

The Cabinet

**14th February, 2018 at 3.30 pm
at the Sandwell Council House, Oldbury**

Present: Councillor Eling (Chair);
Councillors Carmichael, Costigan, Hackett,
D Hosell, Khatun, Moore and Trow.

Apologies: Councillor Shackleton;
Councillors Edis, E M Giles and Hickey.

In attendance: Councillors P Hughes and Underhill.

Strategic Items

25/18 **Business Plans 2018 – 2019 to 2020 – 2021 (Key Decision Ref. No. SMBC04/02/2018)**

The Council, at its meeting held on 16th January 2018, considered the impact for the Council of the provisional Local Government Finance Settlement. As part of this, provisional target budgets were approved for individual directorates.

Multi-year Business Plans were integral to the Council's medium term financial strategy. The Business Plans described the design and shape of the services and linked to the Vision 2030 ambitions.

Directorate business plans and budgets for the three years 2018/2019 to 2020/21 had been produced and individual service budgets contained within the Business Plans were aligned to the overall corporate budget parameters.

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Specific pressures identified in the directorate Business Plans would be reflected in budgets where appropriate. As in previous years, both general and specific reserves would be prudently earmarked to fund these liabilities. Service areas would also report on gross expenditure and gross income budgets to ensure the totality of each service area was encapsulated within each individual business plan.

The Chair of the Budget and Corporate Scrutiny Management Board commended the new design and layout of the Business Plans.

Resolved that the business plans for each Directorate be submitted to the Budget and Corporate Scrutiny Management Board for detailed review for evidence of value for money and contribution towards achieving the Council's Vision 2030 ambitions and that the results are considered by Cabinet on 28th February 2018 prior to recommendation to Council in March 2018.

26/18

Quarter 3 Budget Monitoring (Key Decision Ref. No. SMBC15/02/2018)

The Leader of the Council presented details of the Council's financial position for the 2017/18 financial year.

When taking into account the utilisation of centrally earmarked balances of £10.329m, the Council was showing an overall forecast deficit for the year against general balances of £1.601m.

At a service level, excluding Public Health, the Council was reporting a forecast year end surplus of £12.617m from within the following service areas:-

- Central Items - surplus of £4.317m
- Corporate Management – surplus of £0.252m
- Resources - surplus of £0.717m
- Adults Social Care - surplus of £7.700m
- Children's Services - deficit of £1.533m
- Regeneration and Planning - surplus of £0.428m
- Housing and Communities – surplus of £0.735m

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In addition, there was a projected year end surplus of 0.186m within Public Health that related to funds carried forward from previous years. It was requested that this be carried forward into 2019/20 to offset anticipated reduction in public health grant.

Approval was now sought to the following virement within Directorates:-

Adult Social Care and Children's Services

A transfer of £0.014m from Adult Social Care to Children's Services to support 1/3 of a post for a Housing Officer.

Approval was also sought to the following virements within service:-

Adult Social Care

To reflect the increased use of better Care Funding for Adult Social Care activities:

- £2.000m in total with a breakdown of £1.650m from External Placements and £0.350m from Direct Services
- Commissioning being transferred as £0.400m, £1.200m and £0.400m into Therapy and Sensory Services, Social Work Teams and Prevention respectively

Housing and Communities

- £0.426m from Business Excellence – Local Town Grants to Communities and Partnerships.

The Leader of the Council also sought approval to the following capital virement:-

Housing Revenue Account

A transfer of £0.500m from the general High Rise budget to fund emergency cladding work.

Approval was also sought for the following to be re-profiled to future years:-

Resources

£0.717m to be used as followed:-

- £0.599m carried forward into 2018/2019;
- £0.118m carried forward into 2019/2020.

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Adult Social Care

£7.770m to be used as followed:-

- £2.862m carried forward into 2018/2019;
- £4.838m carried forward into 2019/2020.

Regeneration and Planning

The projected outturn was a surplus of £0.428m. It was proposed that this be carried forward

Housing and Communities

The projected outturn was a surplus of £0.735m. It was proposed that this be carried forward to 2018/2019.

Public Health

The projected outturn was a surplus of £0.187m. It was proposed that this be carried forward to 2019/2020.

Housing Revenue Account

£2.330m (HRA) be used as followed:-

- £1.275m to fund additional interest and debt repayment costs;
- £0.196m to reduce future borrowing costs;
- £0.859m to fund future investment

Approval was sought to the following additional specific grants:-

Resources

- £0.031m from Department for Work and Pensions (DWP) for Universal Credit Support;
- £0.015m from DWP, new burdens income for ongoing implementation of the real-time information bulk data matching initiative.

Adult Social Care

- £0.085m from the Department of Communities and Local Government (DCLG) relating to the controlling Migration Fund.

Housing and Communities

- £0.153m from DCLG for the New Burdens Funding;
- £0.042m from the Arts Council for the opportunities for Everyone project in libraries.

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The Chair of the Budget and Corporate Scrutiny Management Board commended the Leader of the Council for robustly managing Council finances.

Resolved:-

- (1) that the financial monitoring position of individual directorates contained within the Council wide budget monitoring for the first nine months for the 2017/18 financial year be received;
- (2) that the recommendations for use of funds as detailed within the report for individual directorates be approved;
- (3) that the financial monitoring position of individual directorates be received and referred to the Budget and Corporate Scrutiny Management Board for consideration and comment;
- (4) that the financial position of the Housing Revenue Account (HRA) for the period ending December 2017 be received;
- (5) that the following carry forwards be re-profiled to future years:-
 - a) £0.717m for Resources:
 - £0.418m into 2018/19 for the use of realignment process and transition period associated with the managed delivery of planned budget savings;
 - £0.069m into 2018/19 to fund one off salary costs for part year planned leavers;
 - £0.112m into 2018/19 to fund five higher level apprentices;
 - £0.118m into 2019/20 to fund five higher level apprentices;
 - b) £7.700m for Adult Social Care:
 - £2.862m into 2018/19 to assist in the management of the projected funding gap within Adult Social Care;
 - £4.838m into 2019/20 to assist in the management of the projected funding gap within Adult Social Care;

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- c) £1.1763m for Regeneration and Growth:
- £0.350m into 2018/19 Highways to support the replacement of street lighting columns;
 - £0.611m into 2019/20 Highways to support the replacement of street lighting columns;
 - previously agreed 2018/19 carry forwards;
 - £0.162m into 2018/19 for site investigations and property service pressures;
 - £0.400m into 2018/19 for Corporate Landlord to offset Urban Design and Building Services pressures;
- d) £0.735m for Housing and Communities:
- £0.200m into 2018/19 to support local town grant allocations and final tranche of spend for Community Activity Networks;
 - £0.040m into 2018/19 to enable required tree survey and further tree maintenance works across the borough;
 - £0.230m into 2018/19 to assist in realigning services facing further efficiency savings;
 - £0.265m into 2018/19 for Housing Management relating to additional homelessness responsibilities;
- e) £0.187m for Public Health:
- carried into 2019/20 to offset anticipated reduction in public health grant;
- (6) that the following request from the Housing Revenue Account to transfer the following surplus to the Housing Revenue Account Balances be approved:-
- a) £1.275m to fund additional interest and debt repayment costs;
- b) £0.859m to fund future investment;
- (7) that the request for the Children's Services deficit of £1.533m to be funded from Corporate Resources be approved;

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- (8) that the following virements within service be approved:-
- a) Adult Social Care – to reflect the increased use of better Care Funding for Adult Social Care activities;
 - £2.000m in total with a breakdown of £1.650m from External Placements and £0.350m from Direct Services;
 - Commissioning being transferred as £0.400m, £1.200m and £0.400m into Therapy and Sensory Services, Social Work Teams and Prevention respectively;
 - b) Housing and Communities as follows:
 - £0.426m from Business Excellence – Local Town Grants to Communities and Partnerships;
- (9) that the following virement between directorates be approved:-
- a) £0.014m from Adult Social Care to Children's Services to support 1/3 of a post for a Housing Officer;
- (10) that the capital virement for a transfer of £0.500m within the Housing Revenue Account from the general High Rise budget to fund emergency cladding works be approved;
- (11) that the following Revenue Contribution to Capital Outlay (RCCO) be approved:-
- a) £0.196m (Housing Revenue Account) be used to reduce future borrowing costs;
- (12) that the following additional specific grants be approved:-
- Resources**
- a) £0.031m from Department for Work and Pensions (DWP) for Universal Credit Support;
 - b) £0.015m from DWP, new burdens income for ongoing implementation of the real-time information bulk data matching initiative;

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Adult Social Care

- c) £0.085m from the Department of Communities and Local Government (DCLG) relating to the controlling Migration Fund;

Housing and Communities

- d) £0.153m from DCLG for the New Burdens Funding;
- e) £0.042m from the Arts Council for the opportunities for Everyone project in libraries'

- (13) that the Executive Director – Resources, in consultation with the Leader of the Council, be authorised to make a payment to the West Midlands Combined Authority for the share of business rates payable under the terms of the Devolution Deal and the 100% business rates pilot;
- (14) that authority is delegated to the West Midlands Combined Authority to approve the amendment to statutory regulations which amend the West Midlands Combined Authority borrowing powers and enable West Midlands Combined Authority to borrow for all of the functions attributable to it.

27/18

One Year Extension to Growing Priority Sectors Funding Program (Key Decision Ref. No. SMBC18/12/2017)

The Cabinet Member for Regeneration and Economic Investment sought approval for a one year extension to the Growing Priority Sectors Funding Program.

Since April 2015, the Council had been the accountable body for the Black Country LEP's Growing Priority Sectors (GPS) Fund. The fund was currently due to close on 31st March 2018.

GPS had been a very successful project to date and a further year of funding would bring yet more growth opportunities to businesses in the Black Country.

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An initial proposal had now been submitted to the Black Country LEP for £2m to be added to the funding and for the project to be extended for a further year. For the proposal to be approved, a one year extension to the Council's role would also need to be approved.

Resolved that the Executive Director – Neighbourhoods agree a one year extension to the existing grant agreement agreed between Walsall Metropolitan Borough Council and Sandwell Metropolitan Borough Council for the Growing Priority Sectors Funding Program, subject to the implementation of action points identified within the appraisal:

- a) the Grant Agreement for the extension period needs to be obtained from Walsall MBC to ensure Sandwell MBC can comply with all clauses;
- b) review the current responsibilities for project management and monitoring in order to improve the process;
- c) clarify project management costs and ensure that these have been identified within the extension to the grant;
- d) confirm any changes to the timeline for outputs, milestones and outcomes in order to support effective delivery and monitoring of the project extension
- e) ensure the project continues to comply with state aid regulations.

28/18

Determination of Admission Priorities for Sandwell's Community and Voluntary Controlled Schools for the Academic Year 2019 - 2020 (Key Decision Ref. No. SMBC01/02/2018)

The Cabinet Member for Children's Services sought approval for the admission arrangements for 2019/2020 academic year.

In accordance with the Admission Code published in December 2014, the Council, as the admission authority for community and voluntary controlled schools, must determine admission arrangements for entry in September 2019 by 28 February 2018.

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In addition, as a change had been proposed to the oversubscription criteria, the Council had undertaken a consultation exercise with interested parties (other admission authorities, parents and other local authorities). The Council had also consulted governing bodies of community and voluntary controlled schools as, in accordance with the Code, it must do so where it proposed either to increase or keep the same Published Admission Number.

Resolved that the admission arrangements for 2019/2020 academic year, as now submitted, be approved.

29/18

Proposed New Shireland Technology Primary School, Wilson Road, Smethwick (Key Decision Ref. No. SMBC12/02/2018)

The Cabinet Member for Children's Services sought approval to procure and award a contract for the construction of a new, non-selective, two form entry primary free school at Wilson Road, Smethwick.

An estimated cost for the works would be confirmed by the Education and Skills Funding Agency (ESFA) once it had agreed a control option for the scheme with the approved free school sponsor, the Collegiate Academy Trust.

Capital funding for the new Shireland Technology Primary Free School was to be provided by the ESFA. The ESFA would normally arrange to directly procure and deliver a capital scheme for a new free school; however, the Agency had approached the Council to deliver the project on its behalf.

The new school would accommodate 420 new primary places. Although the Council had not been in a position to include the free school provision within its pupil place strategy, the additional places would help to assist pressure for school places, particularly with the increasing trend of inward migration mid-year in the local area.

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Resolved:-

- (1) that the Director – Education, Skills and Employment award a contract for the design and construction of a new two form entry primary free school, 'Shireland Technology Primary School' at Wilson Road, Smethwick B66 4ND, either:-
 - (a) through the New Project Development procedure as established under the Strategic Partnering Agreement with Sandwell Futures Limited; or
 - (b) following a compliant procurement exercise, in conjunction with the Section 151 Officer, and in consultation with the Cabinet Member for Children's Services, subject to meeting the criteria as set out in Appendix 1;
- (2) that in connection with Resolution (1) above, the Director – Monitoring Officer enter into any legal agreements on terms agreed by the Director - Education, Skills and Employment, as required, to allow building works to be completed.

30/18

Q3 Academy Langley – Phase 2 Enabling Works, Moat Road, Oldbury (Key Decision Ref. No. SMBC11/02/2018)

The Leader of the Council and Cabinet Member for Children's Services sought approval to Phase 2 Enabling Works at Q3 Academy Langley, Moat Road, Oldbury.

Phase 1 of Q3 Academy Langley was successfully completed and opened to pupils on time in September 2016. It was proposed that Phase 2, the anticipated final phase of the scheme, would commence in early Summer 2017. Due to the formulaic basis upon which the Department for Education allocate Basic Need capital funding for new school places, the Council had insufficient resources to re-commence construction at the school given competing priorities for secondary school expansions across the Borough.

£1,005,554

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Phase 2 Enabling Works were now planned to undertake external groundworks and foundations, construct the steel framework and install concrete floor planks in readiness for the main Phase 2 programme. The enabling works were being brought forward to ensure that the steel frame and concrete floor planks could safely be installed during the school summer break in July and August 2018. In addition, the Academy Trust sponsor, Q3 Academies Trust, had approached the Authority to make a further contribution towards the overall scheme to provide a four classroom stand-alone block to support delivery of the Academy's P.E. curriculum.

The total cost of the Enabling Works was currently estimated to be £2.7m. Taking into account the current project carry forward, together with the sponsors additional contribution of £0.2m, a balance of £1.7m was required from the total available resources of £2.706m to fund the Enabling Works package.

The Cabinet Member for Children's Services commended the Director – Education, Skills and Employment and officers for their hard work in raising the quality of schools in Sandwell.

Resolved:-

- (1) that the funding of Phase 2 Enabling Works at Q3 Academy Langley, Moat Road, Oldbury as part of the Schools Capital Programme 2018/19-2020/21 funded from the Department for Education's Basic Need allocation, be approved;
- (2) that in connection with Resolution (1) above, the remaining £1,005,554 funding be retained until feasibility has been undertaken on proposed schemes for 2018-2021, which will be subject to a further report submitted to Cabinet;

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- (3) that in connection with Resolution (1) and (2), the Director – Education, Skills and Employment award a contract, either:-
- through the New Project Development procedure as established under the Strategic Partnering Agreement with Sandwell Futures Limited; or
 - following a compliant procurement exercise, in conjunction with the Section 151 Officer, and in consultation with the Cabinet Member for Children's Services, subject to meeting the criteria as set out in Appendix 1;
- (4) that in connection with Resolution (1), (2) and (3), the Director – Monitoring Officer enter into any legal agreements on terms agreed by the Director – Education, Skills and Employment, as required, to allow building works to be completed at the proposed site;
- (5) that in connection with Resolution (1), (2) and (3) above, the following action points identified within the appraisal report be implemented to reduce any risk to the Council:-
- review cost estimates to ensure that they are reasonable and can be managed within the available funding;
 - review the corporate Risk Register for the project to ensure all risks, responsible officers and target dates for the mitigation of risks are appropriately identified;
 - ensure that a formal legal agreement is entered into with the sponsors at the earliest opportunity in order to protect the interests of the Council;
 - ensure rigorous financial monitoring is undertaken on the council's Basic Need Allocations to ensure future funding needs can be met
 - identify outputs and outcomes in relation to the enabling works to assist with effective project management.

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31/18

Revenues and Benefits Policy Framework 2018 – 2019 (Key Decision Ref. No. SMBC06/02/2018)

The Cabinet Member for Core Council Services sought approval to the Revenues and Benefits Policy Framework for 2018 – 2019.

The annual review of the existing policies had taken place and there had been no changes to any of the policy intentions, however, some cosmetic changes had been made.

A new policy was being introduced into the framework for 2018 – 2019. This was the Council Tax Award of Discount Policy. It set out the level of locally prescribed Council Tax discounts set by the Council. The policy confirmed that the Council would charge 100% Council Tax on empty homes and 150% on long term empty homes. This would act as an incentive for home owners to sell or let their properties, increasing the availability of homes in Sandwell.

The proposed Revenues and Benefits Policy Framework included the following:-

- Council Tax Discretionary Relief Policy;
- Discretionary Housing Payments Policy;
- Non Domestic Rates Discretionary Rate Relief Policy;
- Local Welfare Provision Policy;
- Non Domestic Rate Hardship Relief Policy;
- Joint Policy for Establishing Eligible Support and Accommodation Charges;
- Council Tax Award of Discount Policy;
- Equality Impact Assessment for Council Tax Award of Discount Policy;
- Corporate Debt Recovery Policy;
- Housing Benefit and Council Tax Benefit Overpayment Recovery Policy.

The Chair of the Budget and Corporate Scrutiny Management Board suggested that the formatting of future policies should follow the same new design and layout as the Business Plans so that they were easier to understand.

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Resolved that the Revenues and Benefits Policy Framework for 2018 – 2019, as now submitted, be approved.

(Meeting ended at 3.52 pm)

Contact Officer: Amarjit Sahota Democratic Services Unit 0121 569 3188
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As the estimated capital value exceeds £100,000, delivery of the scheme will fall within the scope of the New Project Development procedure, as established under the Strategic Partnering Agreement with Sandwell Futures Limited.

A separate procurement exercise(s) will be carried out to identify the most suitable and value for money supplier / suppliers for the project if it is not procured through the New Project Development procedure. The procurement approach will follow the council's Procurement and Contract Procedure Rules to ensure that UK and EU legislation is adhered to, and value for money is achieved. In order to ensure a streamlined process, this report requests delegated authority to the relevant Chief Officer, the Director – Education, Skills and Employment to award the contract at the end of the procurement, in conjunction with the Section 151 Officer, and in consultation with the Cabinet Member for Children's Services.

Where the outcome of the procurement exercise identifies that the value of the contract is more than that specified in this report, or the council has not received the minimum number of tenders required, then a further report will be submitted to Cabinet to award the contract.