

Report to Council

28 March 2023

Subject:	West Midlands Combined Authority - Update
Director:	Director Regeneration & Growth Tony McGovern
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1 Recommendations

- 1.1 That Council notes the update report and is asked to consider any other opportunities for the Borough arising in connection with the West Midlands Combined Authority.

2 Reasons for Recommendations

- 2.1 Being a constituent member of the West Midlands Combined Authority offers Sandwell Council access to funding and initiatives that positively impact the borough and the people of Sandwell.



3 How does this deliver objectives of the Corporate Plan?

		Participation as a constituent member of the West Midlands Combined Authority offers opportunity to contribute positively to all strategic outcomes contained in the Corporate Plan.
		
		

4 Context and Key Issues

Trailblazer Devolution Deal

- 4.1 Since the publication of the Levelling Up White Paper in February 2022, WMCA has been working with Local Authorities, HM Government and other regional partners to develop the West Midlands Trailblazer Devolution Deal. The Deal is seeking further devolved funding and powers for the region – building from previous devolution deals secured by the West Midlands. WMCA and partners are identifying the existing barriers and possibilities in the West Midlands, highlighting where devolution can best support the region to unlock and accelerate its regeneration potential and meet the needs of local residents.
- 4.2 WMCA partners were asked to articulate how their TDD proposals will help to achieve the 12 Levelling Up missions, set out by government.
- 4.3 To address these 12 Missions, WMCA have broken down the development of their TDD into 20 separate strands. The Combined Authority has been working in partnership across the region to draw up proposals for each strand.
- 4.4 The Council is working closely with WMCA and the six other LA Constituent members to negotiate a Trailblazer Devolution Deal with Government that could see devolution of significant new funding and powers to the Region to increase housing delivery, net zero, homelessness, digital and skills levels.



- 4.5 The Council has clearly articulated its “asks” from this TDD process. The priority ask from the TDD is for significant and new levels of support via different funding models, devolution of relevant capital funds and new partnerships with the Combined Authority, Private Sector and Central Government to tackle the most difficult issues that will deliver material progress on net carbon zero. This would generate a major regeneration boost for the borough in terms of new employment, new skills opportunities, SME start ups and the development of new technologies.
- 4.6 At the time of writing this report, the detailed wording of the TDD is being worked on in preparation for submitting to government in time for the budget in March 2023.

West Midlands Levelling Up Zones

- 4.7 Levelling Up Zones form part of the TDD proposals. The WMCA envisage that the Levelling Up Zones will be an innovative, long-term, comprehensive approach to unlocking private sector growth with coordinated public investment, and a focus on delivering wider outcomes for local communities. The Levelling Up Zones will provide a transformational opportunity for system change, social infrastructure provision, addressing inequalities, tackling deep-seated challenges and market failures, and exemplifying the path to net zero.
- 4.8 The Levelling Up Zones currently being developed in the West Midlands are:
- East Birmingham North Solihull Corridor
 - Wolverhampton Corridor (incl. Green Innovation Corridor)
 - Walsall Central
 - Wednesbury to Birmingham New Road (Tipton)
 - Dudley Corridor
 - Coventry and Warwickshire (including the Gigafactory)
- 4.9 The scope of funding and powers that will be devolved to the region to deliver the Levelling Up Zones is subject to Government approval via the TDD. It is understood that the WMCA intend to ask for a range of taxation powers and public investment tools, such as the ability to create tax-incentives for businesses within the Zones and to develop a Tax Increment Financing (TIF) model to help fund infrastructure works.



4.10 The WMCA has confirmed that the submission of the TDD will not commit Sandwell to the creation of a Levelling Up Zone. The funding and powers that are being sought through the TDD ask would provide a 'toolkit' of interventions that can be used if LUZ is created. This will allow Sandwell to have the flexibility to choose the interventions that are most appropriate for our sites and regeneration priorities. Detailed work with Local Authorities will continue to co-develop Levelling Up Zone proposals and the supporting evidence.

City Region Sustainable Transport Settlement (CRSTS)

4.11 Local authorities in the region have been working with the WMCA to establish the West Midlands City Region Sustainable Transport Settlement (CRSTS). The current West Midlands submission stands at £1.732bn to reflect the ambitions of the area and to allow a deliberate level of over programming. The fund will be wholly capital in nature but is supported by a supplementary revenue fund of £8.9 million which has been received by WMCA.

4.12 CRSTS, especially when viewed alongside Active Travel and Bus Service Improvement Plan funding, provides an opportunity to plan improvements to the transport system in a more integrated way and over a more realistic delivery period, rather than quick turn-around, competitive and relatively small national funding pots.

4.13 The schedule of projects includes many projects that either sit within Sandwell or impact on transport provision in Sandwell, such as Dudley Road corridor highway improvements, cross city bus priority, integrated transport hub at Dudley Port and new cycle infrastructure.

UK Shared Prosperity Fund (UKSPF)

4.14 UKSPF is a central pillar of the UK Government's Levelling Up agenda. Its primary goal is to build pride in place and increase life chances across the UK, with three key investment priorities around 'Community and Place', 'Supporting Local Business', and 'People and Skills'.



- 4.15 WMCA has been identified as the lead authority and accountable body for UKSPF across the seven local authority metropolitan area, with responsibility for developing its investment plan, and for delivery of the Fund. WMCA has been leading a strategic approach, working with local authorities to identify local and regional investment priorities that support the region's levelling up ambitions.
- 4.16 The overall UKSPF allocation for the region is £88.5m over the period 2022-2025. It is critical that the funds are allocated where they can have most impact for places, residents, and businesses across the region.
- 4.17 Sandwell Council has secured £6.99m of UK Shared Prosperity Funding from the WMCA for investment in business support, skills and specific place-based projects especially in one of the most deprived areas of the Borough.
- 4.18 The position for Sandwell is as follows:
- Local allocation of £4.7m for Sandwell over three years to support local Place / Skills / Business priorities
 - Plus £2.3m business support resources for SME advisors at LA level over 3 years from 22/23 to 24/25.
 - Plus some percentage of the £3m administration cost for implementing SPF schemes
 - Plus potential benefits to Sandwell businesses from the Specialist Business Support Programmes at CA / Regional level – e.g. the Decarbonisation Programme.
 - The final elements of potential benefit is where the CA have identified MULTIPLY funding and some Adult Education Budget could be allocated to more deprived LAs to compensate for the low weighting that need / deprivation has been given in the SPF allocation process.

Common Wealth Games Legacy Funding

- 4.19 Sandwell Metropolitan Borough Council is actively engaging with the WMCA on the prioritisation process for the £70m underspend of the Commonwealth Games 2022 that has been allocated to the West Midlands Region by DCMS, including a £2m proposal to support the significant increase in utility costs at the Sandwell Aquatics Centre over the next two financial years.



Employment and Skills

- 4.20 Sandwell MBC continues to play an active role in the WMCA Employment and Skills officers group; the meeting includes representatives from all constituent member local authorities. This group also considers regional approaches and best practise sharing across the local area, with each local authority having their own Employment and Skills partnership to feed information to and from. The partnership has recently refreshed it's terms of reference in light of LEP integration and the TUPE of staff for the Careers and Enterprise contracts.
- 4.21 Officers are currently involved in the development of the WMCA/DWP health pilot acting as a flight path for consultation and project development.
- 4.22 Sandwell MBC are delivering a strand of the Multiply contract supporting financial literacy in the borough, our Welfare Rights team are working alongside the Citizens advice bureau and Sandwell Consortium to build numeracy skills and financial resilience.

NEET reduction

- 4.23 The Council is working alongside WMCA on the development of an all age careers service following the Careers and Enterprise contract transfer to WMCA. The Council is in talks with WMCA on the future delivery model at the end of the current contract in August 2023.
- 4.24 The current delivery model includes a part funded secondment from the Connexions service, however funding is being sought to fully fund the post with further discussion around other CEC roles in the locality.

Adult Education Budget 2022-2025 Strategy

- 4.25 WMCA has issued its Adult Education Budget 2022-2025 Strategy. It sets out their vision for a responsive and flexible adult skills offer which will support a people-centred approach to ensure that the skills needs of businesses are met and that everybody can benefit from economic growth.



4.26 WMCA key priorities are:

1. Getting residents into employment
2. Upskilling and reskilling to respond to the regional economy and net zero
3. Providing a good basic education up to Level 2 for those who need it and increasing higher-level provision in all local authority areas to ensure a good balanced offer is in place
4. Supporting our communities to be stronger and benefit from inclusive growth
5. Ensuring there is a strong Community Learning offer in place, which addresses digital inclusion, family learning, sustainability and health & wellbeing.

4.26 WMCA intends to continue to collaborate closely with local stakeholders, including DWP and Local Authorities to work towards a place-based approach for local communities. They will continue to collaborate with Colleges West Midlands, the West Midlands Provider Network and ACLA to deliver the Adult Education Budget. WMCA strengthen their employer and sector body collaboration to ensure provision will increasingly be aligned to economic and employer needs.

Wednesbury to Dudley (Phase 1) (Brierley Hill- Phase 2) Metro Extension

4.27 The 11km extension will branch off the current West Midlands Metro line just east of the Wednesbury Great Western Street Metro stop, before heading through Tipton and Dudley on its way to Brierley Hill. The extension will be delivered in two phases with the first to Dudley town centre expected to open for passenger services in 2024. The second phase will see the route further extended to Brierley Hill at the earliest opportunity. This phased approach is due to a combination of factors including a rise in construction and energy costs, at the same time as a reduction in the farebox income as a result of the Covid pandemic. This is the largest transport investment in the Black Country with a scheme value of circa £450m.



4.28 There are plans for up to 14 tram stops along the route:

- Phase one will see up to nine new stops from Wednesbury to Flood Street, Dudley
- Phase two will include the addition of five stops between Flood Street and Brierley Hill, with provision for one additional stop

4.29 Phase One is fully funded and opens to passenger services in December 2024 but Phase Two from Dudley to Brierley Hill is not currently funded.

4.30 Investigations are taking place as to whether sections of the route can be operated using batteries rather than traditional overhead wires. An additional Metro depot will be needed to accommodate the extended fleet of trams that will run services on all of the planned extensions.

4.31 The headline benefits of this route are...

- Attracting investment and regeneration to Sandwell and Dudley, and in phase two, to Brierley Hill
- An important driver for this route is the creation of a link from this part of the Black Country to HS2 and everywhere in-between supporting economic growth by linking jobs and people
- The Wednesbury to Brierley Hill Extension will enhance public transport accessibility across the Black Country as a whole and reduce journey times as well as improve air quality and reduce noise

4.32 Main construction for the first phase of the scheme to Dudley town centre got underway along one side of Castle Hill in March 2020. Since then, much activity has taken place, including utility upgrades and diversions, removal of the existing road surface, creation of concrete track beds, installation of ducting for system integration and a total of 350 metres of rail laid. The team is currently replicating this activity on the opposite side of the street together with preparatory work on Flood Street.

4.33 Meanwhile, a number of aged railway bridges along the route were replaced in 2021 to make way for new purpose-built structures which are fit for a modern tramway. Further bridge replacement works have also taken place.



4.34 The metro extension from Wednesbury through Tipton also represents a 'growth corridor' for Sandwell Metropolitan Borough Council and is the geography upon which our proposal for a Levelling Up Zone is based.

West Bromwich Town Centre Regeneration and Bull Street MSCP Demolition

4.35 The WMCA grant funding agreement required the submission of an outline business case – this was completed in January 2022. It also requires the delivery of a residential scheme on the former MSCP site by 2030. Given the vacant nature of the former MSCP site and the impact this has on the appearance of the Town Centre, the Towns Fund Urban Greening Project has used the hoardings for public art, which has improved the visual appearance of the site.

Friar Park Housing Development

4.36 The Council and WMCA are working together in a legally binding Joint Venture Agreement to develop a challenging brownfield site in the Borough (Friar Park) that could deliver 630 new homes including 25% affordable homes; £9m has been allocated by the WMCA to support this project to come forward.

4.37 A Masterplan for the site has been prepared and public consultation was undertaken for a 6 weeks period commencing 7th November 2022 and ending 16th December 2022.

4.38 A Cabinet report (March 2023) sets out the next steps for this project, which includes seeking Cabinet approval to the revised Masterplan and the approach to developer procurement.

4.39 SMBC and WMCA continue to work together to deliver this scheme. It should be noted that viability is an ongoing challenge due to the level of remediation required.



5 Alternative Options

- 5.1 Become a non-constituent member of WMCA - Participation as a constituent member of the WMCA enables Sandwell to deliver improvements to the locality that would otherwise be more difficult to achieve. In addition, through WMCA activity, we can ensure that Sandwell residents have the skills to access new employment opportunities both here in Sandwell and across the region, with excellent public transport available connecting the whole of the West Midlands. These benefits would be lost if Sandwell became a non-constituent member.

6 Implications

Resources:	The contribution to the Combined Authority from Sandwell Council for 2022/23 is £0.611 million.
Legal and Governance:	Part 6 of the Local Democracy, Economic Development and Construction Act 2009 (“the 2009 Act”) provides for the establishment of combined authorities for the areas of two or more local authorities in England. Combined authorities are bodies corporate which may be given power to exercise specified functions of a local authority under sections 104 and 105 of the 2009 Act, and power to exercise specified functions of any other public authority under section 105A of the 2009 Act.
Risk:	Section 21 of the West Midlands Combined Authority (Functions and Amendments) Order 2017 has the effect that where costs are incurred by the Combined Authority and are not met from other sources of income, then they fall to be met by the seven constituent councils, including Sandwell.
Equality:	The priorities of the West Midlands Combined Authority reflect the equality and diversity of the West Midlands, including striving to create prosperity through a strong and collective economic strategy and the policy aspiration to champion all that makes the West Midlands a Great Place to Live. The equality impact of any specific proposals will need to be addressed in reports to the WMCA Board or the appropriate decision-making body.



Health and Wellbeing:	All constituent members of the WMCA are be better placed to contribute and influence the Health and Social Care offer for local residents and create: <ul style="list-style-type: none"> • A more sustainable local health and care economy; • Improved quality and experience of care; • Improved population health.
Social Value	There is potential in all schemes and initiatives, particularly those delivered directly in Sandwell, to have a positive impact on Social Value.

7. Appendices

None

8. Background Papers

None

