

## **Meeting of the Council – 14<sup>th</sup> July, 2025**

### **Report of the Cabinet**

#### **Halesowen and Brierley Hill Levelling Up Bids**

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

1. To endorse the recommendations of the Cabinet concerning the Halesowen and Brierley Hill Levelling Up Bids.

##### **Recommendations**

2. That the Grants awarded for Brierley Hill (£20m), and Halesowen College (£20m) be accepted.
3. That the Levelling Up projects be added to the Capital Programme: Halesowen (£21.353m) and Brierley Hill (£22.036m), subject to final figures contained in the Memorandum of Understanding documents for each project.

##### **Background**

4. On 19<sup>th</sup> June, 2025, the Cabinet considered a report on the Halesowen and Brierley Hill Levelling Up Bids. The report provided an update on the Bids following confirmation of Grant awards in the 2024 Autumn statement and sought delegated authority for the Section 151 Officer to sign two Memorandums of Understanding with the Ministry for Housing Communities and Local Government which specify terms of the Grant and also acceptance of the award.
5. The full report to the Cabinet is available on the [Council's Website](#).

6. On consideration of the report, the Cabinet decided:
- (1) That the positive progress of discussions with Halesowen College and the Ministry for Housing Communities and Local Government (MHCLG) regarding the Halesowen Levelling Up Fund (LUF) Bid, be noted.
  - (2) That the proposed changes to the delivery model for the educational elements of the project, be noted.
  - (3) That the progress of the Brierley Hill bid, be noted.
  - (4) That the Council's Section 151 Officer, in consultation with the Cabinet Member for Resources, be authorised to sign a Memorandum of Understanding (MOU) with the MHCLG for the Halesowen Levelling Up Fund project and also the Brierley Hill Levelling Up Fund project, which will release grant monies to the Council, after negotiating the terms of the agreement including revised project plans and revised financial profile.
  - (5) That the use of up to £70,000 revenue funding from the Levelling Up Fund capacity funding to enable officers to undertake the revised project plans and financial profiles as requested within the Cabinet report, noting the risks that undertaking this work prior to signing the MOU may have on project funding, be approved.
  - (6) That the Council be recommended to:-
    - (a) Accept the Grants awarded for Brierley Hill £20m, and Halesowen College £20m.
    - (b) Add the Levelling Up projects to the Capital Programme: Halesowen £21.353m and Brierley Hill £22.036m, subject to final figures contained in the MOU documents for each project.

## **Finance**

### **7. Halesowen Levelling Up Bid**

The Council has been awarded £20 million funding for delivery of the Halesowen levelling up round 3 bid. The original round two bid included proposed match funding from the Council of £1.353 million

and £683,000 from Halesowen College which is currently included in the MOU.

8. The MOU also sets out the project parameters, the “ask” and “offer” expected by the Parties and references the original application which sets out project details and timescales (budget, spending profile, scope, key assumptions, outputs, timeline, key milestones, and risks).
9. Further it is also a grant acceptance document specifying rights and obligations for DMBC in respect of levelling up fund monies.
10. Signing of the MOU releases grant monies to be paid in 6 monthly tranches.
11. In discussions with MHCLG, officers have made it clear that the Council is no longer in a position to provide match funding for the project hence alternative options are being investigated including potential additional match funding from Halesowen College. As result there are no proposals included in the Cabinet report for matched funding from the Council.
12. The Section 151 Officer will require a full project plan prior to discussion with MHCLG, and this must include proposals for matched funding including any commitment from Halesowen College.
13. The MOU specifies completion of the project by 31 March 2026 and includes a requirement for written confirmation from the Section 151 Officer that the project continues to represent value for money / best value and provisions of accurate data and information within the assurance cycle as set out in the CLGU Assurance and Performance Management Framework.
14. Dudley MBC is to constitute a delivery board (this applies to all LUF projects) which is integrated into the full governance arrangements of the Council.
15. If the existing MOU is signed MHCLG has confirmed that once the revised project is finalised the new funding profile and any changes to outputs and outcomes can form part of a formal Project Adjustment Request (PAR) process. It is likely that any PAR request will take approximately 6 months to complete with the Council at risk during the process.

16. The original bid including project costing information was completed with external assistance. Currently the bid is being reworked and a new project plan with associated cost information is being worked on by Regeneration and Finance. As part of the recommendations, approval was obtained from the Cabinet for the allocation of up to £70,000 Levelling Up Fund capacity funding to undertake the additional cost information and detailed project plan noting the risks at this stage in delays of signing the MOU.
17. Full information is required to inform the S151 Officer before entering into discussions with the MHCLG.
18. Further the information must be reviewed and agreed before the project can be recommended for inclusion in the capital programme.
19. The MOU includes a clause which requires the Council to submit a LUF Monitoring Reporting Form, and a partly completed submission has been seen but project progress includes *Finalisation of project scope, design, costing and order placement to align with LUF funding window* as a current challenge.
20. Further work is also necessary as the funding profile in the MOU has been reworked in the monitoring form and matched funding has been deleted as this is still being finalised.
21. The current delivery plan included is at a high level and a feasibility study identified as being in progress and on track but timescales need to be added. Further most of the headline activities will be derived from the feasibility study which will also inform the financial profile.
22. As the full extent of the scope of the proposed project is not yet finalised project outputs, outcomes and risk register are still in development.
23. The form requires sign off from the Section 151 Officer but assurance on the information contained is limited.
24. **Brierley Hill Levelling up Bid**

The Council has been awarded £20 million funding for delivery of the Brierley Hill Levelling Up round 3 bid. The original round two bid included proposed match funding from the Council of £2 million which is currently included in the MOU.

25. There are no proposals included in the Cabinet report for this matched funding.
26. If the original submission is confirmed in the MOU, then matched funding would need to be made available. The original bid identified £1.3m from the Metro Complementary budget and £0.7m from Dudley College as potential sources of matched funding.
27. The Section 151 Officer will require a full project plan prior to discussion with MHCLG, and this must include proposals for matched funding.
28. The MOU specifies completion of the project by 31 March 2026 and includes a requirement for written confirmation from the Section 151 Officer that the project continues to represent value for money / best value and provisions of accurate data and information within the assurance cycle as set out in the CLGU Assurance and Performance Management Framework.
29. Dudley MBC is to constitute a delivery board (this applies to all LUF projects) which is integrated into the full governance arrangements of the Council.
30. If the existing MOU is signed, MHCLG has confirmed that once the revised project is finalised the new funding profile and any changes to outputs and outcomes can form part of a formal Project Adjustment Request (PAR) process. It is likely that any PAR request will take approximately 6 months to complete with the Council at risk during the process.
31. The original bid including project costing information was completed with external assistance. Currently the bid is being reworked and a new project plan with associated cost information is being worked on by Regeneration and Finance. There is summary information, but this is insufficient to carry out an assessment of the proposed scheme including development of the financial elements of the project risk register.
32. As per the Cabinet report, approval was obtained from the Cabinet for the allocation of up to £70,00 Levelling Up Fund capacity funding to undertake the additional cost information and detailed project plan noting the risks at this stage in any delays to the signing of the MOU.

33. Full information is required to inform the Section 151 Officer before entering into discussions with the MHCLG. Further, the information must be reviewed and agreed before the project can be recommended for inclusion in the capital programme.
34. A partly completed LUF Monitoring Reporting Form has been submitted to the Section 151 Officer for review but project progress includes *Finalisation of project scope, design, costing and order placement to align with LUF funding window* as a current challenge.
35. A funding agreement will be developed between the Council and all prospective partners to enable funding to be paid to deliver the contractually agreed external elements of the project. The funding agreement will need to include clauses in respect of liabilities in the event of cost overruns and/or failure to deliver the programme to agreed scope and timescales.

## **Law**

36. Section 111 of the Local Government Act 1972 provides the Council with power to do anything which is calculated to facilitate or is conducive or incidental to, the discharge of any of their functions. 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.
37. Funding agreements will be developed between the Council and Halesowen College, Dudley College and Transport for West Midlands to manage the transfer of funds and any associated liabilities relating to the delivery of the educational and connectivity elements of the LUF programmes.

## **Risk Management**

38. As noted in the Cabinet report there remains a risk that funding is removed from programmes where there is no MOU in place given the present review of Government finances.
39. A Programme level risk register was completed and submitted for the original project and is currently being updated to reflect the proposed changes to the delivery model for the projects and will reflect the risk to project funding noted above.

40. Dudley Council as accountable body for the funding will retain responsibility for the overall Programme level risk register.

### **Equality Impact**

41. There are no equality impact considerations arising from this report. Future equality impact assessments may be required for individual elements of the project where they have potential to impact users of services / facilities.

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

42. There are no immediate additional Human Resources or Organisational Development implications resulting from this report. It is envisaged that programme and project management responsibilities will be split between both the Council and Halesowen College, Dudley College and Transport for West Midlands for their individual elements through the utilisation of existing staff resources. In the future it may be necessary to bring in additional project / programme management resource with any costs to be absorbed from within the £20 million funding allocation hence placing no additional direct funding pressures on the Council.
43. Where additional capacity is required, it is likely that this would be on a fixed term basis with any council requirements following existing Pay Cost Control Board approvals.

### **Commercial/Procurement**

44. There are no immediate commercial / procurement considerations arising from this report. Any future procurement activity to support the delivery of the Halesowen and Brierley Hill Levelling Up programmes will be undertaken in-line with the relevant legislation and Council's contract standing orders with support from commercial and procurement colleagues.

### **Environment / Climate Change**

45. The proposed changes to the Halesowen project with a focus on the refurbishment of existing vacant buildings as opposed to the development of a new education facility will support the priorities of the council's climate action plan, in addition to the implementation of active travel enhancements as part of the wider public realm enhancements. Support for improved footpath and cycleway

connectivity within Brierley Hill will improve model shift and help to address the current poor strategic connectivity between the High Street and Merry Hill Shopping Centre.

### **Council Plan**

46. Both the Halesowen and Brierley Hill Levelling Up projects will support the Council Plan 25/26 priorities aligned to partnership and community engagement (work with the business community to develop shared opportunities for economic growth and job creation) and service delivery (deliver sustainable services for our residents and communities during financial restraints).



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**Leader of the Council**