

The Cabinet

15th July, 2015 at 3.00 pm
at the Sandwell Council House, Oldbury

Present: Councillor Cooper (Chair);
Councillors Crompton, Y Davies, Eling, Hackett,
Khatun and Moore.

Observers: Councillors Ahmed, L Horton, P Hughes, S Jones,
Sandars and Underhill.

113/15 **Minutes**

Resolved that the minutes of the meeting held on 24th June, 2015 be confirmed as a correct record.

Strategic Matters

114/15 **Regional Devolution – A Combined Authority for the West Midlands (Key Decision Ref. No. L010)**

The Leader of the Council announced that leaders of the seven West Midlands authorities had recently indicated their intention to pursue a Combined Authority in order to accelerate economic growth and public sector reform across the region.

To date, the seven West Midlands Metropolitan and City councils of Sandwell, Birmingham, Coventry, Dudley, Solihull, Walsall and Wolverhampton, together with a number of district and county councils and local enterprise partnerships from across the region, had been involved at various stages in exploratory conversations about the implications of a Combined Authority for a growth and reform strategy across the West Midlands.

By creating a Combined Authority, the Government was pledging to devolve more powers and resources at a large scale in order to improve economic growth and productivity.

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It was now proposed that the Council support, in principle, the creation of a Combined Authority for the West Midlands based on an 'Economic Plus' model.

An 'Economic Plus' model would require regional devolution at the right scale and an accompanying deal with Government which contained the necessary freedoms and flexibilities to deliver accelerated growth and reform.

The process to establish a Combined Authority had three main steps as follows:-

- a review of existing governance arrangements for the delivery of economic development, regeneration and transport. This must lead to the conclusion that there was a case for changing these arrangements based upon real improvements;
- drawing up and engaging on a scheme for the new body upon which the authorities were required to engage to secure support amongst stakeholders. All constituent councils were required to approve the scheme for submission to the Secretary of State for Communities and Local Government;
- the Secretary of State would consider the scheme and undertake formal consultation. If satisfied with the proposals, a draft order would be laid before both Houses of Parliament for adoption by affirmative resolution.

The full strategic governance review was yet to be finalised, however, after evaluating the current evidence, the conclusion from the review was to recommend a Combined Authority model.

A strong Combined Authority would be able to bring together key decision making powers into a single body, exercising appropriate strategic transport and economic development and regeneration functions. It would provide a visible, stable and statutory body which could act as the accountable body to attract further funding to the West Midlands to support economic growth, alongside additional powers which may be devolved from Government.

The most effective way to deliver on the three main steps would be to establish a Shadow Combined Authority Board and to authorise the Leader and Chief Executive to agree all matters required to progress the development of the Shadow Board, including the Council's representation on that Board.

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Once the Shadow Board was established, the Leader would need to commit the Council to joint decisions made by the Board on behalf of the constituent councils. The ongoing commitment of the Council to a combined authority would be assessed at each of the three key stages of development referred to below and reserved to the Council for determination:

- (a) to take the findings of the governance review, including the conclusion of the preferred option of a Combined Authority and Scheme and to engaging with stakeholders;
- (b) approval in approximately September 2015 following engagement on the governance review and the preferred option and Scheme, and ahead of any submission to Government;
- (c) approximately April 2016 when final approval was required to become a constituent member of a potential Combined Authority.

The Chair of the Budget and Corporate Scrutiny Board and Health and Adult Social Care Scrutiny Board asked a question in relation to whether the Cabinet would be supportive of additional authorities such as Telford, Stafford Borough, Lichfield and Burton/East Staffordshire becoming fellow constituent councils within the Combined Authority. In response, the Leader of the Council reported that the seven West Midlands Metropolitan and City councils had been confirmed as the core seven authorities within the Combined Authority. The Combined Authority was being established based on the geography of the three Local Enterprise Partnerships which were currently in existence and therefore any shire or district counties that formed part of that Local Enterprise Partnership could be included, some with voting rights and some without depending on whether they were a constituent or non-constituent authority.

The Combined Authority would be considering the economic benefits for authorities wanting to join, particularly where it affected people travelling to work.

In response to a number of queries from the Chair of the Housing Scrutiny Board, the Leader clarified:-

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- that each authority within the Combined Authority would be allocating a sum of £300,000 to progress the development of the Combined Authority and achieve the submission of proposals to Government;
- that the Gross Value Added had been measured against the size of the economy which had revealed that there was a significant shortfall in what should be achieved in economic performance in England to what was being achieved. However, by investing in infrastructure, working with the private sector and schools, it was envisaged that the West Midlands would close the gap in economic performance in England;
- that work was currently underway to dispel the myth that the Combined Authority would be seen as a “Super Council”. A clear communication approach would be undertaken by all authorities to clarify the role of the Combined Authority. The leaders of the seven authorities had all signed up to a collaborative approach in order to represent their respective constituents;
- that the Government was currently driving the agenda for an Elected Mayor. Sandwell was committed to a Combined Authority, however, at this moment in time, the leaders of all of the seven authorities would consider the benefits of establishing an Elected Mayor before they considered whether it was deemed appropriate to have one.

Resolved to recommend to Council:-

- (1) that the continued pursuit of the Council's interest in the creation of a Combined Authority for the West Midlands be endorsed;
- (2) that in order to progress the Council's interests in the creation of a Combined Authority, the establishment of a Combined Authority Shadow Board be approved and that the Leader of the Council and the Chief Executive be authorised to agree all matters appropriate to their respective position, that are required to progress the development of a Shadow Board, including the Council's representation on that Board;

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- (3) that upon establishment of the Shadow Board referred to in resolution (2) above, and where those powers are not already vested in the Leader as the Executive Leader of the Council, the authority of the Council be vested in the Leader of the Council to determine and commit the Council to joint decisions required to be made by the Shadow Board as necessary to secure the delivery of a combined authority, subject to resolution (4) below and to those final decisions in each of the three main stages (findings of and engagement on the governance review, including the conclusion of the preferred option of a Combined Authority and Scheme, submission to Government and final approval to become a constituent member of a potential Combined Authority), being reserved to the Council;
- (4) that in relation to resolution (3) above, any key decisions required to secure the delivery of a combined authority which are not reserved to full Council, be considered and determined by the Cabinet;
- (5) that the Leader of the Council and the Chief Executive be authorised to agree the content of the strategic governance review for the West Midlands, the role of the Combined Authority and the draft scheme for the establishment of the Combined Authority as the basis for ongoing discussions and for the purposes of undertaking engagement with stakeholders;
- (6) that subject to resolution (5) above, to undertake engagement for a Combined Authority, including the hosting of Sandwell based consultation events, be undertaken;
- (7) that should it prove necessary, in order to meet the timescales for the submission of proposals to the Secretary of State, the Chief Executive, in consultation with the Mayor, be authorised to call an extraordinary meeting of the Council for the purpose of receiving the final version of the strategic governance review and determining if, in principle, the Council should become a constituent member of the Combined Authority.

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115/15

Recommendations from the Budget and Corporate Scrutiny Board regarding the Council's Financial Outturn 2014/15 (Key Decision Ref. No. FR005)

The Deputy Leader and Cabinet Member for Finance and Resources made reference to Minute No. 102/15 taken by the Cabinet on 24th June, 2015 and made reference to a report detailing the observations of the Budget and Corporate Scrutiny Board in relation to the Council's service areas financial outturn reports 2014/15, the Housing Revenue Account, the Council's Capital Programme outturn, the Revenue Collection performance for 2014/15, the Treasury Management outturn and performance against the financial health indicators of the Council.

The Scrutiny Board had considered the financial outturn reports and had identified a number of issues which were put to Chief Officers for a written response/explanation at its next meeting.

On 2nd July, 2015, the Scrutiny Board considered the responses from Chief Officers. The Chair of the Scrutiny Board reported that there were no issues arising from that meeting which required further consideration by the Cabinet.

However, the Board had requested a further report detailing options for utilisation of unspent funds to the value of £145k as a result of a grant from "Green Deal". The Board was informed that this money had not been spent due to plans with other local authorities not coming to fruition, and it was therefore awaiting re-profile. Whilst the activity that generated the grant was within the Adult Social Care directorate, it was reported that the funds were available for corporate use.

The Board sought to look at options for utilisation of this money, investigating whether there were any opportunities for match funding and as such, had included this in its work programme.

In addition, the Board commended the pro-active approach being taken by the Local Education Authority in budgetary terms in funding a review to allay 'Trojan Horse' concerns and being innovative in the use of the budget in supporting Mental Health Provision locally. The Board also felt that it was very positive that Children's Centres had benefited from the underspend.

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In receiving the recommendations of the Scrutiny Board, the Deputy Leader and Cabinet Member for Finance and Resources expressed concern at the Board's interpretation of the budget outturn process and, in particular, consideration for utilising the unspent grant fund. When the Cabinet approved the budget outturns 2014/2015 on 24th June 2015, the process for rolling forward spends had already been approved. Whilst the Cabinet Member was minded to consider looking further at this particular sum of money, the spending plans formed part of the budget outturn process. It was therefore felt that outturn of the Council's budget for 2014/2015 should be approved.

Resolved:-

- (1) that the questions/issues raised by the Budget and Corporate Scrutiny Board in relation to the Council's financial outturn for 2014/2015, and the responses received from directors be received;
- (2) that the Council's financial outturn for 2014/2015 be approved;
- (3) that, in order to provide clarity, for future financial reporting, further breakdowns be provided on:-
 - Fees and Charges, Third Party Payments and Supplies and Services across all directorate reports;
 - the definitions of Complex Commissioning and Non-Complex Commissioning in Adult Social Care.

116/15

Review of Hackney Carriage and Private Hire Vehicle Licensing Policies (Key Decision Ref. No. HE010)

The Cabinet Member for Highways and Environment sought approval to the revised Hackney Carriage and Private Hire Vehicle Licensing Policies.

On 28th August 2014, the Cabinet Member for Highways and Environment gave approval to amend the vehicle policies in Section 3 of the Private Hire and Hackney Carriage Licensing Handbook and supplementary vehicle testing criteria policy document with effect from 1st December, 2014 (see Decision No. 41/14).

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However, following a number of objections received during the statutory consultation period, on 3rd February 2015, the Cabinet Member requested that a further meeting with the RMT Union be arranged in order to discuss concerns within the taxi licensing trade (see Decision No. 1/15).

Having met with the RMT Union to discuss their concerns, it was now proposed to:-

- remove the age policy for private hire vehicles when applying for the grant or renewal of a licence;
- implement supplementary vehicle testing criteria;
- relax the colour policy for private hire vehicles:-
 - saloons, hatchbacks and limousines would be allowed to be any colour;
 - minibuses and multi-purpose vehicles would be allowed to be any colour apart from black in order to avoid possible confusion with hackney carriages;
- implement a black only colour policy for new hackney carriage licences (for non-purpose built vehicles i.e. van conversions);
- withdraw private hire vehicle door stickers/door magnets;
- require private hire vehicles and hackney carriages to display window stickers in both rear passenger windows;
- include a new policy regarding hackney carriages working outside of Sandwell.

Approval was also sought to a new policy document, entitled 'Supplementary Vehicle Testing Criteria'. The policy was designed to provide greater clarification to the trade on what was required in terms of the vehicle's mechanical safety and internal/external appearance.

The policy would take effect from 1st September, 2015 in order to allow time for the changes to be communicated to the trade and for officers to ensure that the necessary arrangements were in place prior to implementation of the policies.

An equality impact assessment was not required for this proposal.

The Cabinet Member for Highways and Environment recommended the proposals for approval.

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Resolved:-

- (1) that the revised vehicle policies in Section 3 of the Private Hire and Hackney Carriage Licensing Handbook be approved with effect from 1st September, 2015;
- (2) that the Supplementary Vehicle Testing Criteria policy document be approved with effect from 1st September, 2015.

117/15

Lift Maintenance and Repairs 2015-2019 – Award of Contract (Key Decision Ref. No. TNS026)

The Leader of the Council sought approval to appoint an organisation to deliver routine servicing, 365 day – 24 hour breakdown attendance and planned maintenance and repairs to all passenger lifts within Council owned domestic housing blocks.

The value of the lift maintenance and repairs contract was approximately £2,000,000 which would be divided over a period of four years.

In accordance with the Council's Procurement and Contract Procedure Rules, Lift Engineering Services Limited had submitted the best value tender. It was therefore proposed to award the contract to this company.

An equality impact assessment was not required for this proposal.

The Leader of the Council recommended the proposals for approval.

The Chair of the Housing Scrutiny Board indicated that he was pleased that a local company had been awarded the contract. In response, the Leader of the Council confirmed that the Council endeavoured to award contracts to local firms where possible and economically sensible to do so.

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Resolved:-

- (1) that the Director - Homes and Communities award the contract for the routine servicing, 365 day - 24 hour breakdown attendance and planned maintenance and repairs to all passenger lifts within Council owned domestic housing blocks, in the sum of approximately £500,000 per annum for a period of four years, to Lift and Engineering Services Limited of Cradley Heath, West Midlands;
- (2) that in connection with resolution (1) above, the Director – Governance enter into an appropriate contract with Lift and Engineering Services Limited of Cradley Heath, West Midlands.

118/15

Exclusion of the Public

Resolved that the public and press be excluded from the rest of the proceedings 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).

Strategic Matter

119/15

Award of Contract for Sandwell Self-Serve Channel Shift – Procurement of a Customer Portal for Improving Customer Access Across the Council (Key Decision Ref. No. FR003)

The Deputy Leader and Cabinet Member for Finance and Resources sought approval to award the contract for the provision of a customer self-serve portal. The customer portal would encourage people to access Council services online as their first choice and would therefore improve the customer experience of residents by responding to demand for online access to its services, whilst at the same time, reducing demand for costly face to face contact within the context of reducing resources.

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On 4th February 2015, the Cabinet approved:-

- the allocation of £1.1m funding for the Sandwell self-serve customer portal;
- the Director - Neighbourhoods proceeding with the selection process to identify a preferred supplier for the Sandwell self-serve customer portal.

In order to comply with the Council's Procurement and Contract Procedure Rules, a procurement exercise had been carried out using the Crown Commercial Services G-Cloud 6 framework. This allowed public sector customers to buy commoditised cloud based solutions through a framework to provide customers with up-to-date innovative solutions.

It was proposed that a contract in the sum of £493,350 be awarded to Firmstep for the purchase of a customer self-serve portal for a two year period from August 2015 to August 2017 as it represented best value for the Council.

The remainder of the capital investment allocated to the project would be utilised for integration with back office systems, information communication technology hardware and other associated costs to implement the solution.

The risks identified by Strategic Finance as part of the appraisal of the project was received by the Cabinet on 4th February 2015. An update on the progress made against those risks identified, including any risks outstanding, was now reported.

The Deputy Leader and Cabinet Member for Finance and Resources recommended the proposals for approval.

In response to queries from the Chair of the Housing Scrutiny Board, the Deputy Leader and Cabinet Member for Finance and Resources confirmed that:-

- “commoditised cloud based solutions” related to procurement through the Crown Commercial Services G-Cloud 6 framework which was a system set up by Government for public sector organisations to save both time and money;

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- the Council's current Siebel system was not able to provide the channel shift that the Council was looking to introduce which was why the system was being replaced;
- the inclusion of housing repairs as part of the customer portal would need to be looked at further to ensure that it worked effectively.

Following a further query from the Chair of the Leisure, Culture and the Third Sector Scrutiny Board, the Deputy Leader and Cabinet Member for Finance and Resources clarified that the Council did not intend to remove the telephone service as not all customers would have access to online services. The intention was not to cut out services, however, in order to be more effective, to continue to do business electronically would free up staff to deal with any complex issues on the telephone.

Resolved:-

- (1) that the Director - Neighbourhoods award the contract for the provision of a Customer Self-Serve Portal to Firmstep in the sum of £493,350 for the period August 2015 to August 2017;
- (2) that, in connection with resolution (1) above, the Director - Governance enter into an appropriate form of contract on terms and conditions agreed by the Director - Neighbourhoods and pursuant to those terms and conditions set out by the Crown Commercial Services under the G-Cloud framework arrangement;
- (3) that the following action points identified within the appraisal report be implemented to reduce any risks to the Council:-
 - a) provide a full business case to be reviewed by Strategic Finance on the annual level of savings expected, profiled over the implementation period;
 - b) continue to undertake public consultation to ascertain demand for online services and verify that assumptions made in calculating potential savings are reasonable;

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- c) ensure that a detailed project plan is produced to include responsible officers, milestones, timescales, outputs and costs that can be monitored to ensure that the project is delivered within the required timescales and project cost.

(Meeting ended at 3.46 pm)

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