

## The Cabinet

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

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

**Apologies:** Councillors Y Davies and Moore;  
Councillors Ahmed and Underhill.

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

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### **Minutes**

In confirming the minutes of the meeting held on 11<sup>th</sup> November 2015 as a correct record, the Deputy Leader and Cabinet Member for Finance and Resources clarified that in relation to Minute No. 194/15 (Quarter 2 Council Wide Budget Monitoring (Key Decision Ref. No. FR013), the Council needed to realign its public health expenditure as a direct consequence of the Government cutting the Public Health funding in year, ie changing the allocation after it had announced how much funding the Council would receive and on which the Council had therefore set its budget.

**Resolved** that the minutes of the meeting held on 11<sup>th</sup> November, 2015 be confirmed as a correct record subject to the clarification now provided on Minute No. 194/15.

### **Strategic Items**

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### **Schools Capital Programme 2015/16-17/18** **(Key Decision Ref. No. FR009)**

The Deputy Leader and Cabinet Member for Finance and Resources reported on the need to create a number of new school places at existing schools within Sandwell in order to address the rise in the birth rate.

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It was envisaged that by September 2018, the Council would need to provide an additional three forms of entry as well as three temporary “bulge” classes in primary schools across Sandwell to keep pace with demand.

The programme would deliver 465 new primary places in eight schools across the borough by 2018. Feasibility work would also be undertaken on those secondary schools who had expressed an interest in expanding. The programme would continue to support the School Repair Account to enable much needed works to be completed.

The estimated capital cost of £8,590,000 would be met from the unallocated resources of £20,053,928 as approved by Cabinet on 5<sup>th</sup> August 2015 (see Minute No. 128/15). This included a sum of £2.99m of School Condition funding available as a direct allocation from the Department for Education for 2015/16.

An equality impact assessment was not required for this proposal.

Following an appraisal by the Council’s Strategic Finance Unit, a number of risks had been identified with action points recommended to mitigate those risks. The Deputy Leader and Cabinet Member for Finance and Resources clarified that the allocation of costs contained within the appraisal report, attached as an appendix to the report now submitted, accurately reflected the allocation of funding for the proposed works.

Following questions from the Chair of the Budget and Corporate and Health and Adult Social Care Scrutiny Boards and the Chair of the Housing Scrutiny Board, the Deputy Leader and Cabinet Member for Finance and Resources confirmed that:-

- building the new Q3 Academy was part of the current School Capital Programme. Following the recent spending review announcement, it was apparent that whilst the local authority was having less responsibility for education, it still remained responsible for delivering school places. Despite sponsors of those schools that were being extended being invited to contribute towards the build, there was no requirement for them to do so;

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- schools that had previously been approved for new builds as part of the Schools Capital Programme would continue to go ahead. The Government's School Investment Policy had made a commitment to build new schools by 2021; Sandwell however, aimed to build these new schools by 2017;
- those schools that were identified for new builds, or where class size was permanent, were assessed upon need and where there was a demand for schools across the borough. It was not looked at on a town by town basis.

### **Resolved:-**

- (1) that the Schools Capital Programme 2015/16-17/18 be approved as follows:-
  - the expansion of :
    - Joseph Turner Primary School, Tipton;
    - Reddal Hill Primary School, Cradley Heath;
    - Summerhill Primary School, Tipton;
    - Uplands Manor Primary School, Smethwick;
    - Yew Tree Primary School, Yew Tree Estate;
    - The Priory Primary School, Wednesbury;
  - the provision of three 'bulge' primary classes in Oldbury, Smethwick and Rowley;
  - the provision of two additional secondary forms of entry in Smethwick and Oldbury;
  - the provision of enhanced recreational facilities at Victoria Park, Tipton to support the expansion of Sacred Heart Primary School, Victoria Road, Tipton DY4 8SW;
- (2) that £1,500,000 of the School Condition Department for Education allocation be used to support cyclical maintenance;
- (3) that subject to resolution (1) and (2) above, the remaining £11,463,928 funding be retained until feasibility has been undertaken on proposed schemes for 2016 - 2018, which will be subject to a further report submitted to Cabinet;

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- (4) that subject to resolution (1), (2) and (5), the Director – Governance enter into any legal agreements on terms to be agreed by the Director - Children’s Services, as required, to allow extension works on all proposed sites;
- (5) that in connection with resolution (1) and (4) above, the following action points identified within the appraisal report be implemented to reduce any risk to the Council:-
  - regular financial monitoring updates on individual projects should be provided to the Cabinet Member for Finance and Resources, highlighting variations of spend against original estimated costs. Remaining funds should be returned to the unallocated Schools Capital Programme;
  - approval should be sought from the Cabinet Member for Finance and Resources to utilise the 5% contingency;
  - individual risk registers for each project should be produced to manage the risk to the Council;
  - ensure that procurement of contracts is undertaken in accordance with the Council’s Procurement and Contract Procedure Rules, and Standing Order Regulations; and
  - the Council enters into such form of legal agreements as required to allow extension works on all proposed sites.

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### **Framework Agreement for Community Care and Support (Domiciliary Care) (Key Decision Ref. No. ASCH012)**

The Deputy Leader and Cabinet Member for Finance and Resources reported that the current Community Care and Support Services (domiciliary care) contract would expire on 29<sup>th</sup> February 2016. A tendering process was currently underway for this service which would result in the letting of a number of contracts within a framework agreement.

As part of the contract, the Council had set a cost ceiling for the service at the current contracted hourly rate of £12.17.

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However, during the tender process, the Government announced that the National Living Wage would be set at £7.20 in April 2016. As a result, it had become apparent that the maximum hourly rate of £12.17 contained in the tender documentation would be unviable for providers. It was therefore proposed to remove the ceiling rate mid process and allow the market to come in with what it considered to be a competitive price given the known economic climate.

However, due to the range of prices received from tenderers and the potential outcome of the contract being unaffordable, it was now proposed to revise the contract to increase the volume of work to be allocated to each contractor and setting a revised set rate of £12.96 per hour, with contract award being based on quality only.

The Council was seeking a minimum of six contractors to provide services across Sandwell. The six towns of Sandwell would be divided into twin town areas and the Council aimed to offer six equal market shares with contractors providing the service across two of the twin town areas.

The value of domiciliary care expenditure would depend upon demand for services. The current spend against this contract was approximately £6.7 million per year.

The new framework agreement would provide for eligible adults aged 18 and over including adults with dementia, learning disabilities, physical disabilities, mental health and sensory impairment. It was envisaged that the wider scope of the new framework would deliver a measure of cost efficiencies by providing services at a more competitive rate for traditional client groups who would previously access services from the approved provider list, e.g. those with mental health or learning disabilities.

Approval was therefore sought for the Director - Adult Social Care, Health and Wellbeing, in consultation with the Cabinet Member for Adult Social Care and the Cabinet Member for Finance and Resources, to award framework contracts. A further report on the outcome of the procurement process would be submitted to the Cabinet.

The contracts would be awarded for an initial period of two years with an option to extend for a further one year. The cost of all contracts awarded would be met from within existing budgets.

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Following a number of questions from the Chair of the Community Safety, Highways and Environment Scrutiny Board, the Chair of the Housing Scrutiny Board and the Chair of the Jobs, Economy and Enterprise Scrutiny Board, the Deputy Leader and Cabinet Member for Finance and Resources confirmed that:-

- the framework agreement would be held with several providers and in the event that the standard of care had not been achieved by a particular provider, there would be clauses in the contract that would allow the Council to address any issues;
- the Council was not re-tendering the contract in light of the New Living Wage announcement but was now proposing different dialogue in view of the bids that had come back from tenderers. There was therefore no additional cost to the Council;
- the “ten day Alcatel standstill period” was a built-in ten day cooling off period in the event that the authority changed its mind;
- the budget for the works would be indicative as the framework agreement would ensure that contractors provided a service at an agreed hourly rate;
- in order to ensure quality of service was provided, all tenderers had completed a pre-qualification questionnaire of which quality, as well as price, was assessed. The framework was as robust as it could be;
- the current contract would expire in 2016. The Council was proposing to award a two year contract with the option to extend for a further year;
- whilst £1.3m had been allocated up until 2018, the uncertainty of social care within the UK was a bigger issue due to the continued cuts being made to social care by Government. 10% cuts to local authority funding would continue every year up to 2020 with the spending review indicating that more cuts would be made;

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- it was within a Scrutiny's Board's gift to decide what they wished to scrutinise. Scrutinising this contract should have been undertaken at the time of the contract specification and not when looking to award the contract. However, an area that could be looked at in the future could include care services post 2018 and how to continue to provide services beyond the framework.

### **Resolved:-**

- (1) that a framework agreement be established for the future provision of Community Care and Support Services;
- (2) that, subject to resolution (1) above, following the completion of the procurement process for the identification of suppliers to be included in the framework agreement by the Director of Adult Social Care Health and Wellbeing in consultation with the Cabinet Member for Adult Social Care and the Cabinet Member for Finance and Resources, the Director – Governance enter into appropriate contracts to include the identified suppliers in the framework agreement for the future provision of these services, for a period of two years, with effect from 1<sup>st</sup> March 2016, with an option to extend for a further one year.

### **Business Matter**

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#### **Anti-Money Laundering Policy**

The Deputy Leader and Cabinet Member for Finance and Resources sought approval to update the Anti-Money Laundering Policy. The policy had been updated in order to help raise awareness of the importance of carrying out suitable checks on new business relationships.

Following restructures within the Council, it was now proposed to nominate the Chief Finance Officer (Section 151 Officer) as the Money Laundering Regulations Officer for the Council, in accordance with the Money Laundering Regulation 2003.

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The Chief Finance Officer would also become the Money Laundering Reporting Officer.

On 13<sup>th</sup> April 2005, the Cabinet recommended to Council that payments in cash must not be accepted by the Council at or above the sum of 15,000 euros. To do so would mean that the Council was a high value dealer and place further obligations on the Council. The Council had not, as a matter of practice, accepted cash payments in excess of £9,000. The sum of £9,000 had now been clearly identified in the new policy.

The Council was committed to preventing money laundering by having proportionate and cost effective anti-money laundering systems and processes in place. The policy made it clear that it was extremely important that all employees were familiar with:-

- the legal responsibilities;
- the criminal sanctions that may be imposed for breaches of the money laundering legislation;
- the need to be vigilant and take appropriate steps to reduce the opportunities for breaches of the Money Laundering Regulations; and
- the key requirement to promptly report (disclose) any suspected money laundering activity to the Money Laundering Reporting Officer.

### **Resolved:-**

- (1) that the Anti-Money Laundering Policy be approved and adopted with immediate effect;
- (2) that the Council's Section 151 Officer be nominated as the Money Laundering Reporting Officer for the Council in accordance with the Money Laundering Regulations 2007.

(Meeting ended at 3.36 pm)

Contact Officer: Suky Suthi-Nagra Democratic Services Unit 0121 569 3479
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