

Minutes of Cabinet

**Wednesday, 16 June 2021 at 3.30 pm
at Council Chamber, Sandwell Council House, Freeth Street, Oldbury,
B69 3DB**

Present: Councillor R Singh (Chair)
Councillors Crompton (Vice-Chair), Ahmed, Simms, Taylor
and Hartwell

Also present: E M Giles, L Giles, Mabena and Shackleton

Officers: David Stevens (Chief Executive), Nicholas Austin (Interim Director – Borough Economy), Lisa McNally (Director – Public Health), Tammy Stokes (Interim Director – Regeneration and Growth), Surjit Tour (Director - Law and Governance and Monitoring Officer), Katharine Willmette (Interim Director – Adult Social Care), Elaine Newsome (Service Manager – Democracy) and Suky Suthi-Nagra (Democratic Services Manager).

106/21 Apologies for Absence

Apologies for absence were received from Councillors Ali, Millard and Moore.

107/21 Declarations of Interest

There were no declarations of interest made.

108/21 Minutes



Resolved that the minutes of the meetings held on 19 March and 24 May 2021 be approved as a correct record.

109/21 Additional Items of Business

There were no additional items of business to consider.

110/21 Award of SEND Passenger Transport Contracts for 2021-25

Following concerns raised in relation to this matter, the Leader reported that he wanted to ensure that the proper process was followed before a decision was made. He was therefore minded to defer consideration of the report.

111/21 Replacement of Domestic Gas Appliances and Associated Works

Approval was sought to award the contract for the delivery of the Replacement of Domestic Gas Appliances and Associated Works for a contract period of three years, from 1 August 2021 to 31 July 2024 to Sure Maintenance Limited, who had a local office in the borough and employed local people.

The anticipated value of the contract was £10,500,000, (£3,500,000 per annum).

Reason for Decision

This contract was required for the Council to continue to maintain its current housing stock. The work comprised of the replacement of domestic gas appliances and associated works. It primarily comprised of replacing domestic gas appliances (boilers, gas fires, gas cookers) along with ancillary works. The contract also included the fitting of electric fires and the installation of individual radiators. Some of the works would include full heating installations due to a medical need at the property.

Alternative Options Considered

There were no other options available, as this contract was required for the Council to be able to maintain its current housing stock.

Agreed:-

- (1) that the Interim Director – Housing be authorised to award the contract for the delivery of the Replacement of Domestic Gas Appliances and Associated Works to Sure Maintenance Limited for the sum of £10,500,000 for a period of 3 years, from 1 August 2021 to 31 July 2024;
- (2) that the Director – Law and Governance and Monitoring Officer be authorised to enter into appropriate contract for Replacement of Domestic Gas Appliances and Associated Works with Sure Maintenance Limited.

112/21

Supply of Tools and Consumable Items

Approval was sought to authorise a contract for Supply of Hand Tools, Ladders and Steps to Jays Sourcing Group Ltd, for the sum of £90,996.00, for the period of 4 years, from 1 August 2021 to 31 July 2025. Approval was also sought to award a contract for Supply Power Tools, Fixings, Drills and Consumable items to Corry Products Ltd for the sum of £239,636.00, for the period of 4 years, from 1 August 2021 to 31 July 2025

Reason for Decision

It was proposed to renew existing contracts to supply hand tools, fixings, drill bits and consumables into Roway Lane Supplies Section. Plus purchase battery operated power tools, ladders and steps to allow the Asset Management and Maintenance repair teams maintain the properties owned and maintained by Sandwell MBC. The existing contract was set to expire on 31st July 2021.

Alternative Options Considered

There were no other alternative options. If the items were not purchased or available, the Asset Management and Maintenance repair teams would not be able to carry out any repairs on Sandwell MBC properties.

Agreed:-

- (1) that the Interim Director of Housing be authorised to award a contract for Supply of Hand Tools, Ladders

and Steps to Jays Sourcing Group Ltd, for the sum of £90,996.00, for the period of 4 years, from 1 August 2021 to 31 July 2025;

- (2) that the Interim Director of Housing be authorised to award a contract for Supply Power Tools, Fixings, Drills and Consumable items to Corry Products Ltd for the sum of £239,636.00, for the period of 4 years, from 1 August 2021 to 31 July 2025.

113/21

Tender for House and Garden Clearance to Void Properties

Approval was sought to award a contract for the provision of House and Garden Clearance to void properties for the period 1 July 2021 to 30 June 2024. Based on current levels of expenditure, the cost was approximately £627,000.

There was no option to further extend existing contractual arrangements as the current contract arrangement was set to expire on 30 June 2021 and had already been extended by 12 months in accordance with update 2.5 of COVID 19 updates to Procurement and Contract Procedure Rules for contracts over EU Procurement Threshold (£189,330) and Public Contract Regulations 2015, regulation 72(1)(c).

Reason for Decision

The current contract was due to expire on 30 June 2021. In response to the contract notice published on the Government's Find a Tender website, three compliant tenders were received. Evaluation of the returned tenders in accordance with the published award criteria in terms of price and quality was undertaken but due to the relatively short timeline available to complete this activity in readiness for Cabinet deadlines, it was necessary to request delegated authority to award this contract upon completion of the tender evaluation by early to mid-June 2021. This would ensure that mandatory standstill requirements are observed and it will duly allow for any appropriate mobilisation period to be implemented.

Alternative Options Considered

As the previous contract arrangements had been extended and were due for retender, alternative options had already been explored. The most economically advantageous solution was still to conduct tender processes in compliance with the Public Contracts Regulations 2015.

Agreed:-

- (1) that the Interim Director – Housing in consultation with the Head of Finance and Section 151 Officer, be authorised to award a contract for the provision of House and Garden Clearance to void properties, for the period 1 July 2021 to 30 June 2024 at an anticipated value of £627,000 following the conclusion of the current procurement exercise;
- (2) that in connection with Resolution (1) above, the Director – Law and Governance and Monitoring Officer be authorised to enter into appropriate contracts;
- (3) that any necessary exemptions be made to the Council's Procurement and Contract Procedure Rules to enable the course of action referred to in (1) and (2) above to proceed.

Approval was sought for the updated Towns Fund Programme Governance Arrangements relating to Phase 2 and Phase 3 of the Towns Fund Programme.

On 6 September 2019, it was announced that 101 Towns had been identified by Government to benefit from the Town Fund. In Sandwell, West Bromwich, Smethwick, and Rowley Regis were identified. A Town Investment Plan was submitted for each Town in October 2020 and in March 2021 Heads of Terms were offered and accepted for each Town.

Detailed guidance for the first phase of the Towns Fund was published in June 2020 which contained a number of specific requirements around the governance of the Towns Fund programme including the responsibilities of the Lead Council and the Town Deal Board, and the composition of the Town Deal Board.

Governance arrangements for the Towns Fund Programme were approved by Cabinet in July 2020 including confirmation of appointments to the Sandwell Superboard and three Local Boards.

The process for the Towns Fund Programme was as follows:

Phase 1

- Submission of Town Investment Plans (October 2020)
- Heads of Terms Agreement signed
- Town Deal Announced

Phase 2

- Development of Detailed Business Cases and approval from Superboard and Cabinet (following capital appraisal)
- Submission of Project Summary Documents by March 2022

Phase 3

- Release of Funding
- Delivery of Towns Fund Projects (by 2026)

The Cabinet Member for Strong and Inclusive Economy addressed questions from the Chair of the Children's Service and Education Scrutiny Board regarding the membership of the Town Deal Board and the focus for the upcoming projects.

It was explained that the Town Deal projects were developed in spring and summer of 2020. Ideas for projects were identified based on a range of information and engagement, not exclusively but including suggestions from previous consultations, aims of the Vision 2030, discussions with Superboard and Local boards following a period of public consultation. A shortlist was created prioritising projects which had the best chance of receiving government funding.

The Cabinet Member noted that he was aware that local councillors had raised concerns and the issue had previously been brought to the Budget and Scrutiny Management Board on 12 October 2020 (see Minute No. 40/20). It was explained that the Town Lead and Deputy Town Lead were representatives of elected members and that they should ensure their views are reflected.

The Government required boards to comprise of a private sector chair, all tiers of Local Government, local Members of Parliament, representatives of the Local Enterprise Partnership, Business and Investment representatives and other relevant groups to reflect a range of partners and local interest. The make of the board was agreed at a meeting of the Cabinet on 22 July 2020 (see Minute No. 61/20).

Approval was now sought to the following adjustments:

- Inclusion of an open invitation to Superboard Members to attend Local Board meetings and participate in the shaping of proposals, as required.
- Inclusion of an open invitation to Cabinet Members to attend Local Board meetings and participate in the shaping of proposals. This will enable Cabinet Members with a portfolio relevant to of individual projects to participate, as required.
- Inclusion of Deputy Town Lead Member, in addition to Town Lead Member, to strengthen the linkage between the Local Boards and Councillors in the Town

Reason for Decision

With the signing of the Town Deal Heads Terms in March 2021, the Towns Fund Programme had now moved into Phase 2 - Business Case Development Phase. The focus of the forthcoming 12 months was about developing these projects to Full Business Case stage and to make preparations for their delivery. This would involve considerations such as assessing options, ensuring viability and ensuring the deliverability of the project.

Following receipt of additional guidance from Government in December 2020 and April 2021, the Governance arrangements needed to be updated to reflect the roles of the Superboard and Local Boards over Phase 2 and Phase 3 of the Towns Fund programme.

This had also provided opportunity to review the existing governance arrangements to ensure it remains fit for purpose to deliver the Town Fund Projects effectively, reflect on lessons learnt, and ensure we comply with the accountability requirements of Government.

Alternative Options Considered

Alternative proposals for governance could be implemented including different structural options. The current model of Superboard being supported by three Local Boards had been effective to date and the proposal sought to strengthen these arrangements to ensure effective engagement of stakeholders.

The proposed updated Terms of Reference within this report adhered with the Government's Towns Fund Guidance which was a requirement to access the Towns Fund funding.

Agreed:-

- (1) that approval be given to the updated Towns Fund Programme Governance Arrangements relating to Phase 2 and Phase 3 of the Towns Fund Programme as set out in the appendix;
- (2) that the invitation to attend Local Board meetings as required in line with portfolio responsibilities be noted;

- (3) that the Chief Executive, in consultation with the Leader of the Council, the Cabinet Member for Strong and Inclusive Economy and the Monitoring Officer, be authorised to agree arrangements for the Governance of the Towns Fund Programme in accordance with the Government's Towns Funds Guidance

115/21

Smethwick to Birmingham Regeneration Corridor Area Framework and Grove Lane Masterplan - Approval to consult

Approval was sought to undertake consultation on the Draft Smethwick to Birmingham Regeneration Corridor Area Framework and Grove Lane Masterplan for six weeks between June and August 2021.

The area around Grove Lane was set to see significant transformational change with the introduction of the new Midland Metropolitan University Hospital due to open late 2022. The area surrounding the hospital had been identified for regeneration for some time with sites being allocated for residential since 2012. The area was awarded Housing Zone status in 2016 and one of the projects in the Towns Fund bid addresses the need to kick-start development here by acquiring and remediating some sites adjacent to existing public owned land to act as a first phase of development.

However, other opportunities for growth within the corridor exist between Smethwick and City Hospital in Birmingham. Partners with an interest in this regeneration corridor considered the preparation of an Area Framework which sought to identify regeneration and redevelopment opportunities (including interventions in local centres and potential repurposing of employment land) and deliverable, costed, place-making projects for the Corridor for the Partners to take forward. It would also look at a transport strategy to identify highway improvements and promotion of alternative modes of transport to the motor car.

In addition, the commission involved detailed masterplanning around Grove Lane to ascertain the amount and type of development that could be accommodated for the future residents, linkages and green spaces and the provision of a new primary school to support the new residents. This would be an update on the masterplan produced in 2010, taking into account the changes over time and would be linked to the wider Area Framework.

The partners leading on this work consisted of Sandwell Council, Birmingham City Council, WMCA and TfWM, Homes England, Canal & River Trust and the Sandwell and West Birmingham NHS Trust. This work was being funded jointly by Birmingham City Council, Sandwell Council, WMCA and Homes England. Consultants were appointed in December through a procurement process led by Birmingham City Council and utilising the Homes England Framework. They had undertaken stakeholder engagement which had lead onto developing draft projects to be considered. Running alongside the development of the Area Framework will be the detailed masterplanning for Grove Lane. A webpage was made available to residents to register interest in finding out more during the forthcoming consultation period and relevant members from both authorities were briefed with details of the ongoing work. All consultation would be undertaken within the COVID guidelines operative at that time. A range of consultation methods would be utilised to ensure engagement with as wide an audience is achieved as possible.

In terms of the future programme, following Cabinet approval to consult, public consultation would take place between June and August for a period of six weeks. The final reports should be complete in August/September 2021. A report on the consultation responses and proposed changes would be brought to Cabinet in due course.

Reason for Decision

The Draft Area Framework and Masterplan had been prepared following engagement with officers, Members and stakeholders covering both Smethwick and Birmingham local authority areas. Work to date had regard to current policy as well as acknowledging future anticipated changes. Consultation with the wider public, businesses, community groups and other interested parties would enable the options put forward to be further refined and developed into a final document that, once approved, would form the basis for

future decision making that would assist in bringing forward regeneration benefits to the area.

Alternative Options Considered

Not progressing with a Masterplan for the area surrounding the new Midland Metropolitan University Hospital would not create a platform from which to promote development opportunities in this area. The continued regeneration envisioned for this area would not be achieved and it would prevent the development of up to 800 much needed homes, a primary school and employment opportunities not being realised within one of the most deprived areas of Sandwell.

Agreed:-

- (1) that approval be given to the consultation on the Draft Smethwick to Birmingham Regeneration Corridor Area Framework and Grove Lane Masterplan for six weeks between June and August 2020;
- (2) that the Interim Director Regeneration and Growth be authorised to make minor changes to the Area Framework or Masterplan prior to consultation commencing if required.

116/21

Re-commissioning Sandwell Stop Smoking Service

Approval was sought to consider proposals to procure a Stop Smoking Service beyond March 2022 to support Sandwell smokers.

The Director of Public Health provided a presentation to brief the Cabinet on the report. Current smoking cessation support was delivered by Everyone Health Ltd. The service was now delivering into its permissible one-year extension period which ends 31st March 2022.

The current service delivery model was largely universal in approach seeing very few smokers from more disadvantaged/high-prevalence groups and delivered wholly via trained specialists. The current model did not take into account that some smokers may not need full specialist support to quit. It also did not take into

account the increasing use of electronic cigarettes which have an established evidence base as a harm reduction/quit aid. The current service model had an annual maximum budget of £450,000 with the payment model consisting of a combination of block payment (30%), and payment by result (70%) for every 12-week quit achieved. Expenditure against the budget for 2020/21 was £273,801.90

Having consulted with residents and partners about future smoking delivery, there was an ask to continue specialist support provision - in particular for those harder to reach/vulnerable smokers, but also an ask to provide more self-help options for the wider population.

Respondents felt that smokers should be able to move between the varying levels of support as they see fit/ progress on their quit journey.

In mirroring national ambition, a focus on reducing smoking prevalence reduction was essential and required the need to work with and across the system (including statutory, non-statutory, community organisations and residents). It was therefore felt that a service model is needed that is flexible both in terms of its methods and approaches to reach (previously missed target group) smokers, as well as flexible in terms of how service users can access support. Towards this, a model with two distinct elements was proposed:

- Specialist service (covering all pharmacological and behavioural support intervention delivery management as well as smoking cessation training to a range of stakeholders). This element would ensure a focus on harder to reach populations.
- Self-help option (resource efficient -directed at those already inclined to quit and with the necessary access/resource to do so)

Electronic cigarette access was to be developed and supported across both elements.

The budget for the proposed model would be £450,000 maximum per annum with an element of Payment by Results for each quit

successfully achieved. It was proposed that the service commence on 1 April 2022 for a period of 2 years with the option to extend for up to 1 year at a budget of £450,000 per annum with a 50:50 split between block contract and payment by results in order to ensure a good mix between quantity of smokers treated and quality of development and engagement work. This would mean a maximum total amount of £1,350,000.00.

Reason for Decision

To allow the procurement of Stop Smoking Service provision. This would ensure that support for Sandwell smokers continued to be available beyond the commissioned service which was due to end 31 March 2022.

Alternative Options Considered

- (1) To not approve the procurement of smoking support provision beyond 31 March 2022. This would impact health outcomes (not just of the smokers themselves but the health of others through secondary smoke harms) and further exacerbate health inequalities for our most disadvantaged groups within the borough.
- (2) To commission a similar model of provision again - this could work well if appropriately targeted towards our harder to reach smokers, it does not help deliver /transition the wider population towards more personal ownership and empowerment over their quit journey – potentially leaving The Council in a continuing position of predominantly specialist provision commissioning.

Agreed:-

- (1) that the Director of Public Health be authorised to re-commission Sandwell Stop Smoking Service provision ensuring future delivery of support for Sandwell smokers;

- (2) that the Director of Public Health be authorised to commence a procurement process for the provision of Stop Smoking Service to commence on 1 April 2022 for a period of 2 years with the option to extend for up to 1 year at a budget of £450,000 per annum;
- (3) that the Director of Public Health be authorised to enter into a contract with the successful bidder, in consultation with the Cabinet Member for Living and Ageing Well, for the provision of Stop Smoking Service to commence on 1 April 2022 for a period of 2 years to 31 March 2024 with the option to extend up to a further 1 Year (31 March 2025);
- (4) that an exemption be made to rule 8.7 of the Procurement and Contract Procedure Rules 2018/19 to allow a contract to be awarded to a successful tenderer in the event that the required minimum number of tenders are not received;
- (5) that approval be given to variations to the contract up to a maximum of 10% of the Contract value, should they be necessitated, and that authority to approve such Variations be delegated to the Director of Public Health in consultation with the Cabinet Member for Living and Ageing Well;
- (6) that the Director of Law and Governance and Monitoring Officer execute any documentation necessary to give effect to Resolution (2) – (5) above for the provision of a Stop Smoking Service.

Sandwell Universal Allocation Grant: Enhanced Drug Treatment Provision

Approval was sought to allow a variation of the current Adult Alcohol and Drug Service Contract value to fund additional enhanced provision.

The Director of Public Health provided a presentation to brief the Cabinet on the report. Following a national review of drug treatment delivery and funding, the government had provided an additional £80million funding for drug treatment services to be spent in 2021/22. Sandwell's allocated amount for the period was £407,000 and was additional to existing Public Health grant expenditure on drug treatment services. The funding must be spent on a specific menu of interventions focused on reducing drug related crime and reducing drug related deaths.

Many of the permissible spend interventions could only be delivered by our existing drug treatment provider, for example, expansion of pharmacological and psychosocial intervention capacity. To not have these delivered by the existing drug treatment services could compromise drug client experience and continuity of provision. Other proposed elements within the variation amount could fully integrate into existing commissioned provision within a minimal timescale, subject to recruitment.

It was therefore proposed to secure approval to allow a variation of the current Adult Alcohol and Drug Service Contract value to fund additional enhanced provision totalling £260,953 for a period of 12 months.

Reason for Decision

The expectation from government was that the additional enhanced delivery commenced as early into Quarter 1 of 2021/22 as possible for a period of 12 months. Given the timescales (local areas were only notified of their allocated amounts mid-March 2021) the government recognised the need to accommodate local approval processes and had subsequently allowed some activity to fall within Quarter 1 of the following financial year 2022/23.

Alternative Options Considered

- (1) Do not approve the variation. An alternative method of delivery of the proposed variation interventions would be to secure

provision through a competitive tender process. Risks with this option are as follows:

- There was no guarantee providers would be forthcoming given the contract length would be for 12 months only.
- Both the procurement exercise and lead-in time mean that activity would be unable to commence until at least the latter half of Q2 2021/22. This meant there was a risk that the Council would be unable to make use of all the funding.
- This would delay the commencement of interventions that would be of benefit to Sandwell residents.
- If the proposed interventions were delivered by a different provider it could result in the fragmentation of services and care pathways into treatment.

- (2) Do not approve the variation and not utilise the additional funding but simply return the monies to government.

Agreed:-

- (1) that approval be given to a variation to the current Adult Alcohol and Drug Service Contract to fund additional enhanced provision totalling £260,053;
- (2) that the Director of Public Health, in consultation with the Director of Law and Governance and Monitoring Officer, be authorised to vary the existing Adult Alcohol and Drug Service contract allowing the additional enhanced provision for a period of 12 months.

118/21

Extension of existing contracts for Carriageway Resurfacing and Carriageway Surface

Approval was sought to extend the existing contracts for carriageway resurfacing and carriageway surface treatments.

The Council had a statutory duty as the Highway Authority to maintain carriageways in a safe and useable condition.

The extension of existing contracts would enable Sandwell to continue to be able to access specialist highway maintenance contractors for work on footways and carriageways, helping to ensure our highways remain in a safe and useable condition for the benefit our residents and all those who use our roads and footways. Access to specialist contractors to deliver preventative maintenance work to our highway network was delivered through a collaborative framework agreement with Dudley Metropolitan Borough Council (MBC).

The extension had been agreed by the contract lead authority, Dudley MBC. The impact of COVID 19 and resource constraints had prompted Dudley to extend these existing contracts for 12 months prior to undertaking a competitive tender exercise. Sandwell would expect to spend c£3,000,000 per year under these frameworks.

Reason for Decision

The existing contract for the surface treatments was set to expire on 31 March 2021 and the contract for carriageway resurfacing was set to expire on 30 April 2021. The extension of the contracts had been agreed by the contract lead authority, Dudley MBC.

Alternative Options Considered

Without specialist suppliers, elements of a civil engineering framework contract for urgent service provision would need to be utilised, which was not recommended for this specialist area of work or considered to provide best value.

Agreed:-

- (1) that the Interim Director – Regeneration and Growth, in consultation with Cabinet Member for Connected and Accessible Sandwell, be authorised to extend the existing contracts for carriageway resurfacing and carriageway surface treatments;
- (2) that the Director of Law and Governance – Monitoring Officer be authorised to execute any documentation necessary to enable the course of action referred to in Resolution (1) above;

- (3) that any necessary exemptions be made to the Council's Procurement and Contract Procedure Rules to enable the course of action referred to in Resolution (1) above to proceed.

119/21

Provision of Annual Gas Safety Inspections

Approval was sought to award contracts for the delivery of Gas Safety Inspections.

The Council was responsible for the risk and maintenance of gas appliances under Landlords responsibility which encompassed approximately 26,000 serviceable properties and over 60,000 gas fitments.

The Council sought to appoint three Contractors to assist the Council's in-house Gas Section to undertake the Annual Gas Safety checks in our Council Properties, for a contract period of four years, from 1 August 2021 to 31 July 2025. The current contract was set to expire on the 31 July 2021.

Five compliant tenders were returned by the deadline of 9th April 2021. The Contractors with the winning submissions are Aaron Services Limited, Pheonix Gas Services Limited and J Tomlinson Limited.

The anticipated value of the contract was £5,100,000, (£1.275,000 per annum) for a period of four years.

Following a question from the Chair of the Budget and Scrutiny Management Board, the Cabinet Member for Quality Homes and Thriving Neighbourhoods explained that in the future, the Council were considering using their own repair staff to undertake these inspections.

Reason for Decision

The Council was obliged by statute to undertake gas safety inspections and servicing to its properties as a landlord.

Alternative Options Considered

There were no other options available, this contract was required in order for Sandwell MBC to be able to maintain its current housing stock and fulfil its landlord obligations.

Agreed:-

- (1) that approval be given to award contracts for the delivery of Gas Safety Inspections to: -
 1. Aaron Services Limited, for the sum of approximately £1,700,000 and for a period of 4 years, from 1 August 2021 to 31 July 2025;
 2. Pheonix Gas Services Limited, for the sum of approximately £1,700,000 and for a period of 4 years, from 1 August 2021 to 31 July 2025;
 3. J Tomlinson Limited, for the sum of approximately £1,700,000 and for a period of 4 years, from 1 August 2021 to 31 July 2025;
- (2) that the Director – Law and Governance and Monitoring Officer be authorised to enter into appropriate contracts for Gas Safety Inspections with Aaron Services Limited, Pheonix Gas Services Limited and J Tomlinson Limited.

120/21

Exclusion of the Public and Press

Agreed that the public and press be excluded from the rest of the meeting to avoid the possible disclosure of exempt information under Schedule 12A to the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006, relating to the financial or business affairs of any particular person, including the authority holding that information.

Relocation of BT from 1 Providence Place West Bromwich

Approval was sought to for proposals in relation to the relocation of BT from 1 Providence Place, West Bromwich.

On 22 July 2020 (see Minute No. 58/20 (1)) Cabinet agreed that 1 Providence Place building and the remaining Providence Place development plot be declared surplus to the Council's requirements. On 26 August 2020 (see Minute No. 68/20) Cabinet resolved to dispose of the property and adjacent development plot for best consideration and to enable the Department for Education to develop a new 750 place free school on the sites. It was understood that the commercial tenant, BT, was planning to relocate to Birmingham as soon as its new offices were ready for occupation, and that the building would likely be vacant by early 2021. On 23 December 2020 the Council exchanged contracts with the DfE for the sale of 1 Providence Place subject to a condition that by 30 June 2021 the Council would agree the surrender of BT's lease to enable the sale of the building to DfE to proceed with vacant possession, to enable the delivery of the new school.

It had now become necessary to renegotiate terms for a surrender of BT's lease.

Contracts would be exchanged by end June 2021 with a surrender date of 31 December 2021. This would satisfy our obligations to DfE.

Reason for Decision

The Local Education Authority was delivering major expansion of the secondary school sector in the borough to ensure sufficient school places are provided for the local community, and as part of this the Department for Education had agreed to fund a 750 place secondary school at 1 Providence Place which would be sponsored through a joint partnership between Shireland Collegiate Academy Trust and the City of Birmingham Symphony Orchestra. BT are tenants in Providence Place on a lease expiring in 2026.

To facilitate the redevelopment of 1 Providence Place agreement needs to be reached with BT for them to surrender their lease early.

Alternative Options Considered

If the surrender of BT's lease did not proceed then the sale of 1 Providence Place to the DfE would not proceed, and the school would not be delivered. An in-depth study was undertaken in 2019 and 2020 to identify possible locations for the school and no suitable alternatives were identified.

Agreed:-

- (1) that approval be given to agreeing a surrender of BT's lease at 1 Providence Place, West Bromwich to facilitate the sale of the building to the Department for Education;
- (2) that the Interim Director of Regeneration and Growth and the Director of Law and Governance, in consultation with the Cabinet Member for Strong and Inclusive Economy, be authorised to agree the contract documentation.

122/21

External Funding Application to Sport England - National Leisure Recovery Fund

Approval was sought for proposals to enter into a formal funding agreement with Sandwell Leisure Trust and Places Leisure.

The Council had been successful with its application to Sport England, on behalf of Sandwell's leisure operators (Sandwell Leisure Trust and Places Leisure).

The Council had completed a grant agreement with Sport England and was holding the funds whilst Cabinet approval was sought before passporting funds to the operators.

A full project appraisal had been undertaken by Strategic Finance. The appraisal process recorded a 'satisfactory' score of 65%. Some risks had been identified resulting from the appraisal and action points recommended to mitigate these risks.

As the applicant the Council was required to enter into a formal Grant Funding Agreement with Sport England. In line with the above, the Council was required to enter into a formal funding agreement with Sandwell Leisure Trust and Places Leisure prior to passporting funds.

The intention of the National Leisure Recovery Fund was to provide financial support to leisure operators. Councils were required to apply for funds on behalf of their operators and passport funds to operators.

Reason for Decision

The payment of the grant to Sandwell Leisure Trust would reduce the risk of any potential financial difficulties to them whilst the leisure sector recovers thus reducing the risk of any potential further support required from the Council. The payment of the grant to Places Leisure will ease financial pressures on the Council in providing financial support.

Alternative Options Considered

The only other alternative would be that the Council did not passport the grant funding to the operators and return monies already received to Sport England.

Agreed:-

- (1) that the Interim Director of Borough Economy be authorised to enter into a legal grant agreement with Sandwell Leisure Trust, transferring the obligations of the funding award to Sandwell Leisure Trust;
- (2) that the Interim Director of Borough Economy be authorised to enter into a legal grant agreement with Places Leisure, transferring the obligations of the funding award to Places Leisure;
- (3) that in connection with Resolution (1), payment of grant funding be made to Sandwell Leisure Trust;
- (4) that in connection with Resolution (2), that payment of grant funding be made to Places Leisure (including deduction for April and May);
- (5) that the following action points identified within the Appraisal Report be implemented to reduce any risk to the Council:

- That prior to passporting any funding to the Council's leisure operators, the Council enter into a funding agreement with Sandwell Leisure Trust and Places Leisure, with the same terms and conditions as those contained in the agreement with Sport England.
- That in relation to Resolution (2) and (3) of the Appraisal Report, the accuracy of data provided to Sport England for funding and monitoring purposes should be verified by Sandwell MBC.
- That a process for Sandwell Leisure Trust & Places Leisure to capture all required data in accordance with the funder's timescales, terms and conditions is established.
- That grant claims are verified by Sandwell MBC as eligible expenditure, as part of the monitoring process undertaken by the Council.
- That the Risk Register is reviewed to ensure all risks are adequately assessed and mitigated with responsible officers and target dates for the mitigation of risks identified.
- State aid advice is sought from Legal Services to ensure all grant funding is state aid compliant.
- That VAT/tax advice is sought from the Council's Tax Accountant.

Meeting ended at 4.26 pm

Contact: democratic_services@sandwell.gov.uk