

**The Cabinet**

**5<sup>th</sup> August, 2015 at 3.00 pm**  
**at the Sandwell Council House, Oldbury**

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

**Apologies:** Councillors Crompton and Y Davies;  
Councillor L Horton.

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

127/15 **Minutes**

**Resolved** that the minutes of the meeting held on 15<sup>th</sup> July,  
2015 be confirmed as a correct record.

**Strategic Items**

128/15 **Quarter 1 Council Wide Budget Monitoring (Key Decision Ref. No. FR010)**

The Deputy Leader and Cabinet Member for Finance and Resources gave details of the Council's revenue and capital expenditure as at the end of June 2015 together with a forecast outturn for the financial year 2015/2016. Details were also submitted on the monitoring of the Council's Housing Revenue Account.

At a service level, excluding Public Health, there was a forecast year end surplus of £1.298m which was made up of surpluses within Adult Social Care (£0.898m) and Children's Services (£0.400m).

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Target budgets had been adjusted to reflect the actual surpluses and deficits that were reported as part of the 2015/16 final carry forwards that had been approved as part of the Council's outturn reported to the Cabinet on 24<sup>th</sup> June 2015.

An adjustment had also been made to service budgets to reflect the latest capital charge calculations.

The Council's quarterly budget statement for 2015/16 analysed by service showed the actual position for net expenditure at the end of June 2015 and compared this with the relevant budget. The statement also showed a forecast outturn position for the year.

Approval was sought to virements above £0.100m within directorates.

The Council had a number of budgets that were held centrally. The nature of these budgets meant that they were not within any specific directorate's control and, as a result, were excluded from target budgets. As at period 3, the forecast outturn position for the year was a surplus of £0.960m.

Additional specific grants had been received since the previously reported monitoring which were outlined in the report now submitted.

As at period 3, a number of capital virements had been made, for which approval was now sought.

Since the previously reported monitoring, the Section 151 Officer had appraised and given approval to the submission of external funding bids.

In relation to the Council's Housing Revenue Account, as at 30<sup>th</sup> June 2015, the service was forecasting a breakeven outturn position for 2015/16.

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In welcoming the report, the Deputy Leader and Cabinet Member for Finance and Resources reported that the Council was continuing to manage budgets well in challenging times and was continuing to meet significant cuts in budgets without affecting the services provided.

Following a number of queries from the Chair of the Housing Scrutiny Board, the Deputy Leader and Cabinet Member for Finance and Resources confirmed that:-

- the Council was still looking to break-even despite recently having two by-elections in the Borough. By holding the general election on the same day as the local elections, a surplus had been generated as no additional costs had been incurred;
- the projected surplus on members' allowances was in addition to the 2015/16 budget reductions and demonstrated that members, as well as staff, were also affected by the budget cuts and were contributing to making savings;
- the projected surplus on the Sandwell Guarantee scheme did not reflect the success of the scheme, as the budget was currently showing which resources were going out but was not showing the amount of money being committed. The small surplus in the budget would be used up in September when young people left school and college. The scheme was working well and was being used to deliver genuine outcomes within the budget;
- the Centresport project was being externally funded by Sport England to provide a sports programme for young girls and young people with disabilities;
- the performance in outstanding debt that was more than 90 days old from the date of the invoice was different to the Debtor Days reported due to using different measures for e.g. the number of invoices received as opposed to the value of invoices. The Deputy Leader congratulated the Revenues and Benefits Team for securing money to pay off debts and ensuring that bills were being paid.

The Chair of the Jobs, Economy and Enterprise Scrutiny Board sought clarification on the reduction of £7.167m within the Children's Services service area and whether this could have attributed to the Council's recent Ofsted inspection outcome.

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In response, the Deputy Leader and Cabinet Member for Finance and Resources reported that in previous years, Children's Services was continuously overspending due to paying significant amounts of money to place children in high cost external placements and for the use of external agency staff. However, in the last financial year, Children's Services had made a significant surplus by reducing the use of agency staff and external placements. The cut in the service's budget was similar to the cuts being faced by all of the service areas within the Council but should not affect the Ofsted outcome.

### **Resolved:-**

- (1) that details of the Medium Term Financial Strategy position including details of no budget pressures that required action outside of normal budget management processes, be received;
- (2) that the financial monitoring position of individual directorates be received and referred to the Budget and Corporate Services Scrutiny Board for consideration and comment;
- (3) that the financial monitoring position of the Housing Revenue Account for the three month period ending 30<sup>th</sup> June 2015 be received;
- (4) that the following virements be approved:
  - (a) £0.140m between Early Help and Children's Social Care in relation to Commissioning Services;
  - (b) £0.131m between the Youth Offending Service and Children's Social Care in relation to Business Administration staff;
  - (c) £0.169m between the Director's Office and Early Help in relation to the Information Systems Team;
  - (d) £0.227m between the Children's Social Care and Looked After Children and Family Placements in relation to merging the Placements and Procurement Teams;

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- (e) £0.101m between Safeguarding and Looked After Children and Family Placements in relation to Participation staff;
- (5) that the following Specific Grants be utilised by the relevant Directorate:
  - (a) **Neighbourhood Services:**
    - i) Domestic Violence Grant - £0.069m
    - ii) Sport England Grant - £0.005m
  - (b) **Governance Services:**
    - i) Individual Electoral Registration Grant - £0.078m
  - (c) **Strategic Resources:**
    - i) Welfare Reform Grant - £0.080m
- (6) that the approval of the following external funding bids by the Section 151 Officer be noted:
  - (a) Heat Network Delivery - £0.064m
  - (b) Domestic Abuse Specialist Service Provision - £0.100m
  - (c) Fraud and Error Reduction Incentive Scheme - £0.039m
  - (d) Sandwell Sea Cadets - £0.025m
  - (e) Fraud and Error Reduction Incentive Scheme - £0.062m
- (7) that the 2014/15 carry forward of £0.900m on past service pension costs be vired from the financial year 2015/16 to 2017/18.

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### Cyclical Replacement of Carbon Monoxide Alarms and Smoke Detectors (Key Decision Ref. No. FR011)

The Deputy Leader and Cabinet Member for Finance and Resources sought approval for the allocation of capital funds for the cyclical replacement of mains powered carbon monoxide alarms and smoke detectors.

Since 2004, the Homes and Communities Directorate had installed mains powered carbon monoxide alarms and smoke detectors in conjunction with the rewires completed as part of the Decent Homes Programme. The components installed had a limited lifespan of ten years and therefore required replacing.

A number of mains powered carbon monoxide alarms and smoke detectors had been replaced in 2014/15 which had been funded from the Housing Revenue Account. However, other similar organisations funded these replacements through the Capital Fund.

An appraisal had been completed by Strategic Finance and action points were recommended to mitigate risks identified.

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

Following a query from the Chair of the Budget and Corporate Scrutiny Board and the Health and Adult Social Care Scrutiny Board, the Deputy Leader and Cabinet Member for Finance and Resources reported that previously, funding for the replacement of cyclical and carbon monoxide alarms and smoke detectors had been from the Capital Fund. As the replacement still qualified for capital expenditure, it would again be funded from resources within the Capital Fund.

Following a number of queries from the Chair of the Jobs Economy and Enterprise Scrutiny Board relating to a database of and testing of monoxide and smoke alarms within the past ten years, the Director – Neighbourhoods undertook to provide a briefing note responding to these queries.

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### **Resolved:-**

- (1) that the cyclical component renewal costs of mains powered from carbon monoxide alarms and smoke detectors costing an annual total of £267,300 be funded from the Council's Capital Fund with effect from 2015/2016;
- (2) that in connection with resolution (1) above, the following action points identified within the appraisal report be implemented to reduce any risk to the Council:-
  - identify the expiry date for all smoke detectors and carbon monoxide alarms fitted within Council owned dwellings to enable an accurate projection of replacements required each year;
  - ensure the future funding requirements for the replacement of smoke and carbon monoxide alarms are identified and included within the Housing Revenue Account's medium term financial plan;
  - ensure any overspends within the programme are funded from within existing resources of the Housing Revenue Account.

### **Business Matter**

130/15

#### **Minutes of the Meeting of the Cabinet Petitions Committee held on 22<sup>nd</sup> July 2015**

The minutes of the meeting of the Cabinet Petitions Committee held on 22<sup>nd</sup> July, 2015 were received.

No questions were asked of the Cabinet Members.

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### 131/15 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 Items**

### 132/15 Co-operative working with Sandwell and West Birmingham Health Trust (Key Decision Ref. No. ASCH007)

The Leader of the Council sought approval to a proposed approach to co-operative working between the Council and the Sandwell and West Birmingham Hospitals NHS Trust (the Trust).

The Trust was the key provider of acute and community health services in Sandwell. It also currently provided public health services commissioned by the Council. The development of an approach for co-operative working between the Council and the Trust across health and social care would bring greater opportunities to:-

- achieve common objectives;
- integrate care pathways;
- improve service quality and maximise opportunities for innovation;
- secure value for money and make the most of resources.

As a first stage, work with the Trust would focus on the achievement of shared public health objectives to reduce health inequalities and increase healthy life expectancy. Public Health staff were already located within various Trust sites to share expertise and to support service quality improvement covering alcohol-related admissions and infection prevention services. This model of working would be extended to other public health services including 0-5 services (Health Visiting), sexual health, vulnerable adults, and screening programmes and further evolved to incorporate joint management arrangements.



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Strong performance management would be a key component of the co-operative working.

The Leader of the Council recommended the proposals for approval.

In response to a number of queries from the Chairs of the Housing Scrutiny Board, the Budget and Corporate Scrutiny Board and the Health and Adult Social Care Scrutiny Board, the Leader of the Council confirmed that:-

- the Health and Wellbeing Board would be the accountable body for the co-operative working between the Sandwell and West Birmingham Hospitals NHS Trust;
- the University of Birmingham was currently piloting Adult Social Care core offers and would be evaluating offers to ensure that best value was achieved and that it complemented co-operative working. The outcome of its feedback would be reported back to the Cabinet at a future date.

### **Resolved:-**

- (1) that the Council develops co-operative working with Sandwell and West Birmingham Hospitals NHS Trust for the purpose of achieving shared objectives for health and social care;
- (2) that, subject to consultations and detailed negotiations with Sandwell and West Birmingham Hospitals NHS Trust, a further report be presented to Cabinet to determine any contract to be entered into;
- (3) that, subject to resolution (2) above, any contract should include a five year review of the partnership framework with an annual review of services including, but not exclusively, the services now reported.

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### Construction of the new Q3 Langley Academy (Key Decision Ref. No. FR012)

The Deputy Leader and Cabinet Member for Finance and Resources sought approval to allocate funds in order to establish the first phase of secondary provision on the former Langley High School site at Moat Road, Oldbury.

On 13<sup>th</sup> November 2013, the Cabinet gave approval to proceed with the “academy/free school presumption” process to establish a new secondary school provision on the former Langley High School site on Moat Road, Oldbury (see Minute No. 61/13).

Phase one of the scheme would provide the construction of approximately 4,900 sq m of new accommodation and refurbishment to the existing 1980s Sports Hall Block and changing area. Upon completion, there would be sufficient pupil capacity created to enable the Academy to open and provide for an intake of 120 pupils in September 2016 and 2017, together with 240 places in September 2018.

The Council had responsibility to fund the scheme utilising the annual Basic Need Funding allocation. Whilst the preferred option was to deliver the scheme in one phase, pressures remained in primary provision and a phased delivery was deemed appropriate.

Following the allocation of funding to this project, it was proposed to hold back the remaining £20,053,928 of which £100k would be used to enable further feasibility to be completed on a number of proposed schemes to identify the best solution for both the Council in terms of value for money and Sandwell pupils in terms of educational outcomes. It was proposed to include the School Condition Allocation 2015-16 (£2.99m) within the Schools Capital Programme 2016/17-2017/18 for maintenance on schools within the maintained sector.

An appraisal had been completed by Strategic Finance and action points were recommended to mitigate those risks identified. An equality impact assessment was not required for the proposal.

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

[ILO: UNCLASSIFIED]

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### Resolved:-

- (1) that in order to establish the first phase of secondary provision on the former Langley High School site at Moat Road, Oldbury, the allocation of funding in the sum of £11,065,000 be approved as follows:

	£
unallocated 2014-16 Basic Need funding	6,625,000
unspent main capital programme, following approval of enabling works (approved 20 May 2015)	40,000
top up Basic Need 2015/16 & 16/17	<u>4,400,000</u>
	11,065,000

- (2) that subject to resolution (1) above, the remaining £20,053,928 funding be retained to enable a further feasibility study on a number of proposed schemes for 2016 and 2017 which will be subject to a further report submitted to the Cabinet;
- (3) that in connection with resolution (1) above, the following action points identified within the appraisal report be implemented to reduce any risk to the Council:-
- produce detailed cost estimates to ensure that sufficient contingency is included and that the total project cost can be managed within the available funding;
  - provide a detailed corporate Risk Register for the design and build stage of the project, identifying appropriate risk, responsible officers, along with associated target dates for the mitigation of risks;
  - ensure that a formal legal agreement is entered into with the sponsors at the earliest possible opportunity in order to protect the interests of the Council;
  - ensure rigorous financial monitoring is undertaken on the Schools Capital Programme and Basic Need Allocations to ensure funding needs can be met;

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- undertake robust contract monitoring to assist with the successful delivery of the project within required timescales and costs.

134/15

### Annual Gas Safety Inspection and Servicing of Gas Appliances 2012-2015 – Extension of Contract (Key Decision Ref. No. TNS025)

The Leader of the Council sought approval to extend a contract for the Annual Gas Safety Inspection and Servicing of Gas Appliances 2012-2015.

On 18<sup>th</sup> February 2015, the Cabinet approved the transfer of Gas Services, carried out by external suppliers, into the Council on 1<sup>st</sup> August 2015, subject to there being no significant employee risk.

However, following an analysis of the current proposal, a significant cost risk to the Council was identified. It was therefore proposed to not proceed with this decision and to continue with current arrangements with current service providers for a further twelve months whilst a procurement exercise was undertaken in line with the procurement timeline now submitted.

The Council was seeking to extend an existing contract for undertaking its landlords' gas safety checks on chimneys/flues and pipe work and servicing of Council owned appliances in relevant premises within Sandwell in accordance with the Gas Safety (Installation and Use) Regulations 1998.

The current contract was split geographically North and South Sandwell and to the following two gas servicing contractors, Vinshire Plumbing and Heating Ltd (Sandwell North) and Sure Group (Sandwell South).

Projected spend extending this contract was forecast at £1,200,000. The current contract provided for annual price adjustments in accordance with relevant published indices.

The next price adjustment for the proposed extension was due from 1<sup>st</sup> August 2015 and meetings were currently taking place with the companies to ensure that this continued.

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Interim arrangements had been agreed to ensure continued service was provided from 1<sup>st</sup> August 2015 until the new contract had been approved for a twelve month period only. A further procurement exercise would be undertaken to provide those services the Council required. Following this exercise, it was anticipated that a report to award the new contract would be considered by the Cabinet in May 2016 with a view to commencing the new contract in August 2016.

The Leader of the Council recommended the proposals for approval.

### **Resolved:-**

- (1) that Minute No. 45/15 taken by the Cabinet on 18<sup>th</sup> February 2015 in relation to terminating contractual arrangements for gas services and the transfer of staff and services to the Council be no longer proceeded with;
- (2) that, subject to satisfactory negotiations and benchmarking, the Director - Neighbourhoods enter into a new contract for the annual gas safety inspection and servicing of gas appliances, in the sum of approximately £1,200,000 for a period of twelve months to 31<sup>st</sup> July 2016, with Sure Group and/or Vinshire Plumbing and Heating Limited;
- (3) that where a suitable framework is available, the Director – Neighbourhoods enter into call-off contracts for the annual gas safety inspection and servicing of gas appliances for a period of up to twelve months;
- (4) that in connection with resolution (2) above, the Director – Governance enter into an appropriate contract with Vinshire Plumbing and Heating Limited and Sure Group on similar terms to the current contracts;

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- (5) that subject to resolution (2) above, the Director – Neighbourhoods submit a suitable advert in the Official Journal of European Union and undertake a procurement exercise for the provision of annual gas safety inspection and servicing of gas appliances, in accordance with the procurement timeline set out in the Appendix, and submit a further report to the Cabinet to award the new contract in May 2016;
- (6) that any necessary exemptions be made to the Council's Procurement and Contract Procedure Rules to enable the course of action referred to in resolutions (2), (3), (4) and (5) above to proceed.

(Meeting ended at 4.26pm following an adjournment  
from 3.52pm to 4.20 pm)

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**Annual Gas Safety Inspection and Servicing of Gas Appliances  
Procurement Timeline**

<b>Activity</b>	<b>Action Date</b>	<b>Completion Date</b>
<b>Undertake Review of what Services are required moving forward</b> (Can be used as specification)	August 2015	31 <sup>st</sup> August 2015
<b>Complete full option Appraisal</b> Including, at a minimum: Market Testing; Due Dilligence - TUPE Implications; Market Engagement; In-house or external provision; Potential Procurement	September 2015	30 <sup>th</sup> October 2015
<b>Obtain Cabinet Approval for recommendation</b>	16 <sup>th</sup> November 2015	9 <sup>th</sup> December 2015
<b>Advise Contractors of intention to Procure/notification TUPE may apply</b>	10 <sup>th</sup> December 2015	10 <sup>th</sup> December 2015
<b>If External Provision Required Procurement Route Commence Procurement Process</b>	10 <sup>th</sup> December 2015	30 <sup>th</sup> April 2016
<b>Obtain Cabinet Approval for Award of Contract</b>	May 2016	May 2016
<b>Award Contract</b>	1 <sup>st</sup> June 2016	1 <sup>st</sup> June 2016
<b>Contract Mobilisation</b>	2 <sup>nd</sup> June 2016	31 <sup>st</sup> July 2016
<b>Service Provision Commences</b>	August 2016	