

Minutes of The Cabinet

23 February 2022 at 3.30pm
at Council Chamber, Sandwell Council House

Present: Councillor Carmichael (Leader of the Council)
Councillors Ahmed, Crompton, Hartwell, Millard, Piper
and Simms.

Also present: Councillors E M Giles, Moore and Shackleton.

Officers: Rashpal Bishop (Director of Adult Social Care), Alice Davey (Director of Borough Economy), Gillian Douglas (Director of Housing), Simone Hines (Director of Finance), Tony McGovern (Director of Regeneration and Growth), Surjit Tour (Director of Law and Governance and Monitoring Officer) and Elaine Newsome (Service Manager – Democracy).

35/22 **Apologies for Absence**

Apologies for absence were received from Councillors Bostan, L Giles, Mabena and I Padda.

36/22 **Declarations of Interest**

Councillor Ahmed declared a personal interest in Minute No. 45/22 (Sandwell Health Inequalities Programme: Grant funding for Sandwell Consortium CIC to deliver interventions to address health inequalities) on the basis that he volunteered as a Director at community centre that had been consulted upon within the report.

Councillor Hartwell declared a personal interest in Minute No. 45/22 (Sandwell Health Inequalities Programme: Grant funding for Sandwell Consortium CIC to deliver interventions to address health inequalities) on the basis that she was an employee of an organisation that had been consulted upon within the report.

Councillor Simms declared a pecuniary interest in Minute No. 49/22 (Q3 Budget Monitoring 2021/22) due to the nature of her employment.

37/22 Additional Item of Business

There were no additional items of business to consider.

38/22 Capital Investment Proposal – Housing for Young People

Approval was sought for the Director of Housing to be authorised to negotiate a suitable agreement with St Basils for the management and maintenance of apartments, to include 100% nomination rights for Sandwell Council and allocate £666,734 from the commuted sum pot of money (derived from Section 106 Agreements), as a contribution towards the refurbishment of 3 low rise blocks at Hallam Close, West Bromwich for the provision of 54 one-bedroom affordable rented apartments for young people.

Approval was also sought for the Director of Law and Governance to be authorised to execute (under seal if necessary) the agreement negotiated by the Director of Housing, and any ancillary documentation to secure the Council's contribution to, and rights in respect of the development.

The Chair of the Children Services and Education Scrutiny Board enquired whether young people could apply directly for this housing provision or whether it was based on recommendations.

In response, the Cabinet Member for Housing stated that Sandwell Council would have 100% nomination rights to the flats and could therefore assess the young person's needs and prioritise referrals to the scheme. Where young people approached St Basils directly, the Council would work with St Basils to assess the young person's housing needs and, if appropriate, put them through the nomination process. The details of the nominations agreement were yet to be worked out.

The Chair of Children Services and Education Scrutiny Board asked further questions regarding the criteria moving on from the provision.

In response, the Cabinet Member for Housing stated the accommodation was designed and reserved for young people up to the age of 24. There was no fixed time limit on how long the young person could stay up until this age. However, experience from phase 1 had shown that young people's circumstances changed, and most young people moved on of their own volition. The Council and St Basils would support young people with future housing options well before they reach the upper age limit.

The Chair of Children's Services and Education Scrutiny Board enquired whether care leavers in the provision would continue to be supported by the Council. The Cabinet Member for Housing stated that the Council's corporate parenting responsibilities would apply, and any care leaver would still have access to support.

Reason for Decision

The report sought agreement to the allocation of £666,734 of commuted sum monies (derived from Affordable Housing Section 106 Agreements) as a capital contribution towards the refurbishment of 3 existing but unused residential apartment blocks near the site of Sandwell General Hospital in West Bromwich. The refurbished buildings would provide 54 self-contained affordable apartments to help prevent and relieve homelessness affecting young people in Sandwell.

The Council would act as the catalyst for bringing 54 additional affordable homes in to use and could secure 100% nomination rights to these properties for an investment contribution of only £12,347 per home.

The intended recipient of this investment, St Basils (a Registered Provider, Number H3994), would be required to enter into a suitable agreement with the Council to ensure that the allocation of the funding was in accordance with the specified purpose of the Section 106 Agreements and would meet the relevant legal requirements. The scheme would be phase 2 of the development of the project, phase 1 having opened in 2015 with 32 shared apartments.

Alternative Options Considered

There were no other alternative options contained within the report.

Agreed:-

- (1) that, subject to planning consent and negotiation of a suitable agreement in accordance with Resolution (2) below on terms to be agreed by the Director of Housing, approval be given to allocate £666,734 from the commuted sum pot of money (derived from Section 106 Agreements), as a contribution towards the refurbishment of 3 low rise blocks at Hallam Close, West Bromwich for the provision of 54 one-bedroom affordable rented apartments for young people;
- (2) that the Director of Housing be authorised to negotiate a suitable agreement with St Basils, a registered provider of social housing, for the management and maintenance of these apartments by St Basils, to include 100% nomination rights for Sandwell Council;

- (3) that the Director of Law & Governance be authorised to execute (under seal if necessary) the agreement negotiated by the Director of Housing, and any ancillary documentation to secure the Council's contribution to, and rights in respect of the development.

39/22

Review of Council Tenancy Conditions

Approval was sought to adopt the revised tenancy conditions and, that in compliance Section 103 of the 1985 Housing Act, the Director – Housing be authorised to issue a Notice of Variation to all tenanted households in due course.

Reason for Decision

The Council had recently concluded a statutory consultation regarding proposed amendments to the Council's Tenancy Agreement. The Tenancy Agreement was the legal contract between the Council and tenant and detailed the tenant's rights and responsibilities and the Council's rights and responsibilities.

Last reviewed in 2009, the current tenancy conditions had been reviewed to both update and align them with the modernisation of the Council's Housing Service.

The Council needed to ensure that the conditions were fit for purpose specifically to support the sustainment of tenancies, to continue to tackle anti-social behaviour, to help the Council to maintain housing standards and to contribute toward preventing homelessness.

Alternative Options Considered

There were no alternative options other than to retain the current Tenancy Conditions that took effect from October 2009.

Agreed that approval be given to adopt the revised tenancy conditions, as submitted, and that in compliance Section 103 of the 1985 Housing Act, the Director – Housing be authorised to issue a Notice of Variation to all tenanted households in due course.

40/22

Approval for consultation of the Draft Statement of Community Involvement 2022

Approval was sought to consult on the Statement of Community Involvement and to authorise the Director of Regeneration and Growth to make any minor amendments to the Statement of Community Involvement prior to circulation.

Reason for Decision

As the planning system had the potential to affect everyone, it was considered important that communities within Sandwell were able to contribute to the preparation of plans and policies. The Statement of Community Involvement (SCI) outlined how Sandwell Council would involve stakeholders such as; the public, developers, businesses and other agencies in the preparation of its planning policy documents and in the determination of planning applications. An SCI was adopted by Cabinet in 2016. This report proposed consultation on the revision of that document.

It was proposed that this draft Statement of Community Involvement was subject to a six-week consultation period. Responses would be considered, and any amendments would be the subject of a further report prior to adoption of the SCI.

Alternative Options Considered

The alternative option would be to continue to use the SCI adopted in 2016. However, this document would not be up to date and would not tackle issues surrounding the Coronavirus (Covid-19) pandemic.

Agreed:-

- (1) that approval be given to consult on the Statement of Community Involvement;
- (2) that the Director of Regeneration and Growth be authorised to make any minor amendments to the Statement of Community Involvement prior to circulation.

41/22

Approval to proceed with Small Sided Spaces project

Approval was sought to apply for external funding via the Football Foundation to develop and deliver a portfolio of 'Small sided' multi-sport facilities within the Borough of Sandwell as part of the legacy of the Commonwealth Games.

The Chair of Children's Services and Education Scrutiny Board raised a question regarding the identification of suitable spaces for the projects and whether they would be at least one in each town in Sandwell.

In response, the Cabinet Member for Culture and Tourism stated that the external investment into local projects would be subject to strategic evidence and demonstrating clear demand, via the Playing Pitch Strategy and Local Football Facilities Plan. Smethwick had been identified for the pilot project due to the location of the Aquatics Centre and the Commonwealth Games links. Further projects would also be delivered elsewhere in Sandwell with further scoping and consultation required. It was endeavoured to ensure that the projects reflect a reasonable spread around Sandwell.

In response to a question by the Chair of Children Services and Education Scrutiny Board regarding the inclusion of other sports within the projects, the Cabinet Member for Culture and Tourism stated that it was a requirement of the funding and a key objective of the project for other sports to be delivered as well as football. The facilities should be developed to accommodate other sports and activation of other activities.

The Chair of Children Services and Education Scrutiny Board enquired whether all-weather pitches would be considered as part of the project. In response, the Cabinet Member for Culture and Tourism stated that in most instances, a 'hard court' would be most appropriate although in some instances either a polymeric or hard wearing 3G surface may be used. Further details would be available once the community engagement had been carried out.

Reason for Decision

Inward investment from the Football Foundation would enable the delivery of Small Sided multi-sport facilities. These may be 'refurbishment' of existing facilities that had fallen into disrepair or the creation of brand-new facilities. Approval to apply for external funding would enable officers to complete and submit the necessary grant paperwork.

The project would be leaving a lasting 'Legacy' from the Commonwealth Games and recognised Sandwell's contribution as a 'host Borough'. It would also assist in the Council's efforts to help residents engage in sporting activities, combat inactivity and encourage healthy lifestyles.

Alternative Options Considered

No alternative options had been considered for this project. The 'Do nothing' approach would result in the loss of potential inward investment along with a missed opportunity to upgrade sports facilities and engage communities in sport/leisure.

Agreed:-

- (1) that approval be given to apply for external funding via the Football Foundation to develop and deliver a portfolio of 'Small sided' multi-sport facilities within the Borough of Sandwell with the facilities being a 'legacy' from the Commonwealth Games and will be either refurbishments of existing facilities or new builds;

- (2) that the Director of Borough Economy in consultation with the Section 151 Officer be authorised to:
- Prepare any necessary Tendering documentation
 - Procure, in accordance with the public procurement rules, the Council's procurement and financial regulations a contractor(s) to carry out works on site; to award a contract and to enter into or execute under seal any financial agreement(s) as may be deemed necessary in relation to the project
 - Accept Grant funding from the Football Foundation on terms and conditions to be agreed by the Director of Borough Economy in consultation with Legal services.
 - Commit 'Capital' match funding of £100,000 towards the project (£50,000 from Public Health and £50,000 from Sport & Leisure). The minimum funding ratio is 75 : 25. Therefore a maximum total project cost for the main project would be £400,000 with the Football Foundation investing £300,000 along with a £100,000 match funding amount from Sandwell Council
- (3) that a 'Front Runner' project is delivered, completed ahead of the Commonwealth Games.

42/22

Provision of a Revenues and Benefits application, a corporate document management solution and scanning and indexing services

Approval was sought to authorise the Director of Business Strategy and Change to award a contract to NEC Software Solutions (formerly Northgate Public Services) for the period 1 April 2022 to 31 March 2027 with an option to extend for a further 2 years up to 31 March 2029 for the following services:

- a) Provision of a hosted NEC Revenues and Benefits System
- b) Scanning and Indexing Services
- c) Provision of a hosted NEC Document Management solution (formerly Images@work)
- d) An optional back-scanning service

Reason for Decision

Approval is sought to award a 5-year contract with an option to extend for a further 2 years to ensure continuity and ongoing maintenance and support for core business systems used by the council. Throughout this period the contract would also allow other service areas to be integrated into the use of the systems and enable full compliance with the requirements of framework agreement.

Alternative Options Considered

The applications and services are considered essential for the delivery of key council services. Going out to the market was considered however the cost of change would be greater than the cost of this direct award.

Agreed:-

- (1) that the Director of Business Strategy and Change be authorised to award a contract to NEC Software Solutions (formerly Northgate Public Services) for the period 1 April 2022 to 31 March 2027 with an option to extend for a further 2 years up to 31 March 2029 for the following services:
 - a) Provision of a hosted NEC Revenues and Benefits System
 - b) Scanning and Indexing Services
 - c) Provision of a hosted NEC Document Management solution (formerly Images@work)
 - d) An optional back-scanning service

At a total cost for the above services over a 5-year period of £2,174,554.

- (2) that the Director Law and Governance – Monitoring Officer be authorised to execute any documentation necessary to enable the course of action set out in Resolution (1) above to proceed;
- (3) that any necessary exemptions be made to the Council’s Procurement and Contract Procedure Rules to enable the course of action referred to in Resolution (1) above to proceed.

43/22

eCapture and Webcapture Services

Approval was sought to authorise the Director of Finance to make a direct award of a contract to Govtech Solutions Limited for providing automation services for Council Tax, Benefits and Business Rates to the Revenues and Benefits Service, procured through the G-Cloud 12 Framework Agreement , for the period 1 April 2022 to 31 March 2024 with an option to extend for a further 2 years up to 31 March 2026.

The value of the new contract was £168,110 per year making the total including the 2-year optional extension period £672,440.

Reason for Decision

The Revenues and Benefits Service had been using Govtech’s automated services since 2006.

The current contract was due to come to an end on 31 March 2022. It had delivered front and back-office productivity gains by automating transactions enabling Revenues and Benefits staff to focus on the more complex incoming work streams which cannot be automated. During the last financial year, over 174,500 transactions were handled by the Govtech solution.

Alternative Options Considered

Govtech Solutions Limited were the sole provider of eCapture and Webservices. One other provider resells Govtech Solutions Limited services through a package of digital services, however, this provider had been approached and confirmed that they would not bid for Sandwell's requirements.

An alternative would be to discontinue the use of Govtech however significant additional resource would be required to carry out the manual processing of notifications and both speed of processing and accuracy of data would be adversely affected.

Agreed:-

- (1) that the Director of Finance be authorised to make a direct award of a contract to Govtech Solutions Limited for providing automation services for Council Tax, Benefits and Business Rates to the Revenues and Benefits Service, procured through the G-Cloud 12 Framework Agreement (Framework reference: RM1557.12), for the period 1 April 2022 to 31 March 2024 with an option to extend for a further 2 years up to 31 March 2026;
- (2) that the Director Law and Governance – Monitoring Officer be authorised to execute any documentation necessary to enable the course of action referred to in Resolution (1) above to proceed;
- (3) that any necessary exemptions be made to the Council's Procurement and Contract Procedure Rules to enable the course of action referred to in Resolution (1) above to proceed.

44/22

Direct Award of Microsoft Server Cloud Enrolment (SCE) License renewal using KCS framework agreement

Approval was sought to authorise the Director of Business Strategy and Change to make a direct award of contract

using the Kent County Suppliers (KCS) framework to Phoenix Software Limited for the renewal of the existing Microsoft Server Cloud Enrolment (SCE) license agreement for continued support and licensing arrangements for a three (3) year period from 1 April 2022 to 31 March 2025 at a total cost of £377,555.76.

Reason for Decision

The current three-year Microsoft SCE agreement was due to expire on the 31 March 2022

The renewal of the Microsoft SCE license agreement was required for the continued use of the technology products being delivered through the agreement and for continued usage, vendor support and software license compliancy. These products made up a large part of existing ICT infrastructure.

Alternative Options Considered

A full tender exercise could have been conducted. However, there was an essential need to maintain service continuity across both existing Microsoft agreements with Phoenix Software Limited. Were the contract to be let to another supplier, there could be several operational problems. A direct award through the KCS framework allowed these issues to be negated in a compliant manner.

Agreed:-

- (1) that the Director – Business Strategy and Change be authorised to make a direct award of contract using the Kent County Suppliers (KCS) framework to Phoenix Software Limited for the renewal of the existing Microsoft SCE license agreement for continued support and licensing arrangements for a three (3) year period from 1st April 2022 to 31st March 2025 at a total cost of £377,555.76;
- (2) that the Director Law and Governance – Monitoring Officer be authorised to execute any documentation necessary to enable the course of

action referred to in Resolution (1) above to proceed;

- (3) that any necessary exemptions be made to the Council's Procurement and Contract Procedure Rules to enable the course of action referred to in Resolution (1) above to proceed.

45/22

Sandwell Health Inequalities Programme: Grant funding for Sandwell Consortium CIC to deliver interventions to address health inequalities

Approval was sought to award a 3-year grant (April 2022 – March 2025) to Sandwell Consortium CIC to address health inequalities within ethnic minority communities in Sandwell, prioritising mental health and wellbeing and prevention of long-term conditions. The 3-year grant was for £178,000 per annum to commence on 1 April 2022, for three years until 31 March 2025.

Reason for Decision

Throughout the coronavirus pandemic, Black, Asian, and minority ethnic (BAME) people had been acutely affected by pre-existing health inequalities. Many of these underlying inequalities made the impact of the pandemic far more severe for BAME people than their White British counterparts (House of Commons Women & Equalities Committee, 2000).

This grant to Sandwell Consortium would form just one part of a wider programme of Public Health work to address health inequalities that were widened during the pandemic. Other key groups had been adversely affected and specific work would be required to meet a wider range of needs.

Alternative Options Considered

There was an option to not invest in this grant. Without investment, health inequalities in Sandwell that widened during the pandemic would continue to worsen and become an increasing difficult challenge to address.

Services could be commissioned from provider companies on the open market. However, this would be out of line with Public Health England's recommendation that COVID recovery be achieved through "working in partnership with local BAME and faith communities". It would also potentially move resources out of Sandwell and fail to sustain the local community organisations that COVID recovery depends on.

Agreed:-

- (1) that approval be given to award a 3-year grant (April 2022 – March 2025) to Sandwell Consortium CIC to address health inequalities within ethnic minority communities in Sandwell, prioritising mental health and wellbeing and prevention of long-term conditions;
- (2) that in connection with Resolution (1) above, the Director of Public Health be authorised to award a 3-year grant of £178,000 per annum to Sandwell Consortium CIC;
- (3) that in connection with (2) above, the Director of Public Health be authorised to enable the grant to commence on 1 April 2022, for three years until 31 March 2025.

[Councillor Ahmed and Hartwell left the meeting for the duration of this item]

46/22

Communications and Corporate Affairs Team

Approval was sought for the proposed structure for a Communications and Corporate Affairs Team as the basis for consultation with employees and trade unions.

Approval was also sought for the revised structure for the Communications and Corporate Affairs team to be implemented with effect from 1 April 2022 and for the assimilation of relevant staff pursuant to the appointment process, should the Director of Business Strategy and Change, in consultation with the Cabinet Member for

Finance and Resources, be satisfied with the outcome consultation process.

In the event there were any issues arising from the consultation process on the revised structure deemed to be significant by the Director – Business Strategy and Change, a further report would be submitted to Cabinet.

Reason for Decision

The council's new corporate plan: Big Plans for a Great Place, set out its ambition to deliver Vision 2030, and demonstrated a clear ambition and a key role for Communications as a core, strategic service in achieving the outcome of instilling a One Council, One Team culture across the organisation which underpinned the delivery of all strategic objectives within the plan. Therefore, it was vital that a skilled, fit for purpose communications and corporate affairs team was in place to support this ambition. In addition, as the Local Government landscape and the needs of the Council change, it was important that the Communications Team adapted effectively to meet those changes and needs

Alternative Options Considered

Three options were explored as follows: Option 1 – Do nothing- continue with the existing communications team arrangements.

- Options 2 – Engage with other local authorities to create a 'shared' service.
- Option 3 – Restructure the existing communications team, adding additional resource to create a Communications and Corporate Affairs Team, as recommended by the external review.

Agreed:-

- (1) that the proposed structure for a Communications and Corporate Affairs Team, as set out in Appendix 2, be approved as the basis for consultation with employees and trade unions;
- (2) that subject to the Director of Business Strategy and Change, in consultation with the Cabinet

Member for Finance and Resources, being satisfied that all significant concerns or issues raised during the consultation referred in Resolution (1) above being satisfactorily responded to, the revised structure for the Communications and Corporate Affairs team be approved and implemented with effect from 1 April 2022;

- (3) that subject to Resolutions (1) and (2) above being approved, the Director – Business Strategy and Change be authorised to assimilate relevant staff pursuant to the appointment process (and the council’s Human Resources policies and procedures) as soon as possible after consultation responses have been considered.

47/22

Information Governance- Records Retention

Approval was sought for the Council’s Corporate Retention Policy, Email retention Policy and the Information Rights Policy for the purposes of complying with UKGDPR and in line with good practice as required.

Approval was also sought for the Director of Law and Governance and SIRO, in consultation with the Leader, to undertake requisite steps to ensure the Council complied with the approved E-mail Retention Policy, Corporate Retention Policy and Information Rights Policy and aligned with changes in good practice and legislation as and when required.

Reason for Decision

There was a legal responsibility for the Council to comply with its legal obligation in relation to the collection, use and retention of information relating to individuals.

The purpose of the policies was to ensure that the Council managed the data that it holds appropriately and in accordance with the legislative framework as principally set out in UKGDPR and the Data Protection Act 2018.

Alternative Options Considered

The current state and management of email information is an area which lacked compliance and governance controls and therefore there were no other known options to consider.

Agreed:-

- (1) that approval be given to the council's Corporate Retention Policy, Email Retention Policy and the Information Rights Policy, as now submitted, for the purposes of complying with UKGDPR and in line with good practice as required;
- (2) that the Director Law and Governance and SIRO, in consultation with the Leader, be authorised to undertake requisite steps to ensure the Council complies with the approved E-mail Retention Policy, Corporate Retention Policy and Information Rights Policy;
- (3) that the Director Law and Governance and SIRO, in consultation with the Leader, be authorised to amend the E-mail Retention Policy, Corporate Retention Policy and Information Rights Policy to comply with changes in good practice and legislation as and when required.

48/22

Social Housing Decarbonisation Fund – Wave 1

Approval was sought to authorise acceptance of grant funding from the Government's Department for Business, Energy and Industrial Strategy (BEIS) of £2,888,327 (2/3 of £4,332,800) to fund proposed energy-efficiency improvements to council-owned dwellings in Smethwick and to seek approval to allocate the sum of £1,444,473 (1/3 of £4,332,800) from the Housing Revenue account (HRA), to match-fund the proposed works.

Approval was also sought to authorise the Director of Housing to instruct agencies procured via the West Midlands Combined Authority (WMCA) to carry out specialist duties,

on behalf of Sandwell MBC, in relation to the Social Housing Decarbonisation Fund.

Authorisation was also sought to enter into a grant funding agreement with BEIS, subject to a satisfactory financial appraisal being completed by the Strategic Investment Unit.

Reason for Decision

This initiative supported the current drive towards a greener, low carbon economy and a need to address Climate Change priorities. It also aimed to help address high levels of fuel poverty in the Smethwick area.

Acceptance of the proposals would enable:

- A reduction in fuel poverty levels
- Improved living conditions for tenants of 273 Council homes
- Improved EPC ratings for the properties concerned
- Promote the Council's reputation as being serious about climate
- change and the move towards a carbon-neutral economy.

Alternative Options Considered

Should the Council decline this offer and still wish to continue with the projects, then alternative arrangements would need to be made in order to fund an extra £2,888,327 in addition to a proposed commitment of £1,444,473. This option was ruled out because it was important that we draw down funding for retrofitting. All registered providers of social housing, including local authorities, will need access to grant funding in order to meet climate change targets in housing.

Agreed:-

(1) that approval be given to authorise the Director of Housing to accept grant funding, from the Government's Department for Business, Energy and Industrial Strategy (BEIS) for £2,888,327 (2/3 of £4,332,800) to fund proposed energy efficiency improvements to council-owned dwellings in Smethwick;

- (2) that subject to (1) above, the Director of Finance allocate the sum of £1,444,473 (1/3 of £4,332,800) from the Housing Revenue Account (HRA), to match-fund proposed energy-efficiency improvements to council-owned dwellings in Smethwick;
- (3) authorise the Director of Housing to instruct the Council's External Improvement Programme construction partner (Vinci Facilities Ltd), to deliver associated energy improvement works in accordance with existing contractual arrangements;
- (4) authorise the Director of Housing to instruct agencies procured via the West Midlands Combined Authority (WMCA) to carry out specialist duties, on behalf of Sandwell MBC, in relation to the Social Housing Decarbonisation Fund.

49/22

Q3 Budget Monitoring 2021/22

Consideration was given to the financial monitoring position as at 31 December 2021 (Quarter 2021/22) and the projected financial position.

Approval was sought to a number of budget virements and changes to the Council's capital programme.

The Chair of the Economy Skills Transport and Environment Scrutiny Board questioned whether the Council would consider undertaking an external review of the property maintenance account and the way in which this operated. In response, the Cabinet Member for Finance and Resources stated that the Scrutiny Board was reviewing the workings of the Property Maintenance Account and were meeting with officers imminently.

In response to the question raised by the Chair of the Economy Skills Transport and Environment Scrutiny Board regarding the date for the competition of the refresh of the

corporate Medium-Term Financial Strategy, the Cabinet Member for Finance and Resources stated it was aimed to be completed by the end of June.

Reason for Decision

Section 151 of the 1972 Local Government Act required the Chief Financial Officer to ensure the proper administration of the council's financial affairs. Budgetary control, which included the regular monitoring and reporting of budgets was an essential element in discharging this statutory responsibility.

Alternative Options Considered

There were limited decisions within the recommendations, Cabinet could vary the proposed transfer of Covid funding to the Sandwell Children's Trust or the requested virements within Public Health which reflect increases in the available resources since the 2021/22 budgets were approved.

Agreed:-

- (1) that the financial monitoring position as at 31 December 2021 (Quarter 3 2021/22) be noted and referred to the Budget and Corporate Scrutiny Management Board for consideration and comment;
- (2) that the projected financial position and where services are projecting an overspend of £5.233m against allocated budgets and an underspend of £7.822m after adjusting for the movement on reserves, use of corporate resources and the application of centrally held Covid-19 grant funding be noted;
- (3) that the following budget virements above the higher of £0.250m or 1% of the Gross Budget of the service area be approved:

Virements above £0.250m or 1% of Gross Budget for approval by Cabinet	£'000	£'000
<u>Adult Social Care</u>		
Transfer of Hospital Team posts to STAR service	292	
Transfer of Hospital Team posts to STAR service		292

Creation of Workforce Grant within ledger	1,251	1,251
Creation of Workforce 2 Grant within ledger	2,310	2,310
Creation of Omicron support grant within the ledger	462	462
Creation of Rapid Testing Grant (October to March)	684	684
Creation of Infection Prevention & Control Grant (October to March)	1,249	1,249
Creation of Vaccine Grant (October to March)	92	92
<u>Regen & Growth</u>		
Markets and Street Trading move from Borough Economy to Regeneration and Growth	405	
<u>Borough Economy</u>		
Community Safety and Resilience from Housing to BE		621
Markets and Street Trading move from Borough Economy to Regeneration and Growth		405
<u>Housing</u>		
Community Safety and Resilience from Housing to BE	621	
TOTAL		
	7,366	7,366

- (4) that the following changes to the Council's capital programme be approved:-

£0.400m to be added into the 2022/23 capital programme in relation to the West Bromwich Town Hall Quarter project within Borough Economy. These resources are essentially match funding for the larger Towns Fund project.

A virement of £0.068m in 2022/23 from the Blackheath Library project within Borough Economy to further contribute match funding towards the West Bromwich Town Hall Quarter project mentioned above.

[Councillor Simms left the meeting for duration of this item]

50/22

General Fund, Housing Revenue Account and Capital Programme Budgets 2022/23

Approval was sought for the proposals for the General Fund and Housing Revenue Account Budget, Capital Programme and Treasury Management Strategy 2022/23.

The Chair of the Economy Skills Transport and Environment Scrutiny Board enquired whether the Council would review its proposal to increase garage rent fees further to the comments made by the Budget and Corporate Scrutiny Management Board.

In response, the Cabinet Member for Finance and Resources stated that the increase reflected the fact that no rent increase had been applied for a number of years and the new charge was favourable when benchmarked with neighbouring local authorities and storage companies. It was not felt that there would be equalities implications arising from this action as the service was discretionary and not based on an assessment of needs. On that basis, the proposal was to proceed with the increase in charges but the Council would monitor any terminations of garage tenancies as a result of the rent increase to consider if a further Equality Impact Assessment or mitigation was necessary.

The Chair of the Economy Skills Transport and Environment Scrutiny Board asked a further question regarding when the new telephony system was expected to be in place. In response, the Cabinet Member for Finance and Resources stated that it was aimed to be in place within 12 months.

Reason for Decision

The Local Government Finance Act 1972 required the Council to set a balanced, risk assessed budget each year and approve a Council Tax precept by 11th March.

Alternative Options Considered

Cabinet could request that alternative savings options be proposed and agreed, although there was limited time to do this and still be able to carry out the appropriate consultation on alternative savings. Cabinet could also consider an alternative Council Tax increase, subject to adhering to the Referendum Principles, or alternative increases in Fees and Charges.

Agreed:-

- (1) that the key points from the Local Government Finance Settlement and the impact on the budget position for 2022/23 be noted;
- (2) that the feedback on the draft budget proposals from the Budget and Corporate Scrutiny Management Board be noted;
- (3) that the feedback received on the draft budget from business representatives be noted;
- (4) that there be due regard to the feedback from Equality Impact Assessments and consultation feedback, as now submitted;
- (5) that the fees and charges increase for 2022/23, as submitted, be approved;
- (6) that the contract sum for Sandwell Children's Trust of £70.474m be approved;

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| <ol style="list-style-type: none">(7) that the Council be recommended to approve the final General Fund budget position, as now submitted;(8) that the Council be recommended to approve the Housing Revenue Account budget for 2022/23 as now submitted;(9) that the Council be recommended to approve the Council Tax precept for 2022/23 of £117,967,934, representing a 1.99% increase in Council Tax and a further 3% increase in the Adult Social Care precept; |
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- (10) that the Director of Finance's assurance statement on the robustness of the budget estimates and reserves, as now submitted, be noted;

- (11) that the Council be recommended to approve the Treasury Management Strategy and Prudential Indicators, as now submitted;
- (12) that the Council be recommended to approve the Capital Programme for the General Fund and Housing Revenue Account for 2022/23, as now submitted;

- (13) that the Director of Finance be authorised to make transfers to or from reserves during the financial year to ensure that adequate reserves are maintained and adjusted when spend from earmarked reserves is required;
- (14) that the Director of Finance be authorised to adjust the funding sources applied to the Capital Programme during the year to maximise flexibility in use of capital resources and minimise borrowing costs where possible;
- (15) that a fundamental review of the Medium-Term Financial Plan and Capital Strategy be undertaken in the first quarter of 2022/23 and a further report submitted to Cabinet for approval;
- (16) that the Director of Finance, in consultation with the Cabinet Member for Finance and Resources, be authorised to approve and administer the Council Tax rebate scheme for 2022/23 and approve a policy for the discretionary element of the scheme.

51/22

Recommendations of the Scrutiny Review of the Performance and Management of the Waste Partnership Contract

The Cabinet considered the recommendations from the Economy Skills Transport and Environment Scrutiny Board in

respect of the Scrutiny Review of the Performance and Management of the Waste Partnership Contract.

On behalf of the Cabinet Member for the Environment, the Leader thanked the Economy, Skills, Transport and Environment Scrutiny Board for their comprehensive report and recommendations.

The Cabinet Member for Community Safety highlighted the thorough scrutiny report and welcomed the recommendation to introduce a Scrutiny Board to monitor the management and performance of the Council's contracts and to look at contracted services.

The efforts of the frontline staff during the pandemic were highlighted and emphasised that the inquiry focused on the wider management and performance of the contract.

Reasons for Decision

In response to both public and political concern, the Economy, Skills, Transport and Environment Scrutiny Board decided to undertake a review of the performance and management of the waste partnership contract.

The repercussions of Covid-19 had undoubtedly provided additional challenges for Serco in delivering its contractual requirements. That aside, the Scrutiny Board felt that significant issues remained with the performance and management of the contract.

The findings and recommendations set out in the report were based on evidence gathered between October and December 2021, from a variety of sources.

The Cabinet was requested to consider the recommendations and determine what action it wished to take. In accordance with the Localism Act 2011, the Cabinet was requested to respond to the recommendations of the scrutiny board within two months, setting out any approved recommendations and how they would be implemented. Progress against these recommendations would be monitored by the Children and Education Scrutiny Board.

Alternative Options Considered

The waste partnership contract was a high value contract. The risk of default would have a significant impact on both Serco and the Council, and ultimately our Council taxpayers if the contract were to fail. To do nothing was not an option. Whilst the former Interim Director Borough Economy had begun to address some of the areas of concern, this review had strengthened and complemented that work.

Agreed that the Cabinet consider the following recommendations from the Economy Skills Transport and Environment Scrutiny Board in respect of the Scrutiny Review of the Performance and Management of the Waste Partnership Contract and respond to the recommendations within two months, setting out any approved recommendations and how they will be implemented.:

- (1) that Serco sets out within its Service Delivery Plan 2022/23 how it will increase recycling rates, including options for recycling in communal living areas;
- (2a) that Serco provides a contractually compliant communication and engagement plan and that this is aligned to the Council's functions;
- (2b) that the plan is monitored through the agreed governance structures for the monitoring of the contract, including the Waste Partnership Board;
- (3) that arrangements for the reintroduction of food waste collections in 2022 be shared and agreed with the Authorised Officer by end of March 2022;
- (4) that Serco works with the Director of Borough Economy to develop a plan for the promotion of re-use options (i.e. for

furniture), including working with voluntary sector partners;

- (5a) that Serco reviews its approach to street cleansing, and submits a Street Cleansing Improvement Plan to the Director of Borough Economy by end March 2022, setting out a revised approach that moves away from the current and ineffective zone-based approach and takes into account population density, seasonality and data on areas of highest need;
- (5b) that the Plan is monitored and improvement progress/delivery/KPIs is reported and monitored through the agreed governance structures for the monitoring of the contract, including the Waste Partnership Board;
- (6a) that Serco completes an audit of Sandwell's street litter bin stock and its condition by end of March 2022;
- (6b) that Serco submits plans for consideration of a pilot scheme to implement smart technology linked to suitable locations for street bins;
- (7a) that the progress made with the Fleet Replacement Programme is maintained and that Serco submits the delayed Fleet Replacement Programme, which should be aligned with operational requirements and the Street Cleansing Improvement Plan, and include options for a more sustainable fleet, to the Director of Borough Economy by end of April 2022;
- (7b) that the delivery of the Fleet Replacement Programme is monitored through the agreed governance structures for the monitoring of the contract, including the Waste Partnership Board;

- (8) that both Serco and the Council consider reviewing the resources and funding provided to Litter Watch, with a view to increasing these if possible;
- (9) that Serco informs the Authorised Officer of any changes to its senior management teams, in connection with the contract, within 10 days of the new post-holder's start date;
- (10a) that Serco provides an update to the Scrutiny Board, in six months, on the progress made to improve morale and resolve workforce issues, including the establishment of the joint internal working group referred to in evidence gathering;
- (10b) that the Director Borough Economy ensures that Serco is carrying out its contractual requirements in relation to undertaking regular staff surveys and that the results of such surveys are acted upon appropriately;
- (11) that the constitution and terms of reference of the Waste Partnership Strategic Board are reviewed, and consideration is given to including the relevant scrutiny Chair as a member of the Board;
- (12) that the Director of Law and Governance ensures that the Joint Consultative meets regularly (e.g. quarterly) to enable any staffing issues in relation to the contract to be addressed in a timely manner;
- (13a) that the Governance and Constitution Review Committee is asked to recommend to the Council that an additional scrutiny board is established, with effect from the 2022/23 municipal year, to monitor the management and performance of the

Council's contracts with Serco, Sandwell Children's Trust and Sandwell Leisure Trust;

- (13b) that the new board considers how stakeholders and the public can contribute to its work and monitoring processes;
- (14) that the Director of Borough Economy reviews the structure of the Waste Client Team to ensure that it is sufficiently resourced to support a higher level of oversight and contract monitoring;
- (15) that a review is undertaken, and a process established, within 12 months, to ensure that there is clarity between the Council and Serco in terms of ownership and responsibility in the public realm.

52/22

Action Taken on a Matter of Urgency

Cabinet noted details of the urgent action taken by the Leader of the Council, in relation to giving approval to the Director of Adult Social Care to distribute the Workforce Recruitment Retention Fund (Round 1 November 2021 and Round 2 December 2021), Social Care Omicron Support Fund (January 2022) and the Adult Social Care Infection Control and Testing Fund (October 2021) as per the Department of Health and Social Care guidance.

Reasons for Decision

The matters were urgent and could not be delayed until the next Cabinet meeting given the short timescales to distribute and spend the Department of Health and Social Care (DHSC) Workforce Recruitment and Retention Fund for adult social care (round 1 & 2) and the DHSC adult social care Omicron Support Fund, as required in the DHSC guidance by 31 March 2022. The DHSC expected a reporting return in February 2022 on how these funds had been utilised. Failure to submit a return would mean the funds being reclaimed

back by the DHSC, at a critical time, when care providers in Sandwell were struggling for financial support.

An urgent decision was required in order to distribute and spend Adult Social Care Infection Control and Testing Funding (round 3) as per the DHSC guidance and to prevent the need to return any unused resources back to the DHSC.

Alternative Options Considered

No other options were considered, the Council must comply with the DHSC guidance. This set out the Workforce Recruitment and Retention Fund and Omicron Support for adult social care including information on the distribution of funds and reporting requirements.

Agreed that the following details of the urgent actions taken by the Leader of the Council be noted:-

- (1) in relation to authorising the Director of Adult Social Care to distribute the Workforce Recruitment and Retention fund (Round 1 November 2021 and Round 2 December 2021) as per the Department of Health and Social Care (DHSC) guidance;
- (2) to authorise the Director of Adult Social Care to distribute the Adult Social Care Omicron Support Fund (January 2022) as per the Department of Health and Social Care (DHSC) guidance;
- (3) in relation to authorising the Director of Adult Social Care to distribute the Adult Social Care Infection Control and Testing Fund (October 2021) as per the Department of Health and Social Care guidance.

53/22

Exclusion of the Public and Press

Resolved that the public and press be excluded from the rest of the meeting to avoid the possible disclosure of exempt information under paragraph 3 of Schedule

12A to the Local Government Act, 1972, as amended, by the Local Government (Access to Information) (Variation) Order 2006, relating to the financial and business affairs of any person, including the authority holding that information.

54/22

Acquisition of Kings Square Shopping Centre, West Bromwich

Approval was sought for the acquisition of the leasehold interest in Kings Square Shopping Centre, West Bromwich.

Approval was also sought for the Director of Regeneration and Growth to be authorised to undertake a procurement process and appoint a specialist firm of management surveyors to manage the centre on the Council's behalf.

The Chair of the Economy Skills Transport and Environment Scrutiny Board enquired whether strategic finance was asked to conduct an appraisal of the proposal.

On behalf of the Cabinet Member for Regeneration and Growth, the Cabinet Member for Community Safety stated that the acquisition of Kings Square was part of the West Bromwich Retail Diversification Project within the government-funded Towns Fund Programme.

Due to the number of Business Cases required to be submitted to government within a short timescale, Cabinet agreed that the completion of the Full Business Cases would be carried out by an external consultant rather than the Council's Strategic Investment Unit (SIU). The SIU then review the full business case before it was submitted to the Council's Towns Fund Assurance Panel. This process had been completed and the overall Benefit Cost Ratio of the Retail Diversification Project is 1.05, which was above the minimum level required under the Towns Fund criteria. The Assurance Panel approved the Business Case and SIU review on 21 February and it would now be submitted to government in March.

The Chair of the Economy Skills Transport and Environment Scrutiny Board also raised a question regarding the contingency plans that would be implemented if the Council failed to find someone suitable to run the shopping centre on its behalf.

In response, the Cabinet Member for Community Safety stated that the property management industry in the UK was very well served by experienced managing agents who acted for the owners of shopping centres and other commercial property assets throughout the UK, so there was no reason to think that SMBC would not be able to find a suitable firm to manage Kings Square. As a contingency officer had the in-house capability to manage the centre but consider that by appointing a firm with specific experience in shopping centre management it would reduce the risk of income deterioration.

In response to the question raised by the Chair of the Economy Skills Transport Scrutiny Board regarding whether recent building condition and asbestos surveys had been undertaken, the Cabinet Member for Community Safety stated that these would be undertaken shortly after Cabinet approval, prior to the exchange of contracts.

Reason for Decision

The acquisition of Kings Square Shopping Centre would facilitate the delivery of the West Bromwich Masterplan.

The redevelopment of Kings square would play a vital role in transforming West Bromwich Town Centre and realising the ambitions set out in the West Bromwich Masterplan. Due to its prominence in the town centre, it would be critical to help change the current perception of place/place making and, crucially, it would unlock economic growth by significantly reconfiguring the retail landscape of the town, reducing surplus retail space across the wider retail submarket and increasing demand for new retail space. Savills research suggested that Kings Square offered the most transformational opportunity in the town and that this redevelopment would be key in setting the town on a different growth trajectory, which would directly impact future land values and viability, improving the likelihood of organic growth and investment in future.

Alternative Options Considered

The Council could refrain from purchasing any property, relying instead on private developers bringing sites forward and submitting planning applications. However, there was no guarantee that owners would progress innovative schemes of the quality required, and in fact it was unlikely that any schemes would be brought forward for several years. Without intervention, the deliverability of the West Bromwich Masterplan would be extremely uncertain and public expectations would need to be managed accordingly.

Agreed:-

- (1) that the acquisition of the leasehold interest in Kings Square Shopping Centre, West Bromwich for £4.75 million plus costs, with the inclusion of fees, stamp duty, surveys & due diligence costs will be £5,104,500 plus VAT, be approved;
- (2) that in connection with Resolution (1) above, the Director of Regeneration & Growth, in consultation with the Section 151 Officer and the Monitoring Officer, be authorised to approve contract documentation and execute it under seal, and to complete the purchase;
- (3) that the Director of Regeneration & Growth be authorised to approve the undertaking of a procurement process and the appointment of a specialist firm of management surveyors to manage the Kings Square centre, West Bromwich on the Council's behalf;
- (4) that in connection with Resolution (1) above, the Director of Finance be authorised to include total acquisition costs to the Capital Programme for 2022/23.

Approval was sought to authorise the Director of Adult Social Care to approve the early voluntary cessation of the Sandwell Community Caring Trust (SCCT) 30-year contract for 80 care home beds, of which 20 years are remaining with effect from 30 April 2022.

Reason for Decision

The landscape of social care was dynamic and would continue to change. Although this contract met the needs of the service 10 years ago there was now a more progressive approach to service delivery which focussed on supporting people to lead independent lives within their own communities with a reduced reliance on residential care. The council wished to ensure that it future proofed care and support options and provided the best quality services to its citizens which no longer relied on traditional models but deliver cutting edge design, technology and access. To achieve this the council had invested in exciting new developments which offer further choice options for vulnerable people.

The term and value of the contract allowed very little flexibility. The existing 20- year term did not support the council's current corporate objectives and both parties agreed that the contract was no longer fit for purpose.

SCCT approached SMBC in June 2020 to start negotiations to end the 30-year contract by mutual arrangement.

Alternative Options Considered

A number of options were considered by members including seeking to direct award a contract to an existing delivery partner for up to 12 months whilst a formal procurement process was undertaken, to work with the current lead provider for a maximum of up to six months to maintain the service while a tender process was undertaken to secure a new lead provider or to work with the current lead provider for the duration of the contract.

Agreed:-

- (1) that the Director of Adult Social Care be authorised to approve the early voluntary cessation of the Sandwell Community Caring Trust 30- year contract for 80 care home beds, of which 20 years are remaining with effect from 30 April 2022;
- (2) that subject to Resolution (1) above, a further report be submitted to Cabinet on options for the site of the former Grafton Lodge Care home which closed in December 2020. parallel to the period of the directly awarded contract;
- (3) that approval be given to the asset freehold for Hall Green Care Home being retained by Sandwell Community Caring Trust on termination of the contract and agree to Sandwell Community Caring Trust repaying council funds from the sale of Greenhaven;
- (4) that the Director of Law & Governance and Monitoring Officer be authorised to execute all legal or other documentation to give effect to the decisions of Cabinet in relation to the cessation of the contract with SCCT and transfer of the asset freehold as set out in (1)-(3) above;
- (5) that a further report be submitted to Cabinet on approval for another procurement process to be undertaken following the confirmation of funding from the Joint Partnership Board in June 2022.

Meeting ended at 4.33pm.

Contact: democratic_services@sandwell.gov.uk

Appendix

Proposed Communications and Corporate Affairs Structure

