

The Cabinet

4th March 2020 at 3.30pm
at the Sandwell Council House, Oldbury

Present: Councillor Y Davies (Leader and Chair)
Councillors Ali, Crompton, Hadley, Millard,
Shaeen, Taylor and Underhill.

In attendance: Councillors M Hussain, Moore, Rollins and
M Yaseen.

Officers in attendance: David Stevens (Chief Executive), Alan Caddick (Director – Homes and Communities), Darren Carter (Executive Director – Resources), Lesley Hagger (Executive Director of Children’s Services), Amy Harhoff (Director – Regeneration and Growth), Alison Knight (Executive Director – Neighbourhoods), Stuart Lackenby (Director – Adult Social Care), Surjit Tour (Director – Law and Governance and Monitoring Officer), Lisa McNally (Director – Public Health) and Sue Stanhope (Director – Human Resources).

58/20 **Leader’s Announcements**

The Leader advised that details of forthcoming Cabinet visits would be announced at the next meeting.

59/20 **Community Infrastructure Levy**

The Director – Regeneration and Growth gave a presentation outlining the proposed process for expenditure of the Community Infrastructure Levy (CIL).

The Community Infrastructure Levy Regulations 2010 provided local authorities with the opportunity to generate revenue from new developments to spend on infrastructure needed as a result of, or to enable, development. Such projects included (but were not limited to) roads, public transport, open space or health centres in their areas.

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At its meeting on 4th February 2015 (Minute No. 27/15 refers), the Cabinet had approved the Charging Schedule and Regulation 123 list, which defined of the type of infrastructure needed to support new development in Sandwell.

CIL Funding was designed to accrue proportionality from those developments that qualified to pay the levy, which meant that the funds would not necessarily be spent immediately as identified priorities and could take a number of months or years before enough had generated to deliver a priority.

It was proposed that expenditure of CIL be structured into three areas:-

- **80% Borough-wide Projects** – Expenditure of this portion would be guided by a new Infrastructure Funding Statement (which would replace the Regulation 123 list) to be launched in Spring 2020 and linked to Sandwell's Inclusive Economy Deal. Communities would be able to nominate their preferred project by voting on a selection of five to ten known infrastructure priorities.
- **15% Neighbourhood Projects** – Expenditure from this element needed to be spent in the areas where development took place. Proposals would be generated from the community and a bidding process would be implemented. Acceptable bids would be advertised on the Council's website and the most popular bid would be referred to the Cabinet for approval.
- **5% on administration costs** – A portion of the funds would be retained to support administration costs.

As of December 2019, there was around £1.6million in the borough-wide fund and around £300k in the neighbourhood wide fund, which was spread across the six towns.

In response to a question from the Chair of the Economy, Skills, Transport and Environment Scrutiny Board, the Cabinet Member reported that a government review and consultation in 2018 had resulted in changes to the regulations around CIL, the key one being the abolition of the Regulation 123 list and its replacement with the Infrastructure Funding Statement.

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In light of these changes, the opportunity had been taken to tie expenditure in with the launch of the Residents Inclusive Economy Deal in Spring 2020.

Resolved that the following process for expenditure of Community Infrastructure Levy be approved:-

- (a) 80% of income will be allocated as a Boroughwide portion to fund those infrastructure priorities identified and approved by the Director – Regeneration and Growth, in consultation with the Leader and Cabinet Member for Inclusive Economic Growth that support the delivery of Sandwell’s Corporate Plan and the Inclusive Economy Deal;
- (b) 15% of income will be allocated as a Neighbourhood portion to support and deliver development at a neighbourhood/town level;
- (c) 5% of income will be allocated for administration purposes to support the costs of administration/monitoring of Community Infrastructure Levy collection and spend.

60/20

Carrington Road/School Road/Friardale Close, Wednesbury – Compulsory Purchase Order and Phase 4

Further to Minute No. 75/18 (of the meeting held on 16th May 2018), approval was sought for the making of a Compulsory Purchase (CPO) to facilitate the wider redevelopment proposals at Carrington/School Road, Wednesbury. The report was accompanied by a presentation by the Cabinet Member for Inclusive Economic Growth, which set out the background to the site, along with future steps.

Phase 4 of the project would be the development of a three-storey block of 17 apartments, including accessibility flats and amenity space.

Whilst the Council was the freehold owner of the land, comprehensive redevelopment could not take place until the all of the relevant land and interests had been assembled into Council ownership.

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The project costs of delivering the new council homes as part of Phase 4 and the costs relating to the CPO of the long leasehold interests across the development site had been reported to the Cabinet on 18th October 2017 as part of the Housing Revenue Account capital investment budgets (Minute No. 167/17 refers).

An appraisal by the Strategic Finance Team had identified some risks and action points had been recommended to mitigate these risks.

It was estimated that development on Phase 4 would start in August 2020.

Resolved:-

- (1) that the Director – Law and Governance and Monitoring Officer make a Compulsory Purchase Order under Section 226(1)(a) of the Town and Country Planning Act 1990 as amended by Section 99 of the Planning and Compulsory Purchase Act 2004, Acquisition of Land Act 1981, and Section 13 of the Local Government (Miscellaneous Provisions) Act 1976 to be known as the Borough Council of Sandwell (Carrington/School Road, Wednesbury) Compulsory Purchase Order, in respect of 0.88ha (entire site boundary) of land bounded by the Carrington Road, School Road and Friardale Close, Wednesbury as shown on (Appendix A) or such lesser land as determined necessary prior to making the Order;
- (2) that the Director – Law and Governance and Monitoring Officer prepare and seal the necessary documents in connection with the Compulsory Purchase Order (CPO) referred to in (1) above and submit the CPO to the Secretary of State for Housing, Communities and Local Government;
- (3) that, in the event that the Compulsory Purchase Order is unopposed, and the Council is granted powers to do so by the Secretary of State for Housing, Communities and Local Government, the Director – Law and Governance and Monitoring Officer confirm and serve all necessary notices to implement the Compulsory Purchase Order, including the issuing of sheriff warrants;
- (4) that the Director – Regeneration and Growth enter into negotiations and to acquire, on terms to be agreed by

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the Director - Regeneration and Growth, land and property within the proposed Compulsory Purchase Order lands, in advance of confirmation of the Order by the Secretary of State;

- (5) that the Director – Law and Governance and Monitoring Officer enter into any licences, undertaking or other agreement to facilitate the Compulsory Purchase Order on terms agreed by the Director of Regeneration and Growth;
- (6) that the Director – Law and Governance and Monitoring Officer take all necessary action to secure the making, confirmation and implementation of the Compulsory Purchase Order and if objections are received to the Compulsory Purchase Order, to make arrangements for public inquiries including instructing external Counsel and Consultants to assist in the preparing evidence and the presentation of the Council's case at any public Inquiry;
- (7) that, in the event that the Compulsory Purchase Order is confirmed by the Secretary of State, the Director – Law and Governance and Monitoring Officer serve all necessary notices to implement the powers of compulsory acquisition, including authorisation to make General Vesting Declarations, notices to treat and notices of entry to take all other requisite steps to obtain possession of the properties and to obtain a Sheriff's Warrant for possession of any lands where it has not been given;
- (8) that the Director – Law and Governance and Monitoring Officer acquire the necessary interests in the land and property included in the confirmed Compulsory Purchase Order on terms to be agreed by the Director - Regeneration and Growth or as ordered by the Lands Tribunal;

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- (9) that the Executive Director – Resources allocate adequate investment from the Housing Revenue Account capital investment programme to fund construction of Phase 4 of the scheme development, which is approximately 0.158 hectares of land off Carrington Road, Friar Park, including the demolition of 38a, 38, 40, 42 Carrington Road shown for identification purposes only at Appendix B (Phase 4) with a new-build council housing scheme;
- (10) that the Executive Director – Resources allocate adequate investment from the Housing Revenue Account capital investment programme to cover the administration and execution costs associated with the Compulsory Purchase Order;
- (11) that subject to (9) above, and to grant funding from New Ways of Working Programme administered by Homes England or allocated resources from the Right to Buy one for one replacement being secured, the Executive Director – Resources to allocate adequate resources to fund Phase 4 of the development;
- (12) that subject to (9) (10) and (11) above, the Director – Regeneration and Growth, in consultation with the Executive Director – Resources (Section 151 Officer), Director - Housing and Communities to prepare tendering documentation, and to procure and award a contract, in accordance with the public procurement rules, the Council's procurement and financial regulations a contractor/contractors to develop, on behalf of the Council, Phase 4 of the proposed development scheme to enter into or execute under seal any financial agreement in relation to the Homes England grant (if required) on terms and conditions to be agreed by the Executive Director - Resources;

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- (13) that subject to (10), (11), (12) and (13) above, the Director – Law and Governance and Monitoring Officer enter into or execute under seal any documentation in relation to award of the contract and/or development/partnership agreement, Homes England developer status, licence, undertaking, framework joining agreement and any other agreements with the procured contractor/s and with Homes England, as may be deemed necessary to facilitate development of the site (Phase 4); on terms and conditions to be agreed by the Director - Regeneration and Growth;
- (14) that subject to (10), (11), (12) (13) and (14) above, and following practical completion of each property, the Director – Housing and Communities let and manage the residential accommodation outlined in Phase 4 in accordance with the Council’s existing housing allocations policy;
- (15) that the following action points identified from the strategic appraisal are implemented:-
- review the proposals to ensure that the project will deliver the Council’s objectives in the most cost-effective manner
 - review cost estimates for reasonableness
 - produce cost estimates for potential compulsory purchase orders to ensure that the total cost of the project remains reasonable
 - keep cost estimates for demolition and construction under review to ensure that the project can be delivered without excessive increases in costs. The project risk register will capture these actions and is monitored by the project team.

61/20

Provision of Emergency Drainage Clearance and associated Underground Drainage Repairs to Sandwell MBC Properties

Approval was sought to award a contract for the provision of emergency drainage clearance and associated underground drainage repairs to Council properties.

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The current contract was due to expire on 31st March 2020.

169 expressions of interest had been received, of which seven were found to be compliant. Whilst the seven complaint tenders included a tender from a Sandwell based company, it was significantly more expensive than the winning tender.

The anticipated value of the contract was in the region of £974,320 (£243,580 per annum) for a period of four years, which would be met from the Housing Revenue Account.

Resolved:-

- (1) the Executive Director - Neighbourhoods is authorised to award the contract for the Provision of Emergency Drainage Clearance and Associated Underground Drainage Repairs to Council Properties to Draintech Services (Midlands) Ltd properties for a contract period of four years, from 1st April 2020 to 31st March 2024;
- (2) that, in connection with (1) above, the Director - Law and Governance and Monitoring officer is authorised to enter into the appropriate contracts with Draintech Services (Midlands) Ltd.

62/20

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 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).

63/20

Wednesbury Town Centre High Street Heritage Action Zone Scheme

It was reported that the Council had been successful in a competitive bidding process for a Future High Streets Fund scheme and had the opportunity to receive a grant from Historic England to undertake a heritage regeneration scheme within Wednesbury Market Place conservation area.

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Wednesbury town centre had a rich streetscape comprising of many fine buildings, with much of the area designated as a conservation area. However, some buildings had lost their historic features, were in poor condition and there had general maintenance and repair issues. Improvements to public realm were also needed for a high-quality town centre. The Historic England grant provided the opportunity to improve Wednesbury's built environment, engage with the community and enhance economic performance with a focus on the heritage assets of the area.

The delivery of the project was dependent upon funding from Historic England, Council capital and revenue resources and private sector resources. Approval was sought to the scheme and to the match-funding of £981,000 from capital resources.

The Cabinet noted the detailed cost profile for the project and the implications on resources across the four years of the project.

In response to a question from the Chair of the Economy, Skills, Transport and Environment Scrutiny Board, the Cabinet Member reported that the private sector funding portion was from shop and business owners. The Council could not obtain commitment for their contribution until the funding agreement with Historic England had been signed and detailed negotiations on works, costings and back to back agreements had been drawn up.

Initial discussions with key building owners had indicated enthusiasm for the scheme and potential high demand as the grant aid support was very favourable. A lower take up, which had been risk assessed and was not expected, would result in either a reduction in the scheme scope or reallocation of funding (as confirmed acceptable by Historic England) to other work streams within the programme.

Resolved that, subject to a minimum financial appraisal score of 65% by the Strategic Investment Unit:-

- (1) the Director-Regeneration and Growth, in consultation with the Executive Director-Resources, enter into a grant funding agreement with Historic England to undertake a heritage regeneration project with a grant contribution from Historic England within the Wednesbury Conservation Area;

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- (2) in connection with (1) above, the Executive Director - Resources match fund £981,000 from the Council's capital programme in relation to the heritage regeneration project;
- (3) the Executive Director – Resources, in consultation with the Cabinet Member for Resources and Core Services and Inclusive Economic Growth implement the recommendations arising from the financial appraisal.

(The meeting ended at 3.34pm)

This meeting was webcast live and is available to view on the Council's website (<http://sandwell.public-i.tv/core/portal/home>).

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