

The Cabinet

22nd February 2017 at 3.30 pm
at the Sandwell Council House, Oldbury

Present: Councillor Eling (Chair);
Councillors Carmichael, Gill, Hackett, D Hosell,
Khatun, Marshall, Shackleton and Trow.

In attendance: Councillors Ahmed, Crompton, Y Davies, P
Hughes, S Jones and Underhill.

Apologies: Councillor Moore.

38/17 **Minutes**

Resolved that the minutes of the meetings held on 8th
February 2017 be confirmed as a correct record.

Business Matter

39/17 **Recommendations from the Budget and Corporate Scrutiny
Board in Relation to Directorate's Business Plans for 2017/18
to 2019/20**

The Chair of the Budget and Corporate Scrutiny Board presented the findings of the Scrutiny Board in relation to each directorate's business plans for 2017/18 to 2019/20 and the Council's proposed budget for 2017/18 to 2019/20.

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On 9th February, 2017 the Scrutiny Board held a workshop to consider the proposals and following consideration of these business plans and the Council's proposed budget, the Board raised a number of issues/concerns and referred them to appropriate Cabinet Members and Chief Officers for a response.

At its meeting on 15th February 2017, the Board gave consideration to the responses provided.

The Board made a number of comments and recommendations in response to the information provided to it. The Board was satisfied that the proposed budget was robust and balanced and congratulated officers on their performance, despite the reduced resources available to the Council.

In response to comments from the Chair of the Health and Adult Social Care Scrutiny Board that the Scrutiny Board had run out of time at their last meeting and did not therefore have sufficient time to raise further questions, the Chair of the Budget and Corporate Scrutiny Board clarified that the Scrutiny Board had met on two occasions, one of which the Chair of Health and Adult Social Care Scrutiny Board was unable to attend, and therefore all remaining Chairs had felt that there had been appropriate time spent on considering the business plans and no complaints had been raised by the Chairs at the conclusion of the Scrutiny Board meeting.

In accepting the findings of the Scrutiny Board and in addressing the concerns of the Chair of the Health and Adult Social Care Scrutiny Board, the Leader of the Council stated it was wholly inappropriate for the Cabinet to discuss how Scrutiny conducted their business and the time they spent looking at the business plans, which was the same as in previous years. The Leader welcomed the level of scrutiny support and overview in looking at Directorate's business plans.

Resolved that, in considering and referring to the Council the Council's Business Plans and revenue budgets for 2017/18 to 2019/20; the following recommendations of the Budget and Corporate Scrutiny Board be approved and incorporated into the Directorate's Business Plans, as appropriate:-

- (a) that the Assistant Chief Executive's business plan be amended to better reflect the work that is likely to come from the Combined Authority;

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- (b) that training on LEAN methodology be offered to all members;
- (c) that training on social value be offered to all members;
- (d) that the role of scrutiny in measuring success be referenced in all business plans;
- (e) that discussions take place with partners with a view to better engaging community leaders in the PREVENT project to ensure that information is shared as effectively as possible.

Strategic Items

40/17

Council Finances 2017/18 to 2019/20 (Key Decision Ref. No. SMBC1685)

The Leader of the Council presented details of the proposed expenditure level for 2017/18 for the Council and the proposed resultant Council Tax 2017/18. As details of the Final Local Government settlement for 2017/18 had not yet been received, the report considered by Members provided details of the 2017/18 net expenditure level for the Council based on the provisional Local Government financial settlement received on 15th December 2016.

The Council would be taking part in the 100% Business Rates retention pilot. However, the figures issued as part of the provisional settlement were still based on the 50% Business Rates retention model. It was anticipated that the final settlement figures would be based on the 100% Business Rates retention pilot.

The provisional settlement was in line with Sandwell's prudent planning assumptions contained within the Medium Term Financial Strategy and would not require any changes to the 2017/18 budget plan. The provisional settlement was based on acceptance of the Government's multi-year funding offer for 2017/18 to 2019/20 that was accepted by the Section 151 Officer on behalf of the Council in October 2016.

Directorate business plans for the three years 2017/18 to 2019/20 were reported to Cabinet on 8th February 2017 and considered by the Budget and Corporate Services Scrutiny Board (see Minute No. 39/17).

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The Council was yet to receive final confirmation of the approved precept in relation to both the West Midlands Police Authority and the Fire and Rescue Authority and therefore indicative figures based on the latest information available had been included.

There was an increase of £5 on Band D properties within the Police precept which equated to an overall increase of approximately 4.48%. The Fire precept was expected to increase by 1.98%.

Council Tax

In the 2016/17 settlement, the Government had responded to rising costs in Adult Social Care by giving local authorities the option to increase Council Tax by an additional 2% and by introducing a different version of the Better Care Fund from 2017/18. The Better Care Fund has been calculated on an assessment of need, less the amount assumed to be raised through the additional 2% Council Tax threshold. The clear implication of this was that local authorities who did not implement the additional 2% increase would have insufficient funds to deliver their adult social care responsibilities. It also represented a clear shift towards local Council Tax payers being responsible for funding Adult Social Care services.

The Medium Term Financial Strategy approved by Council in March 2016 contained an assumption that Council Tax would increase by 3.99% pa, which was within the referendum threshold and included the 2% flexibility announced for those local authorities that delivered Adult Social Care services.

The 2017/18 provisional settlement included more flexibility for local authorities to bring forward the increase in Council Tax, to cover Adult Social Care costs, by implementing a 3% increase in 2017/18 and/or 2018/19 instead. However, the total increase across 2017/18 to 2019/20 must still not exceed 6%. A number of conditions were attached to the increase; from 2017/18 onwards, the requirement would also encompass the cumulative year-on-year revenue being allocated to Adult Social Care.

It was therefore proposed to increase Council Tax by 4.99% as follows:

	%
Sandwell MBC	1.99
Adult Social Care Precept	3.00
Total	4.99

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The net expenditure level indicated that the amount to be raised by Council Tax was £91.418m, which represented an increase of 4.99% in relation to the 2017/18 level of Council Tax which at Band D sets a Council Tax of £1,283.64.

The addition of precepts from the West Midlands Fire and Rescue Authority and the West Midlands Police and Crime Commissioner would result in a Band D Council Tax of £1,457.33.

Retained Business Rates

From April 2013, 50% of Business Rates could be retained locally (49% to the Council and 1% allocated to the Fire and Rescue Authority). In order to protect authorities who would receive less under the new system, a business rates top up was provided to authorities to bring their funding up to a baseline level. However, from 2020/21 Revenue Support Grant funding would cease and local authorities would be allowed to retain 100% of their Business Rates.

Under a Scheme announced as part of the Provisional Settlement, the Government had agreed to introduce a number of 100% Business Rate Pilots. The intention was that the Greater Manchester and Liverpool City Region, together with Cornwall Council and the councils in the combined authority areas of West of England and West Midlands would pilot 100% rates retention, starting in 2017/18. The pilots would be without detriment to the resources that would have been available to individual authorities under the current local government finance regime (with any “detriment” payments funded from outside the Settlement). The detail of the changes to Tariff and Top-ups were currently being finalised with the pilot areas and Department for Communities and Local Government’s intention is to confirm them in the final Settlement. Before the beginning of the financial year, the Government would also make changes to secondary legislation to confirm the new shares of business rates income and safety-net thresholds.

The Settlement Funding Assessment identified the level of funding that would be received over the next four years:

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Table 1	17-18 £m	18-19 £m	19-20 £m
Revenue Support Grant	53.280	43.520	33.660
NDR Baseline	43.380	44.780	46.370
Business Rates Top-up	51.650	53.310	55.210
Total	148.310	141.610	134.240

The Non Domestic Rates Baseline was the level of business rates that the authority was assumed to be able to collect; this combined with the Business Rates Top Up represented the Baseline Need. Whilst the Revenue Support Grant element was fixed, the Baseline Need would fluctuate dependent upon actual business rates collected.

The Cabinet on 7th December 2016 considered officers' estimates of the Non Domestic Rates Baseline for 2017/18 (based on 100% Business Rates retention). The latest position as set out in Table 2 (adjusted to reflect 50% retention in line with the provisional settlement information) showed an estimated Non Domestic Rates Baseline for Sandwell Council of £45.5m which was £2.1m above the national funding assumptions.

Table 2: Estimated Business Rates 2017/18	
	£m
Business Rates 2017/18	92.800
Central Government share (50%)	46.400
WM Fire & Rescue Authority share (1%)	0.900
Retained by Sandwell MBC (49%)	45.500

A re-evaluation of all commercial property would come into place from 1st April 2017. The government was also reducing the small business rates multiplier. It was estimated that this would reduce the gross collectable rates for the authority by £5.02m. The government had indicated that the changes resulting from the revaluation would be adjusted by using the tariff and top-up system and would be fiscally neutral 'as far as was practicable'. The provisional settlement included an increase in the top up grant of £5.765m.

However, the total Business Rates baseline plus Top-Up were approximately £2.6m less than was anticipated in the 2016/17 Medium Term Financial Strategy.

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This was because of a combination of a failure to deliver the planned growth in the Business Rates baseline and the impact of the extension of small business rate relief.

Schools and Children's Services Funding

The Education Services Grant would cease from September 2017. Transitional funding of £1.051m had been allocated to Sandwell to cover the period April 2017 to August 2017. The Retained Duties element of the Education Services Grant (£0.830m) had been rolled into the Schools Block Dedicated Schools Grant (DSG) and the local authority was currently in the process of consulting schools about retaining this funding centrally.

The school funding settlement was announced on 20th December 2016 and confirmed that Sandwell's total DSG grant allocation for 2017/18 was £305.57m before academies recoupment.

The government was currently consulting on proposals for a National Funding Formula which would be implemented from 2018/19.

New Homes Bonus and Adult Social Care Grant

Provisional 2017/18 allocations of New Homes Bonus were announced by the Department for Communities and Local Government on 15th December 2016; a total of £1.227bn for English local authorities which had been funded primarily through the top slicing of overall funding totals. Sandwell would receive £5.3m of New Homes Bonus in 2017-18.

This was a reduction of £1.57m compared to the amount expected per the Medium Term Financial Strategy for 2016/17. However, the national reduction in the New Homes Bonus funding had been used to create an Adult Social Care grant for 2017/18. Sandwell would receive £1.86m through this grant therefore the overall impact of this and the reduced New Homes Bonus was additional funding of approximately £0.3m.

Projected Sandwell Expenditure

The Council continued to face an extremely challenging financial position with funding cuts to local government set to continue for the remainder of this Parliament.

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The preliminary budget allocations for the next three financial years included the following budget assumptions which were contained in the medium term financial strategy 2017/18 to 2019/20.

	17-18 %	18-19 %	19-20 %
Pay Award	1.0	1.0	1.0
General Inflation	1.0	1.0	1.0
Supplies Inflation	0.0	1.0	1.0
Contractual Commitments	0.0	1.0	1.0
Fuel – Gas	2.0	2.0	3.0
Fuel – Electricity	2.0	2.0	3.0
Income – Fees & Charges	2.3	2.0	2.0
Income - Other	2.0	2.0	2.0

Passenger Transport Executive (PTE) / environmental agency levies are based on up to date soundings.

Provision for the anticipated supported borrowing requirements over the three years and resultant revenue debt charges;

Prudent provisions for general and earmarked reserves.

Housing Revenue Account (HRA)

The Housing Revenue Account was required to maintain a 30 year business plan including provision for investment into its properties. The investment programme was reviewed annually to ensure affordability within the business plan when final decisions on rent increases are known. The plan which included an update to the investment strategy was approved by Cabinet on 8th February 2017. The programme remained affordable for 2017/18.

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Treasury Management, Minimum Revenue Provision (MRP) and Prudential Borrowing

The Council was also required to approve its Treasury Management and Investment Strategies and its MRP policy prior to the beginning of the financial year. The Council was required to review its policy for charging Minimum Revenue Provision in line with the Prudential Code as required by the Local Government Act 2003. In light of the current economic climate the Council had decided to amend its Minimum Revenue Provision policy for all capital borrowing incurred prior to April 2008.

It was felt that it would be more prudent to charge Minimum Revenue Provision on a straight line basis over a fixed number of years (still to be determined) instead of charging at a fixed percentage rate, as is currently the case. This change in policy would ensure that the debt was repaid within a finite period of time, and this policy would support the medium and long term financial planning process.

The prudential regime required the Council to fully evaluate the revenue implications of its capital investment programme and to include the cost of this investment in its budget strategy process.

The Council's Capital Financing Requirement included any other long term liabilities such as Private Finance Initiative schemes and finance leases. Whilst this increases the Capital Financing Requirement, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility and so the Council was not required to separately borrow for these schemes. The Council currently had £93.128m of such schemes within the Capital Financing Requirement as at 31st March 2016.

Capital Programme

The five year capital programme incorporated the capital review that was undertaken as at period 6 and reported to Cabinet on 16th November 2016 and any further approvals that had been agreed at this time. The Local Government financial settlement no longer provides for supported borrowing approvals to councils and this decision was incorporated in the table below.

In summary, the current capital programme commitments and available resources between 2017 and 2020 were:

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Table 4: Capital Programme	2017/18 £m	2018/19 £m	2019/20 £m	Total £m
Approved Commitment s	114.077	82.803	47.740	405.458
Resources	114.077	82.803	47.740	405.458

Capital Strategy

The level of resources committed by the Council for capital investment was significant. In the period 2016/17 – 2020/21 total resources including borrowing approvals, receipts from the sale of assets, government grants, lottery/European funds and private sector contributions were expected to be around £405m. The effective use of these resources is intrinsic to the fulfilment of the strategic vision of both the Council and its partners.

The Council had an embedded strategic approach to ensure funds were invested in capital projects that supported the longer-term objectives of the Council and its partners and provided value for money service provision.

The Capital Strategy was updated on an annual basis to reflect the corporate priorities reflected in the Council's scorecard as the transformational programme that had been agreed by the Council.

Reserves

The Local Government Act 2003 introduced a new statutory requirement for the Chief Financial Officer to comment on the robustness of the budgetary process and adequacy of the Council's reserves to meet any unforeseen liabilities.

After consideration of the Council's Strategic Risks, the forecast level of free balances at the end of 2016/17 were likely to be £11.1m, representing a decrease of £1.0m from the £12.1m of free balances held at the end of 2015/16. This represented 4.67% of net operating budget and was at a level which was deemed to be adequate in the medium term.

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The Council's forecast earmarked reserves at the end of 2016/17 were likely to be in the region of £45.4m (currently £46.0m) This included £17.5m of projected surpluses generated by services as part of the multi-year budget planning process. These funds would be invested directly in services to mitigate the impact of central government funding reductions. It also included £11.7m of one-off balances earmarked to meet potential one-off expenditure identified as part of the budget risk assessment.

Reserves had also been earmarked to fund £11.9m of planned capital investment.

The indicative multi-year funding settlement included further significant reductions in Council budgets for the remainder of Parliament. The Council would need to consider likely future downsizing costs that may be incurred in meeting these savings over the medium term.

The movement in earmarked reserves did not impact on the level of Council Tax for 2017/18.

Expenditure Plans and Medium Term Financial Strategy

The Medium Term Financial Strategy was updated annually and agreed by Cabinet and the main objectives of the strategy were to set out how the Council wished to structure and manage its finances now and in the future and to ensure this approach facilitated delivery of the Council's aims and objectives.

Local authority funding now comprised of revenue support grant and a local share of business rates, plus a top up to bring funding in line with that which an authority would have received under the previous formula funding regime.

The forecast expenditure and funding for the three years 2017/18 to 2019/20 together with the cumulative funding shortfall to 2019/20 of £16.661m was detailed in Table 5 below.

Table 5 - Comparison of forecast revenue expenditure compared to the forecast funding over the Medium Term Financial Strategy.

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Table 5	17-18 £m	18-19 £m	19-20 £m
Forecast Expenditure	238.101	250.809	253.953
Forecast Funding	238.101	240.840	237.292
Cumulative Surplus/(Shortfall)	0	(9.969)	(16.661)
Annual Shortfall	0	(9.969)	(6.692)

Forecast Funding for Sandwell 2017/18 to 2019/20

Funding for 2017/18 to 2019/20 was announced as part of the provisional settlement. Table 6 shows the current funding levels forecast for the Council over the next three years which were based on the following assumptions:

- the Revenue Support Grant was based on the provisional settlement announced on 15th December 2016;
- Retained Business Rates were as per the 2017/18 estimates presented to Cabinet on 7th December 2016 increased by RPI thereafter;
- assumed growth in rateable value of £1m in 2017/18;
- Business Rates Top Up was as per the provisional settlement;
- Council Tax increases of 1.99% in each year plus a precept of 3% for Adult Social Care in 2017/18 and 2018/19;
- Council Tax Collection Rate of 99%;
- assumed growth in Council Tax base of 1% pa.

Table 6	17-18 £m	18-19 £m	19-20 £m
RSG	53.276	43.523	33.655
Business Rates	45.472	47.064	48.570
Business Rates Top-up	51.652	53.314	55.210
Council Tax	87.098	89.719	99.857
Adult Social Care CT	4.320	7.220	0
Collection Fund Deficit	(3.717)	0	0
Total	238.101	240.840	237.292

The major planned outcomes for the resources provided were contained within the service business plans presented to Cabinet on 8th February 2017. These forecast outcomes would be robustly monitored and formally reported via the Council's quarterly monitoring processes.

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The proposed budget strategy for 2017/18 to 2019/20 included a level of contingency to provide some protection to the Council's finances. Contingencies were set aside to meet any significant cost pressures that may arise during the year.

Local Government Superannuation Scheme

The Council's arrangements with the West Midlands Pension Fund had been subject to a recent triennial actuarial review which sets out contributions due over the period 2017/18 to 2019/20.

Discussions had been held with the Fund and its actuary over the course of the last year and final agreement had been reached on employer contributions to the Fund for the next three years.

Discussions also took place over the easement of increases in contributions in respect of future accrual to aid the Council's budget setting over the three year period. Contributions due to the Fund were increasing over the period and the monetary amount was expected to continue to increase thereafter to ensure the Fund deficit was eroded and the cost of pensions was met efficiently over the long term. The funding level and contribution requirements from 2020/21 would be reviewed again in 2019.

The agreed payments had been built into this budget and the authority's medium term financial plans.

Throughout the development of the Directorate business plans and savings proposals, an assessment has been undertaken of the equalities impact of each of the budgetary proposals and whether one particular group was disadvantaged as a result of the proposals. The emphasis had been to highlight the impact of all the proposals to ensure a full understanding was achieved by both officers and elected members.

In response to questions raised by the Chair of the Housing Scrutiny Board, the Leader of the Council confirmed that:-

- the 100% Business Rate Retention would incentivise local economic growth in Sandwell and for local councils to grow business rates in their areas;

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- assumptions in relation to predicted inflation were kept under constant review and would take account of Office Budget Responsibility forecasts as part of that process;
- due to a combination of growth in the Council Tax base arising from housing developments and the assumed annual Council Tax increase, Council Tax income had been predicted to rise by over £10m between 2018/19 and 2019/20;
- the seven West Midlands Metropolitan authorities had been in detailed negotiation with the Pension Fund for many months and had agreed contributions that addressed the viability of the fund. The Sandwell figure was within the Council's budget planning assumptions;
- West Midlands Integrated Transport Agency like the other public sectors organisations, had been under increasing pressure to reduce costs and therefore this levy had gone down for 2017/18.

The Interim Director - Resources, in consultation with the Leader of the Council, was authorised to make changes to the revenue budget figures to reflect the details of the final settlement when it was received.

In response to questions raised by the Chair of the Health and Adult Social Care Scrutiny Board relating to the additional costs of senior staff exiting the council in the past twelve months, the additional costs of the interim senior managers arrangements currently in place and how long it was proposed to have interim arrangements remain in place, the Leader of the Council requested that the Section 151 provide the Chair with a written response.

In recommending the proposals for approval by the Council, the Leader expressed his grave concerns that the Government had still not obtained approval from Parliament on the Local Government financial settlement and many local authorities had already set their council tax based on the provisional settlement. For this very reason, the Council had also had to make assumptions in relation to the 100% business rates pilot. In addition, the figures that had now been released showed the 2017/18 business rates figures but nothing for the following two years.

In accordance with Standing Order 12, a named note was taken and it was unanimously:-

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Resolved to recommend:-

- (1) that the expenditure level for 2017/18 and the resultant Council Tax be approved:-
- (2) that the provisional budgets for 2017/18 to 2019/20 be approved;
- (3) that the Treasury Management Strategy, Minimum Revenue Provision Policy and Prudential Indicators be approved;
- (4) that the Capital Programme 2017/18 to 2019/20 and the Capital Strategy be approved;
- (5) that the revised financial position and the forecast reserves position at the end of 2016/17 be noted;
- (6) that the supporting information on the robustness of the budget process and adequacy of the Council's reserves be noted;
- (7) that the Medium Term Financial Strategy be approved;
- (8) that the Corporate Equality Assessment be considered in finalising service budgets;
- (9) that the Interim Director - Resources, in consultation with the Leader of the Council, be authorised to make changes to the revenue budget figures to reflect the details of the final settlement.

- (10) that the Section 151 Officer be requested to respond to the Chair of the Health and Adult Social Care Scrutiny Board in relating to queries relating to the additional costs of senior staff exiting the Council in the past twelve months, the additional costs of the interim senior managers arrangements currently in place and how long it was proposed to have interim arrangements remain in place.

Review of Neighbourhood Services (Key Decision Ref. No. SMBC1636)

The Deputy Leader and Cabinet Member for Neighbourhoods and Communities reported that there had been a number of internal audit reviews of the Neighbourhoods Directorate over the last year which had been supplemented by a LEAN review conducted by the corporate change team.

Members now considered a number of proposals to address some of the key findings from those reviews which focussed principally on systems, processes, compliance with Council policies and procedures, efficiencies and performance of the directorate, as follows:-.

- the housing and corporate customer services contact centre is merged;
- the Oldbury Local was aligned to the Oldbury neighbourhoods team from Customer Strategy and Operations;
- the parks and grounds maintenance service be restructured;
- Sandwell Valley Park was reconfigured with a refreshed identity as a commercial visitor attraction;
- that the housing repairs joinery workshop close and the vacant space utilised for alternative use (including possible use as small business start-up units);
- the housing repairs management is reviewed once the senior appointments have been made in order to improve value for money and service performance;
- that the housing income services and welfare rights service integrate;
- that Community Safety and Prevent, CCTV, wardens and anti-social behaviour teams be reconfigured;
- that Neighbourhood Managers were relocated to cover new towns as part of a refresh of area working and the implementation of phase 2 locality arrangements and that this rotational approach was repeated every two to three years;
- to review and re-focus the strategic approach across the directorate and corporately in engaging the voluntary and community sector in the co-design and co-production of services, including the development of new non-profit delivery vehicles and consortia as appropriate.

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It was also proposed to change the existing Neighbourhoods Directorate senior management team by reducing the number of senior managers from eight Service Managers to five and a reduction in number of the J – H grade managers which would be quantified following job evaluation. This reduction would result in combined General Fund and Housing Revenue Account savings of around £349,000 per annum (from senior and middle management reduction) with further savings possible following restructuring of individual sections.

Further reports would be produced that set out the commercial opportunities available to the Council including the development of new business entities to generate new income.

Engagement with all those who may be affected by the proposals would be undertaken before any decision was reached and to ensure that their responses were considered in the decision making process. An effective communication and engagement process would be developed to achieve this which would include staff directly affected, employees within the Neighbourhoods Directorate and other stakeholders.

An initial equality impact assessment had been undertaken and the adverse or negative impacts had been identified. Mitigating actions had also been specified where appropriate. The outcomes of the equality impact assessment would also help shape the consultation process with staff and Trade Unions and would be revised and updated throughout the consultation process.

In response to a number of questions from the Chair of Housing, the Deputy Leader and Cabinet member for Neighbourhoods and Communities confirmed that:-

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- as part of the Council's commitment to locality working, the Council would take appropriate steps to ensure services were fit for purpose and there was sufficient capacity within approved financial envelopes to deliver front line services;
- the current proposal maintained existing resourcing levels at the front line. Further consideration would be given to the staffing levels below Business Manager level once these post holders took up their new positions. They would review resourcing levels objectively using an evidence based approach to determine service needs and capacity;
- reports which are produced by the Internal Audit team, in particular, the Procurement Review and Audit of Grants, were considered, approved and monitored by the Audit Committee;
- the Council had a comprehensive and multifaceted approach to new house building and regeneration that utilised many partnership arrangements with registered partners, developers and funding bodies. Even though many Housing Associations had scaled back their development programmes, the Council continued to work with those that were developing housing. The Council intended to develop housing to kick start larger schemes or to bring forward sites that otherwise would not be developed by the private sector or Registered Partners due to market conditions and the cost of development, particularly land remediation. The Council was currently progressing a number of schemes with a view to submitting funding bids in order to bridge financial viability gaps, the West Midlands Combined Authority was only one of many funding sources being considered.

Resolved:-

- (1) that the revised structure for Neighbourhood Services, as set out in Appendix 1, be approved as the basis for consultation with employees and Trade Unions and all relevant stakeholders;
- (2) that subject to the outcome of the consultation referred to in resolution (1) above and the Interim Director – Neighbourhoods being satisfied that there are no significant issues arising, the Interim Director be authorised to formally undertake the restructure of the service area with effect from dates to be agreed by the Interim Director;

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(3) that to give effect to the structure in resolution (1) and subject to any changes made following the consultation:-

(a) approval be given to the deletion of the following 15.8 posts:

- Service Manager (Area Working)
- Service Manager (Waste and Fleet)
- Service Manager (Customer Strategy and Operations)
- Service Manager (Housing Management)
- Service Manager (Housing Repairs)
- Service Manager (Estate Services and Maintenance)
- Service Manager (Leisure and Culture)
- Service Manager (Parks and Green Spaces)
- Strategic Lead (Street Scene)
- Corporate Contact Centre Lead
- Welfare Rights Manager
- Area Manager
- Community Safety Manager
- Waste Contract Manager
- Fleet Manager
- Parks and Green Spaces Commercial Manager

b) approval be given to the creation of the following posts:

- Service Manager (Housing Management)
- Service Manager (Asset Management and Maintenance)
- Service Manager (Communities and Partnerships)
- Service Manager (Commercial Services)
- Service Manager (Business Excellence)
- Business Manager (Community Safety and Resilience)
- Business Manager (Business Support)
- Business Manager (Parks and Grounds Maintenance)
- Business Manager (Environment and Fleet)

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- Business Manager (Sandwell Valley Visitor Centre)
- c) that the following posts be re-designated:
- Income Management Manager to Business Manager (Income Services and Money Advice)
 - Housing Choice and Homelessness Manager to Business Manager (Housing Options)
 - Area Manager to Business Manager (Locals)
 - Asset Manager to Business Manager (Assets)
 - Head of Partnerships to Business Manager (Capital Investments)
 - Repairs Managers to Business Managers (Repairs & Maintenance)
 - Museum and Arts Manager to Business Manager (Museum and Arts)
 - PE and Sports Strategy Manager to Business Manager (Sports and Leisure)
 - Chief Librarian to Business Manager (Libraries and Information)
 - Customer Service Manager to Business Manager (Customer Services Centre)
 - Communities Team Manager to Business Manager (Community Partnerships)
 - Strategic Lead (Improvement) to Business Manager (Performance and Transformation)
- d) that the Domestic Violence team is transferred to Adult Social Care;
- e) that the MySandwell Project Team are transferred to the Chief Executives Delivery Unit;
- (4) that in connection with resolution (3) above, the transfer of relevant budgets, financial, staffing and other associated resources takes place across the realigned services;

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- (5) that in connection with resolution (3) above, all affected employees are put at risk with effect from 23rd February 2017;
- (6) that in the event of significant changes arising from the consultation process, a further report on the Neighbourhoods structure is submitted to Cabinet.

42/17

External funding bid to Heritage Lottery Fund for West Smethwick Park (Round 2) (Key Decision Ref. No. SMBC1669)

The Leader of the Council sought approval to submit a second round application in the sum of £4.493m to the Heritage Lottery Fund for a Parks for People Grant for the restoration of the historic features in West Smethwick Park.

The Council would be required to match fund Round 2 of the project with a contribution of £0.650m. The total of the project was £5.172m.

Subject to approval from Heritage Lottery Fund, the project was expected to commence in August 2017 with a completion date of February 2021.

A full appraisal had been undertaken by Strategic Finance and a number of action points recommended to mitigate those risks identified.

An equality impact assessment was not required for this proposal.

Resolved:-

- (1) that the second round application to the Heritage Lottery Fund for the restoration of West Smethwick Park be supported;
- (2) that in connection with resolution (1) above, match funding of £0.550m from the Council's centrally earmarked balances be approved;

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- (3) that the Interim Director - Resources enter into a funding agreement, including any ancillary documents, with Heritage Lottery Fund, required to give effect to the proposals set out in resolution (1) and (2) above;
- (4) 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:
 - a) complete a corporate Risk Register and ensure that all risks are adequately assessed, with sufficient mitigating actions to reduce any risk to the Council;
 - b) ensure that all revenue costs to be funded by the Council can be met from Neighbourhood's existing available resources and are included in both medium and long term future budget projections;
 - c) notify the Council's Tax Accountant of the planned expenditure profile to ensure that the Council's partial exemption limit for VAT is not exceeded;
 - d) undertake further work with regard to the provision of the proposed café facility to determine the level of income generation and running costs;
 - e) ensure that the procurement for the service delivery of the café facility is in accordance with the Council's standing orders for contracts and financial regulations.

43/17

Approval to widen the scope of the Black Country Executive Joint Committee to include the West Midlands Combined Authority (Key Decision Ref. No. SMBC1683)

The Leader of the Council reported that on 13th November 2013, Cabinet approved the establishment of the Black Country Executive Joint Committee in relation to City Deal and Growth Deal funding and delegated the local authority's functions and powers in relation to such funding to the Joint Committee (see Minute No.57/13).

[ILO: UNCLASSIFIED]

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On 7th September 2016, the Black Country Executive Joint Committee recommended to Sandwell Council, Walsall Council, Dudley Council and Wolverhampton City Council that changes were approved for inclusion through a deed of variation to the existing Black Country Executive Joint Committee City Deal and Growth Deal Collaboration Agreements, including the widening of the scope of its work to include the West Midlands Combined Authority.

The Leader of the Council now sought approval to widen the scope of the Joint Committee beyond its current remit.

Resolved:-

- (1) that the functions and powers to make decisions relating to joint funding applications by Black Country Local Authorities and decisions relating to funding received through or from the West Midlands Combined Authority be delegated to the Black Country Executive Joint Committee;
- (2) that the Terms of Reference: Functions of Black Country Executive Joint Committee Constitution be amended so as to include the West Midlands Combined Authority within its scope;
- (3) that the Council enter into the Black Country Executive Joint Committee Collaboration Agreements Deed of Variation, subject to review and approval by Sandwell Legal Services, and that the Interim Director – Resources and Legal Services be authorised to execute the Deed of Variation and agree the terms of and enter into any other legal documents required to give effect to resolution (1) and (2) above.

44/17

Award of a Framework Agreement for the Provision of Tree Maintenance and Arboricultural Services (Key Decision Ref. No. SMBC1645)

The Cabinet Member for Housing sought to award a framework agreement for the provision of tree maintenance and arboricultural services.

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The framework agreement would include, but was not limited to, provision of the following tree maintenance services and arboricultural services:

- tree pruning/cutting/clearing;
- hedge cutting/pruning;
- crown reduction;
- tree/large shrub removal (felling, sectional, dismantling, crane assisted);
- stump removal/chemical treatment;
- associated waste removal;
- emergency call out and make safe 24 hour response;
- arboricultural advice and tree surveys.

The estimated total expenditure over the potential life of the framework agreement was between £2m and £2.4m.

In accordance with the Public Contracts Regulations 2015, it was now proposed to appoint the following contractors within the framework agreement: -

- Acorn Environmental Management Group;
- Beechwood Trees & Landscapes Ltd;
- Midland Forestry Ltd.

The framework agreement was for a four year period (subject to satisfactory performance and price competitiveness) and would commence on 1st April 2017.

An equality impact assessment was not required for this proposal.

Resolved:-

- (1) that the Interim Director – Neighbourhoods award the framework agreement for the provision of tree maintenance and arboricultural services for the period 1st April 2017 to 31st March 2021 (subject to satisfactory performance and price competitiveness) to the following contractors: -

- Acorn Environmental Management Group;
- Beechwood Trees & Landscapes Ltd;
- Midland Forestry Ltd;

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- (2) that the Council execute any documents necessary to give effect to the resolution (1) above.

45/17

Participation in a Framework Agreement for Highway Surface Treatment Works (Key Decision Ref. No. SMBC 1644)

The Cabinet Member for Highways and Environment sought approval to participate in a framework agreement for the provision of highways surface treatment works with the Metropolitan Borough of Dudley and the City Council of Wolverhampton. The framework agreement would enable value for money and efficiencies for the scope of works by utilising shared resources with best practice procurement and project management principles.

The framework agreement was for the delivery of highway maintenance surface treatment works including:

- carriageway microsurfacing;
- carriageway surface dressing;
- carriageway retreading;
- footway slurry sealing;
- footway micro surfacing.

It was estimated that the Council's expenditure through the framework agreement would be £600,000 per annum.

Dudley Council was the lead authority for the framework. In accordance with the Public Contracts Regulations 2015, Kiely Bros Limited (for all five work schedules) and JPCS Limited (for footway slurry seal and footway microsurfacing) were appointed for a three year period commencing 1st April 2017, with an option to extend for an additional twelve months.

Resolved:-

- (1) that the Council participate in, and enter contracts pursuant to, the Framework Agreement for the provision of Highway Surface Treatment Works with the Metropolitan Borough of Dudley, Metropolitan Borough of Walsall and the City Council of Wolverhampton for the period 1st April 2017 to 31st March 2020, with an option to extend for an additional twelve months until 31st March 2021, subject to satisfactory performance;

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- (2) that the Council execute any documents necessary to give effect to the proposals referred to in resolution (1) above.

46/17

Targeted Good Start to Life Support (Key Decision Ref. No. SMBC1604)

The Cabinet Member for Public Health and Protection reported that the Sandwell Family Nurse Partnership was a licensed, evidence-based programme whereby Family Nurses provided intensive support to first-time parents aged 19 years and under, delivered through a home visiting programme that started in early pregnancy and continued until the child was two years old. The programme had been in operation in Sandwell since 2009 and currently had a caseload capacity for 240 young families.

A new service model was being developed with the aim of maximising resources and creating a more equitable, personalised and cost effective service, by:

- increasing coverage to a wider cohort of vulnerable individuals and their families;
- working jointly with Sandwell and West Birmingham Clinical Commissioning Group in order to develop an integrated service model in cooperation with Sandwell and West Birmingham Hospitals NHS Trust.

The Sandwell Family Nurse Partnership service was currently commissioned from Sandwell and West Birmingham NHS Hospitals Trust as part of the Co-operative Working Contract. The core service was contracted to 31st March 2018 with the option to extend for up to a further 3.5 years. The annual value was £508,000.

In March 2016, additional investment to increase service capacity was approved to 31st March 2017 with an option to extend for up to a further 4.5 years (see Minute No. 48/16). It was proposed that this additional investment end with the current service.

It was proposed that the current contract with Sandwell and West Birmingham Hospitals NHS Trust for cooperative working was varied to include the new service model of family support to vulnerable families.

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The new model of service would be commissioned with an annual budget of £508,000. The commencement date was estimated to be July 2017 for two years with an option to extend for up to two years. Although this represented a reduction in the current budget, the new model of delivery would increase capacity without the previous additional investment.

An equality impact assessment was undertaken for this proposal and found that the proposal could have a positive impact on certain groups with protected characteristics and the proposed service model would not have an adverse impact on any group with protected characteristics.

In response to a question raised by the Chair of Community Safety, Highways and Environment Scrutiny Board, the Cabinet Member for Public Health and Protection confirmed that services provided by children's centres would not be undertaken initially as there were varying referral points but would happen at a later stage.

Resolved:-

- (1) that delivery of the Sandwell Family Nurse Partnership Programme ends and a new service model to support vulnerable families is piloted;
- (2) that subject to resolution (1) above, the Director - Public Health, in consultation with Legal Services, be authorised to vary the current contract with Sandwell and West Birmingham Hospitals NHS Trust for cooperative working to include the new service model of family support to vulnerable families, with a maximum annual value of £508,000 per annum;
- (3) that in connection with resolution (2) above, the initial contract period in respect of the new service model shall be to 30th September 2019 from commencement date, with an option to extend for up to a further two years;
- (4) that subject to resolution (2) and (3) above, any necessary exemptions to the Council's Procurement and Contract Procedure Rules be approved to enable the proposed actions to proceed.

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Business Items

47/17

Apprenticeship Levy and Targets 2017

The Cabinet Member for Core Council Services reported that in April 2017, the Government would implement the Apprenticeship Levy in order to support sustainable economic growth within the Borough by:-

- improving skills within the existing workforce;
- supporting local people into jobs with training;
- meeting the workforce development and skills needs of the Council;
- for schools it could represent an alternative to traditional academic routes for students.

It represented an opportunity to link into the existing good practice within the Council in promoting and offering apprenticeships and to demonstrate social responsibility as an employer and a provider of local services to the community.

The planned growth in apprenticeships would be funded through the introduction of an Apprenticeship Levy. Organisations with an annual wage bill in excess of £3m would be required to pay the levy that equated to 0.5% of their monthly salary costs. There would be a levy allowance of £15,000 per year.

It was estimated currently that the Council (including local authority schools) would contribute approximately £1,010,000 annually to the levy (based on September 2016 pay bill). The levy amount would fluctuate as it was calculated from the monthly paybill. The levy contribution gained a 10% top up from the government. This overall estimated annual levy amount was spilt between the Council and schools:

- Sandwell Council (excluding local authority maintained schools) = £580,000 p.a.
- local authority maintained Schools = £430,000 p.a.

The Apprenticeship Levy would be collected from eligible employers through the Real Time Information system administered by Her Majesty's Revenue and Customs.

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All public sector bodies with a workforce of 250 or more were also required to provide apprentice opportunities that equated to a minimum of 2.3% of their workforce (including local authority maintained schools). Overall for Sandwell this was estimated to be a target for 2017/18 of 203 (Council target = 105 apprenticeships and schools = 98 apprenticeships).

It was proposed that the targets were met through a mix of new start apprenticeships and existing employees taking up apprenticeship standards as career development. This target would fluctuate in response to changes in the headcount of employees.

Resolved:-

- (1) that the introduction of the Apprenticeship Levy and Public Sector Apprentice Targets from April 2017 be noted and details of the potential financial and workforce development implications for the Council be received;
- (2) that the impact of the Levy and targets on Sandwell maintained schools and the need to engage with schools to consider options for allocation and utilisation of Apprenticeship Levy funds be noted.

48/17

Delegation to advertise and make new permanent Traffic Regulation Orders and Section 23 Notification for Pedestrian Crossings

The Leader of the Council sought approval to amend the Scheme of Delegations to Officers to enable the Director – Regeneration and Economy to:

- advertise, make and implement new Traffic Regulation Orders where no objections were received or where objections were received and withdrawn and to implement the necessary legal procedures to bring those Orders into effect;
- in relation to the Road Traffic Regulation Act 1984, to advertise on the installation, alteration or removal of pedestrian crossings under Section 23 of the Road Traffic Regulations Act 1984.

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Where unresolved objections did arise from the advertising of the proposals, these would be reported to the Cabinet Member for Highways and Environment for decision.

The proposed delegation to the Director – Regeneration and Economy would significantly reduce the time currently taken to implement these schemes.

An equality impact assessment was not required for this proposal.

Resolved that the Scheme of Delegations to Officers, as set out in Part 3 (Responsibility of Functions) of the Council's Constitution, be amended so as to include the following delegation to the Director – Regeneration and Economy:

Traffic Regulation Orders

To authorise the advertisement and making of new permanent Traffic Regulation Orders and, subject to no unresolved objections, to implement the necessary legal procedures to bring the Traffic Regulation Order into effect.

Road Traffic Regulations Act 1984

Section 23 - Notices to establish, alter or remove pedestrian crossings on roads.

49/17

Recommendations arising from Scrutiny

The Chairs of Community Safety, Highways and Environment and Leisure, Culture and Third Sector Scrutiny Boards presented the recommendations from their respective Boards during their cycle of meetings in December 2016.

Consideration was now given to the recommendations of the Scrutiny Boards.

In response to the recommendations, the Cabinet Members for Public Health and Protection, Housing and Leisure reported that:-

- the projected costs of installing intercoms and CCTV at Sandwell high rise stock was being gathered to enable the Cabinet Members to respond;

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- that housing allocation with CCTV for vulnerable people should be a priority. The Cabinet member for Housing would look at the Local Lettings Plan and respond;
- a suitable building had been identified in Sandwell that could be used to house and deliver the Community History and Archives Service.

In welcoming the recommendations of the Scrutiny Boards, the Leader of the Council considered that a response to scrutiny boards in 28 days time would not always be feasible as some matters took longer to consider and other less time. It was therefore deemed that for future reports from scrutiny. a response as soon as reasonably practicable should be adopted to enable further dialogue between Scrutiny Chairs and Cabinet Members.

Resolved That the following recommendations of the Scrutiny Boards be accepted and a response to the recommendations of the Scrutiny Boards be submitted within 28 days, setting out any approved recommendations and how they will be implemented:

Recommendations of the Community Safety, Highways and Environmental Scrutiny Board:-

- (1) the Cabinet Members for Housing and Public Health and Protection give consideration to the feasibility of installing intercoms and CCTV cameras in the other half of high rise stock in Sandwell;
- (2) the Cabinet Members for Housing and Public Health and Protection investigate the potential for alternative funding sources for monitoring and maintenance of CCTV cameras in Town Centres from Business Improvement Districts (BIDs) and Public Health funding;
- (3) the Cabinet Member for Housing considers the need to prioritise housing allocation of flats with CCTV and concierge services to people who are deemed to be vulnerable or at risk;

Recommendation of the Leisure Culture and Third Sector Scrutiny Board that Cabinet identify and consider other suitable buildings in Sandwell that could be used to house and deliver the Community History and Archives Service.

Local Authority/Schools' Model Capability Policy and Guidance for Non-Teaching Staff

The Cabinet Member for Children's Services sought approval to the Schools' Model Capability Policy for Non-Teaching Staff and Guidance in order to support governing bodies in managing situations where Non-Teaching School based staff were not achieving the required standard of work.

The proposed policy now set out the key principles and parameters from the Guidance which detailed the processes to be followed. The Guidance document had been developed to be used alongside the policy document to provide greater clarity around the process which in summary:

- underlined that schools required all staff to sustain a satisfactory standard and it was the responsibility of all managers to take active steps to manage the performance of their staff and to support those who may require additional assistance;
- was not designed to be a punitive management process but intended to encourage improvement in work performance at an early stage before the situation became unmanageable;
- if an employee had a disability as defined in the Equality Act 2010, it would be necessary to make all appropriate 'reasonable adjustments' before considering any action;
- provided clarity and made the distinction that certain exclusions would apply in that the Capability Policy would not be a substitute where the employee refused to perform to acceptable standards i.e. where they were capable but unwilling; in these circumstances the Schools' Model Disciplinary Policy would apply.

An equality impact assessment was not required for this proposal.

Resolved That the Schools' Model Capability Policy for Non-Teaching Staff and Guidance be approved as outlined in Appendix 1 and Appendix 2 and recommended to the governing bodies of schools in Sandwell.

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51/17

Revised Corporate Health and Safety Policy

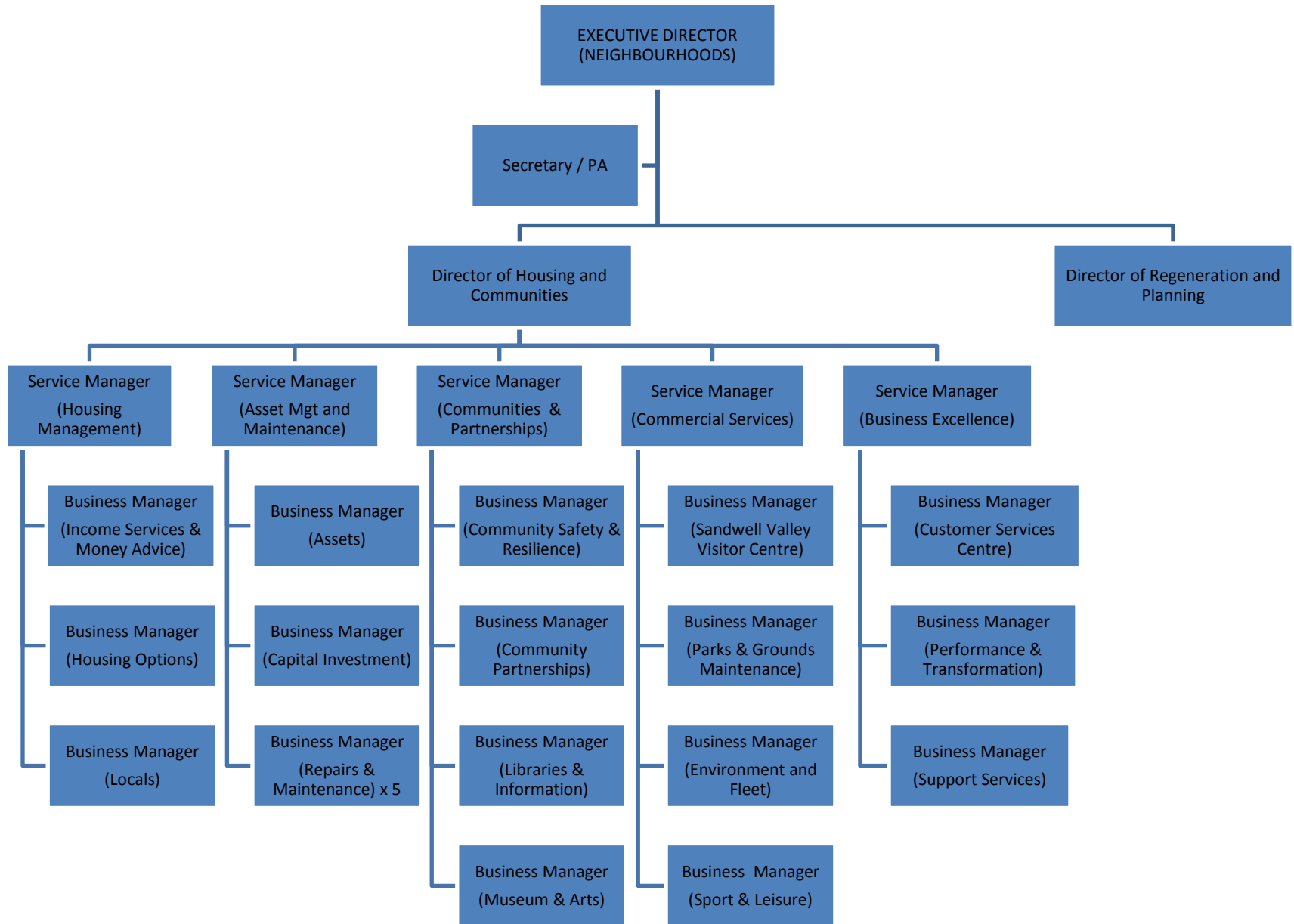
The Cabinet Member for Core Council Services sought approval to revise the Corporate Health and Safety Policy in order to ensure that the Council met its statutory duties under the Health and Safety at Work Act 1974.

Resolved that in order to ensure that the Council meets its statutory duties under the Health and Safety at Work Act 1974, the revised Corporate Health and Safety Policy be approved.

(Meeting ended at 4.35 pm)

Contact Officer: Suky Suthi-Nagra Democratic Services Unit 0121 569 3479
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Neighbourhood Services – New Structure – Appendix 1



[IL2: PROTECT]