

Agenda Cabinet

Wednesday, 18 January 2023 at 3.30 pm
In the Council Chamber, Sandwell Council House, Freeth Street,
Oldbury, B69 3DB

This agenda gives notice of items to be considered in private as required by Regulations 5 (4) and (5) of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

1 Apologies for Absence

2 Declarations of Interest

Members to declare any interests in matters to be discussed at the meeting.

3 Minutes (Pages 7 - 40)

To confirm the minutes of the meetings held on Wednesday 7 December 2022 and 21 December 2022.

4 Additional Items of Business

To determine whether there are any additional items of business to be considered as a matter of urgency.

5 Determination of Admission Arrangements for Sandwell's Community and Voluntary Controlled

Children & Education



Schools for 2024/25 (Pages 41 - 58)

To consider proposals to publish the Local Authority's Admission Arrangements for 2024/25 academic year for places in all community and voluntary controlled schools.

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| 6 | Asset Management Investment Programme for Housing 2023-24 (Pages 59 - 76) | Housing |
| | To seek approval to award contracts to deliver refurbishment and maintenance works to the Council's housing stock. | |
| 7 | Rolfe Street Masterplan - Approval to consult (Pages 77 - 84) | Regeneration & Growth |
| | To approve consultation on the Draft Rolfe Street Masterplan for six weeks between January to March 2023. | |
| 8 | Schools Funding 2023-24 (Pages 85 - 98) | Children & Education |
| | To consider the results from the schools funding proposals as per the outcome of the schools funding consultation 2023-24. | |
| 9 | Council Tax Base 2023/2024 (Pages 99 - 102) | Finance & Resources |
| | To recommend to Council the approval of the Council Tax Base for 2023/24. | |
| 10 | Treasury Management Mid-Year Review 2022/23 (Pages 103 - 128) | Finance & Resources |
| | To consider the Treasury Management Mid-Year Review 2022/23 and revised Minimum Revenue Provision Policy. | |
| 11 | Oracle Fusion ERP System Implementation Costs and Benefits Case (Pages 129 - 156) | Finance & Resources |
| | To authorise the Director of Finance to undertake all steps and actions necessary to implement the Oracle Fusion Enterprise Resource Planning (ERP) system. | |

Kim Bromley-Derry CBE DL
Managing Director Commissioner

Sandwell Council House

Freeth Street

Oldbury

West Midlands

Distribution

Councillor Carmichael (Chair)

Councillors Ahmed, Hackett, Hartwell, Hughes, Millard, Padda, Piper and Rollins

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Minutes of Cabinet

**Wednesday 7 December 2022 at 3.30pm
at Council Chamber, Sandwell Council House**

Present: Councillor Carmichael (Chair);
Councillors Ahmed, Hackett, Hartwell, Hughes, Millard,
Padda, Piper and Rollins.

In attendance: Councillors Chidley, Moore, Fenton, Randhawa,
Simms, Taylor and Uddin.

Also present: Kim Bromley-Derry (Managing Director Commissioner),
Rashpal Bishop (Director of Adult Social Care), Gillian
Douglas (Director of Housing), Michael Jarrett (Director
of Children's Services), Alice Davey (Director of
Borough Economy), Lisa McNally (Director of Public
Health), Surjit Tour (Director of Law and Governance
and Monitoring Officer), Elaine Newsome (Service
Manager – Democracy), Rebecca Maher (Head of
Finance), (Anthony Lloyd (Democratic Services
Officer) and Suky Suthi-Nagra (Democratic Services
Manager).

223/22 Apologies for Absence

An apology for absence was received by Councillor Elaine
Giles.

224/22 Declarations of Interest

The following interests were made by members:-

Councillor Hartwell declared a pecuniary interest in relation to Minute No 233/22 (Grant Funding for Advice Services 2023/24 – 2025/26) on the basis that she worked for Bangladeshi Women’s Association who receive advice funding from the Council;

Councillor Ahmed declared a pecuniary interest in relation to Minute No 233/22 (Grant Funding for Advice Services 2023/24 – 2025/26) on the basis that he is a committee member of Smethwick Pakistani Muslim Association;

Councillor Hughes declared a personal interest in relation to Minute No 236/22 (Recommissioning of the pre and post dementia diagnostic Support Service) on the basis that he and his wife had recently accessed the service;

Councillor Simms declared a personal interest in relation to Minute No 233/22 (Grant Funding for Advice Services 2023/24 – 2025/26) on the basis that she worked within a community that delivers a variation of services to the public.

225/22 Minutes

The minutes of the meeting held on 16 November 2022 were approved as a correct record.

226/22 Additional Items of Business

There were no additional items of business to consider.

227/22 Adult Social Care Direct Payments Policy

Approval was sought to authorise the Director of Adult Social Care and the Director of Finance to implement the proposed Direct Payments Policy and ensure it is embedded in future practice by all relevant staff members.

On behalf of the Chair of the Health and Adult Social Care Scrutiny Board, the Chair of the Economy, Skills, Transport and Environment Scrutiny Board asked for clarification on

the result of the commissioned work regarding the Care Act 2014.

The Deputy Leader and Cabinet Member for Finance and Resources identified that the following key areas were in need of improvement:-

- A requirement for care and support planning to ensure DPs were promoted but with suitable safeguards and checks
- Strengthen Care Act practice by testing people's capacity & suitability to manage a DP
- Clarifying rules regarding using DPs to pay for services delivered by Close Family Members
- Ensuring clear guidance to clients about their and the Council's respective responsibilities around the use of DPs, particularly when they are employing staff
- Strengthening safeguarding aspects by setting out clear roles and expectations for social care and DP workers regarding reviews of the DP package and the financial audit of the DP's use
- Improvements in financial audit process to identify key issues quicker so that attention could focus on the clients who appear to have issues in managing their DP
- Clarifying social care and DP workers' responsibilities to suspend or terminate DPs in cases of clear misuse, and social care workers' responsibilities to promptly review the case in terms of safeguarding and to arrange alternative care as appropriate

Clarification from external solicitors was sought on two of the Care Act issues; the Council's rights to expect DBS checks on people involved in a person's DP, and the use of Close Family Members. This had been used to set out Care Act-compliant policy.

The outcome was the creation of the policy which sets out proposed policies on these key areas. Revised practice guidance reinforced by training and development would ensure it was delivered.

Questions were also asked on how the Council could support people receiving direct payment of the risk of abuse.

It was explained that this consideration starts during the initial process, where social care workers must check that the person had the capacity to make the decision about whether they want a DP, and whether they had the capability to manage it. If the person did not have capacity, then they would not have a DP unless there was an authorised person to manage it, who must have capacity to do so and who would act in the client's best interest

During the operation of the DP, it was the social care workers' regular reviews of the care package and the DP workers' regular financial audits of the use of the DP that were the key tool in ensuring that the person is buying the care required to meet their assessed needs and that the DP is being used appropriately in line with their care and support plan.

Further questions regarding the right to decline direct payments were asked on behalf of the Vice Chair of Economy Skills Transport and Environment Scrutiny Board. It was highlighted that national literature implies that having a DP was a right. The new policy clarified that it is subject to Care Act conditions regarding capacity and suitability. Paying an external service to manage a DP on behalf of someone was not a compliant solution – if the person could not manage a DP then they are not suitable to be given one and should have a commissioned service instead.

Clients were not obliged to take a DP and could access a commissioned service instead.

In response to questions seeking clarification on whether direct payments could be used for anything other than care, it was confirmed that the services that a DP could be used for were set out in the Care Act. Provided it is a valid and legal service or activity that met the assessed needs, anything in the care and support plan could be delivered by a DP, apart from permanent residential/nursing care and also services delivered directly by the Council. The only real restrictions is that the services must not be ones that were "everyday living" or a lifestyle choice.

A final question was put forward regarding the limitations of Direct Payments for Sandwell citizens assessed as in need of care and support.

It was the potential freedom of a DP that could be a limitation. Having a DP encouraged people to take ownership of their care and support planning and be free to choose how their needs were met. However, as these were public funds, it was stressed that users needed to be aware of the responsibility that went with it, particularly if they had capacity issues and were relying on a friend or family member to support them and to act in their best interests.

Reason for Decision

The Director of Adult Social Care and the Director of Finance had commissioned work to check the compliance of the Council's Direct Payments practice against the Care Act 2014.

Alternative Options Considered

The Council should have a Direct Payments Policy to cover areas of discretion, or to clarify decisions where issues had arisen in the past.

It could be possible to carry on without a policy, but this risked the Council being challenged on areas where the Care Act does not set out a clear framework, and it was considered prudent, therefore, to ensure that people understand what Sandwell's policy was.

Agreed that the Director of Adult Social Care and the Director of Finance be authorised to implement the proposed Direct Payments Policy and ensure it is embedded in future practice by all relevant staff members.

228/22 The review of council tenant rents and housing related property charges

Approval was sought to authorise the Director of Housing to adjust council rents and housing related charges with effect from 3 April 2023. A 5% increase was proposed to help battle

inflation and ensure that the Local Authority was able to continue to maintain, modernise and manage social housing properties within a ringfenced budget.

The Chair of the Budget and Corporate Scrutiny Management Board requested further information on what would be the likely impact as a result of the increase in charges on the ability of tenants to pay them. It was also questioned why the increase in garage fees proposed a further 5% increase when they were significantly increased last year.

The Cabinet Member for Housing clarified that It was estimated that 70.2% of Sandwell tenants were in receipt of full or partial housing benefit or housing element of Universal Credit that would mitigate the impact of rent increases. The Establishment of a hardship fund to support those on low incomes not in receipt of benefits would provide further targeted support. This would be in addition to a wider package of hardship interventions.

Regarding the increase in garage fees, it was stated that it was normal practice to review and revise fees and charges annually. The increase to garage rents last year was done in recognition that the charges had not been reviewed for some time and were low in comparison to charges by other Local Authorities. The proposals for this year was to enable the charges to meet inflationary pressures, although as with the social housing rent increase it was recommended that this would be capped at 5% rather than much higher rate of CPI. A lower increase would create a budget pressure on the general fund that would need to be met from other General Fund budgets. Garages were a discretionary rather than essential service, 62% were rented by home owners and tenants with more than one garage.

The Chair of the Safer Neighbourhoods and Active Communities Scrutiny Board asked if Sandwell's rent rates were in line with neighbouring authorities. Comparisons were also requested for the increase in garage rental rates with other authorities.

The Cabinet Member for Housing confirmed that Local Authorities in the region were asked to share details on their current rent levels, only Dudley MBC responded. The Housing Regulator had recently published a report on Local Authority Stock and rents, this reports an average social rent in England of £89.53 and a regional average rent for the West Midlands of £81.28. Sandwell's average rent was £83.32. Whilst this was a helpful benchmark, members were minded that caution should be exercised as data on average rents would have a large degree of variation driven by the number of Local Authorities in each region and the difference in type of properties which would impact on the overall average.

Rent levels were benchmarked in 2021 when increasing the charges and all were comparable with others in the region and remained very favourable when compared to other storage hire options in the private sector. The uplift proposed was capped below the level of CPI and was in line with proposals for other fees and charges across the Council.

Following queries raised, the Cabinet Member for Housing was minded to further review the proposal to increase rental charges for garages for consideration at a future meeting.

Reasons for recommendations

Each year council tenants, leaseholders and other residents are notified of the rent and other related housing charges to be set from the following April. The Council had to achieve the right balance between supporting tenants in hardship and protecting the Housing Revenue Account (HRA) to ensure that the Council could continue to provide affordable social housing to residents.

The recommendations were reported to the Safer Neighbourhoods and Active Communities Scrutiny Board in September. Members of the Board were understanding and supportive of increases to rent and service charges, whilst acknowledging the current difficulties posed by the national financial situation.

Alternative options considered

It was recommended from April 2023 to increase rents by 5% for tenants within the Riverside managed PFI estate of Wednesbury. The council had the discretion to set PFI rent. It would be seen to be very unfair for other council tenants in neighbouring areas to have had council rent increased and not have the same with the PFI estate in Wednesbury.

The Department of Levelling Up Housing and Communities (DLUHC) policy allowed social landlords to increase their annual rents by 7% which is in line with the recent government rental cap. It is recommended that rents are increased rents by 5%, 2% lower than the cap to support tenants with the cost of living.

Increasing rents below the rate of inflation would create financial pressures for the council to deliver key services. The provision of good quality Housing and Neighbourhoods were key to improving lives and life chances for Sandwell residents. Reducing the level of income to the HRA would seriously impact the 30-year business plans and would mean less funding for new homes provision.

An alternative would be to increase rents by 3%. The budgetary pressures from this would impact the Council's ability to deliver key services and may result in reduced services where costs can't be met through operational budgets.

Agreed:-

- (1) that approval be given to authorise the Director of Housing to adjust council rents and housing related charges with effect from 3 April 2023 as follows:
 - (a) Increase rental charges by 5%, which is 2% below the government's social rental cap of 7%;
 - (b) increase housing service charges by the consumer price index (CPI) + 1%, equivalent to a 11.1% increase;

- (c) that subject to consultation with the residents of the site, to increase rent at the traveller's pitch in Hills View, Tipton by 5%;
 - (d) that properties managed by Riverside under the Private Finance Initiative (PFI) agreement receive a 5% rental increase and a 11.1% increase in service charges, which need to match the councils rent and service charge increases;
 - (e) that properties that sit outside the Housing Revenue Account (including service tenants for Parks, Sandwell Valley and Caretaking) receive a 11.1% increase in rental charges and service charges, which is equivalent to CPI plus 1%;
 - (f) that the leaseholder annual fee be increase by 11.1%, CPI + 1% in 2023/24 from £104.10 to £115.66;
- (2) that the Director of Housing be authorised to establish a hardship fund for Housing Revenue Account tenants (to support them in their tenancy) and to allocate £100k of HRA reserves, to be reviewed annually;
 - (3) that a further report be submitted on an increase in Council garage rent following review.

229/22 **Asset transfer of Greets Green Resource Centre and adjoining land to the Confederation of Bangladeshi Organisations (CBO) Ltd**

Approval was sought to agree the asset transfer of Greets Green Resource Centre, including the surrounding land, to the Confederation of Bangladeshi Organisations LTD on the basis of a full repairing lease for 99 years. It was highlighted that the Confederation of Bangladeshi Organisations LTD

was a long-standing trusted partner of Sandwell that supported communities efficiently and effectively.

Reason for Decision

CBO currently lease the premises on a full repairing, rent free basis and the lease expires in 2041. They also hold a coterminous lease of the adjacent land which also expires in 2041. CBO have submitted an application for a single asset transfer of both sites, on the basis of a 99 year full repairing rent free lease. CBO deliver excellent value for money. For example, in 2021/22 CBO supported 872 residents with generalist advice, securing £1,256,056 confirmed benefit gains and £7,130 one off charitable payments/ household goods. For every £1 of advice funding CBO have delivered £19 into the pockets of residents.

Alternative Options Considered

Do nothing – CBO have a 25 year, rent free, full repairing voluntary body lease, expiring in 2041. This would not signal to the wider voluntary and community sector that we value their contribution as partners and want to use asset transfer as a positive tool for enabling the development of enterprising and sustainable organisations with a long term stake in the area.

Agreed:-

- (1) that approval be given to the asset transfer of the Greets Green Resource Centre, including the surrounding land, to the Confederation of Bangladeshi Organisations (CBO) Ltd on the basis of a full repairing lease for 99 years with a rental of £1 pa for the purpose of running a community centre;
- (2) that the Director Law and Governance and Monitoring Officer be authorised to enter into or execute under seal if necessary, a formal lease for the Greets Green Resource Centre, West Bromwich and adjacent land relating thereto;

Chance Heritage Trust - Memorandum of Understanding

Approval was sought to endorse the signing of a Memorandum of Understanding between the Council and the Chance Heritage Trust relating to the heritage – led regeneration of the Chance Glassworks site. The Memorandum of Understanding was not legally binding but would instead set out how the parties would work together.

Reasons for Decision

The objectives of the Chance Heritage Trust (CHT) are closely aligned with the Council's aspirations and policy objectives for the site and its locality. Regeneration of the site would create a boost for the local economy, create jobs and homes, conserve a locally and nationally important cultural asset and enhance the image of the borough through restoration of this high-profile industrial heritage site.

Alternative Options Considered

Do nothing – the heritage assets would continue to deteriorate, resulting in loss of heritage significance and poor image, and creating potential for reputational damage to the Council.

Agreed:-

- (1) that Cabinet endorse the signing of a Memorandum of Understanding between the Council and the Chance Heritage Trust relating to the heritage – led regeneration of the Chance Glassworks site;
- (2) that details of the allocation of approved Black Country Local Enterprise Partnership Capacity Funding to support the regeneration of the Chance Glassworks Site be received.

Empty Property Strategy 2023-2028

Approval was sought to the Empty Property Strategy 2023 – 2028, including the introduction of empty property loans and the use of Planning Act enforcement powers by the Empty Property Officer.

The Chair of the Budget and Corporate Scrutiny Management Board questioned how the strategy proposed to tackle the issue of planning enforcement lacking a specific budget to carry out works and then recharge these against the property where an owner had repeatedly failed to comply with requests to improve their empty property.

The Cabinet Member for Housing confirmed that £750,000 had been allocated to fund home improvement loans. Implementing a loan scheme would enable this funding to be recycled and used for multiple interventions across the life of the strategy. Additionally, the Empty Property Officer would have powers to make owners carry out repairs to remove hazards from empty properties to ensure they were managed and safe to live in. Civil Penalty powers would be used to charge owners for non-compliance with such notices. Revenue from such penalties would be recycled back into housing standards work

Reasons for decision

The private sector housing market is a key resource in providing the housing needs of the borough. Family homes are always in high demand, yet there are a large number of them remaining empty and unmanaged, blighting communities and removing good homes from the market. The Council has identified privately owned empty properties as one of its key priority areas in relation to private rented and owner-occupied housing.

Alternative options considered

Choose not to have an empty homes strategy and / or continue to provide a reactive service to complaints about empty properties dealing with nuisance and open to access only in addition to applying increased council tax charges.

Agreed that approval be given to the Empty Property Strategy 2023 - 2028, including the introduction of empty property loans and the use of Planning Act enforcement powers by the Empty Property Officer.

232/22 **On Street Residential Charging Scheme – Authorisation to enter into a contract with a Chargepoint Operator**

Approval was sought to authorise the Section 151 Officer to sign and enter into a contract with Gamma Energy Ltd., the successful bidder for the installation of Electric Vehicle (EV) chargepoints across the Black Country with the initial call-off covering the Office for Zero Emission Vehicles (OZEV) On-street Residential Chargepoint Scheme (ORCS) funded project at a value of £400,574, but call-offs up to a total of £2.5million are possible.

The Chair of the Budget and Corporate Scrutiny Management Board asked what the Council were doing to address the need for ever-increasing requirements for charging points as a result of the end of new petrol and diesel cars in the UK by 2030.

The Cabinet Member for Regeneration and Growth stated that the proposed contract was specifically to provide on-street charge points in residential areas where there is no off-street parking and thus no ability for people to locate charge points within their own property boundary.

Further funding was available through the City Region Sustainable Transport Settlement (CRSTS) to increase the number of charge points in Sandwell to the target figure of 250 by 2025 as set out in the Black Country ULEV Strategy.

This target was based on the forecast number of EVs likely to be in use in areas without off-street parking by that date. There would be further rounds of Government funding through the Office for Zero Emission Vehicles specifically targeted at areas without off-street parking and Sandwell would take every opportunity to bid for such funds.

Residents with driveways that own electric vehicles would continue to be expected to provide their own charge points.

In addition to the ORCS funding, the West Midlands Combined Authority was seeking to provide 10 Charging Area Transit Stations, effectively service stations for EVs with rapid charging facilities, across the West Midlands through CRSTS. At least one of these would be located in Sandwell.

Planning policies would require all new residential, office, retail and leisure developments and any major extension proposals to include EV charging in their design.

The LGA had responded to Government that Local Authorities are best placed to establish where EV charging was required and was lobbying Government to increase the amount funding available to LAs to bring this about.

Reasons for Decision

This contract will be used to deliver 37 public dual socket chargepoints (74 sockets) in residential areas where residents do not have access to off-street parking and are therefore not able to charge their vehicles on driveways with a private charge point, as is the norm. The funding will therefore deliver approximately 40% of the 7kW chargepoints required by 2025 in order to support Sandwell's transition to electric vehicles in the light of the Government's intended ban on the sale of new petrol and diesel vehicles in 2030, as outlined in the Black Country ULEV (Ultra Low Emission Vehicles) Strategy.

Alternative Options Considered

The decision to progress with this approach was the culmination of months of discussions and independent advice. The concession model was chosen as the best compromise between pursuing a fully operator funded model which would significantly limit our ability to influence locations of chargepoints, and minimise and possible revenue return, and a more hands-on own-and-operate model that would carry significant revenue risk.

The model gives the local authorities the ability to leverage capital grant funding available to de-risk the delivery and secure an operator who will commit to covering all revenue costs for the contract term.

Having chosen to seek a concession contract, discussions were carried out to select the best route to market. An open tender process was considered, but the increased resource required, and the greater risk when compared to using an existing framework were unattractive. A large number of available frameworks and Dynamic Purchasing Systems (DPS) were considered, eventually settling on the Oxford City Council framework owing to the broad range of suppliers with access offering the best chance of a competitive process leading to stronger bids. The DPS also benefits from being new, which means that it incorporates all the latest technical specifications and experience from the last few years of public sector EV chargepoint delivery.

The successful bidder, Gamma Energy Ltd., scored the highest during our further competition on the DPS, meeting all mandatory requirements and achieving the best overall score across the criteria with a 50:50 price/quality split.

Agreed:-

- (1) that approval be given for the s.151 officer to sign and enter into contract with Gamma Energy Ltd., the successful bidder for the installation of Electric Vehicle (EV) chargepoints across the Black Country with the initial call-off covering the Office for Zero Emission Vehicles (OZEV) On-street Residential Chargepoint Scheme (ORCS) funded project at a value of £400,574, but call-offs up to a total of £2.5million are possible.
- (2) that in connection with Resolution (1) above, the conditions relating to the grant-funded element and the revenue share implications be received.

Grant funding for advice services 2023/24 – 2025/26

Approval was sought to allocate grants to voluntary organisations from April 2023 until March 2026.

The Chair of the Budget and Corporate Scrutiny Management Board sought further clarification on why the Council was not reviewing its model to check that it was still the best option available since it appeared that this approach had been agreed 10 years ago.

The Cabinet Member for Communities explained that the model was flexible and had changed over time. It was kept under continuous review, primarily through monthly meetings with managers of services. Adjustments had been made to delivery to take account of external factors such as welfare reform, Brexit and Covid, as well as responding to the changing needs of residents.

It was also confirmed that no new providers had been able to bid for a grant. Additional resources would be needed to develop new less experienced providers and that it would not be in the best interests of residents to do this by reducing funding to very experienced local providers with a strong track record in delivering positive outcomes for their clients.

Reasons for recommendations

Stable funding will enable providers to retain skilled advisers and to continue to work well together to deliver high quality services that respond flexibly to changes in need. This is particularly important as residents are facing increased hardship as a result of the cost of living crisis and the need for free, high quality, community-based benefits, debt and budgeting advice is more important than ever.

Alternative options considered

- 1) Reduce levels of funding to vcs providers – this is not a viable option when demand for services are increasing because of the cost of living crisis.
- 2) Move to contracts - this is highly likely to cause disruption and uncertainty amongst providers just at a time when we

need a stable advice offer for our residents to support them through the cost of living crisis. We need providers to continue to focus their energy and creativity on delivery - meeting residents' needs, rather than competing with each other to secure continued funding.

Agreed:-

- (1) that approval is given to allocating the following grants to voluntary organisations with effect from April 2023 until March 2026:

Organisation/service	2023/24 £	2024/25 £	2025/26 £
Citizens Advice Sandwell (generalist open door, debt service and phone service)	585,728	585,728	585,728
Citizens Advice Sandwell (homeless prevention project)	70,000	70,000	70,000
Citizens Advice Sandwell (Resilient Residents/ budgeting support)	25,260	25,260	25,260
Sandwell Consortium (generalist open door & advice in children's centres)	240,305	240,305	240,305
Sandwell Consortium (advice in children's centres)	100,265	100,265	100,265
Smethwick Pakistani Muslim Association (generalist open door)	31,458	31,458	31,458
Brushstrokes (immigration advice)	32,719	32,719	32,719
Total	1,085,735	1,085,735	1,085,735

(Councillors Ahmed, Hartwell and Simms left the room during consideration of this matter and did not take part in the discussion)

Improvement Plan Progress

Approval was sought to recommend to Council that the Improvement Plan Progress report, along with the September progress report and an accompanying letter be submitted to the Secretary of State for Levelling up, Housing and Communities to form the Council's 6 monthly update on progress against the Improvement Plan.

Recent return visits occurred from Grant Thornton, the LGA and CIPFA. The LGA had recognised the significant progress that has been made and the Council was awaiting the final review reports from Grant Thornton and CIPFA; members would be updated further once these reports had been received.

Consideration was also given to the re scrutiny feedback of the Budget and Corporate Scrutiny Management Board from their meeting held on 29 November 2022.

The Leader thanked everyone who had been involved and committed to driving through improvements.

Reasons for recommendations

Under the Statutory Directions, the council is required to report progress against the Improvement Plan to the Department of Levelling Up, Housing and Communities every six months. The first report is due for submission by 22 December 2022. It is proposed that this report, along with the quarterly update received by Cabinet in September will form the basis of the report to the Secretary of State along with a covering letter. Council are responsible for approving the report made to the Secretary of State and Cabinet will make a recommendation to Council.

Alternative options considered

The Value for Money 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. As the report includes statutory recommendations the council has a legal obligation to respond appropriately.

The Directions issued by the Secretary of State are a statutory requirement and the council has a legal obligation to respond appropriately. Failure to do so would likely result in further intervention measures.

Reviewing progress against the Improvement Plan enables senior officers and members have oversight of delivery, and take corrective action, as necessary.

Alternative formats for reporting to the Secretary of State could be adopted, however the proposal to submit a covering letter along with the quarterly reports made to Cabinet makes use of existing reports. The Department for Levelling Up, Housing and Communities confirmed that this would be an acceptable format to them.

Agreed:-

- (1) that progress against the Improvement Plan up to 3 November 2022 be received;
- (2) that the Improvement Plan Risk Register be received;
- (3) to recommend to Council that this report along with the September progress report and an accompanying letter be submitted to the Secretary of State for Levelling up, Housing and Communities to form the Council's 6 monthly update on progress against the Improvement Plan.

235/22

Sandwell Local Plan – Approval to carry out consultation on Issues & Options and open a Call for Sites exercise

Approval was sought for the Sandwell Development Plan Issues & Options document for public consultation for six weeks commencing in February 2023. The consultation would be a key to a successful adoption of the Local Plan.

The Chair of the Budget and Corporate Scrutiny Management Board asked how the Sandwell Local Plan could be well publicised so that residents were aware of its importance.

The consultation and engagement approach to the new Local Plan would broadly follow that used for the Black Country Plan. Officers intended to use the full range of social media and online engagement tools combined with the more traditional print media such as the local press and the Sandwell Herald. There would also be a press statement issued prior to the consultation starting and reminders prior to the closing date

Reasons for recommendations

One of the first stages in the preparation of this new Local Plan is to undertake a public consultation on an Issues & Options document; and also the opening of a Call for Sites Exercise. To meet the timetable published in Sandwell's Local Development Scheme (November 2022), these stages need to commence in early 2023.

Alternative options considered

The preparation of a Local Plan is a statutory requirement under planning legislation. The process for preparing a Local Plan is set out in legislation and guidance. As a result, there are no alternative solutions to the preparation of a new local plan for Sandwell, which is a matter of increasing urgency. Options relating to the form and content of the Local Plan were set out in the report to Cabinet on 16th November 2022.

Agreed:-

- (1) that approval be given to the Sandwell Development Plan Issues & Options document for public consultation for six weeks commencing in February 2023;
- (2) that the Director - Regeneration & Growth, in consultation with the Cabinet Member for Regeneration & Growth, be authorised to make minor amendments, if required, to the Issues &

Options document prior to the start of public consultation;

- (3) that approval be given to the opening of a Call for Sites exercise for six weeks commencing in February 2023.charges addressed within the Medium Term Financial Plan.

236/22 **Re-Commissioning of the Pre-& Post Dementia Diagnostic Support Service**

Approval was sought to authorise the Director - Adult Social Care to allocate a sum of £376k exclusive of VAT per annum of Better Care Fund (BCF) investment in a two plus one-year contract for a Pre-& Post Dementia Diagnostic Support Service for Sandwell and to award the contract to the successful tenderer.

The model had been evidenced in the Department of Health and Social Care's new 10-year dementia plan which was awaiting publication. The model was showcased at the Alzheimer's Society national conference in May 2022.

Reasons for Decision

To ensure continued access to this valued service for local people living with the effects of dementia and provide stability for the service it is recommended that contract length should be for two years with the option to extend for a further year.

Alternative Options Considered

There were no alternative options considered.

Agreed:-

- (1) that the Director Adult Social Care be authorised to allocate a sum of £376k exclusive of VAT per annum of Better Care Fund (BCF) investment in a two plus one-year contract for a Pre-& Post Dementia Diagnostic Support Service for Sandwell and to award the contract to the successful tenderer;

- (2) that the Director Adult Social Care be authorised to award the Service Funding and contract following a competitive tender process to the successful organisation;
- (3) that the Director Adult Social Care be authorised to work jointly with partners to implement the agreed model which will be overseen by the Sandwell Joint Partnership Board;
- (4) that the Director of Law and Governance be authorised to execute any documents necessary to give effect to the proposals in Resolution (2) for the provision of a Pre- & Post Dementia Diagnostic Support Service and enter into a contract with the successful organisation;
- (5) that Cabinet approve 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 appropriate Chief Officer in consultation with the relevant Cabinet Member;
- (6) that Cabinet approve an exemption to rule 8.8 (and any other applicable parts) of the Contract Procedure Rules July 2022 to allow the contract to be awarded to the successful tenderer in the event that the required minimum number of tenders are not received.

(Councillor Hughes left the room during consideration of this matter and did not take part in any discussion)

237/22

Uplands Manor Primary School Making significant changes (prescribed alternations) consultation outcomes

Approval was sought to the significant alteration to provide 20 Focus Provision places at Upland Manor Primary School, Addenbrooke Road, Smethwick B67 6HT, following the four-week statutory consultation.

Following a query raised by scrutiny members, the Cabinet Member for Children Services and Education offered to work closely with Scrutiny Members to ensure that any future reports regarding similar matters were clear and concise.

Reasons for recommendations

The Focus Provision Unit will increase the pupil numbers by providing 20 places for children with severe learning disabilities and associated needs. The DfE 'Making Significant Changes (Prescribed Alternations) to Maintained Schools' requires that when the Local Authority is proposing a significant alteration, i.e. altering a school's existing SEN provision it must consult upon the proposal and make a formal decision to make the alteration permanent.

Alternative options considered

The pupil admission number remains the same and the former children's centre remains empty. This would leave a shortage of special educational need places in the borough. 5.2 There is no alternative accommodation in the borough that could provide the places required for 2022/2023.

Agreed that approval be given for the significant alternation to provide 20 Focus Provision places at Upland Manor Primary School, Addenbrooke Road, Smethwick B67 6HT, following the four-week statutory consultation.

238/22 **Q2 Budget Monitoring 2022/23**

Approval was sought to make budget virements above £1m in line with the revised delegated limits for Cabinet Members and Directors. The projected overspend had reduced since the previous quarter, but members were minded that it was still important to reduce the use of reserves in 2022/23.

The Chair of the Budget and Corporate Scrutiny Management Board asked for further comments on the delayed savings that were listed as an area of concern; six of those listed were regarding adult services.

The Deputy Leader and Cabinet Member for Finance and Resources explained that the double handed care project had been delayed but would be in place and full savings would be achieved next financial year.

COVID funding had been allocated to the directorate for them to undertake social care reviews and these were expected to identify savings that could cover the first two items in 2023/24.

Walker Grange had a number of empty flats that were being modernised and once this work was complete the savings would be achieved.

Willow Gardens had been slowly occupied but the level of vacant properties had meant that the saving hadn't been achieved as quickly as hoped. Communication to increase awareness of the facility was under way.

This proposed saving for Borough Economy would form part of the wider work that was ongoing around leisure provision in the area.

Regarding savings within Regeneration, the lease had been terminated and the full saving would be achieved next financial year.

Reasons for recommendations

Section 151 of the 1972 Local Government Act requires the Chief Financial Officer to ensure the proper administration of the council's financial affairs. Budgetary control, which includes the regular monitoring and reporting of budgets is an essential element in discharging this statutory responsibility. The recommended treatment of the year end variances supports the financial sustainability of the council.

Alternative options considered

There are limited alternatives to the recommendations included in this report. Cabinet could decide not to allow the proposed use of reserves by directorates, but this would increase the projected overspend and result in a further reduction in the council's general fund balance.

Agreed:-

- (1) that details of the financial monitoring position as at 30 September 2022 be received and referred to the report to the Budget and Corporate Scrutiny Management Board for consideration and comment;
- (2) that Cabinet approve the following budget virements above £1m in line with the revised delegated limits for Cabinet Members and Directors: -

Virements above £1m for Cabinet Approval	£'000	£'000
Law & Governance - Removal of Legal fee income	1,300	
Corporate - Removal of legal fee income		1,300
TOTAL	1,300	1,300

- (3) that Cabinet approve an allocation of £356,634 Covid funding to Sandwell Children's Trust to cover pressures relating to the pandemic experienced by them during 2021/22.

239/22 Performance Management Framework – Q2 Monitoring

Approval was sought to the Q2 monitoring report of the performance framework.

Good progress had been made against many of the commitments in the Performance Management Framework. A major step forward had been made in providing consolidated performance and risk reporting for Cabinet. Further reports would be brought to Cabinet on the remaining commitments in due course.

Reasons for recommendations

Council approved a corporate Performance Management Framework (PMF) on 12 April 2022, to address the recommendations of the Governance Value for Money Review by Grant Thornton and as a key element of the Council's Improvement Plan.

Since April, the corporate PMF has been further refined and built into business processes. Reporting on Q1 was presented to Cabinet on 28 September 2022. The report on Q2 seeks to build on the intelligence gathered for Q1 and offers the opportunity to assess in year progress.

Alternative options considered

The Directions issued by the Secretary of State, including the requirement to have a performance management framework in place, are a statutory requirement and the council has a legal obligation to respond appropriately. Failure to do so would likely result in further intervention measures.

The council had various options on what type of performance management framework to establish. Our approach has been developed through understanding the needs of the organisation and drawing on best practice from other local authorities. As the Council continues the improvement journey, the PMF will evolve to meet our changing requirements.

Agreed that details of progress made on the further development of the Corporate Performance Management Framework and the Q2 monitoring reports be received.

240/22

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 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.

241/22

Update on Streamlining Black Country Ways Of Working – Black Country Consortium Ltd

Approval was sought to the closure of the Black Country Consortium Limited.

Reasons for recommendations

The 2022 Levelling White Paper signalled the current shift in policy direction and a significant change in economic development architecture, namely emphasising and empowering local leadership and improving pride of place. This shift provides the latest context for a root and branch review of how streamlining ways of working at a Black Country geography needs to be reflected.

Alternative options considered

There are no alternative options as the Association of Black Country Authorities Leaders meeting held on 19 October 2022 has agreed to the closure of the company. The recommendations in the report are for each of the ABCA Cabinets to confirm the action taken.

Agreed:-

- (1) that approval be given to the closure of the Black Country Consortium Limited
- (2) that the following Association of Black Country Authorities Leaders' approvals made at their meeting held on 19th October 2022 be noted:
 - a) Acknowledge the track record and positive contribution enabled by BC Consortium Ltd.
 - b) A calling of a directors meeting of Black Country Consortium Ltd in January 2023 with a recommendation to voluntary wind up the company at a date to be advised and agreed during 2023.
 - c) A commitment to working towards a goal of a clear regional arrangement for data and intelligence clarifying roles and responsibilities and in the interim hosting of Black Country Consortium Economic Intelligence team via Walsall MBC who will still continue to provide via a service level agreement data and intelligence to Black Country Councils as required.
 - d) A fit for purpose and timely arrangement for a TUPE transfer arrangement for Active Black Country, currently hosted via Black Country Consortium Ltd to an independent entity arrangement, noting local authority hosting offers in principle from the City of Wolverhampton Council and Sandwell MBC.
 - e) A potential hosting/ integration of current cultural/ visitor economy expertise by one of the BC local authorities.

- f) Historical BCC Ltd company deferred pensioners and pensioners liabilities split as a liability equally across the 4 BC councils, noting pension liabilities for BCC Ltd are already reflected on Black Country Councils balance sheets.

- g) A report to individual local authority cabinets (November / December 2022) to endorse the closure of BCC Ltd.

Meeting ended at 4.43pm

Contact: democratic_services@sandwell.gov.uk

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Minutes of Cabinet

**Wednesday 21 December 2022 at 11.30pm
at Council Chamber, Sandwell Council House**

Present: Councillor Carmichael (Chair);
Councillors Ahmed, Piper, Hartwell, Hackett, Rollins,
Millard and Singh

Also present: Rashpal Bishop (Director of Adult Social Care), Gillian Douglas (Director of Housing), Alice Davey (Director of Borough Economy), Tony McGovern (Director of Regeneration and Growth), Mark Stocks (Grant Thornton), Anthony Lloyd (Democratic Services Officer) and Trisha Newton (Deputy Democratic Services Manager)

242/22 Apologies for Absence

No apologies were received.

243/22 Declarations of Interest

There were no declarations of interest

244/22 Additional Items of Business

There were no additional items of business to consider.

245/22 Improvement Plan Progress - Grant Thornton Follow-up Report

The Cabinet received an update on Grant Thornton's Value for Money Governance review and the follow up Review Report.

Significant progress had been made by the Council, especially regarding the statutory recommendations made by the initial Grant Thornton Value for Money Governance review.

The Council had a greater corporate grip over improvement, performance and decision making. It had demonstrated progress on a number of areas such as children's social care and leisure services. The Council's leadership had taken shared responsibility for the oversight of the delivery of the Improvement Plan, and for cascading the plan through the organisation. The introduction of a Performance Management Framework (PMF) provided an opportunity to improve evidenced based decision making, and set out accountabilities to drive the delivery of the Corporate Plan. Significant progress had also been made on the ERP systems replacement including the procurement of a new implementation partner.

Improved engagement between the Leader, Cabinet, Committee Chairs and Senior Officers was evident. Work programming and planning was efficient, and a greater level of professionalism was now being displayed in the way in which business was being conducted.

The Council had improved its relationships and contract management arrangements with Sandwell Children's Trust (SCT) and the most recent Ofsted rating is evidence that positive steps had been taken on the Trust's improvement journey. It was advised that the Council should continue to work with SCT to ensure there was sustainability of continued progress. The Council had taken decisive steps to manage the contractual arrangements with Sandwell Leisure Trust and was making changes to improve the provision of leisure services. A better relationship with SERCO was underway but more work was needed to monitor progress. It was also noted that issues around Providence Place, Made Festival, SLaP and SEND transport had been resolved.

It was highlighted that the Council's procedures for the production of its financial statements required significant improvement. A number of legacy issues from prior years, dating back to the previous accounts, were still undermining the quality of the financial statements. This needed to be an area of priority for the Council. The Council also needed to successfully implement the new corporate asset management system to timescale, ensuring all key finance roles had permanent appointments.

Four main recommendations were made to members in relation to the next steps for the Council to continue the improvement journey:

1. The Council must conclude the design of Phase 2 of the Improvement Plan, which focused on organisational culture, values and behaviours required to deliver change, and introduced a “golden thread” aligning corporate KPIs to individuals performance objectives, so that planned improvements and changes became embedded across the organisation.
2. The Council needed to ensure that the new corporate PMO remained appropriately resourced, integrates all transformation and change activity being undertaken across the Council, and has access to appropriate data sources to be able to effectively monitor the delivery.
3. The Council should progress and finalise outstanding actions relating to previous recommendations, in particular introducing a commercial strategy and an asset management strategy and conclude the service-based actions arising from previous recommendations, including improvements in the management of the waste contract and the creation of the new leisure services company.
4. Once all the planned revisions to the Constitution had been agreed, the Council would need to embed these changes and demonstrate sustainable improvements in governance and scrutiny of decision making.

Members welcomed the report and agreed that significant good work had taken place. Officers and external reviewers were thanked for their support in ensuring the Council

Meeting ended at 11.55am

Contact: democratic_services@sandwell.gov.uk

Report to Cabinet

Wednesday 18 January 2023

Subject:	Determination of Admission Arrangements for Sandwell's Community and Voluntary Controlled Schools for 2024/25
Cabinet Member:	Cabinet Member for Children and Education Councillor Simon Hackett
Director:	Director of Children and Education, Michael Jarrett
Key Decision:	Yes
Contact Officer:	Donna Williams, Team Lead, School Admissions donna_williams@sandwell.gov.uk

1 Recommendations


- 1.1 That the Director of Children and Education, in accordance with the School Admissions Code 2021, be authorised to publish the Local Authority's Admission Arrangements for 2024/25 academic year for places in all community and voluntary controlled schools as set out in Appendix 1.

2 Reasons for Recommendations

- 2.1 The Local Authority (LA) must abide by the requirements of the School Admissions Code ('Admissions Code') and associated regulations and determine admission arrangements for community and voluntary controlled schools each year. This report relates to the proposed arrangements to apply for the 2024/25 academic year and there is no obligation on the LA to consult on these arrangements as it last consulted in October / November 2017. The proposed arrangements are in line with the requirements of the Admissions Code.



3 How does this deliver objectives of the Corporate Plan?

	<p>Best start in life for children and young people</p> <p>The recommendation in this report supports the desire of the council to focus resources on the specific needs and aspirations of the community. This contributes to the Council's Vision 2030 Ambition 1 – Raising aspirations and resilience, Ambition 3 – Young people to have skills for the future, Ambition 4 – Raising the quality of schools.</p>
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4 Context and Key Issues

4.1 Purpose of the Report

4.2 The Admissions Code published in September 2021 requires the Local Authority (as the admissions authority for community and voluntary controlled schools), to formally agree admission arrangements for those schools every year, even if the arrangements have not changed from previous years. Admission authorities must determine admission arrangements for entry in September 2024 by 28 February 2023.

The Admissions Code also requires the LA to consult governing bodies of community and voluntary controlled schools where it proposes either to increase or keep the same Published Admission Number (PAN). The proposed admission arrangements and PANs are attached as Appendix 1 to this report.

4.3 Background and main considerations

4.3 The LA last consulted all stakeholders on its admission arrangements in October / November 2017, and Cabinet has continued to agree to publish these arrangements for subsequent years as there have been no material changes. At its meeting on 12 January 2022 Cabinet agreed to publish the arrangements for the 2023/24 academic year (Minute No. 7/22). The arrangements are not proposed to change for the 2024/25 academic year and are attached in Appendix 1.

4.4 The list of schools and their PANs are included in Appendix 1. All PANs are proposed to be the same as last year, however it should be noted that consultation is currently being undertaken to reduce the PAN of both



Cape and Uplands Manor Primary Schools by a form of entry. The proposals will be subject to a separate report to Cabinet.

4.5 The current position

4.6 The LA's oversubscription criteria for the academic year 2024/25 for community and voluntary controlled schools is recommended to continue in line with that agreed for 2023/24.

4.7 Consultation (Customers and other Stakeholders)

4.8 There is not a requirement to consult on oversubscription criteria unless there are changes to the previous year's arrangements or if the admission authority has not consulted for a period of 7 years. The LA last consulted on arrangements in October / November 2017.

4.8 The Admissions Code does not require the LA to consult all community and voluntary controlled schools where it is proposed to increase or keep the same PAN as the previous year. Therefore, the LA has not consulted with all such schools as there were no proposals to alter PANs.

4.9 All schools are however currently being consulted on the proposal to reduce the PAN of both Cape and Uplands Manor Primary Schools by a form of entry with effect from 1 September 2023. A final decision will be made by the School Adjudicator to reduce the PAN's by a form of entry as the Authority has already determined its admission arrangements for those maintained schools for 2023/24 academic year.

5 Alternative Options

5.1 There is no alternative option open to the LA in relation to its responsibilities for agreeing and publishing oversubscription criteria for community and voluntary controlled schools. The LA must abide with the requirements of the Admissions Code.

6 Implications

Resources:	No strategic resource implications have been identified.
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<p>Legal and Governance:</p>	<p>The School Admissions Code (issued under Section 84 of the School Standards and Framework Act 1998) was published in September 2021 and associated regulations require all admission authorities to determine (formally agree) admission arrangements every year, even if they have not changed from previous years and a consultation has not been required.</p> <p>Following determination of arrangements, any objections to those arrangements must be made to the Schools Adjudicator. Objections to admission arrangements must be referred to the Adjudicator by 15 May in the determination year.</p>
<p>Risk:</p>	<p>The Corporate Risk Management Strategy (CRMS) has been complied with. The Local Authority has a statutory duty to determine admission arrangements for all community and voluntary controlled schools in accordance with the Admissions Code and associated regulations. Based on the information provided, it is the officers' opinion that there are no current "red" risks that need to be reported with regards to this proposal.</p> <p>If this report's recommendation to publish the admission arrangements for community and voluntary controlled schools is not approved the LA will be in breach of its statutory duty as determined by the Admissions Code.</p>
<p>Equality:</p>	<p>An Equality Impact Assessment initial screening has been undertaken and a full Equality Impact Assessment is not required for this report.</p> <p>The Policy is aimed at making sure we have a fair and equitable procedure for children needing an admission to Community and Voluntary Controlled Schools</p>
<p>Health and Wellbeing:</p>	<p>This proposal supports the prioritisation of applications from the local community and gives clarity to parents and carers about how their</p>



	applications will be considered, including how they will be measured under the distance criterion.
Social Value	In supporting the prioritisation of applications from the local community the proposal will ensure that children will be educated and develop within their residential and social communities.

7. Appendices

- 7.1 The proposed admission arrangements are attached in the appendix to this report. These also include the Published Admission Numbers (PAN) of all community and voluntary controlled schools.

8. Background Papers

None.



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Admission arrangements for community and voluntary controlled schools in Sandwell for 2024/25

These arrangements relate to the schools listed on pages 8 to 11 of this document.



Admissions priorities for places in oversubscribed community and controlled primary schools - academic year 2024/2025

- (a) A 'looked after child' or a child who was previously looked after but immediately after being looked after became subject to an adoption, child arrangements, or special guardianship order including those children who appear to have been in state care outside of England and ceased to be in state care as a result of being adopted. A looked after child is a child who is (a) in the care of a local authority, or (b) being provided with accommodation by a local authority in the exercise of their social services functions as defined by section 22 (1) of the Children Act 1989 at the time of making the application for a school place
- (b) Children with a particular medical condition. Applications submitted under this criterion must be accompanied by a medical declaration form (ASU75M) signed by the child's general practitioner or consultant confirming the condition, detailing the child's needs and specifying why, in their opinion, the preferred school is the only or most appropriate to meet the child's needs. All applications under this criterion will be assessed by the local authority to decide whether the child's needs can be met most appropriately by the preferred school.
3.
 - (a) Children having a brother or sister at the preferred school (not nursery) at the time of admission.
 - (b) For admissions to infant schools, children having a brother or sister at the preferred school or at a linked junior school at the time of admission.
 - (c) For admissions to junior schools, children having a brother or sister at the preferred school or at a linked infant school (not nursery) at the time of admission.
4. For admissions to junior schools, children being on roll at the linked infant school at the time of admission.
5. *Children accepted on denominational grounds, supported by the Anglican/Church of England Church

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Applications based on this criterion must be accompanied by a completed declaration form signed by a Vicar or Priest to signify attendance at an Anglican / Church of England Church on at least one occasion per month.

6. Children prioritised by distance measured in a straight line from a child's home** to the centre point of the school site***. In all cases, should the number of applicants exceed the number of places available, places will be allocated based on distance between home and school, as measured in a straight line from home to the centre point on the school site with priority being given to those living closest to the school.

NB. Children with a Statement of Educational Needs or an Education & Health Care Plan (EHCP) (previously known as Statement of Educational Needs), naming a particular school will be admitted before all other applicants.

Note:

* Applicable only to schools that are designated by the Secretary of State as having a religious character.

** Measured from the Local Land and Property Gazetteer address base for the property. In all cases, should the number of applicants exceed the number of places available, places will be allocated based on distance between home and school, as measured in a straight line from home to the centre point of the school site with priority being given to those living closest to the preferred school.

Additional arrangements for year of entry admissions to community and voluntary controlled schools 2024/2025

The following additional policy statements are included in the local authority admission arrangements for admissions to community and voluntary controlled primary and secondary schools for 2024/2025.

1. Late applications

Late applications for places will only be considered alongside those received by the closing date under the following circumstances:

- When the applicant has bought, rented or leased a house or flat and has moved into Sandwell after the closing date, but before the allocation of places has been made.
- When the applicant has moved home within Sandwell to an address more than three miles from their previous address but closer to the preferred school after the closing date but before the allocation of places has been made.
- When a child who is in public care (looked after) or was previously in public care moves into Sandwell after the closing date, but before the allocation of places has been made.
- When a sibling has commenced at the preferred school after the closing date but before the allocation of places has been made.
- When the applicant is a single parent and was prevented from submitting their application on time due to long term illness of more than six weeks' duration from the date on which application forms became available.

If your application is received after the closing date and not covered by one of the circumstances above, then it will be processed after consideration of all on time and accepted late applications.

2. Waiting lists

Places will be offered initially to applicants whose forms have been received by the closing date or whose application has been considered as being made on time (under 1 above).

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Any preferences which cannot be met following the application of the admission priorities will be put on a waiting list which will be ranked in accordance with the published admission priorities.

Waiting lists will be maintained until the end of the autumn term proceeding the year of entry and will then be discarded.

Places will only be offered from the waiting list if the number of confirmed offers (including those offered as a result of independent appeals) is less than the published admission number.

3. Further applications in the same academic year

The local authority will only consider more than one application in the same community or voluntary controlled school in the same academic year if one or more of the following significant changes apply:

- (a) The child becomes looked after by the local authority;
- (b) The child has a medical condition which was not present when the previous application was considered;
- (c) The child's brother or sister has been admitted to the school for which the application has been made and was not there at the time of the last application;
- (d) The applicant has changed address since the previous application was considered and the applicant now lives closer to the school for which the application was made;
- (e) A vacancy arises in the relevant year group.

4. Changing or adding new preferences

Once a parent/carer has submitted an application they will be able to amend it online before the closing date. However, if the closing date has passed it will not be possible unless they meet the criteria to be considered as a "late" application (in 1 above).

5. **Twins and multiple births**

Special conditions will apply if one child from a set of twins or other multiple births does not gain admission to the preferred school through the admissions criteria. The local authority will exceed the admission number for the school concerned to prevent separation of twins or children from multiple births.

6. **Tie breaker**

If two or more applicants tie for last place during the allocation process the final place shall be decided by the tossing of a coin.

7. **Deferred entry**

Parents may seek a place for their child outside of their normal age group, for example, if the child is gifted and talented or has experienced problems such as ill health. In addition, the parents of a summer born child may choose not to send that child to school until the September following their fifth birthday and may request that they are admitted out of their normal age group – to Reception rather than Year 1.

Sandwell's policy on deferred entry for community and voluntary controlled schools is available at:

www.sandwell.gov.uk/downloads/file/23043/delayed_entry_policy

Definitions used in admissions administration

1. Brother and sister (Sibling)

The definition of a brother or sister is:

- (a) a brother or sister sharing the same parents*;
- (b) a half-brother or half-sister, where two children share one common parent*;

- (c) a step brother or step sister, where two children are related by a parent's marriage*;
- (d) adopted or fostered children* ,
- (e) children of unmarried parents*

*and living at the same address;

It does not include:

- (a) cousins or other family relationships;
- (b) brothers or sisters who, at 1 September in the year of entry will not be registered pupils at the preferred school;
- (c) brothers or sisters who, at 1 September in the year of entry will be in the sixth form at the preferred school.

2. Children in Public Care

A child in public care means a child who is (a) in the care of a local authority or (b) being provided with accommodation by a local authority in the exercise of their social services functions (see section 22 (1) of the Children Act 1989) at the time an application is made.

An adoption order is an order under section 46 of the Adoptions and Children Act 2002.

A child arrangement order (previously residence order) is an order settling the arrangements to be made as to the person with whom the child is to live under section 8 of the Children Act 1989.

Section 14A of the Children Act 1989 defines a special guardianship order as an order appointing one or more individuals to be a child's special guardian (or special guardians).

3. Home address

The home address of a child is the address at which a parent with parental responsibility lives. It may also be the address at which a child resides (and sleeps) for the majority of the school week (Sunday to Thursday night). In the event of a query on the home address we will require two examples from the following list;

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- Council tax
- Tenancy agreement
- Solicitor's letter confirming completion of purchase

Where parents have shared responsibility for a child, and the child lives with both parents for part of the school week, then the home address will be determined as the address where the child lives for the majority of the school week. Parents will be required to provide documentary evidence to support the address they wish to be considered for allocation purposes. At least one item of proof must demonstrate where the child lives.

4. Armed Forces Children

Sandwell Local Authority understands that families of UK Service personnel often have to move at short notice within the UK and from abroad. If we receive an application along with an official letter declaring a relocation date, then we will be able to arrange a school place in advance of the relocation. Please contact the Admissions Team on 0121 569 6765 for further information.

5. Linked school

For the purposes of admissions to infant and junior schools, linked schools shall be as follows:

- Abbey Infants School - Abbey Junior School;
- Hamstead Infant School - Hamstead Junior School;
- Moat Farm Infant School - Moat Farm Junior School Trust;
- Ocker Hill Infant School - Ocker Hill Academy;
- Silvertrees Academy Trust School - Tipton Green Junior School.

6. Published Admission Number

Admission numbers (primary) for 2024/25

A. Community and voluntary controlled primary schools

School name (Primary)	Published Admission Number
Abbey Infant School	90
Abbey Junior School	90
Annie Lennard Primary School	30
Bearwood Primary School	60
Blackheath Primary School	60
Bleakhouse Primary School	60
Brandhall Primary School	60
Burnt Tree Primary School	60
Cape Primary School	90* (60)
Causeway Green Primary School	60
Crocketts Community Primary School	60
Eaton Valley Primary School	60
Ferndale Primary School	90
Galton Valley Primary	60
Glebefields Primary School	60
Grace Mary Primary School	30
Great Bridge Primary School	60
Grove Vale Primary School	60
Hall Green Primary School	60
Hamstead Infant School	60

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School name (Primary)	Published Admission Number
Hamstead Junior School	60
Hanbury Primary School	60
Hargate Primary School	60
Highfields Primary School	60
Holy Trinity CE Primary School	60
Joseph Turner Primary School	60
King George V Primary School	30
Langley Primary School	60
Lodge Primary School	60
Lyng Primary School	60
Moat Farm Infant School	120
Oakham Primary School	60
Ocker Hill Infant School	60
Pennyhill Primary	90
Perryfields Primary School	60
Reddal Hill Primary School	60
Rood End Primary School	60
Ryders Green Primary School	60
Sacred Heart Primary School	60
St Martin's CE Primary School	30
St Mary Magdalene CE Primary School	30
St. James' CE Primary School	60
The Priory Primary School	60

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School name (Primary)	Published Admission Number
Tipton Green Junior School	90
Tividale Community Primary School	60
Tividale Hall Primary School	60
Uplands Manor Primary School	120* (90)
Whitecrest Primary School	30
Yew Tree Primary School	90

* The Local Authority is currently (December 2022) consulting on a variation to the Published Admission Numbers for Cape Primary School and Uplands Manor Primary School to reduce each school by a form of entry. If approved the figure in brackets will be the new PAN for these schools

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Report to Cabinet

18 January 2023

Subject:	Asset Management Investment Programme for Housing 2023-24
Cabinet Member:	Cabinet Member for Housing, Councillor Charn Singh Padda
Director:	Director of Housing Gillian Douglas
Key Decision:	Yes Above £1m threshold.
Contact Officer:	Dean Epton – Interim Assistant Director - Housing Dean_epton@sandwell.gov.uk Jonathan Rawlins – Business Manager – Asset Management and Improvement Jonathan_rawlins@sandwell.gov.uk

1 Recommendations

- 1.1 That the Director of Housing, in consultation with the Director of Finance, be authorised to prepare tendering documentation and to procure contractors, in accordance with The Public Contract Regulations 2015 and the Council’s Procurement and Contract Procedure Rules, to work on behalf of the Council, to deliver the refurbishment and maintenance works detailed below: -

Contract	Value
Internal Improvement Programme 2023 - 2027	£6,000,000
Refurbishment of St Giles and Moorlands Court	£19,788,000

Lift Maintenance Services 2024 - 2028	£3,180,000
Electrical Services 2023 - 2027	£3,600,000
Day to Day Repairs to Housing 2024 – 2027	£2,400,000
Supply of Domestic Electrical Items 2023 - 2027	£2,300,000
Supply of Plumbing Parts 2023 – 2027	£6,000,000
Supply of Building Materials 2023 - 2027	£1,600,000
TOTAL	£44,868,000

- 1.2 That the Director of Housing be authorised to award the contracts, as referred to in 1.1 above, to the successful contractor(s).
- 1.3 That the Director – Law and Governance and Monitoring Officer be authorised to enter into or execute under seal any documentation in relation to the award of the contracts.
- 1.4 That any necessary exemption be made to the Council’s Procurement and Contract Procedure Rules to enable the course of action referred to in 1.1 above to proceed.

2 Reasons for Recommendations

- 2.1 This report seeks approval to procure, award and enter into contract with the successful contractors to deliver the various contracts as detailed within the report to continue the substantial investment in the Council’s Housing Stock.

3 How does this deliver objectives of the Corporate Plan?



Quality homes in thriving neighbourhoods. These contracts are required to allow Sandwell MBC to continue to maintain and upgrade its housing stock as and when required, in line with the Decent Homes Standard and regulatory requirements










The delivery of these contracts will both improve the energy efficiency, the appearance, the security and fire safety of the housing stock.

Ambition 2 - Sandwell is a place where we live healthy lives and live them for longer, and where those of us who are vulnerable feel respected and cared for.

Improved energy-efficiency of homes will reduce energy bills and help to address fuel poverty, allowing vulnerable residents to enjoy more comfortable lives.

The provision of these services provides vital adaptations and improvements to people's homes which enable them to maintain their independence in their communities.

Ambition 3 – Our workforce and young people are skilled and talented, geared up to respond to changing business needs and to win rewarding jobs in a growing economy

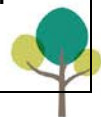
The delivery of these contracts will support investing in businesses, people and jobs that will create wealth and tackle poverty. It will also actively promote Think Sandwell with the inclusion of apprenticeships and training opportunities within the contractual arrangements.

Ambition 5: Our communities are built on mutual respect and taking care of each other, supported by all the agencies that ensure we feel safe and protected in our homes and local neighbourhoods.

The delivery of these contracts will support Sandwell's approach towards reducing crime and anti-social behaviour levels.

Ambition 8 – Our distinctive towns and neighbourhoods are successful centres of community life, leisure and entertainment where people increasingly choose to bring up their families.

The delivery of these contracts will deliver improvements to our housing stock and the surrounding areas in which they are located, to promote families choosing to move into and stay in Sandwell and being proud of the town and area in which they live.



4 Context and Key Issues

4.1 The Council is seeking to procure, award and appoint contractors to undertake the following refurbishment and maintenance works: -

- Internal Improvement Programme 2023 – 2027
- Refurbishment of St Giles/Moorlands Courts, Rowley Regis
- Lift Maintenance Services 2024 – 2028
- Electrical Services 2023 - 2027
- Day to Day Repairs to Housing 2024 – 2027
- Supply of Domestic Electrical Items 2023 - 2027
- Supply of Plumbing Parts 2023 - 2027
- Supply and Delivery of Building Materials 2023 - 2027

4.2 All wards within Sandwell will be affected.

4.3 On 18th October 2017 Cabinet approved the Housing Revenue Account (HRA) – Housing Investment Programme report. The report set out a refreshed 10-year HRA investment plan to enable the delivery of new build projects and to continue investment into existing stock and communal spaces in our neighbourhoods.

4.4 One of the key aspects to the report was to maintain and where necessary upgrade our existing stock.

4.5 In order to ensure the plan remains fit for purpose a review of the HRA investment programme has been undertaken.

4.6 By reviewing the HRA every 3 – 5 years we can ensure it is continuing to deliver the aims and objectives of the council in the short term, make recommendations for adjustment to address new and emerging priorities, and ensure the investment programme remains affordable for the duration of the plan.



4.7 The revised HRA funded Housing Investment Programme is designed to respond to these and other emerging priorities and will deliver our ambitions for housing by:

- Maintaining our existing stock to the Sandwell Standard
- Ensuring our properties are energy efficient
- Remodelling our properties to suit changing needs
- Protecting our residents and assets.

4.8 We have made sure the proposed financial plans are affordable in the long term and will help support us in meeting the needs of the residents of we serve.

4.9 We will continue to invest in current stock to make sure it meets the needs of existing and new tenants and supports tenants to avoid fuel poverty through energy efficiency interventions. We will also remodel some of our houses to meet the needs of vulnerable families and individuals.

4.10 Internal Improvement Programme 2023 - 2027

4.10.1 This report seeks the approval to procure and enter into contract with one Contractor to carry out internal improvements to Council Housing Stock across the Borough, excluding high rise, for a contract period of four years, from May 2023 to April 2027.

4.10.2 The contracts will be a continuation of an existing programme of internal improvement works delivered since May 2019, which was approved by Cabinet at its meeting of 18th April 2018.

4.10.3 The current contracts expire in May 2023.

4.10.4 The Contract is seeking to procure a contractor to deliver internal improvements where identified for replacement throughout the Council Owned Housing Stock across the Borough. Internal improvements include kitchens, bathrooms, plastering, rewiring improvements and energy efficiency measures.



- 4.10.5 Across the Council's Housing Stock the previous capital investment programme did not replace all kitchens and bathrooms in every property. Consequently, not every element within each property was therefore replaced. These elements will fail over time and this contract proposes to provide contract arrangements for these works and other internal improvements to be undertaken.
- 4.10.6 The identification of works will be demand driven with each property inspected and assessed to identify if repair or replacement is required.
- 4.10.7 The annual value of works contained within the contract will be £1.5 million per annum with one contractor delivering works over a four-year contract period.
- 4.10.8 Sandwell is an area with high levels of deprivation by comparison with other areas of the country and as a result many residents face the challenge of fuel poverty, spending a significant amount of money paying fuel bills, with some residents having to choose which household bills they can afford to pay. Through the delivery of this Contract a review of existing insulation levels will be undertaken throughout the individual properties and blocks to assess any opportunities to improve the energy efficiency of properties.
- 4.10.9 If the Council's ambitious climate change target to achieve carbon neutrality by 2041 is to be met, this type of intervention is necessary. This project will also help families who may be suffering from fuel poverty as they are currently living in some of the least energy-efficient houses in the Council's stock.
- 4.10.10 Energy efficiency measures will be incorporated into the internal improvement programme and can help demonstrate a firm commitment towards achieving carbon reduction targets and climate change initiatives.



4.11 Refurbishment of St Giles and Moorlands Court

4.11.1 This report seeks the approval to procure and appoint a contractor to carry out the refurbishment of St Giles and Moorlands Court, Reservoir Road, Rowley Regis, B65 9PB.

4.11.2 The contract will be a continuation of an existing programme of external improvement works to our high-rise stock, which was approved by Cabinet at its meeting of 18th October 2017.

4.11.3 The Council has delivered a programme of improvements to High Rise Blocks of flats across the Borough generally including improvements to the external fabric such as new windows, surface treatment such as render and cladding and roofing works together with improvements to the communal areas such as new entrances, fire retardant paintwork and fire doors.

4.11.4 The high-rise refurbishment projects have been a highly visible sign of the significant investment Sandwell has made in its stock and has proved popular with residents and visitors alike.

4.11.5 Including these 2 blocks, there are 10 blocks managed by the council which have yet to be improved externally, with Darley House currently on site and Allen House currently being procured.

4.11.6 St Giles and Moorlands Court are 15-storey blocks, built in 1966 in the Blackheath Ward of Rowley Regis. They each contain 85 units, comprising 71 two bed and 14 three bed flats.

4.11.7 The following works are now deemed required to bring the block up to the current standard of all other high-rise refurbishment projects and to enhance the life expectancy of the building to thirty years whilst improving the standards for the current residents.



- Undertaking Identified Structural repairs
- Over cladding of the blocks with mineral wool insulation and rainscreen cladding to improve the thermal efficiency
- Replacement of single glazed windows with double glazed tilt and turn aluminium/timber composite windows
- New balcony doors and balcony upgrade to create a winter garden
- New insulated pitched roofs to cover the existing flat roofs
- Installation of fire resistant doors and screens to the communal areas on all floor levels.
- Complete redecoration of all communal areas along with new flooring installed at each level.
- New Entrance doors to all flats.
- Installation of new Sprinkler system to complement the existing fire detection already installed within the flats as part of the Decent Homes Scheme
- New rear entrance lobby with secure key fob door entry system to match front Porch installed previously
- Refuse Chute Replacement
- Upgrade of street lighting to improve ASB issues locally
- Minimal Landscape works involve resurfacing both the road and all footpaths around the block, replacement of Kerbs and edgings and the reduction of grassed areas to eliminate current maintenance issues.
- New Incoming mains landlord's electricity supply and distribution.
- Improved communal/emergency lighting.
- Individual Flat mechanical extract and positive input ventilation.
- Automatic smoke ventilation to communal escape routes.
- 9-wire communal aerial upgrade, so external satellite dishes can be removed.
- Upgraded stand-alone CCTV installation, if existing cameras are sited on blocks.
- Lightning protection.

4.11.8 The value of the contract is estimated to be in the region of £19.8 million and will be on site for a period of approximately twenty months, commencing September 2023.



4.12 Lift Maintenance Services 2024 – 2028

4.12.1 The Council is seeking to procure and appoint three contractors to undertake lift maintenance services to various tenure for a contract period of four years, from 1st April 2024 to 31st March 2028.

4.12.2 The anticipated value of the contract is in the region of £3.18 million (£795,000 per annum) for a period of four years.

4.12.3 The award of this contract will enable the Council to fulfil its duties to both residents and personnel by providing a complete 365 days, 24 hours emergency breakdown service. This will include weekends and bank holidays to all its lifts and lift equipment. It will additionally provide for the regular maintenance of the same to ensure compliance with all regulatory health and safety requirements.

4.12.4 The current contract was awarded in February 2020 and expires 31st March 2024.

4.12.5 This tender has been divided into the following lots:

- Lot 1 – High Rise
- Lot 2 – Public Buildings and Schools
- Lot 3 – Residential

4.12.6 Lot 1 includes the cyclical servicing, maintenance, breakdowns, repairs to all traction and hydraulic passenger/goods lifts in accordance with the installations as detailed within tender document and service and maintenance schedule. Lot 1 comprises 98 lifts and equipment to the high-rise flats sited within the six towns of the borough of Sandwell.

4.12.7 Lot 2 includes carrying out regular maintenance, service, breakdowns, repairs to passenger/ goods lifts, stair lifts platform lifts and other lifting aids sited within Public Buildings and Schools to be undertaken upon each installation on a monthly/Quarterly/Annual or six-monthly basis. Lot 2 comprises 162 lifts and equipment.



4.12.8 Lot 3 includes carrying out service, repair, maintenance, removal and reinstatement of powered lifting aids sited within council/private residential properties. Lot 3 comprises 1,506 powered lifts and equipment.

4.13 Electrical Services 2023 – 2027

4.13.1 The Council is seeking to procure and appoint four contractors to undertake electrical services to housing for a contract period of four years, from 1st November 2023 to 31st October 2027.

4.13.2 The anticipated value of the contract is in the region of £3.6 million (£900,000 per annum) for a period of four years.

4.13.3 The award of this contract will enable Sandwell Council to fulfil its landlord duties and ensure all properties are electrically compliant in accordance with the 18th Edition IET Wiring Regulations (BS 7671:2018).

4.13.4 The current contract was awarded in August 2019 and expires 31st October 2023.

4.13.5 This tender has been divided into the following lots:

- Lot 1 Electrical Repair and Maintenance
- Lot 2 Electrical Periodic Inspection and Reporting to both domestic dwellings and communal areas
- Lot 3 Periodic Inspection and Reporting of Fire Alarms

4.13.6 Lot 1 comprises electrical services to supplement the electrical teams in Sandwell Council's Response Repairs, Planned and Cyclical, Aids and Adaption's and Void sections. The project is to provide repair/maintenance to domestic council owned housing properties throughout the Borough of Sandwell. The tender is therefore seeking to appoint one contractor to cover the whole of the Borough.



4.13.7 Lot 2 comprises an electrical inspection and testing in the form of a Domestic Electrical Installation Condition Report (DEICR) to each of our council owned housing properties, carried out every 5 years, at change of tenancy or sooner, should the testing engineer recommend so. It also includes an Electrical Installation Condition Report (EICR) on the fixed wiring (lighting and power) within our high, medium and low-rise flats' communal areas, over a 5-year cycle. As part of this contract there is cyclical inspection, servicing and maintenance to emergency lighting, fire alarms, smoke alarms (in all electric properties) and roof fans.

4.13.8 For the delivery of the works identified in Lot 2 we are seeking to appoint two Contractors, one to serve the North of the Borough and one in the South with the most economically advantageous tender awarded the North area and the second most economically advantageous tender awarded the South area.

4.13.9 Across the Borough we have 24 premises that are managed by Housing and Communities that are fitted with a commercial fire alarm system. These are serviced on a 6-monthly basis. Testing of these systems on a weekly basis is split between Council staff at 7 of the sites whilst the other 18 sites are tested by an external contractor. The contract covers the ongoing regular test, servicing and maintenance regime.

4.13.10 Due to the specialist nature of these systems we are seeking to appoint one contractor to cover the works within Lot 3.

4.14 Day to Day Repairs to Housing 2024 – 2027

4.14.1 The Council is seeking to procure and appoint up to six contractors to undertake day to day repairs to housing for a contract period of four years, from 1st January 2024 to 31st December 2027.

4.14.2 The anticipated value of the contract is in the region of £2.4 million (£600,000 per annum) for a period of four years.

4.14.3 The current contract was awarded in December 2021 and expires 31st December 2023.



4.14.4 Further to re-commencing non-urgent repairs in April 2021, the number of jobs received over the past 18 months has been well above average and has resulted in a backlog of work orders requiring attention.

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

4.14.6 The most economically advantageous tender will be appointed to West Bromwich. The 2nd most economically advantageous tender will be appointed to Tipton. The 3rd most economically advantageous tender will be appointed to Wednesbury. The 4th most economically advantageous tender will be appointed to Rowley Regis. The 5th most economically advantageous tender will be appointed to Oldbury. The 6th most economically advantageous tender will be appointed to Smethwick.

4.15 Supply of Domestic Electrical Items 2023 - 2027

4.15.1 The Council is seeking to procure and appoint one supplier to supply domestic electrical items to Roway Lane Supplies Section for a contract period of four years, from 1st May 2023 to 30th April 2027.

4.15.2 The anticipated value of the contract is in the region of £2.3 million (£575,000 per annum) for a period of four years.

4.15.3 The current contract expires on the 30th April 2023 and there is still the requirement to purchase plumbing parts in order for the Council to continue to maintain its current housing stock.

4.15.4 The award of this contract will enable Sandwell MBC to quickly repair its properties and keep the residents safe.



4.16 Supply of Plumbing Parts 2023 – 2027

4.16.1 The Council is seeking to procure and appoint one supplier to supply plumbing parts to Roway Lane Supplies Section for a contract period of four years, from 1st December 2023 to 30th November 2027.

4.16.2 The anticipated value of the contract is in the region of £6 million (£1.5 million per annum) for a period of four years.

4.16.3 The current contract expires on the 30th November 2023 and there is still the requirement to purchase plumbing parts for the Council to continue to maintain its current housing stock.

4.16.4 The continued purchase of plumbing parts will enable our customers to feel safe within their homes, and have the feeling that properties are being maintained.

4.17 Supply of Building Materials 2023 - 2027

4.17.1 The Council is seeking to procure and appoint one supplier to supply the bulk materials to facilitate repairs to Sandwell MBC properties for a contract period of four years, from 1st June 2023 to 31st May 2027.

4.17.2 The anticipated value of the contract is in the region of £1.6 million (£400,000 per annum) for a period of four years.

4.17.3 This contract is used to supply sand, cement and the larger building materials to both Roway Lane Supplies Section and when required direct to site to reduce material handling.

4.17.4 The current contract expires on the 31st May 2023.

4.17.5 The award of this contract will enable Sandwell MBC to quickly repair our properties.

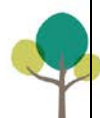


5 Alternative Options

- 5.1 The alternative is to not invest in our Council Housing Stock which in turn may lead to dissatisfaction from existing and potential new tenants as well as disrepair and additional burden on the Housing Revenue Account.
- 5.2 Current in-house provision does not have the capacity to maintain the pace of demand for delivering the required repairs to Council properties with regards to the electrical services and day to day repairs contracts and therefore support from external contractors is required.
- 5.3 For supplies contracts under points 4.15, 4.16, 4.17 above, there are no alternative options available, Sandwell MBC's Asset Management and Maintenance teams require the items supplied on these tenders to undertake repairs to its housing stock.

6 Implications

Resources:	<p>The proposed budgets for the following contracts: -</p> <ul style="list-style-type: none">• Internal Improvement Works 2023 – 2027 - £6m• Refurbishment of St Giles/Moorlands Court, Rowley Regis - £19.788m <p>Total - £25.788m</p> <p>are contained within the currently approved HRA Capital Programme, and it is anticipated that expenditure will be profiled as detailed in Appendix 1.</p> <p>The proposed budget of £3.18m (£795,000 per annum) for provision of Lift Maintenance Services is included within the following: -</p>
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	<p>Lot 1 High Rise – approved Housing Revenue Account Lot 2 Public Buildings and Schools – the Council’s annual building maintenance budget Lot 3 Residential – the Better Care Fund and the Housing Revenue Account</p> <p>The proposed contract values of £3.6m (£0.9m per annum) for electrical services, £2.4m (£600k per annum) for day to day repairs, £2.3m (£575k per annum) for the supply of electrical items, £6m (£1.5m per annum) for the supply of plumbing parts and £1.6m (£400k per annum) for the supply of building materials) are included within the approved revenue budgets for the ongoing repairs and maintenance of Housing Revenue Account owned properties.</p> <p>and it is anticipated that expenditure will be profiled as detailed in Appendix 1.</p> <p>Due to the contracts being an ongoing requirement to provide the service, the budget is maintained at this level each year to ensure the appropriate works can be carried out.</p> <p>The Council is currently undertaking a fundamental review of the HRA financial strategy and developing a comprehensive 30-year Business Plan. This will review the capacity within the HRA and the affordability of the investment programme in the longer term. However, the Capital Programme for 2023/24 approved by Cabinet and Council includes provision for the investment requirements set out in this report.</p>
Legal and Governance:	The contracts will all be procured and awarded in accordance with the Council’s Procurement and Contract Procedure Rules and Public Contract Regulations 2015.
Risk:	No risks
Equality:	Works will be undertaken to all properties where required and as such an assessment has not been undertaken.
Health and Wellbeing:	The work will ensure the buildings remain wind and weather tight as well as improving the thermal efficiency. Works will also enable the Asset Management and Maintenance Teams to quickly repair Sandwell MBC properties.



	<p>The principles of Secured by Design and the environmental improvements to communal space on estates will help to protect the community.</p> <p>The award of the Lift Services contract will enable the Council to fulfil its duties to both residents and personnel by providing a complete 365 days, 24 hours emergency breakdown service. This will include weekends and bank holidays to all its lifts and lift equipment. It will additionally provide for the regular maintenance of the same to ensure compliance with all regulatory health and safety requirements.</p>
Social Value	<p>Social Value will be achieved through the inclusion of an Employment and Skills Plan (ESP) contained within the formal contracts with the successful contractors. The plan will include contractual performance indicators such as work experience placements, apprenticeships in addition to school engagement and community activities.</p> <p>The proposals contained in this report are entirely commensurate with the Council's climate change priorities and will help to support:</p> <ul style="list-style-type: none"> • Reduced carbon and greenhouse gas emissions • A reduction in fuel poverty • Improved health and wellbeing • Inclusive economic growth – reduced fuel bills should allow more money to be spent locally
Climate Change:	<p>Improved energy-efficiency of homes will reduce energy bills and help to address fuel poverty, allowing vulnerable residents to enjoy more comfortable lives.</p> <p>Energy efficiency measures will be incorporated into the internal improvement programme/refurbishment of St Giles/Moorlands Courts and can help demonstrate a firm commitment towards achieving carbon reduction targets and climate change initiatives.</p> <p>If the Council's ambitious climate change target to achieve carbon neutrality by 2041 is to be met, this type of intervention is necessary. The internal improvement programme/refurbishment of St Giles/Moorlands Courts projects will also help families who may be suffering from fuel poverty as they are currently living in some of the least energy-efficient houses in the Council's stock.</p>



7. Background Papers

Cabinet Report 18th October 2017 (Min 167/17)
Cabinet Report 18th April 2018 (Min 60/18)

8. Appendices



Appendix 1 Budget Profile

HRA Capital Funded Programme: -

Contract	Budget Line	2023/24	2024/25	2025/26	2026/27	2027/28	TOTAL
Internal Improvement Works	Housing Improvement	£1,375,000	£1,500,000	£1,500,000	£1,500,000	£125,000	£6,000,000
Refurbishment of St Giles/Moorlands Courts	High Rise	£6,925,800	£11,872,800	£989,400			£19,788,000
TOTAL							£25,788,000

HRA Revenue Funded: -

Contract	Budget Line	2023/24	2024/25	2025/26	2026/27	2027/28	TOTAL
Lift Maintenance Services	Void Repairs	£0	£795,000	£795,000	£795,000	£795,000	£3,180,000
Electrical Services	North/South Responsive	£375,000	£900,000	£900,000	£900,000	£525,000	£3,600,000
Day to Day Repairs to Housing	North/South Responsive	£150,000	£600,000	£600,000	£600,000	£450,000	£2,400,000
Supply of Domestic Electrical Items	North/South Responsive/Void Repairs	£527,000	£575,000	£575,000	£575,000	£48,000	£2,300,000
Supply of Plumbing Parts	North/South Responsive/Void Repairs	£500,000	£1,500,000	£1,500,000	£1,500,000	£1,000,000	£6,000,000
Supply of Building Materials	North/South Responsive/Void Repairs	£333,333	£400,000	£400,000	£400,000	£66,666	£1,600,000
TOTAL							£19,080,000



Report to Cabinet

18 January 2023

Subject:	Rolfe Street Masterplan – Approval to consult
Cabinet Member:	Cabinet Member Regeneration and Growth, Councillor Peter Hughes
Director:	Director of Regeneration & Growth, Tony McGovern
Key Decision:	Yes
Contact Officer:	Planning Regeneration Team Leader, Hayley Insley Hayley_insley@sandwell.gov.uk Planning Officer Kate Harris Kate_Harris@sandwell.gov.uk

1 Recommendations

- 1.1 That approval be given to the consultation on the Draft Rolfe Street Masterplan for six weeks between end of January to March 2023.
- 1.2 That the Director for Regeneration and Growth be authorised to make minor changes to the Masterplan prior to consultation commencing if required.

2 Reasons for Recommendations






- 2.1 The Masterplan has been prepared following engagement with officers, Members and stakeholders.




2.1 Work to date has had regard to current policy as well as acknowledging future anticipated changes. Consultation with the wider public, businesses, community groups and other interested parties will enable the options being put forward to be further refined and developed into a final document that, once approved, will form the basis for future decision making that will assist in bringing forward regeneration benefits to the area.

3 How does this deliver objectives of the Corporate Plan?



	<p>The Best Start in Life for Children and Young People The proposals will provide quality homes and safe open spaces with improved routes to local schools.</p>
	<p>People Live Well and Age Well New housing proposed within the area will seek to address the needs of all members of the community and include improved public realm and green spaces, improved transport links and access to facilities and increase employment opportunities.</p>
	<p>Strong Resilient Communities New housing proposed within the area will seek to address the needs of all members of the community and include improved public realm and green spaces, improved transport links and access to facilities and increase employment opportunities. The consultation will enable the public to feel embedded in the area early on by seeking their views on the development in which they may live or pass through later.</p>
	<p>Quality Homes in Thriving Neighbourhoods The Masterplan will seek to attract a range of house types and tenures that are sustainable, attractive and will meet the needs and demands of the future residents.</p>
	<p>A Strong and Inclusive Economy We can utilise our council assets, in the form of our land, to drive forward regeneration in the area and show our commitment and capability through the successful delivery of our Towns Fund funding to enable similar funding opportunities to be gained in the future should they be made available.</p> <p>This site has strong locational links to the Midlands Metropolitan University Hospital and the site will benefit from the regeneration opportunities that will radiate from this building.</p> <p>Opportunities for local job creation will be encouraged at site preparation and at construction stage.</p>



	Improvements to transport connections will improve residents' ability to access key transport hubs and hence their access to employment and education prospects and will contribute to attracting and retaining businesses in Sandwell.
	A Connected and Accessible Sandwell The Masterplan will identify a transport strategy that aims to consider current and future transport needs and promoting alternative safe and convenient modes of transport other than the private motor car, including new cycling and walking routes as well as identifying the potential location of a 'mobility hub' to encourage convenient access to these alternative modes of transport.

4 Context and Key Issues

- 4.1 Sandwell Council has been working with the other Black Country authorities under the Black Country Collaboration Agreement since 2014. In November 2020, Cabinet resolved to enter into the Supplemental Deed of Variation to the Collaboration Agreement which allowed Sandwell to bid for an allocation of £250k per annum business rates surpluses generated across the Black Country Enterprise Zones. Even though Sandwell does not have an Enterprise Zone itself, the Governance Principles of that agreement allow the authority to have a share for five years from 2020-21 to support the development of projects in the Black Country Pipeline.
- 4.2 On 1 July 2021 the Black Country LEP Funding Sub Group considered and agreed to the spend proposal put forward by the Interim Director of Regeneration and Growth for the financial year 20/21. One of the projects named within the funding proposal was to commission a Masterplan for the wider Rolfe Street area in Smethwick from the Railway Station to Bridge Street North/New Street junction.
- 4.3 This area, close to Smethwick High Street and Rolfe Street Station, has been allocated for residential led mixed use since 2008. However, due to the fragmented ownership across the area, comprehensive redevelopment to deliver a housing led transformation of the area has not materialised. Due to the nature of some of the uses that operate



there, and the condition of some of the buildings, piecemeal development is not considered appropriate.

- 4.4 In February 2022 Cabinet approved the Smethwick to Birmingham Corridor Framework document which incorporates the land at Rolfe Street. The Framework contains guiding principles for this site and the others within the corridor area to assist in delivering the vision of creating a place where people wish to live, work and visit, which is well connected and providing sustainable transport choices.
- 4.5 In order to assist bringing forward the transformational change envisaged for this area, an application to Towns Fund to facilitate demolition of buildings and remediation of the land was submitted and approved by Department for Levelling Up, Housing and Communities. The project centres on the Smethwick Enterprise Centre, central to the Rolfe Street area, which will act as a catalyst for further regeneration opportunities to come forward in due course.
- 4.6 To facilitate the wider regeneration of Rolfe Street, it was decided that a more detailed masterplan was required. This would take the principles of the Corridor Framework and develop a coherent and comprehensive masterplan that would provide clarity to developers on the aspirations for the area to deliver a well design community environment.
- 4.7 A tendering exercise was undertaken earlier this year for a multi-disciplinary consultancy that could prepare the Masterplan, also undertaking a heritage assessment since part of the area is within the Conservation Area and providing a transport strategy that would address the quantum of new development expected to be delivered over time.
- 4.8 Following the tendering process, the council commissioned Glenn Howells Architects as the lead consultancy, with assistance from Stantec for the Transport Strategy, Donald Insall to undertake the Heritage Assessment and RPS as the Planning Consultancy.
- 4.9 The consultants have been working on the Masterplan since September, gathering evidence, undertaking the heritage assessment and producing options for the design and layout of the area. This is an iterative process with weekly meetings between officers and consultants to discuss issues and ideas. The various options will be developed into one preferred option which will be subject to public consultation late January/early February 2023 for six weeks.



- 4.10 Following consultation the Masterplan will be refined prior to being presented to a further Cabinet meeting for adoption.
- 4.11 The ultimate outcome from this commission will be a well-designed and justified Masterplan that takes on the principles of the Corridor Framework and develops it further to show the layout, design and quantum of development that could be accommodated within this area.
- 4.12 A design code will be developed after the public consultation that utilises the characterisation study developed as part of the heritage assessment to provide additional guidance to developers on how buildings and spaces respond to the public realm based on the existing character of the area.
- 4.13 The Masterplan is being fully funded by the BCLEP Enterprise Zone Fund which needs to be spent by the end of financial year 2022/23. The programme for development of the Masterplan, consultation and approval will fall within that timescale.

5 Alternative Options

- 5.1 Despite the area being allocated for residential use since 2008, no comprehensive redevelopment has taken place. Proposals have been discussed over the years, but they have not come to fruition. Piecemeal development has been refused as it would be inappropriate to promote development in an area predominantly occupied by industry.
- 5.2 Funding from the BCLEP has enabled us to prepare a more detailed masterplan which will assist in providing the housebuilders more clarity and certainty with regards the type of development the Council considers would be most appropriate. The Towns Fund project is now funded for the Smethwick Enterprise Centre which will act as the catalyst for future developer interest. Having a Masterplan in place will assist in the decision-making process for future proposals.
- 5.3 Not progressing with a Masterplan for the area would not create a platform from which to promote development opportunities in this area or provide a strong base to bid for further funding. The continued



regeneration envisioned for this area will not be achieved and it would prevent the potential development of up to 660 much needed homes, within one of the most deprived areas of Sandwell.

6 Implications

Resources:	The Masterplan preparation is being developed by consultants funded by the LEP and supported by SMBC officers. The proposals contained within this document will assist in bringing forward some landholdings within public sector ownership.
Legal and Governance:	There are no direct legal implications in relation to this report. The Masterplan will be informal non-statutory documents.
Risk:	There are no direct implications with regard to risk in relation to this report.
Equality:	An EIA has not been carried out. The Masterplan does not create policy, it sets out the expected direction of travel of emerging policy, and can be a material planning consideration when determining applications
Health and Wellbeing:	The Masterplan will offer a range of health and wellbeing benefits through improving and developing new sustainable homes and public spaces, providing associated infrastructure to support new communities being created and assets and places for people to go and improvements to infrastructure including cycling and walking routes.
Social Value	The opportunities identified within the Masterplan will acknowledge how inclusive economic growth may be achieved.
Climate Change	The area is within a highly accessible location to allow future residents to make best use of sustainable modes of transport. The Masterplan will need to be



	read in line with both current local and national planning policy which includes policies on Climate Change such as encouraging tree planting within the street and a requirement to provide electric vehicle charging points.
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7. Appendices

Draft Rolfe Street Masterplan

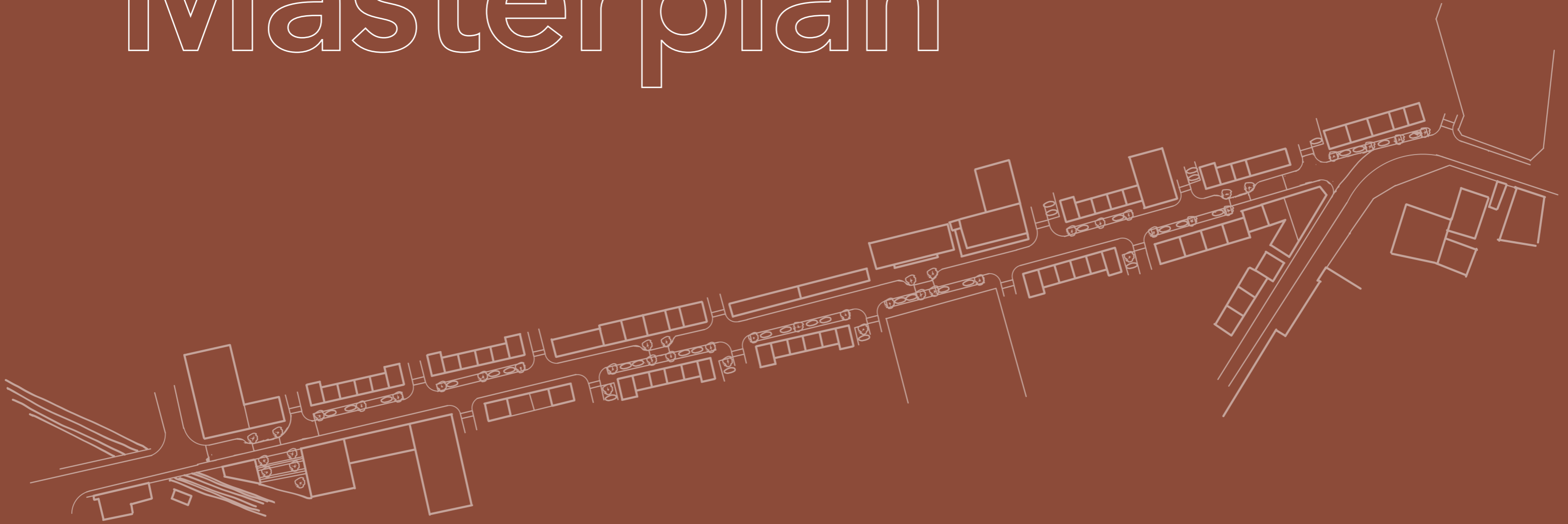
8. Background Papers

Smethwick to Birmingham Corridor Area Framework

https://www.sandwell.gov.uk/downloads/file/32149/smethwick_to_birmingham_corridor_framework_document



Rolfe Street Masterplan



Project Team

Client	Sandwell Metropolitan Borough Council
Masterplanner	Glenn Howells Architects
Planning Consultant	RPS
Transport Consultant	Stantec
Conservation Consultant	Donald Insall Associates

This document is to be read in conjunction with reports from the project team.

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Revision History

Document Reference
2426-A-RP-230110-Rolfe Street Masterplan-PM-02

Revision	Date	By	Checked	Note
01	20.12.22	DS	LG	Draft Issue
02	10.01.23	PM	DS	Issue for SMBC Internal Consultation



1.0 Introduction

This masterplan has been produced by Sandwell Metropolitan Borough Council to set out a vision for the future of the Rolfe Street area of Smethwick, part of the Smethwick to Birmingham Corridor.

Building on the work of the Smethwick to Birmingham Corridor Framework (2022), the masterplan seeks to provide a clear direction for the reinvention of the Rolfe Street area, giving strong guidance for future development.

The masterplan envisages a distinctive, well designed community being created in this well connected and attractive location. This will build on the nationally important history of the site, and the success of recent development at Port Loop and Galton Locks.

A framework is provided for the key urban design principles that should be followed at Rolfe Street, having been consulted on with local stakeholders. A series of distinct Character Areas are identified to help further guide development.

A design code is provided establishing the detailed principles development should follow. This illustrates how current planning policy, locally adopted policy, and national and local good practice guidance can be combined with a respect for the history of the area to create a unique sense of place at Rolfe Street.

2.0 Context & History

2.1 Location and Context

Rolfe Street is located at the western end of the Smethwick to Birmingham corridor. The corridor is Birmingham and Sandwell's canal district, the historic link between Birmingham and the Black Country and a cradle of the industrial revolution. Today the corridor is one of the most significant areas of brownfield urban renewal in Europe, with potential to deliver 4,000 new homes. Transformational change is already underway with new neighbourhoods at Port Loop and Soho Loop, and the Midland Metropolitan University Hospital nearing completion.

Rolfe Street is highlighted as one of the primary strategic sites in the **Smethwick to Birmingham Corridor Framework** (February 2022), a collaboration between Sandwell and Birmingham Councils, the West Midlands Combined Authority, and others. The document is non-statutory in Sandwell but will be a material consideration in the determination of planning applications. The Rolfe Street Masterplan builds upon and sits alongside the Framework.



Location within the West Midlands



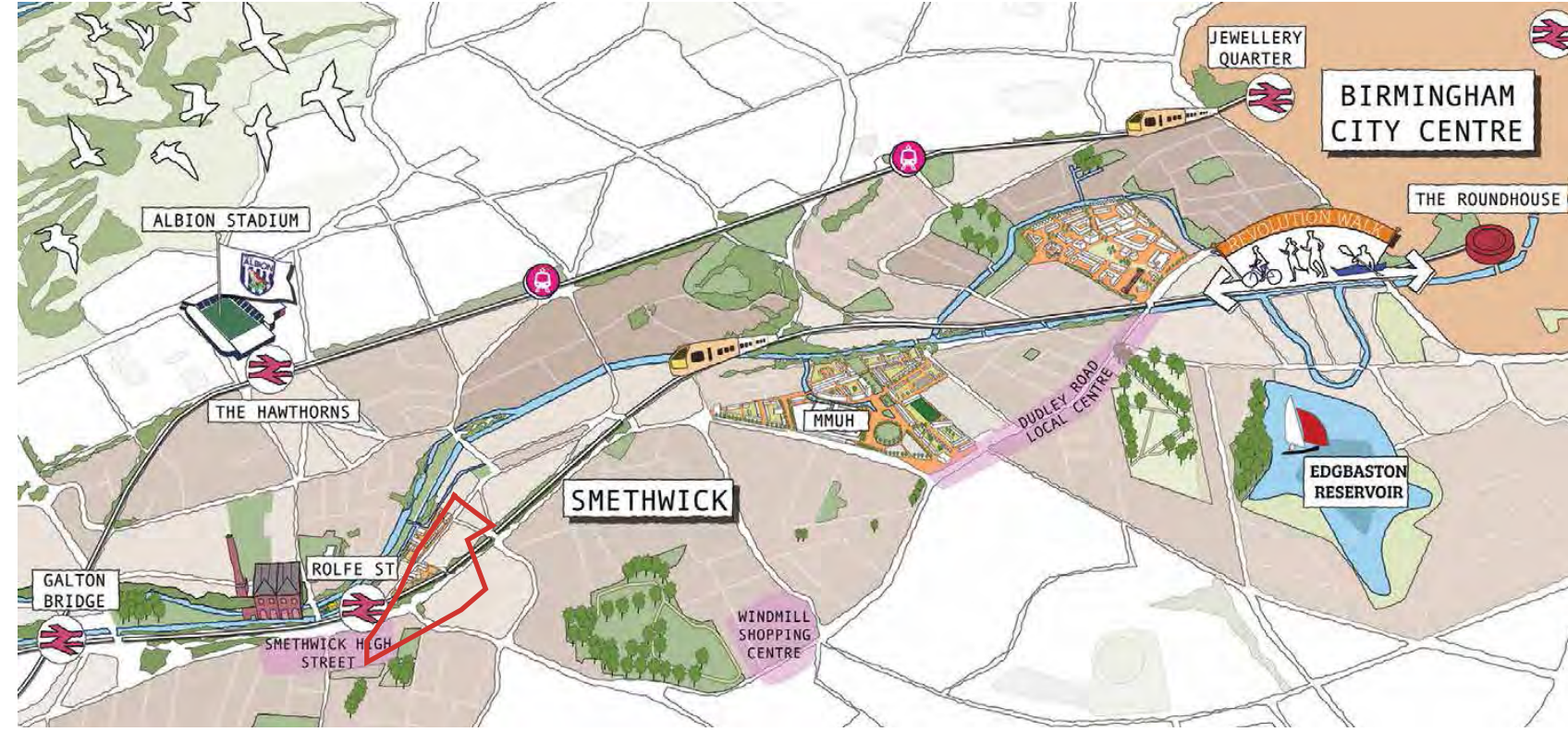
Smethwick to Birmingham Corridor

2.2 Planning Policy

The Black Country Core Strategy (2011) sets out the spatial vision, objectives and strategy for future development in the Black Country up to 2026. It identifies regeneration corridors of which Oldbury-West Bromwich-Smethwick is one.

Sandwell Site Allocations and Delivery DPD (2012) adds further detail to the Core Strategy's regeneration corridors. The plan states that the focus for new housing within the next few years will be within the Smethwick area of the Oldbury-West Bromwich-Smethwick corridor. The DPD estimated a residential capacity of 400 units for the 8.6ha Rolfe Street site, formally allocating it for residential development. However there has been little change in the area since that time.

With Rolfe Street being predominantly industrial in nature, piecemeal development for residential development is now not considered suitable, with a more comprehensive approach seen as the most efficient solution to delivering a high quality residential community, as outlined by this masterplan.



Smethwick to Birmingham Corridor Framework (extract)



Smethwick to Birmingham Corridor Framework



Rolfe Street Masterplan Site in 2022

2.2 Public Transport & Active Travel

Rolfe Street is exceptionally well connected. Half hourly trains take 05 minutes to get to Birmingham New Street, and 20 minutes to Wolverhampton. The New Main Line canal offers an off road cycling link to Birmingham City Centre, there are high frequency bus connections to Dudley and Birmingham from Smethwick High Street, and the Midland Metro's Handworth Booth Street stop and The Hawthorns railway station are both around 15mins walk away.

As part of the Smethwick to Birmingham Corridor, cycling and walking improvements will be made to provide better connectivity, as illustrated adjacent. In addition, Rolfe Street Station has been identified by Sandwell Council as priority location for a Mobility Hub, following the model proposed by Transport for the West Midlands, integrating rail and bus with cycle storage, West Midlands Cycle Hire and e-mobility, to provide a 'last mile' solution to the wider area.

2.3 Sustainability

In summer 2019 the West Midlands Combined Authority set a target of the region becoming net zero carbon by 2041. Sandwell Council's Climate Change Strategy 2020–2041 sets out Sandwell's plan for achieving the 2041 target. Residential emissions are cited as a key target for improvement.

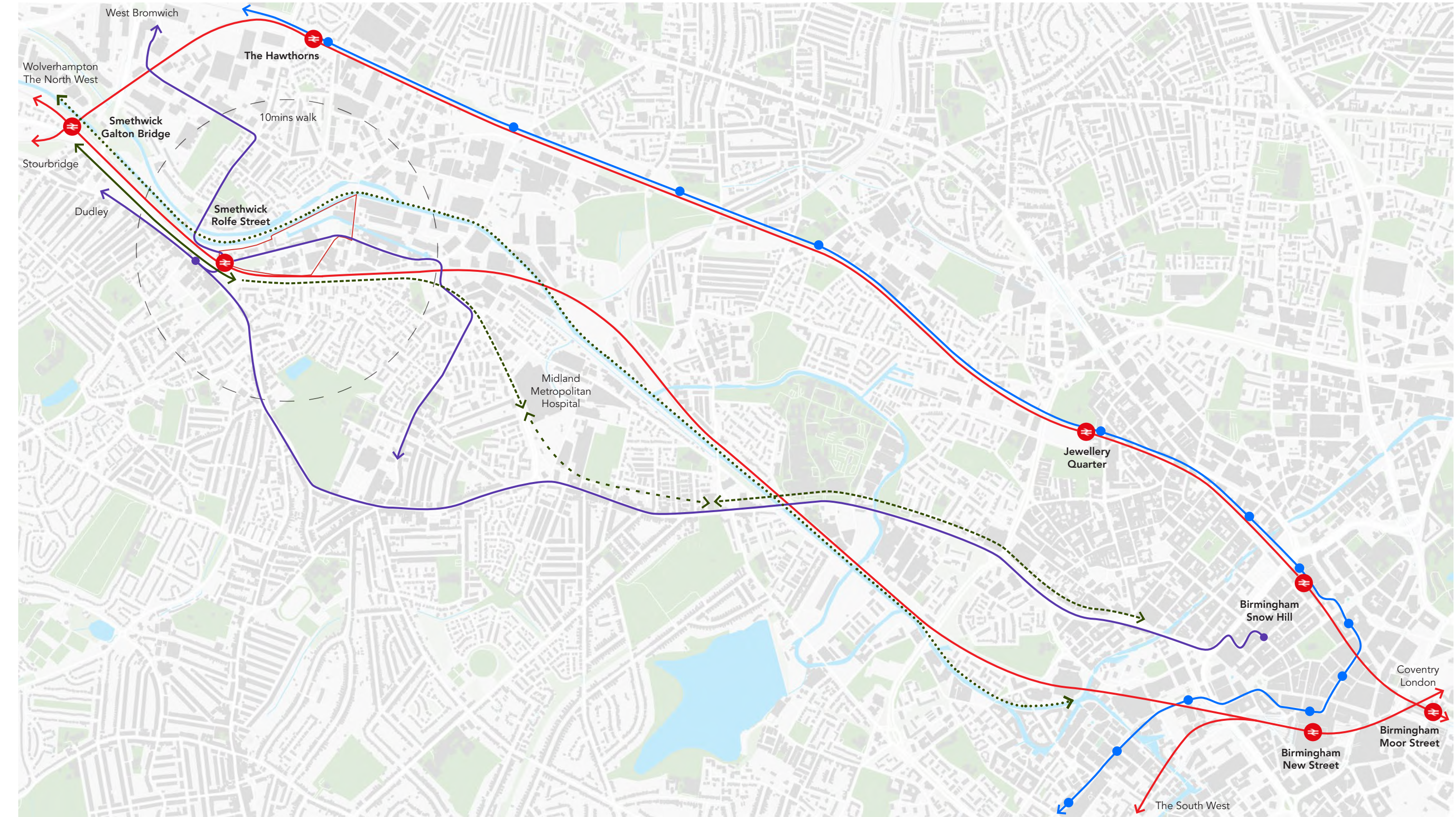
At Rolfe Street, there should be a clear hierarchy to the energy strategy in future planning applications:

- Use Less Energy – improved building efficiency
- Supply Energy Efficiently – utilising low carbon solutions
- Use Renewable Energy – adopt on site generation

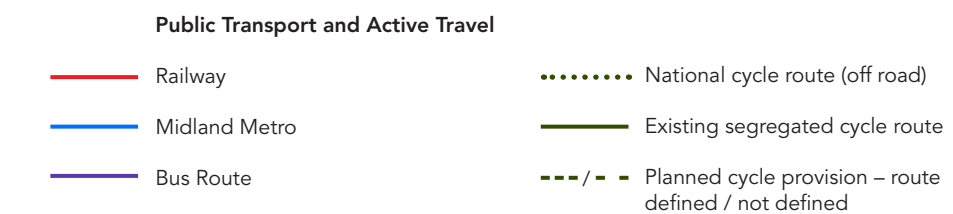
Solutions such as shared heat pumps and Passivhaus principles should be brought forward at Rolfe Street, to meet the Government's net zero homes strategy.



Integrated cycle storage – Triangle, Swindon



Public transport and active travel



Page 16
2.4 Site History

The history of the Rolfe Street area of Smethwick is tied closely to the construction of the Birmingham Old Main Line canal in 1768–69, of which Rolfe Street is the summit. Formerly fields and scattered farms, industry grew alongside the canal. The Old Main Line's summit quickly became congested and suffered from a lack of water. The Smethwick Engine and associated Engine Arm was constructed over an earlier feeder in the 1790s to alleviate this, but it was insufficient, leading to the construction of the low level, arrow straight New Main Line by Thomas Telford in 1829–30. The Engine Aqueduct was constructed to carry the Engine Arm over the New Main Line.

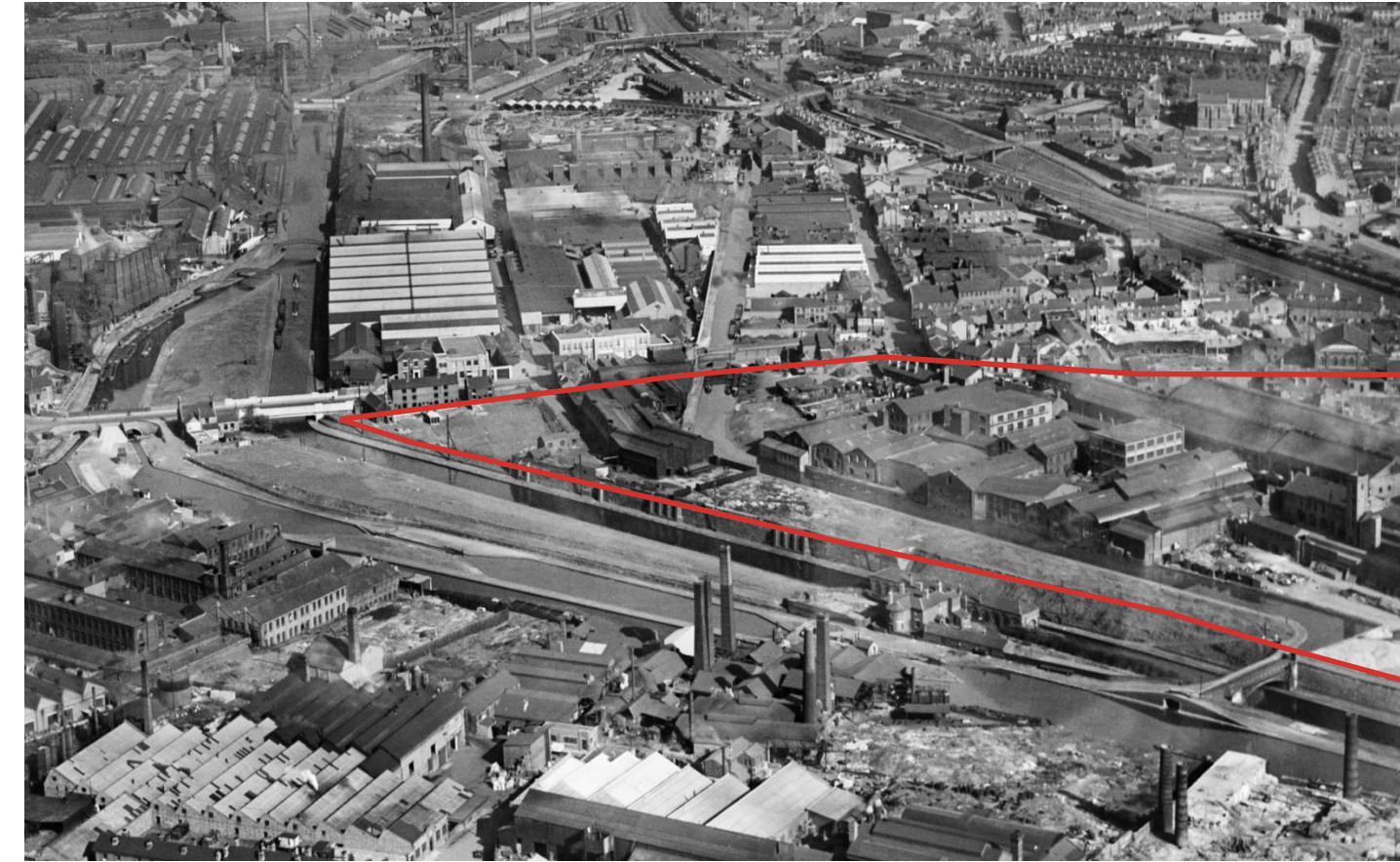
Together with the later railway, these canals, centred on the Aqueduct, form one of the UK's most important records of the rapid technological development in transport infrastructure in the 18th and 19th centuries, spurred by the industrial revolution in the Black Country.

The cutting of the New Main Line galvanised development of the masterplan area which rapidly industrialised, including the construction of the Crown Forge on the Enterprise Centre site. Residential development followed to the south, serving workers in industry, which became known as the New Village. This included commercial buildings on Rolfe Street and Smethwick High Street, and Holy Trinity Church. Rolfe Street became the centre of Smethwick, including a theatre and the public baths, moved to the Black Country Living Museum in the 1980s.

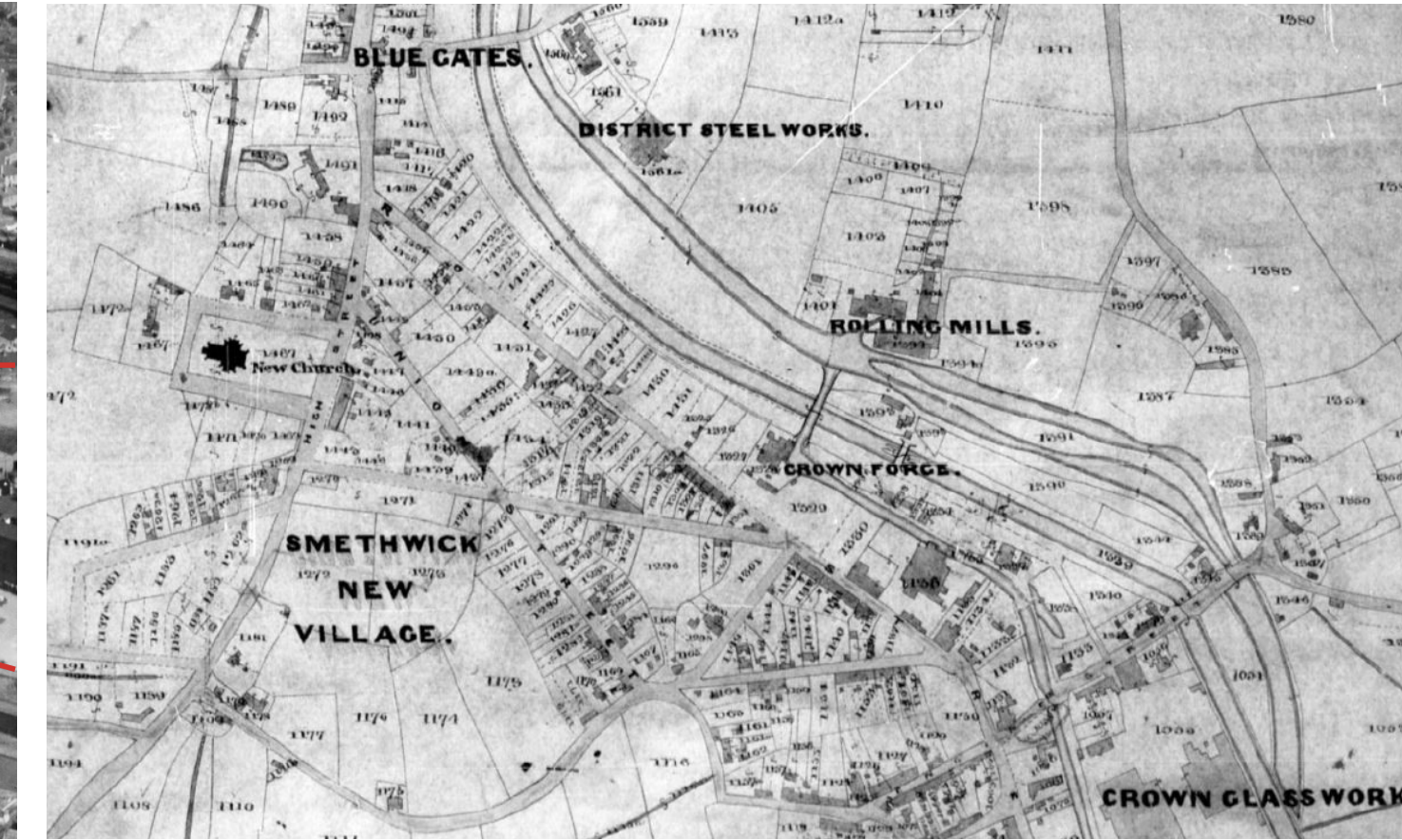
Construction of the railway led to the decline of Rolfe Street as a high street in favour of Smethwick High Street, and the decline of heavy industry alongside the canal. Industrial sites were sold to the public sector, including the former Crown Forge which became a yard for the Smethwick Corporation in the 1890s, the Fire Station in 1910, and Rolfe House, built for housing firemen, in 1933.

By the late 1930s the housing to the south of the site began to be replaced by industry, with the Drop Forge being constructed between Hill Street, Rolfe Street and New Street. This was followed in the 1960s by the demolition of the remaining homes to the west of Hill Street, the re alignment of Cross Street into Buttress Way, and construction of light industrial premises. Since then, there has been little development within the masterplan area.

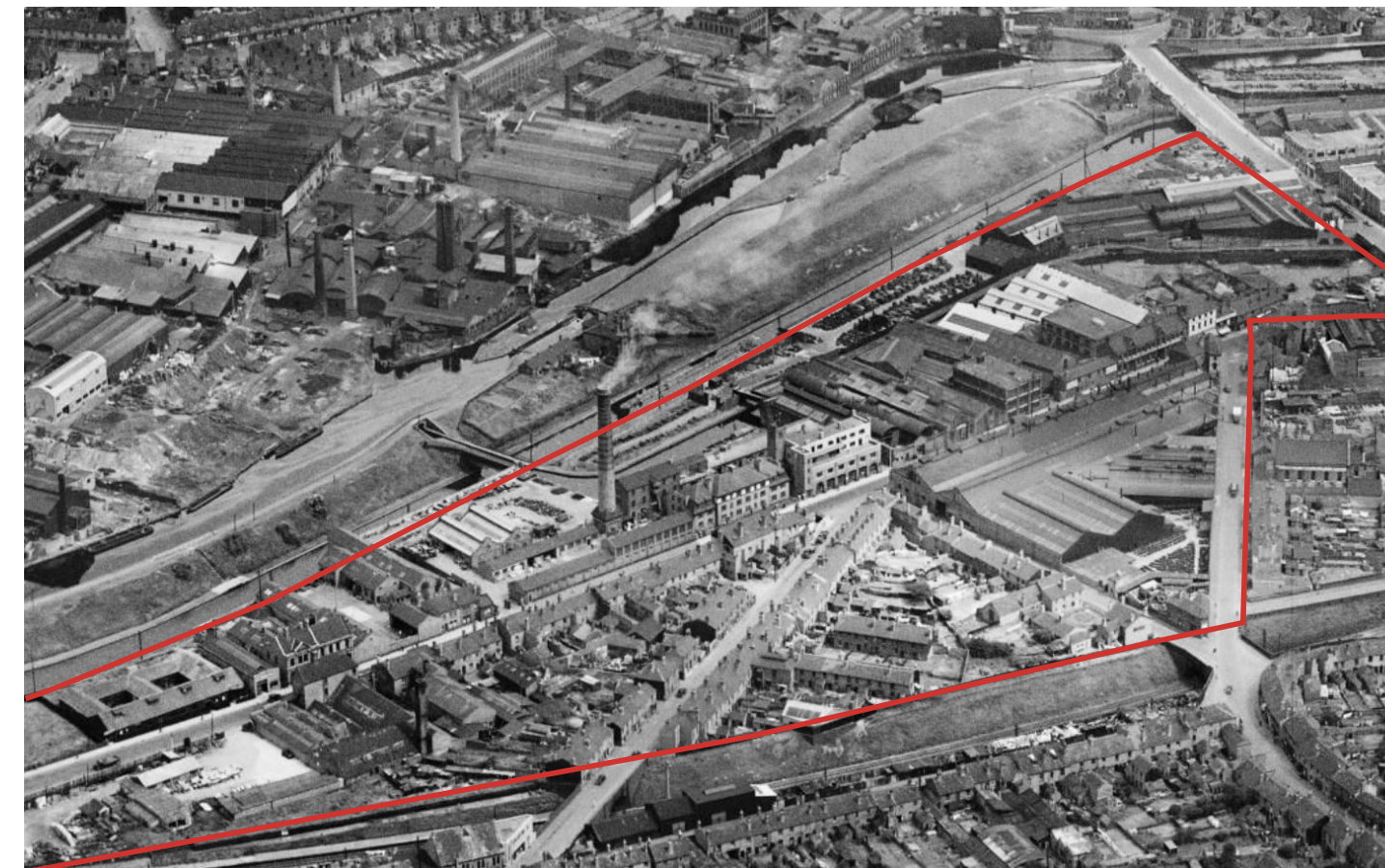
The site history is explored in more detail in the Rolfe Street Heritage Assessment by Donald Insall, December 2022.



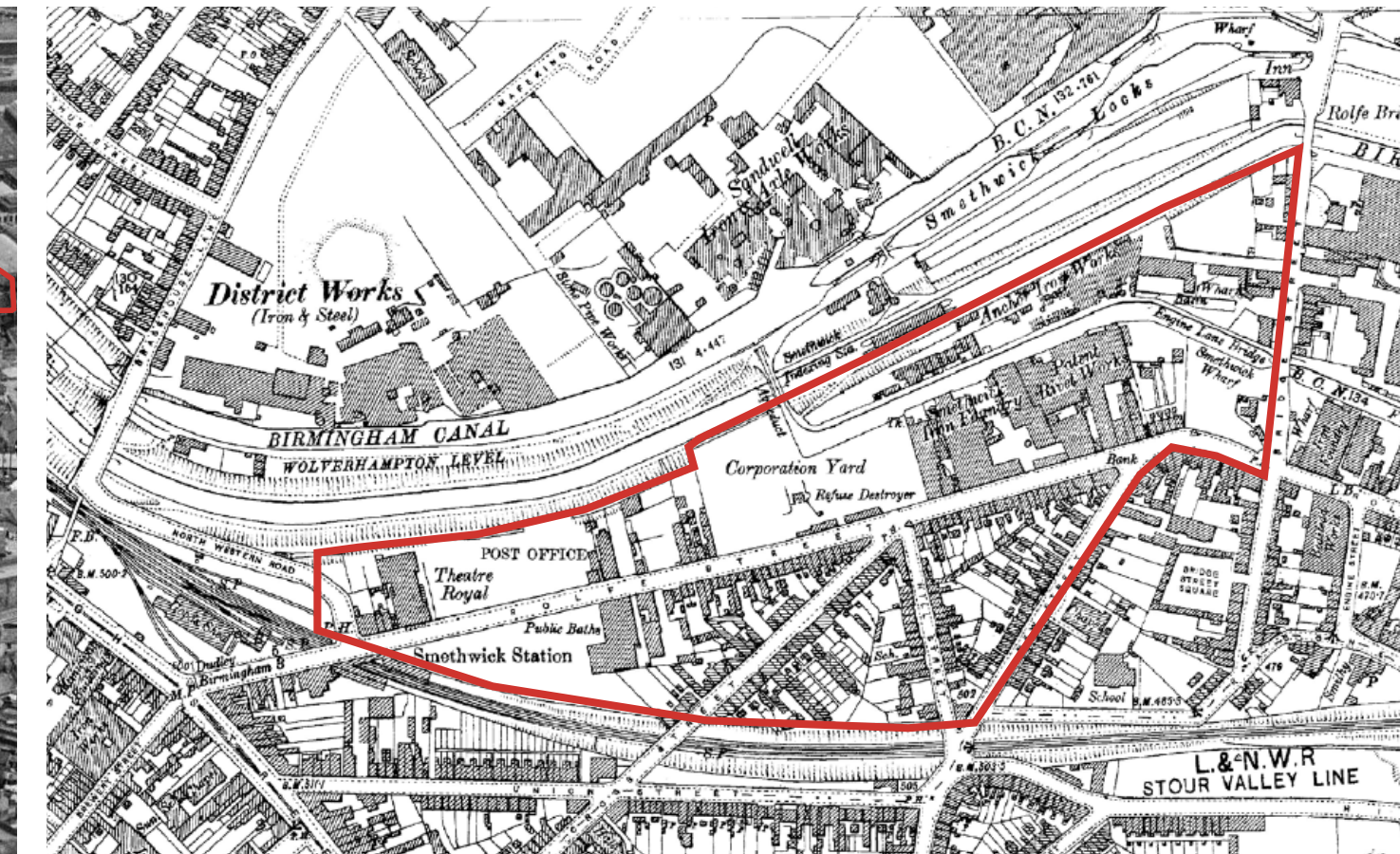
Aerial photograph of masterplan area, 1934



1839 Tithe Map – presence of Crown Forge



Aerial photograph of masterplan area, 1946



1904 Ordnance Survey Map – Industrialisation, Construction of Corporation Yard, Residential Development

2.5 Heritage Significance

Rolfe Street includes a large number of buildings and structures of significance. The most important of these is the Grade II* listed Engine Arm Aqueduct. The retaining wall to the former Corporation Yard, Grade II listed, is an early example of reinforced concrete construction.

Assets previously recommended for local listing include elements of the former Corporation Yard, including the warehouse Block 300, and the warehouse frontages to south side of the Engine Arm. These sit primarily within the Smethwick Summit, Galton Valley Conservation Area.



Engine Arm Aqueduct from the New Main Line (Grade II* listed, SM)



Block 300, Corporation Yard (Enterprise Centre)



Retaining wall to the Corporation Yard along the New Main Line (Grade II listed)



Warehouse frontages to the Engine Arm

- | Heritage Designations | Heritage Assets |
|--|------------------------------------|
| Smethwick Summit, Galton Valley Conservation Area | Retaining Wall to Corporation Yard |
| Smethwick High Street Conservation Area | Engine Arm Aqueduct |
| Scheduled Monument | Top Lock |
| Listed building or structure | Middle Lock |
| Previously recommended for local listing from the Audit of Heritage Assets within 'Smethwick Summit Galton Valley, Smethwick, Conservation Area Appraisal' (Upson, Kirkham, Cox and Potter 2002) | Bottom Lock |
| | Smethwick Engine |



2.6 Heritage Characterisation

A series of heritage character areas have been identified. These have informed this masterplan's character areas. They include:

- **Historic High Street:** a cluster of civic and public service buildings reflecting the former status of Rolfe Street as a high street
- **Eroded High Street:** where buildings contributing to the high street character have been lost
- **Industrial Backlands:** the area around Buttress Way with detracting character
- **Canalside Industrial:** area with strong connections to the canal
- **Canals:** the historic canal infrastructure, now a green corridor

These character areas are explored in more detail in the Rolfe Street Heritage Assessment by Donald Insall, December 2022.



Former Fire Station on Rolfe Street








67 and 68 Rolfe Street

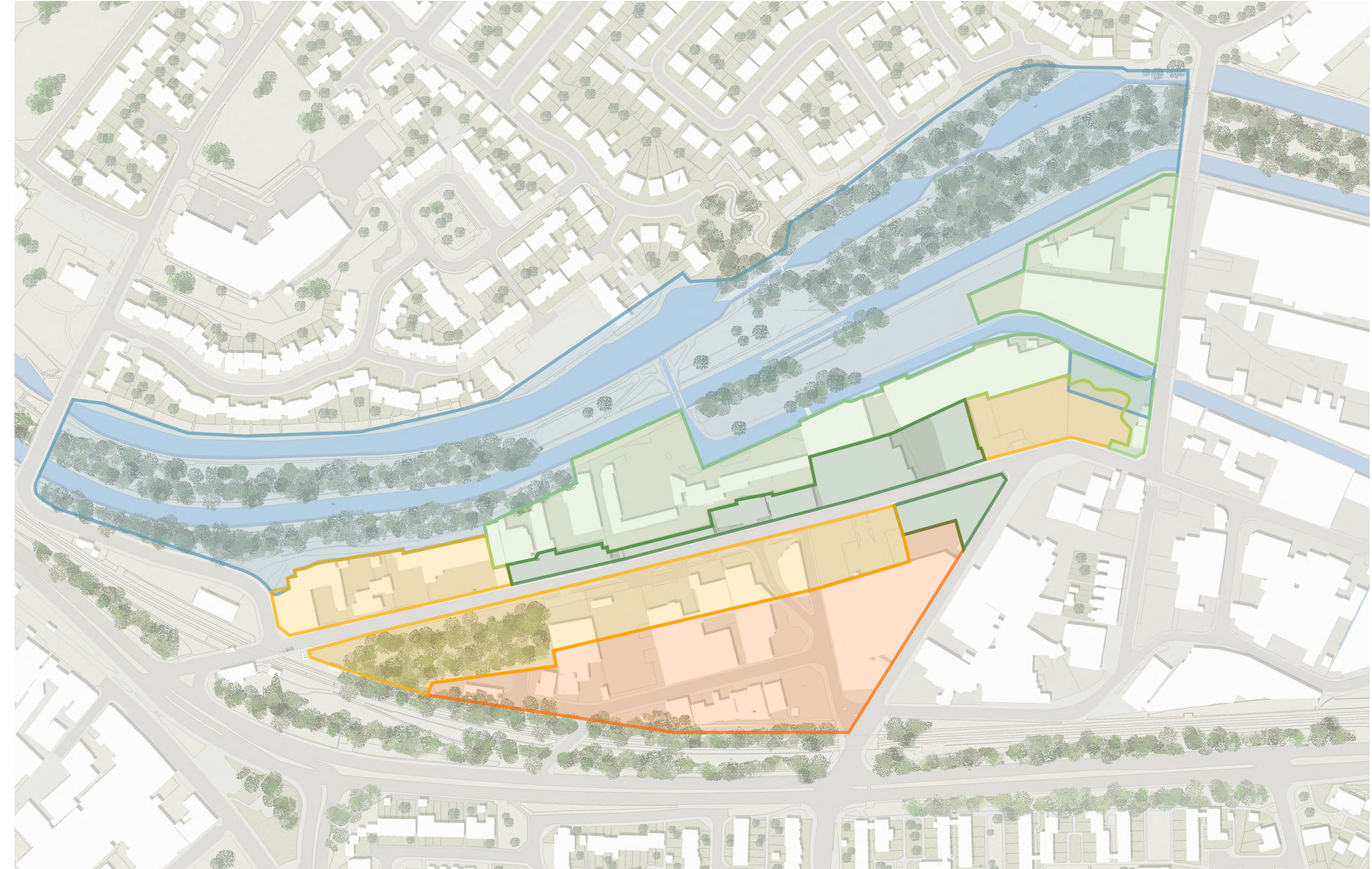


16 Rolfe Street



Commercial building frontages to Bridge Street

Heritage Character	
	Historic High Street
	Eroded High Street
	Industrial Backlands
	Canalside Industrial
	Canals



Heritage Character

Page 2.7 Constraints & Opportunities

Primary constraints at Rolfe Street are the busy and narrow Rolfe Street and New Street bisecting the site, the railway line, and changes in level of about 1-2 storeys in a number of locations. The existing industrial nature of the site presents an environment unsuitable for a high quality residential community, including HGV movements and noise pollution. There is much informal and fly parking including across the full width of pavements making streets feel hostile and inaccessible. The canal and heritage assets make a positive contribution, lending a strong sense of place and a green corridor for recreation. Pedestrian links to the canals are very poor, there is no access across the aqueduct from the site except via a convoluted route alongside the Engine Peninsula with no surveillance.

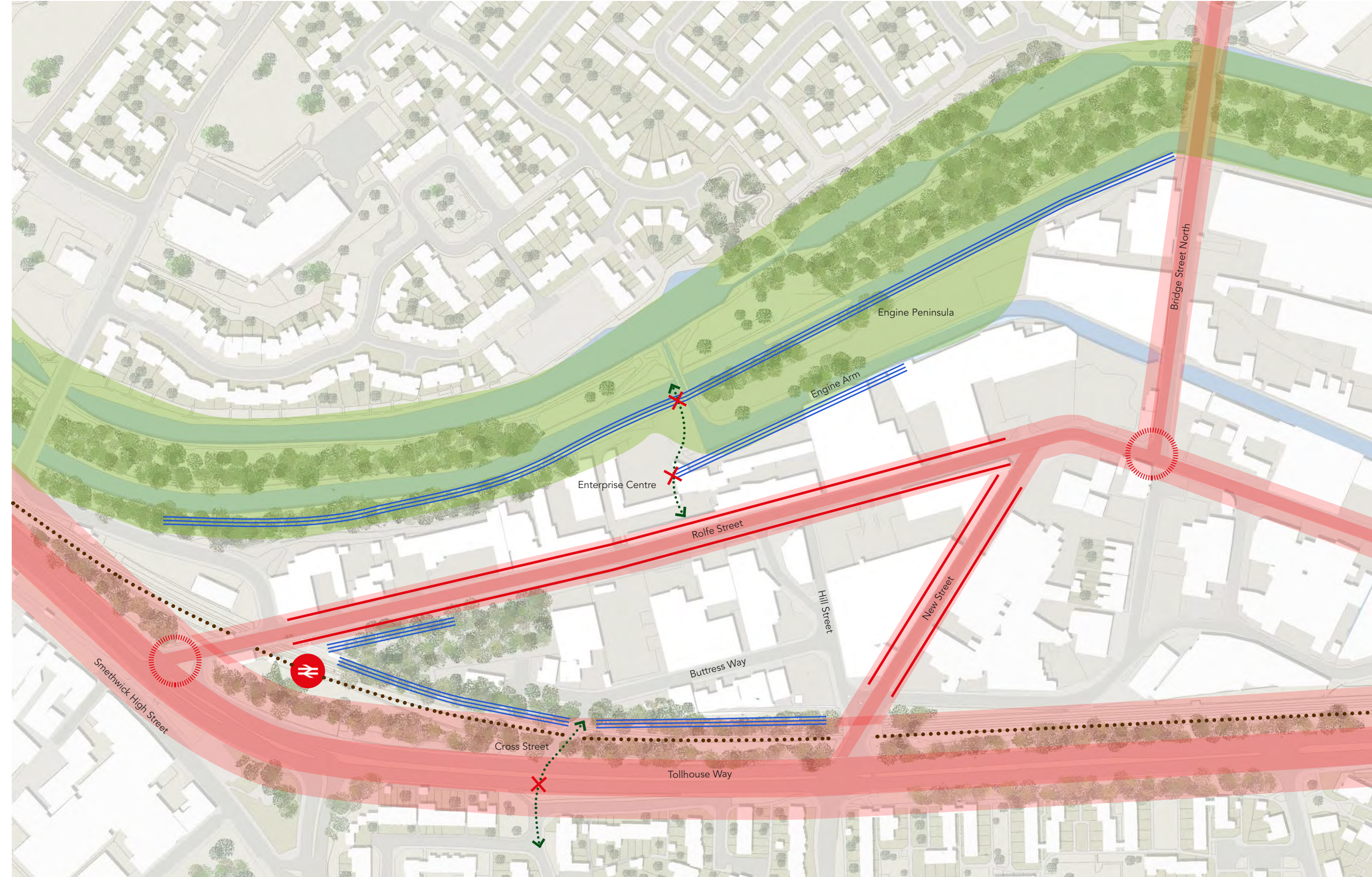


Traffic and informal parking along Rolfe Street



The New Main Line from the Engine Arm Aqueduct

- | Constraints | Opportunities |
|---|--|
| Heavy traffic, noise and barrier to pedestrian movement | Canal as green corridor |
| Existing crossing without pedestrian sequence | Heritage assets |
| Narrow street with informal parking | Station with excellent access to Birmingham New Street (3min) and other destinations |
| No pedestrian access | |
| Significant level change | |
| Railway line | |



Constraints and Opportunities

3.0 Vision & Place

3.1 A Sense of Place

The Smethwick to Birmingham Corridor Framework sets out the principles the Council wish to build upon at Rolfe Street:

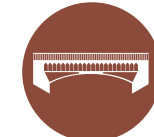
- A place that is aspirational, where people want to live now and into the future
- A healthy sense of place, heritage and natural beauty maximised
- A green corridor, with green new neighbourhoods
- An active travel exemplar, well connected
- A strong sense of community

Our vision is for Rolfe Street to be an aspirational place where people want to live, a place that has a unique character which fosters a strong sense of community. This will be achieved through maximising the nationally significant history of the site, a history that connects Rolfe Street to the critical role the Black Country played in the industrial revolution. It will be underpinned by high quality architecture, streets and spaces.

Our Vision for Rolfe Street



A place that's Smethwick: an exemplar for the past and future of the Black Country



A historic place: heritage at the heart of a new community



An aspirational place: high quality family homes for all



A connected place: a zero carbon mobility hub, heart of a cycling network



A green place: new public spaces for a new community, the canal as a green lung



A key site in the history of the industrial revolution



Community at Port Loop, Smethwick's history of making



High quality, canalside family homes: Port Loop, Birmingham



Heritage at the heart of a new community – Kelham, Sheffield

3.2 A Heritage Armature

Historic buildings are arranged primarily along the north site of Rolfe Street, forming an armature that gives a very strong sense of place, and a link back the historic high street. Retaining and refurbishing these buildings, alongside new development that maintains the historic building line, will enhance that sense of place and create the primary identity for Rolfe Street. Roof forms, materiality and scale should reflect that of the retained buildings, with a strong and consistent use of red stock brick and blue brick, and highly varied roof forms and heights.



Heritage armature along Rolfe Street



Heritage armature along Rolfe Street



Celebration of heritage, Salford Central



Vision – a new community, anchored by heritage

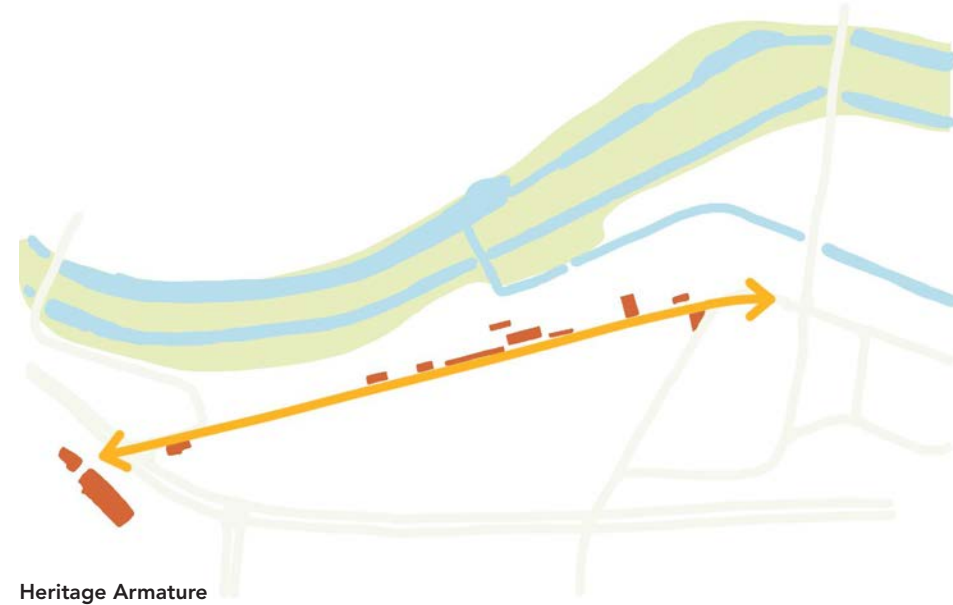
4.0 Urban Design Framework

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4.1 Key Moves

Building on the retained heritage armature, Rolfe Street should remain the primary axis, providing principal movement through the site and linking to the station, Smethwick High Street and the Midland Metropolitan Hospital. Either side of Rolfe Street new connections should be made to the canals, and across Tollhouse Way, retaining existing street alignments.

New public open spaces should be provided at key nodes, including at the Engine, Engine Peninsula, and at the heart of the site alongside the Fire Station and Rolfe House. Residential development should follow a clear grid, building on the existing primary streets.



Heritage Armature
Rolfe Street, the primary axis, provides a strong sense of place



Green Network
A network of squares, parks and green streets, connecting to the canal and Tollhouse Way.



Flexible Grid
A regular grid of residential streets, reflecting historic alignments



Illustrative masterplan

Page 88
4.2 Open Space & Public Realm

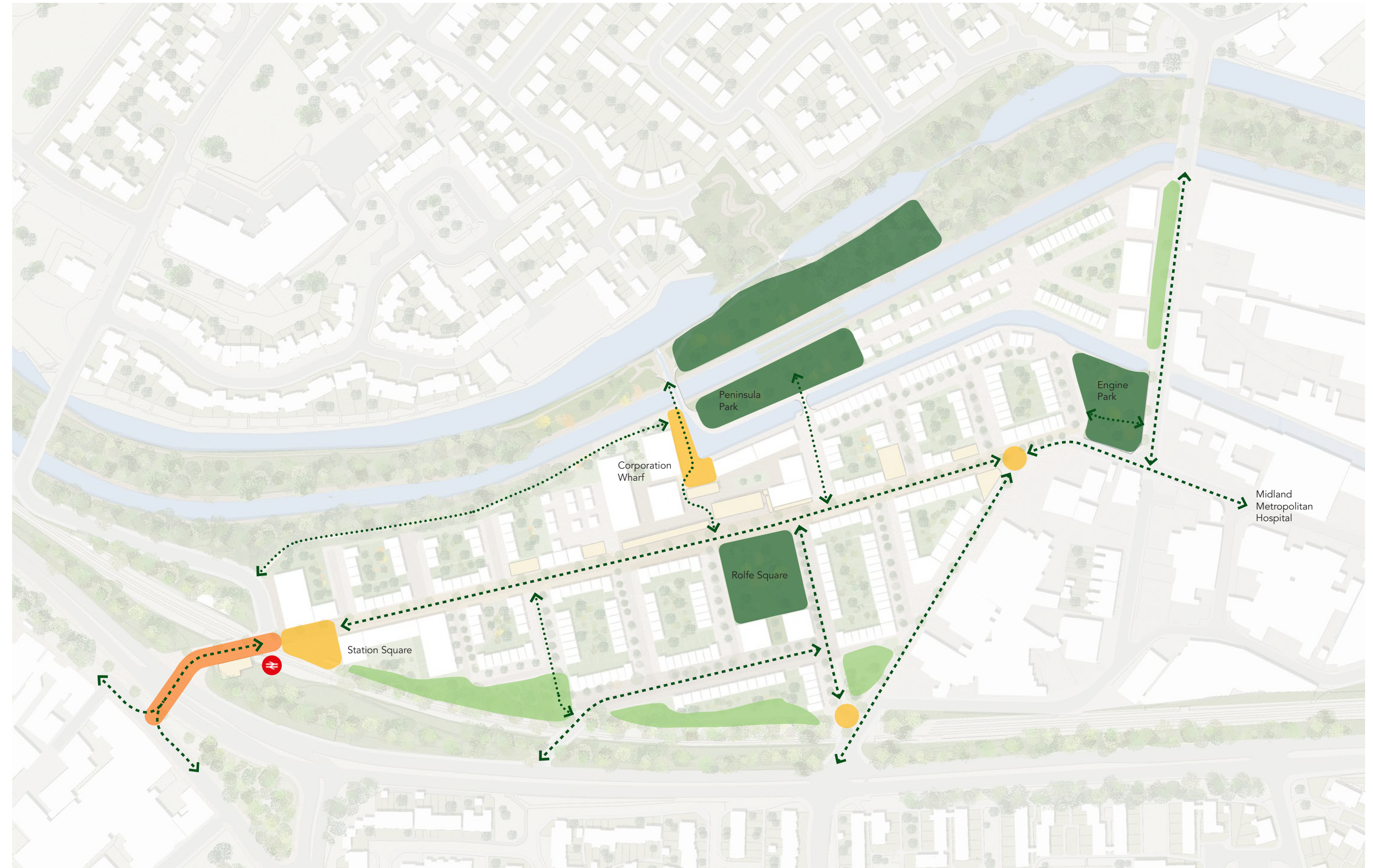
Open space and public realm will be essential to creating a high quality community at Rolfe Street. A new square would provide a welcome at Rolfe Street Station, with enhancements made to the connection to Smethwick High Street. The key asset of the Engine Aqueduct should be at the heart of another principal public space, with a quieter character, anchoring the former Corporation Yard.

New green spaces should take advantage of the existing landscape at the Smethwick Engine and the nose of the Engine Peninsula, both of which would be less suitable for development due to form and heritage value. In addition, it will be important to provide a new public open space at the heart of the site, Rolfe Square, creating a sense of identity and a formal space for play.



Public space and community, Port Loop

- Open space, public realm and connections**
- Principal points of arrival
 - Public open space
 - Landscape buffer to New Street and Railway
 - Priority area for enhancement of pedestrian experience
 - Existing streets requiring public realm enhancement
 - New pedestrian connections to be provided



Open space, public realm and connections

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4.3 Street Hierarchy & Movement

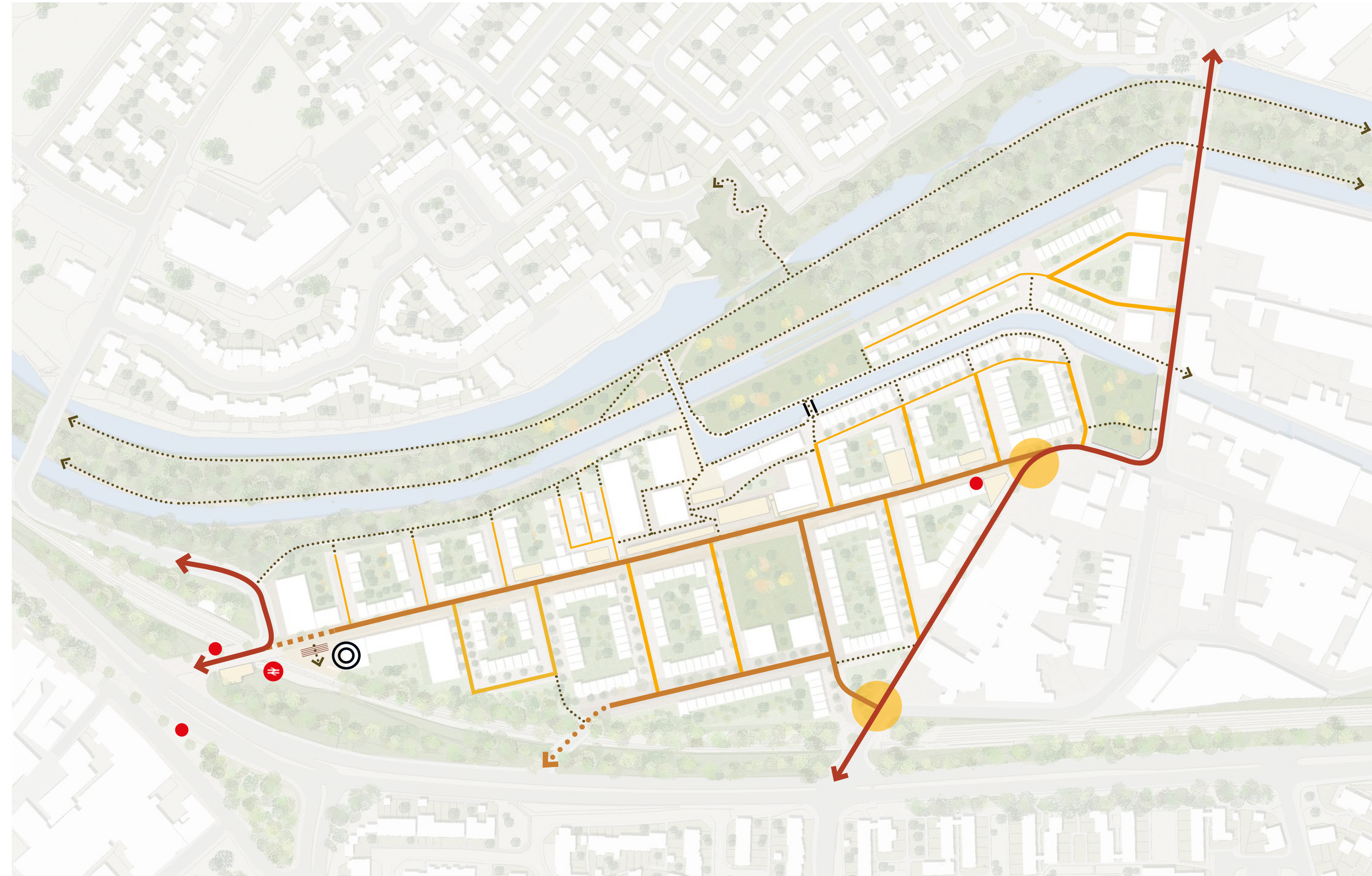
A strong street hierarchy will provide legibility and assist in overcoming the challenge of the high vehicular movement across the site, creating quieter residential streets. Key to this is the transformation of Rolfe Street into a lower traffic environment with traffic encouraged to use New Street instead. This could be via street treatment and changes to junctions, or more defined restrictions.

Hill Street and Buttress way should be transformed into Landscape Streets defining a residential grid to the south of the site. Minor residential streets should lead north and south off Rolfe Street. In combination, this will provide short, legible, deliverable and low traffic residential streets suitable for family housing.



High quality street environment – Dujardin Mews, Enfield

- Street hierarchy and movement**
- Principal traffic movement
 - Rolfe Street / Landscape Streets – Primary
 - Townhouse Streets – Secondary
 - Mews Lanes – Tertiary
 - Potential location for public realm, HGV restrictions or bus gate
 - Walking and cycling connections
 - Visual and physical connection to Station
 - New Mobility Hub
 - Potential for new pedestrian bridge
 - Existing bus stop
 - Requirement for junction layout reconfiguration



Street hierarchy and movement

4.4 Height, Density & Typology

Viability and local demand indicate a requirement for a mixture of family homes and apartments at Rolfe Street. A starting point for density should be policy HOU2 of the Black Country Core Strategy, which indicates up to 60 dwellings per hectare in accessible locations. This is in line with the delivery of Port Loop, with family homes in a townhouse format being successfully delivered at 65 dwellings per hectare. Apartments will typically be at a higher density, and this is especially appropriate adjacent to Rolfe Street Station which has excellent connections to areas of employment.

Overall, given the excellent public transport connections at Rolfe Street, a density in excess 60 dwellings per hectare may be appropriate, subject to the careful design of new homes. Maximum heights should respect the existing heritage buildings on site, e.g. the four to five storey Fire Station. More height may be appropriate adjacent to Rolfe Street Station, subject to design.



Two approaches to typology that were tested – higher density, apartment led approach (top) or urban house led (bottom)



Indicative height, density and typology strategy

5.0 Character Areas

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5.1 Character Areas

To guide development and create a sense of place, four character areas have been defined. Each of these is described in detail, with strategies proposed for development that will, in combination, create a high quality residential community, with strong links to Rolfe Street's history.



Corporation Yard



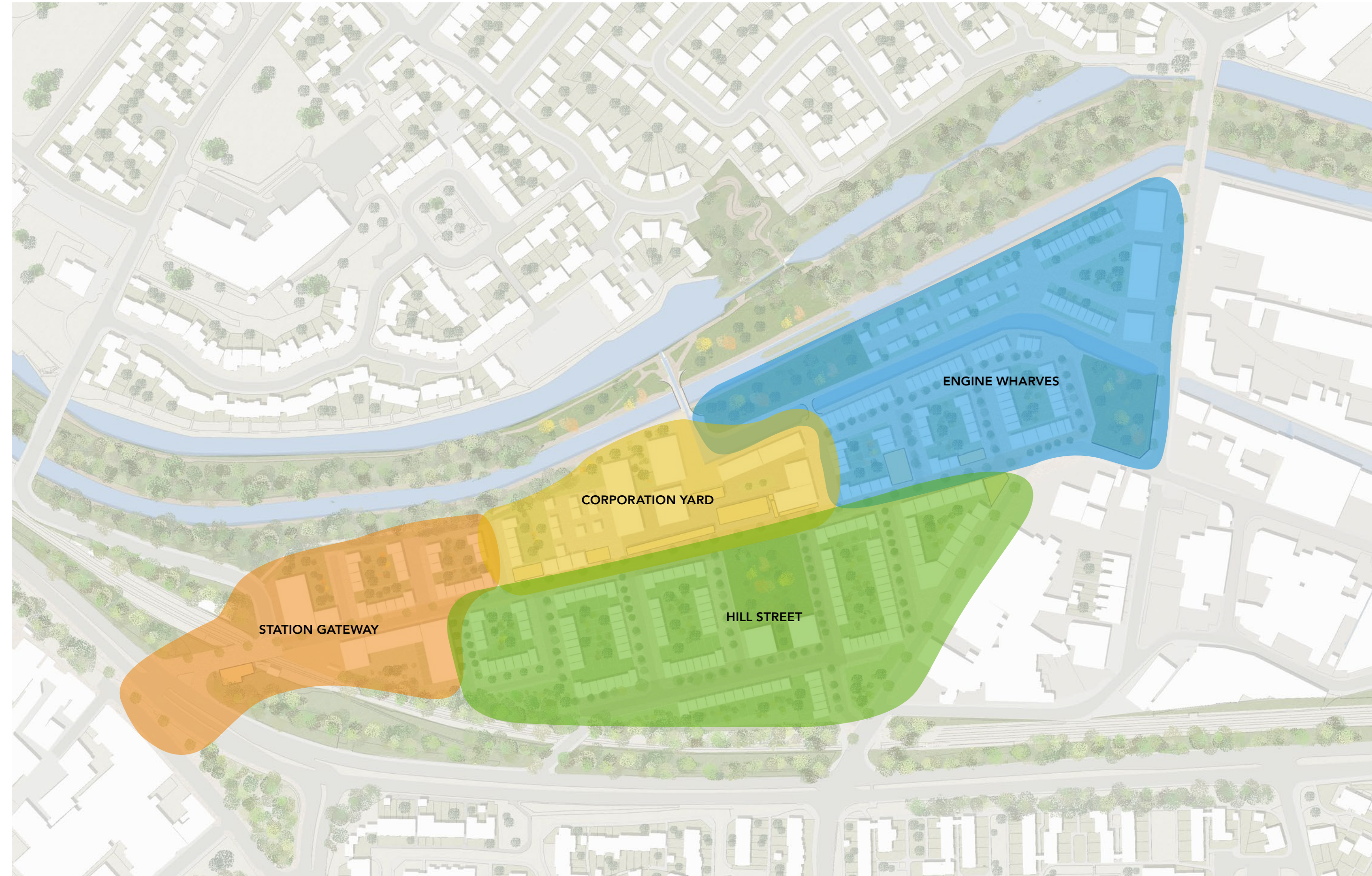
Hill Street



Station Gateway



Engine Wharves



Character Areas

5.2 Station Gateway

Rolfe Street Station will be the primary gateway to the new community at Rolfe Street, providing connectivity across the West Midlands by rail and bus. The former Baths Site is key, owned by Smethwick Council and providing a direct link to the station. The site is suitable for a higher density development of apartments in this highly accessible location.

Alongside this, a Mobility Hub should be provided, following the model proposed by Transport for the West Midlands, integrating rail and bus with cycle storage, West Midlands Cycle Hire and e-mobility, to provide a 'last mile' solution. This is a key part of the West Midlands' Combined Authority's WM 2041 Plan, setting a pathway to Net Zero for the West Midlands.

A welcoming area of public realm, Station Square, should be provided to tie together the Baths Site, Mobility Hub and Rolfe Street, linking across to Smethwick High Street through crossing and pavement enhancements.



Illustrative Masterplan – Station Gateway



Station Square and the former Baths Site



Rolfe Street station building



Concept for the TFWM Hub, West Midlands Combined Authority



Mews Streets form a higher density transition to family housing



Challenging pedestrian environment at Rolfe Street Station

5.3 Corporation Yard

At the heart of the Rolfe Street masterplan, the Enterprise Centre should be transformed into a new community, Corporation Yard.

Celebrating the importance of the site in the history of the industrial revolution, there is opportunity for higher density mix of apartments, duplexes and mews houses. Built form should respect the height, scale and materiality of the retained buildings from the former Corporation Yard including Block 300. Streets and spaces should be tight and urban, reflecting the former industrial use of the site.

Access should be provided over the Aqueduct onto the Old and New Main Lines, tying Rolfe Street into the green corridor of the Canal. The listed reinforced concrete wall to the Yard should be preserved and celebrated as part of the Yard's landscape strategy.



Illustrative Masterplan – Corporation Yard



A potential redeveloped Corporation Yard from the Old Main Line



Corporation Yard – Vision

Page 104
5.4 Corporation Yard – Heritage Retention

Key to the success of Corporation Yard is the extent of retention. Maximising the number of retained buildings will provide a stronger sense of place. However, it is important that any retained buildings find a viable and sustainable use, potential uses include residential conversion, workspace and maker space.

Taking into account the heritage significance of each building, and the spatial potential and cost of conversion, two scenarios are suggested for retention. In the first, the most high to medium significance buildings are retained, this is preferred. A second option sees only Rolfe House and Block 300 retained, with potential for the demolition of Block 300 if residential conversion or alternative use is not viable.



The benefits of retention of the Rolfe Street Elevation: historic streetscape and strong sense of place



Potential for integration of maker spaces into block 100

- Heritage Significance**
- High to Medium
 - Low
 - Little or no
 - Detracting



Retention Option 1 – Blocks 100, 300, 67–68 Rolfe Street and Rolfe House



Retention Option 2 – Block 300 and Rolfe House only



Existing elevation of no 67 and 68 and Block 100 to Rolfe Street

5.5 Corporation Yard – Block 300

Block 300 is of prime importance to the sense of place at Rolfe Street, tying the potential future residential community back into the canal based history of the site. Block 300 should be the highest priority for retention in any development at Corporation Yard.

Residential conversion is spatially possible, including into up to 8 apartments. Viability and detailed design of the conversion should be assessed as part of any detailed application for the site. Conversion to community, workspace and maker space should also be considered, if viable.



Block 300 – residential conversion options



Block 300



Glimpsed view of Block 300 from Rolfe Street



Potential for Block 300 to be converted to residential, within a new Fire Station Courtyard



Desire line opened up from Rolfe St toward Block 300

The area around Hill Street was formerly residential, with tight streets providing housing for local industrial employers. At the heart of the masterplan, Hill Street should become a high quality residential community, around central public open space. A townhouse led approach, as at Port Loop, would provide the density needed to make a community on the site viable and not feel isolated.

High quality architecture and streetscape is essential to successful residential delivery. As demonstrated at Port Loop, Kelham in Sheffield and Salford Central, a design led approach can deliver an aspirational place that the community are proud of, a place where people really want to live. Materiality and form should draw upon the historic architecture, whilst feeling completely new.



Hill Street – illustrative masterplan



Hill Street – high quality family streets, parking carefully managed, heritage celebrated



Materiality – Rolfe Street



High quality family homes – Salford Central, Port Loop



High quality family homes and streetscape – Dujardin Mews, Enfield

5.7 Engine Wharves

Either side of the Engine Arm, a new community will have a close relationship with the canal. The existing elevations of warehouses along the south side of the canal have been identified as having high heritage significance. There is potential to retain these elevations within any development, and to maintain the relationship with the water on the south side of the canal in any new development. Historic canal features such as the towpath bridge on the Engine Peninsula should be retained.

The Engine Peninsula provides a challenge to development due to a long thin site area. Apartment development is possible and would reflect the historic form. Alternatively, residential development of high quality townhouses, relating to the canal, would provide much needed family homes.



Engine Wharves – illustrative masterplan



Engine Wharves – vision



Existing warehouse elevations onto the Engine Arm



Existing canalfront relationship onto Engine Arm, including bridge



Existing water tower



Homes with a strong canal relationship: Port Loop



Localised heritage retention – Nordhavn, Copenhagen

6.0 Streets & Design Coding

Page 108 6.1 Design Coding

This design code establishes the detailed principles development should follow at Rolfe Street.

The design code illustrates how current planning policy, locally adopted policy, and national and local good practice guidance can be combined with a respect for the history of the area to create a unique sense of place at Rolfe Street.



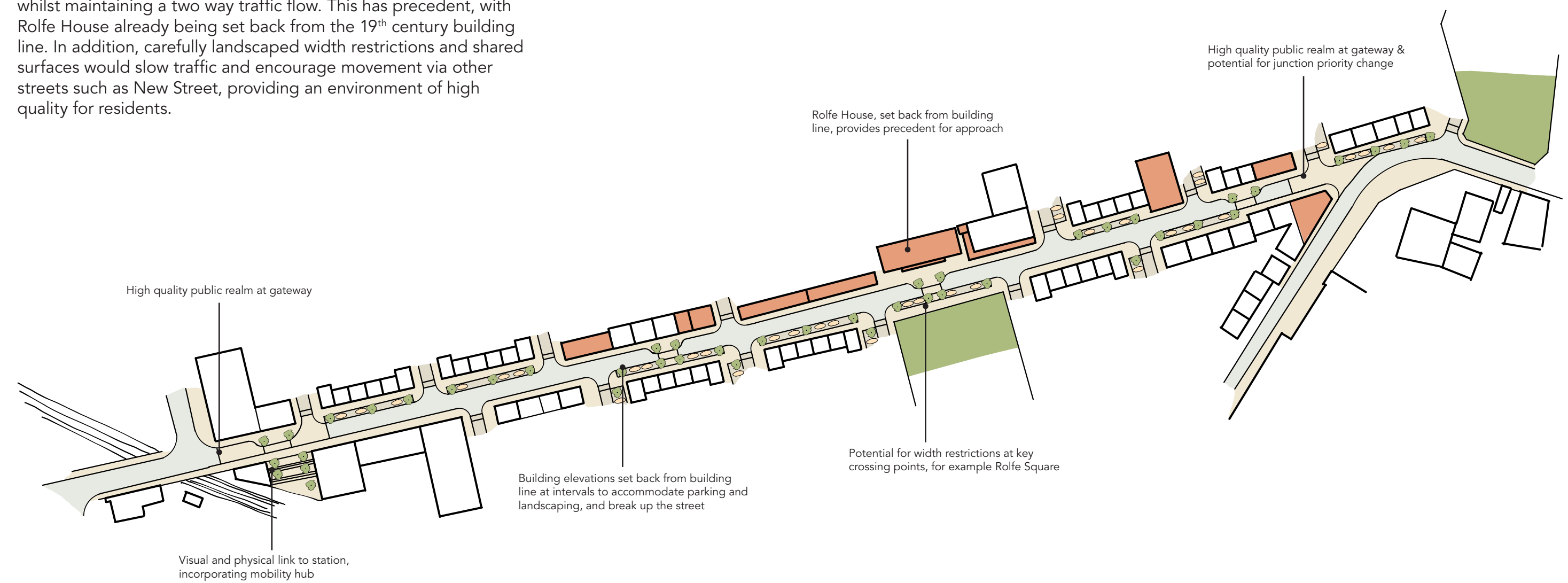
Design Code areas

Page 109
6.2 Rolfe Street

Rolfe Street is currently very narrow. There is much informal and fly parking including across the full width of pavements making streets feel hostile and inaccessible. The welcome at Rolfe Street Station is underwhelming with an environment hostile to pedestrians.

In order to provide an environment suitable for a new residential community, Rolfe Street needs to be reconfigured to resolve these issues. Potential solutions are illustrated adjacent.

By setting some new development back from the existing building line, parking and landscaping can be provided within Rolfe Street whilst maintaining a two way traffic flow. This has precedent, with Rolfe House already being set back from the 19th century building line. In addition, carefully landscaped width restrictions and shared surfaces would slow traffic and encourage movement via other streets such as New Street, providing an environment of high quality for residents.



Rolfe Street – strategies in detail

- 1 Parallel parking to one side of street
- 2 Landscape between parking spaces
- 3 New alignments still have strong relationship to old
- 4 New buildings mostly 3–4 storeys
- 5 Opportunity for localised width restrictions to provide landscaped crossing points



Rolfe Street – design coding

6.3 New Street

New Street is also narrow, suffering from many of the same issues as Rolfe Street. The masterplan envisages New Street becoming the principal highway route between Bridge Street North and Tollhouse Way, strategically more important and attractive to traffic than Rolfe Street. To achieve this, building lines should be set back, with formal parking provided, alongside landscaping.

Building form should be carefully considered, arranged at an angle to New Street where appropriate to avoid directly facing it. The use of dual aspect apartments and houses with service space (kitchens, bathrooms) facing New Street would also be an appropriate approach.

On Bridge Street North, the existing wall to the Smethwick Engine site should be retained, and the archway reopened to provide access to Engine Park, providing a buffer to the traffic at this busy junction.



Former gateway on Bridge Street North, to be opened up into Engine Park



New Street – existing informal parking and width challenges



Triplex corner apartments with own front door: Goldsmith Street, Norwich



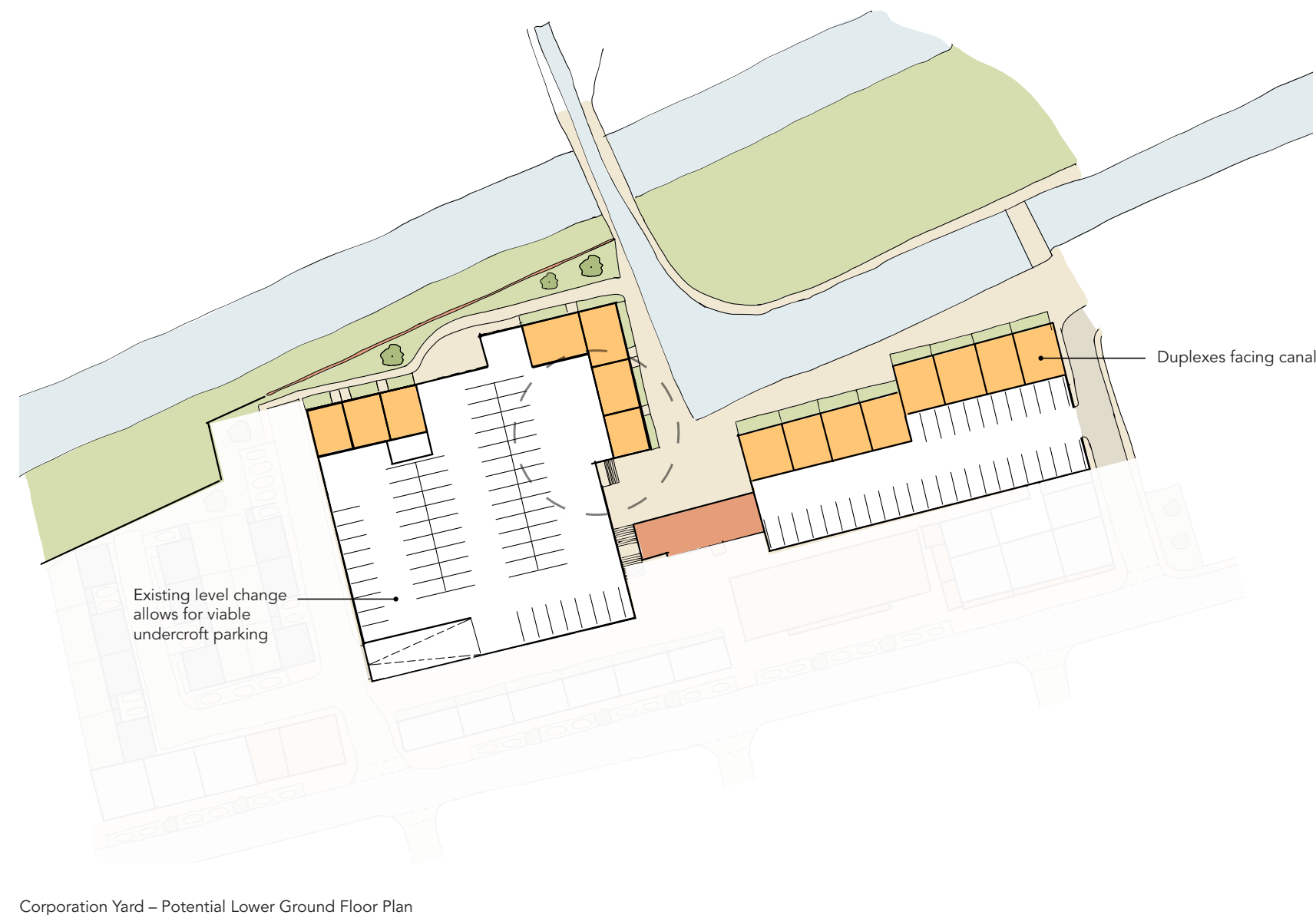
New Street – design coding

6.4 Corporation Yard

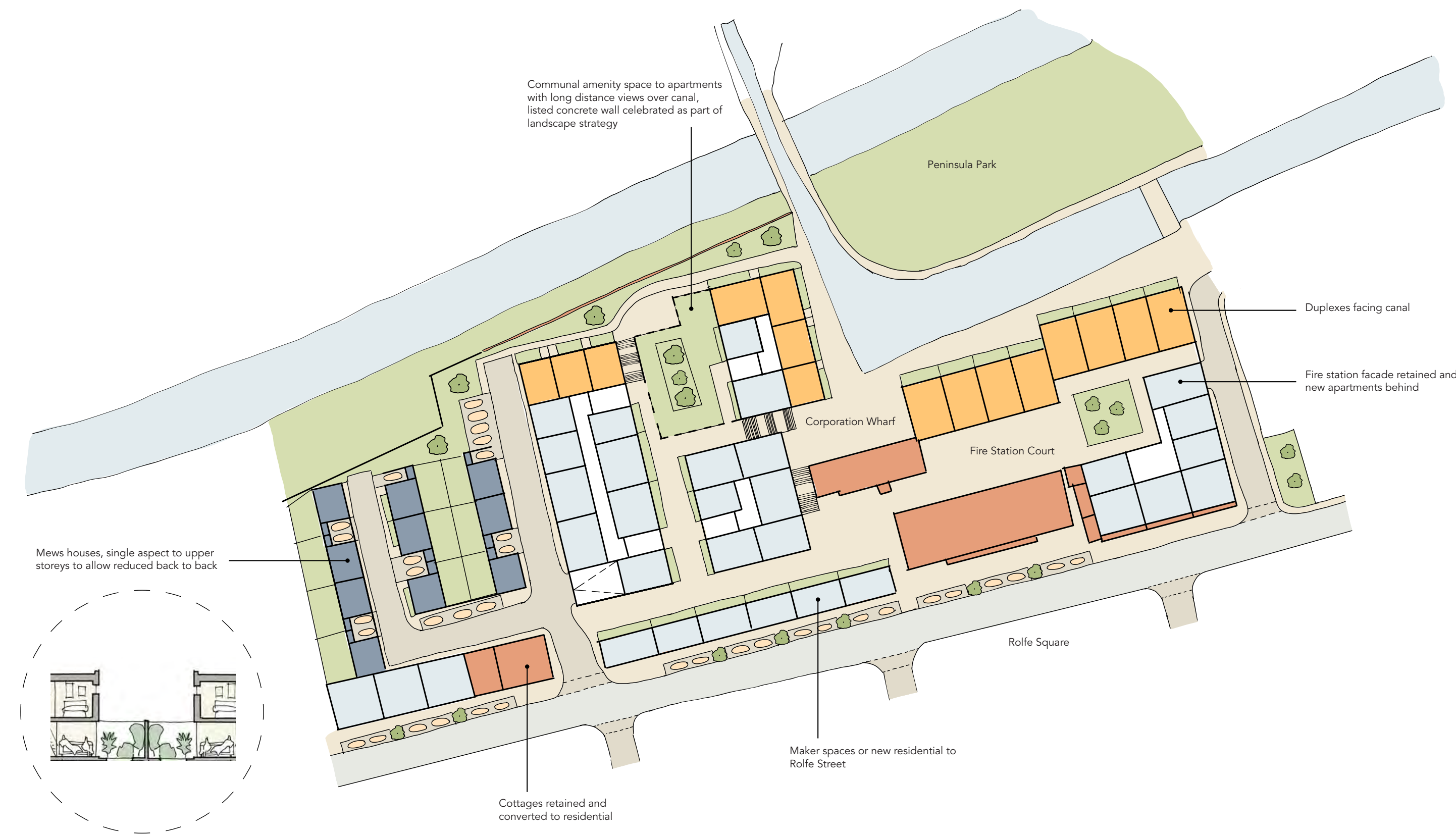
Proving for logical movement from Rolfe Street through to the Aqueduct towpath is key to the successful development of Corporation Yard, alongside heritage retention where appropriate. The changes in level present a challenge and an opportunity.

A potential approach is to use the change in level to provide undercroft parking, which will allow a much higher density to be achieved above, reflective of the density and building forms of the former yard.

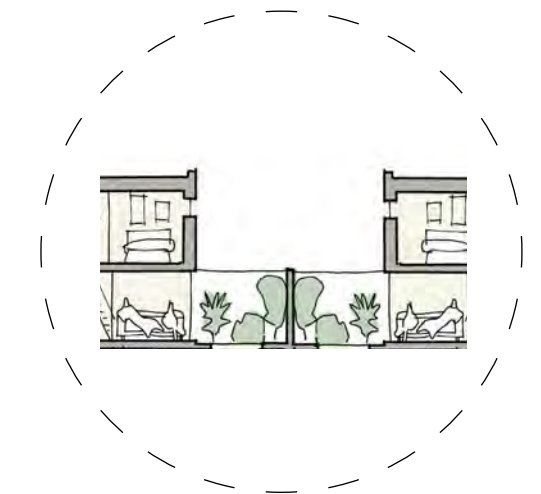
Duplex apartments would allow direct access onto the canal and activate ground floor frontages. Where housing is proposed, consideration should be given to the introduction of special typologies reflecting the tighter grain of the former yard, such as mews houses.



Corporation Yard - Potential Lower Ground Floor Plan



Corporation Yard - Potential Upper Ground Floor Plan



Page 12
6.5 Residential Streets & Parking

High quality architecture and streetscape is essential to successful residential delivery, ensuring the creation of a place people want to live. At Rolfe Street, residential streets should create a strong sense of place, whilst meeting requirements for parking, servicing, safety and privacy. Sandwell Council's **Residential Design Guide** sets out principles for the design of residential streets. Illustrated adjacent are two potential approaches to streets, at high and medium densities, demonstrating an approach to meeting the principles of the Guide in a way appropriate to Rolfe Street.

Careful management of parking is key to high quality residential streetscapes. With Rolfe Streets high public transport and active travel connectivity, a lower parking ratio than that set out in the guide may be appropriate at Rolfe Street, in accordance with the transport analysis undertaken as part of this Masterplan, by Stantec. The adjacent diagrams assume 1 allocated space per dwelling, plus 0.25 visitor or unallocated spaces per dwelling.

1. Allocated parallel parking to one side of street
2. Car port parking within mews to other side
3. Integrated bin and bike stores
4. Potential for back to back mews houses with overlooking carefully controlled
5. Defensible space to back of pavement



Mews Street: design coding

1. Plotfront parking to one side of street
2. Allocated parallel parking to other side
3. Visitor parking and allowance for limited second cars at end of street – approx 0.25 per dwelling
4. Integrated bin and bike stores
5. Control of 3 storey overlooking (e.g. velux windows)
6. Reduced gable to gable: no overlooking, urban environment
7. Defensible space to back of pavement



Townhouse Street: design coding

6.6 Materiality

Materiality is key to defining a strong sense of place. Existing buildings at Rolfe Street echo the historic materials of the Black Country, with red stock brick and blue Staffordshire brick being prevalent across the historic buildings on site. In addition, granite kerbs and setts were present across the area historically, with some still in evidence. Roofs were historically slate, or clay tile, with a precedent for metal roofs and detailing to industrial buildings.

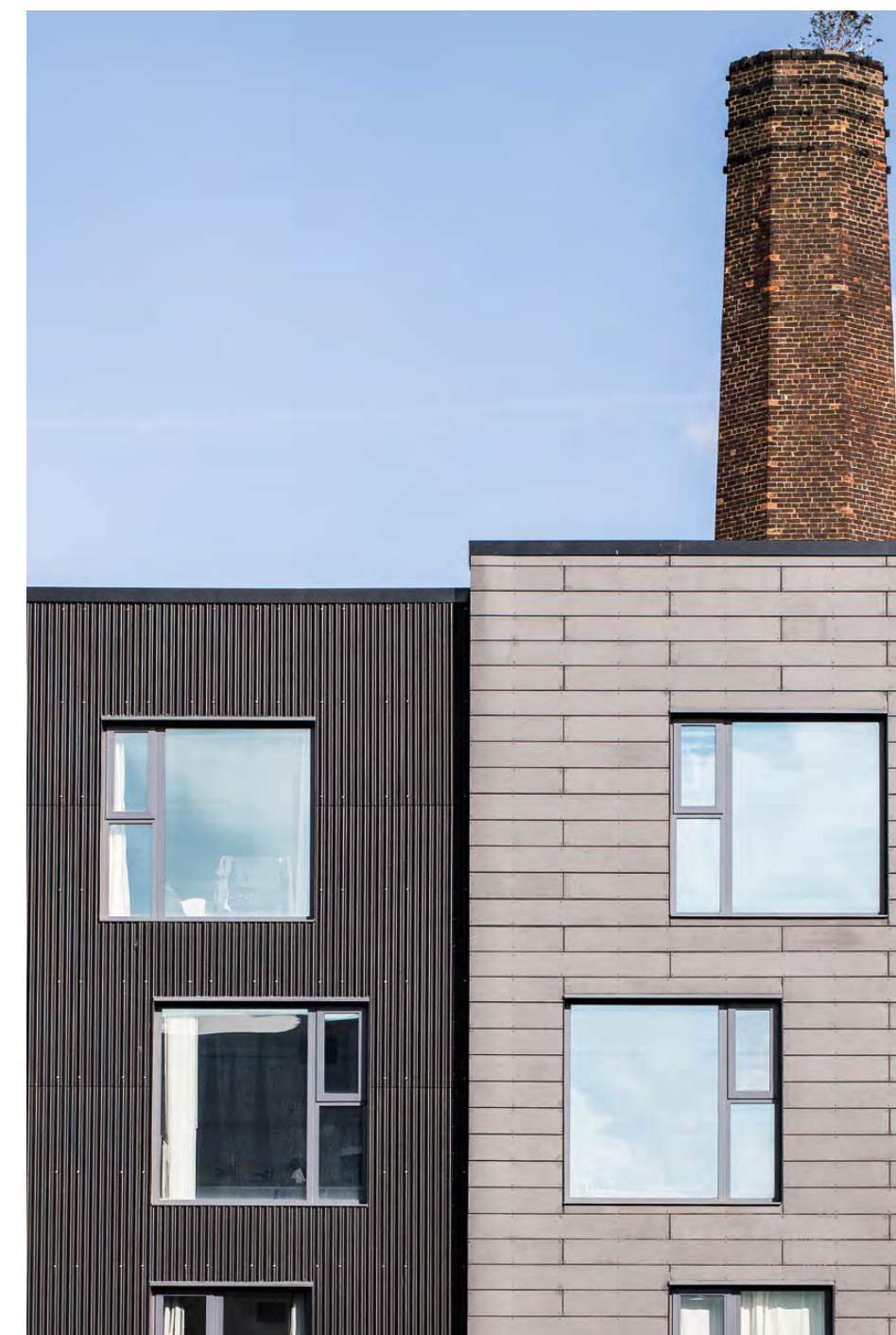
Materiality should draw upon the historic architecture and industrial aesthetic, whilst feeling completely new. This does not mean the universal use of brick, rather, metal and other industrial materials may be appropriate to provide variety, as demonstrated on exemplar projects such as Port Loop and Kelham in Sheffield.



Rolfe Street – core materiality



Materiality of the former Rolfe Street Baths – brick and terracotta



Materiality at Kelham, Sheffield



Materiality at Port Loop, Birmingham



Historic Black Country materials – Birmingham Back to Backs

Glenn Howells Architects Ltd

321 Bradford Street
Birmingham B5 6ET
+44 (0)121 666 7640

Middlesex House
34-42 Cleveland Street
London W1T 4JE
+44 (0)207 407 9915
mail@glennhowells.co.uk
glennhowells.co.uk

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Report to Cabinet

18 January 2023

Subject:	Schools Funding 2023-24
Cabinet Member:	Cabinet Member for Children and Education, Councillor Hackett
Director:	Director of Children and Education, Michael Jarrett
Key Decision:	Yes The implications are borough-wide
Contact Officer:	Finance Business Partner – Children’s Services, Elaine Taylor elaine_taylor@sandwell.gov.uk

1 Recommendations

1.1 That approval be given to:

In respect of the 2023/2024 schools funding formula for Sandwell schools, consider the outcome of the consultation proposals following review by the Schools Forum, as shown in Appendix 1 as follows:


- (a) adopting the minimum transition option for calculating schools funding in 2023-24
- (b) setting the Growth Funding at £1.664m
- (c) the transfer of £0.455m funding from the Schools Block to the Central Schools Services Block (CSSB) to fund the attendance service
- (d) the CSSB, De-delegated and Education Function proposals as set out in Appendix A.



2 Reasons for Recommendations

- 2.1 The Schools Revenue Funding 2023-24 Operational Guide requires the Council to engage in open and transparent consultation with maintained schools and academies in their area, as well as with their schools forum about any changes to the local funding formula, including the principles adopted and any movement of funds between blocks.
- 2.2 The Council is responsible for making the final decisions on the formula and for ensuring there is sufficient time to gain political approval before the schools funding model (Authority Proforma Tool – APT) deadline in January 2023.
- 2.3 The contents of this report were considered by Schools Forum at their meeting of 12 December 2022.

3 How does this deliver objectives of the Corporate Plan?

	The Best Start in Life for Children and Young People
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4 Context and Key Issues

- 4.1 There have been some significant changes announced by the DfE/ESFA in the Summer 2022 on the way schools will be funded from 2023-24 and these are summarised below.
- 4.2 In 2023-24 each local authority will be required to bring their own formulae closer to the schools direct National Funding Formula (NFF). There is an expectation that the full move to the NFF will be completed by 2027-28.
- 4.3 It has been confirmed that from 2023-24 local authorities will only be allowed to use NFF factors in their local formula. For Sandwell this means that the Looked After children (LAC) factor will no longer be an allowable factor.



From 2023-24 local authorities must use ALL NFF factors – except for the locally determined premises factors which remain optional. This means that from 2023-24 Sandwell must introduce Income deprivation affecting children index (IDACI) band F and the Mobility factor.

- 4.4 The income deprivation affecting children index (IDACI) measures the proportion of all children aged 0 to 15 living in income deprived families in different local areas (called 'lower-layer super output areas', or LSOAs) across England. Each LSOA has on average 1,500 residents or 650 households. The IDACI is a subset of the index of multiple deprivation (IMD). LSOAs are ranked according to their levels of deprivation relative to that of other areas. The rankings are divided into 7 'bands' (A to G), with LSOAs in band A being the most deprived.
- 4.5 From 2023-24 local authorities must move their local formula factor values at least 10% closer to the NFF, except where local formulae are already mirroring the NFF. This is called “**tightening**” and is the minimum requirement from 2023-24.
- 4.6 For the purpose of the tightening criteria, local factor values within 2.5% of the respective NFF values are deemed to be mirroring the NFF. This means that local authorities which had factor values within +/- 2.5% of the NFF values in 2022-23 will be allowed to set their 2023-24 factor values anywhere within +/- 2.5% of the 2023-24 NFF values. At the end of the transition period (i.e. in 2027/28), no Local Authority will be required to move their factor values away by more than +/- 2.5% of the NFF.
- 4.7 The 10% movement is calculated such that local authorities are required to bring their local formula factor values 10% closer to the NFF, compared to the difference between the local factor value and the NFF value in 2022-23. For example, if the difference between a local factor value and the NFF factor value was £500 in 2022-23, the maximum difference from the NFF value in 2023-24 is £450 (10% less than £500).
- 4.8 It should be noted that the schools supplementary grant (SSG) is being rolled into the schools NFF from 2023-24.



4.9 The Minimum Funding Guarantee will continue in 2023-24 to be between +0.0% and +0.5% without the need for a disapplication request to the DfE.

4.10 The basic structure of the high needs NFF for 2023-24 is not changing.

4.11 Background/Context

4.12 There were 7 proposals/questions asked in the schools funding consultation 2023-24 (5 to academies). Questions asked and responses to each are detailed in Appendix 1.

4.13 **Question 1:** At the request of Schools Forum three modelling options were pulled together in order to demonstrate what a school's funding could potentially be if they chose to move 10% closer to the NFF, 20% closer and if they chose to move directly to the NFF.

4.14 It was stressed that the funding that was modelled in each option was to be a guide only and did not represent the actual amount each school would get. This was due to the following large number of assumptions made which were:

- 2 brand new factors will be introduced (highlighted yellow above) and 1 will be removed (LAC)
- The data used in the modelling is from the October 2021 census data and the final funding model will be based upon and updated with the latest October 2022 census.
- Schools Supplementary Grant (SSG) is a separate grant in 2022-23 but will be rolled into the 2023-24 schools block
- An assumption at this stage that Growth Fund will make use of the brought forward balances and so will be set at £1.664m (see Question 2)
- An assumption at this stage that £0.375m will be transferred from the Schools Block to Central Schools Services Block (see question 3)
- The final DSG will not be announced until December 2022



- 4.15 It was important that schools noted the context of the question and provide their views on how quickly they would wish to move towards the National Funding Formula: There were 3 possible answers/options given
- Option 1 : Minimum Transition
 - Option 2 : Accelerated Transition
 - Option 3 : Move directly to the NFF
- 4.16 It should be noted that after the consultation was distributed there were a number of questions asked around the English as an Additional Language (EAL) factor. Separate correspondence was issued around this and an extension given on the response deadline.
- 4.17 It was not possible to change the EAL factor within the modelling options provided. The LA are given a largely prepopulated APT tool which is a huge spreadsheet with an embedded structure of protected cells, parameters and safeguards set by the DfE for which non-compliance is not an option and the EAL factor was one of these. It was felt that this embedded safeguard did not detract from the question being asked which was how fast schools wished to transition toward the NFF.
- 4.18 **Question 2** : Schools and School Forums were asked how much growth fund they would like to see top sliced from their DSG with 2 response options being the full £2m or making use of the brought forward thereby reducing this to £1.6m.
- 4.19 Growth fund has been part of the schools consultation for a number of years and is used to support growth in pre-16 pupil numbers to meet basic need, additional classes need, infant class size regulation and to meet the costs necessary for new schools.
- 4.20 **Question 3** : Schools and School Forums were asked if they would support the movement of funding from the Schools Block to the Central Schools Services Block in order that the attendance and



safeguarding service could be used to finance both the maintained and academy sector.

- 4.21 **Question 4** : Schools were asked to what service level they would like support for the attendance and safeguarding team, an intermediate or an enhanced service.
- 4.22 **Question 5** : Schools were asked if they supported the proposals outlined in the Central Schools Services Block which were unchanged from 2022-23 (Outlined in Appendix 1).
- 4.23 **Question 6** : Schools were asked if they supported the De-delegated proposals which were unchanged from 2022-23 (Outlined in Appendix 1).
- 4.24 **Question 7** : Schools were asked if they supported the Education Functions proposals which were unchanged from 2022-23 (Outlined in Appendix 1).

5 Alternative Options

- 5.1 There is an alternative option whereby cabinet can overrule schools' preferences and move the funding model immediately to that which moves closer or mirrors the National Funding Formula.

6 Implications

Resources:	This report will affect the funding received by individual schools in 2023/24. The schools block of the DSG is £325.898m and nearly all of this will be distributed to schools via the Schools Funding Formula.
Legal and Governance:	The Authority must adhere to the Schools and Early Years Finance (England) Regulations 2022
Risk:	The Corporate Risk Management Strategy (CRMS) has been complied with – to identify and assess the significant risks associated with this decision. This includes (but is not limited to)



	<p>political, legislation, financial, environmental and reputation risks.</p> <p>As set out in paragraph 4.1 the LA has undertaken its duty to ensure all schools and interested stakeholders have been consulted on around the changes to their funding allocations from previous years. The recommendation by School Forum members to adopt option 1 will see schools moving 10% closer to the National Funding Formula (NFF).</p> <p>Despite the Government providing additional funding schools will continue to experience budget pressures from rising costs and inflation. There are an increased number of small and Primary schools who will find it difficult to set balanced budgets as we move to the NFF. The council do not have the power to mitigate these risks as this sits with the Governing Body. The LA closely monitors school budgets through submission of budget plans and termly monitoring reports.</p>
Equality:	The DfE has undertaken an equalities impact assessment of the national funding formula for schools and high needs. The analysis is also based on the assumption that local authorities will fund their schools in accordance with the national funding formula.
Health and Wellbeing:	The proposals in this report have no impact on health and wellbeing
Social Value:	Sandwell is committed to providing a first-class education for all children, irrespective of their backgrounds, and to level up opportunity so that all children can realise their potential, preparing them for a fulfilling and successful adult life.
Climate Change:	There are no climate change implications

7. Appendices

Appendix 1 - Consultation Questions and Summary Responses



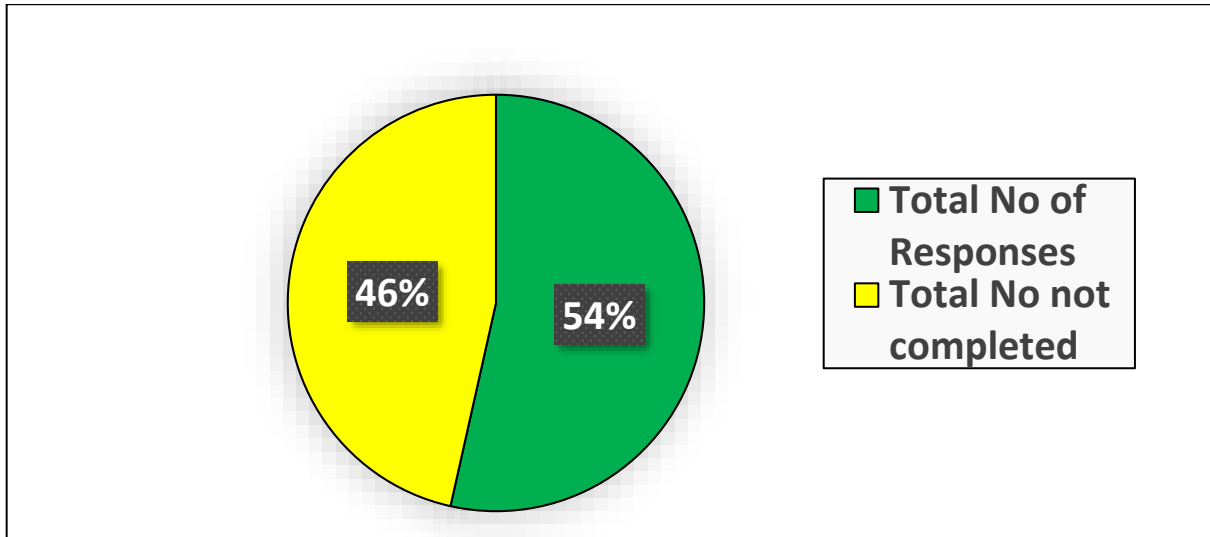
8. Background Papers

Schools Operational Guide 2023-24



Consultation Questions and Summary Responses

Overview of Responses



Question 1

What option do you prefer to use for calculating schools funding in 2023-24?
There were 3 possible responses which were:

- Minimum transition
- Accelerated transition
- NFF factor values

Q1: Overall Responses	Total	%
Minimum Transition	50	82%
Accelerated Transition	6	10%
National Funding Formula Factor Values	5	8%
Grand Total	61	100%



Q1: Detailed Responses	Total	%
Minimum Transition	50	
Primary	48	96%
Secondary	2	4%
Accelerated Transition	6	
Primary	4	67%
Secondary	2	33%
National Funding Formula Factor Values	5	
Primary	3	60%
Secondary	2	40%
Grand Total	61	

Question 2

Please indicate the option you prefer to use for calculating pupil number growth fund? There were 2 possible responses which were:

- Maintaining the current criteria
- Utilise B/F funds

Q2: Overall Responses	Total	%
Maintaining the current criteria	18	30%
Utilise Brought Forward funds	43	70%
Grand Total	61	100%



Q2: Detailed Responses	Total	%
Maintaining the current criteria	18	
Primary	17	94%
Secondary	1	6%
Utilise Brought Forward funds	43	
Primary	38	88%
Secondary	5	13%
Grand Total	61	

Question 3

Do you agree to the top slice of the schools block to fund the attendance team from the CSSB block? There were 2 possible responses which were either Yes or No. If yes was chosen then question 4 was asked and if no was chosen then question 5 was asked next.

Q3: Overall Responses	Total	%
No	17	28%
Yes	44	72%
Grand Total	61	100%

Q3: Detailed Responses	Total	%
No	17	
Primary	17	100%
Yes	44	
Primary	38	86%
Secondary	6	14%
Grand Total	61	



Question 4

Please indicate the option you prefer for the attendance service. There were 2 possible options which were:

- Intermediate service
- Enhanced service

Q4: Overall Responses	Total	%
Intermediate Service	29	66%
Enhanced Service	15	34%
Grand Total	44	100%

Q4: Detailed Responses	Total	%
Enhanced Service	15	
Primary	11	73%
Secondary	4	27%
Intermediate Service	29	
Primary	27	93%
Secondary	2	7%
Grand Total	44	

Question 5

Please indicate if you agree with the CSSB funding Proposals? There were 2 possible responses which were either Yes or No to each of the proposals.

Q5: Responses	YES	NO
CSSB1 – Statutory & Regulatory /Welfare and Asset Man	56	5
CSSB2 Admissions Service	58	3
CSSB3 Historical Commitment Pensions Administration	52	9
CSSB4 Schools Forum	57	4



Question 6 and 7 (maintained sector only)

Please indicate if you agree with the De-delegated and Education Functions Proposals? There were again 2 possible responses which were either Yes or No to each of the proposals.

De-Delegation

Q6: Responses	YES	NO
DD1 Health & Safety Licences	48	1
DD2 EVOLVE	48	1
DD3 Union Facilities Time	32	17
DD4 School Improvement	41	8
DD5 Schools in Financial Difficulty	34	15

Education Functions proposals

Q7: Responses	YES	NO
EF1 Education Benefits Team	46	3
EF2 Children's Clothing Support Allowance	46	3



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Report to Cabinet

18 January 2023

Subject:	Council Tax Base 2023/2024
Cabinet Member:	Councillor Bob Piper - Cabinet Member for Finance and Resources
Director:	Simone Hines – Director of Finance
Key Decision:	Yes
Contact Officer:	Ian Dunn ian_dunn@sandwell.gov.uk Carl Jones carl_jones@sandwell.gov.uk

1 Recommendations

That approval be given to:

- 1.1 Recommend to Council that they approve the Council Tax Base for 2023/2024 to be set at 76,764.73
- 1.2 Authorise the Section 151 Officer to adjust the Council Tax Base as required following approval of the 2023-2024 Council Tax Reduction Scheme by Council on 21 February 2023


2 Reasons for Recommendations

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



2.2 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 01 December and 31 January prior to the financial year to which it refers.

3 How does this deliver objectives of the Corporate Plan?

	<p>A strong and inclusive economy</p>	<p>Collection of Council Tax is important as it gives the council money to spend and invest locally</p>
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4 Context and Key Issues

- 4.1 The Council Tax Base is an assessment by each billing authority of the number of chargeable dwellings, converted to Band D equivalents (the average band), allowing for discounts, exemptions, non-collection and new properties. This information is used when setting the Council’s budget.
- 4.2 In order to calculate the Council Tax Base, it is necessary to take the actual number of properties in each Council Tax band on the valuation list and then make adjustments to the Local Council Tax Reduction Scheme. In addition, assumptions need to be made for changes in the number of properties in each band between now and 31 March 2024 as a result of new builds and demolitions.
- 4.3 The adjusted numbers in each band are then converted to the equivalent number of Band D properties.
- 4.4 At the time of presenting this report, Sandwell’s Local Council Tax Reduction Scheme has yet to be formally approved. Details of the Local Council Tax Reduction Scheme are contained within the Local Council Tax Reduction Scheme report to Council on 21 February 2023. It is not anticipated that any changes will be made to the scheme which may adjust the assumptions made in the Council Tax Base collection. The Council Tax Base for 2023/24 has been calculated as 76,764.73



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

4.6 Due to the current cost of living crisis we are assuming that a 98.5% collection will ultimately be achieved. This reduces the Council Tax Base as follows:

<u>Collection Rate %</u>	<u>Tax Base</u>
98.5	76,764.73

4.7 The actual levels of Council Tax for 2023/2024 will 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.

4.8 For 2022/23 the Council Tax Base was 74,858.45 based on a 98.5% collection rate. The Council Tax Base for 2023/24 has increased by nearly 2.5% and this is mainly due to the additional number of properties.

5 Alternative Options

5.1 Not applicable.

6 Implications

Resources:	The calculation of Council Tax Base is based on the number of domestic properties in the valuation list in Sandwell. Statistical information indicates that the number of domestic properties in Sandwell is now starting to increase again after the pandemic.
Legal and Governance:	The Council Tax Base must be calculated in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 and be determined between 01 December and 31 January



	of the financial year preceding the financial year to which it will apply.
Risk:	If Council Tax is not collected the Council's income could be affected and services provided by the Council may need to be cut.
Equality:	No impact
Health and Wellbeing:	No impact
Social Value	No impact
Climate Change:	No impact

7. Appendices

None

8. Background Papers

None



Report to Cabinet

18 January 2023

Subject:	Treasury Management Mid-Year Review 2022/23
Cabinet Member:	Finance and Resources, Cllr Bob Piper
Director:	Director of Finance Simone Hines
Key Decision:	Yes Financial implications > £1m
Contact Officer:	Simone Hines Director of Finance simone_hines@sandwell.gov.uk

1 Recommendations







- 1.1 That the Council be recommended to approve the Treasury Management Mid-Year Review 2022/23 and revised Minimum Revenue Provision Policy.

2 Reasons for Recommendations

- 2.1 To comply with the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management.
- 2.2 To ensure the Council's Minimum Revenue Provision Policy is prudent.



3 How does this deliver objectives of the Corporate Plan?

	The Best Start in Life for Children and Young People
	People Live Well and Age Well
	Strong Resilient Communities
	Quality Homes in Thriving Neighbourhoods
	A Strong and Inclusive Economy
	A Connected and Accessible Sandwell

4 Context and Key Issues

- 4.1 The Council is required to consider the performance of the Treasury Management function in order to comply with the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2021).
- 4.2 Appendix A to the report sets out the Treasury Management performance for the first half of 2022/23 as required by the Code. It outlines
- An economic update for the first six months of 2022/23;
 - A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
 - The Council's capital expenditure, as set out in the Capital Strategy, and prudential indicators;
 - A review of the Council's investment portfolio for 2022/23;
 - A review of the Council's borrowing strategy for 2022/23;
 - A review of compliance with Treasury and Prudential Limits for 2022/23.



- 4.3 Alongside the mid-year review, officers have also reviewed the Council's Minimum Revenue Provision (MRP) policy. The Council is required to pay a revenue charge annually, known as MRP, for the repayment of borrowing used to finance the Capital Programme. The Council must have an MRP Policy in place which sets out a methodology for how the charge will be calculated to ensure that the Council's debt repayment position remains prudent. There are a number of different approaches that can be taken when setting an MRP Policy and the Council's Treasury Advisors, Link has recently supported the Council in reviewing the most appropriate methodology to be used. The outcome of this review has then been through an internal due diligence process resulting in a recommended change to the Council's current policy. The revised approach is also compliant with CIPFA guidance.
- 4.4 The proposed changes are set out at Appendix B to this report. It is recommended that option D be adopted and applied from the 2022/23 financial year. This will generate savings for 25 years, including an in-year saving of £4.5m and a 2023/24 saving of £4.2m (£3m of which has already been included in the draft budget assumptions). A revised MRP Policy Statement is attached for approval at Appendix C.
- 4.4 The code requires the Treasury Management Strategy, MRP Policy and mid-year review to be approved by full Council.

5 Alternative Options

- 5.1 If the Mid-Year Review report is not approved then the Council would not be compliant with the CIPFA Code.
- 5.2 Cabinet could choose not to adopt the revised MRP Policy, but this will forgo savings of over £4m in 2022/23 and 2023/24 and savings for the next 25 years.



6 Implications

Resources:	The Mid-Year Review report sets out the Council's Treasury performance for the first half of 2022/23. The MRP Policy amendment generates a saving of £4.5m in 2022/23.
Legal and Governance:	The Council will not be compliant with the CIPFA Code of Practice if a Mid-Year Review report is not presented and approved. The Council is also required to have a prudent MRP Policy in place.
Risk:	The Council's Treasury Management Strategy and MRP Policy ensures security of the Council's investments and borrowings and a prudent repayment of debt.
Equality:	N/A
Health and Wellbeing:	N/A
Social Value:	N/A
Climate Change:	N/A

7. Appendices

Appendix A – Mid-Year Review

Appendix B – MRP policy amendment

Appendix C – Updated MRP Policy Statement

8. Background Papers

None



Treasury Management Strategy Statement and Prudential Indicators Mid-Year Monitoring Report 2022/23

1 Background

1.1 Treasury Management

The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially before considering optimising investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer term cash may involve arranging long or short-term loans or using longer term cash flow surpluses and on occasion, any debt previously drawn, may be restructured to meet Council risk or cost objectives.

Accordingly, treasury management is defined as:

“The management of local authority’s borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks.”

2. Introduction

This report has been written in accordance with the requirements of the CIPFA Code of Practice on Treasury Management (revised 2017).

The primary requirements of the Code are as follows:

- Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
- Creation and maintenance of Treasury Management Practices which set out the way the Council will seek to achieve those policies and objectives.
- Receipt by the full council of an annual Treasury Management Strategy Statement – including the Annual Investment Strategy and Minimum

Revenue Provision Policy – for the year ahead, a Mid-Year Review Report and an Annual Report (stewardship report) covering activities during the previous year.

- Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
- Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specified named body. For this Council the delegated body is the Budget and Corporate Scrutiny Management Board.

This mid-year report has been prepared in compliance with CIPFA's Code of Practice on Treasury Management and covers the following:

- An economic update for the first half of the 2022/23 financial year;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- The Council's capital expenditure, as set out in the Capital Strategy, and prudential indicators;
- A review of the Council's investment portfolio for 2022/23;
- A review of the Council's borrowing strategy for 2022/23;
- A review of any debt rescheduling undertaken during 2022/23;
- A review of compliance with Treasury and Prudential Limits for 2022/23.

3. Economics and Interest Rates

3.1 Full Economic Update

- The second quarter of 2022/23 saw:
 - GDP revised upwards in Q1 2022/23 to +0.2% q/q from -0.1%, which means the UK economy has avoided recession for the time being;
 - Signs of economic activity losing momentum as production fell due to rising energy prices;
 - CPI inflation ease to 9.9% y/y in August, having been 9.0% in April, but domestic price pressures showing little sign of abating in the near-term;
 - The unemployment rate fall to a 48-year low of 3.6% due to a large shortfall in labour supply;
 - Bank Rate rise by 100bps over the quarter, taking Bank Rate to 2.25% with further rises to come;
 - Gilt yields surge and sterling fall following the "fiscal event" of the new Prime Minister and Chancellor on 23rd September.

- The UK economy grew by 0.2% q/q in Q1 2022/23, though revisions to historic data left it below pre-pandemic levels.
- There are signs of higher energy prices creating more persistent downward effects in economic activity. Both industrial production (-0.3% m/m) and construction output (-0.8% m/m) fell in July 2022 for a second month in a row. Although some of this was probably due to the heat wave at the time, manufacturing output fell in some of the most energy intensive sectors (e.g., chemicals), pointing to signs of higher energy prices weighing on production. With the drag on real activity from high inflation having grown in recent months, GDP is at risk of contracting through the autumn and winter months.
- The fall in the composite PMI from 49.6 in August to a 20-month low preliminary reading of 48.4 in September points to a fall in GDP of around 0.2% q/q in Q3 and consumer confidence is at a record low. Retail sales volumes fell by 1.6% m/m in August, which was the ninth fall in 10 months. That left sales volumes in August just 0.5% above their pre-Covid level and 3.3% below their level at the start of the year. There are also signs that households are spending their excess savings in response to high prices. Indeed, cash in households' bank accounts rose by £3.2bn in August, which was below the £3.9bn rise in July and much smaller than the 2019 average monthly rate of £4.6bn.
- The labour market remained exceptionally tight. Data for July and August provided further evidence that the weaker economy is leading to a cooling in labour demand. Labour Force Survey (LFS) employment rose by 40,000 in the three months to July (the smallest rise since February). But a renewed rise in inactivity of 154,000 over the same period meant that the unemployment rate fell from 3.8% in June to a new 48-year low of 3.6%. The single-month data showed that inactivity rose by 354,000 in July itself and there are now 904,000 more inactive people aged 16+ compared to before the pandemic in February 2020. The number of vacancies has started to level off from recent record highs but there have been few signs of a slowing in the upward momentum on wage growth. Indeed, in July, the 3my/y rate of average earnings growth rose from 5.2% in June to 5.5%.
- CPI inflation eased from 10.1% in July to 9.9% in August, though inflation has not peaked yet. The easing in August was mainly due to a decline in fuel prices reducing fuel inflation from 43.7% to 32.1%. And with the oil price now just below \$90pb, we would expect to see fuel prices fall further in the coming months.
- However, utility price inflation is expected to add 0.7% to CPI inflation in October when the Ofgem unit price cap increases to, typically, £2,500 per household (prior to any benefit payments). But, as the government has frozen utility prices at that level for two years, energy price inflation will fall sharply after October and have a big downward influence on CPI inflation.

- Nonetheless, the rise in services CPI inflation from 5.7% y/y in July to a 30-year high of 5.9% y/y in August suggests that domestic price pressures are showing little sign of abating. A lot of that is being driven by the tight labour market and strong wage growth. CPI inflation is expected to peak close to 10.4% in November and, with the supply of workers set to remain unusually low, the tight labour market will keep underlying inflationary pressures strong until early next year.
- During H1 2022, there has been a change of both Prime Minister and Chancellor. The new team (Liz Truss and Kwasi Kwarteng) have made a step change in government policy. The government's huge fiscal loosening from its proposed significant tax cuts will add to existing domestic inflationary pressures and will potentially leave a legacy of higher interest rates and public debt. Whilst the government's utility price freeze, which could cost up to £150bn (5.7% of GDP) over 2 years, will reduce peak inflation from 14.5% in January next year to 10.4% in November this year, the long list of tax measures announced at the "fiscal event" adds up to a loosening in fiscal policy relative to the previous government's plans of £44.8bn (1.8% of GDP) by 2026/27. These included the reversal of April's national insurance tax on 6th November, the cut in the basic rate of income tax from 20p to 19p in April 2023, the cancellation of next April's corporation tax rise, the cut to stamp duty and the removal of the 45p tax rate, although the 45p tax rate cut announcement has already been reversed.
- Fears that the government has no fiscal anchor on the back of these announcements has meant that the pound has weakened again, adding further upward pressure to interest rates. Whilst the pound fell to a record low of \$1.035 on the Monday following the government's "fiscal event", it has since recovered to around \$1.12. That is due to hopes that the Bank of England will deliver a very big rise in interest rates at the policy meeting on 3rd November and the government will lay out a credible medium-term plan in the near term. This was originally expected as part of the fiscal statement on 23rd November but has subsequently been moved forward to an expected release date in October. Nevertheless, with concerns over a global recession growing, there are downside risks to the pound.
- The MPC has now increased interest rates seven times in as many meetings in 2022 and has raised rates to their highest level since the Global Financial Crisis. Even so, coming after the Fed and ECB raised rates by 75 basis points (bps) in their most recent meetings, the Bank of England's latest 50 basis points hike looks relatively dovish. However, the UK's status as a large importer of commodities, which have jumped in price, means that households in the UK are now facing a much larger squeeze on their real incomes.
- Since the fiscal event on 23rd September, we now expect the Monetary Policy Committee (MPC) to increase interest rates further and faster, from 2.25% currently to a peak of 5.00% in February 2023. The combination of the

government's fiscal loosening, the tight labour market and sticky inflation expectations means we expect the MPC to raise interest rates by 100bps at the policy meetings in November (to 3.25%) and 75 basis points in December (to 4%) followed by further 50 basis point hikes in February and March (to 5.00%). Market expectations for what the MPC will do are volatile. If Bank Rate climbs to these levels the housing market looks very vulnerable, which is one reason why the peak in our forecast is lower than the peak of 5.50% - 5.75% priced into the financial markets at present.

- Throughout 2022/23, gilt yields have been on an upward trend. They were initially caught up in the global surge in bond yields triggered by the surprisingly strong rise in CPI inflation in the US in May. The rises in two-year gilt yields (to a peak of 2.37% on 21st June) and 10-year yields (to a peak of 2.62%) took them to their highest level since 2008 and 2014 respectively. However, the upward trend was exceptionally sharply at the end of September as investors demanded a higher risk premium and expected faster and higher interest rate rises to offset the government's extraordinary fiscal stimulus plans. The 30-year gilt yield rose from 3.60% to 5.10% following the "fiscal event", which threatened financial stability by forcing pension funds to sell assets into a falling market to meet cash collateral requirements. In response, the Bank did two things. First, it postponed its plans to start selling some of its quantitative easing (QE) gilt holdings until 31st October. Second, it committed to buy up to £65bn of long-term gilts to "restore orderly market conditions" until 14th October. In other words, the Bank is restarting QE, although for financial stability reasons rather than monetary policy reasons.
- Since the Bank's announcement on 28th September, the 30-year gilt yield has fallen back from 5.10% to 3.83%. The 2-year gilt yield dropped from 4.70% to 4.30% and the 10-year yield fell back from 4.55% to 4.09%.
- There is a possibility that the Bank continues with QE at the long-end beyond 14th October or it decides to delay quantitative tightening beyond 31st October, even as it raises interest rates. So far at least, investors seem to have taken the Bank at its word that this is not a change in the direction of monetary policy nor a step towards monetary financing of the government's deficit. But instead, that it is a temporary intervention with financial stability in mind.
- After a shaky start to the year, the S&P 500 and FTSE 100 climbed in the first half of Q2 2022/23 before falling to their lowest levels since November 2020 and July 2021 respectively. The S&P 500 is 7.2% below its level at the start of the quarter, whilst the FTSE 100 is 5.2% below it as the fall in the pound has boosted the value of overseas earnings in the index. The decline has, in part, been driven by the rise in global real yields and the resulting downward pressure on equity valuations as well as concerns over economic growth leading to a deterioration in investor risk appetite.

3.2 Interest Rate Movements and Expectations

The Council has appointed Link Group as its treasury advisors and part of their service is to assist the Council to formulate a view on interest rates. The PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1st November 2012.

The latest forecast on 27th September sets out a view that both short and long-dated interest rates will be elevated for some little while, as the Bank of England seeks to squeeze inflation out of the economy, whilst the government is providing a package of fiscal loosening to try and protect households and businesses from the ravages of ultra-high wholesale gas and electricity prices.

The increase in PWLB rates reflects a broad sell-off in sovereign bonds internationally but more so the disaffection investors have with the position of the UK public finances after September's "fiscal event". To that end, the MPC has tightened short-term interest rates with a view to trying to slow the economy sufficiently to keep the secondary effects of inflation – as measured by wage rises – under control, but its job is that much harder now.

Our PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps, calculated as gilts plus 80bps) which has been accessible to most authorities since 1st November 2012.

Link Group Interest Rate View		27.09.22										
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
BANK RATE	4.00	5.00	5.00	5.00	4.50	4.00	3.75	3.25	3.00	2.75	2.75	2.50
3 month ave earnings	4.50	5.00	5.00	5.00	4.50	4.00	3.80	3.30	3.00	2.80	2.80	2.50
6 month ave earnings	4.70	5.20	5.10	5.00	4.60	4.10	3.90	3.40	3.10	3.00	2.90	2.60
12 month ave earnings	5.30	5.30	5.20	5.00	4.70	4.20	4.00	3.50	3.20	3.10	3.00	2.70
5 yr PWLB	5.00	4.90	4.70	4.50	4.20	3.90	3.70	3.50	3.40	3.30	3.20	3.20
10 yr PWLB	4.90	4.70	4.60	4.30	4.10	3.80	3.60	3.50	3.40	3.30	3.20	3.20
25 yr PWLB	5.10	4.90	4.80	4.50	4.30	4.10	3.90	3.70	3.60	3.60	3.50	3.40
50 yr PWLB	4.80	4.60	4.50	4.20	4.00	3.80	3.60	3.40	3.30	3.30	3.20	3.10

4. Treasury Management Strategy Statement and Annual Investment Strategy Update

The Treasury Management Strategy Statement (TMSS) for 2022/23 was approved by this Council on 1 March 2022.

The underlying TMSS approved previously requires revision in the light of economic and operational movements during the year. The proposed changes and supporting detail for the changes are set out below:

	2022/23	
	Original Estimate £'m	Revised Prudential Indicator £'m
Authorised Limit	858.992	844.533
Operational Boundary	613.842	591.513
Capital Financing Requirement	857.674	843.689

5. The Council's Capital Position (Prudential Indicators)

This part of the report is structured to update:

- The Council's capital expenditure plans;
- How these plans are being financed;
- The impact of the changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow; and
- Compliance with the limits in place for borrowing activity

5.1. Prudential Indicator for Capital Expenditure

This table shows the projected outturn for capital expenditure based on projections at period 6, along with the expected financing arrangements against the original indicators set at the time the capital programme was agreed in March 2022.

	2022/23	
	Original Estimate £'m	Projected Outturn £'m
Capital Expenditure		
General Fund	48.839	97.248
HRA	69.511	70.378
Total	118.350	167.626
Resourced by:		
Capital Receipts	8.496	19.769
Capital Grants & Contributions	22.036	64.477
Revenue	19.415	26.311
Capital Expenditure Financed from Borrowing	68.403	57.069

There has been an overall increase in the projected level of expenditure since the original estimate. This is due to re-profiling of expenditure from 2021/22 and additional approvals (e.g. Towns Fund).

The borrowing need underlines the indebtedness of the Council by way of the Capital Financing Requirement (CFR), although this will be reduced in part by

revenue charges for the repayment of debt known as the Minimum Revenue Provision (MRP). This direct borrowing need may also be supplemented by maturing debt and other treasury requirements.

5.2. Changes to the Prudential Indicators for the Capital Financing Requirement (CFR), External Debt and the Operational Boundary

The table shows the CFR, which is the underlying external need to incur borrowing for a capital purpose. It also shows the expected debt position over the period, which is termed as the Operational Boundary.

	2022/23					
	Original Estimate			Projected Outturn		
	HRA	General Fund	Total	HRA	General Fund	Total
	£'m	£'m	£'m	£'m	£'m	£'m
Opening Capital Financing Requirement	497.324	317.837	815.161	487.431	325.177	812.608
add: Capital Expenditure funded from Borrowing	54.270	14.133	68.403	49.195	7.874	57.069
less: MRP	-10.000	-10.810	-20.810	-10.000	-10.842	-20.842
add: Movement on Other Long Term Liabilities	-1.356	-3.724	-5.080	-1.356	-3.790	-5.146
Closing Capital Financing Requirement	540.238	317.436	857.674	525.270	318.419	843.689
External Debt / Operational Boundary						
Borrowing			555.124			523.115
Other Long Term Liabilities*			58.718			68.398
Total Debt at 31 March (Operational Boundary)			613.842			591.513

* - Represents the estimated finance lease creditors liability as at 31 March 2022 in relation to 'on balance sheet' PFI schemes and the assets included within the Serco waste contract which have been included on the balance sheet in accordance with International Financial Reporting Standards.

5.3. Limits to Borrowing Activity

The first key control over the treasury activity is a prudential indicator to ensure that over the medium term, net borrowing (borrowings less investments) will only be for a capital purpose. Gross external borrowing should not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2022/23 and the next two financial years. This allows some flexibility for limited early borrowing for future years. The Council has approved a policy for borrowing in advance of need which will be adhered to if this proves prudent.

	2022/23	
	Original Estimate £'m	Projected Outturn £'m
Gross Borrowing	555.124	523.115
add: Other Long Term Liabilities*	58.718	68.398
Total Debt	613.842	591.513
CFR (Year end position)	857.674	843.689

* Includes on balance sheet PFI schemes and finance leases etc.

The Section 151 Officer can report that there are no difficulties envisaged for the current or future years in complying with this prudential indicator.

A further prudential indicator controls the overall level of borrowing. This is the Authorised Limit which represents the limit beyond which borrowing is prohibited and needs to be set and revised by Members. It reflects the level of borrowing which, while not desired, could be afforded in the short term but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

	2022/23	
	Original Estimate £'m	Projected Outturn £'m
Borrowing	555.124	523.115
add: Other Long Term Liabilities*	58.718	68.398
Total Operational Boundary	613.842	591.513
Total Authorised Limit	858.992	844.533

* Includes on balance sheet PFI schemes and finance leases etc.

6. Borrowing / Debt Activity during 2022/23

This table shows the Council's actual external debt and anticipated need against the underlying capital borrowing need (the CFR), highlighting any under or over borrowing.

	2022/23	
	Original Estimate £'m	Projected Outturn £'m
External Debt as at 1 April	555.124	523.115
Expected need to 31 March	0.000	0.000
Other Long Term Liabilities*	58.718	68.398
Estimated Debt as at 31 March	613.842	591.513
Capital Financing Requirement	857.674	843.689
(-)Under / (+)Borrowed	-243.832	-252.176
Investment as at 31 March	-25.000	-25.000
Net Debt Position as at 31 March	588.842	566.513

* - Includes on balance sheet PFI schemes and finance leases etc.

Due to the overall financial position, no new long term external borrowing was undertaken. The capital programme is being kept under regular review due to the effects of inflationary pressures, shortages of materials and labour. Our borrowing strategy will, therefore, also be regularly reviewed and then revised, if necessary, in order to achieve optimum value and risk exposure in the long-term.

PWLB maturity certainty rates year to date to 30 September 2022 Gilt yields and PWLB rates were on a rising trend between 1st April and 30th September. The 50-year PWLB target certainty rate for new long-term borrowing started 2022/23 at 2.20% before increasing to 4.80% in September. (Please note, however, that we see PWLB rates trending downwards through 2023 and 2024.)

The revised budget position for debt charges is shown in the table below:

	2022/23	
	Original Estimate £'m	Projected Outturn £'m
Debt Charges	48.440	48.128

The reduction in debt charges is due to a reduction in internal borrowing costs within the HRA.

6.1. Debt Rescheduling

Debt rescheduling opportunities have been very limited in the current economic climate and following the various increases in the margins added to gilt yields which have impacted PWLB new borrowing rates since October 2010, no debt rescheduling has therefore been undertaken to date, in the current financial year. However, now that the whole of the yield curve has shifted higher there may be better opportunities in the future, although only prudent and affordable debt rescheduling will be considered.

7. Investment Strategy 2022/23 – 2026/27

Key Objectives

The approved Treasury Management Strategy Statement (TMSS) for 2022/23, includes the Council's Annual Investment Strategy. In accordance with the CIPFA Treasury Management Code of Practice, it sets out the Council's investment priorities as being:

- Security of capital
- Liquidity
- Yield

The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with the Council's risk appetite. In the current economic climate it is considered appropriate to keep investments short term to cover cash flow needs, but also to seek out value available in periods up to 12 months with high credit rated financial institutions, using the Link suggested creditworthiness approach, including a minimum sovereign credit rating and Credit Default Swap (CDS) overlay information.

Current Investment Position

The Council held £125.487m of investments at 30 September 2022 with the structure of the portfolio being detailed below and in line with IFRS9. This table also highlights the 'historic risk of default' on these investments. As at 30 September 2022 the Council is reporting a risk of default percentage of 0.000%:

Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date	Lowest LT / Fund Rating	Historic Risk of Default
The Royal Bank of Scotland Plc (RFB)	636,620	0.10%		Call	A	0.000%
MMF Aberdeen Standard Investments	14,700,000	1.54%		MMF	AAAm	
MMF Aviva	10,000,000	1.75%		MMF	AAAm	
MMF BlackRock	10,000,000	1.66%		MMF	AAAm	
MMF BNP Paribas	20,000,000	2.22%		MMF	AAAm	
MMF CCLA	10,000,000	1.67%		MMF	AAAm	
MMF Federated Investors (UK)	20,000,000	1.88%		MMF	AAAm	
MMF Fidelity	19,900,000	1.74%		MMF	AAAm	
MMF Invesco	20,000,000	1.83%		MMF	AAAm	
* 6 Towns Credit Union	250,000	1.49%	13/11/2017	14/11/2022	Not Rated	
Total Investments	£125,486,820	1.81%				0.000%

The section 151 Officer confirms that the approved limits within the Annual Investment Strategy were not breached during the 6 months of 2022/23.

The revised budget position for investment income is shown in the table below; it shows the estimated interest earned based on average temporary deposits of £57.153m (placed between 1 April 2022 and 30 September 2022), the estimated interest accrued by non-general fund deposits and HRA estimated internal borrowing interest for 2022/23:

	2022/23	
	Original Estimate £'m	Projected Outturn £'m
Interest on Temporary Deposits	0.450	1.148
Interest Payable on Non GF Deposits	-0.675	-0.086
Interest on HRA Internal Borrowing	4.464	3.937
Interest Receivable	4.239	4.999

Risk Benchmarking

A regulatory development is the consideration and approval of security and liquidity benchmarks. Yield benchmarks are currently widely used to assess investment performance. Discrete security and liquidity benchmarks are new requirements to Member reporting, although the application of these is more subjective in nature.

The current position against the originally approved benchmarks is reported below;

% Benchmarks	O/N	1 Month	3 Month	6 Month	12 Month
Benchmark Return (SONIA)	1.22%	1.39%	1.70%	2.12%	2.63%

Liquidity

In respect of this area, the Council set liquidity facilities / benchmarks to maintain:

- Bank overdraft - £2m
- Liquid short-term deposits of at least £21m available within a week's notice.

The Section 151 Officer can report that liquidity arrangements have been adequate during the year to date.

Yield

Local measures of yield benchmarks are:

- Investments – Internal returns to be above the O/N SONIA rate

The Director of Resources can report that the return to date has averaged 1.061%, against an average O/N SONIA at 30 September 2022 of 1.22%.

8. Other

8.1 Compliant with Treasury and Prudential Limits

It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. During the half year ended 30 September 2022, the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement for 2022/23. The Director of Finance reports that no difficulties are envisaged for the current or future years in complying with these indicators.

All treasury management operations have also been conducted in full compliance with the Council's Treasury Management Practices.

8.2 Changes in Risk Appetite

There is no change to the Council Risk appetite at present however, the authority is currently assessing the potential rewards and risks of investing in property funds.

8.3 Creditworthiness Policy Update

The criteria for providing a pool of high-quality investment counterparties (both Specified and Non-specified investments) is:

- Banks 1 - good credit quality – the council will only use banks which:
 - i. are UK banks and/or
 - ii. are non-UK and domiciled in a country which has a minimum sovereign long-term rating of AA-

and have, as a minimum, the following Fitch, Moody's and Standard and Poors credit ratings (where rated):

- i. Short term - F1, P-1, A-1 respectively
- ii. Long term – A-, A3 and A- respectively**

***Update to bring in line with rating agency publications.*

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Proposed Changes to MRP Calculation Methodology

Introduction

The Councils Capital Financing Requirement (CFR) is an indication of the amount of historic capital spend that has yet to be financed (i.e. funded through borrowing including PFI). Guidance issued by Central Government indicates that the Council must make a prudent charge to the General Fund through a calculation of Minimum Revenue Provision (MRP) as a replacement of the depreciation charge. This is effectively setting aside revenue resources to fund the payment of the principal element of Council debt.

The Guidance does not stipulate how the MRP is to be calculated, although it does provide four “suggested” options, but does not rule out or preclude a Council from choosing its own method.

Background

The Council has historically charged MRP to the revenue accounts of the council on a straight-line basis. This method, whilst prudent and acceptable within the Guidelines, does not necessarily match the flow of economic benefits of the assets the borrowing was used to purchase. A more effective method is to move to an annuity basis which is being used by a large number of Councils.

CIPFA put forward the following reasoning for using an annuity method in ‘The Practitioner’s Guide to Capital Finance in Local Government (2019)’ which states:

‘The annuity method provides a fairer charge than equal instalments as it takes account of the time value of money, whereby paying £100 in 10 years’ time is less of a burden than paying £100 now.

The schedule of charges produced by the annuity method thus results in a consistent charge over an asset’s life, considering the real value of the amounts when they fall due.

The annuity method would then be a prudent basis for providing for assets that provided a steady flow of benefits over their useful life.’

The Council therefore commissioned Link (the Council’s treasury advisors) to review the method currently used to calculate MRP and provide options for consideration.

The result is that by moving to an annuity basis of calculation generates substantial savings in the early years. A change to an annuity method is not less prudent than the current method as the overall period of repayment remains unchanged nor does the overall payment total.

The CFR is derived from a number of different sources, not all of which require an MRP (e.g. the Housing Revenue Account). The MRP Policy Statement draws on the areas where the Council is required to make such a charge:

- Outstanding amounts relating to borrowing supported by Central Government
- Outstanding amounts relating to unsupported borrowing (Prudential Borrowing)
- Outstanding liabilities relating to PFI contracts and Finance Leases

Options Considered

A – Do Nothing (Straight Line)

B – Annuity Basis (PWLB Annuity Rate – Scheme Specific)

C – Annuity Basis (PWLB Annuity Rate – Weighted Average Life)

D – Annuity Basis (Council's Weighted Average Borrowing Rate – Scheme Specific)

E – Annuity Basis (Council's Weighted Average Borrowing Rate – Weighted Average Life)

For all options the supported borrowing element of the CFR will be written down over a period of 47 years, being the remaining average useful life of the Councils assets. This will either be on a straight line basis (Option A) or utilising the PWLB Annuity Rate for 47 years on 1st April 2022 of 2.85% (Options B and C) or the Council's Weighted Average Borrowing Rate (WABR) for external debt help on 1st April 2022 of 4.86% (Options D and E).

For the unsupported borrowing element of the CFR as well as using the straight line method there are two further sub-methods of calculating the amounts to which the annuity rate is applied (using either appropriate PWLB annuity rate for the asset life or WABR):

- i. Scheme Specific: each asset funded by borrowing is assigned an asset life and the MRP charged over that period on an individual scheme basis.
- ii. Weighted Average Life: for each financial year the assets funded by borrowing are combined with their individual asset lives to provide a single amount of borrowing for that financial year with an average asset life. The

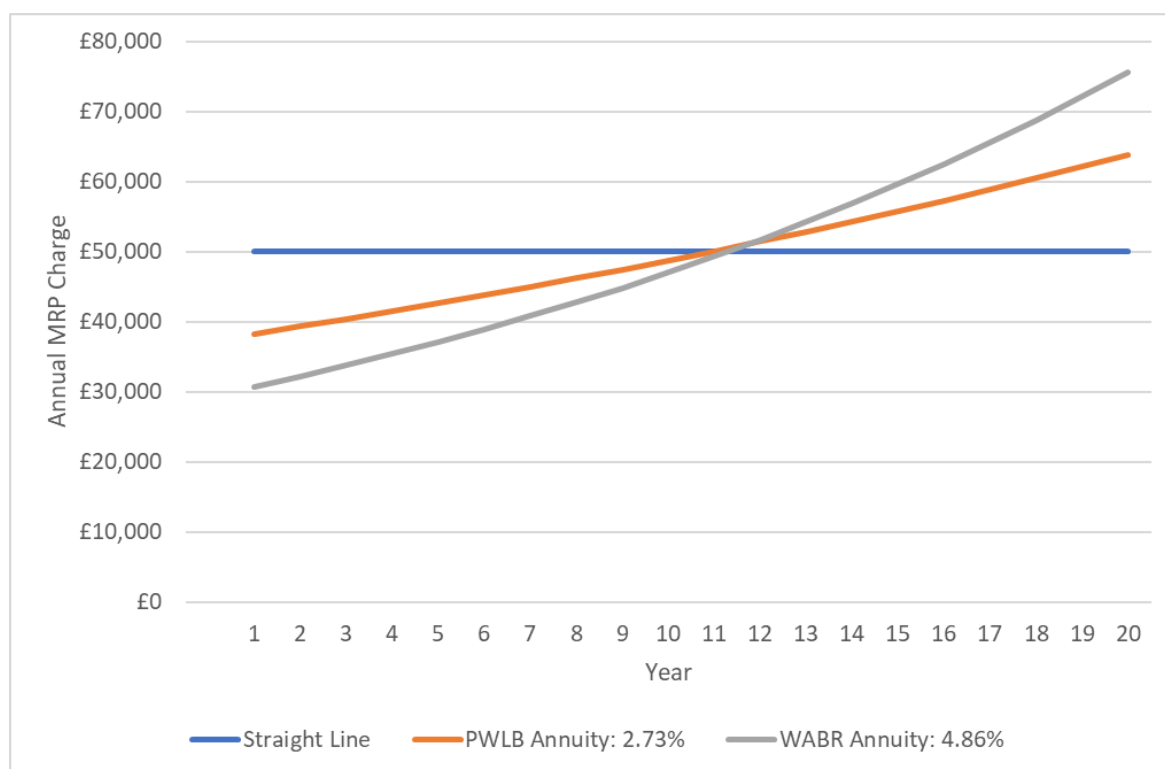
total balance for each year financial year is then charged over the average asset life.

This therefore generated four options (B through to E).

Preferred Choice

Option B through to Option E all generate savings in the early years compared to Option A of doing nothing. However, it should be noted that as amounts charged in later years fall in Option A, they increase in other options as the annual annuity charge increases over the life of the asset. This can be seen in a graphical illustration in **Chart 1** below. The total amount charged over the period is the same for all options.

Chart 1 : Illustration of £1m Borrowing charged over 20 year straight line vs Annuity (PWLB and WABR)



Notwithstanding the fact that future years would incur higher charges compared to the current method, the time value of money referred to earlier in this note means that the overall benefit to the council is beneficial by opting for an annuity basis.

To compare options presented in this report, a Net Present Value (NPV) has been calculated over the entire period of MRP repayments utilising the HM Treasury suggested discount rate of 3.5%. The NPV considers the time value

of money and allows comparison to the current straight-line basis. The resultant NPV savings are shown in the table below:

Option:	Net NPV Saving compared to Option A – Do Nothing £m
B – Annuity Basis (PWLB Annuity Rate – Scheme Specific)	16.46
C – Annuity Basis (PWLB Annuity Rate – Weighted Average Life)	16.38
D – Annuity Basis (Council’s Weighted Average Borrowing Rate – Scheme Specific)	26.08
E – Annuity Basis (Council’s Weighted Average Borrowing Rate – Weighted Average Life)	25.93

Option D provides the greatest NPV saving and is considered a prudent and effective method of calculating MRP and is therefore proposed as the preferred method for adoption.

The benefits of this method are

- The calculation is scheme specific and therefore each charge made to the General Fund Revenue Account is directly linked to the life of the asset funded through borrowing.
- Utilising the WABR as the annuity rate is a direct link to the Council’s actual debt portfolio and not the PWLB rates as published each year (which may not reflect the Council’s debt for any given year).

Chart 2 below shows the annual MRP charges calculated under Option D compared to Option A. This shows the savings that can be generated by implementing this option although future years rates will increase, albeit not to levels the Council are current paying through its MRP).

Chart 2 : Annual MRP Charge - Option A vs Option D

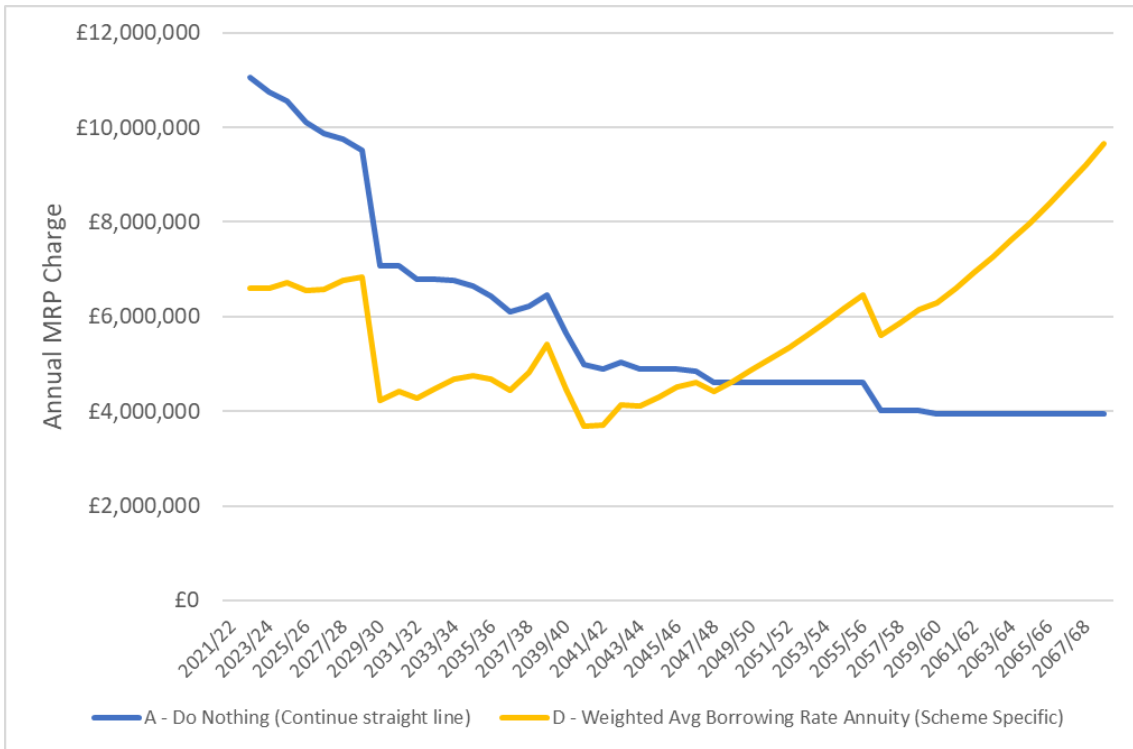
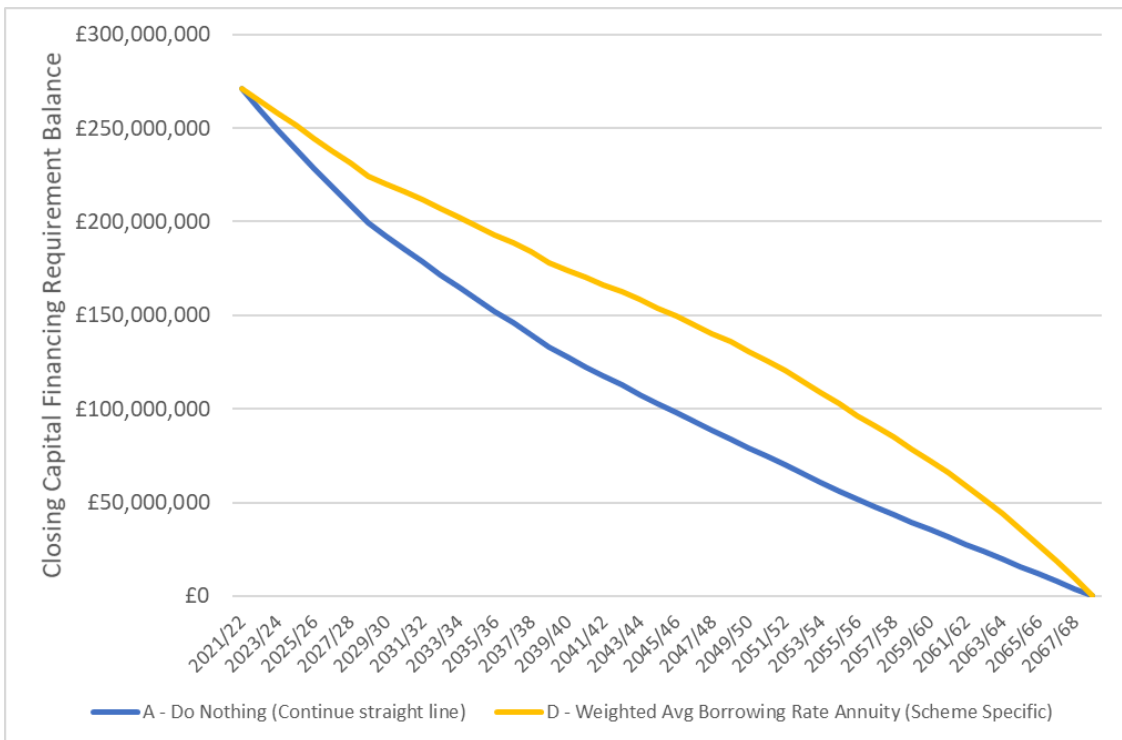


Chart 3 shows the closing CFR balance (supported and unsupported debt elements) for Options D compared to Option A. This is to demonstrate that the CFR will be cleared over the same period compared to Option A.

Chart 3 : Closing CFR Balances (Supported Borrowing plus Unsupported Borrowing) - Option A vs Option D



All graphs and calculations are taken from the closing position at 31st March 2022 and therefore future prudential borrowing decisions will increase the MRP charge from those detailed in this report.

The revised MRP Policy Statement attached to this report for approval has been drafted adopting Option D methodology.

Updated Minimum Revenue Provision (MRP) Policy Statement

Introduction

Where the Council finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Authority to have regard to the former Ministry of Housing, Communities and Local Government's Guidance on Minimum Revenue Provision (the Guidance) most recently issued in 2018.

The broad aim of the Guidance is to ensure that capital expenditure is financed over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.

The Guidance requires the Council to approve an Annual MRP Statement each year and recommends a number of options for calculating a prudent amount of MRP, but authorities retain flexibility over their determination of what is prudent.

The proposed methodologies for use within Sandwell Metropolitan Borough Council are set out below and reflect the basic principles set out in the guidance, along with some locally determined and prudent modifications.

Proposed MRP Policy Statement for 2022/23

The following MRP Policy is proposed, under guidance issued by the Ministry of Housing, Communities and Local Government (MHCLG) is as follows:

- (a) MRP will be calculated on the Council's opening Capital Financing Requirement (CFR) for each financial year.
- (b) The CFR will be reduced by the appropriate amount for assets financed by debt but not yet operational, purely for the purposes of the MRP calculation. This will ensure that the revenue account will only be charged an MRP once the economic benefits of such asset are being realised.

- (c) For capital expenditure financed from debt arising up to 2007/08 and all new Government-supported borrowing arising from 2007/08 and thereafter - to spread the cost outstanding at the end of 2021/22 over the total average estimated life of assets held by the Council, but to use the annuity variant, based on the Councils Weighted Average Borrowing Rate as at 1st April 2022.
- (d) For capital expenditure that is self-financed from debt arising in 2007/08 and thereafter - to charge the expenditure over the expected useful life of the relevant asset (“the Asset Life Method”), but to use the annuity variant, based on the Councils opening weighted average borrowing rate in the year of the expenditure (rather than charging on a straight line basis over the asset life). For amounts outstanding at the end of 2021/22 the rate applied will be the Councils Weighted Average Borrowing Rate as at 1st April 2022 (i.e. the financial year of the change in MRP calculation).
- (e) In cases where asset lives cannot be readily determined - a default period of 20 or 25 years will be used in line with government guidance.
- (f) For ‘on-balance sheet’ Private Finance Initiative (PFI) contracts and Finance Leases – Annual principal repayments included in contract payments for PFI Schemes or finance leases are applied as MRP.
- (g) There is no requirement on the HRA to make a minimum revenue provision payment but there is a requirement to make a charge for depreciation.

The Guidance allows Councils to choose to provide more MRP in any given year. This is known as a Voluntary Revenue Provision (VRP). Any VRP provided in year, along with the total cumulative amount must be disclosed in the MRP Policy Statement. Up until the 31 March 2022 the total VRP overpayments made by the General Fund account was £5.423m.

Report to Cabinet

18 January 2023

Subject:	Oracle Fusion ERP System Implementation Costs and Benefits Case
Cabinet Member:	Finance and Resources Cllr Bob Piper
Director:	Director of Finance Simone Hines
Key Decision:	Yes Expenditure above £1m
Contact Officer:	Simone Hines Director of Finance simone_hines@sandwell.gov.uk

1 Recommendations

- 1.1 That details of the current progress being made with the implementation of the Oracle Fusion Enterprise Resource Planning (ERP) system be received.
- 1.2 That the implementation budget for 2022/23-2024/25 as set out at section 4.14 be added to the Capital Programme in each respective year.
- 1.3 That additional implementation costs of £2.5m be funded from capital resources as part of the overall capital financing strategy.
- 1.4 That the Director of Finance be authorised to undertake all steps and actions necessary to implement the Oracle Fusion Enterprise Resource Planning (ERP) system.







2 Reasons for Recommendations



- 2.1 To ensure the implementation of Oracle Fusion is delivered in a timely and efficient manner in order to bring transformation benefits to the way the Council currently works and to complete the actions from the Grant Thornton Governance Review.

3 How does this deliver objectives of the Corporate Plan?

An effective and efficient ERP system supports the Council in achieving all of its Corporate Plan objectives.

	The Best Start in Life for Children and Young People
	People Live Well and Age Well
	Strong Resilient Communities
	Quality Homes in Thriving Neighbourhoods
	A Strong and Inclusive Economy
	A Connected and Accessible Sandwell

4 Context and Key Issues

Background

- 4.1 The Oracle Fusion Programme is a key component of the Council's Corporate Improvement Plan and is a workstream in the Transformation Plan underpinning the Medium-Term Financial Strategy. The Programme will impact on all services and Directorates in relation to the Payroll, HR, Finance and Procurement processes that the Council uses. It will modernise business processes through better use of technology and enable greater access to data to support decision making.
- 4.2 The Oracle Fusion ERP system was also one of the Key Lines of Enquiry in the Grant Thornton Governance Review in autumn 2021. The



recommendations from that review included reviewing governance arrangements for the project, ensuring there is sufficient corporate ownership, and agreeing a realistic Go Live date, as well as resolving the contractual issues with the existing Systems Integrator (SI). In December 2021 Cabinet agreed to pause the implementation to allow the recommendations from Grant Thornton to be considered and actioned.

4.3 Since then a significant amount of work has been undertaken to refresh the project including:

- Securing a new Systems Integrator
- Legal action to pursue compensation from the existing SI
- A Health Check of the status of the implementation at that point (January 2021) to inform the next steps for the programme
- A fundamental review of the governance arrangements of the Programme supported by Socitm Advisory
- A revised Programme narrative and branding to create fresh energy and a clear direction and purpose
- A revised resource model to ensure the programme has sufficient staffing resources and expertise to deliver the programme
- A revised implementation plan
- Change Readiness Assessment and Change Strategy
- Procurement of a new SI in August 2022 following a public procurement exercise through the Crown Commercial Services framework agreement.

4.4 The outcome of the Health Check early in 2022 identified that insufficient progress had been made with the previous implementation to be able to place any reliance on the work that had been done so far, and the recommendation from all three suppliers was that a fundamentally different approach needed to be taken which would effectively mean taking the programme back to the very start rather than being able to make use of the work that had already taken place.

4.5 As part of the review set out above the Programme Board agreed that a fundamentally different approach need to be taken. This would be to move away from a 'lift and shift approach', whereby the Council's current processes would be recreated in the new system, and instead a transformational approach would be adopted to ensure the Council benefitted from the new business processes that Fusion facilitates. It would therefore be an 'adopt not adapt' approach. A number of design principles have been agreed for the implementation which are as follows:



- Adopt-not-adapt
- Maximising self service and empowerment
- Paper-free working
- No offline-processes
- Automation where possible
- Oracle Fusion first (i.e. closing down satellite systems where possible)
- One source of the truth – Oracle Fusion as the core source of HR and Finance information

4.6 As part of the Programme refresh, a new resource model has been put in place which provides significantly more capacity and expertise to the project than previously whereby much of the implementation was being carried out by employees alongside their current roles. The new resource model includes Workstream Leads, Subject Matter Experts and testing and data migration technical resources. Additional support is also being provided by Socitm Advisory. A copy of the Programme Structure is shown at Appendix A.

4.7 Following the Cabinet decision to terminate the contact with the existing SI, a new procurement process was undertaken from March 2022, which included a completely new scope. Again, this was supported by Socitm. The process was completed in August 2022 and the new SI contract was awarded to Infosys.

Timescales

4.8 The implementation plan from Infosys initially showed a 15-month timescale, meaning implementation could take place in January 2024. However, after taking advice from external partners and carrying out benchmarking with other authorities, the decision was taken to defer implementation to April 2024 to coincide with the start of a new financial year. An options appraisal was carried out on the advantages and disadvantages of each date, and this also considered whether a phased or ‘big bang’ approach was preferable.

4.9 The deferred implementation date does incur additional costs and these are captured in the cost summary at para 4.14.

Benefits Case



- 4.10 As part of the programme review, a benefits case has also been prepared to identify the strategic priorities for Sandwell from the implementation of Fusion and the cashable and non-cashable savings that are expected to be achieved. This is attached at Appendix B. In summary the key focus areas are:
- People
 - Systems
 - 3rd Party Spend and Compliance
 - Organisational Costs
 - Compliance and Overpayments
- 4.11 This will be an ongoing piece of work as the new system is designed and implemented but the initial assessment shows cumulative benefit over a 10-year period of £15m with further savings still being assessed. The 'People' related savings only relate to the Core functional teams at present but there will also be an impact on wider business support activity which is currently being reviewed. Socitm recommends a savings target of 10-30% for whole organisation business support efficiencies and a review is ongoing to identify further business support activities across the whole Council. Another area of opportunity still being explored is a reduction in 3rd party contract spend, which is a separate workstream within the Transformation Savings Plan. The improved management information available in Fusion will enable a drive to review contract spend with partners and suppliers. A case study is included within Benefits Summary at Appendix B. There are also productivity savings and risk mitigations expected from the new system and these are also outlined in the Benefits Summary.
- 4.12 Oracle Fusion will also bring a range of non-cashable savings in terms of improved financial management processes and improved financial reporting capabilities. The CIPFA follow-up Financial Management review still scored the Council has a One Star authority for both of these areas, and notes that Oracle Fusion will bring significant improvements, but that it's important to streamline business processes as much as possible as part of the implementation.
- 4.13 Although the Council has already taken the decision to move to Oracle Fusion, the benefit case and cost model are compared against a 'do nothing' option which would be retaining the current Oracle system.



Financial Implications

- 4.14 In December 2021 Cabinet agreed General Fund resources of £4.3m be earmarked for the Oracle Fusion project, in addition to £0.23m which was still available from a previous approval. However, this was prior to the Health Check being completed which has since indicated that the implementation with the new SI is not able to make use of any of the work of the previous SI. It was also before the procurement process for new SI was undertaken. The costs have also been affected by the exceptionally high inflation costs in the UK and the recruitment issues that the Council is experiencing across other services.
- 4.15 The Health Check work alongside market intelligence, benchmarking and external advice has given the Council a much greater understanding of the costs and expertise required to deliver such a fundamental system implementation. Therefore the revised cost model now gives a more accurate forecast of the resources, benefits and risks required to deliver a programme on this scale.
- 4.16 The revised financial model based on revised SI contract costs, new resource model and implementation date shows total project costs of £9.8m. The HRA has provided a further contribution based on 25% of project costs and the compensation payment is also available to fund the project. This leaves a funding shortfall of £2.5m but as this is a system implementation the costs can be capitalised which gives greater flexibility in how the costs can be funded.
- 4.17 Benchmarking has been undertaken with other Local Authorities that have implemented Fusion in recent years and this shows that costs range between £8.5-11m for similar size authorities. Birmingham City Council anticipated their total Fusion costs to be £38m based on a report taken to their Cabinet in March 2021.
- 4.18 The programme budget now represents a realistic estimate of the costs to implement Oracle Fusion by April 2024. The revised budget takes into account all contractual and resource costs, including a 15% total contingency and the additional costs of deferring the implementation to April 2024.
- 4.19 The implementation costs are shown in the table below:

	2022/23	2023/24	2024/25	Total
--	---------	---------	---------	-------



	£m	£m	£m	
Programme Team costs	1.608	3.562	0.440	5.610
System Integrator costs	0.658	1.667	0.400	2.725
3 rd Party Integrations cost			0.200	0.200
Contingency	0.270	0.784	0.155	1.209
Total	2.536	6.013	1.195	9.744
Funding available*	2.536	4.398	0.300	7.234
Shortfall		1.615	0.895	2.510

4.20 It is recommended that the additional costs for 2023/24 and 2024/25 be added to the Capital Programme in those years with appropriate funding identified as part of the overall Capital Financing Strategy. This could be Prudential Borrowing, Capital Receipts, Earmarked Reserves, Revenue Contributions, or a combination.

4.21 There are also annual revenue running cost of the system in terms of licensing, maintenance and support. These are already incurred with the current Oracle system but during the implementation period there will be costs for both the existing and new systems which is unavoidable. The annual revenue costs and funding are shown below. The £0.15m per annum shortfall has been included as a budget pressure for 2013/14 onwards.

	2022/23 £m	2023/24 £m	2024/25 £m	Ongoing £m
Existing Oracle annual system costs	0.707	0.837	0.02	0
Fusion annual system costs	0.761	0.917	1.045	0.946
Total	1.468	1.754	1.068	0.946



Funding available	1.318	1.604	0.918	0.796
Annual Shortfall	0.150	0.150	0.150	0.150

4.22 These costs now take into account a realistic estimate of the resources needed for an effective implementation to maximise transformational benefits. It also now reflects the fact that there was little value to be taken from the work completed with the previous SI meaning the project is effectively starting from the beginning rather than a mid-implementation point.

5 Alternative Options

5.1 The Council could choose to scale down the resource model to reduce costs but this would significantly reduce capacity to undertake the implementation on time and achieve transformational benefits of the system.



6 Implications

Resources:	The implementation requires additional capital resources of £2.5m and additional revenue costs of £150k p.a. ongoing. However, expected benefits are in the region of £15m over a 10-year period with further cashable and non-cashable savings still being assessed.
Legal and Governance:	A revised governance model is in place for the programme to ensure decisions are taken appropriately. The procurement process for the new Systems Integrator was completed compliantly using a government framework.
Risk:	The Programme Risk Register is reviewed regularly at Programme Board. A 15% contingency is built into the cost model.
Equality:	N/A
Health and Wellbeing:	N/A
Social Value:	N/A
Climate Change:	N/A

7. Appendices

Appendix A – Resource Model
Appendix B – Benefits Summary
Appendix C – Exempt

8. Background Papers

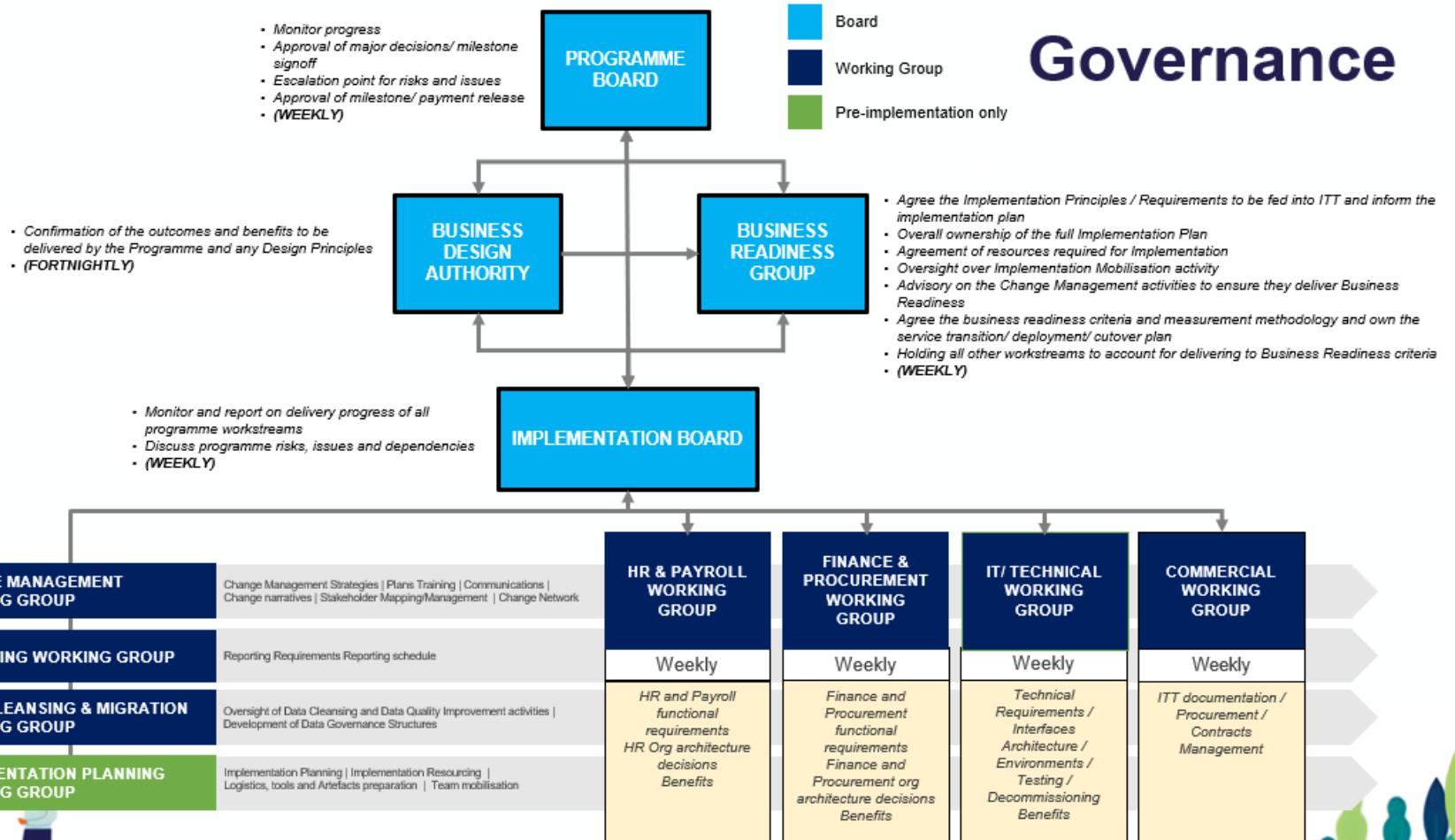
List source/background documents



Appendix A



Governance





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Benefits Summary

Nov 22







One Council. One System.

Simpler, quicker, and better finance, HR and purchasing systems that help us make better-informed decisions, and deliver excellent outcomes for residents.





Sandwell's Strategic Priorities

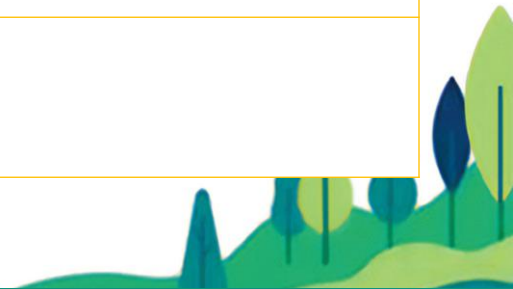
Category	Sub-category
 Best practice processes	Process efficiency / productivity
	Digital organisation (paper free)
 Service effectiveness	'One-Sandwell' – consistency of processes
	Self-service, employee empowerment
	Corporate Services move from transactional to strategic / assurance
 User experience	Engaged workforce / employer brand
	Reputation with supply chain
 Informed decision-making	Informed decision-making / business intelligence
	One source of the truth
Continuous improvement	Platform for innovation
 Social value	Social value
 Financial effectiveness	Savings
	Potential for income generation





Benefits Focus Areas – financial savings

Type	Description	Baseline Value information (annual costs)	Potential Benefits (annual)	Potential Benefits (10 years)
People Page 173	<p>More effective streamlined processes, a focus on self service for the organisation and a shift from transactional support to more specialised / strategic activity will result in savings opportunities in Corporate Services and wider business support activity across the organisation</p>	Core functional teams total annual budget £10M	5% of budget £0.5M Note savings already made	5% of budget £5M
	<p>The combined effort of the C.Co business support review and implementation of Oracle fusion controls will result in efficiencies across business support functions in the whole organisation C.Co discovery review being expanded to identify business support resources across the whole Council during Jan – April 2023 with a view to identifying an appropriate operating model for Business Support.</p>	Socitm recommends a savings target of 10 – 30% for business support whole org efficiencies.		
Systems	Savings on system decommissions as a result of moving to Oracle Fusion. Note outstanding decisions to be made on recruitment and e-learning systems	System license costs and software support £900K Hardware cost annual saving £124K	£0.9M £0.1M	£8.9M £1.2M
3 rd Party	<p>An organisational wide project to review contract spend with partners and suppliers which is then supported by improved visibility of management information informing contract management controls</p> <p>Total budget excludes income but includes cap charges £177M</p>	Annual spend with 3 rd Parties is £555M which is x % of the annual council budget.	Savings percentage target to be agreed (need to remove grant funded contracts to understand addressable spend)	
Organisational costs	As a result of implementing automated and improved end to end processes across the council there will be a reduction in corporate spend for printing and mail. Note only corporate services however there would also be a wider benefit.	Printing costs £0.151M Mail costs £0.052M	TBA	





Benefits Focus Areas

Improved policy, process, system controls and data will result in overall organisational benefits such as improved compliance, organisational risk reduction and less external audit criticism

Type	Description	Baseline Value information (annual costs)	Potential Benefits (annual)	Potential Benefits (10 years)
Compliance and Overpayments	<p>As a result of automated processes and improved control for the starters, movers and leavers process there will be improved compliance and reduced overspend, as well as productivity benefits for corporate services.</p> <p><i>The baseline value shows a total of £52K paid to employees that left the organisation, this was reduced by the finance team to £10K, which took approx. 223 hours in officer time</i></p> <p>Potential further opportunity within leave / sickness absence process to be reviewed in design phase</p>	<p>£52K of overspend reduced to £10K outstanding</p> <p>37 overpayments</p> <p>223 hours of lost productivity</p> <p>16 devices not returned (SCT)</p>	<p>£0 overspend</p> <p>Full compliance</p> <p>Productivity hours</p>	
3 rd Party compliance & risk reduction	<p>Improved policy, process, controls and accountability around supplier payments and introduction of a no PO no pay process, supported by an automated, joined up system to improve compliance.</p>	<p>21% late payments</p> <p>1085 invoices paid without a PO (2%)</p>	<p>Full compliance and avoidance of late penalty payments</p>	

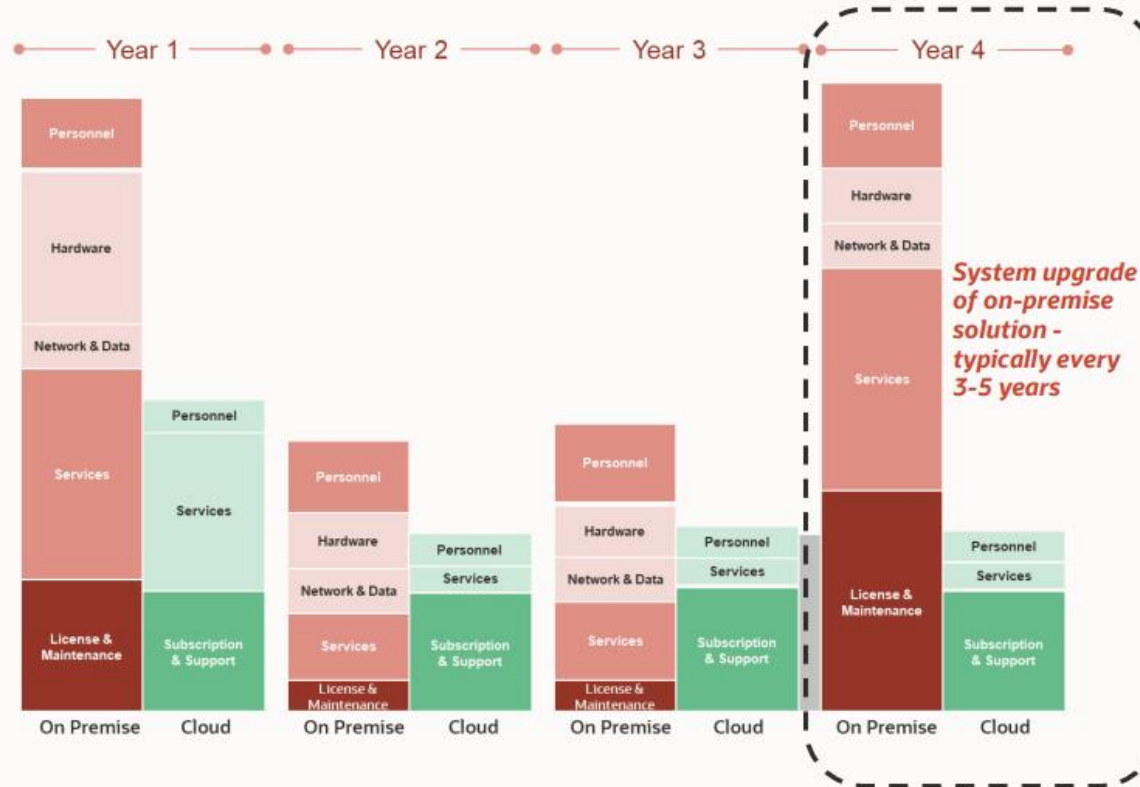




IT Savings

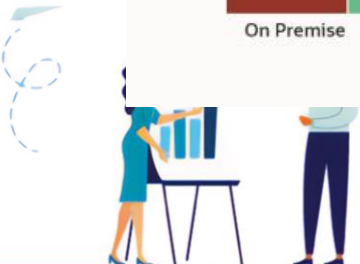
Oracle Cloud provides IT benefits such as infrastructure savings, predictable costs and reduced complexity of multiple upgrades

On-Premise vs Cloud Cost over time



IT Benefits of Oracle Single Platform Cloud

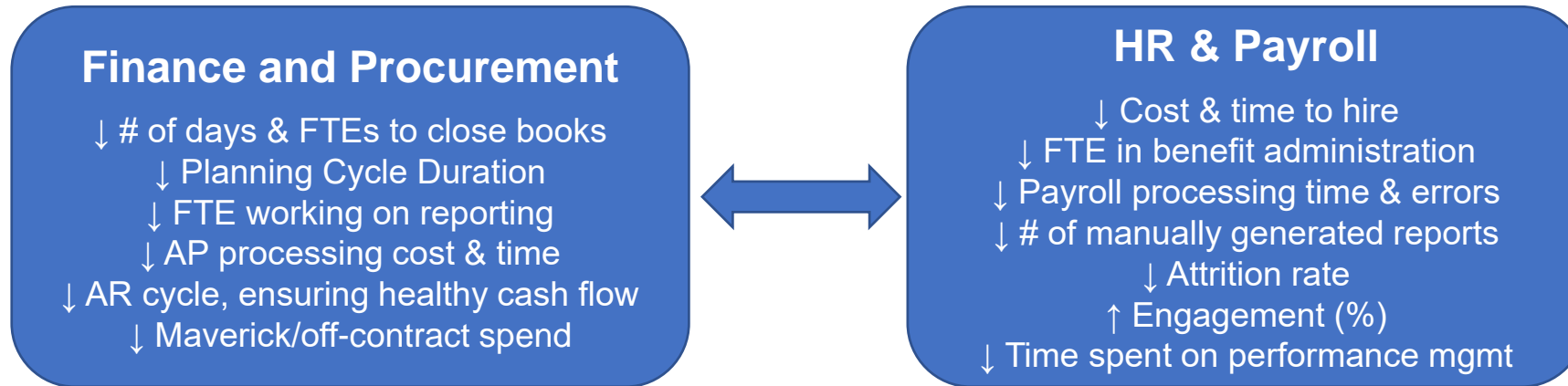
- No network data center costs
- No hardware capacity to plan/build
- No operating system/platform to maintain
- Fewer staff needed to administer
- Reduction in integration efforts between different systems
- No future costs to upgrade systems – single platform eliminates complexity of multiple upgrades and maintenance
- Subscription costs stays constant and predictable





Non-Financial Savings

True value of an Integrated solution is delivered through more agile business processes that take an enterprise wide view



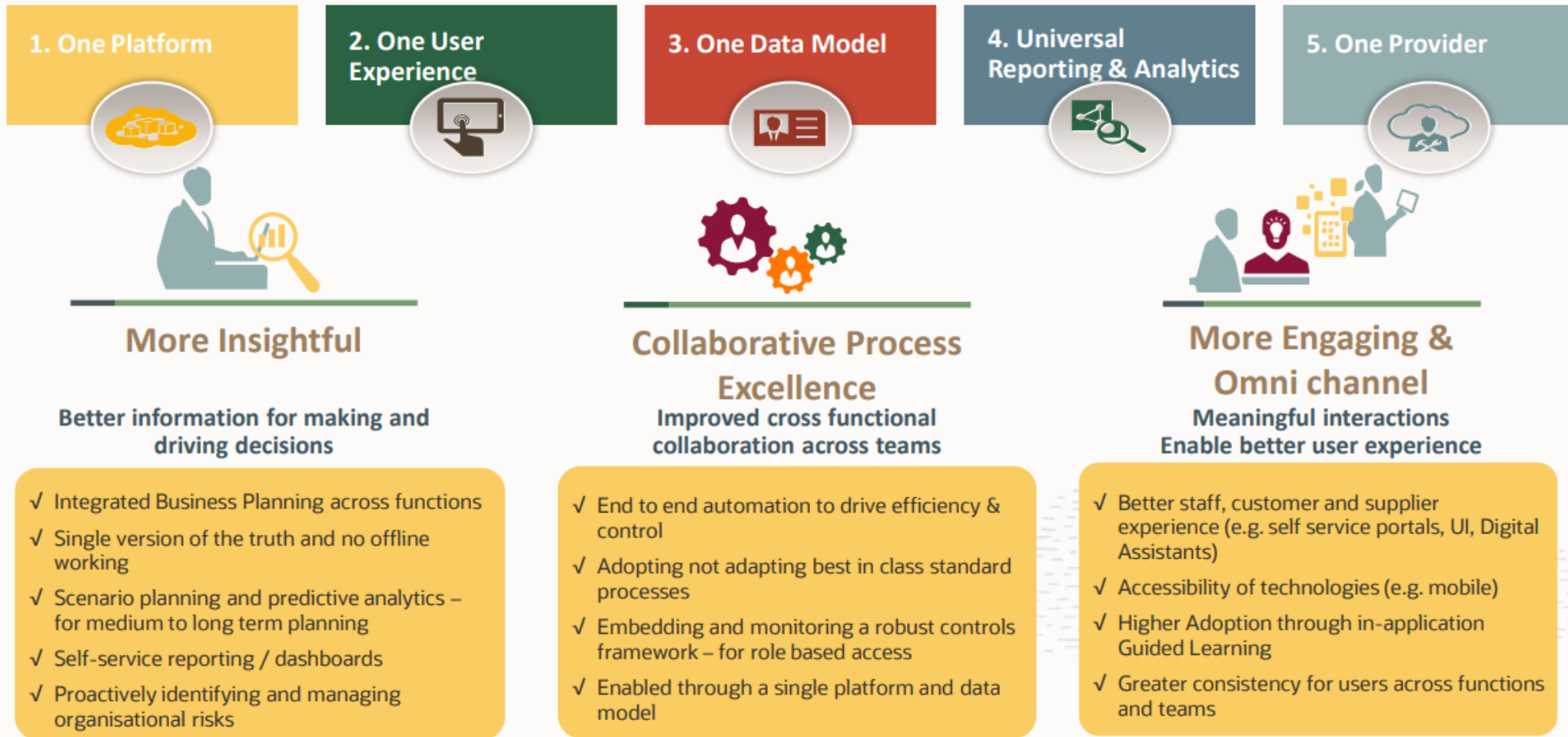
Increase in the Business Processes Efficiency through automation, accessibility and collaboration





Non-Financial Savings

the single integrated Platform and data model enables employee effectiveness to focus on value add work and drive user adoption





Operating Model Value

Value can be achieved by Operating Model change supported by Oracle Cloud

Administration

- **Administrative Function:** Enable staff to have greater focus on strategic activities with access to single version of truth
- **Budgeting:** Reduce budget iterations and the cycle time while increasing accuracy
- **Procurement:** Reduce inefficiencies on AP and AR transaction processing, supplier registration and contract monitoring
- **Core Accounting & Financial Close:** Improve the speed and accuracy of the financial close
- **IT:** Centralised IT spend and control

People

- **People Function:** Enable staff to have greater focus on strategic activities
- **Recruitment:** Recruitment process automation reduces time to hire and recruitment cost
- **Employee records and Payroll:** Staff spends less time on routine activities through self service
- **Workforce Management:** Enhance employee engagement through effective performance management, aligning employee goals with strategy





Prioritisation of Strategic Headers

Page 179

Function Area	£	The most important strategic header	Strategic header description	Lower level-benefits selected against the strategic header
Finance	✓	Informed decision-making / business intelligence	More strategic financial support role as dictated by the CIPFA review	<ul style="list-style-type: none"> Budget Managers drawing on in-system forecasting reporting Budget Manager perceived usefulness of budget dashboard information Improved quality of forecasting outturn (Improved data quality such as accuracy of financial forecasting)
HR & Payroll	✓	One Source of the truth	Information into HR is from one source only, meaning less systems to maintain.	<ul style="list-style-type: none"> System used as a core source of organisational data and insight
IT		Platform for innovation	To maximise the benefits of Oracle SaaS.	<ul style="list-style-type: none"> Taking advantage of new developments in the solution e.g. quarterly releases
Procurement	✓	One Source of the truth	Finance & procurement can view the actual spend analytics and supplier performances for Procurement & Payments	<ul style="list-style-type: none"> System used as a core source of organisational data and insight
Reporting	✓	One Source of the truth	One source to obtain information rather than pulling data from multiple sources and combining, eliminates the risk of errors and inaccurate information.	<ul style="list-style-type: none"> Budget managers using in-system budget management reports (not creating separate spreadsheets)





Sandwell's Benefits identified by Function Leads

Page 10

Corporate Services move from transactional to strategic / assurance

"Reduction in Finance support in clarifying dashboard content"

Reduction in no. of requests to update employee personal data into support team

Engaged workforce / employer brand

All employees are able to access all necessary ERP functionality from offices, home or remotely e.g. timesheets, payslips, expense claims remotely

Supporting flexible working and a disparate workforce with tools that allow seamless interaction and collaboration.

One source of the truth

Budget managers using in-system budget management reports (not creating separate spreadsheets)

System used as a core source of organisational data and insight

Potential for income generation

Excellent user experience of the system

Informed decision-making / business intelligence

Budget Managers drawing on in-system forecasting reporting

Budget Manager perceived usefulness of budget dashboard information

People Manager perceived usefulness of people management information

Improved councillor access to dashboard information

Improved quality of forecasting outturn (Improved data quality such as accuracy of financial forecasting)

Improved ability to understand organisation capability/ skills gaps, including the ability to forecast future skills requirements

Process compliance

No. of centralised purchasing categories & budgets in place with allocated approval routes e.g. IT

Reputation with supply chain

Suppliers paid on time

Process efficiency / productivity

AR - Time taken to build reports on outstanding revenue

A cost effective Finance Service

A cost effective Payroll service

A cost effective HR service

Reduced Payroll Processing Time and reduction in payroll errors

Requisitioned process made more efficient by the right information provided at the right time

Reduction in paper / off-system forms and documents

Improved quality and accuracy of reports

Immediate access to key data and ability to execute reports directly from one source of truth

Improved automation with standardized delivery of information using Reporting Tools

Complete reporting tasks and make any adjustments quickly and easily

Automation of Unpaid Leave

Social value

Amount of spend with local suppliers

Savings

Savings from decommissioning replaced systems

Reduction in printing costs (in finance, HR, exchequer, payroll but also across the organisation)

Self-service, employee empowerment

Employees use self service learning content

Employee Self Service Claims

Platform for innovation

Taking advantage of new developments in the solution e.g. quarterly releases





3rd Party Spend review summary

07.10.22

One Council. One System.

Simpler, quicker, and better finance, HR and purchasing systems that help us make better-informed decisions, and deliver excellent outcomes for residents.





Partners and Suppliers Programme

This programme was identified as part of a review of the Council's budget, to identify efficiency opportunities for the largest areas of spend

Approximately 80% of the Council's expenditure was through arrangements with partners and supplier

A programme was established to undertake a detailed review of third party expenditure, with an objective of identifying £25M of recurrent savings in 6 months.

- The Partners and Suppliers programme supported directorates to identify and develop 44 3rd party savings benefit profiles with the potential to deliver at least £24.3m of savings (with the potential to achieve up to £28.5m).
- Benefit profiles were developed, in line with the Council's agreed benefit realisation approach, and were published (at a summary level) as part of the Council's Draft Business Plan, Budget and Medium Term Financial Plan.
- Delivery plans were also developed for each opportunity and were signed off by the identified Lead Service Directors for each directorate.



Key steps





Example benefits dashboard

Our Partners and Suppliers programme position

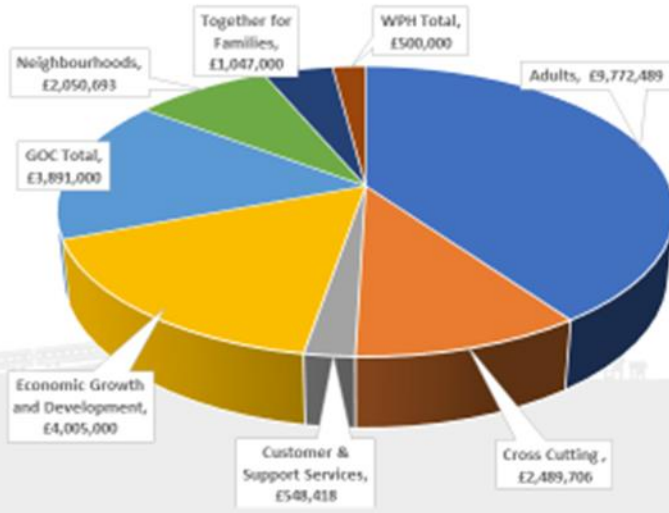
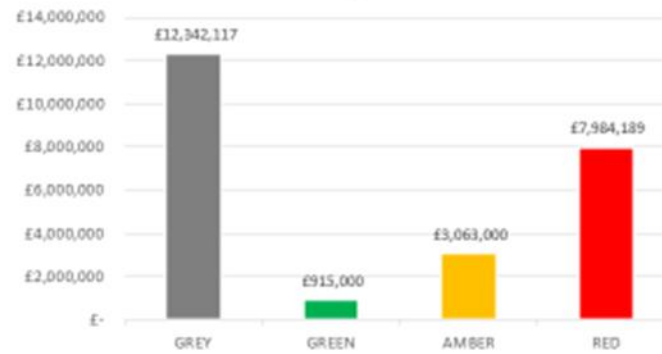
In month changes:
 All services cross cutting savings confirmed as delivered
 EGD6 - reduction of highways maintenance savings complete.
 EGD9 – bus network sustainability savings complete
 TFF17 - savings complete
 TFF6 - Optimising supporting families grant complete
 NBH2 – Environmental Services Prog benefit profile complete
 NBH3 - Waste Collection complete
 CSS12 – Optimisation of software license management complete

	All Savings	Recurring	One Off
Programme Target Saving	£24,304	£21,004	£3,300
Delivered to date	£12,842	£9,542	£3,300
To be delivered	£11,462	£11,462	£0

Last update: 07/04 Overall status: Amber



Total by RAG



Directorate	DELIVERED	GREEN	AMBER	RED	Grand Total
Adults	£ 3,600,000	£ 765,000	£ 1,863,000	£ 3,544,489	£ 9,772,489
CC	£ 2,489,706				£ 2,489,706
C&SS	£ 398,418	£ 150,000			£ 548,418
EG&D	£ 3,305,000		£ 700,000		£ 4,005,000
GOC				£ 3,891,000	£ 3,891,000
NBH	£ 2,050,693				£ 2,050,693
TFF	£ 498,300			£ 548,700	£ 1,047,000
WPH	£ 500,000				£ 500,000
(blank)					
Grand Total	£ 12,842,117	£ 915,000	£ 2,563,000	£ 7,984,189	£ 24,304,306

Benefit status was tracked through a programme dashboard.

Benefit Leads were identified for each service area and provided fortnightly progress updates.

Dashboard at project closedown 07/04/22 showing outstanding savings still to be delivered with the associated RAG status at the time of closing the project.



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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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