

Report to Council

19 March 2024

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| Subject: | West Midlands Combined Authority - Update |
| Director: | Chief Executive Shokat Lal |
| Contact Officer: | Senior Lead Officer, Jane Alexander Jane_Alexander@sandwell.gov.uk |

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 24 October 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?

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|  | <p>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.</p> |
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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 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&MIId=6576&Ver=4>
- 4.3 That report noted that further decision points would be required as the process for implementation of the DDD is developed. At the meeting of Cabinet on 13th March 2024 authority is to be sought for the Leader of the Council to endorse Sandwell Council's entry into the Single Settlement Memorandum of Understanding when the matter is determined at West Midlands Combined Authority Board.
- 4.4 The single settlement represents a significant change to how the region will receive funding from HMG for the relevant functions. In particular, it will enable Local Authorities, including Sandwell, to develop place-based strategies, which will set out how the functions of the single settlement,



and other sources of public and private investment, will come together in places to drive inclusive economic growth over the long-term. This will be additional to the funding that will continue to apply across the region as a whole.

- 4.5 The single settlement will provide the region with multi-year certainty over a consolidated funding allocation. This will enable a long-term, joined-up approach to funding delivery, which will, in turn, support the development and delivery of locally-led place-based strategies.

Levelling Up Zones/Growth 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. The purpose of the Levelling Up Zone is to retain wealth in Sandwell by capturing business rate growth along the Metro corridor and reinvesting this back into regeneration and economic growth activity. The Levelling Up Zone will also act as an inward investment tool by raising awareness of the development opportunities that are being created along the Metro corridor.
- 4.7 A report to 13 March 2024 Cabinet sought approval to set the geographical boundary of the Levelling Up Zone in Sandwell, and, approve the Growth Zones sites whereby business rate growth (above a baseline) will be able to be retained by Sandwell Council for 25 years to enable reinvestment in to Levelling Up. Eight development sites within the Levelling Up Zone have been identified for business rate retention (above a baseline for 25-years) and collectively form the Growth Zone. Twenty-seven other development sites have been identified as regeneration opportunities within the Levelling Up Zone. The amount of business rates that could be retained is difficult to estimate because of uncertainty about the deliverability of development and subsequent business rate growth within the Growth Zone. Due diligence and high-level financial modelling work undertaken by consultants on behalf of the Council and WMCA suggest that the Growth Zone could generate up to £42 million over a 25-year period. This figure assumes that all the sites within the Growth Zone will come forward for business rate generating uses. However, additional technical work is required to understand the deliverability and viability challenges at each site.



City Region Sustainable Transport Settlement (CRSTS)

- 4.8 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 the Department for Transport (DfT) and in the West Midlands it aligns with emerging Local Transport Plan 5 (LTP5). 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.
- 4.9 CRSTS is 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.
- 4.10 The projects included in the programme bid were developed and set out against Government priority outcomes of;
- Growth and Productivity
 - Levelling up
 - Decarbonisation

In addition, Government requires that projects should, wherever feasible, deliver clear benefits for cycling, walking and public transport, prioritising these modes over the private car.

- 4.11 The approved CRSTS programme includes the following projects which are, either wholly or partially, located in Sandwell:

| Project | Allocation |
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| 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 |



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| 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 |
| Total | £230.50m |

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 £230m of investment in the transport network with impacts in Sandwell over the five years of the CRSTS programme. Where schemes cross boundaries, it is difficult to quantify the level of investment directly on the network within Sandwell, but it is estimated that this will be in the region of £130m.

4.12 Progress on these projects as a programme was reported to Cabinet on 7th February 2024. However, the following projects have now received 'in principle' scheme approval following reports to Cabinet and are now proceeding through the WMCA assurance process;

- Wednesbury to Brierley Hill Metro Extension (Sustainable Access Measures) - Cabinet approval on 6th December 2023
- A461 Walk, Cycle and Bus Corridor, Sandwell - Cabinet approval on 6th December 2023
- Smethwick to Birmingham Inclusive Growth Corridor Transport Package - Cabinet approval on 17th January 2024
- A4123 Walk, Cycle and Bus Corridor – Cabinet approval on 7th February 2024

4.13 These four projects will be moving to their delivery stage over the next 12-18 months, whilst all CRSTS projects are anticipated to be delivered by March 2027.

4.14 As part of the 2023 Spring Budget, the Chancellor of the Exchequer announced that a further £8.8bn would be available nationally for a second round of funding (CRSTS2) covering five years from April 2027. The allocation for the WMCA is yet to be announced but is anticipated to be of a similar order to the original CRSTS allocation. As part of the 'trailblazer' deeper devolution deal between the Government and the West Midlands Combined Authority announced in March 2023, future CRSTS funding will form part of a single settlement agreement.



UK Shared Prosperity Fund (UKSPF)

- 4.15 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'.
- 4.16 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.
- 4.17 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.
- 4.18 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.
- 4.19 The position for Sandwell is as follows:
- The UKSPF programme for Business Support is now fully embedded within the Sandwell Business Growth Plan, approved By Cabinet in November 2023 and is being delivered by the Sandwell Business Growth Team. For Sandwell UKSPF is part funding 4 of our 7 economic priorities: 1) Support in Sandwell 2) Grow in Sandwell 3) Net Zero in Sandwell 4) Start Up in Sandwell. Each priority includes support, advice, and funding for Sandwell Businesses. In addition, the Sandwell Business Growth Team have launched the Sandwell Start Up Hub which provides free office space for eligible start up businesses in Sandwell. The hub is located on the 2nd Floor of Jack Judge House
 - 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. These programmes aim to increase the community



engagement in local activities to provide peer support to individuals and enable them to take part in wider provision such as social action projects and volunteering. The programme has been highly successful, attracting approx. 40,000 people, generating 450 volunteering opportunities and supporting 200 people to undertake a volunteering placement.

- The People and Skills programme will begin in April 2024 and aims to support residents to engage in developing skills to progress them towards progression into employment and education. The programme focuses on Economically Inactive clients who may not have had employment before to give them the knowledge needed to find, gain and maintain work in the future.

- 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

- 4.20 Sandwell Metropolitan Borough Council has secured upto £1.39m from the Commonwealth Games Legacy Enhancement Fund to support the increased energy costs for Sandwell Aquatics Centre to 31 March 2025.
- 4.21 The Skills and Employability Service are delivering 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.
- 4.22 **Targeted Job Support** is being delivered across a number of community venues and supporting residents to gain the knowledge and skills to perform individualised job search across a range of websites. The sessions enable participants to customise their search based on their personal circumstances and fully understand the role, duties and skill requirements before being supported to complete the application. During the first quarter we supported 17 residents through the programme. Marketing and engagement activities are taking place to increase awareness of the support.
- 4.23 **Regional Career Support** is aimed at year 11 students who need additional support to identify the best careers options for them following school. It is targeted at schools and pupils where there is a risk of NEET. The programme has already worked with 35 young people and is actively engaging with others to support in the coming months.
- 4.24 **Paid Work Placements** are aimed at providing meaningful employment experience to residents in order to progress them into paid employment. The programme has been delayed due to the procurement of Vouchers that will be used as payment but there are already a number of residents signed up to take part.

Employment and Skills

- 4.25 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.

- 4.26 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.
- 4.27 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..
- 4.28 Multiply is aimed at supporting employed residents to gain maths skills by undertaking a financial literacy course within the community. Topics covered include understanding payslips, energy bills, savvy shopping, price comparison sites and support with household budgeting. Additional information has been requested by residents including better off calculations for those receiving benefits, planning for retirement and the threat of redundancy. The project has supported 300 residents to complete training to date across over 50 employers.

NEET reduction

- 4.29 The Council is delivering the Careers and Enterprise contract which provides additional careers support to schools including engagement of enterprise co-ordinators and advisors. WMCA are the accountable body for the Careers and Enterprise contract.
- 4.30 This includes two part funded secondments from the Connexions service with additional funding for Careers education activities.

Employment and Skills Strategy

- 4.31 WMCA have developed an Employment and Skills Strategy 2024-2027 which sets out their ambition for a more integrated employment and skills ecosystem for the region which can stimulate growth, deliver better outcomes for residents and businesses, and create healthier thriving



communities. Employment and Skills officers have been involved in the consultation for the strategy, feeding in local priorities for our residents.

Adult Education Budget 2022-2025 Strategy

4.32 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.

4.33 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.

4.34 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.

Digital Exclusion

4.35 The WMCA 'Connected Digital Services' project will conclude in March 2024, this has seen over 2,000 devices distributed across the local voluntary sector and donated directly to Sandwell Residents. Ongoing work with the Authority includes implementing the regions new Digital Roadmap this will look to ensure all residents benefit from digital access skills and jobs. In addition Sandwell is working to access 'Digital Divide' funding that, it is planned, will become available from April 2024 – this resource will support the digital learning journey in Sandwell focusing on an increase in digital qualifications and employment opportunities.



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

4.36 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.

4.37 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

4.38 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.

4.39 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



- 4.40 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.
- 4.41 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.
- 4.42 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

- 4.43 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.
- 4.44 A Masterplan for the site was approved by Cabinet in March 2023 following a 6 week consultation period.
- 4.45 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. The Expression of Interest phase as part of the developer selection process has been completed, closing on 26th January 2024.
- 4.46 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

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| Resources: | The contribution to the Combined Authority from Sandwell Council for 2023/24 is £0.611 million, increasing to £0.618 million for 2024/25 |
| 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 |



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| | 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. |
| Climate Change | The Council will continue to work with the West Midlands Combined Authority to identify net zero projects and programmes to implement in Sandwell. |
| Corporate Parenting | There are no Corporate Parenting implications arising from this report. |

7. Appendices

None

8. Background Papers

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

