

Meeting of the Cabinet – 12th September 2018

Joint Report of the Strategic Director Place (Deputy Chief Executive) and Chief Officer Finance and Legal Services

Delivering Economic Regeneration in Key Corridors across Dudley

Purpose of Report

1. To seek Cabinet approval to revise the current mechanism for the delivery of the Dudley Town Centre Area Development Framework (now Dudley Town Centre Area Action Plan); to encompass the Metro Corridor from Birmingham New Road to Brierley Hill and all relevant Centres covered by an Area Action Plan (Stourbridge, Halesowen and Brierley Hill) as well as the relevant key transport routes identified as Black Country Core Strategy Regeneration Corridors.

Recommendations

2. It is recommended to Cabinet that;
 - (a) The Strategic Director Place in consultation with the Chief Officer Finance and Legal Services and the Cabinet Members for Regeneration and Enterprise and Finance and Legal Services be authorised to conclude the refresh of the Metro Legal Agreement entered into by Dudley MBC and the then Centro now West Midlands Combined Authority (WMCA) in 2005.
 - (b) Subject to a 2km Corridor on either side of the Metro line from Birmingham New Road to Brierley Hill; and all relevant Centres covered by an Area Action Plan (Dudley, Stourbridge, Halesowen and Brierley Hill) as well as the relevant key transport routes as identified as Black Country Core Strategy Regeneration Corridors, the Strategic Director Place in consultation with the Chief Officer Finance and Legal Services and the Cabinet Members for Regeneration and Enterprise and Finance and Legal Services, be authorised to.
 - Submit funding applications, accept funding and negotiate funding agreements with funding bodies in support of the regeneration of these areas and address any other funding requirements associated with the delivery of regeneration including site investigations and works to the public realm and highways infrastructure;
 - Incur subject to the availability of funding any revenue expenditure relating to programme delivery

- Negotiate and complete any relevant undertaking and required development agreements prior to the making of any Compulsory Purchase Orders
- Acquire and extinguish interests in land and new rights to support the assembly of development sites either by agreement or compulsorily.

(c) Cabinet recommend to Council that;

- Subject to external funding being available, any land or property acquisitions or works to be carried out including improvements to public realm and highways infrastructure by the Council be included in the Capital Programme. Any proposals which utilise the Council's own resources will be brought to Cabinet and Council

Background

3. The Metro Extension through Dudley to Brierley Hill is potentially an economic regeneration game changer for Dudley. It will help to realise the following key benefits :

- Support our housing regeneration priorities through improved connectivity to areas of housing development opportunity;
- Support economic regeneration by improving accessibility to major employment sites including Castle Hill; Dudley Town Centre; our emerging DY5 Enterprise Zone; the Merry Hill Centre; Brierley Hill Town Centre as well as improving access to key visitor attractions such as the Black Country Living Museum and Dudley Zoological Gardens ;
- Encourage modal shift from private car by delivering a high quality and reliable public transport service;
- Support an integrated transport network through providing seamless interchange
- As well as exploiting the economic potential of the Metro it is also vitally important that we consider how best to exploit economic regeneration across the Borough. This paper proposes the extension of delegated powers which are already in place for Dudley Town Centre.
- This paper in turn therefore seeks Cabinet approval;
 - To conclude a legal agreement on Metro between DMBC and to replace the legal agreement which is in place between DMBC and the then Centro from 2005
 - To extend the powers which are already in place for Dudley Town Centre to the Metro Corridor

- To further extend these powers to cover key employment nodes and transport corridors across the borough of Dudley.

Legal Agreement between Centro and Dudley MBC

4. In 2005, the Council entered into a legal agreement with the then Centro to support the delivery of the 2005 Metro scheme. The legal agreement is still binding but both Council and WMCA have agreed that the agreement should be refreshed.
 - The legal agreement covers matters such as:
 - The acquisition and use of the Council's land
 - The construction and maintenance of the Extension Works
 - Code of Construction Practice
 - Bridge reconstructions
 - Complementary Measures
 - Developments and Managing Interdependencies
 - Traffic management and highway measures
 - Funding
 - The Council has commissioned Bevan Brittan to act as our representatives in refreshing the legal agreement.
 - Key points for Cabinet to note, as we refresh the agreement are:
 - Acquisition and use of Council's land – the Council land will be required either permanently or temporarily as set out in the Transport and Works Order. In terms of compensation, it is proposed that we continue with the terms set out in the 2005 agreement whereby we agree a compensatory value for our land but that any proposed payment to us is offered back as a Council contribution to the project.
 - Complementary Measures – in the 2005 agreement the Council agreed to fund a series of measures including pedestrian crossings and highway measures to improve connectivity between tramstops and our footpaths and highways. At today's costs those measures would cost around £3m excluding maintenance. Some of the measures originally proposed have since been implemented but in order to fully assess what is now needed we await the full design and precise location of stops from Midland Metro Alliance(MMA) which we anticipate being available by the end of October 2018. We are also working with MMA's Urban Design team to plan appropriate public realm improvements and wayfinding in the areas where the Metro interfaces with our highways. Examples include Tipton Road, Castle Hill, Dudley Town Centre and Brierley Hill. There will be a cost to the Council both in capital and maintenance terms of implementing these measures. We have agreed with the Black Country Director of Transport and the Black Country LEP that we will take a programme approach to this and explore all possible avenues of funding. This caveated approach will be reflected in the refreshed agreement.

- Development and Managing Interdependencies – There is a clause in the 2005 agreement requesting that the Council insofar as it properly can uses its best endeavours to ensure that other developments do not jeopardise the implementation of the extension. This has been mitigated by the creation of the Dudley Town Centre Area Programme Board and our focus on managing the interdependencies between Metro and other projects along the line.
- Funding – The 2005 agreement contains a clause which states the Council will be responsible for securing the funding for and demonstrating a Business Case for the Canal Street and Flood Street stops to Centro's satisfaction. The view is that the Council's partnership with Transport for the West Midlands (TfWM) in developing their Business Case complemented by our Economic Impact Assessment fulfils this requirement and the clause should be deleted from the refreshed agreement.
- Discussions are ongoing with the WMCA. It is recommended that Cabinet delegate authority to the Strategic Director Place and Chief Officer Finance & Legal to conclude the legal agreement.

Delegated Powers Towards Economic Regeneration

5. The Council played a key role working in partnership with Transport for the West Midlands (TfWM) and the West Midlands Combined Authority (WMCA) to deliver a Business case which resulted in Government awarding funding of up to £250m to the West Midlands Mayor to deliver the project. In addition, the Council commissioned an independent Economic Impact Assessment which predicted a doubling of economic output locally as a result of Metro. This assessment was based on analysing potential economic benefits which might arise in a 2km corridor on either side of the Metro line.
 - To this end, it is vital that the Council focusses on managing the interface between Metro and other key projects to ensure that we realise these economic benefits. To achieve this the Council will need to allocate sufficient resources to our regeneration plans as well as those being developed by partners, developers and investors.
 - In June 2009, Cabinet in the context of Dudley Town Centre gave approval that the then Directors of Urban Environment; Law and Property and Finance be authorised to
 - Submit funding applications, accept funding and negotiate funding agreements with funding bodies in support of the regeneration of Dudley Town Centre and address any other funding requirements associated with the delivery of Dudley Town Centre Regeneration including site investigations and works to the public realm and highways infrastructure;
 - Incur subject to the availability of funding any revenue expenditure relating to programme delivery

- Negotiate and complete any relevant undertaking and required development agreements prior to the making of any Compulsory Purchase Orders
 - Acquire and extinguish interests in land and new rights to support the assembly of development sites in Dudley Town Centre and its surrounding area either by agreement or compulsorily.
 - Cabinet also recommended to Council that subject to funding any land or property acquisitions or work to be carried out including improvements to the public realm and highways infrastructure by the council be included in the capital Programme.
- It is proposed that the powers set out above which are being enacted by the Strategic Director Place and the Chief Officer Finance and Legal Services are extended beyond Dudley Town Centre to encompass a 2km corridor of either side of the Metro Line as it traverses from Birmingham New Road to Brierley Hill Town Centre. This will enable the relevant officers to work in timeous fashion with partners, developers, investors and businesses to ensure that the full economic benefit of the Metro Extension is realised.
 - Whilst refreshing these powers to extend along the Metro Corridor, it is considered prudent to extend these delegated functions to also include land covered by an Area Action Plan (Dudley, Stourbridge, Halesowen and Brierley Hill) as well as the relevant key transport routes as identified as Black Country Core Strategy Regeneration Corridors as shown at Appendix 1 Namely land that falls within:-
 - RC 10 (Pensnett EZ);
 - RC11a & b (the Metro Line and Enterprise Zone - EZ);
 - RC13 (Lye/Jewellery railway line),
 - RC14 (Coombeswood/Halesowen); and
 - RC16 (Coseley railway line).
 - This will enable implementation of a rolling programme of project delivery into which new regeneration projects within the centres and corridors can be incorporated as they emerge; and included in the capital programme as appropriate.

Finance

6. There are no direct financial implications arising from this report at this time. As and when projects come forward, they will be subject funding and inclusion in the Capital Programme. Where appropriate bids will be submitted for funding from the LEP and Combined Authority, and private sector contributions sought.

Law

7. Section 2 of the Local Government Act 2000 allows the Council to do anything that it considers is likely to promote or improve the economic, social or environmental well-being of the area. Section 1 of the Localism Act 2011

provides the Council with a general power of competence to do anything that individuals generally may do.

Equality Impact

8. There are no equality impact implications arising from this report.

Human Resources/Transformation

9. This report does not have any implications for human resources or service transformation across the Council.



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Background Documents