

## **Meeting of the Cabinet**

**Thursday 22<sup>nd</sup> September, 2022 at 6.00pm  
in Committee Room 2  
at the Council House, Priory Road, Dudley**

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

1. Apologies for absence
2. To receive any declarations of interest under the Members' Code of Conduct
3. To confirm and sign the minutes of the meeting held on 17<sup>th</sup> August, 2022 as a correct record (Pages 4 – 7)
4. Capital Programme Monitoring (Pages 8 – 32)
5. 2022/2023 Forecast General Fund Revenue Outturn (Pages 33 – 41)
6. Wind Down of New Heritage Regeneration Limited (Pages 42 – 48)
7. Nature Conservation Sites (Pages 49 – 57)
8. 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 S Clark (Deputy Leader)

Councillors I Bevan, R Buttery, S Keasey, N Neale, S Phipps, R Clinton, S Saleem 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: 13<sup>th</sup> September, 2022**

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## **Submitting Apologies for Absence**

- Elected Members can submit apologies by contacting Democratic Services (see our contact details below).

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## **Minutes of the Cabinet**

**Wednesday 17<sup>th</sup> August, 2022 at 6.00 pm  
In the Council Chamber at the Council House, Dudley**

### **Present:**

#### **Cabinet Members**

Councillor P Harley (Leader)  
Councillors I Bevan, R Buttery, R Clinton, N Neale, and S Phipps.

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

Councillors C Barnett, C Bayton, P Lowe, S Ridley, P Sahota and Q Zada

#### **Officers**

K O’Keefe (Chief Executive), B Heran (Deputy Chief Executive), M Bowsher (Director of Adult Social Care), H Martin (Director of Regeneration and Enterprise), I Newman (Director of Finance and Legal) – via Microsoft Teams, R Cooper (Head of Financial Services), S Griffiths (Democratic Services Manager) and H Mills (Democratic Services Officer).

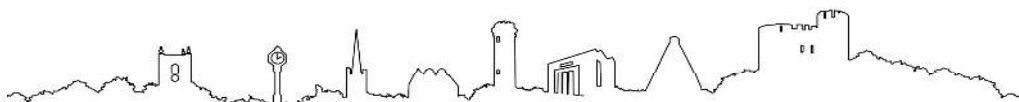
#### **Also in Attendance**

C Cronin – Treasurer (Resonance) for agenda item no.7

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### **30 Apologies for Absence**

Apologies for absence were submitted on behalf of Councillors S Ali, A Aston, K Casey, S Clark, J Foster, S Keasey, S Saleem, and L Taylor-Childs.



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31 **Declarations of Interest**

Councillor Q Zada declared a non-pecuniary interest, for transparency purposes, due to his association with the University of Wolverhampton as a lecturer.

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32 **Minutes**

**Resolved**

That the minutes of the meeting held on 20<sup>th</sup> July, 2022 be approved as a correct record and signed.

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33 **Questions to the Leader under Cabinet Procedure Rule 2.5**

No questions had been submitted under this agenda item.

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34 **Exclusion of the Public and Press**

**Resolved**

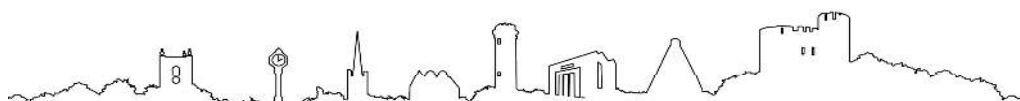
That the public and press be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information relating to the financial or business affairs of any particular person (including the authority holding that information) as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, as amended.

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35 **Black Country Innovative Manufacturing Organisation Loan Request**

The Cabinet considered a joint report of the Deputy Chief Executive and the Director of Finance and Legal on the request for loan support from the Black Country Innovative Manufacturing Organisation (BCIMO).

**Resolved**



- (1) That the current financial position of Black Country Innovative Manufacturing Organisation (BCIMO), the potential implications for the Council and the risks, as set out in the report submitted, be noted.
- (2) That the Director of Finance and Legal be authorised to pay additional loan support to BCIMO up to £100,000 per month between now and the end of June, 2023.
- (3) That the Chief Executive be authorised to formally communicate to BCIMO, Coventry City Council and the Combined Authority that no further support will be provided beyond the amounts or after the end date referred to above.

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36 **Birmingham Institute of Contemporary Music and Production Loan Request**

The Cabinet considered a joint report of the Deputy Chief Executive and the Director of Finance and Legal on the request for loan support from the Birmingham Institute of Contemporary Music and Production (BICMP)(Resonance).

C Cronin – Treasurer (Resonance) was in attendance at the meeting and responded to all questions raised by the Cabinet accordingly.

**Resolved**

- (1) That the financial position of Resonance, the potential implications for the Council and the risks, as set out in the report submitted, be noted.
- (2) That the grant of a further loan repayment holiday to Resonance up to September 2023, be approved.
- (3) That the Director of Finance and Legal be authorised to pay additional loan support to Resonance of up to £200,000 between now and September, 2023.

- (4) That the Chief Executive be authorised to formally communicate to Resonance that no further support will be provided beyond the amount or after the end date referred to above.

The meeting ended at 6.50 pm

LEADER OF THE COUNCIL

**Meeting of the Cabinet – 22<sup>nd</sup> September 2022**

**Joint Report of the 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.

**Recommendation**

2. That the Council be recommended:
  - That progress with the 2022/23 Capital Programme, as set out in Appendix A be noted.
  - That the budget of £4.6m currently included for the Lister Road development project be removed from the Capital Programme subject to a revised proposal in the future, as set out in paragraph 4.
  - That subject to the funding bid being successful, a budget for the Lye Library improvement project up to the value of the grant be approved and included in the Capital Programme, as set out in paragraph 5.
  - That the extra expenditure of £15,000 on the Round Oak Steelworks Memorial project be approved and included in the Capital Programme as set out in paragraph 6.
  - That the additional projects summing to £250,000 for private sector housing stock be approved and included in the Capital Programme as set out in paragraph 7.



- That a revised total budget of £49,000 is included in the Capital Programme to create a play area at Pensnett Coppice.
- That part of the Lister Road substation project budget is used to fund gas enhancement works at Lister Road as set out in paragraph 9.

## **Background**

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

	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Public Sector Housing	70,048	70,955	69,075
Private Sector Housing	12,040	4,075	1,413
Environment	10,934	9,629	3,000
Transport	15,281	2,000	2,000
Regeneration and Corporate Landlord	22,953	22,767	13,326
Culture, Leisure and Bereavement	4,080	1,000	0
Schools and SEND	12,634	43,829	0
Social Care, Health and Well Being	1,081	0	0
Digital, Commercial and Customer Services	1,662	1,038	963
<b>Total spend</b>	<b>150,713</b>	<b>155,293</b>	<b>89,777</b>
Revenue	3,785	1,759	1,773
Major Repairs Reserve (Housing)	25,212	25,717	26,231
Capital receipts	36,859	13,799	14,038
Grants and contributions	54,584	24,875	13,557
Capital Financing Requirement	30,273	89,143	34,178
<b>Total funding</b>	<b>150,713</b>	<b>155,293</b>	<b>89,777</b>

Note that the Capital Programme is subject to the availability of government funding.

### **Lister Road Development**

4. The Capital Programme currently includes £4.6m in 2023/24 for the Lister Road development.

The requirement for works at Lister Road and other depots is being reviewed in the context of new ways of working and the wider estate strategy. It is proposed that this budget is removed from the Capital Programme and any further work on this site will need to be approved in a subsequent capital report.

#### Lye Library – Libraries Improvement Fund

5. Working in liaison with Greenwich Leisure Ltd, the Council has submitted an initial Expression of Interest and subsequent full application to the Arts Council's Libraries Improvement Fund. The application is for £150,000 and the project will include works to improve the fabric and the exterior of the building as well as providing state of the art IT facilities to encourage the development of community learning. The project will create a flexible library in which all furniture, other than wall mounted shelving, can be moved, and will also provide laptops and tablets rather than fixed PCs.

It is proposed that subject to success of the bid that the capital elements of the scheme are included in the Capital Programme.

#### Round Oak Steelworks Memorial

6. The Capital Programme currently includes a budget for the Round Oak Steelworks Memorial which is funded by Community Infrastructure Levy income. A highways requirement of the Round Oak Steelworks Memorial is to create a suitable hard and soft landscape setting for the sculpture, including a traffic barrier. The additional cost is estimated to be £15,000 and can be funded from a reserve held by Regeneration & Enterprise.

It is proposed that the extra expenditure be approved and included in the Capital Programme.

#### Private Sector Housing Projects

7. The Council has been granted £250,000 under the Government Sustainable Warmth Competition (SWC); which is made up of £200,000 for LAD3 (Local Authority Delivery) and £50,000 for HUG1 (Home Upgrade Grant for off gas properties) for carbon saving energy performance measures to be made to the private sector housing stock. Eligible works are loft and cavity wall insulation. The grant funding is means tested and is required to be spent by March 31st 2023.



It is proposed that the expenditure of £250,000 is approved and added to the Capital Programme.

### Pensnett Play Area

8. The Capital Programme currently includes £32,000 of S106 funding for a play area within the grounds of Pensnett Community Centre. It has been proposed that this funding (along with £17,000 from existing revenue budgets) should be used to create a play area at Pensnett Coppice instead. There are still plans to progress the Pensnett Community Centre play area and officers will work with the trustees of the Community Centre to apply for grants to enable this.

It is proposed that a revised total budget of £49,000 is included in the Capital Programme to create a play area at Pensnett Coppice.

### Lister Road Utility Works

9. Within the current capital programme there is a budgeted resource of £500,000 for the replacement of the Lister Road Substation, following a review it is anticipated that this resource requirement will no longer exceed £370,000. However, it is proposed that the remaining £130,000 is used to cover the cost of Gas Enhancement works at Lister Road Depot.

It is proposed that the budget remains unchanged but the scheme be renamed as Lister Road Utility Works.

### Finance

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

### Law

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

## **Risk Management**

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

## **Equality Impact**

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

## **Human Resources/Organisational Development**

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

## **Commercial / Procurement**

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

## **Council Priorities and Projects**

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



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



**Iain Newman**  
**Director of Finance and Legal**

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### **List of Background Papers**

Relevant resource allocation notifications.

## Progress with Major Capital Schemes

### Public Sector Housing

#### New Council Housing

##### Completed:

- No completions since last Cabinet

##### On site and progressing:

- New Swinford Hall – conversion to 18 affordable apartments
- The Vista – 2 affordable two bed bungalows
- Corporation A – 3 houses
- Corporation Road B – 5 houses
- Whitegates Road – 3 houses
- St Georges Road – 7 houses

##### Planning approval achieved and commencement imminent:

- Beacon Rise – 11 units £605k HE grant (target October 22)
- Lower Valley Road – 17 affordable homes, 14 apartments (mix of one and two beds) and 3 x two bedroom wheelchair bungalows. £935,000 Homes England Grant secured. (October 22)
- Swan St, Netherton – 75 affordable units including a sheltered housing scheme of 54 units. £4m Homes England Grant secured. (November 22)

##### Planning approval achieved and commencement on successful site acquisition – CPO proposed

- Colley Lane, Cradley – 8 affordable apartments

##### Schemes submitted for planning, not yet approved:

- Enville St, Stourbridge - 10 affordable apartments
- Langstone Road, Russell's Hall – 3 affordable bungalows
- Broad Street, Coseley – 9 affordable houses

##### Planning refused

- Wells Road, Brierley Hill – 6 affordable apartments

There are also ongoing feasibility works on a number of potential affordable sites.

The programme will also support the delivery of:

- The Brierley Hill Future High Streets Fund project by delivering new housing in the Brierley Hill area, subject to the purchase of land from the private sector, now that we have a successful MHCLG bid.

## **Private Sector Housing**

Homes for Sale – Himley Road & Brierley Hill:

- 4 new detached homes commenced Feb 22
- Feasibility and design briefs are progressing for Homes for Sale as part of the wider mixed tenure regeneration of Brierley Hill within the Future High Streets Fund project at Daniels Land and the High Plateau

## **Environment**

### Lister Road Depot Redevelopment

The overall project is being withdrawn to review links with other sites and ensure the best strategic use of space and affordability. As per the main body of the report it is proposed that the existing budget is removed, and further proposals may be brought back to Cabinet and Council at a later date.

### Stevens Park, Quarry Bank Lottery & Council funded project

The refurbishment & extension of Tintern House is complete including a new mess room for Greencare. New community facilities including toilets, community rooms, kitchen, cafe & terrace are all open to the public. Final snagging is in progress with remedial works required to paved areas.

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

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



## Wrens Nest Wardens' Base

The acquisition of 113 and 115 Wrens Hill Road was completed on the 6<sup>th</sup> August 2021. We have engaged with architects to begin a feasibility process with a view to producing some outline drawings for the proposed building.

## **Regeneration**

### Dudley Townscape Heritage

The Townscape Heritage (TH) programme is funded through the National Lottery Heritage Fund (NLHF) which offers grant assistance to carry out repair, reinstatement and refurbishment works to historic buildings, as well as a programme of complementary education and community engagement activities. The Phase 2 TH programme, operating with a grant budget of £1.178m from the NLHF and £300,000 match funding from the Council, commenced in February 2017. Following agreement by the Heritage Fund for an extension to the Grant Expiry Date, in light of delays because of the pandemic, the programme is now due to run until December 2022.

The programme focuses on buildings in the town centre's historic core. The work at 203/204 Wolverhampton Street and 216 Wolverhampton Street have been completed. Other properties within the programme include the following:

- 208 and 209 Wolverhampton Street: scaffolding erected and work underway, including re-rendering, replacement windows and reinstatement of shopfronts.
- 204a Wolverhampton Street: work has reached practical completion, with only the signage to be agreed and installed.
- 14 New Street: work has recommenced and internal refurbishment well underway. Shopfront now in manufacture. Expected completion in September.
- Fountain Arcade: repairs to Market Place elevation have been completed and scaffolding dismantled. Shopfronts to former jewellers and gadget shop have been reinstated. Shopfront to butcher's shop within the Arcade now in manufacture. Signage to shopfronts on Market Place being agreed.
- Plaza Mall: work to façade off scaffold has been completed and scaffolding dismantled. Shopfront designs currently being finalised with view to shopfront being reinstated during October.
- 207 Wolverhampton Street: project has been re-tendered and costings are currently being analysed. Work will be carried out during summer and



autumn. The project includes comprehensive repairs to the building and reinstatement of shopfront.

A wide-ranging activities programme, running alongside the capital works programme, has been developed and delivered in conjunction with teams in Adult and Community Learning, Museums, Communications and Public Affairs and the Historic Environment Team. A revised programme was agreed with the Heritage Fund which was adapted in light of Covid-19 restrictions. Further activities were included in the programme working with delivery partners (Co Lab) who already have established links with the community of Dudley. This has seen the successful 'Growing up in Dudley' project, which has gathered images and oral reminiscences of those 'Growing Up in Dudley' and 'Dudley Days' which held workshops with a small group of participants to create music inspired by connections with Dudley. Teaching resources have been produced as part of the programme and have been shared with schools. The project also works closely with the Historic Environment Team to produce information in the form of trails and leaflets to enhance understanding and appreciation of the historic environment, including a suite of guides, which are currently being drafted, to assist owners of historic buildings. The project continues to work with volunteers where possible. The Heritage Open Days event in September (this year running from 9<sup>th</sup> -18<sup>th</sup> September) will form the focus for the publication and display of much of the material being produced, including the re-issuing of various Dudley trails, and exhibiting of material gathered through the Growing Up in Dudley initiative. The Heritage Open Days will again publicise the virtual tours, including a new virtual tour of Dudley Central Mosque, former St Edmund's School. The programme has also included the installation of a blue plaque on the former School of Art to commemorate Percy Shakespeare, a 4-page insert in the autumn (2021) edition of the Home magazine and the printing of the City ID map for Dudley.

### Brierley Hill High Street Heritage Action Zone

The High Street Heritage Action Zone Programme (HSHAZ) is a nationwide initiative designed to secure lasting improvements to our historic high streets for the communities who use them. It is Government funded and run by Historic England with the aim of making the high street a more attractive, engaging and vibrant place for people to live, work and spend time. It is designed to unlock the potential of high streets across England, fuelling economic, social and cultural recovery. Brierley Hill High Street was one of 68 High Street across England selected to receive a share of the fund.



The Brierley Hill High Street HAZ is a 4 year programme, due for completion by March 2024. At the start of the programme a grant budget of £1.8m was awarded by Historic England with £400,000 match funding coming from the Council, equating to an overall grant of 81.80% from Historic England. At the end of September 2021 however, this figure was increased further due to an additional £242,171 grant increase provided by Historic England, which with the 18.20% match from the Council provides a total grant increase of £296,052.46.

The programme provides grant assistance to third parties to carry out repair, reinstatement and refurbishment works to historic buildings as well as grant assistance towards bringing vacant floorspace back into use. It also provides grant towards public realm improvements, plus there is a programme of complementary education and community engagement activities.

### Buildings Programme

As part of the original bid submission to Historic England a number of buildings were identified to be a priority for grant assistance. Work has now commenced on-site at 2a and 2 Albion Street where a series of internal and external repairs are being undertaken and work is beginning at 68 High Street, Brierley Hill in a series of external repairs. Contact has now been established with the owners of all the priority projects and the majority of them are positively engaging with the Council and have now appointed a Conservation Accredited Architect in order to progress their proposals.

- 96-100 High Street
- Former Brierley Hill Library and Technical Institute, Moor Street
- 3-5 Church Street
- 123 High Street
- 109 High Street
- 8 Mill Street
- 163 High Street
- 104. 104a and 106 High Street

In addition, there are several other priority projects where the owners are in the process of appointing a Conservation Accredited Architect and holding pre-application discussions with the local planning authority, one such project is Brierley Hill Market.

### Public Realm Programme

With respect to the public realm parts of the programme, for year one and two, the priority has been works to the Brierley Hill War memorial. The works to the memorial have been divided up into two phases. Phase 1 commenced on-site



in August 2021 and focused on installing lighting, repairs and architectural reinstatement works to the Brierley Hill War Memorial and its immediate setting and Phase 2 commenced on-site late November and focused on the War Memorial Garden where significant stabilisation works to the embankment have been undertaken along with structural repairs to the intermediate walls that runs through its centre plus the laying out of a soft landscaping scheme. On the 24<sup>th</sup> July the War Memorial was showcased as part of the Commonwealth Games Queen's Baton relay and practical completion of both phases was reached on the 28<sup>th</sup> July 2022. Over the next 12 months the site will be closely monitored to address any defects that come to light.

In terms of public realm proposals for the Civic Hall Green and St Mary's Church, this is currently at the design stage. An update was provided to Brierley Hill Community Forum on the 20<sup>th</sup> July. To inform the design a topographical survey and ground penetrating radar survey has been undertaken and an Arboricultural survey is in the process of being completed. An update was provided to Brierley Hill Community Forum on the 20<sup>th</sup> July and it is planned that public consultation on the proposals will be undertaken in September during the Heritage Open Day week. Please refer to the Future High Street report for further information on the overall public realm programme which this forms a part.

### Community Programme

Community engagement and activities are also being positively progressed and developed in conjunction with Brierley Hill Community Forum, Friends of Marsh Park, Dudley Market, Black County Living Museum and also with teams in Adult and Community Learning, Museums, Communications and Public Affairs, Dudley Business First and the Historic Environment Team. There is in-place an Activity Plan for the project. The last quarter focused on the launch of the Brierley Hill in Bloom Project where the HAZ Project Team collaborated with Top Church Training, Brierley Hill Primary School, Brierley Hill Community Forum and the Brierley Hill Neighbourhood learning centre on delivery of cascade of knitted summer flower and sustainable flower hoops for display at Brierley Hill War Memorial and throughout the town. This current quarter the focus is on making preparations for the September Heritage Open Day/week which takes place from 10<sup>th</sup>-18<sup>th</sup> September.

### Cultural Programme

Another major element of the High Street Heritage HAZ is the development of a Cultural Programme. The Arts Council England, National Heritage Memorial Fund and Historic England are providing funding for the development and



delivery of the HS HAZ Cultural Programme. On the 25<sup>th</sup> June it was confirmed by Historic England that the application submitted to them jointly by Brierley Hill Community Forum and Dudley Council for funding for a Cultural programme had been successful and that the total sum of £94,000 was to be awarded. Work is now underway on pulling together a programme of cultural events and activities which are required to accord with the milestones and instalment schedule issued by Historic England. The programme requires the appointment of a Cultural Programme Project Coordinator, this has been done and the post is hosted by Dudley Council for Voluntary Service (CVS).

On the 5<sup>th</sup> August 2022 a fourth progress report was submitted to Historic England, the next one due after that is on the 15<sup>th</sup> November when a further interim payment is due from Historic England to Dudley MBC. On the 14<sup>th</sup> January 2022 an Expression of Interest was submitted to Historic England for Brierley Hill to be the host of a national music commission in the summer of 2022. It was confirmed late January that the submission had been successful, and that Brierley Hill is one of 6 High Streets selected to participate in this event. The event took place on the 10<sup>th</sup> July 2022 at Brierley Hill Civic Hall and was a great success.

### Public Sector Decarbonisation

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

Works commenced during the summer of 2021 with all the installations at the named schools and corporate sites. All works are now practically completed at the various locations (Education & Corporate) including Solar Panels LED Lighting and Air Source Heat Pumps, with the exception of some final testing and commissioning for some of the ASHP installations.

## Low Carbon Place Strategy

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

The programme recommenced slowly in December as the contractor mobilised. A project change request has been granted requesting a further 18 months be added to the programme deadlines, to enable this resultant delay to be accommodated which affects the Housing side of the programme. It should also be noted that where homes are sold under the Right to Buy scheme, but have had the benefit of the grant, the council is required to refund the capital impact of the grant. The programme of energy efficiency improvements to the corporate estate is nearing completion.

## Very Light Rail (VLR)

Following a detailed review of the various issues, delays and variations that have happened on the VLRNIC scheme with the Contractor (Clegg Construction), RLB have now presented their assessment of the final account for the project which is indicating an overspend of approximately £890,000 against the available budget.

By way of a background to this overspend it is important to highlight that the project has absorbed a number of external factors in getting to its current position:

- The budget having been established over 4 years ago and not being increased to take account of inflation increases and the passage of time, and a significant amount of contingency funding disallowed by the BCLEP in the Spring of 2020 which would have served as project contingency.
- The project continuing through the Covid Pandemic relatively unscathed and implications being absorbed by the existing budget.
- Accommodating additional works to allow the introduction of the Coventry Shuttle prototype vehicle to the Dudley VLR site including the new loop extension, workshop, vehicle charger and equipment in a total value of



£2.44M. All of which have had either a direct effect on the logistics and programme for the NIC site or power infrastructure.

- Accommodating changes to the site layout for the new MMA tramstop location and associated urban realm works affecting the access road and parking layouts off Zoological Drive. Costs have been covered by other funds but works in the area did require a redesign and impacted on programme resource.
- The overall VLR Development construction programme being prolonged due to necessary sequencing of projects and funding agreement delays. The retaining wall needed to be completed before the NIC Building and Test Track could be commenced. In addition, during the summer of 2019 the BCLEP withdrew the funding agreed and it wasn't until September 2020 that the GBF funding source was agreed and allowed the project to move the Track and NIC into the Construction Phase.
- The requirement to return remaining budget to Coventry City Council from the Retaining Wall project in 2019 which, if taken as part of the whole Development would have left approximately £740,000 available to support the remaining elements of the project.

Unfortunately, and despite the team's best efforts, additional costs cannot be contained within the available budget and the key factors are:

Costs attributed to the Contractor's programme extension:

The project was initially due for completion at the end of February 2022, which was subsequently delayed to May 2022. This has now been extended to the end of July 2022. The main change causing the initial delay was due to the introduction of the Test Track Loop extension and DMBC highway works and urban realm changes, both of which had a significant impact on site access and logistics for the delivery of the NIC building.

In addition, a number of internal layout amendments to suit changes in the environment in which the building user will be operating have been initiated and undertaken. The original layouts were fixed over 3 years ago and clearly time has moved on since then. Changes include accommodating hydrogen battery testing, creation of a 3D simulation space and a track control room.

Delays due to utility company infrastructure slippage, principally Western Power which have meant the services in the building have been unable to be completed, tested and commissioned. All services are now programmed to be

in by the 7 July 2022 and on this basis the completion date has been agreed as the end of July 2022.

Approximately £550,000 has been included in the financial assessment for extension of time costs.

The Coventry Loop introduction:

The new loop extension which has been funded through the BCLEP has had an impact on the shape and positioning of the drainage attenuation tank, levels and boundary segregation. The costs included in the forecast for this work is in the order of £120,000.

Permanent power amendments:

Required to the new building to accommodate increased requirements from the additional features on the site including the new workshop, loop extension, tunnel lighting and vehicle charger. The final quantum is still under review, but the forecast includes an allowance of £400,000 based on RLB's current assessment of the Contractor's submissions.

Fees and Charges:

The fees for the retained project team have increased due to the project delays. The initial fee profile was due to end in February 2022 but will need to run until the end of July 2022. The overall fee levels have been contained considerably given the extended period to the entire development but to finish the project we are now looking at an additional £142,000.

A substantial part of the above costs has been offset by allowances and omissions in the contract and there have been a number of other more minor increases that have been offset by the same allowances. The net effect on the project cost is £890,000 above the available budget. This is to be funded from resources held within the Regeneration & Enterprise Directorate.

Measures are underway to ensure no further cost increases are incurred or can be offset such as reduction in temporary site accommodation, alignment of remaining services for the retained consultant team toward the available budget as well as a thorough review of the smaller cost items to ensure that the costs apportioned are in line with Contract levels.

It was previously proposed that the additional costs of £890,000 detailed above be funded by prudential borrowing with the debt charges being funded by revenue budgets held within Regeneration & Enterprise.

Since the last update, the project team have started drafting the paperwork to receive an additional £400,000 of ERDF funding which will be used to fund some of the overspend. This is following discussions with the ERDF team who have agreed that this £400,000 is applicable to the project.

### Metro Complementary Measures

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

The legal agreement with Transport for West Midlands (TfWM) states that the Council will fund the complementary measures along the route including pedestrian crossings. The Council has also agreed with TfWM to fund the uplift of materials where the Metro is built through Dudley Town centre in order to provide high quality public realm. Large public realm interventions have been identified along the route at key stops, notably Station Drive (now Dudley Castle), Flood Street and Brierley Hill, to be funded by this programme of works. The £1million accelerated funding associated with the Towns Fund will be used to fund works to adopt Zoological Way, part of the works for the new loop road to access the Metro stop and some of the public realm work along Castle Hill.

Other interventions along the route, which the Council needs to fund, include creating a new wayfinding system to improve legibility, increase walking and cycling to tram stops and to provide a consistent recognizable branded signage across the borough to residents and visitors giving the information that is needed. The consultant to develop the wayfinding system has been appointed through the OJEU process and started work on the system in October 2020. Dudley print map is now available. The Brierley Hill map is being developed. The Wayfinding Legibility Strategy has been developed and the totems and figure posts are being designed. The intention is to cover the costs for the manufacturing and installation through CRSTS funding.



Midland Metro Alliance (MMA) are constructing the Metro extension for TfWM. TfWM have approved MMA's costs and the next stage of the design process has started. The Council is working with TfWM to confirm the costs of the complementary measures, the uplift of materials and the public realm interventions.

## CCTV

Phase 1 - Predominantly complete and operational. The only outstanding work is to the healthy hubs where 4 out of the 5 are still waiting fibre circuits. In relation to outstanding items, a contract agreement has now been received from Virgin Media for the supply of the new fibre circuits. This is now being considered by procurement and legal teams. Once the agreement has been finalised the outstanding installations with Virgin will be expedited.

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

- Cameras in Sedgley Bilston Street – now completed and operational.
- Wolverhampton Street Dudley – the column has been erected but we are still waiting on Western Power for an installation date. Anticipated completion of connection in late October.
- Coronation Gardens – now completed and fully operational.
- Castle Gate – design work is complete, and columns will be erected shortly. Completion to be confirmed.
- The cameras to Lye town centre have been completed and are operational
- All 12 deployable cameras are now in use.

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

- Kent Street Upper Gornal – column erected, and camera installed. Anticipated completion in late October
- Shell Corner Halesowen – columns erected with one head and power connected. Anticipated overall completion in late October
- Netherton High Street – completed.
- Wollaston traffic island – column erected, cameras, power and network yet to be completed. Anticipated completion late October
- Toys Lane/Furlongs Road Colley Gate – location now agreed and works commissioned. Anticipated completion late October

- Queensway Pedmore – column erected, and camera installed. Anticipated completion late October
- Wynall Lane – column erected, and camera installed. Anticipated completion in late October

Queensway Halesowen was surveyed on 20<sup>th</sup> June 2022 and further investigation work is required.

The original location at Jews Lane/Eve Lane Upper Gornal has now been reconsidered and it is proposed to site a fixed camera in Roseville instead. West Midlands Police are also in favour of this revision. Site yet to be surveyed and will be decided once final costs of Phase 3 confirmed.

### Dudley Interchange

Transport for West Midlands (TfWM) has now secured all the funding for the Interchange. TfWM are out to competitive tender to secure a contractor for the works. Gateley Hamer have recommenced the CPO process. Counsel advice recommends that the CPO is split into two - one for the Interchange and associated highways works and another for the Portersfield scheme and highway works.

At the September Cabinet it was agreed that DMBC will use its CPO powers to purchase Farm Foods, the Photographic Studio on Birmingham Street and the properties required for the associated highways. As a result of the need to CPO properties the start date for the Interchange has been moved to Spring 2023, Completion is expected Autumn 2024. The CPO will be submitted to the Secretary of State by the end of July 2022. This has been delayed as counsel has recommended that a single planning application is required for both the building and the highway works. New planning application has been submitted. Updated report in relation to the CPO was approved at June Cabinet. Approval was granted by Planning Committee on 12<sup>th</sup> September, 2022.

An alternative location for the Interchange around Coronation Gardens during construction has been identified.

## Dudley Town Centre Highways Infrastructure (Portersfield Link)

As reported previously the WMCA has conditionally approved funding to support changes to the Highways Infrastructure to create access to the Portersfield development site and improve access to the wider Town Centre. This funding amounts to £6.0m. In addition to ongoing design work, some site clearance has already been carried out to allow for intrusive site investigation to provide information to support the design process. In terms of land acquisition for the highways, a CPO will be developed as part of the overall development of the site. Highway design work has currently been frozen to avoid any abortive spend until the review of the overall development site has been completed.

## Black Country Blue Network 2

Sedgley Beacon started on site on 15<sup>th</sup> August. Holloway Street is due on site in October. Castle Hill will be evaluated w/c 12<sup>th</sup> September with a view to starting early October. Ecological surveys are being completed for Turls Hill and Coseley and procurement will commence in the late summer. We are still anticipating the full project to be delivered on time.

## Dudley Town Hall

The new Bistro is now complete with only minor snagging items being addressed by the Contractor. Fitting out with loose furniture also complete. A formal opening in September will coincide with completion of redecoration of the main hall.

## Refurbishment of Dudley Council House Campus

Essential maintenance work is now well underway. Roofing works are progressing well, asbestos removal is largely complete and the new air source heat pumps have been installed at the rear of 4 Ednam to serve the Council House campus.

Detailed design work continues with room-by-room schedules currently being undertaken to ascertain specific internal refurbishment / redecoration needs. Following meetings with Access in Dudley and elected members, a range of access and disability improvements such as automating doors to key access routes, motion sensor lighting and refurbishing the passenger lift are being detailed. The Council's contracted furniture supplier is working on desk layouts

that will optimise use of the space using a range of modern furniture suitable for increased agile working. Work to the inside of the Council House will be done in phases with some minor work starting in October 2023 with the first significant phase of internal works are scheduled to commence in January 2023 with the senior leadership area on the 1<sup>st</sup> floor.

### Brierley Hill (Future High Streets)

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

#### *Project summaries:*

Public Realm and Connectivity Improvements (£4.75m) - Funding to connect the new Midland Metro terminus to the High Street, improve existing public realm connectivity between key buildings and provide new public spaces and pocket parks. Lead designer appointed in the autumn of 2021 to prepare and consult on proposals. The majority of the public realm works will be implemented during 2022/23 and 2023/24. Phasing of works around the Midlands Metro terminus to be reviewed, following West Midlands Combined Authority's decision in July 2022 to delay the implementation of Metro works from Dudley to Brierley Hill.

Key Retail Sites (£1.05m) - The owners of the Moor Centre have submitted a planning application to remodel the precinct and bring parking closer to the shops. If approved, this will free up the rear car park land for development. The Council wishes to redevelop the site for up to 44 homes. The Future High Streets Fund provides the money for site acquisition and remediation. The shopping precinct redevelopment works are programmed for 2022/23. The private sector planning application to provide replacement parking was refused by the Planning Committee in June 2022. The Council's proposals to redevelop the car park are therefore unlikely to progress. Discussions to be held with the Department of Levelling Up Housing and Communities to re-allocate the funding to other projects within the programme to deal with costs overruns due to inflation.

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

Addressing Housing Need (£3.55m) - Discussions are underway to acquire 10 acres of brownfield land known as Daniels Land and the High Plateau. These are two long-term vacant sites, formerly part of the Round Oak Steel Works that have remained undeveloped for over 40 years. Future High Streets funding will support site remediation and preparation costs. Dudley Council's Housing Department will then construct up to 220 new mixed tenure homes to meet local housing needs. An urban design study has been prepared that will inform the preparation of an architect's brief. This will allow detailed design proposals to be progressed for the sites.

Following INTU shopping centres entering administration, discussions have continued with Sovereign Centros which is the current managing agent acting on behalf of the creditors. The intention is to phase initial activity around the construction of the Metro rail viaduct that crosses the sites. The parties have agreed the principle of valuation and a registered valuer has been instructed to act on behalf of the Council and creditors. Quotations have been received from external legal advisors to undertake due diligence and prepare a purchase agreement. Early construction of the Metro viaduct and Embankment tram halt is key to delivery of the housing redevelopment project. This is because the Council cannot fully access the sites for redevelopment until these are completed and this will put Future High Streets spend at risk. The situation is currently being monitored with a risk register and mitigation approach in place. Following West Midlands' Combined Authority's decision in July 2022 to delay the Metro link from Dudley to Brierley Hill, the proposed redevelopment works are unable to proceed to the timescale required. Discussions are scheduled with the Department of Levelling Up, Housing and Communities to determine the next steps. The overall value of the redevelopment project will be in the region of £30m.

Public Library (£308,000) - refurbishment of Brierley Hill public library and ground floor housing department reception area. Scheme designs have been the subject of community consultation and have been well received. Freeholder approval has been received in-principle for the refurbishment works. The estimated cost of works is forecast to be above the



identified budget, due to higher-than-expected building materials cost inflation. Tenders have been received for the works. These are significantly over budget due to inflation and increases in the cost of building materials. A review is currently being undertaken of additional funding to support the project. The refurbishment works are programmed to commence in the mid-autumn and complete during early 2023.

Public Toilets (£80,000) - Reopening of public toilets to support the High Street visitor return following the coronavirus pandemic, and the provision of welfare facilities for Metro tram drivers. Midland Metro Alliance is making an additional contribution of £38,000 to support the works. Feasibility designs finalised that will also include changing facilities after discussions with stakeholder groups. The project has been put out to tender twice. The second set of tenders have been received for the works. These are significantly over budget due to inflation and increases in the cost of building materials. A review is currently being undertaken of additional funding to support the project. The refurbishment works are programmed to commence in the mid-autumn and complete during early 2023.

In addition to the Future High Streets Fund award, the Council has secured further investment from the West Midlands Combined Authority. This is to acquire land to support implementation of the High Street Link. A funding agreement between WMCA and DMBC completed in March 2022. This is a long-term vacant gap site where there is the opportunity to provide a new connection from the High Street to the Metro terminus. The Council has appointed an agent and agreement has been reached to acquire the sites. Initial site safety works commenced in the summer of 2022, with a start on site for the pedestrianisation works to be confirmed as part of the public realm delivery programme.

A Town Board has now been established to oversee the various interventions underway in Brierley Hill. These include the Future High Streets Fund, Heritage Action Zone and delivery of the Midland Metro. It includes Mike Wood MP, DMBC and business, community and educational sector representatives. The first meeting was held in September 2021 and these will continue on a quarterly basis.

## **Cultural**

### Leisure Centres

The new Duncan Edwards Leisure opened on Monday 24 January 2022. Very positive feedback received and membership sales going well.

Phase 1 of the refurbishment of Halesowen Leisure Centre is complete; again, very well received by customers. Phase 2a which includes the new changing village and associated rooms was completed during August 2022, however the swimming pool has been delayed due to building work issues and material supply issues. This is now due to open in October 2022.

Phase 1 improvements to Crystal Leisure Centre have been completed. The new village style changing rooms and improvements to the leisure pool have received positive comments.

Across the 3 work programmes with a budget of £31.3m, additional works have been required leading to an overspend in the region of £200k which is in the process of being finalised.

## **Schools**

### Schools Basic Need Projects

The last phase of projects to be funded from Basic Need capital grant has been agreed, with Brierley Hill Township secondary school places as a priority. The plans include expansion to both Wordsley and Crestwood Secondary Schools to meet projected growth with an additional 300 pupil places for each school. Works to the schools are now complete.

The focus is now on ensuring there are sufficient secondary school places in the Halesowen area. Talks with Halesowen Secondary Heads is ongoing.

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

### Special Educational Needs and Disability (SEND) Projects

We are continuing the process of re-profiling our special school and mainstream provision to bring it more closely in line with the current SEND

pupil cohort and the special provision capital funding is a key component in this process.

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



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**Meeting of the Cabinet – 22<sup>nd</sup> September 2022**

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

**2022/2023 Forecast General Fund Revenue Outturn**

**Purpose**

1. To outline the forecast General Fund Revenue Outturn for 2022/23 and consider implications for the Medium Term Financial Strategy (MTFS).

**Recommendations**

2. That Cabinet:
  - Notes the forecast revenue outturn position for 2022/23 and the effect on Balances at 31<sup>st</sup> March 2023.

**Background**

3. On 7<sup>th</sup> March Council set the 2022/23 budget. The latest forecast performance against that budget is summarised below:

Directorate	Latest Budget £m	Forecast Outturn £m	Variance £m
Chief Executive Other	(0.3)	(0.1)	0.2
Adult Social Care	111.9	113.7	1.8
Children's Services	80.1	82.3	2.2
Health and Wellbeing	3.7	3.7	0.0
Finance and Legal	5.1	5.4	0.3
Digital, Commercial and Customer Services	5.3	5.3	0.0
Housing and Communities	3.0	2.9	(0.1)
Public Realm	54.7	56.2	1.5
Regeneration and Enterprise	11.5	13.3	1.8
Corporate, Treasury and Levies	9.8	15.6	5.8
<b>Total Service Costs</b>	<b>284.8</b>	<b>298.3</b>	<b>13.5</b>
Total Funding	(287.0)	(287.0)	0.0
<b>Use of Balances</b>	<b>(2.2)</b>	<b>11.3</b>	<b>13.5</b>

4. Further detail is provided in Appendix A. There are some cross-service themes:

- Pay. The budget assumed a 2% pay award. The employers' offer is £1,925 on all scale points which equates to a 7.14% average increase on Dudley's mix of staffing, creating a pressure of £7m on the General Fund alone. This is shown on one line and will be analysed to directorates when the pay award is confirmed.
- Energy prices. Corporate utility contract price increases have been confirmed with electricity increasing by 80% from 1<sup>st</sup> October, gas increasing by 80% from 1<sup>st</sup> April and diesel increasing by more than 30%. The combined impact is £2.7m.
- Increased costs of social care – both for children and adults.
- Trading income shortfalls – particularly in catering, car parks and leisure.
- Delays in the capital programme and other cash flow factors that reduce financing costs by around £1.0m (note that this is only a

short-term effect and rising interest rates are likely to create pressure in future years).

- Staff vacancy savings in several areas.

5. Cabinet should note that it is still early in the financial year and that the forecast is uncertain, but this is a significant adverse variance with potentially severe implications for the ongoing Medium Term Financial Strategy. The immediate impact on the General Fund is outlined below:

	<b>Original Budget £m</b>	<b>Latest Forecast £m</b>
Forecast balance 31 <sup>st</sup> March 2022	26.3	26.3
2021/22 outturn <sup>1</sup>		+0.9
<b>Balance at 31<sup>st</sup> March 2022</b>	<b>26.3</b>	<b>27.2</b>
Planned addition to Reserves approved by Council March 2022	+2.2	+2.2
Adverse 2022/23 outturn		(13.5)
<b>Forecast General Fund Balance at 31<sup>st</sup> March 2023</b>	<b>28.5</b>	<b>15.9</b>

6. Further work will be undertaken in the coming months both to try to reduce the overspend in the current year and to identify savings for future years. This will require us to develop and adapt the Council's aims to an increasingly challenging financial environment. Measures will need to include:

- Cutting back on non-essential travel, training, conferences, events, etc.
- Review of uncommitted expenditure in the capital programme.
- Review of unimplemented budget growth.
- Review of uncommitted earmarked reserves.
- Review of projects to ensure that their benefits outweigh their costs.

<sup>1</sup> This is £0.1m better than the position reported to Cabinet in June, due to the correction of roundings.



- Assertive management of all requests for new recruitment so as to reduce agency and staffing costs where possible.
  - Short-term closure of some buildings before winter to reduce running costs with a view to disposal of those buildings in the medium term.
  - Review and, where necessary, cessation of unprofitable trading.
  - Consideration of using part of the Market Sustainability and Fair Cost of Care Funds to meet rising costs of care, subject to complying with the grant conditions.
7. A further report on current year budget monitoring will be brought to Cabinet in October. A draft Medium Term Financial Strategy will be brought to Cabinet in December.

## **Finance**

8. In the Section 25 report to Council on 7<sup>th</sup> March, the Director of Finance and Legal stated: “Although adequate to set a lawful budget for 2022/23, 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 2022/23 and assume similar increases in later years. There are significant risks to the forecast and Members should note that, if these risks materialise, there will be a need to reduce spending plans and/or raise additional income in order to avoid imprudent reductions to the level of reserves. This will be challenging in view of the context set out above.”

## **Law**

9. The Council's budget setting process is governed by the Local Government Finance Acts, 1988, 1992, and 2012, and the Local Government Act 2003.

## **Risk Management**

10. 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. In view of the worsening outlook, this risk has been elevated to the maximum rating of 25 (Extreme).

## **Equality Impact**

11. The recommendations in this report comply with the Council's policy on Equality and Diversity.

## **Human Resources / Organisational Development**

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

## **Commercial / Procurement**

13. The outturn highlights shortfalls in trading income

## **Health, Wellbeing and Safety**

14. The Council's budget includes services that support health, wellbeing and safety.

## **Council Priorities and Projects**

15. The aspirations set out in the Council Plan can only be delivered if the Council is financially sustainable.



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



**Iain Newman**  
**Director of Finance and Legal**

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## Appendix A

### Forecast Revenue Outturn 2022/23

	Latest Budget £'m	Latest Outturn £'m	Variance £m	Comment variance
Chief Executives	(0.3)	(0.1)	0.2	Pressure on cover for Directors +£0.2m.
Adult Social Care	111.9	113.7	1.8	Pressure mainly in Disability Services supported living and direct payments +£2.6m, partly offset by vacancy savings in A&P (£0.4m) and allocation of BCF inflation provision (£0.4m)
Children's Services	80.1	82.3	2.2	Pressures on external residential costs +£2.7m, Transport +£0.6m, Innovate social work teams+ £0.6m, Disabilities direct payments +£0.3m. Offset by; Internal care homes (0.5m), Internal fostering allowances (£0.7m), additional CCG Income (£0.2m), non-pay savings (£0.3m), and staff savings (£0.3m)
Health and Wellbeing	3.7	3.7	0.0	
Finance and Legal Services	5.1	5.4	0.3	Pressure on Coroners budget with higher costs emerging



	Latest Budget £'m	Latest Outturn £'m	Variance £m	Comment variance
				+£0.3m, reduced Land Charges income and increased External Audit fees +£0.1m, repayment of Covid Business grant +£0.1m, partly offset by savings on vacancies and members' allowances (£0.2m)
Digital, Commercial and Customer Services	5.3	5.3	0.0	
Housing and Communities	3.0	2.9	(0.1)	Mainly staff savings (£0.1m)
Public Realm	54.7	56.2	1.5	Utilities pressures +£1.3m, Fuel costs +£0.4m, Car Park income shortfall +£0.4m, Waste (staffing and vehicles) +£0.6m, Depot (works and staff) +£0.2m. <b>Offset by;</b> recycling income (£0.8m), Food waste trial budget (£0.2m), net Anchor Lane HWRC extended hours (£0.1m), other staff savings (£0.3m)
Regeneration and Enterprise	11.5	13.3	1.8	Utilities +£1m (LC £0.4m, £0.5m CLS buildings, £0.1m other), Bereavement +£0.2m, Leisure Centres +£0.3m under achievement of



	<b>Latest Budget £'m</b>	<b>Latest Outturn £'m</b>	<b>Variance £m</b>	<b>Comment variance</b>
				income, Catering +£0.7m. <b>Offset by;</b> one off receipt (£0.3m), vacancies and NNDR refund (£0.1m)
Corporate & Treasury	9.8	15.6	5.8	Latest employer offer equates to 7.14% vs 2% budgeted creating a cost pressure of +£7m, offset by net slippage on borrowing costs and capital programme (£1.0m) and other savings of (£0.2m)
<b>Total Service Costs</b>	<b>284.8</b>	<b>298.3</b>	<b>13.5</b>	
Total Funding	(287.0)	(287.0)	0.0	
<b>Use of Balances</b>	<b>(2.2)</b>	<b>11.3</b>	<b>13.5</b>	

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**Meeting of the Cabinet – 22<sup>nd</sup> September 2022**

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

**Wind Down of New Heritage Regeneration Limited (NHRL)**

**Purpose**

1. This report provides an update on the financial performance of New Heritage Regeneration and outlines the proposals for the wind-down of the company.

**Recommendations**

2. It is recommended:-
  - That the contents of this report are noted.
  - That NHRL is wound down as of 31<sup>st</sup> December 2022.
  - That the Director of Regeneration be authorised to work with the Chief Executive Officer of NHRL to conclude the negotiations with Homes England on the property portfolio.
  - That, on the assumption the property portfolio is retained, the income stream be ringfenced for regeneration purposes (including to cover the costs of the transferred staff salaries and pension strain).
  - That the Director of Regeneration be authorised to conclude the Human Resources/staffing issues.

**Background**

3. In 2009 the Council set up a separate company which is wholly owned by the Council known as New Heritage Regeneration Limited (NHRL). Its purpose is to provide concentrated resources directed at

commercial negotiations with landowners and developers. It is partly funded by the Council and partly by income from a portfolio of properties originally acquired by Advantage West Midlands, subsequently transferred to Homes and Communities Agency (HCA), and currently jointly managed by the Council and HCA under a stewardship agreement.

4. The origins go back to 2005 and the adoption of the Dudley Area Development Framework. Between 2006 and 2008 a number of studies were carried out and recommendations made regarding the most appropriate approach to delivering regeneration in Dudley, culminating in NHRL. The scope of NHRL has since been extended to Brierley Hill.
5. Cabinet on the 31<sup>st</sup> of October 2007 considered a report on the delivery of the Area Development Framework (ADF) and approved the registration and formation of the arm's length company (ALC). Public sector investment to acquire land and property assets was secured from the Regional Development Agency (RDA) Advantage West Midlands and series of DMBC property assets were also identified. These were included in a business plan to be taken forward by NHR. In addition, Cabinet was asked to consider the benefits of extending the role of the ALC in the future to coordinate regeneration delivery across the borough, with its primary focus being to deliver the regeneration of Dudley and Brierley Hill town centres.
6. Cabinet approved in June 2008 that the ALC be set up on an interim basis in advance of securing this external funding using (a) funding in the base budget for the delivery of the ADF and (b) rental income received from the properties acquired in Dudley town centre using AWM funding New Heritage Regeneration Ltd. The ALC was formed on the 6<sup>th</sup> of August 2008 with the title New Heritage Regeneration Ltd (NHRL). It is a minority interest company with the Council represented on the company board by the Leader of the Council and the Leader of the Opposition Group.
7. In December 2008, following a national recruitment exercise, Bill Kirk was appointed as NHRL Chief Executive, taking up position on the 6<sup>th</sup> of March 2009, and Robin Butler as company Chairman.

8. On 10 June 2014, the Council entered a formal collaboration agreement with Homes England, which took over responsibility for AWM investments following its closure. The Collaboration Agreement set out several agreed objectives, clarified the roles of the two partners, and set out the principles of property projects within the ADF portfolio would be taken forward. The agreement also established the NHRL board and Steering Group.
9. NHRL has several operational functions including leading on the land unification process, expediting the planning process, securing funding, procurement of development and financial management.
10. The agreement was to come to an end on 31 March 2021, following which a reconciliation exercise would be undertaken by the parties.
11. Several NHR managed projects remained in delivery in March 2021. These included the Very Light Rail National Innovation Centre at Castle Hill which was due to complete in 2022. Approval was therefore sought to extend the longstop date within the Collaboration Agreement by a further 12 months to 31 March 2022. This was to allow the project activity to be completed and the financial reconciliation between the parties to be undertaken. The approach was agreed by Homes England.
12. The extended Collaboration Agreement has now come to an end and the activities of NHR are now beginning to wind down. The NHRL board is convening in the end of September to officially agree the closure and to minute the decision.
13. Homes England will then need to terminate their agreement. Negotiations on the terms have commenced but it is envisaged that DMBC will retain the property portfolio for regeneration purposes in the interim (and its related income stream) and retain the right to dispose of at will in the future with no call on the assets from Homes England.

## **Finance**

14. The operating budget of NHR derives from two sources: an annual contribution from Dudley MBC of £140,000 and the rental income from letting the retained property portfolio of sites/premises within the Dudley ADF area.



15. The overall operating budget funds services provided on behalf of NHR by Dudley MBC. For the financial year 2021/22 these are Accountancy Services £21,200, Legal & Property Services £10,200, Administrative Support £10,200 and Payroll Services £3,060 plus the appropriate inflation factor for in-house Dudley MBC services. The net cost of NHR to Dudley MBC for 2021/22 was therefore £95,340.
16. The ADF properties are a combination of premises acquired with AWM/HCA funding as well as others already held by Dudley MBC.
17. A list of the property assets are available on the [Council's Internet site](#).
18. All the properties within the Dudley ADF portfolio are owned by the Council. Those assets acquired using AWM funds are held by the Council but have a restriction on title in favour of Advantage West Midlands. These restrictions have now transferred to Homes England as the successor body. Prior approval is required before the disposal of any of these assets, which should be in accordance with the ADF Business Plan.
19. As the Partnership Agreement is coming to an end, the intention is to account for the parties' investments and then distribute the assets and proceeds. The initial priority return is in favour of the Council, to allow recovery of its investment. Any remaining proceeds will then be divided between the parties. At this stage, there is expected to be little, if any, surplus for division.
20. The target for closure of the agreement is Christmas. At this point, the restrictions on title can be lifted and the assets purchased with AWM funding will remain within the unfettered ownership of the Council. Corporate Landlord Services team are assisting with this exercise by valuing the remaining portfolio to support the division of proceeds calculation.
21. Legal advice is being sought but it assumed that the redundancy are legitimate costs associated with the closure of the company. The salaries of the retained employees (and the pension strain liabilities) could be met by income from the portfolio of assets.

## **Law**

22. Section 111 of the Local Government Act 1972 empowers the Council to do anything that is incidental or conducive to the discharge of its functions.
23. Pursuant to Section 1 of the Localism Act 2011 a local authority has a general power of competence to do anything that individuals generally may do.
24. Section 123 Local Government Act 1972 will apply to the disposal of the properties in the portfolio.

## **Risk Management**

25. The life of NHRL has always been intended to be finite and it has been extended beyond that initial period already. Both key parties agree that the timing of the closure is appropriate and are working together on this process and as such the principle of this action is low risk.
26. The valuation of the properties and the agreement of division of any surplus will be transparent and will involve Corporate Landlord Services and Finance.
27. The regeneration programme in Dudley and Brierley Hill remains a priority and whilst the substantive NHRL projects have or are concluding, work continues on the Future High Streets Programme and the Stalled and Derelict Sites workstream. To ensure that the closure of NHRL does not adversely affect this, it is proposed that one FTE is transferred from NHRL to full time permanent council employment and one contractor is engaged directly on a reduced part time and temporary basis to manage project monitoring. It is envisaged this would on the basis of 3 days per month until June 2023 (when ERDF last claims can be made). This is considered sufficient to manage the any risk to the programme and to monitor the project to manage the risk of grant clawback respectively.

## **Equality Impact**

28. The proposals within this report are consistent with the Council's Equality and Diversity Policy. No equality impacts have been identified. There are no specific impacts that will affect children / young people.

## **Human Resources/Organisational Development**

29. There are implications for staffing associated with the winding down of the company. There are currently two employees of NHR and one contractor. All three would cease to be employed by / or carry out work for NHR by 31<sup>st</sup> December 2022. It is anticipated that the Chief Executive role would be subject to a redundancy process, as this role would not be required once the company has ceased. However, as the work carried out by the Head of Regeneration Projects would continue, but internally within in Council, this postholder would transfer full time to Council employment via a TUPE process. The third member of staff is a contractor who the Council would directly engage on reduced hours (3 days per month until June 2023) to manage the monitoring and evaluation of the NHRL projects. These hours may reduce as the project evaluation period concludes and the risk of clawback diminishes. The contract with the Chair of the Board will also need to be terminated.

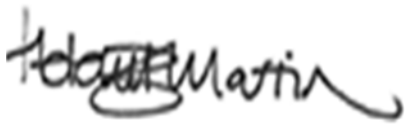
## **Commercial/Procurement**

30. All processes, procedures and activities within the project proposals will be compliant with the Council's Commercial Strategy Any procurement resulting from the recommendations in this report are required to be compliant with The Public Contracts Regulations 2015 and the Councils Contract Standing Orders.

## **Council Priorities and Projects**

31. The work of NHR contributes to the priorities in the Council Plan by supporting ongoing regeneration schemes, helping to re-develop and bring back into use long standing vacant and derelict sites and those of historical importance in our local townships.
32. Investment in our public realm has helped to develop safe and welcoming indoor and outdoor spaces for local communities to enjoy.
33. The work has also contributed to the borough vision by regenerating town centres where people are proud to live, work, shop and spend leisure time and supporting improvements in healthy outcomes for residents.





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### **Background Documents**

- [List of Portfolio Projects \(available online\)](#)

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**Meeting of the Cabinet – 22<sup>nd</sup> September, 2022**

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

**Nature Conservation Sites**

**Purpose**

1. This report informs Cabinet of the results and recommendations of ecological surveys (nature conservation habitat surveys) carried out on a few separate sites that have either previously been identified as having potential to be designated as nature conservation sites, or where they have required up-to-date ecological surveys to ascertain if their previously identified existing ecological habitat status remains valid and appropriate.

The resulting recommendations are required to ensure that the Council's Local Plan is based on up-to-date evidence and can continue to be used as the basis for robust and defensible planning decisions.

**Recommendations**

2. It is recommended Cabinet: -
  - Approve the **designation of a new SLINC** at Culverhouse Drive (Land at Clockfield's)  
Land at Uffmoor:
  - Approve the **Proposed extension and upgrade of a section of the Stour Valley SLINC and Stream at Tack Farm SLINC to SINC – to be known as Stour Valley SINC (Tack Farm)**
  - Approve the **designation of Tack Farm Hedges SLINC**  
Land at Pedmore Lane:
  - Approve the **extension of the Pedmore Lane SLINC**

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

## **Background**

3. Sites of Importance for Nature Conservation (SINC's) and Sites of Local Importance for Nature Conservation (SLINC's) are designations identified in Dudley Council's adopted Dudley Borough Development Strategy 2017 (DBDS, 2017) and form part of the Borough's environmental infrastructure. Environment infrastructure also includes green space, community parks, canal corridors, and Local Nature Reserves (LNRs). Incorporating environmental infrastructure principles into Local Plan documents will help meet the existing adopted Black Country Core Strategy 2011 vision for environmental transformation.
4. The most important sites outside the statutory system are designated as SINC for their regionally important nature conservation interest across the West Midlands. SINC's can be designated for both their ecology and geological interest.
5. SLINC's and SINC's do not receive statutory protection but are protected from harm by local policy set out in the Dudley Borough Development Strategy, (DBDS, 2017), the existing adopted Black Country Core Strategy (BCCS, 2011) and the National Planning Policy Framework (NPPF, 2019). Therefore, they are crucial in maintaining and enhancing the Borough's environmental infrastructure and ecological habitats.
6. Other sites that support important wildlife habitat and geological features, form links between protected sites, and are part of the overall network supporting biodiversity are identified as SLINC's. SLINC's are of significance at the Ward to Borough level and frequently form important links between other designated nature conservation sites. Examples of SLINC's that are important linear features are canals and watercourses.
7. It is important that there is a robust, accurate, up-to-date, and defensible evidence base in place in relation to the nature conservation habitat quality, and ecological condition of both existing designated nature conservation sites and those areas of green space which currently have no designated nature conservation value in Dudley Council's adopted Local Plan – DBDS 2017 but may have potential to provide important habitats for wildlife and could therefore be upgraded to SLINC's or SINC's.



8. For these reasons several sites have been subject to an ecological survey by independent suitably qualified ecologists so the Council can ensure that its records and information on the condition and habitat quality of sites is kept up-to-date, and accurate. This is in line with the National Planning Policy Framework (NPPF) 2021 and Dudley Council's Nature Conservation Supplementary Planning Document (SPD) 2016.
9. All the proposals for new designations on the sites included in this report have been endorsed by the Birmingham and Black Country Local Sites Partnership (LSP) which is advisory body made up of ecologists and local representatives to ensure that site selection and designation is constant across the area and that sites are meeting the relevant criteria to be designated as a SINC or SLINC.
10. The report will now deal with each site outlined in the recommendations, to provide more details on the proposed boundary changes:

### **Clockfields (Culverhouse Drive) Stourbridge**

11. This site was surveyed because of a planning application being submitted (P21/0006) to develop 3 dwellings on the western part of the site as seen on plan 1 in Appendix 1. This site is currently denoted as a Potential Site of Interest (PSI), a site which subject to survey could have ecological value and be designated as a nature conservation site.
12. The site comprises planted woodland trees which were planted in 2001 as part of Black Country Urban Forest Program and open areas of neutral grassland. Due to the site's location adjacent to Stourbridge Canal, it is likely to be used by foraging and commuting bats. The site lies adjacent to the Stourbridge Canal and other areas of woodland in an otherwise residential setting, and it is therefore likely to act as an important commuting route in the local ecological network, supporting ecological permeability through the surrounding landscape. The site is also identified as an 'ecological linking area' as part of the Nature Improvement Area Strategy 2017-2022.
13. It is proposed to designate the site as a new SLINC – Land at Clockfields



## **Land at Uffmoor Lane – Halesowen**

14. The site is currently comprised of several existing SINC and SLINC designations. It is proposed to extend and upgrade the current Stour Valley SLINC to SINC. The streams, woodland fringe and surrounding semi-improved grassland show good diversity of woodland and grassland species and occasional ancient woodland indicators. It is a valuable connective feature between habitats and across the landscape, notably the ancient woodlands of Breach Dingle and Uffmoor wood., Including an extension to rationalize the boundary and include the contiguous species rich grassland meadows surrounding the stream course and exclude a small area of arable field.
15. In addition, the hedgerow network is proposed to be designated SLINC as they form valuable wildlife corridors between existing designated sites.
16. The site comprises a large and reasonably diverse area of farmland containing semi-improved grassland, arable fields and broadleaved woodland intersected by streams and a network of hedgerows. The streams with the surrounding woodland fringe and semi-improved grassland, are of interest as they show a diverse range of flora, with many axiophytes recorded. Axiophytes are plants that are indicators of a habitat that is considered to be important for conservation and of a high quality. These features provide valuable connectivity between habitats and are an important wildlife corridor for many faunal species. This site forms an important and direct link to the ancient woodland at Uffmoor Wood and to the ancient countryside of Worcestershire.

## **Land at Pedmore Lane - Stourbridge**

17. This site currently contains a SLINC designation, it is proposed to extend this to encompass undesignated hedgerows, scrub, and woodland areas. This will form a natural corridor between the already designated areas which are at opposite sides of the survey area and will encompass the contiguous habitat adjacent to existing SLINC.
18. Although not in the scope of the survey the site does contain a geological SINC. The dominant habitat is grassland which is low in floral diversity and is predominantly used as grazing pasture for cattle, horses, and sheep. The presence of scrub, hedgerows and mature veteran trees



across the site however add to the ecological value. The social value of the site is high due to its archaeological importance, the majority of the site is not accessible to the general public, but a public footpath does run through the survey area following a long-distance national route The Monarch's Way.

## **Finance**

19. The costs of undertaking the surveys was funded from existing budgets and resources dedicated to the production of Local Plan Documents and other such statutory planning documents. The survey for Culverhouse Drive (Clockfields) was funded by the owner of the site.

## **Law**

20. This piece of work is a key element for the evidence base of Dudley Local Plan work. The surveying of existing SINCs and SLINCs is also essential to ensure that such designations are based on robust and up-to-date evidence.

The potential for planning decisions to be challenged increases where it can be shown that Local Plan allocations are based on out-of-date or incomplete information. Ensuring that there is current information relating to the Borough's inventory of nature conservation sites, including SINCs and SLINCs, reduces this risk.

In addition, the Natural Environment and Rural Communities Act 2006 (NERC Act) and the Wildlife and Countryside Act 1981 (as amended) both place a legal duty on local authorities to conserve and protect biodiversity in the exercise of their functions.

## **Risk Management**

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

## **Equality Impact**

22. The content of this report complies with the Council's policy on Equality and Diversity given that the Ecological Surveys in question play an important role in helping to conserve and protect important wildlife sites



from inappropriate development pressures within the Dudley Metropolitan Borough.

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

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

### **Commercial/Procurement**

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

### **Council Priorities and Projects**

25. The Local Development Scheme will play an important part in delivering the spatial and land use aspects of the Dudley Borough Vision and Council Plan 2022-25, particularly as it relates to housing, employment, transport, environment, and education goals. The Black Country Plan and the Brierley Hill AAP review will provide the regeneration framework for areas across the Borough to assist in achieving this.
26. The designation of these sites will assist with current wider Council and Borough activity and projects including:
- Climate Change and our Net Zero target by 2041
  - GP and health provisions
  - Public transport connectivity
  - Green spaces and the safety of the community



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Appendix One – Site Designation Map



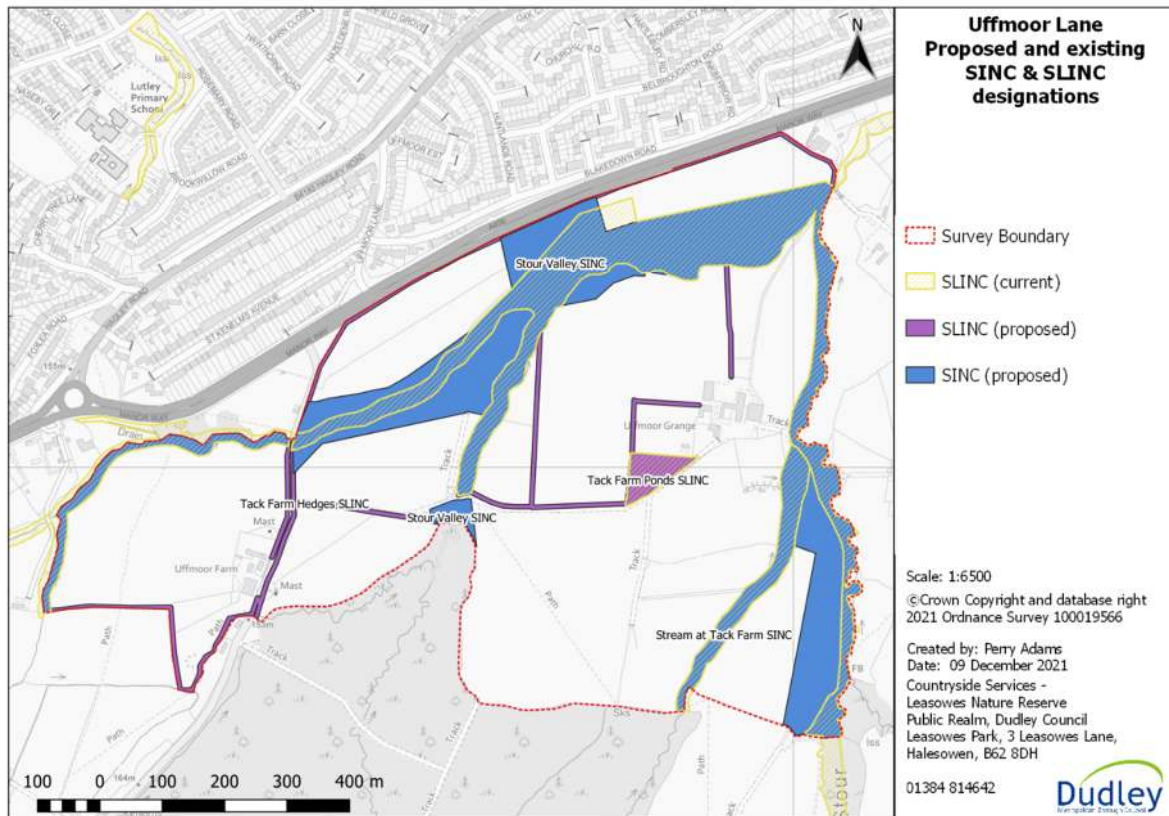


# Appendix 1 – Nature Conservation Designation Maps

Plan 1 - Culverhouse Drive (Clockfields) Designation Map



## Plan 2 - Uffmoor Lane Designations Map



### Plan 3 - Pedmore Lane Designations Map

