

Report to Council

24 October 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 This is a follow up report to the previous report submitted to Council on 28 March 2023, giving an update on key developments.
- 2.2 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

Deeper Devolution Deal

- 4.1 The Deeper Devolution Deal (DDD - formerly referred to as the Trailblazer Devolution Deal) provides additional funding to the West Midlands Region and some additional powers to make local rather than national decisions.
- 4.2 The deal contains over 190 commitments of different types. These include:
- A. Commitments to provide new funds to the Combined Authority and its constituent authorities, such as for housing and regeneration.
 - B. Commitments to increase flexibility and local decision-making power over existing and future funds, particularly through the single settlement.
 - C. Commitments to new partnerships and co-working with government to design and deliver programmes, such as employment support, culture and heritage and working with Great British Railways; and
 - D. Commitments to undertake further work with government on regional priorities, including transport innovation.



4.3 The detail of the DDD was subject of a report to Cabinet on 13th September 2023, whereby Cabinet authorised the Leader to vote in favour of the DDD when considered by the WMCA Board. The Cabinet report can be accessed via the following link:
<https://sandwell.moderngov.co.uk/ieListDocuments.aspx?CId=143&MId=6576&Ver=4>

4.4 The benefits that could flow from this Deeper Devolution Deal for residents and businesses in Sandwell include the following:

- A. Growth Incentives arising from the Sandwell Levelling Up Zone from Wednesbury to Tipton based around the new Metro extension.
- B. Further investment in the Wednesbury to Brierly Hill Metro extension so that Sandwell residents can access employment opportunities more easily.
- C. Higher level of investment in affordable homes as Sandwell is only meeting 50% of the social housing need in the Borough.
- D. Housing regeneration funding for the derelict Chances Glassworks site that has important heritage monuments on site (expression of interest submitted for £20.8m gap funding) and to acquire and remediate brownfield land around the new Midland Metropolitan Hospital in Smethwick to facilitate new homes.
- E. Further funding to combat digital exclusion in the Borough – Sandwell has one of the highest levels of digital exclusion in the Region.
- F. Funding to support business to decarbonise their operations as part of the commitment to Net Zero.
- G. Investment in public realm technology through Smart sensors that could assist Sandwell in multiple ways.



- H. The devolution of the Bus Service Operators Grant opens an opportunity to transition to low carbon / EV buses in Sandwell – currently there is very little low carbon buses in the Borough despite Sandwell having the poorest air quality in the West Midlands region.
- I. Funding to improve the Cultural Offer in Sandwell which is a priority area for Arts Council funding due to low spend baseline on cultural facilities.

4.5 There will be further decision points required as the process for implementation of the DDD is developed. Currently, engagement is underway between the WMCA and Local Authority Officer on the more detailed aspects of the deal implementation.

West Midlands Levelling Up Zones

4.6 Officers continue to work with WMCA to develop proposals for a Levelling Up Zone along the new Wednesbury to Tipton metro corridor. A regional working group of Senior Officers from the Black Country authorities, Birmingham and Solihull has been established which meets fortnightly. Key issues are still being worked through and further reports and necessary approvals will be required from Cabinet before any Levelling Up Zone is established.

4.7 Eight sites within the corridor have been identified that could benefit from Business Rate retention over a 25-year period above a yet to be agreed baseline to fund regeneration within the corridor. The sites were identified in consultation with the Leader and Cabinet Member for Regeneration and Growth and have been submitted to Government for consideration. Final detailed feedback from Government is awaited. The sites are:

- A. Coneygre, Tipton
- B. Rattlechain, Dudley Port
- C. Land east of Whitehall Road, Great Bridge
- D. Land south of Great Bridge Street, Great Bridge
- E. Land west of Danks Way, Great Bridge
- F. Land north of Harvills Hawthorn, Great Bridge



- G. Land north of Bilport Lane, Wednesbury
- H. Land north of Smith Road, Wednesbury

- 4.8 The inclusion of sites within Wednesbury Town Centre for Business Rate retention was discounted following negative feedback from Government. However, investment for Wednesbury Town Centre has recently been secured via the Levelling Up Partnership.
- 4.9 Additional employment and housing land within the new metro corridor, including the sites in Wednesbury Town Centre, would be able to benefit from the retained business rates – this would be subject to further Cabinet approvals.
- 4.10 Officers and the WMCA continue to explore whether the use of a Tax Increment Financing (TIF) model to help fund infrastructure works would be feasible in this context. Consultancy support has been procured to assist Officers in developing proposals for the Levelling Up Zone.

City Region Sustainable Transport Settlement (CRSTS)

- 4.11 The City Region Sustainable Transport Settlement (CRSTS) is a five-year capital settlement to enable the city regions to achieve their ambitions in terms of transport investment. The fund is overseen by DfT and in the West Midlands it aligns with the planned publication of a new Local Transport Plan (LTP). CRSTS commenced in 2022-23 with £8.9m previously allocated to the West Midlands in 2021-22 to assist with preparation and delivery of the settlement. The confirmed allocation to the WMCA for 2022-23 to 2026-27 is £1.05bn.
- 4.12 CRSTS is now the main source of transport capital funding for local transport schemes with a scheme cost of £50m or less. CRSTS draws under one heading, a number of transport funding streams including the final year of the (already allocated) Transforming Cities Fund (TCF), as well as the Integrated Transport Block (ITB) and Highways Maintenance Block (HMB). For the time being, the Active Travel Fund (ATF), which covers walking and cycling investment, remains separate.
- 4.13 The approved CRSTS programme includes the following projects which are, either wholly or partially, located in Sandwell:



Project	Allocation
A34/A45 SPRINT Corridor (Phase 2)	£56.60m
A4123 Walk, Cycle and Bus Corridor	£29.00m
A461 Walk, Cycle and Bus Corridor, Sandwell	£12.00m
Black Country ULEV Charging Scheme	£7.00m
Dudley Port Integrated Transport Hub (Phase 1 & 2)	£2.40m
Local Cycling & Walking Infrastructure Plan (Black Country Package)	£8.00m
Smethwick to Birmingham Inclusive Growth Corridor Transport Package	£19.00m
Wednesbury to Brierley Hill Metro Extension (Sustainable Access Measures)	£16.00m
West Midlands Metro Line 1 Upgrades	£30.00m
West Midlands Metro Wednesbury Depot Expansion	£37.90m
West Midlands Metro Traction Power (Phase 2)	£12.60m

- 4.14 The projects support not only the WMCA objectives, but also the regeneration priorities of the emerging Sandwell Local Plan and Sandwell's Regeneration Strategy and approved pipeline. In total, these projects represent over £260m of investment in the transport network with impacts in Sandwell over the five years of the CRSTS programme.
- 4.15 Many of these projects will be moving to their delivery stage over the next 12-18 months, will all anticipated to be delivered by March 2027.

UK Shared Prosperity Fund (UKSPF)

- 4.16 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'.
- 4.17 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.
- 4.18 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.



4.19 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.

4.20 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. The Sandwell Business Growth Team have now established the Business Support Customer Journey and has commissioned and recruited SME advisors.
- Plus potential benefits to Sandwell businesses from the Specialist Business Support Programmes at CA / Regional level – e.g. the Decarbonisation Programme. The Sandwell Business Growth Team await instruction from the WMCA as to when the regional business support grant programmes are live. In anticipation of this the Sandwell Business Growth Team have established a pipeline for potential grant recipients.
- 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.
- A ringfenced Voluntary sector allocation was commissioned for year 2 UKSPF Communities and Place with four successful providers which included 3 consortia. The funding experienced a delayed start of July 2023 due to late receipt of the funding contract from WMCA.
- Within this programme £1.48m Sandwell Valley – education and community engagement outreach programme. Providing education and classroom facilities at Sandwell Valley and Forge Mill Farm to deliver an education and outreach programme that develops knowledge and community building capacity around green space development and ownership, animal welfare and conservation, and horticulture and land-based education. And to:
 - Transformation of the Railer / Cracker green corridor, Tipton:
 - Deliver major opportunities for green careers (grounds maintenance, horticulture, green spaces) and skills and community capacity building.
 - Develop this important green corridor to improve walking, running, and cycling links between residential areas and community places.



- Develop community spaces (green space) for community empowerment and engagement initiatives (community events and activities, local sporting, community allotments).
- Develop community based built facilities for the development of a green careers programme (thereby sustaining the development and maintenance of the land, whilst also providing pathways to green careers for all ages), with community engagement activities at the heart of this approach.
- Deliver a Green Careers Programme and Community Place Capacity Building programme through the innovative use of this green space and improved infrastructure.

Common Wealth Games Legacy Funding

- 4.21 Sandwell Metropolitan Borough Council has developed a Business Justification Case with the WMCA to secure funding from the £70m underspend of the Commonwealth Games 2022 to support the significant increase in utility costs at the Sandwell Aquatics Centre over the next two financial years. The proposal was supported by the WMCA Investment Panel on 25 September 2023 and will be presented to the WMCA Investment Board on 16 October.
- 4.22 The Skills and Employability Service are due to deliver a programme utilising this funding at a value of £801,714.23 for jobs and skills provision, paid work placements and NEET prevention work in schools. The funding is split into 30% this financial year, with 70% of funding due to be spent in 2024/5.

Employment and Skills

- 4.23 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. WMCA colleagues are being consulted in the development of the Sandwell Skill and Employment strategy to ensure plans are aligned such as the Economic Growth Plan.



- 4.24 Strategic meetings are now being held in Sandwell with Sandwell College, DWP and WMCA to discuss place-based issues and solutions. Meetings to date have focussed on the skills mismatch to vacancies and meeting employer demands for Sector based work academy provision.
- 4.25 Sandwell MBC is successfully 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. The first year of funding achieved 178 achievements between Jan – March 2023.

NEET reduction

- 4.26 The Council is due to deliver the Careers and Enterprise contract following the transfer to WMCA from the Sandwell Consortium.
- 4.27 This includes two part funded secondments from the Connexions service with additional funding for Careers education activities.

Adult Education Budget 2022-2025 Strategy

- 4.28 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.
- 4.29 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.



4.30 WMCA are conducting place based reviews to analyse the effectiveness of Adult education budget funded courses against the current labour market vacancies and employer demands. This information is being shared with stakeholders to inform future delivery and will be fed into the Local Skills improvement plans.

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

4.31 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.

4.32 There are plans for up to 14 trams 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

4.33 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.

4.34 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



- 4.35 Main construction for the first phase of the scheme to Dudley town centre commenced in March 2020. Since then, much activity has taken place, including laying of track in Castle Hill, Dudley, utility upgrades and diversions, removal of the existing road surface, creation of concrete track beds elsewhere in Dudley town centre, and more recently preparation of the route through Tipton. Work is now underway to construct the 'Y' junction at Wednesbury which connects the extension to the existing Birmingham to Wolverhampton line.
- 4.36 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.
- 4.37 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.

Friar Park Housing Development

- 4.38 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.
- 4.39 A Masterplan for the site was approved by Cabinet in March 2023 following a 6 week consultation period.
- 4.40 At that meeting Cabinet also approved the procurement strategy for developer selection and Sandwell and WMCA officers are in the process of developing necessary tender documentation.
- 4.41 The challenging factor in bringing the project forward is scheme viability due to the requirement for extensive remediation. However, funding has been secured via the Levelling Up Partnership to address the viability gap.



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 2023/24 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

Report to Cabinet on West Midlands Deeper Devolution Deal 13 September 2023

