

## **Meeting of the Council – 17<sup>th</sup> April, 2023**

### **Report of the Cabinet**

#### **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.

#### **Recommendations**

3. The Council is recommended:
  - That the progress with the 2022/23 Capital Programme, as set out in Appendices A and B, be noted.
  - That the expenditure for additional Changing Places toilets, funded by additional grant, be included in the Capital Programme as set out in paragraph 5.
  - To note the decision to authorise the Director of Finance and Legal to increase loan support to Black Country Innovative Manufacturing Organisation (BCIMO) by up to £712,000, in view of the cash flow issues outlined, and to amend the Capital Programme to include the City Regional Sustainable Transport Strategy (CRSTS) grant as set out in paragraph 6.

#### **Background**

4. 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	63,401	59,665	50,816
Private Sector Housing	7,640	10,871	1,459
Environment	5,943	16,907	3,000
Transport	10,880	6,615	2,000
Regeneration and Corporate Landlord	11,987	16,613	23,106
Culture, Leisure and Bereavement	2,566	5,029	1,900
Schools and SEND	8,822	27,598	22,600
Social Care, Health and Well Being	884	200	0
Digital, Commercial and Customer Services	1,465	1,285	913
<b>Total spend</b>	<b>113,588</b>	<b>144,783</b>	<b>105,794</b>
Revenue	3,687	3,870	3,265
Major Repairs Reserve (Housing)	23,942	25,500	26,000
Capital receipts	34,200	21,667	17,324
Grants and contributions	50,685	17,290	14,705
Capital Financing Requirement	1,074	76,456	44,500
<b>Total funding</b>	<b>113,588</b>	<b>144,783</b>	<b>105,794</b>

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

#### Changing Places Grant

- The Department of Levelling Up and Housing and Communities created a Changing Places Fund in 2022/23 for the installation of large accessible toilets for severely disabled people across England. The Council has already received £150,000 for the first round of Changing Places grant allocations.

The Council has been successful in securing funding for £70,000 in the second round of allocations to fund an additional toilet at Stourbridge Town Hall.

It is recommended that the Council includes the additional expenditure and grant of £70,000 in the Capital Programme for 2023/24.

Black Country Innovative Manufacturing Organisation (BCIMO) City Regional Sustainable Transport Strategy (CRSTS) grant

6. On 17<sup>th</sup> August 2022, the Cabinet considered a report on a loan request for BCIMO. This was considered in private session and copies of the report are available to Members on request. The Cabinet 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. To date £723,000 has been advanced.

In recent months BCIMO has applied for £1.2m of CRSTS development funding split into two tranches:

- First tranche of £712,000 for costs incurred in 2022/23: (a) an extension to the existing pit and additional electrical power points and IT system in the Engine Hall of the National Innovation Centre (NIC) to support the delivery of BCIMO's two major projects - the CAF Trams and Coventry Very Light Rail; (b) to enable the NIC to become fully operational for future projects through the purchase of audio-visual equipment for the whole building, IT system for the whole building, and furnishings for the building; and (c) to support the development of further CRSTS applications required to secure £12m over the next few years.
- Second tranche of £488,000 for costs incurred in 2023/24. These are still being identified but will include the purchase of key pieces of equipment and additional support to aid the Business Case development.

This passed initial approval stages at the West Midlands Combined Authority (WMCA) Board on 13<sup>th</sup> January, 2023 and was recommended to progress to Department for Transport (DfT) and Treasury (HMT). However, it was understood that only the first tranche of funding could be used without DfT/HMT approval, as it had been agreed that, if DfT/HMT approval was not secured, there would be no clawback of this funding i.e. £712,000. The Council is the party requesting funding for a project for this grant. BCIMO is incurring expenditure to be funded from the grant and the Council has so far submitted claims for £106,000 to the WMCA on their behalf.

Ordinarily these claims should be paid within three months, but payment has been delayed as a result of the legal agreement with WMCA not being in place. A template of the agreement has been received and has been reviewed by the Council's legal team and deemed to be acceptable. At the time of originally writing this report, the Council was awaiting feedback from a meeting between Coventry City Council and Transport for West Midlands to better understand the reasons for delay. An update was given at the Cabinet meeting.

In the meantime, works to be funded from the CRSTS are in effect being cash flowed by the Council loan, pending receipt of grant from the WMCA. If there is an ongoing delay in receipt of funds from the WMCA, then the existing loan approval is likely to be insufficient. In view of the decisions taken in August 2022, the Cabinet authorised the Director of Finance and Legal to increase loan support by up to £712,000 in view of these cash flow issues and amend the capital programme to include the CRSTS grant.

Amendments to the Capital Programme are, in normal circumstances, made by Council following a recommendation from the Cabinet. This decision was urgent and could not reasonably be deferred to this meeting of the Council. The urgent decision was therefore approved by the Cabinet as allowed by the Council's Constitution. In accordance with Scrutiny Committee Procedure Rules, the Mayor agreed that this decision was urgent and could not reasonably be deferred. The scrutiny call-in procedure did not apply to the decision concerning loan support to BCIMO.

It should also be noted that, as part of their strategy to become self-sustaining, BCIMO are exploring other sources of funding where expenditure has to be incurred in advance and these are likely to require further loan support from the Council.

## **Finance**

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

## **Law**

8. 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**

9. 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 (eg: grant availability and conditions), and ongoing revenue costs and/or income.
10. Risks associated with lending to BCIMO were outlined in a report to the Cabinet in August 2022.

## **Equality Impact**

11. These proposals comply with the Council's policy on Equality and Diversity.
12. 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**

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

## **Commercial / Procurement**

14. 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**

15. 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**

- 16. Proposed capital projects are in line with the Council’s capital investment priorities as set out in the approved Capital Strategy.

A handwritten signature in black ink, appearing to read 'T. Hand', is written over a light grey grid background.

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**Leader of the Council**

## 2022/23 Capital Programme Progress to Date

<b>Service</b>	<b>Budget £'000</b>	<b>Forecast £'000</b>	<b>Variance £'000</b>	<b>Comments</b>
Public Sector Housing	63,401	63,401	0	
Private Sector Housing	7,640	7,792	152	1
Environment	5,943	5,957	14	2
Transport	10,880	10,880	0	
Regeneration and Corporate Landlord	11,987	13,087	1,100	3
Culture, Leisure and Bereavement	2,566	2,792	226	4
Schools and SEND	8,822	8,822	0	
Social Care, Health and Well Being	884	884	0	
Digital, Commercial and Customer Services	1,465	1,465	0	
<b>Total</b>	<b>113,588</b>	<b>115,080</b>	<b>1,492</b>	

## Note:

1. Additional costs expected for the Homes for Sale programme however these costs should be covered by additional sales revenue.
2. The additional costs of £9k for the flood defences work will be met by a contribution from revenue and the £5k Green Spaces projects' overspend is being funded by a contribution from the Community Forum.
3. Additional costs for the Very Light Rail project as reported to Cabinet in June 2022.
4. Additional costs for the leisure centre projects which were previously reported to Cabinet in October 2022 as forecast to be in the region of £200k overspent.

### Progress with Major Capital Schemes

#### Public Sector Housing

##### New Council Housing

###### Completed:

- The Vista – 2 affordable two bed bungalows
- Corporation Road A – 3 affordable two bed houses

##### Projects on site

- New Swinford Hall – conversion to 18 affordable apartments - completion May 23
- Corporation Road B – 5 houses - completion May/June 23
- Whitegates Road – 3 houses - completion April 23
- St Georges Road – 7 houses - completion July 23
- Beacon Rise – 11 homes - completion December 23 – with £605k Homes England Grant secured
- Lower Valley Road – 17 affordable homes, 14 apartments (mix of one and two beds) and 3 x two bedroom wheelchair bungalows. £935,000 Homes England Grant secured - completion early 24
- Swan Street – 75 units – 54 Sheltered and 21 houses - £4m Homes England Grant secured.

##### Planning approval secured and to progress

- Fairfield Road – 3 units
- Broad Street – 9 number units
- Enville Street – 10 number units – knotweed and clearance during winter
- Howley Grange Road – 4 number units
- Tenacre Lane – 4 number units
- Hurst Hill – 8 number units

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

- Colley Lane, Cradley – 8 affordable apartments

##### Planning submitted

- Langstone Road – 3 number units



## **Private Sector Housing**

### Homes for Sale

- Himley Road – 4 new detached homes - completion End March 2023 – ongoing marketing/viewing. Open day planned Mid-March 2023

## **Environment**

### 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. Remedial works to the café terrace have just been agreed.

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

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

### Wrens Nest Wardens' Base

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

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

Officers are preparing a report outlining the work to date and which will seek a decision to progress the project further.

### 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. An extension to the grant expiry date has been agreed by the Heritage Fund and the programme is now due to complete September 2023, to enable all spend on projects to be drawn down.

The programme focuses on buildings in the town centre's historic core. The work at 203/204 Wolverhampton Street, 216 Wolverhampton Street and 204a Wolverhampton Street has been completed, with 14 New Street and Fountain Arcade being practically complete. Other properties within the programme include the following:

- 208 and 209 Wolverhampton Street: work off the scaffold has been completed, including re-rendering and replacement windows. The shopfronts are in manufacture and are due for installation shortly.
- Plaza Mall: work to façade off scaffold has been completed, with only minor outstanding issues to be addressed. The shopfront is currently in manufacture and is due to be installed during January.
- 207 Wolverhampton Street: project includes comprehensive repairs to the building and reinstatement of shopfront. Work has commenced on site and is due for completion by April, although completion is dictated by the weather-sensitive lime rendering works.

A wide-ranging activities programme, running alongside the capital works programme, has been developed and delivered in conjunction with teams in Adult and Community Learning, Museums, Communications and Public Affairs and the Historic Environment Team. A revised programme was agreed with the Heritage Fund which was adapted in light of Covid-19 restrictions. Further activities were included in the programme working with delivery partners (Co Lab) who already have established links with the community of Dudley. This has seen the successful 'Growing up in Dudley' project, which has gathered images and oral reminiscences, and 'Dudley Days' which held workshops with a small group of participants to create music inspired by connections with Dudley. Teaching resources have been produced as part of the programme and have been shared with schools. The project also works closely with the Historic Environment Team to produce information in the form of trails and leaflets to enhance understanding and appreciation of the historic environment, including a suite of guides, which are currently being drafted, to assist owners of historic buildings. The project continues to work with volunteers where possible and research has been carried out on the former Woolworth's building resulting in a new document produced for the Heritage Open Day in September 2022. A further document about Fountain Arcade has also been drafted and will be added to the suite of building leaflets included on the Dudley Heritage Open Days webpage, where the virtual tours of a number of buildings are available, and the Historic Environment Team's webpage. A new exhibition display in the form of 4 pull-up banners about the history of Dudley were produced for the Heritage Open Day and these are currently on display at the Museum. 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. A training session for bricklaying students at Dudley College

has also taken place in October, where 3 students received hands-on training from a conservation bricklaying specialist.

### Brierley Hill High Street Heritage Action Zone

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

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

### Public Realm Programme and War Memorial

With respect to the public realm parts of the programme, for years one and two, the priority has been works to the Brierley Hill War memorial. The works to the memorial have been divided up into two phases. Phase 1 commenced on-site in August 2021 and focused on installing lighting, repairs and architectural reinstatement works to the Brierley Hill War Memorial and its immediate setting. Phase 2 commenced on-site late November 2021 and focused on the War Memorial Garden where significant stabilisation works to the embankment have been undertaken along with structural repairs to the intermediate walls that runs through its centre plus the laying out of a soft landscaping scheme. Works on both phases are now complete and we are now in the rectification period where any defects identified need to be remedied before final certificates can be issued.

In terms of public realm proposals for the Civic Hall Green and St Mary's Church, this has been out to public consultation along with the rest of the public realm proposals being delivered through the Future High Street Fund. A display of the proposals was provided at 'Your Home Your Forum' on the 31<sup>st</sup> October 2021 and plans of the proposals were erected on a display in Brierley Hill library along with information being made available on-line <https://www.regeneratingdudley.org.uk/brierley-hill-projects> The consultation ended on the 28<sup>th</sup> November 2022. Temporary road Traffic Management works for delivery of the scheme commenced on-site from the 8<sup>th</sup> January 2023 onwards, for more information click on this link: <https://connect.dudley.gov.uk/news/Pages/Brierley-Hill-town-centre-improvements.aspx>

### Buildings Programme

As part of the original bid submission to Historic England, a number of historic buildings were identified to be a priority for grant assistance. Contact has now been established with the owners of all the priority projects and the majority of them are positively engaging with the Council and have now appointed a Conservation Accredited Architect in order to progress their proposals. Grants have been offered and accepted on two projects and four other building schemes are currently out to tender, grant offers will be made once the tender reports are received. Several other priority projects are in the process seeking the necessary planning consents and drawing up tender documentation. This part of the programme is very dependent on the acceptance of grants by building owners and on contractors being appointed and being able to manage time pressures (imposed by the tight spend window for the project), significant rising costs and material delays.

### Community Programme

Community engagement and activities are also being positively progressed and developed in conjunction with Brierley Hill Community Forum, Friends of Marsh Park, Dudley Market, the Black Country Living Museum and also with teams in Adult and Community Learning (ACL), Museums, Communications and Public Affairs, Dudley Business First and the Historic Environment Team. There is in place an Activity Plan for the project. In the Autumn and winter of 2022 the focus has been on the Heritage Open Day/week which took place from 10<sup>th</sup>-18<sup>th</sup> September. An Architectural Heritage Trail for Brierley Hill was published along with a visitor print map for the town. Both have been distributed throughout the town centre with hard copies being made available in the Library, Market, Civic Hall and various other venues. Copies of the visitor print map have been distributed further afield in venues within an hour's drive of the town. In November of 2022 the main focus was on getting the war Memorial ready for Remembrance Sunday with the help of a lot of volunteers from the local community and from groups such as 'Crafting for Communities, Top Church

Training, Harry's Café, and ACL. In December 2022 a video was produced and launched by Historic England about one of the projects that has been funded through the High Street HAZ Community programme, the 'Brierley Hill Bell Ringers', it was promoted by the BBC on Midlands Today on 5<sup>th</sup> January 2023. For more information click on this link: <https://www.bbc.co.uk/news/uk-england-birmingham-64165568> and to view the video click this link: <https://www.youtube.com/watch?v=00pweEHzydA> Also in December 2022 the programme was able to provide support to the delivery of the Round Oak Steelworks event at Dudley Archives which was arranged to commemorate the 40<sup>th</sup> anniversary of its closure.

### Cultural Programme

Other major element of the High Street Heritage HAZ is the development of a Cultural Programme in conjunction with Brierley Hill Community Forum. The Arts Council England, National Heritage Memorial Fund and Historic England are providing funding for the development and delivery of the HS HAZ Cultural Programme providing the total sum of £94,000. On 16<sup>th</sup> November a fifth Progress update report was submitted to Historic England by DMBC, prepared in conjunction with the Cultural Consortium Project Coordinator, this will result in a further interim payment from Historic England to the Council.

Work is now underway on delivery of a programme of cultural events and activities. One such project being 'Round Here'. Brierley Hill was one of six High Street Heritage Action Zones selected to take part in this National Commission (for more info click on this link: <https://historicengland.org.uk/get-involved/high-street-culture/round-here/#Midlands>), other successful High Street's being Weston-Super-Mare, Huddersfield, Tottenham, Chatham Inra and Barrow-in-Furness. 'Live Music Now' have release the fully produced and finished version of the song created with Brockmoor Primary School during the summer of 2022 called 'Beauty of Brierley Hill' and performed live on 10<sup>th</sup> July 2022 at Brierley Hill Civic Hall. The song is now available to view on YouTube <https://youtu.be/ANEyH2fpmVg> and Facebook [https://m.facebook.com/story.php?story\\_fbid=pfbid0heLtuHw8pduE2TKyD49ffPTygNdinakaon5xqe2p2hS9tRR8ZVMAhcvn2tbipocwl&id=100081555706241&sfnsn=scwspmo](https://m.facebook.com/story.php?story_fbid=pfbid0heLtuHw8pduE2TKyD49ffPTygNdinakaon5xqe2p2hS9tRR8ZVMAhcvn2tbipocwl&id=100081555706241&sfnsn=scwspmo).

### 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 which is still on going. Due to increased usage of the Council House, the installation of the controls to the ASHP have been delayed temporarily.

### Low Carbon Place Strategy

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

The programme recommenced slowly in December 2021 as the contractor mobilised. A project change request has been granted requesting a further 18 months be added to the programme deadlines, to enable this resultant delay to be accommodated which affects the Housing side of the programme. It should also be noted that where homes are sold under the Right to Buy scheme, but have had the benefit of the grant, the council is required to refund the capital impact of the grant. The programme of energy efficiency improvements to the corporate estate is nearing completion. The outstanding works of Solar PV at Halesowen Leisure Centre and optimised buildings at 4 Ednam and 3-5 St James, are due to be completed by the end of March 2023.

### Very Light Rail (VLR)

Following a detailed review of the various issues, delays and variations previously reported the project Quantity Surveyor, RLB have now presented their assessment of the final account for the project which is indicating an overspend of approximately £890,000 against the available budget. This is based on formal project handover having taken place on 16 September 2022.

Works continue in closing out outstanding issues.

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

### Metro Complementary Measures

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

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

Midland Metro Alliance (MMA) are constructing the Metro extension for TfWM. In July 2022 the WMCA Board confirmed that costs had increased for the WBHE and therefore it will be phased. The first phase finishes at Flood Street, Dudley and will be open to passengers in Summer 2025.

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

## Towns Fund

Dudley Town Centre is one of 100 towns invited by Government to bid for the £3.6bn Town Deal Fund. The aim of the Fund is to secure long-term economic growth and improved productivity. This will be achieved through investment in connectivity, land use, skills, and enterprise infrastructure. DMBC's successful bid was announced in July 2020 and, following a Full Business Case process, was fully confirmed in August 2022, allowing DMBC to draw down the main £25m grant from September 2022.

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

In the current macro-economic environment of high inflation, there are cost implications on the main construction period moving from 2023/24 to 2024/25. Cost modelling undertaken by independent cost consultant shows a £3-5m shortfall in funding for the consented 4332 m<sup>2</sup> building. Therefore, the DMBC and Dudley College are seeking funding from public bodies which benefit from the scheme including regional government and the NHS. The team are also seeking funding of specific items of equipment from private sector donors. If additional funding cannot be found, a contingency option has been agreed with partners to construct a 3618m<sup>2</sup> building, omitting floor four and plans for an NHS diagnostic hub. Current estimates show this option can be delivered within £25m Towns Fund award, however this estimate may increase as we update cost estimates to reflect increasing rates of forecasted inflation.

In March 2022 it was agreed that DMBC would use an insurance-backed alliancing contract provider that will provide contract documentation, facilitation and advisory services to Dudley MBC required to prepare and execute an insurance-backed alliancing construction contract. DMBC will be the lead authority for this contract for construction consultancy services. Total costs of using the IPI method of construction procurement will be up to £1.4m However, based on previous experience from Dudley College, we expect these costs will be balanced by significant savings over the course of the contract. These savings will principally come from insuring against cost overrun and a more transparent financial approach to contractor profit and costs.

## 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. Installation of fibre circuits in progress and should be completed by 31<sup>st</sup> March 2023.



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 November.
- Coronation Gardens – now completed and fully operational.
- Castle Gate – design work is complete. Columns have been erected, camera heads to be installed shortly. Waiting confirmation of power installations and fibre optic circuit.
- 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 November Installation of fibre circuits in progress and should be completed by 31<sup>st</sup> March 2023.
- Shell Corner Halesowen – columns erected with one head and power connected. Anticipated overall completion in late November Installation of fibre circuits in progress and should be completed by 31<sup>st</sup> March 2023.
- Netherton High Street – completed.
- Wollaston traffic island – column erected, cameras, power and network yet to be completed. Anticipated completion late November Installation of fibre circuits in progress and should be completed by 31<sup>st</sup> March 2023.
- Toys Lane/Furlongs Road Colley Gate – location now agreed and works commissioned. Anticipated completion late November Installation of fibre circuits in progress and should be completed by 31<sup>st</sup> March 2023.
- Queensway Pedmore – column erected, and camera installed. Anticipated completion late November Installation of fibre circuits in progress and should be completed by 31<sup>st</sup> March 2023.
- Wynall Lane – column erected, and camera installed. Anticipated completion in late November Installation of fibre circuits in progress and should be completed by 31<sup>st</sup> March 2023.

The original location at Jews Lane/Eve Lane in 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 was surveyed on 15<sup>th</sup> November with final recommendations to be provided on completion of Phase 3.

## Dudley Interchange

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

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

In December Gateley Hamer submitted the CPO to the Planning Casework Unit (PCU) for confirmation by the Secretary of State. The next step will be that the PCU informs Gateley Hamer what representations it has received in the relation to the CPO, and whether it intends to hold a public inquiry. The PCU will appoint an inspector and notify us of a 'relevant date' from which the CPO timetable starts to run.

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

## Dudley Town Centre Highways Infrastructure (Portersfield Development)

As reported previously the WMCA has conditionally approved funding to support changes to the highways Infrastructure to create access to the Portersfield development site and improve access to the wider Town Centre. This funding amounts to £6.0m. In addition to early design work, some site clearance was carried out to allow for intrusive site investigation to provide information to support the design process. In terms of any land acquisition required for highway changes this will be covered under a CPO that will be required for the overall development of the site. Highway design work relating to realigning Trindle Road was previously frozen to avoid any abortive spend until the review of the overall development site has been completed. Alternative highway options, including high quality sustainable access measures, are currently being reviewed as part of the overall development aspirations.

## Black Country Blue Network 2

Sedgley Beacon, Holloway Street (phase 1&2) and Castle Hill are all in progress. Sedgley Beacon should be completed in January 2023. Ecological surveys have been completed for Turls Hill and Coseley. Procurement exercise was carried out, but tenders came in too high therefore we are having to re-tender based on rescheduled work programme. It is still anticipated that the projects can be delivered in the timescales (project due to end June 23) but will be very tight and will require close monitoring.

## Refurbishment of Dudley Council House Campus

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

Building and ICT work to the new collaboration room in the ground floor link corridor has been completed; furniture being delivered in January and the room became useable in February. The churn of people, furniture, and equipment from the senior leadership areas on the first floor has been completed and work is now in progress, phase 1 due to complete in early April 2023. Further phases include:

- **Phase 2** - Basement and remaining 1st and 2nd floor areas – churn April, then contractor starts on site 1st May and completes 18th August 2023
- **Phase 3** - Ground floor incl. reception – churn July, then contractor starts on site 21st August and completes 22nd Dec 2023
- **Phase 4** - Old Police Building – churn December 2023, then contractor starts 2nd Jan 2024 and completes 17th May 2024
- **Phase 5** - Car Park – contractor starts 20th May and completes 9th August 2024

## 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. Improvement works at the High Street commenced on site on 4 January 2023 and will run until the spring of 2024.

Key Retail Sites (£1.048m) - The owner of the Moor Centre has failed to secure planning approval to move the car parking from the rear of the site to the front. As the result, the Council's acquisition and redevelopment of the rear car park cannot be progressed within the Future High Street spend timescales. Following consultation with the Department for Levelling Up, a formal Project Change Request was submitted in September 2022 to move funding from the Moor Centre to support the public library (£365k) and public toilet refurbishment works (£194k). Tenders for both of these projects are double the original estimates. This is the result of materials shortages, the high rate of inflation and transportation costs. The remainder of funding (£489k) will be transferred to the public realm programme where similar cost increases are expected. The Department for Levelling Up approved this project variation in January 2023 (as per paragraph 13 of the main report). The refurbishment works to the Library and Public Toilets are expected to commence in March and will complete in June 2023.

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

Addressing Housing Need (£3.55m) - 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. A valuation has been agreed by the Council and creditors. Early construction of the Metro viaduct and Embankment tram halt is key to delivery of the housing redevelopment project. West Midlands's Combined Authority's decision in July 2022 to delay the Metro link from Dudley to Brierley Hill has severely impacted upon the delivery programme and the proposed redevelopment works are unable to proceed within the FSHF timescale. The Housing Department's capital programme has been reduced and it is now unlikely the Council will proceed with the acquisition and redevelopment project. As the result, a review is being undertaken of how much of the Future High Streets funding can be reallocated to replacement projects within the programme in the period to 2023/24. This could include the introduction of new project activity, although this will need to be accompanied by an economic appraisal report that confirms value for money. Discussions are also being held with West Midlands Combined Authority and Homes England over their acquisition of the land and the introduction of a more flexible funding package to remediate the sites and provide infrastructure. A second Project Variation Request will be submitted to the Department of Levelling Up in spring 2023.

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. Tenders are significantly over budget due to inflation and increases in the cost of building materials. A Project Variation Request was submitted in September 2022 to move funding from the Moor Centre to support the project. If approval is forthcoming, the library refurbishment works will commence in April 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. Tenders are significantly over budget due to inflation and increases in the cost of building materials. A Project Variation Request was submitted in September 2022 to move funding from the Moor Centre to support the project. If approval is forthcoming, the toilet refurbishment works will commence in March 2023.

In addition to the Future High Streets Fund award, the Council has secured further investment from the West Midlands Combined Authority. This is to acquire land to support implementation of the High Street Link.

A funding agreement between WMCA and DMBC completed in March 2022. This is a long-term vacant gap site where there is the opportunity to provide a new connection from the High Street to the Metro terminus and Health Centre. A start on site for the pedestrianisation works is expected in the autumn of 2023.

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

## **Schools**

### Schools Basic Need Projects

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

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

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

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.