

# Minutes of Cabinet

**Wednesday, 15 December 2021 at 3.30 pm  
at Council Chamber, Sandwell Council House, Freeth Street, Oldbury,  
B69 3DB**

**Present:** Councillor Carmichael (Leader of the Council);  
Councillors Ahmed, Bostan, Carmichael, Hartwell, Millard,  
I Padda, Piper and Simms

**Officers:** Kim Bromley-Derry (Interim Chief Executive), Gillian Douglas  
(Director of Housing), Simone Hines (Director of Finance),  
Tony McGovern (Director of Regeneration and Growth), Lisa  
McNally (Director of Public Health), Surjit Tour (Director of  
Law and Governance and Monitoring Officer), Elaine  
Newsome (Service Manager – Democracy) and Suky Suthi-  
Nagra (Democratic Services Manager).

## **223/21 Apologies for Absence**

Apologies for absence were received from Councillors Crompton,  
E M Giles, Moore, Mabena and Shackleton.

## **224/21 Declarations of Interest**

There were no interests declared at the meeting.



**225/21**

## **Minutes**

**Resolved** that the minutes of the meeting held on 18 November and 24 November 2021 be confirmed as a correct record.

**226/21**

## **Additional Items of Business**

There were no additional items of business to consider.

**227/21**

## **Additional Licensing (West Bromwich Area)**

Approval was sought to authorise the Director of Housing to implement Additional Licensing for the defined part of West Bromwich, as per the proposal approved for consultation by Cabinet on 26 June 2019 (see Minute No. 81/19). This would ensure that Houses in Multiple Occupation (HMO) meet a minimum standard of management and that all other private rented property within a designated area was managed by the landlord to a satisfactory standard.

Local councils could choose to require private landlords or their managing agents to have a licence to rent out their property. The licence conditions stated that landlords must keep their property safe and well maintained as well as deal with any problems associated with the property such as dumped rubbish, untidy gardens or anti-social behaviour.

The area in West Bromwich identified had a potential 3,007 private rented properties/houses in multiple occupation that would require licensing under the 2 types of scheme.

### **Reason for Decision**

The borough had experienced a major increase in private rented accommodation in some areas, including HMO not subject to the Mandatory Licensing Scheme.

It was recognised that some landlords and agents did not provide adequate accommodation or management of their properties. The council had implemented a range of powers and approaches to seek to address these issues, but a new approach was considered necessary to address the specific concerns relating to HMO private rented properties within the defined area of West Bromwich which had been the subject of consultation for these proposals.

### **Alternative Options Considered**

The options considered included several possible interventions for tackling substandard and 'problematic' smaller HMOs in the area as set out below:

**Do nothing** - This option would involve the Council doing nothing to intervene in the small HMO sector this would leave the local housing market to be the driver for landlords carrying out improvements to their properties.

**Do the minimum (reactive inspection programme only)** - This option would mean that the Council intervention in the small HMO sector being limited to a basic complaint response service with action by other departments and agencies on a largely ad hoc basis.

**Informal area action (Proactive inspection programme)** - This would be delivered through a non-statutory Action Area, considering parts of the borough where there was concentration of poorly managed or maintained properties.

**Voluntary Accreditation** - Accreditation schemes have a set of standards (or code) relating to the management or physical condition of different HMOs and recognise properties/landlords who achieve/exceed the requirements. This was a voluntary scheme which relied upon the cooperation of landlords and agents and as such it was unlikely to attract a large part of the sector.

**Targeted use of Interim Management Orders (IMOs) and Final Management Orders (FMOs)** - The Housing Act 2004 gave local authorities powers to use Management Orders for tackling comprehensive and serious management failures. These powers were currently available for HMOs that were required to be licensed under the Mandatory HMO licensing scheme but not those HMOs that fell outside this national scheme.

Article 4 Direction - This option would rely on the use of this power to control the numbers of new HMOs and the market to drive property improvements. It would only succeed in reducing numbers if appropriate planning policy was adopted to restrict numbers, it was not retrospective and would not resolve the quality of the PRS stock, living conditions for tenants or neighbouring properties.

**Agreed:-**

- (1) that the Director of Housing be authorised to implement Additional Licensing for the defined part of West Bromwich, as per the proposal approved for consultation by Cabinet on 26 June 2019;
- (2) that in connection with Resolution (1) above, the Director of Housing be authorised to:
  - (a) publish the notice of decision within 7 days of the decision;
  - (b) undertake a promotional campaign, including timescale for implementation, to run from February 2022;
  - (c) introduce a 3-month grace period for additional licensing from 1 April 2022 to 30 June 2022; and
  - (d) commence enforcement activity for unlicensed premises from 1 July 2022.

**228/21**

**Day to Day Repairs to Housing**

Approval was sought to authorise the Director of Housing, in consultation with the Director of Finance and Section 151 Officer, to award a contract for the provision of day to day repairs to the Council's housing stock, for the period 1 January 2022 to 31 December 2023 at an anticipated value of £1,300,000 following the conclusion of the current procurement exercise.

### **Reason for Decision**

The current contract was due to expire on 31 October 2022. However, one of the incumbent contractors had gone into administration and the other incumbent contractor did not have the capacity to receive orders which would leave the Council in the position of not having adequate resources available to maintain the pace of demand for delivering the required repairs to Council properties.

The Council was therefore seeking to procure and appoint 3 contractors, 2 to undertake day to day repairs and 1 to undertake repairs to fencing, for a contract period of 24 months running from January 2022 to December 2023.

### **Alternative Options Considered**

There were no other options available. This contract was required in order for Sandwell MBC to be able to repair and maintain the current housing stock.

Current in-house provision did not have the capacity to maintain the pace of demand for delivering the required repairs to Council properties and therefore support from external contractors was required.

### **Agreed:-**

- (1) that the Director of Housing, in consultation with the Director of Finance and Section 151 Officer, be authorised to award a contract for the provision of day to day repairs to our housing stock, for the period 1 January 2022 to 31 December 2023 at an anticipated value of £1,300,000 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.

## **The review of council tenant rents and housing related property charges**

Approval was sought to authorise the Director of Housing to make several amendments to council tenant rents and housing related charges for 2022/23.

This included increasing housing service charges by the consumer price increase (CPI) which was 3.1% plus 1% which was equivalent to a 4.1% increase. Approval was also sought to increase rent at the traveller's pitch site in Hillside View, Tipton, by the lower level of either 2% or the consumer price increase (CPI) plus 1%. For 2022/23, this would be an increase of 2%. This increase to be implemented, subject to consultation with residents of the site contract, was to be awarded following a compliant further competition and evaluation process under the NHS Shared Business Services, Digital Workplace Solutions Framework agreement. The rental charge for garage sites was proposed to be increased by £4.13 to £11 per week.

Approval was also sought for properties managed by Riverside under the Private Finance Initiative (PFI) agreement to be subject to a 2% rental increase and 4.1% increase in service charges.

Additionally, properties that sat outside the Housing Revenue Account (including service tenants for Parks, Sandwell Valley and Caretaking) received a 4.1% increase in rental charges and service charges. This was equivalent to CPI plus 1%. Furthermore, it was proposed to increase the leaseholder annual fee by CPI plus 1% in 2022/23 to £104.10.

### **Reasons for Decision**

On an annual basis, council tenants, leaseholders and other residents were notified of the rent and other related housing charges to be set from April. Approval was sought to agree the revision of these charges for the new financial year 2022/23.

The rental income was essential to the financial robustness of the Housing Revenue Account (HRA). Rental income offsets operational costs and financial charges and the surplus was used to invest in capital improvements; in particular, to fund the council's affordable homes new build programme.

Approval had already been granted by Cabinet on 8 January 2020 to increase rents by 2% in each of 3 financial years: 2020/21, 2021/22 and 2022/23. This report sought approval for service charges and other rental charges only.

### **Alternative Options Considered**

It was recommended from April 2022 to increase rents by 2% for tenants within the Riverside managed PFI estate of Wednesbury. The council did have the discretion to set PFI rents. This increase was consistent with the increase in the council's rents.

The Department for Levelling up Housing and Communities (DLUHC) policy allows social landlords to increase their annual rents by Consumer Price Index (CPI) plus 1%. This would be a 4.1% increase for our tenants. The lower 2% increase proposed in January 2020 was agreed by Cabinet. The lower increase recognised the impact of the rise in fuel costs, the ending of furlough and ending of the universal credit uplift, on our tenants.

An alternative to increasing rental and service charges would be to reduce services where costs could not be met through operational budgets.

**Agreed** that in relation to council tenant rents and housing related charges for 2022/23, the Director of Housing be authorised to:

- (1) increase housing service charges by the consumer price increase (CPI) which is 3.1% plus 1% which is equivalent to a 4.1% increase;
- (2) increase rent at the traveller's pitch site in Hillside View, Tipton, by the lower level of either 2% or the consumer price increase (CPI) plus 1%, for 2022/23, this will be an increase of 2% subject to consultation with residents of the site
- (3) increase rental charges for garage sites by £4.13 to £11 per week;
- (4) that properties managed by Riverside under the Private Finance Initiative (PFI) agreement be subject to a 2% rental increase and 4.1% increase in service charges;
- (5) that properties that sit outside the Housing Revenue Account (including service tenants for Parks, Sandwell Valley and Caretaking) receive a 4.1% increase in

- rental charges and service charges. This is equivalent to CPI plus 1%;
- (6) increase the leaseholder annual fee by CPI plus 1% in 2022/23 to £104.10.

**230/21**

### **Provision of 10 new council homes at Britannia Road, Rowley Regis – Award of contract**

Approval was sought to award a contract to Seddon Construction Ltd, in the sum of £2,297,287.00 for the construction of ten houses (8x 2 bed semi-detached and 2x 4 bed semi-detached) at Britannia Road, Rowley Regis using the Homes England Delivery Partner Panel 3 Framework, West Midlands Lot.

The cost of the proposed contract with Seddon Construction Ltd was covered within the original capital allocation of adequate resources to fund the proposed project on 20 March 2019 (see Minute No. 34/19). Project costs were originally split between the Housing Revenue Account (HRA) and Homes England grant funding. However, funding was now proposed to be split between the HRA and Right to Buy 1-for-1 (RTB) capital receipts in accordance with clause 7.3 of the original approval. The funding sources for all schemes within the Council New Build programme were constantly monitored to ensure that the most beneficial funding source was selected, that all Homes England grant commitments were achieved and that all RTB capital receipts were allocated to prevent any loss of the receipts due to not expending them within the designated time periods. An exemption was therefore required to the Council's Procurement and Contract Procedure Rules.

#### **Reasons for Decision**

This scheme would provide ten new council-owned affordable homes that meet Building Regulations and current housing requirements.

Sandwell's Housing Management Team had provided housing demand data in relation to bidding activity for different property types in the area which showed that there was demand for all proposed property types.

Subject to the approval and completing contractual arrangements, it was envisaged that works could commence January 2022 and complete October 2022.



## **Alternative Options**

The alternative option was to not accept this tender through Exemption to Procurement and Contract Procedure Rules and to go back out and retender. Recent tender activity for other schemes had shown a reduction in the number of tender returns which was probably a direct result of above and the current construction market conditions. It was not recommended to re-tender as this would cause at least a 6 month delay to a start on site, there was no guarantee how many tenders would be returned and the tender sum was likely to increase considerably if the current trend continued.

### **Agreed:-**

- (1) that the Director Regeneration and Growth be authorised to award a contract to Seddon Construction Ltd, in the sum of £2,297,287.00 through Exemption to Procurement and Contract Procedure rules (rule 15, rule 8.11 regarding single tender returns) for the construction of 10 houses (8x 2 bed semi-detached and 2x 4 bed semi-detached) at Britannia Road, Rowley Regis as tendered using the Homes England Delivery Partner Panel 3 Framework, West Midlands Lot;
- (2) that the Director – law and Governance and Monitoring Officer be authorised to enter into or execute under seal any documentation in relation to award of the contract and/or other agreements as may be deemed necessary;
- (3) that any necessary exemptions be made to the Council's Procurement Contract Procedure Rules to enable to course of action referred to in Resolution (1) above to proceed.

**Award a Contract Plant Hire Equipment**

Approval was sought to award a contract for the provision of plant hire equipment once evaluation processes were complete and following compliant competitive tender processes.

Plant hire equipment was essential for Highways Services to facilitate general maintenance, repairing footways and carriageways on the highways network around the Borough.

As the Local Highway Authority; the Council had a statutory duty to ensure the Highway Network was maintained in a safe and useable manner.

To meet this duty, the plant and equipment stipulated within this contract was used to enable the direct labour force to maintain carriageways and footways across the Borough.

**Reason for Decision**

Procurement was required because the current contract for the supply of Plant Hire Equipment expired on 31 October 2021.

**Alternative Options**

There were no recommended affordable alternatives to obtain plant equipment to maintain our Highway Network.

**Agreed:-**

- (1) that the Director of Borough Economy be authorised to award a contract for the provision of Plant Hire Equipment once evaluation processes are complete and following compliant competitive tender processes;
- (2) that the in connection with Resolution (1) above, Director of Law and Governance and Monitoring Officer be authorised to execute any documentation necessary;

- (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.

**232/21**

### **Award a Contract for Coated Road Stone and Instant Road Repair Materials**

Approval was sought for the Council (SMBC) to work in collaboration with Dudley Metropolitan Borough Council and Wolverhampton City Council, with SMBC acting as lead Authority, in the supply of Coated Road Stone and Instant Road Repair Materials.

Approval was also sought to award contracts and accept tenders for the provision of Coated Road Stone and Instant Road Repair Material; for general maintenance, repair of footways and carriageways on the highways network around the Borough once evaluation processes were complete and following compliant competitive tender processes.

#### **Reasons for Decision**

Procurement was required because the existing contracts for the supply of Coated Road Stone Materials and Instant Road Repair were about to expire.

The framework tender was a collaboration with Dudley Metropolitan Borough Council and Wolverhampton City Council with Sandwell acting as lead Authority with SMBC benefitting from economies of scale and reduced tendering costs.

The tender exercise would aim to ensure continuity of operations and enable a smooth and efficient switch to the new contract.

#### **Alternative Options**

There were no recommended affordable alternatives to obtain material to maintain the Highway Network.

### **Agreed:-**

- (1) that Sandwell Metropolitan Borough Council (SMBC) work in collaboration with Dudley Metropolitan Borough Council and Wolverhampton City Council, with SMBC acting as lead Authority, in the supply of Coated Road Stone and Instant Road Repair Materials;
- (2) that the Director of Borough Economy be authorised to award contracts and accept tenders for the provision of Coated Road Stone and Instant Road Repair Material; for general maintenance, repair of footways and carriageways on the highways network around the Borough once evaluation processes are complete and following compliant competitive tender processes;
- (3) that in connection with Resolution (1) and (2) above, the Director of Law and Governance and Monitoring Officer be authorised to execute any documentation necessary to enable the above;
- (4) 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 (2) above to proceed.

**233/21**

### **The Appropriation of Flat 148 Tower Road, Oldbury B69 1PE**

Approval was sought to declare the premises known as flat 148 Tower Road, Oldbury B69 1PE surplus to the requirements of Property Services.

It was also proposed to appropriate the premises from the General Fund to the housing revenue account (HRA) and to authorise the Director – Housing to manage and let the premises as part of the council's housing stock with the Director – Finance making the appropriate adjustments to the Capital Financing Requirements to reflect the appropriation between the General Fund and HRA.

## **Reasons for Decision**

The proposed appropriation of the premise would accommodate subsequent use by housing as part of the housing stock within the remit of the housing revenue account.

The flat was previously included as part of a commercial lease for the shop premises at 144 Tower Road, Oldbury. Currently, the commercial property market did not support demand for this type of hybrid accommodation.

Returning the property to housing stock would assist in meeting demand for flatted residential accommodation.

## **Alternative Options**

Currently, the commercial property market did not lend itself to this type of hybrid accommodation where a commercial premise with residential accommodation were let by way of a single lease. The Council could continue as per the original letting but the property would be more difficult to market as a commercial lease.

The premises could be appropriated to housing stock to provide residential accommodation in the Tividale area where there was a demand for flatted accommodation.

## **Agreed:-**

- (1) that approval be given to declare the premises known as flat 148 Tower Road, Oldbury B69 1PE, as identified on site plan identification reference SAM/48660/008, surplus to the requirements of Property Services;
- (2) that in connection with Resolution (1) above, the Director – Regeneration and Growth be authorised to appropriate the premises from the General Fund to the Housing Revenue Account;
- (3) that the Director – Housing be authorised to manage and let the premises as part of the council's housing stock;
- (4) that the Director – Finance be authorised to make the appropriate adjustments to the Capital Financing Requirements to reflect the appropriation between the General Fund and Housing Revenue Account.

## Domestic Abuse Safe Accommodation Strategy 2021-24

Approval was sought to adopt the Domestic Abuse Safe Accommodation Strategy 2021-2024 and to authorise the Director of Borough Economy, in consultation with the Cabinet Member for Community Safety, to review and approve subsequent reviews and amendments to the Domestic Abuse Safe Accommodation Strategy except where the changes were major or involve amended legislation.

Final Statutory guidance on the new duty for local authorities was issued by the Department of Levelling Up, Housing & Communities (DLUHC) on 1 October 2021.

Under the duty, local authorities were required to:

- assess the need for victims of domestic abuse and their children in safe accommodation services in their areas;
- produce a strategy to detail how they will respond to the duty;
- commission support to victims and children in safe accommodation;
- appoint a domestic abuse local partnership board for the purposes of providing advice to the authority about the exercise of the authority's functions;
- report back annually to central government that they have met these obligations.

Sandwell Domestic Abuse Strategic Partnership (DASP) were already responsible for the development, co-ordination and delivery of the local domestic abuse strategy. DASP had been established as the new statutory board and the terms of reference had been updated to reflect the new requirements and responsibilities.

The Safe Accommodation Strategy outlined the key points and recommendations from the needs assessment and how these would be addressed. The needs assessment had incorporated a range of data from partners; stakeholders feedback and feedback from domestic abuse victims-survivors.

The draft safe accommodation strategy was widely consulted on across SMBC and DASP partners and was published on the council's website on 25 October 2021 to comply with the statutory requirement to publish a draft strategy by that date. The final safe accommodation strategy was required for publication by 5 January 2022.

An implementation plan would be developed to underpin the delivery of the safe accommodation strategy which would be regularly monitored by DASP.

New Burdens Funding had been allocated to the council to support the delivery of the new safe accommodation duty and proposals for this were currently being developed.

### **Reasons for Decision**

The Domestic Abuse Act 2021 placed a new statutory duty for local authorities to provide specialist support for victims of domestic abuse in safe accommodation, including a requirement for each local authority to produce a safe accommodation strategy by 5 January 2022.

### **Alternative Options**

It was a requirement under the Domestic Abuse Act 2021 that a domestic abuse safe accommodation strategy was published by 5 January 2022. Therefore, no alternative option has been identified.

### **Agreed:-**

- (1) that approval be given to adopt the Domestic Abuse Safe Accommodation Strategy 2021-2024;
- (2) that the Director of Borough Economy, in consultation with the Cabinet Member for Community Safety, be authorised to review and approve subsequent reviews and amendments to the Domestic Abuse Safe Accommodation Strategy except where the changes are major or involve amended legislation.

## **B2022 Commonwealth Games – Host Integration Project**

Approval was sought to authorise the Director of Finance to agree a budget of £1,000,000 from Council reserves to enable the delivery of the Host Integration Project.

It was also proposed to authorise the Director of Finance to submit funding and agree funding bids with third parties that could support the delivery of the Host Integration Project and authorise the Director of Regeneration and Growth, in consultation with the Director of Finance and the Director – Law and Governance and Monitoring Officer, to undertake procurements and sign legal agreements that support the delivery of the Host Integration Project.

The report also sought approval to authorise the Director of Regeneration and Growth to create three new fixed term full time equivalent posts (until 31 August 2022) as follows:

- Sandwell Aquatics Centre Facility and Operations Manager (H Grade);
- Sandwell Aquatics Centre Deputy Facility and Operations Manager (G Grade); and
- Sandwell Commonwealth Games Volunteer Co-ordinator (E Grade).

### **Reasons for Decision**

Hosting a venue for the Birmingham 2022 (B2022) Commonwealth Games was a once in a lifetime opportunity for the borough of Sandwell and one that Sandwell Council wish to make the most of for its residents. The delivery of the Host Integration Project would support the delivery of many opportunities.

As part of the bid to host the Games, Sandwell Council agreed a 'Host City Guarantee' with the Commonwealth Games Federation and Birmingham City Council in September 2017. This agreement detailed what the Council would be required to deliver as part of the overall Games delivery. The Host Integration Project would deliver all the requirements detailed within the 'Host City Guarantee'.

To support the delivery and success of the Host Integration Project and the B2022 Commonwealth Games, additional resources outlined, both from a financial and staffing perspective were required for the project to be a success.



## **Alternative Options**

Do nothing – this would leave Sandwell Council in breach of the ‘Host City Guarantee’ that was entered into in September 2017 and would leave Sandwell Council at risk of the recovery of funding towards the Aquatics Centre. Also, the non-delivery of the Host Integration Project would mean that the B2022 Commonwealth Games with all the excitement and benefits that it would bring to the borough would not be able to be delivered.

### **Agreed:-**

- (1) that the Director of Finance be authorised to agree a budget of £1,000,000 from Council reserves to enable the delivery of the Host Integration Project;
- (2) that the Director of Finance be authorised to submit funding and agree funding bids with third parties that could support the delivery of the Host Integration Project;
- (3) that the Director of Regeneration and Growth, in consultation with the Director of Finance and the Director – Law and Governance and Monitoring Officer, be authorised to undertake procurements and sign legal agreements that support the delivery of the Host Integration Project;
- (4) that the Director of Regeneration and Growth be authorised to create three new fixed term full time equivalent posts (until 31 August 2022) as follows:
  - Sandwell Aquatics Centre Facility and Operations Manager (H Grade);
  - Sandwell Aquatics Centre Deputy Facility and Operations Manager (G Grade); and
  - Sandwell Commonwealth Games Volunteer Co-ordinator (E Grade);
- (5) that the Director Regeneration and Growth be authorised to submit a further report to Cabinet in March 2022 detailing the final Operational Plan for the Host Integration Project.

## Draft General Fund Budget Report 2022/23

Consideration was given to the draft budget position for 2022/23 and the proposed savings required for consultation which was subject to a further report in February 2022 setting out the results of the consultation referred to in above for Cabinet to consider prior to final budget proposals being approved.

### Reasons for Decision

The Local Government Finance Act 1972 required the Council to set a balanced, risk assessed budget each year and approve a Council Tax precept by 11 March.

### Alternative Options

Cabinet could request that alternative savings options be proposed and agreed, although there was limited time to do this and still be able to carry out the appropriate consultation on alternative savings.

#### Agreed:-

- (1) that the draft budget position for 2022/23 and the savings required be noted;
- (2) that the savings identified in Appendix A be approved in principle for consultation and an Equality Impact Assessment where required;
- (3) that the Director of Finance submit a further report in February 2022 setting out the results of the consultation referred to in Resolution (2) above for Cabinet to consider prior to final budget proposals being approved;
- (4) that the draft budget and savings options be considered by the Budget and Corporate Scrutiny Management Board in January 2022.

## Council Tax Base Calculation 2022/23

The Council was requested to approve the Council Tax Base for 2022/2023 to be set at 74,858.45.

Approval was also sought to authorise the Section 151 Officer to adjust the Council Tax Base as required following approval of the

2022-2023 Council Tax Reduction Scheme by Council on 18 January 2022.

The Council Tax Base must be reduced to reflect any anticipated losses on collection. In recent years this had meant a reduction of 1% as experience had shown that a 99% collection rate was ultimately achievable.

At the end of October 2021, the in-year collection rate had increased slightly by 0.10% compared to the same point last year. Compared to the same period prior to the on-set of the pandemic however the collection rate had decreased by 2.32%. A drop of 2.32% equates to approximately £3m of uncollected Council Tax.

The Council had received a hardship fund of £3.5m to help residents who were struggling to meet their Council Tax payments. To date £1.2m had been awarded to this fund to residents in receipt of a partial Local Council Tax Reduction and we would continue to spend the fund before the end of March 2022. This would help improve the in-year collection rate for 2021/22.

As its not yet know whether a hardship fund would be made available for 2022/23 and it was clear that many residents would move into the new financial year with previous-year Council Tax debt, the Council Tax Base for 2022/23 had been reduced by 2% thereby assuming a 98.5% collection would ultimately be achieved. This reduced the Council Tax Base as follows:

<u>Collection Rate %</u>	<u>Tax Base</u>
98.5	74,858.45

The actual levels of Council Tax for 2022/2023 would be dependent upon final decisions yet to be taken on both Sandwell budgets and those of the precepting bodies, together with consideration of any surplus or deficit on the Collection Fund.

### **Reasons for Decision**

The Council Tax Base must be calculated in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012. It was used to determine the annual amount of collectable Council Tax.

The regulations set out the methodology to be used by authorities when calculating their Council Tax Base. They further dictate that

the Council Tax Base should be set between 1 December and 31 January prior to the financial year to which it refers.

The Council Tax Base for 2022/23 had been calculated as 74,858.45.

### **Alternative Options**

There were no alternative options available.

#### **Agreed that the Council be recommended to:-**

- (1) approve the Council Tax Base for 2022/2023 to be set at 74,858.45;
- (2) authorise the Section 151 Officer to adjust the Council Tax Base as required following approval of the 2022-2023 Council Tax Reduction Scheme by Council on 18 January 2022.

**238/21**

#### **~~Business Rates Retention Estimates 2022/23~~**

Approval was sought for the business rate retention forecast for 2022/23, based on 99% Business Rates Retention, be set at £84.06m, subject to any changes arising from the issue of the National Non- Domestic Rate (NNDR1) form by the Spending Review announcements.

Approval was also sought to authorise the Section 151 Officer to adjust the estimate to take account of any required changes arising from the issue of the National Non-Domestic Rate (NNDR1) form, Department for Levelling up, Housing and Communities, Spending Review, Budget Statement announcements and funding arrangements for Business Rates Retention.

Based on information received from Planning regarding large businesses due to come into the rating list next year and large businesses due to be demolished, the Council was not expecting Business Rates growth during 2022/23

Although it appeared to show a reduction in Business Rates income from last year's estimate, at the point of calculating the estimate last year, there was no indication that the retail, hospitality, leisure industries and nurseries reliefs would continue. The government later confirmed continuation of the reliefs for 2021/22.

The government had already announced that these reliefs would continue for 2022/23 at 50%. Reliefs had the effect of reducing the collectable rates, however, the council received a Section 31 grant which compensated us fully for the loss in income. This had been estimated to amount to £15.6m.

The government had also confirmed in the October 2021 budget that the business rates multiplier would be frozen for 2022/23 and that local authorities would be funded for the loss in income. This was approximately £2m.

### **Reasons for Decision**

There was a statutory requirement placed on all collection authorities to calculate how much Business Rates income each authority was likely to receive for the coming financial year.

### **Alternative Options**

There were no alternative options available.

### **Agreed:-**

- (1) that subject to any changes arising from the issue of the National Non- Domestic Rate (NNDR1) form by the Spending Review announcements, the business rate retention forecast for 2022/23, based on 99% Business Rates Retention, be set at £84.06m;
- (2) that in connection with Resolution (1) above, the Section 151 Officer be authorised to adjust the estimate to take account of any required changes arising from the issue of the National Non- Domestic Rate (NNDR1) form, Department for Levelling up, Housing and Communities, Spending Review, Budget Statement announcements and funding arrangements for Business Rates Retention.

The Council was recommended to approve no changes being made to the Local Council Tax Reduction Scheme for 2022/23 and that Council approve the Local Council Tax Reduction Scheme for 2022/23.

### **Reasons for Decision**

The Local Council Tax Reduction Scheme (LCTRS) provided crucial support to low income families and our most vulnerable residents.

The LCTRS was based on income bands and residents on very low incomes could continue to receive 100% support.

Sandwell was now the only council in the West Midlands to provide up to 100% support and one of only a few nationally.

### **Alternative Options**

Nationally, 75% of local authorities had introduced a minimum Council Tax payment. This meant that everyone, including those people on a very low income, must pay something towards their Council Tax.

Sandwell did not want to introduce a minimum payment into its LCTRS as the Council wished to protect the most vulnerable households and improve child poverty.

### **Agreed to recommend to Council that:-**

- (1) no changes are made to the Local Council Tax Reduction Scheme for 2022/23;
- (2) the Local Council Tax Reduction Scheme for 2022/23 be approved.

**240/21**

### **External Audit Value for Money Governance Review**

The Council was recommended to consider the findings of the external auditor, Grant Thornton, Value for Money Governance Review report and for the Leader of the Council and the Interim Chief Executive to develop an action plan to address the statutory, key and improvement recommendations of the Governance Review for approval by Council on 18 January 2022.

### **Reasons for Decision**

Under sections 20 and 21 of the Local Audit and Accountability Act 2014, auditors must determine whether the council had made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This was known as the Value for Money (VFM) conclusion and was reported publicly. As the council's external auditors, Grant Thornton had conducted a review into the council's governance arrangements and would be reporting their findings of this review to Full Council in January 2022.

At that stage the report must include the council's management response to the statutory and key recommendations. As the recommendations span the governance arrangements across the whole council, the action plan that supported this response must be developed by the Leader of the Council and the Interim Chief Executive to ensure corporate wide improvements were delivered and sustained.

### **Alternative Options**

The Governance Review was undertaken as part of the external auditor's role to provide assurance on the council's arrangements for securing economy, efficiency and effectiveness in its use of resources, and therefore the report was a public document and must be reported to Full Council. As the report included statutory recommendations, the council had a legal obligation to respond appropriately. There were no alternative options to consider.

### **Agreed that the Council be recommended to:-**

- (1) receive Grant Thornton's Value for Money Governance Review report;
- (2) consider the action plan developed by the Leader of the Council and the Interim Chief Executive to address the statutory, key and improvement recommendations of the Governance Review for approval.

**241/21**

### **Cabinet Petitions Minutes - 13 October 2021**

The minutes of the Cabinet Petitions Committee meeting held on 13<sup>th</sup> October 2021 were noted.

**242/21**

### **Exclusion of the Public and Press**

**Resolved** that the public and press be excluded from the rest of the meeting to avoid the possible disclosure of exempt information under paragraph 3 of Schedule 12A to the Local Government Act, 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006, relating to the financial and business affairs of any person, including the authority holding that information.

**243/21**

### **Land on the west side of Tunnel Road, West Bromwich**

Approval was sought to declare the land located on the west side of Tunnel Road, West Bromwich surplus to Council requirements.

Approval was also sought to dispose of the freehold reversionary interest in approximately 0.22 hectares (0.53 acres) approximately of land situated on the west side of Tunnel Road, West Bromwich, to the existing tenant, on terms and conditions to be agreed by the Director - Regeneration and Growth.

Additionally, in the event that the terms for disposal of land were not agreed by the tenant, approval was sought to authorise the Director – Law and Governance and Monitoring Officer to dispose of the freehold interest in the land on the open market and otherwise on terms and conditions agreed by the Director – Regeneration and Growth.

#### **Reasons for Decision**

The report sought to approve to dispose of the freehold reversionary interest in a parcel of Council-owned land situated on the west side of Tunnel Road to the current tenant, or if terms were not agreed, to effect a subsequent sale of the land on the open market subject to the existing lease.

The land was currently leased to by virtue of a 99-year lease from 1958 and this would continue with the Council receiving a fixed annual rent of £120.

Under Planning allocation, the land was situated within an area identified as Potential High Quality Employment Land and was not affected by any current or future Council regeneration projects.

#### **Alternative Options**

The Council could retain the freehold of the ground lease which would continue to yield the sum of £120 per annum. There would



be minimal future costs to the Council as the lease was a ground lease with the upkeep and maintenance of the building/s, together with all outgoings, being the tenant's responsibility.

The existing lease could be surrendered and a new longer lease granted with rent reviews at 5-year intervals. This, however, would not provide the tenant with the comfort he required to attract inward investment and additionally it was an isolated interest which the Council would consider for disposal.

Alternatively, the Council could consider disposal of the freehold on the open market, but this may not generate the same level of capital receipt and additionally it may jeopardise the tenant's expansion proposals including the opportunity to create further business and employment opportunities within Sandwell.

**Agreed** that approval be given to:-

- (1) declare the land located on the west side of Tunnel Road, West Bromwich surplus to Council requirements;
- (2) authorise the Director – Law and Governance and Monitoring Officer to dispose of the freehold reversionary interest in approximately 0.22 hectares (0.53 acres) approximately of land situated on the west side of Tunnel Road, West Bromwich, shown for identification purposes only edged black on Plan No SAM/49100/010 attached, to the existing tenant, Mohammed Danish Vayani, on terms and conditions to be agreed by the Director - Regeneration and Growth;

- (3) in the event that the terms for disposal of land referred to in Resolution (2) above does not, for whatever reason, proceed to Mohammed Danish Vayani, to authorise the Director – Law and Governance and Monitoring Officer to dispose of the freehold interest in the land on the open market and otherwise on terms and conditions agreed by the Director – Regeneration and Growth;
- (4) that the Director – Law and Governance and Monitoring Officer be authorised to enter into or execute under seal, if necessary any other related documentation in connection with the disposal of the site on terms and conditions to be agreed by the Director - Regeneration and Growth.

**244/21**

### **Provision of new council homes on 4 no. sites to be delivered via Construction West Midlands Framework 2 - Design Stage**

Approval was sought to design and develop 4 no. sites across Sandwell with new affordable rent council housing, subject to planning permission being obtained.

The project would design/deliver 50-60 new Council-owned affordable rented properties on a maximum of 4 no council-owned sites which would include houses, bungalows and apartments. The schemes would also include M(4)3 full wheelchair compliant standard for people with specific needs.

The development of the proposed council sites with new homes would result in the following benefits:

- reducing the amount of vacant, under-utilised land within its ownership which is incurring maintenance costs;
- increasing the numbers of authority owned stock which would ease pressure on our existing housing;
- replacing housing stock lost through Right to Buy;
- increasing income to the Housing Revenue Account;
- Contributing positively to the financial position of the Council by generating New Homes Bonus and new Council Tax receipts;
- developing fit for purpose accommodation;
- increased good quality, energy efficient housing provision in the Borough;

- increasing the levels of new build Council housing stock within the Borough contributing to target forecasts;
- linking to the work of Think Local and Find-it-in-Sandwell approaches that would offer significant employment and training opportunities as well as additional community benefits to the local economy, including working with local supply chains and use of local labour;
- producing positive outputs for community safety through the redevelopment of a vacant site.

### **Reasons for Decision**

Following the introduction of greater flexibilities for local authorities the Council was able to develop future sites, subject to planning permission, as part of the new strategic approach to provide more and better housing in the borough.

### **Alternative Options**

Option A - Deliver the schemes through the in-house design team and procure a development contractor through the traditional route.

Option B – Develop the sites utilising other funding sources

#### **Agreed:-**

- (1) that approval be given to design and develop 4 no sites across Sandwell with new affordable rent council housing, subject to planning permission being obtained;
- (2) that the Director of Finance be authorised to allocate adequate resources from the Council's Housing Revenue Account to deliver the scheme designs and enable the agreed Homes England delivery programme to be met utilising grant funding offered under the extended Homes England Strategic Partnership 1 Programme 2016 to 2021;
- (3) that approval be given to authorise the steps necessary for the delivery of the proposed projects, including:
  - (a) subject to Resolution (2) above, the Director of Regeneration and Growth in consultation with the Director of Finance and the Director of Housing, be authorised to prepare tendering documentation and subsequently procure, in

accordance with any statutory regulations and the Council's Procurement and Financial Regulations to use the Construction West Midlands framework (CWM2) procurement route to undertake the Design and development documents to RIBA (Royal Institute of British Architects) stage 4 level;

- (b) subject to a) above, the Director – law and Governance and Monitoring Officer be authorised to enter into or execute under seal any documentation in relation to award of the contract for the Design RIBA stage 4 of a maximum of four sites and/or development/partnership agreement, any consents or applications required for Planning or Highways appertaining to the delivery of the schemes and any other agreements with the procured contractor(s), as may be deemed necessary to facilitate development of the sites with housing schemes to RIBA stage 4;
  
- (c) that subject to receiving the necessary Strategic Investment Unit appraisal approval mark of 65 or above for each individual site, the Director of Regeneration and Growth, in consultation with the Director of Finance and the Director of Housing, be authorised to accept the Financial closure offer for the construction of Council new build properties, in accordance with any statutory regulations and the Council's the Director – law and Governance and Monitoring Officer be authorised to enter into or execute under seal any documentation in relation to award of the contract for the development of each of the individual sites and/or development/partnership agreement, any consents or applications required for Planning or Highways appertaining to the delivery of the schemes and any other agreements with the procured contractor(s), as may be deemed necessary to facilitate development of the sites with housing schemes on terms and conditions to be agreed and implemented by the Director of Regeneration and Growth.

## **Oracle Fusion Implementation Partner Contract Cancellation**

Consideration was given to proposals in relation to the Council's Oracle Fusion Implementation partner contract with Inoapps.

The Leadership Team meeting held on 27 October 2021 reaffirmed the Council's commitment to migrate to Oracle Fusion confirming that all of the organisational benefits identified in the original report to Cabinet, 9 October 2019, were still valid. The Council's payroll system and platform was not adequate to deliver the council's business needs.

The Council had entered into a contract with Inoapps to deliver the project.

The contract had moved from a time and materials contract to a fixed price contract, agreed by the Oracle Fusion Programme Board on 9 October 2021. Moving to a fixed price, as proposed by Inoapps Limited, was intended to manage the Council's risk and limit its financial liability whilst delivering the same outcomes defined by the original contract. However, subsequently Inoapps Limited had informed the Council that it could deliver the project for the fixed sum agreed and had requested additional money and would not complete until October 2022.

Due to concerns by the Council on the delivery of the contract, it was proposed to terminate the contract.

### **Reasons for Decision**

Due to the financial value associated with the initiative, Cabinet approval for any next steps was required.

### **Alternative Options**

#### **Option 1**

The Council had the option to terminate the contract with Inoapps and revert to using the previous software.

**Option 2**

The Council could terminate the contract with Inoapps and look for new software.

**Option 3**

The Council could continue to implement Oracle Fusion with Inoapps Limited.

**Option 4**

Oracle E- Business Suite, currently used by the Council would be supported by the supplier no further than the end of December 2023.

**Option 5**

The Council could pursue Inoapps with a view to seeking to reach settlement as part of an agreement to vary the contract and to recover some losses.

**Agreed:-**

- (1) that the Director of Finance, in consultation with the Cabinet Member for Finance and Resources, be authorised to:
  - a) reject the new proposal from Inoapps dated 2 November 2021;
  - b) serve notice of termination for the contract currently delivered by Inoapps Limited regarding Contract SCC498 Appointment of Oracle SaaS Cloud System Implementation Partner;
  - c) take the necessary steps to seek to recover the Council's losses arising from these breaches;
  - d) that the Director of Finance be authorised, in consultation with the Cabinet Member for Finance and Resources, to procure a new implementation partner using the G-Cloud procurement framework;
  - e) that any necessary exemptions be made to the Council's Procurement and Contract Procedure Rules to enable the course of action referred to in a) to d) above to proceed;

- (2) that in connection with Resolution (1) above, the Director of Finance, in consultation with the Director of Law and Governance and Monitoring Officer, be authorised to undertake a new procurement exercise to award a new contract;
- (3) that the Director of Finance, in consultation with the Leader and the Cabinet Member for Finance and Resources, be authorised to allocate further resources from reserves up to a maximum of £4.3m, to deliver the project;
- (4) that the Director of Finance, in consultation with the Director of Law and Governance and Monitoring Officer, be authorised to award contracts on the outcome of the procurement process set out in Resolution (2) above.

Meeting ended at 4.04pm

Contact: [democratic\\_services@sandwell.gov.uk](mailto:democratic_services@sandwell.gov.uk)