

Budget and Corporate Scrutiny Management Board

Thursday 20 August 2020 at 5.45pm

Present: Councillors E M Giles, Moore and Rollins.

In Attendance: Councillors Piper and Preece.

Officers: David Stevens (Chief Executive), Alison Knight (Executive Director – Neighbourhoods), Tammy Stokes (Interim Director – Regeneration and Growth), Surjit Tour (Director – Law and Governance and Monitoring Officer), Chris Ward (Director – Education, Skills and Employment), Maria Price (Service Manager – Legal Services) and David Harris (Senior Service Manager).

26/20 **Election of Chair**

Councillor Rollins was elected Chair for the duration of the meeting.

27/20 **Apologies for Absence**

Apologies for absence were received from Councillor L Giles.

28/20 **Matter of Urgency**

There were no additional items of business to consider as matters of urgency.

29/20 **Declarations of Interest**

Councillor Moore declared that he had been a Cabinet Member during the time of the acquisition of 1 Providence Place by the Council in 2014.



Future Use of 1 Providence Place and other assets in West Bromwich town centre

On 22nd July, 2020 the Cabinet approved that 1 Providence Place was surplus to the Council's office accommodation requirements. Prior to taking a report to Cabinet for decision on the future use of 1 Providence Place, the Budget and Corporate Scrutiny Management Board was asked to consider the options for the future use of the site, including leasing the building for private office accommodation, converting the building to residential, or the sale of the asset.

The preferred future use of the asset was the disposal of the property and the adjacent development plot for best consideration and to also enable the development of a new Free School on these sites.

It was reported that the Council had already received a direct approach from the DfE in connection with the availability of the following Council owned assets:

- 1 Providence Place;
- the Providence Place development plot; and
- space in West Bromwich Town Hall

An extensive site search, undertaken subsequent to approval of a Free School application in June 2019, the DfE had, during September – October 2019, formally identified these assets as the preferred sites to accommodate the development and operation of a new 750 place secondary Free School sponsored by Shireland Collegiate Academy Trust (Shireland CAT), in partnership with the City of Birmingham Symphony Orchestra (CBSO). It was expected that the school would open in 2023.

The Board was informed that the proposed new academy was part of the Government Free School programme which the DfE was responsible for delivering. If re-use of the council's assets was not approved for the Free School, the DfE will look to build the school outside of Sandwell. This would create a significant risk for the Council and potentially result in being unable to meet the statutory duty of providing every child in Sandwell with a school place. Further, it would have a significant impact on the Council's capital programme and create a larger cash flow challenge over the next

5 years. In addition, Sandwell would miss the opportunity of a prestigious arts and cultural offer in West Bromwich town centre.

Alternative proposals for 1 Providence Place had been considered, including retention of the asset by the Council for investment purposes, conversion to residential properties using the Housing Revenue Account, or disposal for best consideration to realise the optimum alternative use of the asset for the future. Officers reported that whilst all options, including retention, had inherent risks a disposal to the DfE did safeguard the future use for a purpose that was certain to provide a range of positive outcomes, which was the rationale for that proposal being reported for consideration by Cabinet.

From the comments and questions by councillors, the following responses were made and issues highlighted:-

- if the Council did not dispose of the site to the DfE for inclusion in its Free School programme the Council would need to go through a different process to secure school provision, including identifying and working with a sponsor – this would not include the CBSO and the unique opportunity that presented.
- the Free School with CBSO would be the first of its kind to be created in collaboration with an orchestra and would provide the young people of Sandwell with a unique opportunity
- the proposals for disposal to the DfE had been assessed by the Strategic Investment Unit and received a score of 55%. The threshold for unconditional approval was set by the Council at 69%. However, it was acknowledged that the assessment did not factor in social value or wider strategic benefits to the Council and the borough.
- other potential sites within West Bromwich had been considered for the DfE Free School, but these were determined to not be appropriate.
- as part of any agreement to fund the Free School, the use of West Bromwich Town Hall for cultural events arranged by the school would be required. This would be for 19 times per

year, although additional uses could be negotiated. This would not prevent other community uses of the Town Hall from taking place at other times.

- the Council was working with the CBSO and Shireland CAT to ensure that Sandwell children would get priority for places.
- the DfE had indicated that if the Council was unable to agree to the disposal of 1 Providence Place for the purposes of the Free School, then it would instead be looking at sites in other boroughs.
- it was queried whether the Council's external auditors had been consulted on over the proposals.

31/20 **Exclusion of 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 Schedule 12A to the Local Government Act 1972, as amended by the Local Government (Access to information) (Variation) Order, 2006, relating to the financial or business affairs of any particular person (including the authority holding that information).

32/20 **Future Use of 1 Providence Place and other assets in West Bromwich town centre**

The Scrutiny Management Board continued its discussions relating to the future use of 1 Providence Place and other assets in West Bromwich town centre and an overview of the site's connection to the former strategic partnership between the Council and BT was given.

Members were satisfied with the information included in the report and presented to the meeting and noted that the matter would be the subject of a Cabinet decision in due course. The Scrutiny Management Board did ask that the views of the Council's external auditors on the proposals be sought, in advance of that decision being made.

Resolved that the Executive Director – Neighbourhoods and Interim Director – Regeneration and Growth be requested to seek the views of the Council's external auditors on the proposals for the future of 1 Providence Place, West Bromwich.

Meeting ended at 6.49pm following an adjournment between 6.27pm and 6.30pm