officers.
  - To comply with the Equality Act 2010 and adopt a policy for existing streets that is more in line with the Dudley MBC Planning Guidance.
  - To revoke the previous policy for On Street Advisory Disabled Parking Places.

##### **Recommendations**

2. It is recommended that Cabinet approves the adoption of this policy, replacing the previous policy approved 21<sup>st</sup> December 2022. Enabling enforceable Disabled Parking places in safe locations providing Blue Badge holders and those assisting with the mobility of blue badge holders access to appropriate spaces.

##### **Background**

3. The proposal is to amend and replace the previously agreed policy approved 21<sup>st</sup> December 2022 and to introduce a new policy to move towards Disabled Parking places supported by Traffic Regulation Orders that can be used by any person who has a blue badge. Individual permits are not required.
4. An easily understood policy and an application form will be available on the Council Website for the applicant or their representatives to complete.

5. To comply with the Equality Act 2010 states “where a disabled person would, but for the provision of an auxiliary aid, be put at a substantial disadvantage in relation to a relevant matter in comparison with persons who are not disabled, to take such steps as is reasonable to have to take to provide the auxiliary aid.”
6. The new policy also complies with:  
  
Department of Transport - Inclusive Mobility A Guide to Best Practice on Access to Pedestrian and Transport Infrastructure December 2021, and Department for Transport – Manual for Streets 2007.
7. In addition, the Dudley MBC Planning Guidance Note No. 6 – Highways Considerations in Development requires “the special needs of disabled persons and parents with young children will be recognised and the design of highways will be required to incorporate appropriate facilities”. However, these needs were not considered during the construction of the older streets in the Borough and disabled persons can experience difficulties in accessing their vehicles. This situation has been exacerbated by the increase in car ownership.
8. The attached report (Appendix A) provides the details and reference to appropriate guidance (see appropriate link below).
9. Appendix 1 - Amended Policy and Application Form to be made available to the applicants via the Council’s Website.
10. Appendix 2 - Check-list to assist the officers in making the appropriate decision regarding any application.

## **Finance**

11. The cost of implementing this policy will be from the annual Local Network Improvement Plan (LNIP) budget allocation for signs, markings and guard rails. As individual permits will no longer be required there will be a small saving in officer time. However, this will not be sufficient to make any financial savings. Any payments taken under the previous policy will be refunded at an expected cost of £600.00.

## **Law**

12. The proposals contained within this report are in accordance with the Equality Act 2010, Road Traffic Regulation Act 1984 and Traffic Signs Regulations and General Directions 2016.



## **Risk Management**

13. No risks have been identified under the Risk Management Framework.

## **Equality Impact**

14. The proposals contained within this report are consistent with the Council's Equality and Diversity Policy and provide on street parking facilities for blue badge holders in sustainable locations that are not restricted to individuals or restricted to those who own cars.

## **Human Resources/Organisational Development**

15. There are no organisational development/HR or Transformation implications.

## **Commercial/Procurement**

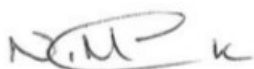
16. There are no commercial or procurement implications.

## **Environment/Climate Change**

17. There will be no measurable environmental impact.

## **Council Priorities and Projects**

18. The council plan 2022-25 contains four priorities. This proposal supports the priorities of 'borough of opportunity' and 'safe and healthy borough' through the delivery of a service to our Blue Badge holders, providing a clear and concise policy where on street disabled place may be provided that minimises the impact on other residents.



.....  
**Nick McGurk**  
**Acting Service Director - Neighbourhood Delivery**

Report Author: Hugh Dannatt  
Telephone: 01384 815453  
Email: [Hugh.Dannatt@dudley.gov.uk](mailto:Hugh.Dannatt@dudley.gov.uk)

## Appendices:

- Appendix A - Disabled Bay Report provides the details and reference to appropriate guidance.
- Appendix 1 - Amended policy and application form to be made available to the applicants via the Council's Website.
- Appendix 2 - Check-list to assist the officers in making the appropriate decision regarding any application.

## List of Background Documents:

Appendix A

Documents available publicly:

The Highway Code:

<https://www.gov.uk/guidance/the-highway-code>

Traffic Signs Regulations and General Direction 2016:

<https://www.legislation.gov.uk/uksi/2016/362/contents/made>

Department for Transport Manual for Streets:

[https://assets.publishing.service.gov.uk/media/6270d4838fa8f57a360f8b91/Essex\\_Manual\\_for\\_Streets\\_Redacted.pdf](https://assets.publishing.service.gov.uk/media/6270d4838fa8f57a360f8b91/Essex_Manual_for_Streets_Redacted.pdf)

Inclusive Mobility - A Guide to Best Practice on Access to Pedestrian and Transport Infrastructure

[https://www.google.co.uk/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&ved=2ahUKEwjwsemU19eDAXVyTkEAHenkDS8QFnoECBIQAQ&url=https%3A%2F%2Fassets.publishing.service.gov.uk%2Fmedia%2F61d32bb7d3bf7f1f72b5ffd2%2Finclusive-mobility-a-guide-to-best-practice-on-access-to-pedestrian-and-transport-infrastructure.pdf&usg=AOvVaw03VYXfDq9W3le\\_2FOu8V0I&opi=89978449](https://www.google.co.uk/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&ved=2ahUKEwjwsemU19eDAXVyTkEAHenkDS8QFnoECBIQAQ&url=https%3A%2F%2Fassets.publishing.service.gov.uk%2Fmedia%2F61d32bb7d3bf7f1f72b5ffd2%2Finclusive-mobility-a-guide-to-best-practice-on-access-to-pedestrian-and-transport-infrastructure.pdf&usg=AOvVaw03VYXfDq9W3le_2FOu8V0I&opi=89978449)

## **Appendix 1**

### **Disabled Parking Places Policy and Application Form**

**November 2023**

The provision of Disabled Parking Places (DPP) is to assist residents who have a valid Blue Badge and would otherwise find it difficult to use a vehicle owned by them or available to them through a Mobility lease scheme or driven by a medical professional, carer, family member or friend.

It is the intention of this policy that the existing Advisory Disabled Parking Places and Statutory Disabled Parking Places limited to a specific permit holder will be phased out.

Where necessary Disabled Parking Places will be replaced with Statutory Disabled Parking Places which will be covered by a legal Traffic Regulation Order.

An approved DPP will be marked out wholly in the carriageway at a location the complies with the following criteria. Where possible a DPP will be provided within 50m of the property subject to an appropriate location being identified and a statutory consultation.

A DPP is provided to assist a Blue Badge holder where on street parking within 50m is regularly difficult to find. It is not intended for a bay to be a reserved parking space for friends, relatives or visiting health care professionals, or carers. However, it may be used by these people for the purposes of collecting and dropping off the disabled person whilst displaying their Blue Badge. There will always be competition for convenient on street parking especially in locations where demand for on street parking is greater. Parking on the public highway is always on a first come basis and we have no right to park outside our own homes.

Removing, permit holder only Disabled Parking Bays will enable bays to be located and used by Blue Badge Holders who do not drive or own their own vehicle.

**Please Note:**

This parking bay will be covered by a legal order and Fixed Penalty Notices can be issued to vehicles not displaying a Blue Badge or if there is evidence that the Blue Badge is being miss-used.

Use of the Disabled Parking Place will be on a first come basis, for Blue Badge holders, as per any other on street parking place.

The installation of a Disabled Parking Place will be supported by a Traffic Regulation Order. A statutory consultation will be required prior to a Disabled Parking Place being installed. Any objections to the Traffic Regulation Order will be considered by the Cabinet Member for Highways and Public Realm who has the final decision.

**Dimensions and Signs**

In accordance with Traffic Signs Regulations and General Directions 2016 the Disabled parking place will be a minimum of 6.6m (21ft 7inches) in length and 2.7m (8ft 11inches) wide and marked with the word DISABLED. They will also be supported by a sign illustrated below.



The length of Disabled Parking Places can be increased where there are specific needs, but this is usually in exceptional circumstances.

Signs will be 320mm wide x 255mm High.

**Disabled Parking Places will only be provided for applicants where:**

- There is a Blue Badge holder resident at an address close to the proposed location.

By restricting eligibility to Blue Badge holders, Council officers are relying on the medical skills and knowledge of professionals better able to ascertain the level of disability where a Blue Badge has been issued. The Highways Officers are not part of the formal process that approves the issue a Blue Badge.

- The address of the Blue Badge holder should be on a road maintained as a public highway.
- The address of the Blue Badge Holder should not have off street parking and/or a garage unless the disabled person or vehicle have specific requirements that prohibit the use of the off-street parking or garage.
- Parking within 50m of the address of the Blue Badge Holder is difficult to find on a regular basis. Site visits may be undertaken to verify the application.

**Disabled parking places will NOT be provided for applicants:  
Safety Reasons**

- Where a ban on loading or unloading is in force.
- Near an existing pedestrian crossing including the areas marked with zig-zag lines.
- On or within Clearways (no Stopping areas) and urban clearways.
- Where there is school keep clear or other zig zag markings.
- Where there is a bus lane, tram, or cycle lanes.
- Where there is a solid white line in the centre of the road
- Within the braking distance, as detailed by the Highway Code and the speed limit, to a bend, brow of hill or humpback bridge or similar hazard and not protected by the existing parking or highway layout.
- Within 10m or opposite a junction.
- Where the width of the road is less than 5.5m. and/or where a parked vehicle could block access for vehicles especially emergency services. This includes locations where other vehicles may have to illegally drive on the footway to get past. This maintains a highway width of 2.8m for the passing of vehicles.

**Legal Reasons or where it would not be reasonable to install a Disabled Parking Place**

- In a private street, on land, or partly on land that does not form part of the public highway maintained by Dudley Council as the Highway Authority.
- Where there is a bus stop marking or within 10m of a bus stop pole.
- Where there is metered parking, or on street parking charges, where Blue Badge Holders can park free of charge for a limited period.
- Where a kerb has been lowered to assist the crossing of a road, vehicle access or access to an off-road pedestrian or cycle route.
- On or straddling a pedestrian footway or pedestrian area.

- Where the total length of the requested disabled parking bays will exceed 8% of the length of parking available on street. However, a reduction will be made to exclude lengths in the street where the Highway code advises a driver should not park.
- In an area which may cause a danger or obstruction to others such as turning facility.

### **Applications**

Once an application has been received the Council will inspect the proposed location and may need to verify the information provided or to discuss the proposed location for the DPP.

The Council will undertake a statutory consultation in accordance with the Road Traffic Regulation Act 1984 and The Local Authorities' Traffic Orders (Procedure)(England and Wales) Regulations 1996. This process can take up to 6 months and can be delayed by local elections.

The following application form will need to be completed by the resident or their representative.

### **Refusal of an application**

Should the Council refuse the application a written statement will be provided to the applicant or their representative stating the reasons for the refusal. The reason will be:

- one of those stated above,
- a suitable location cannot be found within 50m of the applicant's property.
- that a statutory consultation has been carried out and objections to the proposed Disabled Parking Place have been upheld by Cabinet Member for Highways and Public Realm.

### **Removal or amendment of an existing Disabled Parking Places**

Officers will review any existing advisory or statutory disabled parking place on the written request of a member of the public, when roads are being resurfaced, when officers are made aware that the disabled parking place is no longer required or at the request of a serving councillor.

Officers will consider one of the following options:

1. The revocation of any Traffic Regulation Orders and removal of the disabled parking place,
2. The amendment to an existing legal order to make the Disabled Parking Place statutory and to remove the need for a permit and make the disabled open for all Blue Badge holders.
3. The advertising of a legal order to make an advisory disabled parking place a statutory Disabled Parking Place.

4. The removal of an advisory disabled parking place if it does not comply with the above criteria for installing a disabled parking space and it is no longer needed.

Officers will check with the Blue Badge Team if there is a Blue Badge Holder registered at a property within 50m of the disabled parking place.

In the case of disabled parking places supported by a Traffic Regulation Order a statutory consultation will be required to revoke the legal order. Any objections to the removal of a disabled parking place will be considered by the Cabinet Member for Highways and Public Realm who has the final decision. This process can take up to 6 months and can be delayed by local elections.

Relocating a Disabled Parking place will require the existing space to be revoked and removed as above and the new location be considered and advertised as a new statutory Disabled Parking Place.

### **Appeals**

The applicant or their representative may appeal the decision by emailing [traffic.management@dudley.gov.uk](mailto:traffic.management@dudley.gov.uk)

## Application Form for Advisory Disabled Parking Bay

**In order that we can process your application efficiently please ensure you have filled in all the sections of the form and provide any additional information.**

Name of Applicant: .....

Address of Applicant: .....

.....

.....

Post Code: .....

Tel Number: .....

Email Address: .....

If you are applying on behalf of the above -

Name of Applicant's Representative: .....

Address of Applicant's Representative: .....

.....

.....

Tel Number: .....

Email Address: .....

Would you prefer that all correspondence is addressed to the applicant's representative? Yes/No.

Applicants Blue Badge Number:

.....

Blue Badge Expiry Date:

.....

This will be verified with Dudley MBC Adult Social Care Team



Can you confirm parking within 50m of the property is regularly difficult to find?

*Site visits will be undertaken to check parking issues within 50m of property and the street*

YES/NO (Delete as appropriate)

Can you confirm that the applicant does not have off street parking and/or a garage?

YES/NO (Delete as

appropriate)

Or

The applicant does have off street parking and/or a garage, but they are unable to use this because:

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

*Where would you like the Disabled Parking Place marked within 50m of the property.*

*Please describe the location.*

Please note the final position of the parking place will be the decision of the council.

**Declaration**

I have read the policy and understand all the conditions that have been set out.

This is an application for a disabled bay that is legally enforceable and can be used by other drivers displaying their Blue Badge.

If the bay is no longer needed, I will notify Dudley MBC

Print Name: .....

Date: .....

## Appendix 2

### Check List for Officers

Part 1. The Following 4 questions should be answered **Yes** to proceed.

1.	Has the applicant a Blue Badge registered at an address close to the requested location for the Disabled Parking Place?	Yes/No
2.	Is the location of the proposed parking place on a road maintained as a public highway?	Yes/No
3.	Are you satisfied that the Applicant does not have off street parking and/or a garage or they applicant has provided evidence of specific requirements that prohibit the use of the off-street parking or garage? (Attach evidence if required).	Yes/No
4.	Do you accept that parking within 50m of the property is difficult to find on a regular basis.	Yes/No

Part 2. The Following 14 questions should be answered **No** to proceed.

5.	Is the requested location restricted by a ban on loading or unloading?	Yes/No
6.	Is the location near an existing pedestrian crossing including the areas marked with zig-zag lines.	Yes/No
7.	Is the requested location restricted by a Clearway (no stopping area) or an urban clearway?	Yes/No
8.	Is the requested location restricted by school keep clear or other zig zag markings?	Yes/No
9.	Is the requested location on bus lane, tram, or cycle lane?	Yes/No
10.	Is there a solid white line in the centre of the road?	Yes/No
11.	Is the requested location within the braking distance, as detailed by the Highway Code and the speed limit, to a bend, brow of hill or humpback bridge or similar hazard and not protected by the existing parking or highway layout?	Yes/No
12.	Is the requested location within 10m or opposite a junction?	Yes/No
13.	Is the requested location where the width of the road is less than 5.5m. and/or where a parked vehicle could block access for vehicles especially emergency services. This includes locations where other vehicles may have to illegally drive on the footway to get past?	Yes/No

14.	Is the requested location where there is a bus stop marking or within 10m of a bus stop pole?	Yes/No
15.	Is the requested location within an area where there is metered parking, or on street parking charges, where Blue Badge Holders can park free of charge for a limited period?	Yes/No
16.	Is the requested location where a kerb has been lowered to assist the crossing of a road, vehicle access or access to an off-road pedestrian or cycle route?	Yes/No
17.	Is the requested location on or straddling a pedestrian footway or pedestrian area?	Yes/No
18.	Will the total length of the existing and requested disabled parking bays in the street exceed 8% of the length of parking available on this street? (Exclude lengths in the street where the Highway code advises a driver should not park).	Yes/No
19.	Is the proposed location in an area which may cause a danger or obstruction to others such as turning facility?	Yes/No

Part 3 If the answer to any of questions 1-5 is NO, or any of the answer to any of question 6 -19. is YES, then answer the following questions.

20.	Has a suitable alternative location been found or proposed? (please attach plan showing the proposal)	Yes/No
21.	Has the alternative suitable location been agreed with the applicant or their representative? (Please evidence)	Yes/No

**If the answer to any of questions 1-4 is NO, then the application should be declined and the applicant and/or the representative informed.**

**If the answer to any of question 5-19. is YES, then the application should be declined and the applicant and/or the representative informed.**

**If the answer to any of question 20 or 21 is NO, then the application should be declined and the applicant and/or the representative informed.**

Any Other Comments

Order Reference: ..... Date .....

Signed..... Date.....

Print Name.....

## **Meeting of the Cabinet – 15<sup>th</sup> February, 2024**

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

### **West Midlands Combined Authority - Formal ratification of the single settlement memorandum of understanding (MoU) between the West Midlands Combined Authority and His Majesty's Government**

#### **Purpose of report**

1. To seek cabinet approval to ratify the single settlement memorandum of understanding (MoU) between the West Midlands Combined Authority and His Majesty's Government (HMG) following in principal approval of the draft MoU by Mayor and Portfolio Leaders on 3<sup>rd</sup> November 2023.

This follows the ratification of the trailblazer devolution deal by the WMCA Board on 13<sup>th</sup> October 2023 and subsequent announcement of the deal in the Autumn statement on 22<sup>nd</sup> November 2023 by HMG.

#### **Recommendations**

2. That Cabinet consider and ratify the single settlement MoU between the West Midlands Combined Authority and Her Majesty's Government as set out at appendix 1 of the report.
3. That Cabinet notes the high-level next steps for single settlement negotiations and implementation ahead of the first single settlement allocation which is likely to be 1<sup>st</sup> April 2025.

#### **Background**

4. The 'single settlement' was one of the most significant commitments in the West Midlands Combined Authority (WMCA) trailblazer deeper devolution deal announced at the 2023 Spring Budget. The deeper devolution deal was ratified by WMCA Board on 13<sup>th</sup> October 2023 on the basis that there

would be further decisions about particular elements of the deal, including the single settlement. A draft of the MoU was considered and agreed in-principle by Mayoral and Portfolio Leaders on 3<sup>rd</sup> November 2023.

### **What is the single settlement?**

5. At every Spending Review, WMCA will be allocated a single funding settlement for local transport, adult skills, housing and regeneration, local growth and place, and retrofitting buildings<sup>1</sup>.
6. The funding WMCA receives will cover the length of Spending Review periods and be calculated using allocation formulae. The quantum of single settlement funding WMCA received will be confirmed as part of the Spending Review. WMCA will retain the right to refuse the single settlement.
7. WMCA expect to receive the first single settlement at the beginning of the first financial year after the next Spending Review – likely to be 1<sup>st</sup> April 2025, but this is subject to HMG confirmation.
8. This consolidated funding will replace the individual, short-term and restrictive grants the region currently receives from HMG relating to the functions of the single settlement, ending competitive, time- and capacity-intensive bidding where relevant. Where an individual fund is within scope of the single settlement, WMCA and its constituent local authorities will not need to – nor be able to – bid to government for an additional share beyond what we will be directly allocated as part of the Spending Review process. WMCA and LAs will continue to be able to bid into HMG for competitive funds where they are outside of the scope of the functions of the single settlement.
9. As set out in the MoU at appendix 1, the single settlement will not include any funding lines that fall within the scope of the local government finance settlement, or which directly underpin local authority statutory and/or core responsibilities.

### **What does the Single Settlement mean for the West Midlands?**

10. The single settlement represents a significant change to how the region will receive funding from HMG for the relevant functions. In particular, it will enable LAs to develop place-based strategies, which will set out how the functions of the single settlement, and other sources of public and

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<sup>1</sup> Funding for retrofitting buildings is included on the basis of a pilot arrangement. The scope of retrofit is the subject of on-going negotiations with HMG.

private investment, will come together in places to drive inclusive economic growth over the long-term. This will be additional to the funding that will continue to apply across the region as a whole.

11. The single settlement will provide the region with multi-year certainty over a consolidated funding allocation. This will enable a long-term, joined-up approach to funding delivery, which will, in turn, support the development and delivery of locally-led place-based strategies.
12. The single settlement will empower local decision-making. WMCA Board will decide the region's place-based strategies and agree 'functional' strategies for adult skills, buildings' retrofit, housing and regeneration, local transport, local growth and place; and approve the individual projects, interventions and programmes that will receive funding. This represents a major power shift from Ministers in Westminster to local leaders in the West Midlands.

### **Did anything substantive change in the MoU between MPL and publication?**

13. A draft version of the MoU was agreed 'in principle' by Mayor and Portfolio Leaders (MPL) on 3 November 2023 and a final version published by HMG on 22 November 2023 at the Autumn Statement (see appendix 1). No substantive policy changes to the MoU were made between the MPL decision and publication of the MoU.

The following two items of note arose between MPL and the MoU being published:

- WMCA did not reach an agreement with HMG over the breadth of the retrofit / net zero function of the single settlement. Therefore, a decision on the final scope of the retrofit / net zero pillar of the single settlement was deferred until March 2024 to allow further negotiation to occur.
- The Department for Transport (DfT) confirmed its position, which was tentative in the MoU draft at MPL, that prior DfT approval will be required for business cases of transport schemes estimated to cost above £200 million funded through the single settlement. This is still a significant increase on the point at which DfT call in business cases as part of the current City Region Sustainable Transport Settlement.



### **Next steps**

14. The MoU establishes the basic principles of how the single settlement will operate. However, there will be several further decision points and a lot of work to undertake across the region to prepare for implementation, as below.
15. The process of implementing the single settlement between now and 1 April 2025 – when WMCA expect to receive the first single settlement allocation – will be a complex and significant undertaking for the WMCA and LAs.
16. Within the region, there will be detailed engagement between the WMCA and LAs during the early part of 2024 to develop, agree and deliver the implementation strategy in the round. WMCA expects the process of implementation to break down into nine broad workstreams and areas of activity:

### **Further negotiations with HMG.**

17. The final MoU leaves a number of residual matters to be negotiated with government between now and **March 2024**, including agreeing: the functional definition of net zero and the terms of the retrofit pilot; the allocation formulae; the details of spending controls; the provisional process for agreeing the outcomes framework; and, potentially, the scope of the business productivity function.
18. **Functional strategies.** It is expected that strategies for each of the five functions of the single settlement will need to be agreed by WMCA Board by the **end of summer 2024**.
19. **Place-based strategies.** Work is already underway between WMCA and LAs to scope the development of place-based strategies. WMCA have suggested a three-stage process concluding with a WMCA Board decision by the **end of summer 2024**, on the basis that place-based strategies will be iterative and can evolve over time.
20. **Single outcomes framework.** WMCA are working to agree the process for the outcomes framework by **March 2024**. The types of outcomes for the single settlement will not be agreed until the next Spending Review, expected to be in **November 2024**. The region's actual outcome targets would be agreed shortly **after the Spending Review**, reflecting the quantum of funding confirming at the Spending Review.

21. **Assurance; strategic finance; and accountability & spending controls.** Between now and **1 April 2025** and with multiple milestones in-between, WMCA will, working with LAs, undertake an in-depth review of its internal financial processes and systems to ensure their readiness for the single settlement.
22. **Governance and partnership development.** In-depth conversations will be started between the WMCA and LAs in **early 2024** about the optimal governance and decision-making structures for the single settlement, as set out in the MoU, taking into account the nature and breadth of the decisions we will have to take collectively and the opportunity presented by the single settlement to strengthen partnership working across the region.
23. **Programme management, integration and delivery.** Work is underway now to develop an agreed an integrated approach to delivering the single settlement as a 'system', factoring in key decision points for WMCA Board and LA's.

## **Finance**

24. At this point in time, the final funding allocation for WMCA's single settlement is unknown. However, as set out in the MoU: "The [funding] formulae [that will be agreed between WMCA and HMG by March 2024] will seek to deliver the principle that the [WMCA area] will be no worse off in terms of quantum of funding received than [the WMCA] would have been had the single [settlement] not been in place."
25. Whilst on the basis of the above, the WMCA does not expect the quantum of funding allocated to the region to significantly increase or decrease, longer term funding certainty, increased flexibility and the direct awards of traditionally competitive funding will enable better strategic financial planning and delivery.
26. Uncertainty over the eventual quantum of the single settlement should be set against the backdrop of existing arrangements: the region enjoys no certainty over the funding it will receive via competitive funding processes. Importantly, the WMCA reserves the right to refuse the single settlement as part of its future involvement in the Spending Review process should the region decide the arrangements for the settlement would be detrimental. If it was decided to do so, WMCA would be funded through the arrangements in place for other areas (outside of WMCA and GMCA) who are not in receipt of a single settlement.

27. Beyond the implications relating to the overall funding quantum of the single settlement, should WMCA fail to achieve the outcomes agreed with Government, either through delivery slippage, under performance or by investing in initiatives which do not make a positive contribution towards the agreed outcomes, the WMCA will be subject to a range of ‘interventions’ by HMG<sup>2</sup>.

### **Law**

28. The proposals are in accordance with the provisions of the Local Democracy, Economic Development and Construction Act 2009.
29. In addition, the MoU is not a legally binding agreement and, technically, a future government could walk away from it. WMCA assessment is that the probability of this occurring is low.
30. The single settlement itself does not confer any new legal obligations or duties on WMCA or its constituent local authorities. Existing specific duties, for example, the legal duties accompanying the devolution of the Adult Education Budget, will not be altered as a consequence of it being included within the single settlement, nor will general legal duties be altered, such as obligations on the managing of public money.

### **Risk Management**

31. There is a risk that, despite the commitment to working closely with government via the MoU to secure the single settlements provisions, any changes in policy or government could prevent this becoming a reality. 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**

32. The implementation of the single settlement has the potential to yield a number of positive equalities and socio-economic implications which in Dudley include supporting the Council’s strategic priorities, to increase the economic prosperity of the area and providing positive community impacts.

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<sup>2</sup> See ‘Table A.1 Matrix of Mitigation’ on pages 27 – 28 of the [MoU](#).

## **Human Resources/Organisational Development**

33. 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**

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

## **Environment/Climate Change**

35. The provisions within the single settlement 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 transport interventions.

## **Council Priorities and Projects**

36. The proposed deeper devolution deal and single settlement 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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## **Background Documents**

Cabinet Report 13<sup>th</sup> October 2023, West Midlands Combined Authority West Midlands Trailblazer Deeper Devolution Deal

## **Appendices**

Appendix 1

Memorandum of Understanding between for the single settlements with Greater Manchester and West Midlands Combined Authorities

[https://assets.publishing.service.gov.uk/media/655d0945d03a8d001207fe19/Memorandum\\_of\\_Understanding\\_for\\_the\\_Single\\_Settlements\\_with\\_Greater\\_Manchester\\_and\\_West\\_Midlands\\_Combined\\_Authorities\\_FINAL.pdf](https://assets.publishing.service.gov.uk/media/655d0945d03a8d001207fe19/Memorandum_of_Understanding_for_the_Single_Settlements_with_Greater_Manchester_and_West_Midlands_Combined_Authorities_FINAL.pdf)



HM Treasury

# Memorandum of Understanding for the Single Settlements with Greater Manchester and West Midlands Combined Authorities

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November 2023



Memorandum of  
Understanding for the Single  
Settlements with Greater  
Manchester and West  
Midlands Combined  
Authorities

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# Introduction

1. At Spring Budget 2023, the Government (HMG) announced the trailblazer devolution deals with Greater Manchester Combined Authority (GMCA) and West Midlands Combined Authority (WMCA). The deals set out HMG's commitment to implement single, departmental style settlements ('single settlements') for GMCA and WMCA ('the MCAs') at the next Spending Review (SR).
2. This Memorandum of Understanding (MoU) sets out the principles under which the single settlements with the MCAs will be agreed and implemented at the next SR. It also outlines the process for agreeing and monitoring outcomes associated with the single settlements and the accountability arrangements. HMG and the MCAs will review this MoU before the end of every SR period to ensure it remains fit for purpose.
3. This MoU covers funding which flows from HMG to the MCAs via the single settlements.<sup>1</sup> It is not intended to apply to funding which flows from HMG to the MCAs via other mechanisms (e.g. Police and Crime Commissioner functions, waste functions or funds outside the scope of the single settlement) or locally-raised funds.

## Scope

4. As set out in the trailblazer devolution deals, the single settlements will include HMG funding falling under five thematic policy areas ('themes'). These are: local growth and place; local transport; housing and regeneration; adult skills; and buildings' retrofit<sup>2</sup> in the MCA areas. As per paragraphs 10-11, buildings' retrofit's inclusion is on a pilot basis for the first single settlements.
5. The MCAs have specific functional responsibilities in each of these themes. Where national HMG funds<sup>3</sup> are in scope of the MCAs' functional responsibilities, they will be included in the single

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<sup>1</sup>The single settlement is an agreement between government, the MCA and its constituent local authorities. However, the MCA Board may decide, at its discretion, to use the single settlement in non-constituent local authority areas if it considers, based on evidence, that doing so would be beneficial to the MCA area.

<sup>2</sup>This is specifically buildings' retrofit for decarbonisation matters covered by the pilot agreement to devolve retrofit funding set out at paragraphs 212-218 of the trailblazer deeper devolution deals with both MCAs.

<sup>3</sup>National funds address policy issues and/or opportunities that manifest, potentially to varying degrees, across the country. They do not cover issues and/or opportunities that are demonstrably confined to a limited number of places. As per paragraph 13, the list of funds included and excluded in the single settlement will be confirmed publicly as part of, and on the same day as, the Spending Review.

settlement.<sup>4</sup> The single settlements will not include any funding lines which fall within the scope of the local government finance settlement, or which directly underpin local authority statutory and/or core responsibilities. The process for determining whether specific funds should be included in the single settlements is set out below.

- a. HMG will use the definitions for functional responsibilities to identify whether a new funding line (whether it be announced at an SR, or between SRs) should be included in the single settlements. If the MCAs have concerns, these should be resolved through the Single Settlements Programme Board ('Programme Board') following the SR. HMG should provide for circumstances in which new funding lines may need to be added to the single settlements following this review.
  - b. HMG will confirm as part of the SR announcements the recommended quantum of the settlements as calculated via formulae linked to the functional responsibilities below. For funding announcements made outside of an SR period, HMG will notify the MCAs in a timely manner as to the consequences for the single settlements.
  - c. Should the MCAs judge this amount and/or the approach taken to conflict with the principles set out in this MoU, they will use the escalation mechanisms detailed at paragraphs 59-64.
  - d. Ultimately, the MCAs reserve the right to reject the settlement in its entirety. In this eventuality, the MCAs would revert to the funding mechanisms and accountability arrangements in place for each individual funding programme.
6. The MCAs' functional responsibilities are outlined below.

## Local Growth and Place

- a. Activity that promotes place-based economic development, improves productivity, and aims to reduce inter-and-intra-regional spatial economic disparities.
- b. Coordination and delivery of local programmes to drive business productivity whilst ensuring integration between local and national business support activity, enabling businesses to access support.<sup>5</sup>
- c. Regeneration, place-making, and improvements to local infrastructure.
- d. Activities that promote pride in place, including but not limited to measures to improve social cohesion, the

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<sup>4</sup> If an HMG department changes its name, all the single settlement provisions that applied to the previous department will be transferred to the new department/s.

<sup>5</sup> As per the trailblazer deeper devolution deals, paragraph 180.

improvement of public facilities and the public realm, for instance on high streets.

## Local Transport

- a. Oversight and delivery of the area's transport strategy. This includes developing local transport plans and considering how transport will support wider objectives such as employment, housing and net zero.
- b. Working with their Local Highway Authorities on delivery of local transport capital projects, including but not limited to highways maintenance and small-scale renewals as well as transformational local projects. This excludes strategic national transport infrastructure.
- c. Managing local public transport services, including but not limited to the local bus network, mass transit, local rail integration, integrated multimodal fares, network information and branding, promoting safety and tackling anti-social behaviour.
- d. Delivery of the local active travel strategy and schemes.
- e. Delivery of local transport decarbonisation schemes, such as the local electric vehicle infrastructure funding programmes.
- f. Strategic oversight of the local road network and promotion of road safety.
- g. Undertaking scalable, feasible, and tangible transport innovation, including trialling new transport-related products and processes, improving existing services via technological upgrades, and implementing regulatory changes or best practice.

## Adult Skills

- a. All non-apprenticeship adult skills funding and functions<sup>6</sup>, including but not limited to:
  - i. Ensuring that residents aged 19 and over in their area, who are eligible for funding, have access to appropriate education and training
  - ii. Encouraging and providing adults with the skills and learning they need to equip them to progress into, or within, work; or equip them for an apprenticeship or other learning
  - iii. Provision of statutory entitlements to provide free courses for adults<sup>7</sup>

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<sup>6</sup> Subject to consideration of exceptional instances, as per paragraph 133 of the trailblazer deeper devolution deals, and paragraph 66 of this MoU.

<sup>7</sup> As per The Greater Manchester Combined Authority (Adult Education Functions) Order 2018 ([legislation.gov.uk](https://www.legislation.gov.uk)); The West Midlands Combined Authority (Adult Education Functions) Order 2018 ([legislation.gov.uk](https://www.legislation.gov.uk)); and the Apprenticeships, Skills, Children and Learning Act 2009 and the Adult Skills (Specified Qualifications) Regulations 2010.

## Housing and regeneration

- a. Regeneration via enabling and improving local housing supply.
- b. Delivery of capital investments to unlock additional housing and regeneration.
- c. Remediation and development of brownfield sites.

## Pilot of buildings retrofit

- a. The MCAs' functional responsibilities will be finalised by spring 2024, and will likely include at a minimum:
  - i. Retrofitting social housing and other residential buildings containing households at risk of fuel poverty in the local area
  - ii. Decarbonising public sector buildings managed by the MCAs and their constituent authorities through the installation of low carbon heat and energy efficiency measures
7. In addition to the scope of the single settlement, which is defined by the functional responsibilities set out above, in the trailblazer devolution deals HMG made commitments to consider whether additional funding streams may be included in future iterations of the single settlement, with reference to the topics listed below:
  - a. funding relating to prevention<sup>8</sup> early intervention and/or multiple – social, economic and health – disadvantages<sup>9</sup>
  - b. future affordable homes provision<sup>10</sup>
  - c. funding for business support programmes<sup>11</sup>
8. HMG and the MCAs will discuss whether to include these additional funding lines, alongside others relating to specific commitments in the trailblazer deals, reflecting the need to reach an agreement on each of the areas above at different points in time.
9. In GMCA's trailblazer deeper devolution deal, HMG committed to engaging GMCA and its constituent authorities about whether GMCA's allocation of future funding streams relating to prevention, early intervention and/or multiple – social, economic and health – disadvantages could be included in the single settlement. To enable this, this MoU confirms that GMCA will be able to use the provisions at paragraph 16 to present the case for the inclusion of any funding stream it deems in scope of this commitment, to the Programme Board, where HMG will provide a response.

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<sup>8</sup> As per the West Midlands MCA trailblazer deeper devolution deals, paragraph 245.

<sup>9</sup> As per the Greater Manchester MCA trailblazer deeper devolution deal, paragraphs 243-244.

<sup>10</sup> As per the trailblazer deeper devolution deals, paragraphs 108-110.

<sup>11</sup> As per the trailblazer deeper devolution deals, paragraph 180.

## Buildings' retrofit pilot

10. The inclusion of buildings' retrofit is a pilot for the first single settlement. Its inclusion does not represent a commitment to permanent inclusion of buildings' retrofit in the single settlements. Whether or not buildings' retrofit continues to be included will be contingent on an assessment of the impact of the pilot. For the duration of the pilot, the buildings' retrofit functional responsibilities will form part of the single settlement and will be subject to the processes outlined in this MoU. The expected duration of the buildings' retrofit pilot is 2025/26 to 2027/28. As a pilot, it may be necessary to have additional conditions on delivery and reporting which will be set out in the section 31 grant, and which will be legally binding.
11. By Spring 2024, we will agree further details on monitoring and evaluation arrangements for the retrofit pilot, as part of the wider work on the outcomes framework. The data and reporting requirements for annual monitoring reports should support the principle of the pilot, gathering sufficient data to effectively compare the pilot's performance with HMG's equivalent schemes.

## Determining the quantum at Spending Reviews

12. The trailblazer deals set out that the single settlements represent a change to the wiring and flexibility of funding from central government rather than necessarily to the quantum that the MCAs would have received in the absence of single settlements at a SR. The single settlements' quantum will be determined by a formulaic process and the formulae will take this principle into account. The formulae will provide the MCAs with a share of funds in the single settlement and seek to deliver the principle that they are not worse off than had single settlements not been in place. HMG and the MCAs will agree an annex to this MoU setting out the formulae by Spring 2024. The final single settlements' quantum can only be set at the SR, when the funds in scope are confirmed.
13. Alongside agreement of departments' funding lines through the SR process, there will be a joint process between relevant departments and HMT to identify the nation-wide departmental funds in scope for the single settlement, based on the agreed functional responsibilities of the MCAs. In agreement with the relevant government departments for each theme, HMT will then apply the relevant formula(e) to determine the quantum of funding in each relevant department's budget that is to be included in the single settlements, and this will be included in settlement letters to departments. This will include an assessment of the quantum that

- will become part of the MCAs' single settlements from that department. HMG will set out publicly, as part of the announcement of the SR, details of how the settlement has been calculated, which funds the MCAs will and will not be able to access during the SR period, the total quantum in each theme, the funding profile over financial years, and the resource (RDEL) and capital (CDEL) split.
14. Following the process to determine the single settlements' quantum, at the start of each financial year the relevant departments (i.e. the departments that own the funding lines being transferred to the single settlements and devolved) will carry out a budget cover transfer (BCT) to the Department for Levelling Up, Housing, and Communities (DLUHC) for the single settlements quantum that has been captured in their budgets, as agreed through the SR. This BCT would be authorised via the Main Estimates process and would mean that the single settlement funding would flow through DLUHC's Main Estimate.
  15. DLUHC will then formally allocate the aggregated single settlements to WMCA and GMCA through a Section 31 grant. Where necessary, this grant will come with conditions related to specific controls (see spending controls paragraphs 30-37).
  16. Where there are new relevant funds that are made available during the SR period, HMT, DLUHC and the relevant government department will determine whether new funds are in scope of the single settlements based on the functional responsibilities set out in this MoU, at paragraph 6. This includes new national budgets or programmes announced during the SR period, as well as any increases to competitive pots that the MCAs have been excluded from. HMG will then apply the relevant formulae to these funds to determine the MCAs' allocative share, where appropriate. The MCAs can proactively identify programmes they believe to be within scope of the single settlements for discussion at the Programme Board, set out in paragraph 49.
  17. The MCAs and their constituent local authorities will not be permitted to bid into competitive programmes for which the MCAs have already received an allocation through the single settlements. As set out in the trailblazer deals, the MCAs and their constituent local authorities will retain the right to bid into new competitive programmes which are not included in the defined list of funds the MCAs will not be able to access during the SR period.
  18. The MCAs reserve the right to refuse the single settlements, in which case the MCAs would be funded through arrangements in place for other areas who are not in receipt of the single settlements.



# Determining the formulae

19. The quantum for the MCAs' single settlements will be set using formulae applied to relevant departmental budgets. The formulae will be used to determine the MCAs' allocative share of relevant funds.
20. Whilst the detail of the formulae will follow in an updated annex, there are some core principles that will underpin the approach, which are outlined below.
  - a. The formulae will be based on objective criteria to ensure the MCAs receive their share of funding to enable them to deliver on their functional responsibilities and meet the outcomes set out in the outcomes framework.
  - b. The formulae will seek to deliver the principle that the MCAs are no worse off in terms of quantum of funding received than they would have been had the single settlements not been in place.
  - c. The formulae and any changes to the formulae will be public.
  - d. HMT will agree the formulae and any subsequent revisions with relevant departments (including, but not limited to, the Department for Energy Security and Net Zero (DESNZ); the Department for Transport (DfT); the Department for Education (DfE); and DLUHC) and the MCAs to ensure there is an agreed and consistent approach.
  - e. For non-competitive funding programmes, where there is an existing formula or similar allocative process to determine the geographic distribution of funds associated with one or more functional responsibilities, this formula or process will be used.
  - f. The formulae will be linked to individual functional responsibilities, or groups thereof, or themes. The highest possible level of aggregation will be used, within the constraints of HMG and local policy objectives in different policy areas.
21. HMG and the MCAs agree that the aim is to streamline and simplify the formulae over time and will look at this for the next SR. HMG and the MCAs will agree an annex to this MoU setting out the detailed approach to the formulae by Spring 2024.
22. The formulae will be reviewed as part of the holistic review of the MoU set out in paragraph 2. Where appropriate, HMG and the MCAs will look to ensure that the formulae reflect national policy priorities, and the specific needs of GMCA and WMCA.

# Flexibility

## Moving funding within each of the five themes

23. The MCAs will have full flexibility within the themes of the single settlements to design and implement policy to meet mutually agreed outcomes. HMG will transfer the annual amount agreed for the single settlements at the SR each year as part of a section 31 grant, as per paragraph 15. The MCAs will be able to allocate funding within each theme at their own discretion and will be empowered to use funding under these devolved functions to invest in any lawful way associated with achievement of the outcomes agreed with HMG. This includes the necessary and proportionate resourcing of regional and local capacity, as per the flexibilities set out in paragraph 27.
24. The MCAs will need to make a formal notification in writing to HMG to reallocate funding in line with their agreed limits for each flexibility set out below.

## Moving funding between the five themes

25. The MCAs will be able to move funding between themes. The quantum they will be able to move will be capped at 10% of the annual quantum for the theme they are moving the money out of, apart from Local Growth and Place where there is no cap on moving funding into other themes. This flexibility will allow the MCAs to spend these funds to support the delivery of the single settlements outcomes at their discretion. As per paragraph 28, HMG reserves the right to reduce the level of flexibility if there is underperformance against the outcomes agreed in the outcomes framework and will provide guidance on this following further work with the MCAs. The MCAs will be responsible for ensuring that they do not exceed the 10% cap. This flexibility will allow the MCAs to use their local expertise to best meet their outcomes.

## Moving funding between years

26. The MCAs will have some flexibility to move funding between years. HMG and the MCAs will look to define this position on flexibility based on the principle that, at minimum, the MCAs have no less flexibility than they have at the time of publication of this MoU for specific functional responsibilities and, where possible, have further flexibility to move funding between years across the single settlements' themes. HMG and the MCAs will agree a final position by Spring 2024, for inclusion in the additional spending controls annex.

## Moving funding between RDEL and CDEL and vice versa

27. The MCAs will be able to move up to 10% of CDEL funding within each theme to RDEL, and 100% of RDEL funding within each theme to CDEL. This will work as follows:
- The MCAs will receive funding for each theme on an annual basis as set out in paragraph 23
  - The split of RDEL and CDEL per theme will be agreed at the SR (and updated if and when additional funds in scope of the single settlements are announced) and the MCAs will receive their annual allocations on this basis
  - As per paragraph 25, MCAs will be able to move money between themes in-year. Where money is moved in this manner, it will retain its original classification (either as CDEL or RDEL)
  - The MCAs will then be able to move funds between CDEL and RDEL within themes. Specifically, the MCAs will be permitted to move funds from CDEL to RDEL, with the total moved capped at 10% of the theme's quantum of CDEL. The 10% cap will be applied to the theme's quantum after accounting for funding flexed to or from other areas
  - For example, having moved 5% of transport CDEL to skills CDEL, the MCAs could then move 10% of the (now higher) skills CDEL budget to skills RDEL, but not to another theme. The MCAs could move 100% of skills RDEL to skills CDEL
  - To manage the impact on the public accounts, HMG will profile the flexible amount of funding as RDEL
28. Whilst the MCAs will be able to use the flexibility between funding themes at their discretion, the MCAs should manage this through a systematic centralised process to ensure that the terms in this MoU are being adhered to. The use of flexibility should be reported on as part of wider reporting of outcomes as per paragraphs 48-53 and included in reporting on the outcomes framework and accountability mechanisms.
29. The percentage of flexibility between themes will be reviewed again prior to the next-but-one SR, with a view to increasing flexibility in line with evidence of successful delivery, as part of the wider review of the MoU referenced in paragraph 2.

## Spending control

30. The single settlements include a single, systematised approach to spending controls. This will provide an appropriate amount of flexibility for the MCAs to plan and sequence programmes funded through the single settlements while ensuring that effective risk mitigation tools are available in case of delivery or financial failure. HMG and the MCAs will agree an annex to this MoU setting out the spending controls that will be applied to the single settlements by

Spring 2024. This will include but is not limited to our approach to savings exercises and contingent liabilities. Paragraph 32 below sets out where we have agreed an approach already on future financial commitments and business cases, which will be reflected in the section 31 grant agreements.

31. The single spending controls framework must be consistent with provisions from the following, pre-existing, spending and accountability frameworks:
  - a. The English Devolution Accountability Framework, which requires MCAs to ensure they are delivering value for money
  - b. Managing Public Money (MPM), which requires departments (in particular, DESNZ, DfE, DfT) to exercise their thematic Accounting Officer (AO) duty as per chapter 7 of MPM through ensuring they are confident that the accountability, monitoring, and evaluation system set up for the single settlements is sufficiently robust. Further detail on DLUHC's role as systems AO is set out in paragraph 73
32. To meet these requirements, the single settlements will be subject to some spending controls, including:
  - a. The MCAs will notify HMG before making financial commitments funded by the single settlements beyond the SR period and inform HMG of the nature of the commitment
  - b. The MCAs will not be required to submit formal business cases to HMG for projects that are funded as part of the single settlement, nor will delegated expenditure limits apply to funding through the single settlement, except those set out in paragraph 34
  - c. The MCAs will ensure that robust and appropriate systems are in place to ensure the value for money of all single settlement expenditure. The outcomes framework and associated accountability and controls arrangements will be the mechanism through which HMG retains oversight of the single settlement
33. HMG may introduce additional spending controls in the event of delivery issues. See paragraphs 48-58 for more detail on the processes and structures by which these controls would be enacted.
34. HMG and the MCAs may deliver very large transport investment programmes through the single settlement structure. These will require additional oversight, as follows:
  - a. Any scheme with a capital value of under £50m over its lifetime, which does not otherwise meet the criteria in (b) or (c), will not be subject to any further spending controls
  - b. For any scheme with a capital value of more than £50m over its lifetime and which is not captured by the criteria in (c), the MCA will publish the business case which underpinned the decision to invest to support local transparency and accountability.
  - c. Where schemes cost over £200m over the life of the scheme or require integration into the national transport network

because otherwise they risk causing significant disruption, the scheme can only proceed with the agreement of the Department for Transport through its representative on the Programme Board. This will normally be through agreement of a business case

35. Schemes which are nationally significant infrastructure projects because they cross multiple boundaries beyond those of the constituent and non-constituent authorities of the MCA, or cost over £1 billion, will by default be out of scope of the single settlement.<sup>12</sup> There may nonetheless be consideration on a case-by-case basis as to whether to deliver such schemes through the single settlement framework.
36. To prepare for and provide assurance of readiness for the settlement, DLUHC will request external confirmation of readiness via a 'readiness check'. The terms of the check will be agreed between DLUHC, the MCAs, and the independent, external appointee. HMG will judge whether the MCAs have acted sufficiently upon any requirements set out for improvement.
37. The MCAs will be responsible for updating their Single Pot Assurance Framework, and then enacting both this framework and other systems of internal control.

## Agreeing outcomes and targets

38. The MCAs will be held to account for the outcomes associated with the functional responsibilities set out in paragraph 6. The outcome targets that GMCA and WMCA agree with HMG may be different to reflect local priorities.
39. To facilitate this, HMG and the MCAs will agree an outcomes framework at the SR. HMG will work with the MCAs to agree the provisional process for setting the outcomes framework by Spring 2024. In preparation for the first single settlement, HMG and the MCAs will now commence preparatory work to consider potential outcomes and indicators, with the objective of ensuring that the outcomes framework can be agreed quickly after the next SR. This work will include consideration of what the outcomes and indicators would have been had the single settlements been in place during the current SR period.
40. The primary objective of the outcomes framework is to set outcome-based targets for local and central government scrutiny, to:
  - a. provide a single, streamlined approach to accountability and reporting with HMG
  - b. align local priorities and national priorities

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<sup>12</sup>As per the trailblazer deeper devolution deals, paragraph 48.

- c. monitor activity which can be genuinely influenced within the single settlements' themes whilst moving away from existing programme and project specific monitoring of inputs and outputs that HMG track
  - d. facilitate local flexibility within themes and across themes in moving away from inputs and outputs
  - e. provide sufficient evidence to inform delivery performance within the SR period
41. HMG and the MCAs will agree an outcomes framework that balances local and national priorities.<sup>13</sup> To agree the corresponding outcomes and targets, HMG and the MCAs will work together to set out indicators based on the following suitability criteria:
- a. The outcomes and corresponding metrics will, wherever possible, be:
    - i. directly linked to the functional responsibilities of the MCAs (set out in the earlier section, 'Scope of the single settlement')
    - ii. reflective of national outcomes held by the relevant HMG department and of local priorities identified by the MCAs
    - iii. specific, measurable, achievable, realistic, and time-bound
    - iv. spatially relevant
    - v. based on existing data where possible<sup>14</sup>
  - b. The targets, wherever possible, will be:
    - i. set against an existing baseline
    - ii. achievable and measurable in the SR time period
    - iii. set against quantum in the quarter following the SR
    - iv. where reflecting national outcomes, proportional to the national outcome held by the relevant HMG department
42. As the outcomes framework will set outcomes-based targets for the MCAs to deliver under the single settlements and the realisation of outcomes goals can be difficult to assess over the shorter term, where necessary, the single settlement's outcome targets may be supplemented by target output indicators to provide HMG assurance of MCA delivery during the SR period. However, to enable the MCAs to design strategic policy interventions over multiple years, and realise the policy delivery benefits of the single settlement's increased flexibility, the target output indicators will be:
- a. developed and agreed with the above principles in mind
  - b. proportionate

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<sup>13</sup> It may be necessary in the first iteration of the single settlement to collect additional data for the retrofit pilot to meet legal requirements. This could include criteria to be applied, limited, specific outputs, quality standards to be met and provision of information.

<sup>14</sup> The breadth of data that will be available to the MCA is contingent on HMG and the MCA agreeing the Data Partnership as set out in the trailblazer deeper devolution deals.

- c. indicative of progress toward (an) outcome(s)
  - d. the minimum needed to assure HMG of the MCAs' delivery against a specific target outcome or specific target outcomes
43. Further details of how target output indicators could be used to assess the MCAs' delivery against the target outcomes will be agreed in Spring 2024.
44. The outcomes will be confirmed at the SR alongside the quantum. HMG will work with the MCAs to agree the baseline and target following the SR. The MCAs will reconcile their delivery plans against the quantum confirmed at the SR and the outcome targets confirmed thereafter, outlining how they will deliver the targets over the SR period.
45. Some funds in scope of the single settlements have minimum statutory requirements attached to them, such as the Adult Education Budget. HMG will set out expectations for use of this funding as part of agreeing the final quantum and through the outcomes framework. This will not constitute a formal ringfence within each theme and will be set out as part of the section 31 grant agreement. The status of the funding for the retrofit pilot will be set out in a supplementary annex.
46. Where a new funding line is devolved to the MCAs through the single settlements during the SR period, or a quantum is changed, the MCAs and HMG will agree any necessary changes to the outcomes framework and outcomes targets in line with the principles above.
47. There may be exceptional circumstances when it might be appropriate to renegotiate the single settlements' outcome targets, for example where unavoidable and significant external shocks (such as pandemics or excessive inflation) will impact the MCA's ability to deliver. It is anticipated that these circumstances arising would be very unusual, and HMG is under no obligation to change the targets. If the MCAs wish to renegotiate targets, they should bring proposals to the Programme Board for consideration. HMG and the MCAs expect the outcomes framework will be subject to iteration, evolution, and simplification as the settlements progress.
48. HMG will work with the MCAs to explore how the outcomes framework will align with the Office for Local Government's (Oflog) processes, including which site the outcomes framework is hosted on and who is responsible for the publication of data.

# Governance arrangements for monitoring and evaluation

49. The MCAs are responsible for ensuring that delivery via the single settlements is on track and that plans remain ambitious and provide value for money as set out in the English Devolution Accountability Framework.
50. MCAs' delivery of the agreed outcomes will be overseen by a Programme Board that will be chaired by DLUHC senior officers and attended by the MCAs, HMT senior officials, and senior officials from other government departments (OGDs) that have devolved funding in the single settlement. The Programme Board will act as the default point of contact for the MCAs on all delivery questions, concerns, and conversations, with other bilateral conversations with OGDs about delivery of the single settlements taking place only under exceptional circumstances, or as part of streamlined working level conversations with DLUHC. HMG will agree a Terms of Reference (ToR) for the Programme Board with the MCAs and publish this as an annex to this MoU before the start of the next SR period.
51. The MCAs will send six-monthly monitoring reports to the Programme Board, including:
  - a. RAG (Red, Amber, Green) rating that provides an assessment of progress towards achieving the targets by the end of the SR
  - b. spend profile, including spend to date against outputs/outcomes
  - c. forecast underspends at the end of the financial year (capital and revenues totals), for information purposes only
  - d. risk management, if necessary
  - e. a short narrative update highlighting any key changes (including any quantum moved between themes), progress and highlights
52. The MCAs and HMG will agree a structure for how these reports will work as part of the ToR. However, the MCAs and HMG agree that these reports will be designed based on the following principles:
  - a. monitoring reports should help the MCAs and HMG better understand how the outcomes could be delivered more effectively
  - b. delivery assessment should be balanced and holistic
  - c. the data and reporting requirements for annual monitoring reports will be proportionate, reflecting the minimum needed to provide HMG with assurance of the MCAs' performance against the outcomes



53. Where a target is rated amber or red, the MCAs will provide further quantitative and qualitative data to explain the rating and set out the 'path to green'. Reports must be signed off by the MCA Chief Finance Officer. To support with mitigating any delivery issues, HMG will employ a matrix of mitigations, set out in Annex A. This matrix will be reviewed following agreement of the outcomes framework to ensure it remains proportionate and fit for purpose. This matrix will be considered by the Programme Board and outlines the options for mitigating different levels of delivery issues. If the Programme Board considers that the 'path to green' set out in monitoring reports is inadequate, they may consider appropriate mitigations or interventions, drawing on the matrix in Annex A. Mitigations in relation to specific themes will be signed off by the thematic lead and DLUHC AO, and coordinated via the Programme Board. HMG will then give notice via a published letter to the MCA that they will intervene, setting out the measures being employed and why. The MCA will then be given a period to submit a formal response on proposed mitigations. If this response is deemed unsatisfactory by HMG, the Programme Board will be empowered to set up task and finish groups to oversee interventions and progress.
54. Conversely, if the MCAs are overperforming on their outcomes targets, HMG will not introduce additional targets for the remaining funding or seek to claw it back.
55. Government will work with the MCAs to develop a robust approach to evaluating the impact of the single settlements, in co-ordination with the development of evaluation processes for the wider trailblazer deals and to enable the comparison of WMCA's and GMCA's delivery under the single settlements against the delivery of national schemes in other areas of the country that have not been devolved.
56. The evaluation will measure whether the single settlements, as part of the trailblazer deal, have achieved their aims, and how their impact compares to areas without a single settlement.
57. The government will continue to work closely with the MCAs on the direction of the evaluation. This will include aligning with or building upon evaluation processes that the MCAs have in place or are developing.
58. Where possible, the government will seek to use publicly or centrally available data that is provided in a sufficiently timely manner to meaningfully report against during the SR period, to avoid placing additional or unnecessary burdens on the MCAs. Where such data is not available, the Data Partnership agreed through the trailblazer devolution deals will be used to explore options for improving access to datasets.

# Risk management and dispute resolution

59. If an MCA is not making progress towards the realisation of an outcome, evidence will be discussed at the Programme Board, and following this, an agreed matrix of mitigation, assessment and escalation will be followed based on the targets set out at the SR (Annex A). Changes to the section 31 grant funding agreement may occur if HMG judges there is a significant decline in delivery of outcomes from the MCAs. Similarly, the grant funding agreement may change if there are changes to departmental funding lines, or other departmental changes in policy or legislation (e.g., on statutory entitlements) that impact the single settlement.
60. The Programme Board will also discuss disputes or concerns regarding propriety in relation to the single settlements. As systems AO, DLUHC will have clear responsibilities in such cases to follow the standards set out in the Local Government Accountability Framework (LGAF) and the English Devolution Accountability Framework (EDAF) and will follow the matrix of mitigations and interventions where needed.
61. In the first instance, the MCAs and HMG should seek to resolve any disputes between officers and officials, coordinated by DLUHC at a working level. If this is not possible, disputes will be formally discussed and agreed at the Programme Board. Where this appears likely to happen, the Programme Board secretariat should be consulted at an early stage to prepare papers for the meeting.
62. When the secretariat is formally notified of a disagreement, and the next scheduled meeting is longer than one month from referral, the Programme Board secretariat will organise a meeting within two weeks.
63. Through this process, the Programme Board will seek agreement on the facts, provide an opportunity for the parties to set out their positions and facilitate discussion of shared interests, options for resolving the disagreement and criteria for an agreed outcome.
64. Should the disagreement continue past consideration at the Programme Board, the Board Secretariat will organise political engagement between HMG and the MCAs.
65. If the dispute is not resolvable through this engagement, the MCAs should officially communicate their disagreement through a published letter to the DLUHC Secretary of State. The Secretary of State must then respond through a published letter to the Chair of the Combined Authority (the Mayor) and the Levelling Up Select Committee, outlining the reasons for the decision.

# HMG direction under exceptional circumstances

66. In exceptional circumstances, for example during national emergencies or where MCAs' activities significantly undermine national government's ability to deliver its priorities in areas outside of the MCAs' functional responsibilities, HMG may direct the MCAs to use, or not use, funding from within the single settlements in a specific way.<sup>15</sup>
67. The circumstances in which such a direction may be used are:
- a. where the MCAs' approach to delivery of the single settlements, either in whole or in part, is demonstrably undermining national government's ability to deliver its priorities in areas outside of the MCAs' functional responsibilities
  - b. where all mechanisms for discussion and dispute resolution set out in this document have been exhausted
68. Any direction must be published as a letter to the Chair of the Combined Authority (the Mayor) and the Levelling Up Select Committee. The MCAs will be given a period to submit a formal response with proposed mitigations and interventions.
69. If HMG deem this response to be unsatisfactory, HMG will employ the matrix of mitigation, set out in Annex A.

## Accountability arrangements

70. The single settlements will be supported by the establishment of a streamlined, overarching, single assurance framework coordinated by DLUHC rather than multiple frameworks administered by different departments. This will build on, and will be incorporated into future editions of, the EDAF.

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<sup>15</sup>This provision is intended to mirror Section 143 of the Greater London Authority Act 1999 (legislation.gov.uk), regarding transport functional responsibilities, and the adult skills condition set out in the trailblazer deeper devolution deals as follows: 'There will be specific instances when the national government needs to direct the design of adult skills provision or allocation of adult skills funding - as such, the Secretary of State for Education will retain the ability to do so in the next Spending Review period and beyond. However, this will be the exception rather than the rule, where the scale or urgency are such that a national response is judged required to deliver the required outcomes or where there are national skills priorities that the government believes are not being met sufficiently by the skills system.'

71. The arrangements outlined in this MoU will supersede the existing arrangements for the devolved funding covered by the single settlement, except in the specific case of the first round of the City Region Sustainable Transport Settlements (CRSTS1) which will continue past the first settlement, until 2027; the existing CRSTS1 arrangements will be superseded by this MoU at the point where the associated funding lines come to an end.
72. As per paragraphs 38-48, the MCAs will be held to account for delivery under the single settlements through the outcomes framework agreed with all relevant departments, HMT, and the MCAs.
73. As the single settlements include devolved funding from departments across HMG, there will be three core roles to administer the single settlement: the systems Accounting Officer (the DLUHC AO), the MCA CEO, and the thematic leads (AOs from contributing departments).

### The role of DLUHC Permanent Secretary, as “systems” AO

74. To provide a single point of contact, DLUHC’s AO will act as the ‘systems’ AO for the single settlement. DLUHC’s AO will be responsible for ensuring institutional propriety, upholding governance structures, approving a local assurance framework, and overseeing the approach to securing value for money. DLUHC’s AO will assume responsibility for the core accountability process to Parliament, including setting out the spending controls listed in paragraphs 32-33.
75. DLUHC will also sign off on the outcomes, any target / output indicators and mitigations for the local growth and place, and housing and regeneration functions.

### The role of the MCA Chief Executive

76. Within the MCAs, core accountability processes will be carried out by the Chief Executive, who will be responsible for agreeing outcomes with HMG, local outcome delivery and value for money, as well as upkeep of their local assurance framework, internal processes, and capability resourcing.

### The role of DfE, DESNZ and DfT Permanent Secretaries, as “thematic” leads

77. Other government departments (OGDs) who have functions covered by the single settlements will sign off on the outcomes and targets which are relevant to their functions and will receive monitoring and evaluation information on their function via the Programme Board. OGD leads will sign off mitigations in their function, as per the matrix of mitigation set out in Annex A. This will be managed via the Programme Board and will require coordination with DLUHC AO as the ‘systems’ AO. In some

exceptional circumstances, an OGD would lead a specific action working directly with the MCAs.

## Parliamentary and select committee scrutiny

78. Although the MCAs should consider their primary accountability to be to their local residents, HMG has a responsibility to ensure that devolved funding supports the delivery of the outcomes framework and that the MCAs have the structures in place to deliver value for money as set out in paragraph 73. Therefore, the single settlements will be subject to Parliamentary scrutiny as follows:
- a. DLUHC AO will be responsible to Parliament for reporting on the delivery of the single settlements. Where necessary, the Public Accounts Committee will scrutinise DLUHC's AO for upholding the governance structures and securing value for money. HMG will recommend that the relevant select committee invites the MCAs' Chief Executives for evidence on local delivery.
  - b. DLUHC will recommend that Ministers and mayors as appropriate both be invited to select committees, when relevant, with an increased focus on the role of local leaders in delivering the single settlements.

## Local scrutiny

79. As set out in the trailblazer deeper devolution deal, the MCAs have committed to greater scrutiny including by residents through Mayor's Question Time, by constituent councils when requested and by local MPs at regular broadcast sessions.
80. The MCAs have also committed to raising the profile and resources available to the Overview and Scrutiny committee and implementing the Scrutiny Protocol (as per the EDAF).
81. The Mayor and relevant other Members or Portfolio Holders of the Combined Authority should be prepared to speak to the single settlements at both the Mayor's Question Time and the Overview and Scrutiny committee.

## Local risk management and governance assurance

82. The MCAs are expected to put in place the necessary governance and assurance arrangements and to ensure that all legal and other statutory obligations and consents will be adhered to, which may include, but is not limited to, state aid and subsidy control, equalities duties, procurement, health and safety and fraud.
83. To evidence readiness for the single settlement, the MCAs will be subject to a readiness check. HMG will work with the MCAs to agree the process and criteria for the check. Any concerns highlighted in this process will need to be addressed before the full settlement flexibility is granted, as per the matrix of mitigations in Annex A.
84. Ownership of risk will be transferred to the MCAs. The MCAs will be responsible for mitigation of any risks that arise throughout the delivery of the single settlements.

85. The MCAs will complete their own Fraud Risk Assessment to ensure the safe administration of grants and that appropriate measures are put in place to mitigate against the risk of both fraud and payment error.
86. The MCAs will also be responsible for setting and managing any Novel, Contentious or Repercussive (NCR) spend and business cases, via existing MCA mechanisms (such as WMCA/GMCA's Single Assurance Framework). As per paragraph 34, there may be specific situations where additional processes are required regarding business cases.
87. The MCAs will also be responsible for overseeing the development and maintenance of the MCAs' local assurance framework, governance, and financial monitoring report, as well as drafting and delivery of the local outcome delivery plan, and reporting on progress via submissions to the Programme Board.

### Audit arrangements

88. The single settlements will be subject to formal external audit by the Comptroller and Auditor General to the extent required as part of their audit of DLUHC and other departments. Information access requirements to facilitate this will be set out as part of any grant agreement. MCA expenditure will remain subject to their own existing external audit requirements.
89. The Comptroller and Auditor General will also have the right, should they so choose, to conduct Value for Money examinations on the single settlements, and the MCAs will be expected to cooperate and provide information necessary to DLUHC or the National Audit Office (NAO) to facilitate this.
90. The MCAs will be responsible for ensuring that their own internal audit functions are sufficient to manage risks to public money.
91. Further details on audit arrangements will be provided alongside the outcomes framework.

## Local context on implementation

92. WMCA will use the opportunity presented by the single settlement to develop and deliver transformational place-based strategies. The strategies will serve as strategic, long-term frameworks to guide the prioritisation of single settlement funding, and other policy levers and resources, below the regional level while delivering the outcomes framework agreed with HMG. Place-based strategies will be coordinated by WMCA, agreed collectively by the WMCA Board and developed by local authorities.
93. WMCA will engage and consult across the region to make sure its governance structures and processes reflect the opportunity presented by the single settlement to further empower local leaders and drive collective decision-making for the benefit of the region.

94. Since its inception GMCA has used devolved powers and flexibilities to drive growth and deliver key improvements to the economy, services, and infrastructure. The ten constituent local authorities of Greater Manchester have worked together voluntarily for many years on issues that affect everyone in the region, like transport, regeneration, and attracting investment. GMCA also works in partnership with other public services, businesses, local communities, and the voluntary sector to address issues that affect the whole city-region.
95. GMCA's strategic ambition is set out in the Greater Manchester Strategy (GMS), underpinned by a range of supporting strategies on areas such as the economy/innovation, work/skills, spatial development and growth locations, housing, transport, and the environment. GMS is a medium-term strategy which sets out clear outcomes/commitments and a route to deliver the vision of a greener, fairer, and more prosperous Greater Manchester by 2031. The single settlement and the wider trailblazer deal will enable GMCA to deliver in line with the GMS, try innovative new policy approaches, drive forward the local economy, and to be better held to account for delivery.

## Next steps

96. There are several areas throughout this MoU where the government and the MCAs have committed to work together to confirm further details by spring 2024. These details will be agreed and published as annexes to this. This will include annexes outlining:
- a. the formulae to determine the MCAs' allocative share of funding
  - b. the provisional process for setting the outcomes framework, including further detail on the retrofit pilot as per paragraphs 10-11
  - c. further detail on the spending controls HMG will employ for the single settlement

### A.1.1 Annex A: Matrix of mitigation, assessment, and escalation

Where delivery falls below the agreed baseline, or there are wider concerns around failure to deliver value for money, evidence will be discussed at the Programme Board, and where necessary, the below matrix of assessment and mitigation will be followed. Mitigations in relation to specific themes will be determined and signed off by the thematic lead and coordinated with DLUHC. This matrix will be reviewed once the outcomes framework is agreed and targets are confirmed, to ensure it remains proportionate and fit for purpose. This matrix should also be seen in the wider context of the MoU, the principles for governance of the settlement set out in this MoU, the intention of the single settlement to devolve greater local responsibility and accountability, and the MCAs' primary accountability to local residents.

To note: the inspection and intervention processes outlined in the [English Devolution Accountability Framework](#) set out the process where there are very serious concerns of bad governance, poor value for money or inadequate services for residents. This draft matrix solely looks at mitigations to be made in case of failure to deliver progress on the outcomes or value for money for the single settlement.



Table A.1 Matrix of Mitigation

		<b>Minor</b>	<b>Moderate</b>	<b>Major</b>
<b>Evidence and indicators</b>	Institutional propriety	Where the Secretary of State has concerns that an authority is failing to carry out its functions in compliance with its best value duty, the Local Government Act 1999 provides significant powers for the Secretary of State to inspect and, subject to there being sufficient evidence, to intervene in that authority.		
	Target output indicators	Slippage in a small number of metrics. Limited impacts in overall delivery of outcomes (to discuss in Spring 2024)	Slippage in numerous metrics. Significant predicted impact on meeting outcomes (to discuss in Spring 2024)	Slippage in most metrics. Major impact on delivery of outcomes (to discuss in Spring 2024)
	Outcome delivery	Limited progress shown against a small number of outcomes. Overall progress against outcomes is satisfactory.	Limited progress shown against some outcomes.	Progress not shown against most outcomes.
	Insufficient reporting requirements	Some gaps in reporting data. Low data quality.	Significant lack of relevant data provided to prove progress against targets.	Reporting requirements not met – no data provided as evidence of progress.
	Maintenance of local outcome delivery plan	Sections of the local outcome delivery plan out of date when reviewed.	Significant portion of the local outcome delivery plan out of date when reviewed.	Out of date local outcome delivery plan that does not show current state of play or projects.
	External reports	3 <sup>rd</sup> line of defence (independent audit) raises some issues with delivery with an Amber rating. No adverse publicity on delivery of the settlement.	3 <sup>rd</sup> line of defence (independent audit) raises significant issues with delivery with an Amber/Red rating. Concerns raised by some constituent councils. Public criticism over spend or delivery of the settlement.	3 <sup>rd</sup> line of defence (independent audit) raises major issues with delivery with a red rating. Majority of constituent councils have issues with how the fund is delivered. Serious allegations over spending. Parliamentary questions raised.

	Minor	Moderate	Major
<b>Proposed mitigations</b>	<ul style="list-style-type: none"> <li>• Escalation of M&amp;E (Monitoring &amp; Evaluation) processes, to be negotiated on a case-by-case basis</li> <li>• Re-evaluation of outcome indicator and/or target output indicators</li> <li>• The MCA will be required to write to the DLUHC SRO or the thematic lead (for the theme where there is a delivery concern) setting out why delivery has fallen, and steps being taken to remedy it.</li> </ul>	<ul style="list-style-type: none"> <li>• Escalation of M&amp;E processes, to be on a case-by-case basis</li> <li>• Re-evaluation of outcome indicators and/or target output indicators</li> <li>• Re-drafting of delivery plans in the theme/s where there are delivery concerns and alignment with outcomes framework</li> <li>• The MCA will be required to write to the Permanent Secretary of DLUHC and the Permanent Secretary of the relevant thematic department setting out why there are delivery issues, and immediate steps being taken to remedy the situation.</li> <li>• The thematic lead may require the MCA CEO to meet the thematic lead department ministers or Permanent Secretary to explain how they will improve delivery in that area.</li> </ul>	<ul style="list-style-type: none"> <li>• Reintroduction of delegated authority limits, and/or ringfences, in the theme/s where there are delivery concerns</li> <li>• DLUHC publicly announces that the AO does not think an investment decision will deliver VfM</li> <li>• MCA CEO explains reasons delivery failure and provides materials on plan to mitigate, including how they will factor in any mitigations</li> <li>• Suspending settlement</li> <li>• Clawback funding</li> <li>• Withdrawing funding lines from settlement</li> <li>• Deep dive on M&amp;E to determine if VfM/institutional failure - if so, DLUHC can investigate using the Best Value Duty.</li> <li>• Request for independent review from the NAO</li> </ul>

### **HM Treasury contacts**

This document can be downloaded from [www.gov.uk](http://www.gov.uk)

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**Meeting of the Cabinet - 15<sup>th</sup> February 2024**

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

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

**Purpose of report**

1. To provide an update on recent Local Plan consultations undertaken by other Local Planning Authorities and Duty to Cooperate correspondence received from South Staffordshire Council. To note the officer responses submitted to date. The resulting recommendation is required to ensure that the Council fulfils its legal obligations under the Duty to Cooperate and that the interests of Dudley Borough are being fully considered in the plan-making activities of other local authorities.

**Recommendation**

2. It is recommended that Cabinet: -
  - Notes the summary of the Local Plan consultations, including the key issues arising for Dudley MBC.
  - Notes the officer response to the Sandwell Local Plan consultation, as set out in Appendix One (officer response sent due to deadline of 18<sup>th</sup> December 2023).
  - Notes the officer response to the Telford and Wrekin Local Plan consultation, as set out in Appendix Two (officer response sent due to deadline of 31<sup>st</sup> January 2024).
  - Notes the officer response to the South Staffordshire Duty to Cooperate letter, as set out in Appendix Three (officer response sent due to deadline of 24<sup>th</sup> November 2023).

## **Background**

3. Dudley MBC has been consulted as a statutory consultee by Sandwell MBC on the draft Sandwell Local Plan (SLP) and Telford and Wrekin Council on the draft Telford and Wrekin Local Plan (TWLP). A summary of the Local Plans and their relevant consultation stages is provided below, including commentary on the key issues arising for Dudley MBC. The full responses are included as Appendix One and Two to this report. Dudley MBC received a Duty to Cooperate letter from South Staffordshire Council on the 24<sup>th</sup> October 2023, requesting a response in relation to several strategic cross-boundary matters including housing, employment, gypsy and traveller requirements as well as other issues. The full response is included as Appendix Three to this report.
4. It is important for Dudley MBC to respond to the consultations and correspondence to ensure any implications for Dudley Borough are addressed, particularly in respect of strategic cross-boundary matters. It will help ensure alignment between individual Local Plans and promotes positive outcomes in terms of identifying opportunities for cross boundary benefits (such as infrastructure links). Dudley MBC has a legal duty to address strategic cross boundary matters under the Duty to Cooperate.
5. The Duty to Cooperate was introduced by the Localism Act 2011 and is set out in section 33A of the Planning and Compulsory Purchase Act 2004. It places a legal duty on local planning authorities and county councils in England and prescribed public bodies (as defined in Regulations) to engage constructively, actively and on an ongoing basis to maximise the effectiveness of local plan preparation in the context of strategic cross boundary matters. The resulting recommendation is required to ensure that the Council fulfils its legal obligations under the Duty to Cooperate and that the interests of Dudley Borough are being fully considered in the plan-making activities of other local authorities.
6. Sandwell Local Plan  
*Summary*

Sandwell MBC recently consulted (November-December 2023) on its Regulation 18 Draft Local Plan (SLP) which sets out a range of development allocations and planning policies to guide decisions on development proposals and planning applications for the period up to 2041. Once it has been adopted it will replace the current local planning policy framework for Sandwell borough which includes the Black Country Core Strategy (2011); the Sandwell Site Allocations and Delivery

Development Plan Document (2012); the West Bromwich Area Action Plan (2012); the Tipton Area Action Plan (2008); and the Smethwick Area Action Plan (2008).

7. The consultation concluded on the 18<sup>th</sup> December 2023 and an officer-only response was submitted due to the consultation deadline (full response in Appendix One). Sandwell MBC is undertaking a review of its adopted Local Plan because all local authorities are required to have an up-to-date Local Plan. Local Plans should be reviewed at least every five years in line with national legislation and guidance.
8. The consultation was the second stage of the new Local Plan production and the SLP represented a full draft plan consisting of detailed planning policies and allocations (Regulation 18 stage). It followed on from the first stage of the SLP production which was an 'Issues and Options' document that was subject to consultation earlier in 2023 (also a Regulation 18 stage)<sup>1</sup>. Dudley MBC responded to this Issues and Options consultation (see Cabinet Report of 16<sup>th</sup> March 2023). At the current Regulation 18 draft plan stage there is no requirement to explicitly support or object to the Local Plan based on the 'tests of soundness' for Local Plans (within the National Planning Policy Framework) or legal compliance matters only. This is required at the 'Publication/Pre-Submission' or Regulation 19 consultation stage. Consultation comments will be used to inform the next iteration of the SLP which is due to be the Regulation 19 stage, currently scheduled for Summer 2024.
9. The SLP covers the whole range of strategic matters required from a Local Plan, including housing and employment requirements alongside other key matters such as the environment and transport. Non-strategic matters are also covered by a series of development management policies.
10. *Key Issues for Dudley MBC*

The SLP proposes a development strategy which is focused on the urban area, prioritising the use of previously developed land. Greenfield sites within the urban area are included as appropriate. The SLP does not propose the release of any Green Belt land for development. Future development is focused on the borough's identified Regeneration Areas and the Strategic Centre of West Bromwich. The Regeneration Area of Dudley Port and Tipton relates to the draft Dudley Local Plan Regeneration Corridor 4 (the Regeneration Area of the Wednesbury to

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<sup>1</sup> References to Regulation 18 and 19 stages are taken from the Town and Country Planning (Local Planning) (England) Regulations, 2012 (as amended) which govern the processes for the stages of Local Plan production, including the nature of the consultation, who should be consulted and the availability of documents for consultation.

Tipton Metro Corridor is also of relevance). The SLP includes references to the Metro interchange, Metro extension and transport hub improvements at Dudley Port railway station as part of the Regeneration Areas. References are made to key visitor attraction assets nearby in Dudley and the importance of improved links to them. Reference is made to the regeneration of Owen Street District Centre (Tipton Town Centre) following an award of £20million Levelling Up Fund. In terms of the implications for Dudley MBC, the consistency of the regeneration areas/corridors and references to key projects and assets is welcomed. In terms of the regeneration of Owen Street District Centre, any proposals should be of a scale and nature which does not detract from the functions of nearby Dudley town centre.

11. The SLP identifies a housing requirement of 29,773 dwellings up to 2041, with an overall supply figure of around 11,167 dwellings, leaving a shortfall of 18,606 dwellings. The SLP identifies that it will be reliant upon contributions from relevant local authorities to address the housing supply shortfall. The SLP and its supporting evidence base outlines that these discussions are ongoing, including in relation to the apportionment of contributions previously agreed to the Black Country overall e.g., from Shropshire. This to fulfil the Councils' legal obligations under the Duty to Cooperate and ensure compliance with current national planning policy.
12. There are several proposed housing allocations identified in proximity of the Dudley boundary including at Tipton/Coseley, Cradley Heath and Brandhall Golf Course. Two other large allocations are also proposed in proximity to the borough; Edwin Richards Quarry near Rowley Regis (626 dwellings) and Lion Farm, Oldbury (200 dwellings, 2.3ha employment land).
13. In respect of the implications for Dudley MBC, it will be important to encourage Sandwell MBC to meet its own housing needs within its own boundaries as far as possible to reduce its housing supply shortfall and the reliance upon contributions from relevant local authorities. It is recommended that consideration should be given to whether the town centres within the borough could achieve higher densities, akin to West Bromwich Strategic Centre. Dudley MBC has also identified a housing supply shortfall and therefore discussions will be ongoing in relation to how previously agreed contributions from other local authorities to the Black Country overall are disaggregated to Dudley, Sandwell, Walsall and Wolverhampton. In relation to the proposed housing allocations, these will need to take account of any cross-boundary infrastructure implications. Consideration should also be given any impacts upon the amenity and character of the wider area. It is reiterated that Dudley MBC is unable to contribute to the housing supply shortfall of Sandwell.

14. The SLP identifies an employment land requirement of 185ha and an employment land supply of 42ha (2020-2041, including completions from 2020-2022). This results in a shortfall of 143ha in the employment land supply. The response from Dudley MBC recommends that the most up to date Economic Development Needs Assessment should be used (which slightly updates the employment land requirement for Sandwell MBC to 186ha, or 212ha if the replacement of employment land losses is included). The SLP notes that the shortfall will be addressed through the Black Country Functional Economic Market Area (FEMA) with unmet needs being exported, as far as possible, to authorities that have a strong existing or potential functional economic relationship with Sandwell. This work is ongoing under the Duty to Cooperate.
15. There is one proposed employment land allocation located nearby the Dudley borough boundary (in proximity of the Ionic Business Park in Dudley) which is at Coneygre Business Park (7.22ha).
16. The SLP applies a similar approach to the draft Dudley Local Plan in respect of the protection of existing employment areas, identifying these as Strategic Employment Areas (SEAs) and Local Employment Areas (LEAs) as well as 'Other Employment Areas'. The proposed designations of these employment areas are largely consistent in terms of cross-boundary sites with Dudley including Brymill Industrial Estate (adjacent to Budden Road, Coseley LEA in Dudley); The Angle Ring Company Ltd (adjacent to Budden Road, Coseley LEA in Dudley); Bloomfield Park (adjacent to Budden Road, Coseley and Birmingham New Road LEAs in Dudley); Providence Street, Cradley Heath (adjacent to Westminster Industrial Estate LEA in Dudley); Cakemore Industrial Estate (adjacent to Cakemore Road LEA in Dudley); Station Road Industrial Estate (adjacent to Nimmings Road LEA in Dudley); and Coneygre Industrial Estate (adjacent to Ionic Business Park SEA in Dudley).
17. In respect of the implications for Dudley MBC, it is acknowledged that Sandwell, along with Dudley, Wolverhampton and Walsall are bound within the Black Country FEMA, with strong economic interdependencies between each of the Black Country Authorities (BCAs) as well as having strong economic transactions with Birmingham and South Staffordshire and moderate economic transactions with Wyre Forest, Bromsgrove, Solihull, Tamworth, Cannock Chase and Lichfield districts. Dudley MBC has also identified an employment land supply shortfall within the draft Dudley Local Plan. It will therefore be important for Dudley MBC and Sandwell MBC to continue to work together on addressing these shortfalls as part of the Black Country FEMA, under the Duty to Cooperate. It is recommended that Sandwell MBC acknowledges



additional sources of supply including that from the West Midlands Strategic Rail Freight Interchange<sup>2</sup> in South Staffordshire and windfall supply. These would serve to reduce the employment land shortfall for Sandwell further. It is clarified that Dudley MBC is unable to contribute to the employment land supply shortfall of Sandwell.

18. Any cross-boundary implications of the proposed employment allocation in proximity of Dudley borough will need to be considered, particularly for highways matters (site is close to the A4123 which is being improved to facilitate active travel and bus route enhancements).
19. In respect of gypsy, traveller and travelling showpeople provision, the SLP identifies the requirements for pitches and plots over the plan period. There is an identified shortfall, which the SLP proposes will be addressed via the development management process i.e., planning applications for new sites or site extensions. One allocation is proposed nearby the Dudley borough boundary at Brierley Lane, Coseley (for 10 traveller pitches) representing an extension an existing traveller site. In terms of the implications for Dudley MBC, clarification is sought on the size of the existing site. The proposed response notes that any impacts upon cross boundary infrastructure and the amenity and character of the wider area should be considered as part of detailed proposals for the extension.
20. The SLP sets out a series of policies in relation to 'Centres', including identifying a hierarchy of centres, development management policies for considering the most appropriate location for main town centre uses, and proposals for the Strategic Centre of West Bromwich. These are largely consistent with the draft Dudley Local Plan policies and utilise the shared evidence base produced across the Black Country. In terms of the implications for Dudley MBC, it is helpful to have a consistent policy approach given the proximity of various centres within Dudley and Sandwell boroughs and the potential for development proposals to have cross boundary impacts. It is recommended that consideration should be given to any potential impacts upon higher order centres within Dudley borough arising from redevelopment schemes within Sandwell.
21. In relation to this, it is noted that for the town centre of Blackheath there appear to be no significant proposals for growth identified. Some redevelopment site opportunities are identified, but these are not significant in scale and are for mainly residential use. For the town centre of Cradley Heath, similarly there are no significant proposals for growth identified, with mostly residential redevelopment site opportunities

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<sup>2</sup> West Midlands Strategic Rail Freight Interchange, Employment Issues Response Paper - Whose need will the SFRI serve? (Stantec; prepared on behalf of the Black Country Local Planning Authorities, February 2021)

identified. The proposed response notes that any specific proposals for the Owen Street District Centre (Tipton Town Centre) should be at a scale appropriate to the District Centre so as not to detract from the function of higher order centres within the vicinity, including Dudley Town Centre.

22. The SLP sets out a series of policies in relation to transport matters, including those related to key transport infrastructure projects (such as the Dudley Port Integrated Transport Hub, which will link into the Metro extension for Brierley Hill-Wednesbury), safeguarding of the Key Route Network, freight and logistics, cycling and walking and parking management. These are largely consistent with the draft Dudley Local Plan policies. In terms of the implications for Dudley MBC, it is helpful to have a consistent policy approach given the cross-boundary transport connections between the two authorities. It is recommended that support is provided for continued joint working on evidence base (including transport modelling and car parking studies) and specific transport improvement projects, particularly those related to active travel.
23. The SLP sets out a series of policies in relation to waste and minerals matters including strategic waste capacity requirements, the safeguarding of existing waste and minerals infrastructure sites, identification of preferred areas for new waste facilities, and development management policies for considering new waste and mineral proposals. These are largely consistent with the draft Dudley Local Plan policies. In terms of the implications for Dudley MBC, it is helpful to have a consistent policy approach given the cross-boundary relationships with waste and minerals processing. Continued discussions under the Duty to Cooperate to address strategic waste matters are welcomed, including on flows of waste from Dudley to Sandwell (notably to Edwin Richards Landfill). A query is raised in relation to the status of a potential 'Preferred Area for New Waste Facilities' at Bloomfield Road/Buddens Road to ensure cross boundary consistency in allocations (this should be a cross-boundary allocation across Dudley and Sandwell).
24. The SLP contains several policies which provide support for the protection and enhancement of key cross boundary environmental assets, or relevant assets within Dudley borough including the UNESCO Global Geopark, Bumble Hole and Warrens Park and Fens Pool Special Area of Conservation. Cross-boundary flood risk issues arising from the River Stour are also referenced. This provides a consistent approach with the draft Dudley Local Plan policies. In specific relation to nature conservation, it is suggested that consideration is given to the potential for cross boundary opportunities for the delivery of Biodiversity Net Gain sites at Saltwells Local Nature Reserve and Mousesweet Brook Local

Nature Reserve.

25. The SLP contains several policies in relation to the historic environment. It is noted that these policies are not fully consistent with the draft Dudley Local Plan policies, which is particularly relevant in relation to development allocations that are in proximity of Dudley borough. Reference is not made to specific designations that can be of a cross-boundary nature e.g., Areas of High Historic Townscape and Landscape value. In terms of the implications for Dudley MBC, it is recommended that the SLP updates the policy approach to reflect these designations to ensure historic environment matters are addressed consistently on a cross-boundary basis.
26. There is a Mixed-Use Allocation identified at Lion Farm, Oldbury (proposed allocation for 200 homes and 2.3ha of employment land). In terms of the implications for Dudley MBC, queries are raised regarding the potential loss of existing sports pitches which have the potential to serve cross boundary needs. It is also queried what type of employment uses are proposed as previous concerns were raised with the prospect of large-scale retail development at this location. Any cumulative impacts with the nearby Edwin Richards Quarry allocation (for 626 homes) on cross-boundary infrastructure including highways will also need to be considered.
27. Overall, it is important for Dudley MBC to continue to engage with Sandwell MBC on the preparation of the SLP to fulfil its legal obligations under the Duty to Cooperate; to ensure alignment between neighbouring Local Plans; and generate positive outcomes in terms of cross boundary matters. This is reflected in the response with Dudley MBC welcoming continued engagement with Sandwell MBC as the Local Plan progresses.
28. *Submitted response- summary*
  - The full proposed response from Dudley MBC to the SLP is provided at Appendix One. The key points from this response are:
  - Support for continued joint working and engagement under the Duty to Cooperate on strategic matters is a common theme throughout the responses (including use of the shared evidence base which has been prepared to date).
  - Support for the proposed 'Development Strategy' which is urban focused, prioritising the use of previously developed land. Focus of development on identified 'Regeneration Areas' and West

Bromwich Strategic Centre. Principle of this is supported and it is noted that the Regeneration Area of Dudley Port and Tipton relates to the draft Dudley Local Plan Regeneration Corridor 4. Support for references for key relevant projects in this area including the Metro interchange, Metro extension and transport hub improvements at Dudley Port railway station. Support for references to key visitor attraction assets nearby in Dudley and the importance of improved links to them. Support for the principle of regenerating Owen Street District Centre (Tipton Town Centre) following award of £20million Levelling Up Fund, but this should be of a scale and nature which does not detract from the functions of nearby Dudley town centre.

- Support for continued joint working under the Duty to Cooperate on identifying how the unmet housing and employment land needs of the borough will be addressed via the shared Housing Market Area (HMA) and Functional Economic Market Area (FEMA). This will also need to include consideration of how the unmet housing and employment land needs of Dudley borough will be met given the shared HMAs and FEMAs. Updates in terms of the latest position arising from these ongoing discussions will need to be reflected in the next versions of our local plans and be set out in Statements of Common Ground.
- Sandwell's housing need is 29,773 homes and there is a supply of 11,167 homes identified for the plan period (up to 2041). Support for Sandwell MBC in seeking to meet its own needs for housing land supply as far as possible and maximising the effective use of land within the urban areas. Note the housing supply shortfall is significant (representing around two thirds of Sandwell's minimum housing needs) and that the urban capacity housing supply should be kept under review to try and identify any additional sources of land. Recommend consideration should be given to whether town centres within the borough could achieve higher densities, akin to West Bromwich Strategic Centre. Noted that Sandwell is not proposing to release any Green Belt land to meet its housing needs. Several housing allocations are proposed nearby the Dudley borough boundary (at Coseley/Tipton/Cradley Heath areas, Brandhall Golf Course) and there are some larger sites located further from the boundary but still in relative proximity (Edwin Richards Quarry for 626 dwellings near Rowley Regis and Lion Farm, Oldbury for 200 dwellings and 2.3ha of employment land). These allocations need to take account of any cross-boundary infrastructure implications. Consideration should also be given any impacts upon the amenity and character of the wider area. Specific comments are provided in terms of education and highways

matters. Request that Dudley MBC is consulted on future detailed plans for these allocations as part of the Local Plan and planning application processes.

- In respect of gypsy, traveller and travelling showpeople provision Sandwell has a shortfall in meeting its identified needs which the Council proposes to address via the planning application process going forward. Support provided for the overall policy approach and use of shared evidence base. It is noted that an allocation for 10 gypsy and traveller pitches is proposed near to the Dudley boundary (at Brierley Lane, Coseley) representing an extension an existing traveller site. Clarification is sought on the size of the existing site. Any impacts upon cross boundary infrastructure and the amenity and character of the wider area should be considered.
- The employment land need is for at least 185ha and the employment land supply is 29ha (note, Dudley MBC has sought clarification on the employment land needs figure using the most up to date evidence base). Support for overall policy approach to employment land provision, including the identification of consistent cross boundary designated employment areas (existing employment areas to be protected for continued employment use). Support for continued engagement under the Duty to Cooperate to address the unmet employment land needs of Sandwell and Dudley as part of the same FEMA. The most up to date evidence on employment land needs (shared evidence base produced for all the Black Country local authorities) should be used to identify the employment land requirements within the Sandwell Local Plan policies. It is noted that there is one employment site allocation nearby the Dudley borough boundary at Coneygre Business Park (7.22ha). Detailed proposals for the site should take into account cross boundary impacts particularly for highways matters (site is close to the A4123 which is being improved to facilitate active travel and bus route enhancements).
- Support for the policy approach to 'Centres' which is largely consistent with the draft Dudley Local Plan policies and support for the use of shared evidence base. Consideration should be given to any potential impacts upon higher order centres within Dudley borough arising from redevelopment schemes within Sandwell, namely at Owen Street District Centre (Tipton Town Centre).
- Support for policy approach to transport matters including continued joint working on relevant supporting evidence such as transport modelling (to ensure consistency in addressing any

cross-boundary matters). Support for references to key cross-boundary projects including those related to the Metro extension and active travel improvements.

- Support for policy approach to waste and minerals and the use of shared evidence base. Welcome continued discussions under the Duty to Cooperate to address strategic waste matters, including flow of waste from Dudley to Sandwell (notably to Edwin Richards Landfill). Query raised in relation to the status of a potential 'Preferred Area for New Waste Facilities' at Bloomfield Road/Buddens Road to ensure cross boundary consistency in allocations (this should be a cross-boundary allocation across Dudley and Sandwell).
- Support for policies that include reference to key cross boundary environmental assets, or relevant assets within Dudley borough including the UNESCO Global Geopark, Bumble Hole and Warrens Park and Fens Pool Special Area of Conservation. Support for reference to shared evidence base/strategies. Suggest consideration is given to the potential for cross boundary opportunities for the delivery of Biodiversity Net Gain sites at Saltwells Local Nature Reserve and Mousesweet Brook Local Nature Reserve.
- In respect of the policy approach to the historic environment, concerns are raised in respect of the consistent application of the Black Country evidence base for the historic environment. Recommend that the Sandwell Local Plan policies are updated to reflect specific designations so there is a consistent cross boundary approach (particularly relevant to development allocations which are in proximity of Dudley borough).
- Support for recognition of cross-boundary flood risk issues arising from the River Stour.
- Specific queries in relation to the Mixed-Use Allocation at Lion Farm, Oldbury (proposed allocation for 200 homes and 2.3ha of employment land). Concerns raised regarding the potential loss of existing sports pitches which most likely serve cross boundary needs; clarification sought on whether these are to be retained as part of the allocation. Query what type of employment uses are proposed as previous concerns were raised with the prospect of large-scale retail development. Any cumulative impacts with the

nearby Edwin Richards Quarry allocation (for 626 homes) on cross-boundary infrastructure including highways should be considered.

### **Telford and Wrekin Council Regulation 18 Local Plan Consultation**

- 29 Telford and Wrekin Council recently consulted on its Regulation 18 Draft Local Plan (TWLP) which sets out a range of development allocations and planning policies to guide decisions on development proposals and planning applications for the period up to 2040.
- 30 The consultation concluded on the 31<sup>st</sup> January 2024 and an officer-only response was submitted due to the consultation deadline (full response in Appendix Two). Telford and Wrekin Council are undertaking a review of its adopted Local Plan because all local authorities are required to have an up-to-date Local Plan. Local Plans should be reviewed at least every five years in line with national legislation and guidance.
- 31 The consultation was the second stage of the new Local Plan production and the TWLP represented a full draft plan consisting of detailed planning policies and allocations (Regulation 18 stage). It followed on from the first stage of the TWLP production which was an 'Issues and Options' document that was subject to consultation earlier from October 2020 – January 2021. At the current Regulation 18 draft plan stage there is no requirement to explicitly support or object to the Local Plan based on the 'tests of soundness' for Local Plans (within the National Planning Policy Framework) or legal compliance matters only. This is required at the 'Publication/Pre-Submission' or Regulation 19 consultation stage. Consultation comments will be used to inform the next iteration of the TWLP which is due to be the Regulation 19 stage, currently scheduled for Summer-Autumn 2024.
- 32 The TWLP covers the whole range of strategic matters required from a Local Plan, including housing and employment requirements alongside other key matters such as the environment and transport. Non-strategic matters are also covered by a series of development management policies.
- 33 Key issues for Dudley MBC:  
The TWLP proposes 20,100 dwellings over the Plan period of 2020 – 2040, which is equivalent to 1,010 dwellings per annum. The method used to calculate the housing requirement is detailed in the Housing Requirement Technical Paper and appears to be based on demographic projections rather than the usual method of calculating housing need (the Standard Method). If the Standard Method were used to calculate housing need it would result in a requirement of 475 dwellings per annum.

- 34 The TWLP states that the housing need for Telford and Wrekin is 930 dwellings per annum, resulting in a proposed contribution of 80 dwellings per annum towards part of the Black Country's unmet housing need – or 1,600 dwellings over the Plan period.
- 35 In respect of the implications for Dudley MBC, the proposed contribution to the Black Country's housing need is welcomed. However, the supporting Technical Paper lacks clarity regarding why the proposed housing requirement figure is significantly in excess of that generated by the Standard Method. Further clarification on why an alternative approach to the Standard Method has been used, and details on the sites proposed to meet the needs of the Black Country has been requested.
- 36 The TWLP identifies a total supply of 167ha of employment land over the Plan period, of which 90.5ha will be new employment land. Thirteen sites have been identified in the TWLP to meet the requirement for new employment land.
- 37 Telford and Wrekin lies outside of the Black Country's functioning economic area (FEMA) and it is therefore considered that the employment land shortfall identified in Dudley by the Dudley Local Plan will be better met by land closer to the Borough. Given that Black Country does not form part of the FEMA for Telford and Wrekin, the TWLP does not indicate that any part of its employment land supply would contribute to the needs of the Black Country.
- 38 In respect of gypsy, traveller and travelling showpeople provision, the TWLP identifies the requirements for pitches and plots over the plan period. There is an identified shortfall of pitches, however the TWLP does not identify how it proposes to meet the shortfall and the supporting information appears to detail two different figures for the shortfall of pitches. In terms of the implications for Dudley MBC, clarification is sought on the exact overall shortfall of gypsy and traveller pitches and how the pitch requirement will be met.
- 39 The SLP sets out a series of policies in relation to waste and minerals matters. Dudley has not identified any strategic issues in relation to waste and minerals between ourselves and Telford and Wrekin at this time, but this position will be kept under review. Dudley will continue to engage and work with Telford and Wrekin Council on any relevant strategic waste issues via the West Midlands Resource Technical Advisory Board (WMRTAB) and strategic minerals issues through the West Midlands Aggregates Working Group (WMAWG) under the Duty to Cooperate.



40 Overall, Dudley largely supports the TWLP and the proposed contribution to partly meeting the Black Country housing needs. It is important for Dudley MBC to continue to engage with Telford and Wrekin on the preparation of the TWLP to fulfil its legal obligations under the Duty to Cooperate. This is reflected in the response with Dudley MBC welcoming continued engagement with Telford and Wrekin as the Local Plan progresses.

41 The full proposed response from Dudley MBC to the TWLP is provided at Appendix Two.

### **South Staffordshire Duty to Co-operate (DtC) Correspondence**

42 South Staffordshire District Council (SSDC) previously consulted on its Regulation 19 Publication Plan between November – December 2022. The 2022 Publication Plan provided for an additional 4,000 dwellings to meet the needs of the Great Birmingham & Black Country HMA (GBBCHMA), along with an additional potential employment land contribution of 36.6ha towards the unmet needs of the Black Country authorities and a further additional minimum contribution of 67ha of land to the Black Country for the West Midlands Interchange Development Consent Order. The Publication Plan acknowledged that South Staffordshire had a shortfall in its Gypsy and Traveller pitch provision of approximately 84 pitches during its plan period and had requested potential contributions to its unmet need through Duty to Co-operate with neighbouring local authorities, including Dudley Council.

43 Following the publication of the proposed draft changes to the National Planning Policy Framework (NPPF) in December 2022, SSDC paused work on its local plan in January 2023, requesting clarity from Government over its proposed reforms to national planning policy. At the time it was understood that Government would publish revised planning guidance in Spring 2023. Due to delays to the publication of the NPPF, SSDC has re-commenced work on its plan and is in the process of revisiting its evidence base with a view to reconsulting on their Reg 19 Plan in Spring 2024. It is likely that some aspects of the previous Reg 19 Plan will change, including its spatial and housing strategy, its Plan period timeframe and potential contributions to meet the unmet housing and employment needs arising in the HMA and the Black Country Functional Economic Market Area (FEMA).

44 SSDC wrote to DtC Partners to request their views on the following areas:

### **Housing**

- South Staffordshire Local Plan had proposed Green Belt release to accommodate an additional 4,000 dwellings to contribute to the unmet needs arising in the GB&BCHMA. At the time the Council's evidence base indicated that, at the strategic level, the exceptional circumstances for releasing Green Belt heavily relied upon the Council's housing need and the significant unmet need arising from the wider housing market.
- The proposed changes to the NPPF published in December 2022, para 142 proposed that "*Green belt boundaries are not required to be reviewed and altered if this would be the only means of meeting the objectively assessed need of housing over the plan period*". Given this statement, SSDC are seeking views on what Dudley Council's position would be if SSDC was to review its housing strategy to no longer review Green Belt boundaries to accommodate housing needs of the District and the GB&BCHMA if the proposed changes to the NPPF were to be enacted.
- Following the recent publication of the NPPF (19 December 2023), it is Dudley Council's view that there is no requirement for a local authority to review its Green Belt boundaries should it choose not to when undertaking a Local Plan review. However, a local authority may choose to review boundaries where exceptional circumstances exist. Given the guidance set out in the recent NPPF we welcome the on-going engagement with South Staffordshire to determine the housing strategy approach that will be undertaken as part of its Regulation 19 Plan and the subsequent consultation.

### **Employment**

- The Publication Plan proposed sufficient employment land would be released to deliver 99ha of land including a potential contribution of 36.6ha to the Black Country's unmet needs. In addition, a further contribution of 67ha arising from the West Midlands Interchange. Due to the delay in the South Staffordshire Local Plan preparation, the Council will need to update its Economic Development Needs Assessment (EDNA) to reflect the extended plan period and its delayed adoption date. South Staffordshire has confirmed that it will continue to engage with its DtC partners and work with the West Midlands Development Needs Group to assist in the preparation of the update to the West Midlands Strategic Employment Sites Study 2021.
- Dudley's proposed response is to note that the Council is updating its EDNA to support its forthcoming consultation in Spring 2024 and that current evidence to support the Regulation 18 Dudley Local Plan

(Employment Land Supply Paper, 2023) takes account of the previously agreed employment land supply contributions from South Staffordshire towards the Black Country employment land requirements. We would therefore welcome further engagement on the EDNA update as it progresses. We are supportive of the updated EDNA continuing to recognise the strong economic functional links between our authorities.

- Dudley is seeking clarification that the 67ha contribution from the WMSRFI is supported by an existing evidence base and would not be the subject of a review via the updated EDNA evidence base.
- We welcome the approach set out by SSDC to continue to work with the West Midlands local authorities to assist in the preparation of the update to the West Midlands Strategic Employment Sites Study 2021.

### **Gypsy and Traveller Provision**

- SSDC has re-confirmed that it has shortfall in its Gypsy and Traveller pitch provision and is seeking to address its unmet need through cross-boundary discussions with adjacent neighbours and other authorities in the housing market area.
- SSDC has requested Dudley Council confirm its position with regards to its own pitch provision as part of the work it has undertaken on its own Local Plan.
- Dudley's proposed response is to confirm that in preparation of the Dudley Local Plan we have undertaken an assessment of a number of sites for potential Gypsy and Traveller pitch provision. As advised in previous Duty to Cooperate correspondence, we have identified one site for the provision of a permanent Gypsy and Traveller transit site which has since secured permanent planning permission. That whilst we are reviewing the potential to improve capacity for some an existing site at this stage of the Draft Plan, we have not been able to allocate any further provision and are likely to have a shortfall in our own pitch provision.

A copy of the response to South Staffordshire DC is attached to Appendix Three.

### **Finance**

- 45 There are no direct financial implications arising from this report. Resources used for reviewing the Local Plans and providing responses are met from existing budgets and staff resources.

## **Law**

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

## **Risk Management**

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

## **Equality Impact**

- 48 There are no equality impacts arising directly from this report.

## **Human Resources/Organisational Development**

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

## **Commercial/Procurement**

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

## **Environment/Climate Change**

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

## **Council Priorities and Projects**

- 52 Responding to Local Plan consultations will assist with current wider Council Priorities including:
- People have access to a range of housing offers that are affordable, accessible and attractive, meeting the needs of our diverse communities
  - Business, residents and visitors benefit from improved highways and travel connectivity through multi-modal offer

- Levelling up inequalities is ensuring all borough towns and neighbourhood have good access to services, retail and leisure opportunities
- People have a safe and welcoming indoor and outdoor environment which promotes healthy, physical and active lifestyles
- Our climate commitment is creating a sustainable borough on its way to net zero carbon emissions, improved air quality, reduced fuel poverty and outstanding waste and recycling services



## **Director of Regeneration and Enterprise**

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## **Appendices**

Appendix One - copy of the full officer-level submitted response to the Sandwell Local Plan

Appendix Two- copy of the full officer-level submitted response to the Telford and Wrekin Local Plan

Appendix Three- copy of the full officer-level submitted response to the South Staffordshire Duty to Cooperate letter

**Proposed Response to Sandwell Local Plan (Regulation 18)- 18<sup>th</sup> December 2023**

Thank you for the opportunity to comment on the draft Sandwell Local Plan (SLP). Our response is provided in plan order by individual SLP policies. Please note this represents an officer-level response at this stage, which will be subject to formal Cabinet approval in 2024.

Overall, we support continued joint working and engagement under the Duty to Cooperate as our respective Local Plans progress and welcome further discussions to address the issues identified in our response.

**Policy SDS1- Development Strategy**

The key elements of this policy are supported by Dudley MBC, including the principle of delivering as much new development as possible on previously developed land and sites within the urban area. Sandwell MBC should continue to keep its urban capacity under review to identify any further opportunities for new development that would contribute to the shortfalls in housing and employment land supply currently identified. Please note our response to Policy SHO1 in respect of the housing land supply position.

The SLP identifies that Sandwell's unmet housing and employment land needs will need to be provided for across the Housing Market Area (HMA), Functional Economic Market Area (FEMA) and other areas with which Sandwell has a physical or functional relationship. Reference is made to the latest position in respect of the Duty to Cooperate with further information contained in the supporting Draft Plan Statement of Consultation (Duty to Cooperate Statement, 2023).

This Statement (at paragraphs 31-34) identifies that there are a series of 'offers' from other local authorities outside of the Black Country towards the unmet housing needs of the area. Dudley MBC agrees that this largely reflects the latest position, but there are some updates to take account of. The Dudley MBC Duty to Cooperate Statement (2023) at paragraph 2.27 notes that Telford and Wrekin Council has since published its Regulation 18 Local Plan (October 2023) with a potential contribution of 1,600 homes towards the Black Country's unmet housing needs. The Lichfield Local Plan was withdrawn from Examination in October 2023. We would also note that Cannock Chase and South Staffordshire Councils' previously paused work on their local plans following the Government's proposed reforms to the national planning policy framework in December 2022. We are aware that work on both plans has recently recommenced.

The Sandwell MBC Duty to Cooperate Statement (at paragraph 34) states that discussions are ongoing in relation to how these contributions are disaggregated between the four Black Country authorities, which is also reflected within the Dudley MBC Duty to Cooperate Statement (paragraph 2.26). Dudley MBC has identified a housing supply shortfall, as detailed within our recent Regulation 18 Draft Local Plan, which it is similarly working to address via contributions from relevant local

authorities under the Duty to Cooperate. Dudley MBC will therefore continue to work jointly with Sandwell MBC under the Duty to Cooperate to progress this matter.

In respect of unmet employment land needs, the Sandwell MBC Duty to Cooperate Statement (paragraphs 36-41) sets out the 'offers' from other local authorities, which reflects the information contained within the Dudley MBC Duty to Cooperate Statement (2023). It is recognised that this reflects the position as was the case for the Black Country Local Plan draft plan consultation stage (as of 2021). The latest position, as contained within the up-to-date Black Country Economic Development Needs Assessment (EDNA, 2023) and Black Country Employment Land Supply Paper (2023) and resulting from any future updates to relevant local authority contributions, will need to be reflected at the next stage (Regulation 19) of our respective Local Plans. Dudley MBC has identified an employment land supply shortfall, as detailed within our recent Regulation 18 Draft Local Plan, which it is similarly working to address via contributions from relevant local authorities under the Duty to Cooperate. Dudley MBC supports the principle of addressing the employment land shortfalls via the Black Country FEMA and will continue to work jointly with Sandwell MBC under the Duty to Cooperate to progress this matter.

For clarity, Dudley MBC is unable to contribute towards the housing and employment land supply shortfalls of Sandwell MBC.

In respect of the other strategic matters set out within the Sandwell MBC Duty to Cooperate Statement e.g., transport, natural environment, whilst it is recognised that there will be the key prescribed bodies to engage on these matters, Dudley MBC would welcome any cross-boundary considerations related to such topics also being reflected within forthcoming Statements of Common Ground between our authorities, as necessary.

### **Policy SDS2- Regeneration in Sandwell**

Dudley MBC supports the SLP approach of focusing new development and regeneration within the identified Regeneration Areas and West Bromwich strategic centre.

The Regeneration Area of Dudley Port and Tipton relates to the draft Dudley Local Plan Regeneration Corridor 4 (the Regeneration Area of the Wednesbury to Tipton Metro Corridor is also of relevance). Dudley MBC supports references to the new public transport hub to be developed around the interchange of the Midland Metro Extension and Dudley Port railway station. Combined with the metro extension from Dudley town centre to Dudley Port, this will provide Dudley borough residents with enhanced access to the national railway network. Housing and employment development in this area is supported but should take account of any cross-boundary infrastructure requirements arising from specific proposals.

The justification to the policy references the opportunities to build upon the existing infrastructure, making the canals and greenspace a destination, linking to wider attractions such as the Dudley Canal Trust, Black Country Museum and Dudley Zoo. Recognition of these attractions and potential opportunities to enhance linkages to them is supported.

It is noted that £20million has been awarded from the Levelling Up Fund towards the regeneration of Tipton. Whilst the principle of the regeneration and redevelopment of such areas to deliver additional housing and employment growth is supported, specific proposals for the regeneration/redevelopment of the Owen Street District Centre (also known as Tipton Town Centre) should be of an appropriate scale to that centre so as not to detract from the functions of higher order centres within the vicinity, including Dudley Town Centre (identified as a Tier 2 centre within the draft Dudley Local Plan).

### **Policy SDS5 – Cultural Facilities and the Visitor Economy**

Dudley MBC supports references within the justification text to assets that are also within Dudley borough, including cross-boundary sites such as Bumble Hole and Warrens Park.

### **Policy SNE1- Nature Conservation**

Dudley MBC supports references to the protection of Fens Pool Special Area of Conservation. We would expect this to be addressed as part of the Habitats Regulation Assessment process for the SLP and individual development proposals, as necessary.

### **Policy SNE2- Protection and Enhancement of Wildlife Habitats**

The Biodiversity Net Gain site proposals include Warren Halls Park Strategic Open Space, which represents a cross boundary opportunity with Bumble Hole Nature Reserve within Dudley borough. Bumble Hole Local Nature Reserve is identified as a potential Biodiversity Net Gain Receptor Site within the draft Dudley Local Plan.

The draft Dudley Local Plan identifies the Saltwells Local Nature Reserve as a potential Biodiversity Net Gain Receptor Site, which borders onto Mousesweet Brook Local Nature Reserve/SINC within Sandwell borough. This site is not identified within the SLP as a Biodiversity Net Gain site. There may be an opportunity for cross boundary working in relation to this area if the site was identified within the SLP. Dudley MBC will continue to work jointly with Sandwell MBC to identify any such opportunities going forward.

Dudley MBC supports the use of the Black Country Local Nature Recovery Network Strategy to maximise cross boundary benefits.

Dudley MBC welcomes the opportunity to explore and share active travel link improvements along Mousesweet Brook, Mushroom Green and Black Brook leading to Cradley Heath transport interchange (rail/bus station).

### **Policy SNE4- Geodiversity and the Black Country UNESCO Global Geopark**

Dudley MBC supports this policy, which is consistent with draft Dudley Local Plan Policy DLP35 Geodiversity and the Black Country UNESCO Global Geopark.

### **Policy SHE2- Development in the Historic Environment**



The policy and the supporting justification text references the Black Country Historic Landscape Characterisation Study (2019) and the supporting justification text references that Areas of High Historic Landscape (AHHLV) and Areas of High Historic Townscape value (AHHTV) were identified as part of this study. However, these areas do not then appear to be reflected within the policy itself (in terms of specific reference to them) or identified on the SLP Policies Map. There is also no reference made to the other two Historic Environment Area Designations (HEADS) identified in the Black County HLC - Designed Landscapes of High Historic Value (DLHHV) or Archaeological Priority Areas (APAs). For consistency in the implementation of the shared Black Country evidence base, and in recognition of cross boundary considerations in relation to the historic environment, Dudley MBC would welcome further references to these designations within the policy and for them to be reflected on the Policies Map. This is particularly relevant for site allocations which border/are adjacent to the Dudley borough boundary.

#### **Policy SCC4- Flood Risk**

The supporting justification text references the primary sources of fluvial flood risk within Sandwell which need to be addressed and considered. This includes the River Stour which crosses into Dudley borough. Dudley MBC supports these references.

#### **Policy SHO1 – Delivering Sustainable Housing Growth**

It is noted that 11,167 net new homes will be delivered over the plan period (up to 2041) with 97% on brownfield land and 3% on greenfield land. The SLP prioritises the development of previously developed land. The Plan identifies that there is a resulting shortfall of 18,606 homes against a housing requirement of 29,773 homes. The draft SLP states that Sandwell MBC is in discussions with neighbouring authorities to seek their agreement to accommodate some of Sandwell's unmet needs (at paragraphs 3.12-3.19).

Dudley MBC is supportive of the Council's approach in terms of prioritising brownfield land development in the first instance and greenfield sites within the urban area. The approach to the review of urban capacity is generally supported, and the application of assumptions related to discounting of the housing land supply is largely consistent with that applied in Dudley borough. It is noted that the Council consider there are no exceptional circumstances for the release of Green Belt land to meet identified housing needs, including the housing supply shortfall.

Dudley MBC is supportive of Sandwell MBC maximising its urban area supply to meet its own housing needs as far as possible, particularly considering the scale of the current housing supply shortfall identified (representing around two thirds of the minimum housing requirement). Sandwell MBC should continue to keep its urban capacity under review to identify any further opportunities for new development that would contribute to the shortfalls in housing supply identified.

It is noted that the Council has explored opportunities for additional supply from its centres (West Bromwich, Town, District and Local Centres across the borough). This yields around 219 additional dwellings. Related Policy SHO3- Housing Density, Type and Accessibility states that the highest densities of 100+ dwellings per hectare

representing apartment schemes will only be acceptable where accessibility standards set out in Table 6 are met and the site is located within West Bromwich. We would welcome clarification on whether schemes located outside of West Bromwich namely at the other town centres within the borough (as identified in Table 10 of the SLP) could also achieve such higher densities given their accessible locations.

Achieving higher densities within such locations could potentially yield additional urban supply, albeit it is recognised this is unlikely to be significant in the context of the scale of the housing supply shortfall. This would however be consistent with the approach set out under the former draft Black Country Local Plan (2021) Policy HOU2 where such densities were identified as appropriate for strategic and town centres. The draft Dudley Local Plan Policy DLP11- Housing Density, Type and Accessibility identifies that the strategic centre of Brierley Hill and its other town centres at Dudley, Halesowen and Stourbridge are in principle suitable for such high-density developments (subject to local character considerations for individual schemes).

Please also see our response to Policy SDS1 – Development Strategy in respect of matters related to the housing supply shortfall.

It is noted there are several major housing allocations proposed along/nearby the boundary with Dudley borough including:

- SH25- Bradleys Lane/High Street, Tipton (189 dwellings)- no planning permission.
- SH1- Brown Lion Street (27 dwellings)- planning permission.
- SH7- The Boat Gauging House and adjacent land (50 dwellings)- subject of planning application.
- Several allocations around Cradley Heath including: SH16- Cradley Heath Factory Centre, Woods Lane (196 dwellings)- partly subject of planning application; SH4- Lower High Street – Station hotel and Dunns site (20 dwellings)- no planning permission; SH13- Silverthorne Lane/Forge Lane (81 dwellings)- no planning permission; SH15- McArthur Road Industrial Estate (13 dwellings)- no planning permission.
- SH34- Brandhall Golf Course (190 dwellings)- subject of planning application.
- Whilst located near to Rowley Regis, given the scale of the proposed allocation at SH37-Edwin Richards Quarry (526 dwellings within the plan period and 100 dwellings post plan period, partly subject of planning permission/application for 276 dwellings) we also note the relative proximity of this site to Dudley borough.

These allocations should take account of cross-boundary infrastructure considerations given the potential for the cross-boundary use of and impacts upon highways, health, and education services. Matters related to impacts upon amenity and character of the local area should also be considered on a cross boundary basis. Dudley MBC would welcome the opportunity to be consulted on any future masterplans/other planning documents that may be produced for these sites going

forward (and any planning applications, as appropriate). We would also welcome the opportunity to be engaged on the Infrastructure Delivery Plan that will support the SLP as it progresses to the next Regulation 19 stage so that any cross-boundary issues can be identified and addressed.

In respect of education provision specifically, we would note that historically for cross-border flow of pupils the largest flow for Dudley MBC is with Sandwell MBC. As such Dudley MBCs education team would welcome ongoing discussions in relation to housing allocations nearby the boundary including updates on the proposed delivery timescales and Sandwell MBCs position on the education provision for such schemes. We particularly note that the SH25 allocation at Bradley's Lane and the various allocations around Cradley Heath are located closer to primary schools within Dudley borough than those in Sandwell.

In respect of transport matters specifically, all developments exceeding 150 dwellings (as compliant with Local Transport Note LTN 1/20) at or near the Dudley MBC boundary should be considered in terms of impact on the surrounding network and subject to traffic impact assessments. All new developments should be considered in terms of opportunities to deliver active travel, Community Infrastructure Levy funds, Section 106 contributions and access to bus rail and tram transport across local authority boundaries.

### **Policy SHO3- Housing Density, Type and Accessibility**

This policy is largely consistent with the draft Dudley Local Plan Policy DLP11- Housing Density, Type and Accessibility. This is supported as it provides a consistent approach to sites which are in proximity to the Dudley borough boundary.

As per our comments on Policy SHO1, we would welcome clarification as to whether town centre locations within Sandwell could accommodate higher density developments of 100+ dwellings.

### **Policy SHO10- Accommodation for Gypsies, Travellers and Travelling Showpeople**

Dudley MBC supports the proposed protection of existing authorised pitches (16 in total) and note that 10 new pitch allocations are proposed. The proposed allocation SG1 is nearby the Dudley borough boundary at Brierley Lane for 10 pitches, which would be an extension to an existing caravan site.

Dudley MBC would welcome clarification on the size of the existing site. As set out within the SLP supporting text (paragraph 7.71) there is generally a preference for family-sized sites of 10-15 pitches. As this allocation of 10 pitches represents an extension to an existing site, we would welcome clarification of the total eventual site size including existing and proposed pitches. We would be concerned with the delivery of a site whose scale is not well related to its surrounding area. Detailed proposals for this site should take account of any cross-boundary infrastructure issues arising and matters related to impacts upon amenity and character of the local area (including within Dudley borough).

The draft SLP policies are supported by the joint evidence base produced for the Black Country; the Black Country Gypsy and Traveller Accommodation Assessment (GTAA, 2022). We welcome the use of this jointly produced evidence base. The GTAA identified a need of eight pitches up to 2031 and an additional six pitches from 2031-2041 for Sandwell. The SLP will deliver ten pitches to meet the need up to 2031 plus a buffer of two pitches (20%) - providing a five-year deliverable supply of pitches from adoption of the SLP in 2025. The approach will provide 71% of the total need for 14 pitches over the Plan period (2023-41). The SLP states that it is not possible to identify and allocate further sites to meet the remaining need for four pitches up to 2041 as no deliverable site options were put forward through the Sandwell Local Plan preparation process. Therefore, this remaining need will be met within the borough through the planning application process. This is consistent with past trends, where small windfall sites have come forward within the urban area.

The GTAA identified a need for 32 Travelling Showpeople plots for Sandwell. The SLP states it is not possible to identify and allocate sites to meet this need as no deliverable site options have been put forward through the Sandwell Local Plan preparation process. Therefore, this need will also be met within the borough, through the planning application process (and is consistent with past trends for windfall sites).

Dudley MBC is supportive of Sandwell MBC seeking to meet its outstanding needs via the planning application process. For clarity, Dudley MBC is unable to contribute towards any unmet needs of Sandwell and has identified its own shortfall in Gypsy, Traveller and Travelling Showpeople provision within the draft Dudley Local Plan.

### **Policy SEC1- Providing for Economic Growth and Jobs**

SLP Policy SEC1- Providing for Economic Growth and Jobs, identifies that the borough will provide at least 1,206ha of employment land. This consists of 1,177ha of occupied employment which is allocated as strategic, local or other employment land and 29ha of land that is currently vacant.

The SLP notes that the latest Economic Development Needs Assessment (EDNA, produced jointly in 2023 between the Black Country local authorities) identifies an employment land requirement of 185ha for Sandwell (2020-2041). The SLP (at paragraph 2.14) states that completions for 2020-2022 and the supply of land available for employment use totals 42ha, including a vacant land supply of 29ha. There is a resulting shortfall of 143ha against Sandwell's employment land requirements. The SLP (at the supporting text to Policy SEC1) identifies that the shortfall will be addressed through the Black Country Functional Economic Market Area (FEMA) and that unmet needs should be exported, as far as possible, to authorities that have a strong existing or potential functional economic relationship with Sandwell. This work is ongoing under the Duty to Cooperate.

The general approach of the SLP towards employment land provision is supported by Dudley MBC, however we would note that the EDNA published as part of the SLP consultation is dated August 2023. The most up to date version of the EDNA is October 2023, which reflects the current employment land requirements and supply

position for all the four Black Country local authorities. This identifies an employment land requirement of 186ha for Sandwell, which increases to 212ha if the replacement of employment land losses is accounted for (for information, the draft Dudley Local Plan Policy DLP18- Economic growth and job creation identifies that the need for the replacement of employment land losses, equivalent to 26ha for Dudley borough, will be monitored over the plan period). We would welcome confirmation that the most current version of the EDNA (October 2023) will be used to inform the next stage of the SLP.

Dudley MBC recommends that the text at current paragraph 2.14 is replicated in the supporting justification text to Policy SEC1 to clarify that the employment land supply for Sandwell is 42ha (2020-2041). We note that EDNA and the Black Country Employment Land Supply Paper (2023) identifies an additional supply of circa 78ha arising from large and small windfall sites within the Black Country which would further reduce the employment land supply shortfall (it is noted that this figure is not disaggregated to the local authority level at this time). The borough specific contribution from the West Midlands Strategic Rail Freight Interchange (as detailed in the Stantec report of 2021)<sup>1</sup> can also be accounted for, as per the supporting text contained within the draft Dudley Local Plan in respect of this contribution from outside the Black Country. These additional sources of supply should be recognised within the SLP supporting justification text going forward.

The latest EDNA (October 2023) and Black Country Employment Land Supply Paper (October 2023) has informed the draft Dudley Local Plan. The evidence base has been produced jointly by the Black Country local authorities, reflecting the strong FEMA that exists. This evidence base identifies individual local authority employment land requirements as part of a wider Black Country requirement. It also applies this to the employment land supply. The Employment Land Supply Paper notes the contributions that have been secured to date from other local authorities towards the Black Country employment land supply shortfall, namely from Shropshire and South Staffordshire at this time. It is envisaged that these discussions will continue as the respective local plans progress and the latest position will need to be reflected in our respective Regulation 19 local plans.

We note that there is one employment site allocation nearby the Dudley borough boundary at Conegre Business Park for 7.22ha (reference SEC1-5). This is situated in proximity of the Strategic Employment Area (Ionic Business Park) within Dudley. The proposals for the site should take account of any cross-boundary infrastructure considerations, particularly impacts upon key infrastructure such as highways.

This site is close to the A4123/borough boundary and depending on the nature of the development, increased traffic may impact on this key route which is currently being improved to facilitate both active travel and bus route enhancements. It remains a cross boundary joint improvement initiative including input from both local authorities, Black Country Transport and Transport for the West Midlands. Continued joint

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<sup>1</sup> West Midlands Strategic Rail Freight Interchange, Employment Issues Response Paper - Whose need will the SFRI serve? (Stantec; prepared on behalf of the Black Country Local Planning Authorities, February 2021)

working in respect of any cross-boundary implications would be welcomed, including consultations on any planning applications, as appropriate.

### **Policy SEC2- Strategic Employment Areas, Policy SEC3- Local Employment Areas and Policy SEC4- Other Employment Areas**

Dudley MBC supports the SLP approach to Strategic Employment Areas (Policy SEC2), Local Employment Areas (Policy SEC3) and Other Employment Sites (Policy SEC4). The policy approach is broadly consistent with that set out in the draft Dudley Local Plan.

We note that the followings areas are identified as Local Employment Areas (LEA), and we support these designations as they are consistent with cross boundary/adjacent sites to the boundary of Dudley borough:

- Brymill Industrial Estate (adjacent to Budden Road, Coseley LEA in Dudley)
- The Angle Ring Company Ltd (adjacent to Budden Road, Coseley LEA in Dudley)
- Bloomfield Park (adjacent to Budden Road, Coseley and Birmingham New Road LEAs in Dudley)
- Providence Street, Cradley Heath (adjacent to Westminster Industrial Estate LEA in Dudley)
- Cakemore Industrial Estate (adjacent to Cakemore Road LEA in Dudley)
- Station Road Industrial Estate (adjacent to Nimmings Road LEA in Dudley)

It is noted that the Coneygre Industrial Estate is identified as a Local Employment Area. This lies adjacent to Ionic Business Park within Dudley borough which is identified as a Strategic Employment Area. It is noted that this reflects the findings of the Black Country Employment Area Review (BEAR, 2021).

### **Policy SCE1- Sandwell's Centres, Policy SCE6- Edge of Centre and Out of Centre Development, and Town Centre Profiles**

Dudley MBC supports the use of the jointly produced Black Country Centre Study update (2021) evidence base for the SLP. The draft Dudley Local Plan also utilises this evidence base.

Dudley MBC is supportive of the general approach to Centres. We are supportive of the impact test threshold of 280sqm for edge or out of centre proposals, which is consistent with draft Dudley Local Plan Policy DLP27 Edge of Centre and Out of Centre Development (we note that the contents of Table 10 of the SLP would appear to require updating to clarify this is the approach i.e., that proposals of more than 280sqm require impact tests). The implementation of the SLP policies should ensure that the scale of proposals for growth within the centres is commensurate to their scale, role, function and order in the hierarchy, taking account of nearby centres outside Sandwell borough including those in Dudley.

In relation to this, we note that for the Tier Two town centre of Blackheath there appear to be no significant proposals for growth identified. Some redevelopment site

opportunities are identified, but these are not significant in scale and are for mainly residential use. For the Tier Two town centre of Cradley Heath, similarly there are no significant proposals for growth identified, with mostly residential redevelopment site opportunities identified.

As outlined in our response to Policy SDS2, the principle of the regeneration and redevelopment of Owen Street District Centre (also known as Tipton Town Centre) is supported however any specific proposals should be at a scale appropriate to the District Centre so as not to detract from the function of higher order centres within the vicinity, including Dudley Town Centre (identified as a Tier 2 centre within the draft Dudley Local Plan).

### **Policy STR1- Priorities for the Development of the Transport Network**

Dudley MBC supports this policy and there are several cross-boundary projects referenced, consistent with draft Dudley Local Plan Policy DLP67 The Transport Network. We are supportive of the reference to the Dudley Port Integrated Transport Hub, which will link into the Metro extension for Brierley Hill-Wednesbury and provide access to the national railway network for Dudley borough residents. The Council would welcome continued joint working on the relevant evidence base for transport matters, including transport modelling to address cross boundary matters consistently.

### **Policy STR2- Safeguarding the Development of the Key Route Network (KRN)**

Dudley MBC supports this policy which is broadly consistent with the draft Dudley Local Plan Policy DLP68 The Key Route Network. This ensures a consistent approach to cross boundary matters related to the KRN.

### **Policy STR4- The Efficient Movement of Freight and Logistics**

Dudley MBC supports this policy which is broadly consistent with the draft Dudley Local Plan Policy DLP70 The Movement of Freight. This ensures a consistent approach to cross boundary projects related to this topic, including the reopening of the Stourbridge-Walsall-Lichfield railway line (as referenced at paragraph 11.38 of the SLP). The draft Dudley Local Plan also references this project (at paragraph 16.32).

### **Policy STR5- Creating Coherent Networks for Cycling and Walking**

The approach is broadly consistent with the draft Dudley Local Plan Policy DLP71 Active Travel. Dudley MBC supports the principle of this policy and welcomes the opportunity to continue joint working on the delivery of relevant cross boundary projects, including:

- Birmingham New Road (A4123)/Burnt Tree (A461).
- Tipton Road (A4037)/Birmingham New Road (A4123).
- Birmingham New Road (A4123)/Sedgley Road (A457).

Management of major works at the following locations will be key to sustainable travel and minimising disruption across the network:

- Birchley Island (A4123)/Churchbridge (A4034) (in close proximity to Dudley borough).
- Wolverhampton Road (A4123)/Hagley Road West (A456) (in close proximity to Dudley borough)

Additionally, joint working to improve active travel access across borough boundaries to rail stations such as Dudley Port station (i.e., A4123/A461 scheme), Tipton rail station, Old Hill station & Coseley station will be very helpful to both Sandwell and Dudley borough residents.

Please also see our response to Policy SNE2- Protection and Enhancement of Wildlife Habitats in respect of opportunities for active travel links.

### **Policy STR8- Parking Management**

Dudley MBC supports this policy which is consistent with draft Dudley Local Plan Policy DLP73 Parking Management. It helps to ensure a cross boundary consistent approach to this matter, which is of relevance in relation to strategic centre and town centre parking provision. We support the use of a shared Black Country evidence base to inform this policy. The most up to date Car Parking Study has been finalised and this, or any further updates, should inform the next stage of the SLP.

### **Policy SWA1- Waste Infrastructure Future Requirements**

This policy is broadly consistent with draft Dudley Local Plan Policy DLP75 Waste Infrastructure- Future Requirements and is therefore supported in terms of consistency in addressing cross boundary matters.

It is noted that the updated supporting evidence base for Sandwell and SLP Policy SWA1 sets out the waste infrastructure capacity gaps for the plan period. The draft Dudley Local Plan and its supporting evidence base has also identified waste infrastructure capacity gaps, particularly for those facilities which the borough is unlikely to be able to accommodate due to its urban nature e.g., landfill, anaerobic digestion and composting facilities. Dudley MBC would welcome further discussions under the Duty to Cooperate in relation to cross boundary waste matters, particularly given the existing waste movements between our local authorities. Dudley MBC will continue to work with Sandwell MBC on cross boundary strategic waste matters, including via the West Midlands Resource Technical Advisory Body (WMRTAB).

### **Policy SWA2- Waste Sites**

Dudley MBC supports the principle of this policy, which is broadly consistent with draft Dudley Local Plan Policy DLP76 Waste Sites. Dudley MBC supports the identification of strategic waste sites, applying a consistent approach in terms of how these are defined, and the use of the shared evidence base for the Black Country (Waste Study, 2020). The policy approach also helps to ensure cross boundary consistency in identifying appropriate locations for non-waste developments which do not prejudice existing waste-related operations.



We note that the Edwin Richards Landfill identified as a Strategic Waste Disposal Installation is also a proposed major housing allocation (allocation reference SH37) in the plan period. As this site is currently a recipient of relatively significant levels of waste from Dudley borough, we would welcome further information on the proposed timescales for its closure as part of our Duty to Cooperate discussions in respect strategic waste matters.

### **Policy SWA3- Preferred Areas for New Waste Facilities**

Dudley MBC supports the principle of this policy, which is consistent with draft Dudley Local Plan Policy DLP77 Preferred Areas for New Waste Facilities and is based upon a consistent evidence base for the Black Country (Waste Study, 2020). We note that the Sandwell Local Plan Policies Map identifies a 'Preferred Area of Search' for new waste facilities, which is a cross boundary area with Dudley borough at Bloomfield Road/Budden Road, Coseley. Whilst it is identified on the Policies Map, it is not listed in Table 13 of the supporting justification text to Policy SWA3 nor in Appendix E (where these sites are listed again). We would welcome clarification that the site is allocated and recommend it is included in the site-specific list of allocations within the SLP. Dudley MBC supports the principle of this allocation as it aligns with the draft Dudley Local Plan allocation detailed in Policy DLP77 and identified on the Policies Map. We would expect any site-specific proposals to take account of cross boundary considerations e.g., highway impacts, as part of the detailed planning application process.

We note that there are several housing allocations proposed within proximity of this preferred area (Bradleys Lane/High Street, Brown Lion Street, and The Boat Gauging House). We would expect these sites to have been assessed in terms of their potential to prejudice any existing and proposed waste operations at this location, taking account of cross boundary allocations and safeguarded sites within Dudley borough.

### **Policy SMI1- Minerals Safeguarding**

Dudley MBC supports the principle of this policy, which is broadly consistent with draft Dudley Local Plan Policy DLP80 Mineral Requirements and Policy DLP81 Mineral Safeguarding. The policy approach also helps to ensure cross boundary consistency in identifying appropriate locations for non-minerals developments which do not prejudice existing minerals-related operations. Dudley MBC will continue to work with Sandwell MBC on cross boundary strategic minerals matters, including via the West Midlands Aggregates Working Group and as part of the production of Local Aggregates Assessments for the West Midlands Metropolitan Area.

### **Appendix B- Sandwell Site Allocations (Mixed Use Allocation SM2 Lion Farm, Oldbury)**

Dudley MBC would welcome further clarification in relation to Mixed Use Allocation SM2 Lion Farm, Oldbury.

This represents a major allocation which is in proximity of Dudley borough and has potential cross boundary implications given its scale and current/proposed uses.

The site currently provides for 6 sports pitches which have the potential for provide for cross boundary sports provision. The SLP states that appropriate uses are the retention of 6 sport pitches. The 'Further Information' text states that a net loss of the pitches could be avoided which is strongly caveated by the ability to relocate 6 pitches to the southern part of the borough. We would welcome clarification on whether the existing pitches are to be retained on site or relocated and if this would have any implications for cross boundary provision given the need to protect and enhance pitches across the Black Country. One of the Black Country Overarching Strategic Framework recommendations states the following for Football: Protect existing quantity of pitches, including lapsed and disused provision, until all demand is being met (unless replacement provision meets Sport England requirements and is agreed upon and provided).

The SLP states that the site will provide for 200 homes and 2.3ha of employment land. In respect of the employment land provision, we would welcome clarification if this site is proposed for B class employment use in accordance with SLP Policy SEC1. The site does not appear to be included within the B class employment land totals which are set out at Appendix C to the SLP (and already total the 29ha of vacant land referenced in SLP Policy SEC1). Dudley MBC would have concerns if this site was to be utilised for any large-scale retail development and the potential impact upon our own Tier One and Tier Two centres, plus additional impacts on highways. Any cross-boundary implications in respect of highways impacts should be fully considered. We would welcome confirmation on the specific proposals for the site.

Dudley MBC also notes the proximity of this site to the Edwin Richards Quarry site allocation (SH37). The cumulative impacts of these two allocations in terms of cross boundary infrastructure provision should be considered.

### Telford and Wrekin Local Plan Consultation Response

Thank you for the opportunity to comment on the draft Telford and Wrekin Local Plan (TWLP). Please note this represents an officer-level response at this stage, which will be subject to formal Cabinet approval in early 2024.

The TWLP is at Regulation 18 draft plan stage. This is the second stage of the plan preparation and follows consultation on the Issues and Options in October 2020 – January 2021. The draft plan contains policies, housing, and employment allocations, and includes a strategic objective to deliver 20,200 homes (1,010 per year) and 167ha of employment land over the proposed plan period (2020 – 2040).

### Policy Strategic S4 Housing Delivery Strategy

Telford & Wrekin's Draft Local Plan is supported by several evidence documents that are intended to justify the proposed policies. The Housing Requirement Technical Paper notes that the local housing need calculated using the Standard Method produces a requirement of 475 dwellings per annum. However, the Technical Paper sets out the Council's proposed justified alternative to the calculation of housing need using the Standard Method. This produces a total for objectively assessed housing need equivalent to 930 dwellings per annum, taking account of adjustments for market signals for economic development, improved household formation and additional flexibility in the form of the affordability adjustment applied to the Standard Method.

A separate assessment of demographic trends (projected population and household change) identifies a dwelling equivalent growth of 1,010 dwellings per annum. This represents a total of 80 dwellings per annum (1,600 dwellings over 20-year Plan period) not captured by the total of components forming the Council's alternative to local housing need. **The difference of 80 dwellings per annum forms the basis of the Council's proposed approach to contribute towards part of the Black Country's unmet housing need.**

The proposed contribution to the Black Country's housing need is welcomed. However, the supporting Technical Paper lacks clarity regarding how and why the alternative housing need figure is significantly in excess of that generated by the Standard Method and how the figures for Telford & Wrekin's housing need and the Black Country Authorities'

offer have been calculated. On this basis, Dudley Council request further clarification and detail on why an alternative approach to calculating housing need has been used and how the need figure has been established by Telford and Wrekin Council. In addition, we would also like to understand which sites proposed in the TWLP have been identified to meet the needs of the Black Country.

### **Policy Strategic S3 Economic Delivery Strategy**

Policy S3 states that Telford & Wrekin council are planning to deliver 167ha of employment land over the plan period (2020 – 2040), which is informed by the Telford and Wrekin Economic Housing Development Needs Assessment (EHDNA). The policy states that 90.5ha of this will be “new employment land” – Appendix B, Table 11 identifies 13 proposed employment sites accounting for 91.6ha.

The EHDNA identifies a range of employment land need figures. Three trends/forecasts were used to determine the employment land requirement –

- Experian forecast shows a need for around 140ha of employment land,
- Labour Demand Growth Scenario shows a need for around 167ha of employment land,
- Completions Trend, including MOD Donnington, shows a need for around 189ha of employment land.

The Labour Demand Growth Scenario (LDGS) includes provision for increased levels of home working, which is considered to be more realistic moving through the Plan period, and therefore the LDGS figure of 167ha has been used in the Draft Local Plan.

Telford lies outside the Black Country’s functioning economic area (FEMA – the area within which the majority of workers travel for employment). Therefore, the Black Country’s employment land shortfall would be better met by land closer to the Black Country. Telford & Wrekin’s EHDNA identifies that the Black Country does not fall within the FEMA and does not indicate that any part of its employment supply would contribute to the needs of the Black Country. \*Subject to change.

\*paragraph 3.30 states the employment land policy is S1 – actual policy number in document is S3 (this occurs for S1 – S5)

Whilst the Telford does not form part of the Black Country's FEMA, Dudley Council would welcome an opportunity to discuss any potential employment land contributions should it prove that the Black Country Authorities' employment land shortfall is unable to be met.

### **Policy EC3 Waste Management Facilities**

Dudley MBC has not identified any strategic issues in relation to waste and minerals matters between our local authorities at this time, but this position should be kept under review as work on our respective local plans progress. We will continue to engage and work with Telford and Wrekin Council on any relevant strategic waste issues via the West Midlands Resource Technical Advisory Board (WMRTAB) and strategic minerals issues through the West Midlands Aggregates Working Group (WMAWG) under the Duty to Cooperate.

### **Policy HO2 Sustainable Urban Extension Sites**

Land North-East of Muxton – approximately 27.5 miles from Dudley Town Centre

Land North-West of Bratton and Shawbirch – approximately 30 miles from Dudley Town Centre

Land North of A442 Wheat Leasows – approximately 30 miles from Dudley Town Centre

The distance of the proposed Sustainable Urban Extensions from Dudley is unlikely to result in any significant issues, and detailed proposals for the SUE's are not provided in this draft plan process. However, the Highways Department have been consulted as part of this response and further comments have been provided below

### **Policy HO8 Gypsy, Traveller, and Showpeople Accommodation**

Telford and Wrekin's Gypsy and Traveller Accommodation Assessment (GTAA) identifies a need for 26 additional pitches over the proposed plan period.

Page 34 of the GTAA identifies a shortfall of 23 pitches when comparing supply and demand in the first five years of the proposed plan period. The GTAA then goes on to detail that 26 additional pitches are required from 2026 – 2040.

The TWLP does not identify how the shortfall of pitches will be met but does state in paragraph 7.66 that the 'Council will monitor the number of pitches in the borough to meet the identified need'.

There does not appear to be a DtC requirement in either the TWLP or the GTAA. Further clarity is requested in regard to the overall shortfall of gypsy and traveller pitches and how the pitch requirement detailed in the GTAA will be met.

### **Policy HO10 Stalled Development Sites**

Dudley Council support the proposal for proactively and positively working with owners and developers when sites with planning permission are significantly delayed in completion of the site.

### **Policy ML1 Mineral Safeguarding & Policy ML3 Mineral Development**

Dudley MBC has not identified any strategic issues in relation to waste and minerals matters between our local authorities at this time, but this position should be kept under review as work on our respective local plans progress. We will continue to engage and work with Telford and Wrekin Council on any relevant strategic waste issues via the West Midlands Resource Technical Advisory Board (WMRTAB) and strategic minerals issues through the West Midlands Aggregates Working Group (WMAWG) under the Duty to Cooperate.

Overall, Dudley Council largely supports the TWLP, particularly the proposed housing contribution to partly meeting the Black Country housing needs. Further clarity is required in terms of how the housing need figures have been calculated. As detailed in the Duty to Cooperate letter sent to you on the 12<sup>th</sup> December, we would like to continue engagement with Telford and Wrekin Council to discuss any DtC issues as we progress with our Local Plans.

Sent via email to:

Dear XX

### **Dudley MBC Response to South Staffordshire District Council – Duty to Cooperate update**

Thank you for your letter received 24<sup>th</sup> October 2023, which provides an update on your local plan preparation and seeks the views of Dudley MBC on certain aspects.

As you will be aware, Dudley MBC published its Reg 18 Draft Plan for consultation on 10 November until 22 December 2023.

We wrote to you on 11 December 2023, to advise you of our latest position with regards to our housing, employment land supply as well as our position on our Gypsy and Traveller accommodation provision.

This letter, along with our published evidence base, confirms Dudley's position as follows:

#### **Housing Land Provision**

Dudley's housing need over its plan period is 11,954. The Draft Dudley Local Plan and its supporting evidence, including the updated Strategic Housing Land Availability Assessment<sup>1</sup> (SHLAA) 2022- 2023, the Urban Capacity Report 2023<sup>2</sup> and DLP Options to Preferred Strategy<sup>3</sup> indicates that Dudley Borough can accommodate the majority of its housing need within its urban area, leaving a shortfall of 1,078 homes.

As detailed in the Duty to Cooperate (DtC) evidence published alongside the Draft DLP<sup>4</sup>, it is considered that the housing shortfall gap is likely to decrease, based upon contributions received to date through the work on the former Black Country Plan and recent contributions proposed in the Telford & Wrekin Local Plan which was published for consultation in October 2023. We envisage the shortfall in Dudley's housing supply will be clarified as DtC discussions progress at the Regulation 19 stage of the Dudley Local Plan.

#### **Employment Land Provision**

The most recent Black Country Employment Land Needs Assessment (EDNA) 2023<sup>5</sup> provides an overall target figure for the Black Country area from 2020 to 2041 of 470

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<sup>1</sup> <https://www.dudley.gov.uk/media/yv0l0ar2/dudley-strategic-housing-land-availability-assessment-2022-2023.pdf>

<sup>2</sup> <https://www.dudley.gov.uk/media/jdedxemy/final-urban-capacity-review.pdf>

<sup>3</sup> [https://www.dudley.gov.uk/media/c4jbnmy4/dlp\\_options-to-preferred-strategy-oct-23.pdf](https://www.dudley.gov.uk/media/c4jbnmy4/dlp_options-to-preferred-strategy-oct-23.pdf)

<sup>4</sup> <https://www.dudley.gov.uk/media/grwjizme/dudley-draft-plan-consultation-statement-oct-2023.pdf>

<sup>5</sup> <https://www.dudley.gov.uk/media/scfdohle/black-country-employment-land-needs-assessment-edna-2023.pdf>

hectares (ha) or 22.38ha per annum, which increases to 533ha when taking into account the need for the replacement of employment land losses. The target figure for Dudley specifically is 72ha or 3.42ha per annum to 2041. Due to the loss of existing employment land in Dudley as a result of planned redevelopment to alternative uses, the overall employment land requirement increases from 72ha to 98ha (an increase of 26ha). The Draft DLP proposes 25ha of additional employment land (including completions for 2020-2022) leaving a shortfall of 47ha. This figure increases to 73ha overall when taking into account replacement of losses of employment land. This shortfall has the potential to be reduced further by large and small site windfall supply, which is currently estimated to total 78ha for the plan period across the Black Country.

Dudley forms part of the Black Country FEMA and has a functional economic relationship with a number of neighbouring local authorities including your own authority. As you will be aware, there have been offers of employment land from neighbouring local authorities including Shropshire and your own authority (including the West Midlands Interchange) to be tested through their local plan reviews. Of these contributions, 14ha can be directly attributed to Dudley Borough at this stage (from the West Midlands Interchange) leaving Dudley with a shortfall of approx. 33ha (or 59ha including replacement of employment land losses). As noted above and in the supporting EDNA evidence base, there is the potential for windfall supply and other local authority contributions that are currently attributed to the Black Country FEMA overall to reduce this shortfall further, but these are unlikely to fully address the gap in supply.

### Gypsy and Traveller Accommodation

The Black Country Gypsy and Traveller Accommodation Assessment Study (2022)<sup>6</sup> provides an assessment of needs for Dudley in accordance with national guidance and identified the likely future local need for Gypsy and Traveller and Travelling Showpeople accommodation. An update of Dudley's needs to 2041 is published alongside the DLP<sup>7</sup>.

Based on the PPTS 2015 'travel for all' definition the total need identified for the borough is for 19 pitches up to 2031, and an additional 15 pitches from 2031 to 2041, providing an overall need of 34 pitches over the Plan period. Using the ethnic definition, the total need identified is for 29 pitches up to 2031, and an additional 17 pitches from 2031 to 2041, providing an overall need of 46 pitches over the Plan period.

As advised in previous DtC correspondence to South Staffordshire District Council, Dudley Council would be undertaking a review of sites for potential Gypsy and Traveller Accommodation. Despite assessing several sites, including the Council owned sites, as set out in our site assessment report<sup>8</sup>, no deliverable site options were put forward for Dudley borough through either the BCP two "call for sites" or the

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<sup>6</sup> [https://www.dudley.gov.uk/media/zykp232y/black\\_country\\_gtaa\\_april\\_2022\\_.pdf](https://www.dudley.gov.uk/media/zykp232y/black_country_gtaa_april_2022_.pdf)

<sup>7</sup> <https://www.dudley.gov.uk/media/biaaizsn/dudley-gypsy-and-traveller-accommodation-needs-figures-to-2041.pdf>

<sup>8</sup> <https://www.dudley.gov.uk/media/rhwnhkte/dmbc-site-assessment-report-appendices-1-4-oct-2023.pdf>



subsequent DLP 'call for sites' process. It is therefore likely that the Council will have a shortfall in meeting the need for the Plan period.

If it is not possible to identify and allocate further sites to meet the remaining need for 32/20 pitches (depending on the definition used) up to 2041, the remaining need will be met within the "broad location" of the Dudley urban area, through the planning application process. In addition, the Council will seek to address this shortfall through DtC discussions to determine whether some of the unmet needs can be accommodated within neighbouring authorities.

In response to the specific questions raised in your letter dated 24 October, we set out the following:

## **Housing**

We note that your letter states that no decisions have been made on the Plan's strategy and we understand that the Council also intends to undertake a second Regulation 19 consultation in April 2024.

Following the recent publication of the NPPF (19 December 2023), it is our view that there is no requirement for a local authority to review its Green Belt boundaries should it choose not to when undertaking a Local Plan review. However, a local authority may choose to review boundaries where exceptional circumstances exist. Given the guidance set out in the recent NPPF we welcome the on-going engagement with South Staffordshire to determine the housing strategy approach that will be undertaken as part of its Regulation 19 Plan and the subsequent consultation.

## **Employment**

It is noted that the Council is updating its EDNA to support its forthcoming consultation in Spring 2024. The current evidence to support the Regulation 18 Dudley Local Plan (Employment Land Supply Paper, 2023) takes account of the previously agreed employment land supply contributions from South Staffordshire towards the Black Country employment land requirements, including the 36.6ha of surplus employment land and a minimum of 67ha at the West Midlands Strategic Rail Freight Interchange.

We understand the 36.6ha of surplus employment land was identified as a result of the Council's most recent EDNA and may therefore be subject to review following the updated EDNA. We would therefore welcome further engagement on the EDNA update as it progresses. We are supportive of the updated EDNA continuing to recognise the strong economic functional links between our authorities.

The minimum 67ha contribution from the WMSRFI is supported by an existing evidence base (West Midlands Strategic Rail Freight Interchange Employment Issues Response Paper – Whose need will the SRFI serve? Stantec, 2021) which we understand would not be the subject of a review via the updated EDNA evidence base. We would welcome confirmation of this. In addition, we welcome the approach to continue to work the West Midlands local authorities to assist in the preparation of the update to the West Midlands Strategic Employment Sites Study 2021.

## **Gypsy and Travellers**

As set out above, in preparing the Dudley Local Plan we have undertaken an assessment of a number of sites for potential Gypsy and Traveller pitch provision, including a review of council owned sites as set out in our site assessment report <https://www.dudley.gov.uk/media/rhwnhkte/dmbc-site-assessment-report-appendices-1-4-oct-2023.pdf>

As advised in previous Duty to Cooperate correspondence, we have identified one site for the provision of a Gypsy and Traveller transit site which has since secured permanent planning permission. We are currently working with colleagues elsewhere in the Council to consider the potential to improve capacity for existing site(s).

At this stage of the Draft Plan, we have not been able to allocate any further provision and are likely to have a shortfall in our pitch provision.

### **Other issues**

We note that you will be re-engaging with Dudley Council on the following matters:

- Transport
- Infrastructure
- Natural Environment

We look forward to continued Duty to Co-operate discussions regarding cross boundary matters as both our local plan progress.

Yours faithfully