

# Agenda Council

**You are hereby summoned to attend a meeting of the Sandwell Metropolitan Borough Council, to be held on Tuesday, 12 December 2023 at 6.00 pm for the purpose of transacting the following business:-**

**The Mayor of Sandwell, Councillor Bill Gavan, in the Chair**

- |          |  |                |
|----------|--|----------------|
| <b>1</b> | <b>Apologies for Absence</b>   | <b>11 - 12</b> |
|          | To receive apologies for absence (if any).   |                |
| <b>2</b> | <b>Declarations of Interest</b>  | <b>13 - 14</b> |
|          | Members to declare any interests in matters to be discussed at the meeting.  |                |
| <b>3</b> | <b>Minutes</b>   | <b>15 - 34</b> |
|          | To confirm the minutes of the extraordinary and ordinary meetings of Council held on 24 October as a correct record. |                |
| <b>4</b> | <b>Urgent Business</b>   | <b>35 - 36</b> |
|          | To consider any urgent business (with prior approval by the Mayor).  |                |
| <b>5</b> | <b>Announcements</b>   | <b>37 - 38</b> |
|          | To receive announcements from the Chief Executive and the Mayor.   |                |



6      **Petitions**      39 - 40

To receive petitions under Standing Order No. 8.

7      **Written Questions**      41 - 46

To consider written questions under Standing Order No. 9 from

- (a) Elected Members
- (b) Members of the Public

to:-

- (i) the Mayor;
- (ii) the Leader of the Council;
- (iii) any other member of the Cabinet;
- (iv) any person appointed to preside at a committee, sub-committee or panel;
- (v) the members of the Council nominated pursuant to Section 41 of the Local Government Act 1985, on the discharge of the functions of the following Joint Authorities: -
  - (i) West Midlands Combined Authority (the Leader);
  - (ii) West Midlands Fire and Rescue Authority (Councillor Jalil);
  - (iii) Transport for the West Midlands (Councillor Choudhry);
- (vi) a member of the Council who is, as a result of action taken by or on behalf of the Council, a member or director of any company.

8	<b>Designation of Interim Statutory Chief Officer</b>	47 - 50
	To confirm the designation of the Section 151 Officer/Chief Finance Officer.	
9	<b>Sandwell Council Improvement Plan</b>	51 - 110
	To consider the latest update on the Improvement Plan and submission to the Secretary of State.	
10	<b>Code of Corporate Governance</b>	111 - 136
	To approve the revised Code of Corporate Governance.	
11	<b>Consideration of Special Responsibility Allowance for Shadow Cabinet Members</b>	137 - 148
	To consider special responsibility allowance for Shadow Cabinet Members.	
12	<b>Proposed Departure from the Development Plan at West Midlands Foundry Co Limited, Blakemore Road, West Bromwich</b>	149 - 154
	To consider a proposed departure from the local development plan in relation to Planning Application DC/23/68467.	
13	<b>Proposed departure from the Development Plan at Locarno Works, Locarno Road, Tipton</b>	155 - 160
	To consider a proposed departure from the local development plan in relation to Planning Application DC/23/68518.	
14	<b>Proposed departure from the Development Plan at Tata Cargo Ltd, Rigby Street, Wednesbury</b>	161 - 166
	To consider a proposed departure from the local development plan in relation to Planning Application DC/22/67520.	

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|----|---|-----------|
| 15 | <b>Proposed departure from the Development Plan at land at corner of Cleton Street and Sedgley Road East/Tipton Road, Tipton</b>  | 167 - 172 |
|    | To consider a proposed departure from the local development plan in relation to Planning Application DC/23/68624.   |           |
| 16 | <b>Planning Delegations Agreement</b>   | 173 - 180 |
|    | To approve the revised Planning Delegations Agreement   |           |
| 17 | <b>Political Balance of Committees and Boards</b>   | 181 - 186 |
|    | To consider the political balance for the remainder of the 2023-24 municipal year.  |           |
| 18 | <b>Revisions to Committees, Boards and Other Bodies</b>   | 187 - 190 |
|    | To consider revisions to the appointments of Committees, Boards, and other bodies.  |           |
| 19 | <b>To receive the minutes of the Cabinet</b>  | 191 - 620 |
|    | To receive the minutes of the meetings of Cabinet held on 18 October and 15 November 2023 and consider the recommendations arising from the November and December meetings in relation to:- |           |
|    | (a) Medium Term Financial Strategy – Autumn 2023;   |           |
|    | (b) Council Tax Base 2024/25;   |           |
|    | (c) Local Council Tax Reduction Scheme 2024/25;   |           |
|    | (d) The review of council tenant rents and housing related property charges;  |           |
|    | (e) 10 Year Business Rates Retention Agreement.   |           |

20 **To receive minutes of the Budget and Corporate Scrutiny Management Board** 621 - 634

To receive the minutes of the meetings of the Budget and Corporate Scrutiny Management Board held on 28 September and 5 October 2023.

21 **To receive the minutes of the General Purposes and Arbitration Committee** 635 - 660

To receive the minutes of the meeting of the General Purposes and Arbitration Committee held on 4 December 2023 and consider the recommendations arising in relation to:-

(a) Statutory Polling District and Polling Place Review 2023.

22 **To receive the minutes of the Audit and Risk Assurance Committee** 661 - 666

To receive the minutes of the meeting of the Audit and Risk Assurance Committee held on 21 September 2023.

23 **To receive the minutes of the Ethical Standards and Member Development Committee** 667 - 670

To receive the minutes of the meeting of the Ethical Standards and Member Development Committee held on 7 November 2023.

24 **Notices of Motion**

To consider the following motions received under Standing Order No. 12:-

24(a) Modern Slavery

**Proposer: Councillor Dunn**

**Seconder: Councillor Trumpeter**

Council recognises progress made across the West Midlands to eradicate modern slavery but acknowledges that there is an estimated 4197 survivors of Modern Slavery in the Combined Authority area.

Council further acknowledges and reaffirms the importance of vigilance for all Sandwell Council employees and elected members when dealing with supplier contracts with high-risk sectors being construction, agriculture, hospitality, and care.

Council therefore reaffirms its duty to ensure Sandwell is Slavery Free and, recognising the importance of partnership work in the fight against Modern Slavery, resolves to –

1. Request the Leader and Cabinet develop a deliverable 'Slavery Free Sandwell Strategy Plan' with achievable goals which will enable regular assessment of progress and scrutiny of areas which may require improvement.
2. Request the Chief Executive convene a West Midlands Anti-Slavery Summit - inviting all of the local authorities in the Combined Authority region, the Mayor of the West Midlands, the Police and Crime Commissioner, and our region's Members of Parliament, as well as relevant charitable organisations like the Black Country Women's Aid where partners can share best practices as well as improve collaboration among regional partners.
3. Continue to engage all stakeholders, including employees, contracted partners and elected members through regular awareness campaigns and reports on our Modern Slavery strategy being delivered to

Council regularly and reaffirms the principle of ensuring that all members of this authority are clear in knowing it is our duty to highlight concerns to ensure the Council can fulfil its role as a First Responder Organisation to refer potential victims.

24(b) End Violence Against Women and Girls (White Ribbon Day)

**Proposer: Councillor W Gill**

**Seconder: Councillor Fisher**

Council acknowledges the concerns of women and girls regarding their safety on public transport particularly whilst engaging in the night-time economy and welcomes the work done by local community organisations to raise awareness of violence against women and girls.

Council notes and welcomes the Protection from Sex-based Harassment in Public Bill 2022-23 which introduces a new offence of causing alarm, distress, or intentional harassment to a person in public because of their sex.

Council therefore resolves to –

1. Request the Leader of the Council and the Leader of the Opposition write a joint cross-party letter to the Mayor of the West Midlands requesting a progress update on the WMCA's recommendations set out for transport in the Combined Authority's Violence against Women and Girls Strategy.
2. Call on all male Councillors to take the White Ribbon pledge, never to take part in, condone or stay silent about violence against women.
3. Request the Leader and Cabinet to work towards White Ribbon accreditation, joining the large number of public sector bodies which have already done so, with the Chief Executive as the authorities' White Ribbon

accreditation co-ordinator and for a cross-party working group to be established as our 'action plan steering group' during the accreditation process, with all members of the working group to sign up for the White Ribbon Ambassador program.

Request that Council mark White Ribbon Day on 25 November each year and encourage participation among Councillors, council staff and local primary and secondary schools.

24(c) Community Policing  
**Proposer: Councillor A Williams**  
**Seconder: Councillor Chapman**

Council recognises the importance of community-focused policing in towns across Sandwell.

Whilst welcoming the positive news of the retention of Tipton Police Station, Council expresses its strongest concerns in relation to the Police and Crime Commissioner's (PCC) proposals to dispose of the other stations in the Borough which will have a significant detrimental impact on our communities.

Council welcomes West Midlands Mayor, Andy Street's pledge to halt the police station closures through the enforcement of a moratorium until a rigorous review can be undertaken.

Council further notes it's disappointment with the Office of the Police and Crime Commissioner, as the force has been taken into special measures as a result of a failure in senior leadership and failures in key areas including; effective investigations, keeping vulnerable people safe and in managing the risk posed to the public by child abusers and registered sex offenders, which in turn may undermine our resident's trust in the force.



Council therefore resolves to –

1. Request the Leader of the Council write to the Police and Crime Commissioner, Simon Foster, to call on him to U-turn on his proposed disposal plans to ensure there is a visible deterrent and Police Presence in our communities.
2. Request the Leader of the Council write to the Home Secretary to place on record this Council's support of the proposal to merge the role of PCC into the Office of the Mayor, in order to save taxpayer money and to ensure there is proper accountability of the force which will help reduce crime rates and ensure people in our area feel safe.



**Shokat Lal**  
**Chief Executive**  
Sandwell Council House  
Freeth Street  
Oldbury  
West Midlands

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## **Apologies**

To receive any apologies from members

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## **Declarations of Interest**

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

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## Minutes of Extraordinary Meeting of Council

**Tuesday 24 October 2023 at 6.02pm  
at Sandwell Council House, Oldbury**

**Present:** His Worshipful The Mayor, Councillor Gavan (Chair);  
Deputy Mayor, Councillor E M Giles;

Councillors Abrahams, K Allcock, M Allcock, Ashraf, Bhullar, Carmichael, Chambers, Chapman, Chidley, Crompton, Dhariwal, Dhatt, Dunn, Fenton, Fisher, Fitzgerald, E M Giles, J Giles, L Giles, W Gill, Hackett, Hartwell, Hinchliff, Hughes, Jalil, Johnston, Kalari, Kalebe-Nyamongo, Khan, Khatun, Kordala, Lewis, Loan, Maycock, Mayo, Melia, Millar, Millard, Moore, Muflihi, Owen, Padda, Pall, Piper, Preece, Rahman, Randhawa, Rollins, Shaeen, J Singh, N Singh, Smith, Taylor, Tipper, Tromans, Trumpeter, Uddin, Uppal, Webb, Weston, Wilkes and Younis.

**Officers:** Shokat Lal – Chief Executive; Surjit Tour – Director of Law and Governance and Monitoring Officer; Suky Suthi-Nagra – Democratic Services Manager; Trisha Newton – Deputy Democratic Services Manager; Connor Robinson – Democratic Services Officer; Anthony Lloyd – Democratic Services Officer; Kennedy Brown – Sergeant at Arms.

### 99/23 **Apologies for Absence**

Apologies for absence were received from Councillors Akpoteni, Anandou, Davies, S Gill, Hemingway, Hussain, Kaur and Williams.



100/23 **Declarations of Interest**

There were no declarations of interest.

101/23 **Nomination to the office of Honorary Alderwoman**

Council considered the recommendation of the General Purposes and Arbitration Committee, of 3 August 2023, in relation to a nomination for Honorary Alderwoman.

**Resolved:-**

- (1) that the office of Honorary Alderwoman of the Borough be conferred upon Mrs Elaine Costigan;
- (2) that the Director – Law and Governance and Monitoring Officer, in consultation with the Mayor and Leader of the Council, be authorised to make the appropriate arrangements to implement the decision set out in (1) above.

102/23 **Nomination to confer the status of Freedom of the Borough**

Council considered the recommendation of the General Purposes and Arbitration Committee, of 22 September 2023, in relation to a nomination for the status of Freedom of the Borough.

**Resolved:-**

- (1) that the status of Freedom of the Borough be conferred upon Sandwell & West Birmingham NHS Trust;
- (2) that the Director – Law and Governance and Monitoring Officer, in consultation with the Mayor and Leader of the Council, be authorised to make the appropriate arrangements to implement the decision set out in (1) above.

Meeting ended at 6.22pm

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# Minutes of Council

**Tuesday 24 October 2023 at 6.27pm  
at Sandwell Council House, Oldbury**

**Present:** His Worshipful The Mayor, Councillor Gavan (Chair);  
Deputy Mayor, Councillor E M Giles;

Councillors Abrahams, K Allcock, M Allcock, Ashraf, Bhullar, Carmichael, Chambers, Chapman, Chidley, Crompton, Dhariwal, Dhatt, Dunn, Fenton, Fisher, Fitzgerald, E M Giles, J Giles, L Giles, W Gill, Hackett, Hartwell, Hinchliff, Hughes, Jalil, Johnston, Kalari, Kalebe-Nyamongo, Khan, Khatun, Kordala, Lewis, Loan, Maycock, Mayo, Melia, Millar, Millard, Moore, Muflihi, Owen, Padda, Pall, Piper, Preece, Rahman, Randhawa, Rollins, Shaeen, J Singh, N Singh, Smith, Taylor, Tipper, Tromans, Trumpeter, Uddin, Uppal, Webb, Weston, Wilkes and Younis;  
Andrew Shakespeare – West Midlands Fire Service.

**Officers:** Shokat Lal – Chief Executive; Surjit Tour – Director of Law and Governance and Monitoring Officer; Suky Suthi-Nagra – Democratic Services Manager; Trisha Newton – Deputy Democratic Services Manager; Connor Robinson – Democratic Services Officer; Anthony Lloyd – Democratic Services Officer; Kennedy Brown – Sergeant at Arms.

## 103/23 **Minute Silence**

The Council observed a minute silence to mark the passing of former councillor Tony Fowler.



Councillor Fowler had represented the Newton Ward from 1994-2004 and had been a member of both the Environment and Housing Scrutiny Panel and the Employment Appeals Panel.

Members paid tribute to the former councillor and the Mayor led members in extending condolences to his family and friends.

#### 104/23 **Apologies for Absence**

Apologies for absence were received from Councillors Akpoteni, Anandou, Choudhry, Davies, S Gill, Hemingway, Hussain, Kaur and Williams.

#### 105/23 **Declarations of Interest**

There were no declarations of interest.

#### 106/23 **Minutes**

**Resolved** that the minutes of the meeting of Council held on 25 July 2023 be approved as a correct record and signed by the Chair.

#### 107/23 **Urgent Business**

There were no urgent additional items of business to consider.



## 108/23 **Announcements**

The Mayor gave details of Mayoral and Deputy Mayoral engagements that had taken place.

The Chief Executive welcomed and congratulated those involved in helping the Council win the National Apprentice Awards Regional Award for Large Employer of the year. The Employer of the Year category was open to employers from all sectors, and celebrated employers who showcased their commitment, contribution, and the success that apprenticeships had brought to their organisation.

The Mayor invited Councillor Hackett to inform members of the Council's involvement in a project to promote local authority fostering. The project was the largest public sector fostering film collaboration yet, with over 80 participants. The film – called 'Any Of Us' was the latest in a series of films to promote fostering that had been made by a growing group of local authorities. Sandwell had been involved in the project since the start and by sharing resources, each contributing council (in Sandwell's case, the Children's Trust) got a professional standard video to use as part of the campaign to encourage the people urgently needed to step forward and offer safe, loving homes to Sandwell's most vulnerable children. The film was shared with Council.

## 109/23 **Petitions**

No petitions were received under Standing Order No. 8.



## 110/23 **Written Questions**

Questions received under Standing Order No. 9. were asked of the relevant members and responses received.

## 111/23 **Proposals for the introduction of a shadow cabinet**

At its meeting on 25 July 2023 (Minute No. 82/23(d)), Full Council resolved that the Governance and Constitution Review Committee be requested to investigate the feasibility of establishing a shadow cabinet before reporting back to Council at the next available full council meeting.

Subsequently, at its meeting on 21 September 2023 (Minute No. 5/23), the Governance and Constitution Review Committee considered the proposals and agreed that a Governance and Constitution Review Working Group be established to develop, approve and submit the protocol to Council.

The Council received the proposals and thanked the Governance and Constitution Review Committee for their work.

### **Resolved:-**

- (1) that the Shadow Cabinet Protocol be endorsed;
- (2) that approval be given to make any changes to the Council's Constitution, to reflect the introduction of a Shadow Cabinet;



- (3) that the Independent Remuneration Panel be called to review any Special Responsibility Allowance associated with the shadow cabinet roles, with a further report to Council in December 2023.

112/23 **Scrutiny Annual Report 2022-23**

Council received the Scrutiny Annual Report 2022-23.

The report highlighted the work carried out by the Council's Scrutiny Boards for 2022-23.

The Chair outlined the many improvements that had been made and the recognition from the auditor and the LGA and wished to place on record his thanks to the Scrutiny Chairs and Vice Chairs and made tribute to late Councillor Ann Shackleton for all of her hard work.

113/23 **Audit and Risk Assurance Committee Annual Report 2022-23**

Council received the Audit and Risk Assurance Committee Annual Report 2022-23.

The report highlighted the work of Audit and Risk Assurance Committee for 2022/23.



114/23 **West Midlands Fire and Rescue Update**

Council received an update on the work of the Fire Authority from Councillor Jalil, the member nominated pursuant to Section 41 of the Local Government Act 1985 to report on the activities of the West Midlands Fire and Rescue Authority.

Andrew Shakespeare from West Midlands Fire Service was also present to respond to enquiries.

115/23 **Transport for West Midlands Update**

Council received an update on the work of Transport for West Midlands from Councillor Melia, one of the members nominated pursuant to Section 41 of the Local Government Act 1985 to report on the activities of Transport for West Midlands.

116/23 **West Midlands Police and Crime Panel**

Council received an update on the work undertaken by the West Midlands Police and Crime Panel from Councillor Khatun, the Council's representative on the Panel.

117/23 **West Midlands Combined Authority**

Council received an update on the work undertaken by the West Midlands Combined Authority from the Leader of the Council.





118/23 **Political Balance of Committees and Boards**

Council considered the political balance of the committees, boards and other fora for the remainder of the 2023-2024 municipal year.

**Resolved** that the political balance of the committees, boards and other fora for the remainder of 2023-24 be approved.

119/23 **Revisions to Committees, Boards and Other Bodies**

Council considered revisions to the appointments to committees, boards and other bodies and the revised Health and Wellbeing Board Constitution.

**Resolved:-**

- (1) that the revisions to appointments to committees, boards and other bodies, as set out in Appendix A, be approved with immediate effect;
- (2) that the revised Health and Wellbeing Board Constitution be approved.

120/23 **To receive the minutes of Cabinet**

The minutes of the meetings of the Cabinet held on 21 June 2023, 12 July 2023 and 13 September 2023 were received.



## 120/23(a) **Levelling Up Partnership – exception to Financial Regulations**

In March 2023, the Chancellor of the Exchequer announced that Sandwell was one of 20 places to be invited to form a Levelling Up Partnership (LUP).

Levelling Up Partnerships were targeted interventions designed to identify practical, tangible actions to support priority places to ‘level up’ and to help government develop a more holistic understanding of place. Up to £20m capital funding is available for the 20 places.

The development of a LUP between Government and Sandwell had been led by the Department for Levelling Up Housing and Communities. An initial deep dive had been conducted including place engagement, field work and developing priority actions.

The matter had been reported to Cabinet at its meeting on 24 October 2023 and approval was sought from Council for an exception to financial regulations.

**Resolved** that an exception to Section 5.1 of the Council’s Financial Regulations in relation to the Levelling Up Partnership Proposals be approved.

## 121/23 **To receive the minutes of the Budget and Corporate Scrutiny Management Board**

The minutes of the meeting of the Budget and Corporate Scrutiny Management Board held on 27 July 2023 were received.



122/23 **To receive the minutes of the Governance and Constitution Review Committee**

The minutes of the meeting of the Governance and Constitution Review Committee held on 21 September 2023 were received.

122/23(a) **Changes to Scrutiny Procedure Rules – Call-in**

Approval was sought to revise the Scrutiny Procedure Rules within the Council's Constitution to reflect changes to the call-in process for executive decisions.

**Resolved** that the revised Scrutiny Procedure Rules be approved.

122/23(b) **Protocol for nomination to Mayor/Deputy Mayor**

Consideration was given to the protocol for nominations to Mayor/Deputy Mayor.

**Resolved:-**

- (1) that the protocol for the appointment of Mayor and Chair of the Council and Deputy Mayor/Vice Chair of the Council, based on length of service and awarded on the seniority of service for individual Councillors, be approved;
- (2) that the automatic accession of the Deputy Mayor into the Office of the Mayor or vice versa be approved;



123/23 **To receive the minutes of the General Purposes and Arbitration Committee**

The minutes of the meetings of the General Purposes and Arbitration Committee held on 3 August 2023, 22 September 2023 and 12 October 2023 were received.

123/23(a) **Local Government Boundary Commission Periodic Electoral Review of Sandwell**

The Local Government Boundary Commission Periodic Electoral (LGBCE) had informed the Council of its decision to carry out an electoral review of Sandwell. The review covered both the Council size (number of elected councillors) and the number of wards and ward boundaries.

The review would take place from October 2023 through to September 2025. Any changes made regarding council size and ward boundaries for Sandwell MBC would come into effect for the Local Elections in May 2026.

**Resolved:-**

- (1) that the Local Government Boundary Commission for England's intention to carry out a periodic electoral review of Sandwell Council during the period October 2023 until September 2025, with implementation of any changes will take effect at the Local Government Election due to be held on 7 May 2026, be noted;



- (2) that the Chief Executive, as Senior Responsible Officer (SRO), following consultation with Group Leaders and the General Purposes and Arbitration Committee, be authorised to submit any necessary documentation or evidence to the Local Government Boundary Commission in connection with the successful delivery of the electoral review of Sandwell Council;
- (3) that a cross-party Boundary Review Working Group be established comprising 7 members to progress the electoral review of Sandwell in accordance with the Terms of Reference;
- (4) that Council undertake, subject to receipt of a confirmed timetable from the Local Government Boundary Commission for England, implementation of the Full Council resolution of November 2022 to undertake an additional electoral cycle consultation be postponed until July 2026 following the all-out elections taking place on 7 May 2026 to allow implementation of Sandwell's new electoral arrangements following the conclusion of the LGBCE review.

124/23

### **To receive the minutes of the Audit and Risk Assurance Committee**

The minutes of the meeting of the Audit and Risk Assurance Committee held on 20 July 2023 were received.



125/23 **To receive the minutes of the Ethical Standards and Member Development Committee**

The minutes of the meeting of the Ethical Standards and Member Development Committee held on 4 July 2023 were received.

126/23 **Notices of Motion**

The Council proceeded to consider the following motions received under Standing Order No. 12.

126/23(a) **Celebrating Black History Month, Promoting the Adoption of the Halo Code and Ending Hair Discrimination in Sandwell Council**

It was moved by Councillor Lewis and seconded by Councillor Kalebe-Nyamongo:-

“Black History Month is an annual observance dedicated to celebrating the achievements, contributions and history of the Black community. This year's theme is 'Saluting our Sisters,' emphasising the role and accomplishments of Black women. The Halo Code (work), the UK's first Black Hair code, explicitly protects employees who embrace natural hair and protective hairstyles associated with their racial, ethnic, and cultural identities. The code embraces Afro-textured hair as an important part of Black employees' racial, ethnic, cultural, and religious identities. The code celebrates Afro-textured hair in all its styles, including but not limited to afros, locks, twists, braids, cornrows, fades, hair straightened through the application of heat or chemicals, weaves, wigs, headscarves, and wraps.



By adopting the Halo Code (work), Sandwell Council proactively stands against hair discrimination, ensuring that no member of our workforce faces barriers or judgments due to their hair.

It is requested that the Council resolves to adopt the Halo Code and reaffirms the Council's commitment to inclusivity and aims to end hair discrimination, ensuring that all individuals in Sandwell Council can embrace their natural hair and cultural identities without facing barriers or judgments."

The motion was put to the vote and, having been carried, was RESOLVED accordingly.

### 126/23(b) **Sandwell Litter Bin Strategy**

It was moved by Councillor Gill and seconded by Councillor Fisher:-

"That this Council recognises the concerns of elected members and local residents with regards to the current number and use of litter bins, and is concerned that a new Litter Bin strategy is to be developed with the "intent of removing a proportion" of Sandwell's 1660 litter and dog bins.

That this council further recognises the concerns from residents regarding an epidemic of litter across the Borough which may be exacerbated by the removal of some bins which are well used by our community.

That this Council acknowledges the concerns of the elected members who have been unable to request new bins in locations across their wards as a result of the Litter Bin Audit which has been ongoing for many months.



Accordingly, Council invites the Executive to:

- 1) pledge that none of the current bins in Sandwell are removed and instead work with SERCO to replace bins that are missing or damaged as a matter of urgency; and
- 2) with SERCO, meet with all elected members to deliver a community-led allocation of litter bins across Sandwell which ensures they are placed in the most effective locations - including parks, nature reserves, housing estates and around schools.

The motion was put to the vote but was not carried.

### 127/23 **Exclusion of Public and Press**

**Resolved** that the public and press be excluded from the rest of the meeting. This is 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 any individual, likely to identify an individual and the financial or business affairs of any person, including the authority holding that information

### 128/23 **New Leadership Team Structure**

At its meeting on 11 October 2023 (Minute No.21/23), the Chief Officer Terms and Conditions Committee resolved to recommend the new Leadership Team structure to Council for approval.





The Leader of the Council presented the new leadership team structure proposals to the Council.

Gratitude was expressed to Council officers who were impacted by the proposals and they were thanked for their hard work and significant achievements over the last several years including a complete review of the Council's Constitution and Scrutiny function, improvement to decision-making processes and dealings with legacy issues were highlighted.

**Resolved:-**

- (1) that the formal establishment of a new Strategic Leadership Team structure be approved;
- (2) that the deletion of the posts of Director of Finance (vacant), Director of Borough Economy, Director of Housing (vacant), Director of Law and Governance (Monitoring Officer) and Director of Regeneration and Growth (3 postholders at risk) be approved;
- (3) that the establishment of 3 Executive Director posts of People, Place, and Finance & Transformation (S151) within a proposed salary range of £125,000 - £135,000 per year be approved;
- (4) that the designation of the post of Assistant Director (Law and Governance) as the Council's Monitoring Officer and Deputy Electoral Registration Officer (both currently held by the post of Director of Law and Governance) be approved;



- (5) that the new post of Executive Director, Finance and Transformation be designated as the Council's Senior Information Risk Owner (SIRO);
- (6) that the post of Electoral Services Manager be designated as a Deputy Electoral Registration Officer.

Meeting ended at 8.14pm

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



<b>Committee/Board/Other Body</b>	<b>Revision/nomination</b>
General Purposes and Arbitration Committee	Councillor Williams to replace Councillor Kalari
Chief Officers Terms and Conditions Committee	Councillor Trumpeter to replace Councillor Fisher Substitute – Councillor Fisher to replace Councillor Kalari
Economy, Skills, Transport and the Environment Scrutiny Board	Councillor Luke Davies to be added Change Councillor Chapman to substitute member
Safer Neighbourhoods and Active Communities Board	Councillor Keith Allcock to be added Change Councillor Trumpeter to substitute member
Health and Wellbeing Board	Add Councillor Trumpeter (Substitute: Dunn)
<p>Wednesbury Levelling Up Partnership Board</p> <ul style="list-style-type: none"> <li>- Cabinet Member</li> <li>- Town Lead Member</li> <li>- Deputy Town Lead Member</li> <li>- One Member from each Ward (Friar Park, Wednesbury North, Wednesbury South) not covered by Town Lead and Deputy Town Lead appointments</li> </ul>	<p>Councillor Hughes Councillor L Giles Councillor Chidley Councillor Fitzgerald</p>
West Midlands Rail Ltd – substitute member	Replace Councillor Millard with Councillor Hughes



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## **Urgent Business**

To consider any urgent business (with prior approval by the Mayor).

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## **Events attended from 25 October to the 12 December 2023**

- Annual Care Leavers Awards Ceremony
- Launch of the 2023 Poppy Appeal- The Opening Appeal in Sainsbury's store 2023
- Safer 6 Launch Event - Asda Store Smethwick
- Volunteer Cadet Leader Recruitment Day -West Midlands Police
- Sandwell Fireworks 2023 – Dartmouth
- Armed Forces Veterans Breakfast Morning
- Blessing of the earth at Wednesbury War Memorial
- Saluting our Sisters awards event for - Black History Month
- Armistice Day - 2 min Silence at Oldbury War Memorial
- Remembrance Sunday – Oldbury
- x 1 Citizenship Ceremony
- Christmas Lights Switch on – Oldbury
- English Schools' Swimming Association's National Secondary Schools Championships - Aquatics Centre
- Langley Lights switch on
- Official Unveiling of the Urban Bike Park - Sandwell Valley
- Christmas Lights Switch on – Smethwick
- Tipton Christmas Lights Switch On - Tipton Community Association
- Tipton Christmas Tree of Light - Tipton Civic Society
- Warley National Model Railway Exhibition 2023
- Stars in Our Schools Presentation - Unison stars in our schools 2023
- Alderman Tagger Presentation
- Richard Nugent Centre - Official Opening of New Centre
- Annual General Meeting 2023 - Citizens Advice Sandwell and Walsall
- Countdown to Christmas - Sandwell Music Young Musicians
- West Midlands Carol Service - West Midlands Lieutenancy

- Annual Elders Christmas Lunch - Oneness Centre
- Christmas Community Event – Wednesbury
- Formal opening of new Sandwell Day Centre – Select Lifestyle ltd Rowley Regis
- Sandwell is supporting Santa's Black Country Toy Appeal

**Deputy Mayor attended**

- Armistice Day - 2 min Silence at Oldbury War Memorial
- Crankhall Lane Christmas light event – Wednesbury
- Christmas Lights Switch on - Wednesbury
- Concrete Repairs Limited - Highways Open day -Oldbury
- x 2 Citizenship Ceremony
- Sandwell Visually Impaired - Annual Forum 2023
- Christmas Lights Switch on – Blackheath Town
- Christmas Tree Festival 2023 – Dudley
- Sandwell Twinning Assoc Xmas Dinner – The Lodge





## **Petitions**

To receive any petitions under Standing Order No. 8 (strategic policy issues or which are of a Borough-wide significance if they are relevant to some matter to which the Council has functions and responsibilities, or which affects the Borough, or part of it, or its citizens or a number of them).

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## Report to Council

12 December 2023

<b>Subject:</b>	Written Questions
<b>Director:</b>	Brendan Arnold – Interim Director of Finance  Mike Jones – Assistant Director Legal and Assurance

The following written questions have been received: -

### 7(a) From Councillor Uddin to the Cabinet Member for Regeneration and YMCA

In Sandwell, we have many aspiring young graduates, professionals and entrepreneurs who would like to start-up and run their own businesses but are finding it difficult as they do not know where to start or get help and support from. Can I ask the cabinet member for regeneration what offers of support and empowerment this council can offer so that we have successful start-ups?

### 7(b) From Councillor Luke Davies to the Cabinet Member for Children, Young People and Education

The week of 13<sup>th</sup> to 20<sup>th</sup> November was anti-bullying week. When I was at school bullying mostly took place on the playground, and home for many kids was a refuge. Now bullying often takes place online and through phones and follows victims home. Not only that, but for too many kids they also get bullied in the home by people who should be keeping them safe, something we saw increase during the pandemic. Both of those forms of bullying take place in silence, often hidden from the rest of the world. Can I therefore ask the Cabinet Member for Children, Young People and Education what the Council has done to advertise anti-bullying week, and to take action against this too-often hidden but horrific problem?



**7(c) From Councillor Abid Hussain to the Cabinet Member for Finance and Resources**

Can I ask the Cabinet Member of Finance why there is always talk about this council being in intervention due to financial problems and mismanagement, when according to the MTFS this does not appear to be the case. What is the truth?

**7(d) From Councillor John Giles to the Cabinet Member for Health and Adult Social Care**

Adult social care is a large proportion of this councils budget and it is clear that councils are crying out for long term fixes from the government on how they will continue to provide care for the vulnerable in our community. Can I ask the cabinet member for Health how many of our residents who receive care, fully pay for their care compared to the other 6 authorities in the combined authority area?

**7(e) From Councillor Maria Crompton to the Leader of the Council**

Sandwell's Tackling Poverty plan is obviously needed because of the cost of living crisis. Tividale has recently had a food bank open which is already being used by the residents – some of stats within the report are shocking with the usage of food banks rising across the borough. It is good news that £1.5million has been approved – can I ask how this is being used?

**7(f) From Councillor Pam Randhawa to the Cabinet Member for Leisure and Tourism**

It was great news to hear that Sandwell Council was successful in its bid to get a grant from Historic England to help towards the repair bill of Oak House Museum. Can I congratulate the Cabinet Member for Leisure and Tourism for his hard work and ask him what will be the priority in the priority repairs?



### **7(g) From Councillor Les Trumpeter to the Leader of the Council**

With reports of our residents waiting almost an hour on the phone to this Council's housing department and the Council 'risking the lives' of tenants with damp and mould for years. Is the Leader proud of this Council's record as a social landlord?

### **7(h) From Councillor Natalie Weston to the Leader of the Council**

Our authority was ordered to review its Reasonable Adjustment policy because of its failure to act under the Equality Act of 2010. This led to us having to pay compensation to a resident but more importantly impacted their mental health. This case, unfortunately, is unlikely to be the only one where Sandwell Council's failings impact the well-being of those the Council should be them to serve. Is the leader proud of this Council's record of supporting people's mental health?

### **7(i) From Councillor David Wilkes to the Leader of the Council**

We all know about accidents across Sandwell at locations like Forge Lane in West Bromwich or the Wolverhampton Road in Oldbury. Yet before the Council acts on a road, someone has to be seriously injured or even killed. Therefore, I would like to know whether the leader of the Council is proud of the reactive approach taken by Highways in Sandwell which puts more and more road users in our Borough at risk?

### **7(j) From Councillor Amrita Dunn to the Leader of the Council**

Reports of off-road bikes, drug dealing and fly-tipping remain a constant issue across the Borough, yet Sandwell Council won't use their powers to tackle these issues. They push blame onto others and residents still suffers. Is the leader proud of this Council's record on making our streets safer?



### **7(k) From Councillor Archer Williams to the Leader of the Council**

£20 million of contracts for SEND transport were given to the son of the former deputy leader, and blanket policies being applied to nuanced cases with parents feeling silenced as parents who chose to use social media to raise concerns 'risked their child's transport being suspended'. Mr Mayor this Council's record of supporting SEND children and their families is disgraceful, is the leader proud of it?

### **7(l) From Councillor William Gill to the Leader of the Council**

Across Sandwell, we have seen development companies like Mar City leave our residents with unfinished housing estates which have led to poor drainage, streetlights that don't work and potholes across their roads. The homes of our resident's dreams have turned into their worst nightmares. This Council's answer is it's not our problem, but it is this Council's problem. Sandwell failed to ensure there was a pot of emergency funds in place to account for a situation like this one, therefore I ask is the Leader proud of this Council's record on maintaining the accountability of developments that the authority grants permission for?

### **7(m) From Councillor Liam Abrahams to the Leader of the Council**

This authority has seen in a matter of years, a leader resign his position just 6 months after taking office, two staff members jailed over drug smuggling and an employee who claimed a fake business grant from our own council. Is the Leader proud of the culture that the Labour party has installed on this authority?

### **7(n) From Councillor Justyna Kordala to the Leader of the Council**

Sandwell Council have lots of brownfield sites across the Borough that they could choose to regenerate, yet they focus on a path to destroy greenspaces across the Borough. Lion Farm as well as many other green spaces and green belt land seem to be at risk of Labour's development policy. My question to the Leader is, are you proud of this Council's record on protecting greenspaces and wildlife?



### 7(o) From Councillor Scott Chapman to the Leader of the Council

This Council has imposed tax hikes on working families across our borough for years. 5% in the last budget. 5% in the budget before that. On top of a garden waste charge of £35 per year and hiking charges for things our residents daily use, like parking in our borough. Is the leader proud of this Council's record on supporting people?

### 7(p) From Councillor David Fisher to the Leader of the Council

With rubbish covering our streets, litterbins being damaged and not replaced, and household waste not being collected for weeks, earlier this summer – Is the Leader proud of this Council's record on keeping our town's clean?



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## Report to Council

**12 December 2023**

<b>Subject:</b>	Designation of interim statutory chief officer
<b>Director:</b>	Mike Jones – Assistant Director Legal & Assurance
<b>Contact Officer:</b>	Mike Jones Mike_Jones1@sandwell.gov.uk







### 1 Recommendations

- 1.1 For the reasons set out in the report, it is recommended that Full Council confirm the designation of Brendan Arnold, Interim Finance Director as the Council's Section 151 Officer/Chief Finance Officer.

### 2 Reasons for Recommendations

- 2.1 This report seeks Full Council confirmation of the interim designation of Brendan Arnold to the statutory Chief Officer post of Section 151 Officer/Chief Finance Officer.

### 3 How does this deliver objectives of the Corporate Plan?

		The designation of statutory Chief Officers forms part of the Council's wider governance frameworks which underpin the delivery of all Council plans and policies.
		
		



## 4 Context and Key Issues

- 4.1 Members will be aware that Brendan Arnold was appointed to the role of Interim Finance Director in September 2023. The scope of responsibilities of this post extend to cover the statutory role of Chief Finance Officer, more commonly referred to as Section 151 officer, as defined at s.151 Local Government Act 1972.
- 4.2 The interim designation as Chief Finance Officer/Section 151 Officer whilst made under delegation remains subject to Full Council confirmation. This report therefore seeks Full Council approval to confirm the designation of Brendan Arnold, Interim Finance Director as Section 151 Officer/Chief Finance Officer.

## 5 Alternative Options

- 5.1 There is no alternative option. The Council has a statutory obligation to designate an individual as Section 151 Officer/Chief Finance Officer as required by s.151 of the Local Government Act 1972.

## 6 Implications

<b>Resources:</b>	There are no direct resource implications arising from this report. Provision is already included within the Council's budget for this post.
<b>Legal and Governance:</b>	Designation to the statutory Chief Officer role of Chief Finance Officer/Section 151 Officer is a requirement of s.151 of the Local Government Act 1972. Failure to make a designation mean the Council is not complying with relevant statutory obligations and that these functions will not be capable of lawful discharge.
<b>Risk:</b>	There are no direct implications arising from this report.
<b>Equality:</b>	
<b>Health and Wellbeing:</b>	
<b>Social Value</b>	
<b>Climate Change</b>	
<b>Corporate Parenting</b>	



**7. Appendices**

None.

**8. Background Papers**

None.



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## Report to Council

**12 December 2023**

<b>Subject:</b>	Sandwell Council Improvement Plan
<b>Cabinet Member:</b>	Leader of the Council, Cllr Kerrie Carmichael
<b>Director:</b>	Chief Executive Shokat Lal
<b>Key Decision:</b>	No
<b>Contact Officer:</b>	Strategic Lead – Service Improvement, Kate Ashley <a href="mailto:kate1_ashley@sandwell.gov.uk">kate1_ashley@sandwell.gov.uk</a>  Senior Lead Officer – Service Improvement, Rebecca Jenkins <a href="mailto:rebecca_jenkins@sandwell.gov.uk">rebecca_jenkins@sandwell.gov.uk</a>







### 1. Recommendations

- 1.1 That Council receive a recommendation from Cabinet (subject to Cabinet’s consideration on 6 December) that the Improvement Plan Progress Reports (included at Appendix 1 and Appendix 2) and an accompanying letter (Appendix 3) be submitted to the Secretary of State for Levelling up, Housing and Communities to form the Council’s six-monthly update on progress against the Improvement Plan.
- 1.2 That Council note the significant progress against the Council’s Improvement Plan.

## 2 Reasons for Recommendations

- 2.1 On 22 March 2022 the Secretary of State for Levelling Up, Housing and Communities announced an intervention package and a set of Directions to ensure the council was able to comply with its best value duty under Part 1 of the Local Government Act 1999. These Directions were in-part influenced by the Grant Thornton report following their Value for Money Governance Review of December 2021.
- 2.2 A single Improvement Plan was agreed by Council on 7 June 2022.
- 2.3 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 following approval of the Plan. Reports have been submitted in December 2022 and June 2023. The next report is due in December 2023.
- 2.4 Cabinet considers the progress of the Improvement Plan on a quarterly basis and will receive their next quarterly progress report on 6 December. The publication date for Council papers takes place prior to Cabinet’s consideration of the quarterly progress report and therefore the Leader will provide an update to Council on Cabinet’s recommendation to Council.
- 2.5 Significant progress has been made in delivering the actions contained within the Improvement Plan and this is summarised within the quarterly reports to Cabinet.

## 3 How does this deliver objectives of the Corporate Plan?

		<p>Sandwell Council’s Improvement Plan focuses on the governance arrangements of the council and areas of improvement across the organisation. The underpinning objective of the Improvement Plan is to ensure that the council is able to deliver on the aims and priorities as set out in the Corporate Plan. The deliverables set out in this Improvement Plan will achieve long-term sustainable improvements in how the council operates and is able to make effective decisions focused on improving outcomes for residents and experiences of service users.</p>
		
		

		Therefore, this impacts on the council's ability to deliver all the objectives in the Corporate Plan.
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### **3 Context and Key Issues**

#### **3.1 Background**

- 3.1.1 A single Improvement Plan was agreed by Council on 7 June 2022 to address recommendations from a Value for Money Review into the council's governance arrangements, a CIPFA financial management review, an LGA Corporate Peer Challenge, and Statutory Directions from the Secretary of State for Levelling Up, Housing and Communities. The single Improvement Plan replaced the Governance Review Improvement Plan which was approved by Council in January 2022.
- 3.1.2 To ensure that senior officers and members have oversight of delivery against the Improvement Plan, Council approved that progress will be monitored by Leadership Team monthly and reported to Cabinet quarterly. This will continue until all actions have been completed, or changes have been embedded into business as usual.
- 3.1.3 The Improvement Plan is intended to be a live document updated to take account of progress and relevant changes. The Improvement Plan report to Council in June 2022 set out that changes (which may include the addition of new workstreams or objectives, or the amendment of timescales for delivery of actions) will be tracked through programme management mechanisms and that Cabinet will retain oversight of changes through regular formal reporting. A summary of changes is provided in the quarterly reports to Cabinet and provided in full as an appendix.
- 3.1.4 Cabinet have considered quarterly updates on progress of the Improvement Plan in September 2022, December 2022, March 2023, June 2023 and September 2023.
- 3.1.5 The fifth quarterly update on progress of the Improvement Plan was considered by Cabinet in September 2023. The sixth quarterly update on progress of the Improvement Plan is being considered by Cabinet on 6 December 2023. These reports are included at Appendix 1 and 2. They set out:

- Progress against each of the six Improvement Plan themes including an outline of key achievements this quarter, and a summary of any progress issues
- Progress against the three statutory recommendations made by Grant Thornton in their Value for Money Governance Review, 2021
- An outline of the governance arrangements including the regular review of the Improvement Plan from Audit and Risk Assurance Committee and Scrutiny, and monthly monitoring from Leadership Team
- Responses to the findings from the Grant Thornton, LGA and CIPFA follow-up reviews and associated revisions to the Improvement Plan
- Alignment of the improvement plan activity to the Corporate Plan and business plans, as appropriate
- The current status of risks associated with the Improvement Plan
- Details of changes to the Improvement Plan as per the agreed change control process

### **3.2 Reporting to Secretary of State for Levelling up Housing and Communities**

3.2.1 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. Reports were submitted in December 2022 and June 2023. The next report is due in December 2023.

3.2.2 The draft letter to the Secretary of State at Appendix 3 sets out:

- the significant progress made to deliver the actions within the Improvement Plan
- the achievement of key milestones including moving up a level following a recent SEND inspection, the signing off of the 20/21 accounts and the implementation of our Asset Management System.
- acknowledgement of the amount of work ahead to continue the council's improvement and our focus on organisational culture, customer journey, transformation and delivering the Medium-Term Financial Strategy



3.2.3 The Commissioners report progress to the Secretary of State every six months and these reports are published in line with the Secretary of State’s response. The Commissioners will be making their next report in December 2023.

#### 4 Alternative Options

4.1 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 and contains the information that they require.

#### 6 Implications

<p><b>Resources:</b></p>	<p>Resources to deliver the Improvement Plan have been allocated from within existing commitments in majority of cases. Where one-off funding is required to deliver improvements, this will either be funded from the Improvement and Capacity Fund or from earmarked reserves created from 2021/22 underspend position. Where funding is required for longer-term change, this will be incorporated into the Medium-Term Financial Strategy.</p> <p>There are no land or building implications of this report.</p>
<p><b>Legal and Governance:</b></p>	<p>On 22 March 2022, The Secretary of State for Levelling Up, Housing and Communities issued Directions under Section 15(5) and (6) of the Local Government Act 1999 (the 1999 Act) in order to ensure that the council can comply with the requirements of Part 1 of the 1999 Act. Failure to comply with these Directions may lead to further intervention measures for the council.</p> <p>One of the Directions included that the council should report progress to the Secretary of State on a six-monthly basis. This report outlines the contents of this six-monthly report.</p>

	<p>The delivery of the Improvement Plan and achievement of the desired outcomes will meet the remainder of the Directions.</p> <p>Ultimately, the changes made through the Improvement Plan will enable the council to effectively deliver its strategic priorities and ensure it is delivering value for money for Sandwell.</p>
<b>Risk:</b>	<p>If the Council fails to take appropriate action to meet the requirements set out in the government Direction, or the Commissioners appointed by the Secretary of State do not have sufficient confidence that appropriate actions are being taken to implement and sustain the required improvements, then the council risks not having appropriate arrangements in place to comply with its best value duty under Part 1 of the 1999 Act. This could lead to further government intervention, increased costs and damage to reputation.</p> <p>A risk register is being maintained for the duration of the Improvement Plan which will underpin the council's strategic risk relating to the council's Improvement Plan (59a 02/22). This is reported monthly to Leadership Team and quarterly to Cabinet.</p>
<b>Equality:</b>	<p>The successful delivery of this Improvement Plan will require the development and review of many of the council's policies and procedures. These changes will build in consideration of the impact on equalities throughout the development and will include an Equality Impact Assessment where appropriate.</p>
<b>Health and Wellbeing:</b>	<p>The underpinning objective of the Improvement Plan is to ensure the council is able to achieve the strategic priorities as set out in the Corporate Plan. These priorities focus on improving the health and wellbeing of our residents and tackling health inequalities in a multi-faceted way. Therefore, any improvements to the council's governance structures will strengthen the council's ability to deliver services that will improve the health and wellbeing of Sandwell.</p>
<b>Social Value</b>	<p>Within the Improvement Plan, the council is committed to developing its Social Value Policy in conjunction with the refresh of the Procurement &amp;</p>

	Contract Procedure Rules. Through strengthening our asks of contractors through this Social Value Policy and linking them to the Corporate Plan objectives, the council will be able to maximise its social value return
<b>Climate Change</b>	The underpinning objective of the Improvement Plan is to ensure the council is able to achieve the strategic priorities as set out in the Corporate Plan. ‘Green in everything we do’ is one of the Fairer Sandwell principles running throughout the Corporate Plan. Any improvements to the council’s governance structures will strengthen the council’s ability to embed this principle and further the climate change agenda.
<b>Corporate Parenting:</b>	The underpinning objective of the Improvement Plan is to ensure the council is able to achieve the strategic priorities as set out in the Corporate Plan. These priorities include being a good Corporate Parent for the children in our care and supporting young people once they leave care. Therefore, any improvements to the council’s governance structures will strengthen the council’s ability to be a good Corporate Parent.

## 7. Appendices

1. Improvement Plan Progress Report to Cabinet December 2023
2. Improvement Plan Progress Report to Cabinet September 2023
3. Draft letter to Secretary of State for Levelling Up, Housing and Communities

## 8. Background Papers

- [Sandwell Council Improvement Plan](#)
- Approval of Sandwell Council Improvement Plan [Report to Council 7 June 2022](#)
- Reports to the Secretary of State for Levelling up Housing and Communities:
  - June 2022 Reports
  - [Sandwell Council Report to Secretary of State for Levelling up, Housing and Communities](#), June 2022

- December 2022 Reports:
  - [Sandwell Council Report to Secretary of State for Levelling up, Housing and Communities, December 2022](#)
  - [Sandwell Council Commissioners: second report to Secretary of State for Levelling up, Housing and Communities, December 2022 \(published March 2023\)](#)
  - [Ministerial response to second letter \(March 2023\)](#)
  
- [June 2023](#)
  - [Sandwell Council Commissioners: third report to Secretary of State for Levelling up, Housing and Communities, June 2023 \(published July 2023\)](#)
  - [Ministerial response to third letter \(July 2023\)](#)
  
- Improvement Plan Progress Reports:
  - To Council:
    - [13 June 2023](#)
    - [13 December 2022](#)
  - To Cabinet:
    - [September 2023](#)
    - [June 2023](#)
    - [March 2023](#)
    - [December 2022](#) including LGA Corporate Peer Challenge Progress Review Report Nov 2022
    - [September 2022](#)
  - To Audit and Risk Assurance Committee
    - [September 2023](#)
    - [June 2023](#)
    - [March 2023](#)
    - [January 2023 \(External Review Reports\)](#)
    - [November 2022](#)
    - [September 2022](#)
    - [June 2022](#)
  - To Budget and Corporate Scrutiny Management Board
    - [September 2023](#)
    - [June 2023](#)
    - [March 2023](#)
    - [November 2022](#)
    - [September 2022](#)
  
- External Review Reports
  - [Grant Thornton Value for Money Governance Review Follow-up Report 2022](#)

- [Grant Thornton Value for Money Governance Review December 2021 – reissued October 2022](#)
- [LGA Corporate Peer Challenge Progress Review Report 2022](#)
- [LGA Corporate Peer Challenge Report February 2022](#)
- [CIPFA Financial Management Report January 2023](#)
- [CIPFA Financial Management Report January 2022](#)

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# Report to Cabinet

**06 December 2023**

<b>Subject:</b>	Improvement Plan Progress to 1 November 2023 and Letter to Secretary of State December 2023
<b>Cabinet Member:</b>	Leader of the Council Cllr Kerrie Carmichael
<b>Director:</b>	Chief Executive Shokat Lal
<b>Key Decision:</b>	No
<b>Contact Officer:</b>	Strategic Lead – Service Improvement Kate Ashley <a href="mailto:Kate1_ashley@sandwell.gov.uk">Kate1_ashley@sandwell.gov.uk</a>  Lead Officer – Service Improvement Dawn Webster <a href="mailto:Dawn_webster@sandwell.gov.uk">Dawn_webster@sandwell.gov.uk</a>

## 1. Recommendations

- 1.1. That progress against the Improvement Plan up to 1 November 2023 be received
- 1.2. That Cabinet receive the Improvement Plan Risk Register
- 1.3. That Cabinet receive changes to the Improvement Plan
- 1.4. That Cabinet receive any recommendations or comments made by Budget and Corporate Scrutiny Management Board and Audit and Risk Assurance Committee in relation to the Improvement Plan progress.



- 1.5. That Cabinet recommend to Council that this report along with the October progress report and an accompanying letter be submitted to the Secretary of State for Levelling up, Housing and Communities to form the Council's six-monthly update on progress against the Improvement Plan.

## 2. Reasons for Recommendations

- 2.1. This report provides a quarterly update on progress against the Improvement Plan agreed by Council on 7 June 2022. The Improvement Plan incorporates all recommendations from the original Grant Thornton Value for Money Governance Review, the LGA Corporate Peer Challenge and the CIPFA Financial Management Review, as well as the Statutory Directions from the Secretary of State for Levelling Up, Housing and Communities.
- 2.2. The Improvement Plan was refreshed to include the recommendations from the follow up visits from Grant Thornton, CIPFA and LGA in 202. Cabinet approved this in March 2023.
- 2.3. The Improvement Plan is intended to be a live document updated to take account of progress and relevant changes. Changes to the Improvement Plan are tracked through the established change control process to form a refresh of the Improvement Plan. These changes are formally reported through to Cabinet on a quarterly basis for transparency.
- 2.4. Risk management is embedded within the council's programme management of the Improvement Plan. A risk register is in place which underpins the council's strategic risk relating to the Improvement Plan (59a 02/22). Cabinet is asked to receive the Improvement Plan Risk Register to provide assurance that risks are being managed effectively and to provide contextual information for future decision making
- 2.5. As part of the governance and assurance arrangements for the Improvement Plan, Audit and Risk Assurance Committee and Budget and Corporate Scrutiny Management Board review progress of the Improvement Plan and utilise the plan for work programming purposes. Both Committees are due to consider progress at their meetings in November and any recommendations or comments will be presented for Cabinet's consideration.











2.6. 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. Reports have been submitted in December 2022 and June 2023. It is proposed that this report and the quarterly update received by Cabinet in September 2023 (appendix 7) form the basis of the report to the Secretary of State along with a covering letter (appendix 8). Council are responsible for approving the report made to the Secretary of State and Cabinet will make a recommendation to Council.

### 3. How does this deliver objectives of the Corporate Plan?

3.1. Sandwell Council’s Improvement Plan focuses on the governance arrangements of the council and areas of improvement across the organisation. The underpinning objective of the Improvement Plan is to ensure that the council is able to deliver on the aims and priorities as set out in the Corporate Plan. The deliverables set out in this Improvement Plan will achieve long-term sustainable improvements in how the council operates and is able to make effective decisions focused on improving outcomes for residents and experiences of service users. Therefore, this impacts on the council’s ability to deliver all the objectives in the Corporate Plan.

	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. Background



- 4.1. A single Improvement Plan was agreed by Council on 7 June 2022 to address recommendations from a Value for Money Review into the council's governance arrangements, a CIPFA financial management review, an LGA Corporate Peer Challenge, and Statutory Directions from the Secretary of State for Levelling Up, Housing and Communities. The single Improvement Plan replaced the Governance Review Improvement Plan which was approved in January 2022.
- 4.2. To ensure that senior officers and members have oversight of delivery against the Improvement Plan, Council approved that progress will be monitored by Leadership Team monthly and reported to Cabinet quarterly. This will continue until all actions have been completed, or changes have been embedded into business-as-usual management mechanisms.
- 4.3. This report is the sixth update to Cabinet on progress of the Improvement Plan

## 5. Improvement Plan Quarterly Progress

- 5.1. Over the three months to 1 November, we have continued to deliver at pace and embed changes. We are seeing more evidence of the impact of our improvements. We have received an Area SEND inspection and have now moved up a level, we achieved a key milestone with the signing of our 2020-2021 accounts and implemented our Asset Management System providing the tools for us to address an area of concern previously raised by external reviewers.
- 5.2. A comprehensive monitoring tool has been developed which includes a progress status rating for all actions. The monitoring tool provides quick reference around which actions are on track for delivery, as well as highlighting areas that may require remedial action or additional levels of assurance. The Improvement Plan Monitoring Tool is included at Appendix 1.
- 5.3. Progress against each theme of Improvement Plan is contained within Appendix 2. This includes a description of workstream progress including progress against milestones and achievements, and any progress issues. A summary by theme is provided below



## 5.4. Organisational Culture Theme

### 5.4.1. Achievements this quarter:

- Proposal of new approach to Employee Performance Review presented to Trade Unions to further embed the One Team Framework
- Forward plan of all Member briefings is in place for the next three sessions to ensure topics covered are relevant and timely.
- Social media policy completed with engagement/support of Trade Unions

### 5.4.2. Organisational Culture Progress Issues:

- **New Member Survey conducted, and any required amendments made to Member Development Programme (MDP)/New Member Induction programme**
  - Lower than expected return rate for New Member survey means results cannot be relied upon. However, Members have been completing analysis after each training session.
  - Further analysis of these will be undertaken and this, along with findings from face-to-face Member sessions on the Member-Officer relationship and engagement with LGA will be used to inform the Autumn review of MDP and inform new Member induction for 2024-2025.
  - Review will commence in November.
- **Governance Training and Development**
  - 23 attendees completed Decision making training in October for key decision makers which included scenario-based learning on procurement and financial regulations, Training material and guidance available to all staff on intranet.
  - Regarding broader scenario-based learning, Officers involved in pulling training across finance, procurement and governance have undergone significant changes of personnel.
  - Next step is still to bring a new project team together to agree training detail and to diarise. Amber rating reflects need to bring project group together and progress the planning.
- **Delivery of Directorships and Trusteeships Training**
  - Training carried out 31 October, 20 members attended along with 5 officers The training session was recorded and will be



made available for others to view. This training will be delivered annually. Amber rating reflects that training date is later than originally intended.

- The reason for the exception report is that training date is later than originally intended of July 2023.

## 5.5. Corporate Oversight Theme

### 5.5.1. Achievements this quarter

- Oracle Fusion approval for Gateway 2 Exit from Modelling phase for HR and Payroll
- Oracle Fusion system configuration for Finance, Procurement and EPM complete
- Q1 monitoring to Leadership Team, Scrutiny and Cabinet
- Workforce development plan skills gap analysis and training programme complete
- Corporate Debt Policy agreed
- 2020/21 accounts signed off by external auditor with no qualifications
- Verto project management software user acceptance testing complete

## 5.6. Corporate Oversight Progress Issues:

- Develop a Continuous Improvement Framework
  - Service planning approach developed to build corporate agendas and improvement areas into business planning discussion - evidence bundle to include performance, resident feedback, internal audit and risk management to identify improvement activity at service level.
  - Business planning workshops scheduled for November and December 2023.
  - Approach to be reviewed in early 2024 following completion of workshops and business plans; continuous improvement built into service planning and performance management framework.
- **Directorate level restructuring and review of Spans and Layers-On Hold.**
  - Senior Leadership Team structure approved at Full Council 24/10/23 and analysis of spans and layers due to be discussed by senior officers in November 2023.

## 5.7. Strategic Direction Theme



### 5.7.1. Achievements this quarter

- Corporate Procurement Strategy action plan finalised
- Corporate Narrative engagement carried out with stakeholders from across the organisations
- Contract commenced on Stock Condition Surveys for housing stock
- Equality, Diversity & Inclusion draft audit presented to Leadership Team
- Equality objectives approved

### 5.7.2. Strategic Direction Progress Issues

- **Customer Journey Strategy**
  - Customer engagement sessions need to take place but due to resourcing issues an external partner will be required.
  - Director of Finance along with Assistant Chief Executive has agreed funding will be provided for external support to produce Customer Engagement Strategy, due to limited resources and other commitments.
  - Specification work commenced but in early stages.
  - The reason for the exception report is that there is a need to procure a delivery partner and delivery will take a longer time period than was originally planned.

## 5.8. Decision Making Theme

### 5.8.1. Achievements this quarter

- Scrutiny Committee's Annual Report presented to Council 24 October 2023

### 5.8.2. Decision Making Progress Issues

- No issues in this theme

## 5.9. Procurement and Commercial Theme

### 5.9.1. Achievements this quarter

- SEND Transport Project team members identified, launch meeting scheduled.
- Completion of Phase 2 Tech Forge Asset Management System implementation



## 5.9.2. Procurement and Commercial Progress Issues:

- **Performance Management System: Options Appraisal**

- A performance management system is being explored to support improved business intelligence across the council and facilitate reporting within the performance management framework.
- The reason for the exception report is that the original timescales to bring forward an options appraisal have been pushed back due to supplier availability for system demos. The final system demo was held August.
- Options appraisal and business case are being finalised, further engagement with service areas being conducted to refine requirements.

## 5.10. Partnerships and Relationships Theme

### 5.10.1. Achievements this quarter

- Transitions Projects: Review of the transition from children's' to adults' services Benchmarking findings report complete and draft shared with Corporate Transformation Manager.

### 5.10.2. Partnerships and Relationships Progress Issues

- **Sandwell Childrens Trust- KPI's (along with accompanying tolerances) implemented in Q2**
  - KPIs and tolerances are currently under review by the DfE appointed independent chair of the SCT Improvement Board and in negotiation with the DCS and CEO of SCT.
- **Consultation on VCS Draft Strategy**
  - Annual report on 2022/23 grants produced and shared with Leader, Cabinet Member for Communities and Chair of Budget & Corporate Scrutiny Management. Further work in progress to develop approach for wider VCS engagement.
  - Relationship with VCS continues to be positive - second Cost of Living Summit involved 30 local partner organisations to launch the joint Tackling Poverty Plan

## 6. Statutory Recommendations



- 6.1. The Grant Thornton Value for Money Governance Review 2021 included three statutory recommendations that the council has a legal obligation to respond to. These recommendations are incorporated into the single Improvement Plan and are embedded across each of the six themes.
- 6.2. In their follow up review 2022, Grant Thornton recognised progress against all three statutory recommendations.
- 6.3. To provide an overview of progress against these three specific recommendations, Appendix 3 extracts the key actions that respond to each of the recommendations, and they are summarised below.
- 6.4. **Statutory Recommendation 1** - It is imperative that senior officers and senior members take effective corporate grip of long-standing service issues highlighted by the findings in this report (including SLT, SCT, the waste service, the ERP system, and Lion Farm) and prioritise corporate effort in managing the issues identified and embed the solutions into the Council.
- Progress update:
    - Continuing to implement strategies to address the service issues highlighted in the Grant Thornton report.
    - Sandwell Leisure Trust – agreement reached to extend SLT’s operation of leisure centres to March 2027.
    - Handover of Sandwell Aquatic Centre to SLT
    - Sandwell Children’s Trust – Governance arrangements remain in place. Joint work in place with SCT in relation to corporate parenting and early help. Revised contract commenced April 2023
    - Waste Contract – Contract Monitoring framework progressing well and embedded in PMF reporting. Review of the Contract is complete.
    - ERP (Oracle Fusion) – support provider in place and implementation commenced. Project Management and Governance arrangements are in place.
    - Regeneration Strategy and Pipeline to underpin significant regeneration in Sandwell approved by Cabinet 23 March 2022. Monitoring provided to Cabinet in November 2022 and July 2023.
- 6.5. **Statutory Recommendation 2** - The Council must ensure that the learning in relation to commercial decisions, procurement and contract management highlighted in this report are understood through the organisation.



- Progress Update
  - The first phase of the Governance Review has completed with the Constitution refresh.
  - Corporate Governance Training - Programme of training and development commenced in September 2022 on effective decision-making, good governance, and revised contract procedure rules. Next phase of Corporate Governance Development is being rolled out during 2023-2024.
  - Commercial Strategy approved in March 2023 within the MTFS.
  - Corporate Asset Management Strategy approved by Cabinet in November.
  - SEND Transport lessons learnt completed and shared with Wider Leadership Team

6.6. **Statutory Recommendation 3** - Senior leadership, both officers and members, must demonstrate that they can continue to work together effectively, that they operate in line with the Council's values, codes, policies and procedures, and that there is zero tolerance to inappropriate behaviours. This includes changing the organisational culture in relation to complaints so that they restore balance and proportionality.

- Progress Update
  - Member Development – New Member induction arrangements are in place. Member Development Programme is being regularly reviewed by Ethical Standards and Member Development Committee. Member Handbook created for Municipal Year 2023-24.
  - Officer Development – A consolidated programme of fundamental training for managers on Corporate Governance matters has commenced. A broader Management Development Programme will be rolled out in 2023 following the approval of the Workforce Strategy.
  - Organisational Culture – Extensive engagement held to inform the One Team Framework (Values and Behaviours) which was approved in March 2023. Values and behaviours launched.
  - Meeting structures to facilitate Cabinet Member and Leadership Team cross-working in place and meeting needs.

## 7. Reporting Framework, Governance and Assurance

7.1. To ensure that senior officers and members have oversight of delivery, Council approved the reporting mechanism for the Improvement Plan in





June 2022. This set out that progress will be monitored by Leadership Team monthly and reported to Cabinet quarterly until all actions have been completed, or changes have been embedded into business as usual. The diagram included at Appendix 6 sets out the governance framework.

- 7.2. This report forms the sixth quarterly update to Cabinet on the Improvement Plan. Leadership Team have reviewed progress against the plan every month.
- 7.3. The Government Directions require reporting on the delivery of the Improvement Plan at six monthly intervals to the Secretary of State from the council and the Commissioners. The last report was made in June 2023. The next report is due December 2023
- 7.4. Member-led committees, such as the Governance & Constitution Review Committee, Audit & Risk Assurance Committee and Scrutiny Committees, are used for providing a steer and maintaining oversight of the actions and implementation of the Improvement Plan.
- 7.5. The Governance & Constitution Review Committee and cross-party Working Group have been integral to the development and review of the governance documents, ahead of decisions taken by Council last year.
- 7.6. Audit & Risk Assurance Committee receive quarterly updates on the Improvement Plan and the Improvement Plan Risk Register. They received the last quarterly update in September 2023 and are due to consider this quarterly progress update in November 2023.
- 7.7. Budget & Corporate Scrutiny Management Board has included several elements of the Improvement Plan on their work programme as well as regular reports on overall progress. This has included a 'deep dive' focus on the work under the Organisational Culture theme and engagement with the workforce, as well as Customer Journey. The Board will receive this quarterly update in November 2023.
- 7.8. Following consideration of the progress report to Audit & Risk Assurance Committee and Budget & Corporate Scrutiny Management Board, those members will identify areas for further exploration and reporting. Any recommendations or comments from these committees for Cabinet's consideration will be presented to Cabinet at a future meeting.



## 8. External Reviews

8.1. External assurance continues to play a part in our improvement journey to monitor our progress in addressing the recommendations made through external reviews. Grant Thornton, LGA and CIPFA conducted follow up reviews in late 2022 with all reviews acknowledging the positive progress made.

8.2. Reports from Sandwell's Commissioners have been submitted to the Secretary of State on a six-monthly basis. In their June 2023 report, Commissioners noted the considerable progress made over the first fifteen months of the intervention towards addressing the significant challenges facing the authority. In their third report, the Commissioners outlined that their focus over the coming months will be in the following areas:

- Developing the strategic capacity of the organisation
- Implementation and embedding of the council's values and behaviours (One Team Framework)
- Establishing a comprehensive transformation programme linked to the delivery of the medium-term financial strategy
- Approval of the 2020/21 accounts by the external auditors and a clear timetable for approval of the 2021/22 accounts

8.3. Grant Thornton returned to Sandwell in October 2023 to conduct a further follow up review and monitoring the council's further progress in addressing the Statutory Recommendations made in 2021 and the additional key and improvement recommendations made in 2022. Following the receipt of the second follow-up report, the Improvement Plan will be reviewed to ensure the council is addressing any further recommendations at either corporate level or within 'business as usual' mechanisms. Changes to the Improvement Plan will be reported to members through the normal quarterly reporting schedule.

## 9. Resources

9.1. In the development of the Improvement Plan, a review of the resources available to deliver the plan was carried out. Resources to deliver the Improvement Plan have been allocated from within existing commitments in the majority of cases. In 2022, Cabinet approved funding of approximately £1.768m for one-off funding to progress improvement plan



actions. A summary of the quarterly position is provided within the council's quarterly budget monitoring report.

- 9.2. The fund has enabled recruitment to key positions including corporate transformation capacity, work on organisational culture and resources to support the implementation of finance improvements and the Governance review. Where longer-term staffing capacity has been required, this has been built into base budgets to ensure sustainability.
- 9.3. To provide additional capacity across improvement activities, the Improvement Reserve is being used to fund a small number of graduate placements within the National Graduate Development Programme from October 2023. These placements will not only provide capacity to council's current improvement journey but will also develop skills in the workforce of the future that will support sustainability.

## 10. Risk Management

10.1. The Improvement Plan Risk Register underpins the council's strategic risk relating to the council's Improvement Plan (59a 02/22) and is currently rated as an overall Amber risk. The risk register is reported monthly to Leadership Team and quarterly to Cabinet and Audit & Risk Assurance Committee.

10.2. The current risk register is attached as Appendix 4. The main risks are associated with:

- **Resources** – for delivery of key components of the plan including the corporate programme management office. The financial resources required have been identified and were approved by Council in June. To provide additional capacity across improvement activities, the Improvement Reserve is being used to fund graduate placements within the National Graduate Development Programme which will commence from September 2023.
- **Communication** – to ensure everyone is aware of their respective roles and responsibilities. Communication is taking place through a range of methods including briefings, live events, and regular messages.
- **Investment and Financial Resources** – to ensure financial resources are made available resource gaps/ pressures associated with the Improvement Plan have been identified



- **Constitutional Changes-** If key governance changes (agreed during 2022) are not embedded throughout the organisation then opportunities will be missed. First round of training has been delivered along with revised templates and guidance. Phase 2 of the Corporate Governance Review is underway, and this will focus on embedding the constitutional changes

10.3. Since the last quarterly report to Cabinet, no risks have reduced.

10.4. Since the last quarterly report to Cabinet, no risks have been closed.

## 11. Changes to the Improvement Plan

11.1. The Improvement Plan is intended to be a live document updated to take account of progress and relevant changes.

11.2. The Improvement Plan report to Council in June 2022 set out that changes (which may include the addition of new workstreams or objectives, or the amendment of timescales for delivery of actions) will be tracked through programme management mechanisms and that Cabinet will retain oversight of changes through regular formal reporting.

11.3. The list of all changes is provided in Appendix 5. Where new actions have been added to the Improvement Plan, these are displayed within the monitoring tool with red font colour.

11.4. The changes made are summarised below.

- 3 changes made to action delivery timescales (with 1 being more than three months)
- 1 assurance action has been added
- 7 sub-actions have been added (marked in red within IP).
- 4 main actions are proposed to be closed (2 action closure will result in closure of workstream)
- 3 Assurance actions are proposed to close
- 3 changes to delivery lead

## 12. Alternative Options

12.1. 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.

12.2. 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.

12.3. Reviewing progress against the Improvement Plan enables senior officers and members to have oversight of delivery, and take corrective action, as necessary. Alternative methods of monitoring progress could be adopted. The current monitoring method is regularly reviewed to ensure it remains fit for purpose and provides Leadership Team with the oversight they require.

### 13. Implications

<b>Resources:</b>	The monitoring of the Improvement Plan is being carried out within existing resources. Council's approval of the single Improvement Plan included allocation of resources to ensure delivery of the Improvement Plan. These resources are monitored regularly by the Programme Management Office and Leadership Team.
<b>Legal and Governance:</b>	<p>On 22 March 2022, The Secretary of State for Levelling Up, Housing and Communities issued Directions under Section 15(5) and (6) of the Local Government Act 1999 (the 1999 Act) in order to ensure that the council can comply with the requirements of Part 1 of the 1999 Act. Failure to comply with these Directions may lead to further intervention measures for the council.</p> <p>The delivery of actions within the Plan agreed by Council in June 2022, as well as any subsequently identified actions, will support the council to achieve sustainable improvement. This will support the end of government intervention.</p> <p>Ultimately, the changes made through the Improvement Plan will enable the council to effectively</p>



	deliver its strategic priorities and ensure it is delivering value for money for Sandwell.
<b>Risk:</b>	<p>If the Council fails to take appropriate action to meet the requirements set out in the government Direction, or the Commissioners appointed by the Secretary of State do not have sufficient confidence that appropriate actions are being taken to implement and sustain the required improvements, then the council risks not having appropriate arrangements in place to comply with its best value duty under Part 1 of the 1999 Act. This could lead to further government intervention, increased costs and damage to reputation.</p> <p>A risk register is in place and will be maintained for the duration of the Improvement Plan which will underpin the council's strategic risk relating to the council's Improvement Plan (59a 02/22). This will be reported monthly to Leadership Team, quarterly to Cabinet and will be regularly reported to Audit and Risk Assurance Committee.</p>
<b>Equality:</b>	The successful delivery of this Improvement Plan will require the development and review of many of the council's policies and procedures. These changes will build in consideration of the impact on equalities throughout the development and will include an Equality Impact Assessment where appropriate.
<b>Health and Wellbeing:</b>	The underpinning objective of the Improvement Plan is to ensure the council is able to achieve the strategic priorities as set out in the Corporate Plan. These priorities focus on improving the health and wellbeing of our residents and tackling health inequalities in a multi-faceted way. Therefore, improvements to the council's governance structures will strengthen the council's ability to deliver services that will improve the health and wellbeing of Sandwell.
<b>Social Value</b>	Within the Improvement Plan, the council is committed to developing the Social Value Policy in conjunction with the refresh of the Procurement &



	Contract Procedure Rules. Through strengthening our asks of contractors through this Social Value Policy and linking them to the Corporate Plan objectives, the council will be able to maximise its social value return.
<b>Climate Change</b>	The underpinning objective of the Improvement Plan is to ensure the council is able to achieve the strategic priorities as set out in the Corporate Plan. Green in everything we do is one of the Fairer Sandwell principles running throughout the Corporate Plan. Any improvements to the council's governance structures will strengthen the council's ability to embed this principle and further the climate change agenda.
<b>Corporate Parenting:</b>	The underpinning objective of the Improvement Plan is to ensure the council is able to achieve the strategic priorities as set out in the Corporate Plan. These priorities include being a good Corporate Parent for the children in our care and supporting young people once they leave care. Therefore, any improvements to the council's governance structures will strengthen the council's ability to be a good Corporate Parent.

## 14. Appendices

1. Improvement Plan Monitoring Tool October 2023
2. Improvement Plan Theme Progress Summary October 2023
3. Statutory Recommendations Reporting October 2023
4. Improvement Plan Risk Register October 2023
5. Changes to the Improvement Plan October 2023
6. Improvement Plan Governance Diagram
7. Improvement Cabinet report into Cabinet September 23
8. Secretary of State letter

## 15. Background Papers

- [Sandwell Council Improvement Plan](#)
- Approval of Sandwell Council Improvement Plan [Report to Council 7 June 2022](#)



- Reports to the Secretary of State for Levelling up Housing and Communities:
  - June 2022 Reports
    - [Sandwell Council Report to Secretary of State for Levelling up, Housing and Communities, June 2022](#)
  - December 2022 Reports:
    - [Sandwell Council Report to Secretary of State for Levelling up, Housing and Communities, December 2022](#)
    - [Sandwell Council Commissioners: second report to Secretary of State for Levelling up, Housing and Communities, December 2022 \(published March 2023\)](#)
    - [Ministerial response to second letter \(March 2023\)](#)
  - June 2023
    - [Sandwell Council Commissioners: third report to Secretary of State for Levelling up, Housing and Communities, June 2023 \(published July 2023\)](#)
    - [Ministerial response to third letter \(July 2023\)](#)
- Improvement Plan Progress Reports:
  - To Council:
    - [13 June 2023](#)
    - [13 December 2022](#)
  - To Cabinet:
    - [September 2023](#)
    - [June 2023](#)
    - [March 2023](#)
    - [December 2022](#) including LGA Corporate Peer Challenge Progress Review Report Nov 2022
    - [September 2022](#)
  - To Audit and Risk Assurance Committee
    - [September 2023](#)
    - [June 2023](#)
    - [March 2023](#)
    - [January 2023 \(External Review Reports\)](#)
    - [November 2022](#)
    - [September 2022](#)
    - [June 2022](#)
  - To Budget and Corporate Scrutiny Management Board





- [September 2023](#)
  - [June 2023](#)
  - [March 2023](#)
  - [November 2022](#)
  - [September 2022](#)
- 
- External Review Reports
    - [Grant Thornton Value for Money Governance Review Follow-up Report 2022](#)
    - [Grant Thornton Value for Money Governance Review December 2021 – reissued October 2022](#)
    - [LGA Corporate Peer Challenge Progress Review Report 2022](#)
    - [LGA Corporate Peer Challenge Report February 2022](#)
    - [CIPFA Financial Management Report January 2022](#)



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# Report to Cabinet

**13 September 2023**

<b>Subject:</b>	Improvement Plan Progress
<b>Cabinet Member:</b>	Leader of the Council Cllr Kerrie Carmichael
<b>Director:</b>	Chief Executive Shokat Lal
<b>Key Decision:</b>	No
<b>Contact Officer:</b>	Strategic Lead – Service Improvement Kate Ashley <a href="mailto:Kate1_ashley@sandwell.gov.uk">Kate1_ashley@sandwell.gov.uk</a>  Senior Lead Officer – Service Improvement Rebecca Jenkins <a href="mailto:Rebecca_jenkins@sandwell.gov.uk">Rebecca_jenkins@sandwell.gov.uk</a>  Lead Officer – Service Improvement Dawn Webster <a href="mailto:Dawn_webster@sandwell.gov.uk">Dawn_webster@sandwell.gov.uk</a>

## 1. Recommendations

- 1.1. That progress against the Improvement Plan up to 3 August 2023 be received
- 1.2. That Cabinet receive the Improvement Plan Risk Register
- 1.3. That Cabinet receive changes to the Improvement Plan
- 1.4. That Cabinet note that Budget and Corporate Scrutiny Management Board and Audit and Risk Assurance Committee will consider the



Improvement Plan Progress report on 14 and 21 September respectively, and that any recommendations or comments made in relation to the Improvement Plan progress will be reported to a future meeting of the Cabinet.

## 2. Reasons for Recommendations







- 2.1. This report provides a quarterly update on progress against the Improvement Plan agreed by Council on 7 June 2022. The Improvement Plan incorporates all recommendations from the original Grant Thornton Value for Money Governance Review, the LGA Corporate Peer Challenge and the CIPFA Financial Management Review, as well as the Statutory Directions from the Secretary of State for Levelling Up, Housing and Communities.
- 2.2. As part of the council's assurance framework for the Improvement Plan, the LGA, Grant Thornton and CIPFA conducted follow-up reviews in Autumn 2022 to evaluate the council's progress on implementing the specific recommendations from those individual reviews. The responses to the findings from the follow-up visits were reported to Cabinet in March and June 2023.
- 2.3. The Improvement Plan is intended to be a live document updated to take account of progress and relevant changes. Changes to the Improvement Plan are tracked through the established change control process to form a refresh of the Improvement Plan.
- 2.4. Risk management is embedded within the council's programme management of the Improvement Plan. A risk register is in place which underpins the council's strategic risk relating to the Improvement Plan (59a 02/22). Cabinet is asked to receive the Improvement Plan Risk Register to provide assurance that risks are being managed effectively and to provide contextual information for future decision making.
- 2.5. As part of the governance and assurance arrangements for the Improvement Plan, Audit and Risk Assurance Committee and Budget and Corporate Scrutiny Management Board review progress of the Improvement Plan and utilise the plan for work programming purposes. Both Committees are due to consider progress at their meetings in September and any recommendations or comments will be presented for Cabinet's consideration at a future meeting.



2.6. 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. Reports have been submitted in December 2022 and June 2023 with the next report due December 2023.

### 3. How does this deliver objectives of the Corporate Plan?

3.1. Sandwell Council's Improvement Plan focuses on the governance arrangements of the council and areas of improvement across the organisation. The underpinning objective of the Improvement Plan is to ensure that the council is able to deliver on the aims and priorities as set out in the Corporate Plan. The deliverables set out in this Improvement Plan will achieve long-term sustainable improvements in how the council operates and is able to make effective decisions focused on improving outcomes for residents and experiences of service users. Therefore, this impacts on the council's ability to deliver all the objectives in the Corporate Plan.

	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. Background



- 4.1.1. A single Improvement Plan was agreed by Council on 7 June 2022 to address recommendations from a Grant Thornton Value for Money Review into the council's governance arrangements, a CIPFA financial management review, an LGA Corporate Peer Challenge, and Statutory Directions from the Secretary of State for Levelling Up, Housing and Communities. The single Improvement Plan replaced the Governance Review Improvement Plan which was approved in January 2022.
- 4.1.2. To ensure that senior officers and members have oversight of delivery against the Improvement Plan, Council approved that progress will be monitored by Leadership Team monthly and reported to Cabinet quarterly. This will continue until all actions have been completed, or changes have been embedded into business as usual.
- 4.1.3. This report is the fifth update to Cabinet on progress of the Improvement Plan.

## 5. Improvement Plan Quarterly Progress

- 5.1. Over the three months to 3 August 2023, significant progress has continued to be made to deliver the actions within the Improvement Plan. This includes the handover of Sandwell Aquatics Centre to Sandwell Leisure Trust (SLT) in July 2023 and the agreement for future delivery of leisure services, the launch of the One Team Framework (values and behaviours), and the conclusion of historic matters through a report to Audit and Risk Assurance Committee.
- 5.2. A comprehensive monitoring tool has been developed which includes a progress status rating for all actions. The monitoring tool provides quick reference around which actions are on track for delivery, as well as highlighting areas that may require remedial action or additional levels of assurance. The Improvement Plan Monitoring Tool is included at Appendix 1.
- 5.3. Progress against each theme of Improvement Plan is contained within Appendix 2. This includes a description of workstream progress including



progress against milestones and achievements, and any progress issues. A summary by theme is provided below.

## 5.4. Organisational Culture Theme

### 5.4.1. Achievements this quarter:

- Values and Behaviours Launch and Share events with 419 people managers carried out.
- Approach agreed for Corporate Governance training and development with preparations being made for a series of scenario-based learning events.
- Member Development Plan in place for 2023-24 Municipal Year and Member Handbook created.

### 5.4.2. Organisational Culture Progress Issues:

- **Identify mechanisms for ongoing insight and assurance around the Officer and Member Relationship**
  - In relation to the Member-Officer Relationship, there are ongoing mechanisms in place for insight and assurance around the Officer Member Relationship include views from external reviews, standards cases, feedback from Directors, Group Leaders and Chief Whips. The external reviews in late 2022 acknowledged the significant strides in improving the relationship
  - A Member-Officer relationship survey was launched in April to gain further insight into the relationship and provide a source of insight to aid continuous improvement activity.
  - The reason for the exception report is that the survey received a lower response rate from Officers and Members than was expected. As a result, new plans have been formed for additional insight-gathering to take place in Autumn 2023. The insight will be used in sessions focusing on the Member-Officer Relationship led by the LGA. The approach takes into account feedback from Officers and Members around the response rate and style of engagement.
  - Following the Autumn insight-gathering, consideration will be given to whether an ongoing mechanism is needed and to embed this within our continuous improvement approach.

## 5.5. Corporate Oversight Theme

### 5.5.1. Achievements this quarter



- SEND 2 Transport procurement project lessons learnt shared with Wider Leadership Team. Actions embedded into plans for SEND 3 procurement
- Refreshed Corporate Plan agreed, and Directorate business plans finalised
- Improvement Plan Annual Report and Report to Secretary of State on the Improvement Plan progress submitted
- Local Partnerships Review to inform Corporate Programme Management Office complete
- Member engagement held to inform Customer Journey Programme

## 5.6. Corporate Oversight Progress Issues:

- **Oracle Transformation Programme**
  - The Oracle Transformation Programme is currently in its modelling phase.
  - The reason for the exception report is that there have been delays to some workstreams within the modelling phase of the programme. A revised plan has been created and approved by the Oracle Programme Board. The programme is still on track for its planned Go Live date of April 2024.
- **Integration of Performance Reporting on revenue, capital and performance information**
  - Quarterly performance reports are made to Cabinet and Leadership Team across the Performance Management Framework. This includes separate financial reports and performance management reports.
  - The intention is to bring the reporting together to improve collective insight into performance.
  - The reason for the exception report is that work to commence on this has been revised to commence from March 2024. This will allow the work to be informed by the reporting ability of Oracle Fusion once implemented.
- **Directorate level restructuring and review of Spans and Layers**
  - An appointment has been made to the Assistant Chief Executive position and they are due to commence in post in September
  - The reason for the exception report is that the Directorate-level structure is under discussion, and the spans and layers review is being considered in line with the workforce strategy implementation.





- Actions are currently placed on hold within the Plan, however work to map existing spans and layers has been completed.

## 5.7. Strategic Direction Theme

### 5.7.1. Achievements this quarter

- Cabinet approval to new Terms of Reference for the Equalities Commission Board
- Cabinet approval to appointment of Strategic Delivery Partner for the Regeneration Pipeline
- Appointment of Contractor for housing stock condition surveys
- Budget Consultation launched

### 5.7.2. Strategic Direction Progress Issues

- **HRA Business Plan: Stock condition surveys**
  - The HRA Business Plan was agreed by Cabinet in February.
  - A range of factors need to be taken into account in reviewing and amending the plan in future years including the results of stock condition surveys.
  - The reason for the exception report is that problems were encountered with the initial procurement resulting in a revised approach and a new procurement activity being conducted.
  - A contract has now been awarded and the contractor is due to commence work in September.
- **Commercial Strategy – Business Cases and Resourcing**
  - The Commercial Strategy was agreed in March 2023. A set of project outlines were agreed, and work has commenced to develop these to full business case stage and monthly highlight reporting is in place.
  - The reason for the exception report is that there is slippage against the action plans for developing the full business cases. This continues to be monitored by the Corporate Transformation Board. There has also been difficulty in recruiting a Commercial Project Officer. Other options are being considered for the recruitment.
- **Customer Journey Strategy**
  - Work is progressing on the Customer Journey Programme with governance arrangements and a plan in place.



- The reason for the exception report is that engagement sessions with residents were put on hold due to planned sessions coinciding with Serco strike action.
- Engagement with Members has been conducted focusing on ward and casework management and these have been positively received.
- New plans have been formed for the resident engagement sessions and the date for the approval of the strategy adjusted to March 2024.

## 5.8. Decision Making Theme

### 5.8.1. Achievements this quarter

- Position of historic issue report received by ARAC June 2023 and matter concluded.

### 5.8.2. Decision Making Progress Issues

- No issues in this theme

## 5.9. Procurement and Commercial Theme

### 5.9.1. Achievements this quarter

- Handover of Sandwell Aquatics Centre to SLT
- Agreement reached with SLT to extend SLT's operation of leisure centres
- Contract Management Guidance and Templates live on Council's intranet
- Street Cleansing Recovery plan incorporated into the annual service delivery plan provided by Serco.
- Completion of Phase 2 Tech Forge Asset Management System (transfer of data into the system)

### 5.9.2. Procurement and Commercial Progress Issues:

- **Completion of Fleet Replacement**
  - The waste service fleet replacement continues to be overseen through contract management arrangements with Serco.
  - The reason for the exception report is that there has been a delay to the final order of 16 Refuse Collection Vehicles linked to supplier issues for build slots and discussions around the waste management strategy. The final order is now in place with delivery of vehicles expected by end 2023.



- **Performance Management System: Options Appraisal**
  - A performance management system is being explored to support business intelligence across the council and facilitate reporting within the performance management framework.
  - The reason for the exception report is that the original timescales to bring forward an options appraisal have been pushed back due to supplier availability for system demos. The final system demo is being held in August.
  - The options appraisal is due to be completed by October 2023.

## 5.10. Partnerships and Relationships Theme

### 5.10.1. Achievements this quarter

- Continuation of effective governance arrangements and joint work with Sandwell Children's Trust including launch of Family Hubs programme with partners.
- Commencement of modelling of currently processes relating to the transition from children's to adults' services
- Engagement with key regional and sub-regional groups continues to bring benefits for Sandwell including forthcoming Devolution Deal (due to be reported to Cabinet in September), securing funding for 2-3 sites under the OPE programme, submission of a substantial bid for affordable homes to the WM Growth Company, and ongoing engagement in relation to the Commonwealth Games Underspend (having already secured £2m to fund increased utility costs at the Sandwell Aquatic Centre).

### 5.10.2. Partnerships and Relationships Progress Issues

- **Consultation on VCS Draft Strategy**
  - An annual report on grants with the VCS is being prepared for Cabinet in Autumn with the next steps for delivering the strategy.
  - The reason for the exception report is that the strategy is being developed over a longer period to enable a more fundamental look at the relationship with the VCS to take place.
- **Preparing for Adulthood Project**
  - Work on this project has commenced and modelling of current processes is taking place.



- The reason for the exception report is due to resources as there have been difficulties recruiting to a project manager position. The project is being supported by the Corporate Transformation Office

## 6. Statutory Recommendations

- 6.1. The Grant Thornton Value for Money Governance Review 2021 included three statutory recommendations that the council has a legal obligation to respond to. These recommendations are incorporated into the single Improvement Plan and are embedded across each of the six themes.
- 6.2. In their follow up review 2022, Grant Thornton recognised progress against all three statutory recommendations.
- 6.3. To provide an overview of progress against these three specific recommendations, Appendix 3 extracts the key actions that respond to each of the recommendations, and they are summarised below.
- 6.4. **Statutory Recommendation 1** - It is imperative that senior officers and senior members take effective corporate grip of long-standing service issues highlighted by the findings in this report (including SLT, SCT, the waste service, the ERP system, and Lion Farm) and prioritise corporate effort in managing the issues identified and embed the solutions into the Council.
- Progress update:
    - Continuing to implement strategies to address the service issues highlighted in the Grant Thornton report.
    - Sandwell Leisure Trust – agreement reached to extend SLT’s operation of leisure centres to March 2027.
    - Handover of Sandwell Aquatic Centre to SLT
    - Sandwell Children’s Trust – Governance arrangements remain in place. Joint work in place with SCT in relation to corporate parenting and early help. Revised contract commenced April 2023
    - Waste Contract – Contract Monitoring framework progressing well and embedded in PMF reporting. Review of the Contract is complete.
    - ERP (Oracle Fusion) – support provider in place and implementation commenced. Project Management and Governance arrangements are in place.
    - Regeneration Strategy and Pipeline to underpin significant regeneration in Sandwell approved by Cabinet 23 March 2022. First monitoring provided to Cabinet in November.



6.5. **Statutory Recommendation 2** - The Council must ensure that the learning in relation to commercial decisions, procurement and contract management highlighted in this report are understood through the organisation.

- Progress Update
  - The first phase of the Governance Review has completed with the Constitution refresh.
  - Corporate Governance Training - Programme of training and development commenced in September 2022 on effective decision-making, good governance, and revised contract procedure rules. Next phase of Corporate Governance Development is being rolled out during 2023-2024.
  - Commercial Strategy approved in March 2023.
  - Corporate Asset Management Strategy approved by Cabinet in November 2023.
  - SEND Transport lessons learnt completed and shared with Wider Leadership Team

6.6. **Statutory Recommendation 3** - Senior leadership, both officers and members, must demonstrate that they can continue to work together effectively, that they operate in line with the Council's values, codes, policies and procedures, and that there is zero tolerance to inappropriate behaviours. This includes changing the organisational culture in relation to complaints so that they restore balance and proportionality.

- Progress Update
  - Member Development – New Member induction arrangements are in place. Member Development Programme is being regularly reviewed by Ethical Standards and Member Development Committee. Member Handbook created for Municipal Year 2023-24.
  - Officer Development – A consolidated programme of fundamental training for managers on Corporate Governance matters has commenced. A broader Management Development Programme will be rolled out in 2023 following the approval of the Workforce Strategy.
  - Organisational Culture – Extensive engagement held to inform the One Team Framework (Values and Behaviours) which was approved in March 2023. Values and behaviours launched.



- Meeting structures to facilitate Cabinet Member and Leadership Team cross-working in place and meeting needs.

## 7. Reporting Framework, Governance and Assurance

- 7.1. To ensure that senior officers and members have oversight of delivery, Council approved the reporting mechanism for the Improvement Plan in June 2022. This set out that progress will be monitored by Leadership Team monthly and reported to Cabinet quarterly until all actions have been completed, or changes have been embedded into business as usual. The diagram included at Appendix 4 sets out the governance framework.
- 7.2. This report forms the fifth quarterly update to Cabinet on the Improvement Plan. Leadership Team have reviewed progress against the plan every month.
- 7.3. The Government Directions require reporting on the delivery of the Improvement Plan at six monthly intervals to the Secretary of State from the council and the Commissioners. The last report was made in June 2023. The next report is due December 2023
- 7.4. Member-led committees, such as the Governance & Constitution Review Committee, Audit & Risk Assurance Committee and Scrutiny Committees, are used for providing a steer and maintaining oversight of the actions and implementation of the Improvement Plan.
- 7.5. The Governance & Constitution Review Committee and cross-party Working Group have been integral to the development and review of the governance documents, ahead of decisions taken by Council last year.
- 7.6. Audit & Risk Assurance Committee receive quarterly updates on the Improvement Plan and the Improvement Plan Risk Register. They received the last quarterly update in June 2023 and are due to consider this quarterly progress update in September 2023.
- 7.7. Budget & Corporate Scrutiny Management Board has included several elements of the Improvement Plan on their work programme as well as regular reports on overall progress. This has included a 'deep dive' focus on the work under the Organisational Culture theme and engagement with the workforce, as well as Customer Journey. The Board will receive this quarterly update in September 2023.



7.8. Following consideration of the progress report to Audit & Risk Assurance Committee and Budget & Corporate Scrutiny Management Board, those members will identify areas for further exploration and reporting. Any recommendations or comments from these committees for Cabinet's consideration will be presented to Cabinet at a future meeting.

## 8. External Reviews

8.1. External assurance continues to play a part in our improvement journey to monitor our progress in addressing the recommendations made through external reviews. Grant Thornton, LGA and CIPFA conducted follow up reviews in late 2022 with all reviews acknowledging the positive progress made.

8.2. Reports from Sandwell's Commissioners have been submitted to the Secretary of State on a six-monthly basis. In their June 2023 report, Commissioners noted the considerable progress made over the first fifteen months of the intervention towards addressing the significant challenges facing the authority. In their third report, the Commissioners outlined that their focus over the coming months will be in the following areas:

- Developing the strategic capacity of the organisation
- Implementation and embedding of the council's values and behaviours (One Team Framework)
- Establishing a comprehensive transformation programme linked to the delivery of the medium-term financial strategy
- Approval of the 2020/21 accounts by the external auditors and a clear timetable for approval of the 2021/22 accounts

8.3. Planning is underway for a return follow-up visit by Grant Thornton in Autumn 2023.

## 9. Resources

9.1. In the development of the Improvement Plan, a review of the resources available to deliver the plan was carried out. Resources to deliver the Improvement Plan have been allocated from within existing commitments in the majority of cases. Council approved funding of approximately £1.768m for one-off funding to progress improvement plan actions. A



summary of the quarterly position is provided within the council's quarterly budget monitoring report.

- 9.2. The fund has enabled recruitment to key positions including corporate transformation capacity, work on organisational culture and resources to support the implementation of finance improvements and the Governance review. Where longer-term staffing capacity has been required, this has been built into base budgets to ensure sustainability.
- 9.3. To provide additional capacity across improvement activities, the Improvement Reserve is being used to fund graduate placements within the National Graduate Development Programme which will commence from October 2023. These placements will not only provide capacity to council's current improvement journey but will also develop skills in the workforce of the future that will support sustainability.

## 10. Risk Management

10.1. The Improvement Plan Risk Register underpins the council's strategic risk relating to the council's Improvement Plan (59a 02/22) and is currently rated as an overall Amber risk. The risk register is reported monthly to Leadership Team and quarterly to Cabinet and Audit & Risk Assurance Committee.

10.2. The current risk register is attached as Appendix 5. The main risks are associated with:

- **Resources** – for delivery of key components of the plan including the corporate programme management office. The financial resources required have been identified and were approved by Council in June. To provide additional capacity across improvement activities, the Improvement Reserve is being used to fund graduate placements within the National Graduate Development Programme which will commence from September 2023.
- **Communication** – to ensure everyone is aware of their respective roles and responsibilities. Communication is taking place through a range of methods including briefings, live events, and regular messages.
- **Investment and Financial Resources** – to ensure financial resources are made available resource gaps/ pressures associated with the Improvement Plan have been identified





- **Constitutional Changes-** If key governance changes (agreed during 2022) are not embedded throughout the organisation then opportunities will be missed. First round of training has been delivered along with revised templates and guidance. Phase 2 of the Corporate Governance Review is underway, and this will focus on embedding the constitutional changes

10.3. Since the last quarterly report to Cabinet, the following risk has reduced:

- IP10 Performance Management Framework (PMF) and Data Quality- Amber to Green

10.4. Since the last quarterly report to Cabinet, the following risks have been closed:

- IP2 Programme Management Arrangements - target score reached

## 11. Changes to the Improvement Plan – Phase 3 Refresh

11.1. The Improvement Plan is intended to be a live document updated to take account of progress and relevant changes.

11.2. The Improvement Plan report to Council in June 2022 set out that changes (which may include the addition of new workstreams or objectives, or the amendment of timescales for delivery of actions) will be tracked through programme management mechanisms and that Cabinet will retain oversight of changes through regular formal reporting.

11.3. The list of all changes is provided in Appendix 6. Where new actions have been added to the Improvement Plan, these are displayed within the monitoring tool with red font colour.

11.4. The changes made are summarised below.

- 3 new sub-actions have been added
- 14 changes have been made to action delivery timescales, and milestones (6 of which are of more than 3 months)
- 2 changes have been made to descriptions of actions
- 3 Main actions have been closed as the activity is complete (this includes 1 main action that also closing results in a Workstream closure)
- 2 Assurance actions have been closed.

## 12. Alternative Options



12.1. 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.

12.2. 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.

12.3. Reviewing progress against the Improvement Plan enables senior officers and members to have oversight of delivery, and take corrective action, as necessary. Alternative methods of monitoring progress could be adopted. The current monitoring method is regularly reviewed to ensure it remains fit for purpose and provides Leadership Team with the oversight they require.

### 13. Implications

<p><b>Resources:</b></p>	<p>The monitoring of the Improvement Plan is being carried out within existing resources. Council’s approval of the single Improvement Plan included allocation of resources to ensure delivery of the Improvement Plan. These resources are monitored regularly by the Programme Management Office and Leadership Team.</p>
<p><b>Legal and Governance:</b></p>	<p>On 22 March 2022, The Secretary of State for Levelling Up, Housing and Communities issued Directions under Section 15(5) and (6) of the Local Government Act 1999 (the 1999 Act) in order to ensure that the council can comply with the requirements of Part 1 of the 1999 Act. Failure to comply with these Directions may lead to further intervention measures for the council.</p> <p>The delivery of actions within the Plan agreed by Council in June 2022, as well as any subsequently identified actions, will support the council to achieve sustainable improvement. This will support the end of government intervention.</p>



	<p>Ultimately, the changes made through the Improvement Plan will enable the council to effectively deliver its strategic priorities and ensure it is delivering value for money for Sandwell.</p>
<b>Risk:</b>	<p>If the Council fails to take appropriate action to meet the requirements set out in the government Direction, or the Commissioners appointed by the Secretary of State do not have sufficient confidence that appropriate actions are being taken to implement and sustain the required improvements, then the council risks not having appropriate arrangements in place to comply with its best value duty under Part 1 of the 1999 Act. This could lead to further government intervention, increased costs and damage to reputation.</p> <p>A risk register is in place and will be maintained for the duration of the Improvement Plan which will underpin the council's strategic risk relating to the council's Improvement Plan (59a 02/22). This will be reported monthly to Leadership Team, quarterly to Cabinet and will be regularly reported to Audit and Risk Assurance Committee.</p>
<b>Equality:</b>	<p>The successful delivery of this Improvement Plan will require the development and review of many of the council's policies and procedures. These changes will build in consideration of the impact on equalities throughout the development and will include an Equality Impact Assessment where appropriate.</p>
<b>Health and Wellbeing:</b>	<p>The underpinning objective of the Improvement Plan is to ensure the council is able to achieve the strategic priorities as set out in the Corporate Plan. These priorities focus on improving the health and wellbeing of our residents and tackling health inequalities in a multi-faceted way. Therefore, improvements to the council's governance structures will strengthen the council's ability to deliver services that will improve the health and wellbeing of Sandwell.</p>



<b>Social Value</b>	Within the Improvement Plan, the council is committed to developing the Social Value Policy in conjunction with the refresh of the Procurement & Contract Procedure Rules. Through strengthening our asks of contractors through this Social Value Policy and linking them to the Corporate Plan objectives, the council will be able to maximise its social value return.
<b>Climate Change</b>	The underpinning objective of the Improvement Plan is to ensure the council is able to achieve the strategic priorities as set out in the Corporate Plan. Green in everything we do is one of the Fairer Sandwell principles running throughout the Corporate Plan. Any improvements to the council's governance structures will strengthen the council's ability to embed this principle and further the climate change agenda.
<b>Corporate Parenting:</b>	The underpinning objective of the Improvement Plan is to ensure the council is able to achieve the strategic priorities as set out in the Corporate Plan. These priorities include being a good Corporate Parent for the children in our care and supporting young people once they leave care. Therefore, any improvements to the council's governance structures will strengthen the council's ability to be a good Corporate Parent.

## 14. Appendices

1. Improvement Plan Monitoring Tool July 2023
2. Improvement Plan Theme Progress Summary July 2023
3. Statutory Recommendations Reporting July 2023
4. Improvement Plan Governance Diagram
5. Improvement Plan Risk Register July 2023
6. Changes to the Improvement Plan July 2023

## 15. Background Papers

- [Sandwell Council Improvement Plan](#)
- Approval of Sandwell Council Improvement Plan [Report to Council 7 June 2022](#)



- Reports to the Secretary of State for Levelling up Housing and Communities:
  - June 2022 Reports
    - [Sandwell Council Report to Secretary of State for Levelling up, Housing and Communities, June 2022](#)
  - December 2022 Reports:
    - [Sandwell Council Report to Secretary of State for Levelling up, Housing and Communities, December 2022](#)
    - [Sandwell Council Commissioners: second report to Secretary of State for Levelling up, Housing and Communities, December 2022 \(published March 2023\)](#)
    - [Ministerial response to second letter \(March 2023\)](#)
  - June 2022
    - [Sandwell Council Commissioners: third report to Secretary of State for Levelling up, Housing and Communities, June 2023 \(published July 2023\)](#)
    - [Ministerial response to third letter \(July 2023\)](#)
- Improvement Plan Progress Reports:
  - To Council: [13 December 2022](#)
  - To Cabinet:
    - [June 2023](#)
    - [March 2023](#)
    - [December 2022](#) including LGA Corporate Peer Challenge Progress Review Report Nov 2022
    - [September 2022](#)
  - To Audit and Risk Assurance Committee
    - [June 2023](#)
    - [March 2023](#)
    - [January 2023 \(External Review Reports\)](#)
    - [November 2022](#)
    - [September 2022](#)
    - [June 2022](#)
  - To Budget and Corporate Scrutiny Management Board
    - [June 2023](#)
    - [March 2023](#)
    - [November 2022](#)
    - [September 2022](#)



- External Review Reports
  - [Grant Thornton Value for Money Governance Review Follow-up Report 2022](#)
  - [Grant Thornton Value for Money Governance Review December 2021 – reissued October 2022](#)
  - [LGA Corporate Peer Challenge Progress Review Report 2022](#)
  - [LGA Corporate Peer Challenge Report February 2022](#)
  - [CIPFA Financial Management Report January 2022](#)



## **DRAFT Letter to Secretary of State from Sandwell Council Leader December 2023**

Dear Secretary of State,

Our focus since the start of intervention has been to make sure that we are set up to deliver the best possible outcomes for our residents. From the outset, we understood that this meant making changes to the way we work and are proud of the progress made.

We believe we are not the same organisation we were when intervention began and are now looking to the future with confidence and optimism. Our ambition is to become an outstanding council and recognise this means we cannot be complacent about the progress made to date. We are now focussed on growing a culture of continuously looking for ways to improve and deliver better services.

Since our last letter to you, we have continued to deliver at pace and are seeing more evidence that these improvements are having a positive impact for our residents.

Over the last six months, we received an Area SEND inspection and have now moved up a level, to Category 2. The report recognises that children and young people with special education needs and disabilities (SEND) are valued and describes a “renewed dynamism in Sandwell” where “Leaders across the local area partnership [...] are making sustained improvements for children and young people with SEND.”

In July, we officially opened the Sandwell Aquatics Centre in Smethwick as a community leisure facility. Since opening, we have welcomed an average of 15,500 visits per week, more than 4,600 fitness members have joined, 2,171 children are learning a vital life skill through our learn to swim programme and 46 schools are booked in for school swimming.

We are also proud to have won four awards in the last six months which recognise the hard work and dedication by officers to deliver for our residents.

We have won the Regional Large Employer of the Year at the Apprenticeship Awards recognising our commitment to apprentices and the contribution of apprentices to the organisation. Our offer includes ring-fenced apprenticeships for care leavers and we work to ensure that apprenticeships help us to diversify our workforce so it better reflects the residents we serve.

Josh Singh, Planning Regeneration Team Leader, was awarded National Young Planner of the Year 2023, after becoming the West Midlands Young Planner of the Year 2023 earlier in the year. In his time with Sandwell Council, Josh has led on a number of improvements to West Bromwich town centre and we are determined to use the investment through the Towns Fund as a catalyst for further regeneration and to create good jobs and opportunities for our residents.

Sandwell also secured two awards at the Children and Young People's Awards last month; the Supporting Child Refugees Award for our Sandwell Transition Education Partnership Service and the Partnership Working Award for the Horizons Exploitation & Missing Team, led by the Sandwell Children's Trust and including the council's youth service as part of the Sandwell County Lines Intensification Week Partnership.

We are also proud to announce that we have been successful in gaining up to £5million in a grant from the National Institute for Health Research (NIHR) to fund partnerships with a focus on improving health research. The funding will help us to make decisions driven by research and data to drive real improvement to the quality of lives for Sandwell residents.

We have also welcomed Grant Thornton's return visit to review our progress against their recommendations and look forward to their report in the New Year.

Some of our achievements and the improvements we've made since June are summarised below, along with how our changes have been embedded.



## Organisational Culture

Our cultural change is being driven from the top but is owned and led throughout the organisation. Over the Summer, managers came together with Senior Leaders in a series of events to commit to embedding the One Team Framework (organisational values and behaviours) throughout their teams. We also held our first in person all staff event, since the COVID-19 pandemic, as part of the opening of Sandwell Aquatic Centre and introduced the framework to staff. The values and behaviours are informing recruitment and have been built into our revised staff appraisal approach that will be launched next year.

The impact of the framework can be seen throughout the organisation with numerous examples of staff living and breathing the values in our [We are Sandwell](#) campaign.

We are also seeing the impact of cultural change in the relationship between Members and Officers. The relationship has continued to strengthen and we are becoming more Member-led as an organisation. Examples of this include our work around becoming a child-friendly borough driven by the Cabinet's manifesto pledges.

We are continuing to value insight into how our culture is changing to make sure we are on track. We have conducted an employee engagement survey this Autumn to follow on from our 2022 survey and are continuing to gather Members' perspectives on the Member-Officer relationship to inform continuous improvement. Staff groups are working to explore the results of the engagement survey, identifying areas of good practice and developing actions for improvement. These will feed into our continuing cultural transformation journey to embed our values and behaviours framework.

Our Chief Executive is now well-established. We have welcomed a new appointment to our Senior Leadership Team, increasing our strategic capacity. The Assistant Chief Executive Directorate has been brought together to make up the 'engine room' of the local authority, helping to shape our culture and how we transform ourselves as an organisation.

Council approved a new senior leadership team structure in October which is fundamental to driving the next phase of the council's transformation journey at pace, with a leaner and strategically focussed Leadership Team more able to deliver in an agile and joined up way. Recruitment to the new Executive Director posts commenced in November.

Our confidence is growing and Sandwell is more outward-looking. The opening of the Sandwell Aquatic Centre in Summer 2023 was a major cause for celebration and we enjoyed sharing our pride with national media. We are also in the spotlight amongst our peers. Council staff were invited to share Sandwell's approach on voter ID and accessibility measures at a national conference of the Electoral Commission and Electoral Management Board for Scotland.

### **Corporate Oversight & Strategic Direction**

Through our focus and grip on our finances, we remain financially stable. We are managing an in-year overspend and are forecasting a balanced budget for 2023-24. The majority of savings adopted for the 2023/24 Budget have been secured or are in delivery and we are well on the way to developing our plans for 2024/25 onwards.

The Council's transformation approach is strengthening and comprises an important part of the emergent plans to balance the MTFs especially in the medium term. For the second year running we have worked collectively across Cabinet and Leadership Team through a series of star chamber sessions and away days.

The Council has an agreed plan to deliver £1.6m in savings from its asset base in 2023/24 by increasing commercial income and reducing expenditure by rationalising buildings and exiting leases that are no longer required. It has just completed a significant review of 139 surplus assets and recommendations on future use and disposal will be coming through for Member decision soon. The Council is progressing the establishment of a Corporate Landlord so that its assets are managed and maintenance is prioritised in a consistent manner. Work continues to deliver the savings target of £2.5m from asset rationalisation from the 2024/25 financial year.

In relation to our financial oversight, we achieved a key milestone with the signing of our 2020-2021 accounts. Our 2021-2022 accounts are due to be provided to our auditor in line with agreed timescales and have secured the technical resource to oversee the production of our accounts up to and including 2023/24. We have largely completed the implementation of our asset management system, providing the tools for us to address an area of concern previously raised by external reviewers.

We are seeing the benefit of our performance culture and Performance Management Framework which are stimulating discussion and leading to action. For example, our exploration of school attendance performance has led to us making a strong case for Sandwell and we have gained recognition as a priority education investment area.

Other examples include:

- Our 2023 State of Sandwell report indicating areas of positive change in outcomes for Sandwell residents since 2017 as well as areas for focus
- Incorporation of SEND within our transformation programme with new performance metrics in place and weekly review because we know that we need to target work in this area
- 'Evidence bundles' compiled across core corporate functions being used to inform business planning for 2024/25, building on our approach last year and now becoming an embedded feature of business planning
- Our newly produced Ward and Town plans are bringing additional insight to shape our local priorities and our approach to neighbourhood working
- Continued focus on residents' concerns, issues, and opinions e.g.
  - Residents consultation undertaken for the second consecutive year to inform business plans and budget priorities
  - Hosting a tenant engagement conference
  - Growth of our Consultation Hub platform to provide organisational oversight of consultation feedback
- Staff brought together to commence work on a business intelligence strategy

- Assistant Director workshop on improving employment, training and work experience opportunities for care leavers building on training in Corporate Parenting Week and performance reporting on Care Leavers NEET
- We are committed to a culture of corporate oversight and continuous improvement, and, whilst we are proud of the progress we have made, perhaps the best demonstration of this commitment is seen in what we do when we identify something has gone wrong. As part of a corporate review, it was identified that not all processes had been followed in relation to a number of repair contracts. When this was understood, we transparently reported this to Cabinet, setting out the actions we put in place both to remedy the situation and learn the lessons in order to avoid it happening again.

Building on our recent work to set targets for performance metrics in the framework, our intention over coming months is to create and use corporate performance dashboards and integrate our performance and financial reporting.

We continue to progress our work on our Customer Journey and see it as a corporate priority, establishing a robust framework, resources, and performance improvement programme.

- We have procured a new cloud-based telephony system which is anticipated to go live in April 2024.
- We have seen sustained improvements across responses to SARs, FOIs and Member enquiries through our corporate oversight. Work has been carried out with Members around the Member portal resulting in an Action Plan being drawn up, 70% of the actions have been completed and we are continuing to work on the rest.
- We have extended the Community Hub Pilot for a further 6 months, continuing to provide face to face services for residents that require this. The new Neighbourhood model is being piloted and we have taken on 3 Ward Co-ordinators to work with Elected Members on Ward plans and priorities.

- The new Council website has been launched and we have purchased a Navigation Bot that is in User Acceptance Testing phase. This should aid residents in using the website to find information and raise queries.
- We have commenced a review of our Neighbourhood Working model, to develop a new and refreshed coherent, cross-council model for neighbourhood working which has elected members and communities at the core for delivering outcomes in their localities.

We continue to be ambitious for the future of Sandwell and have secured grant investment of £459m over the past 2+ years from a range of national and regional public funding bodies to deliver the Regeneration Pipeline projects from now to 2027. This includes investment in the delivery of ten new education and skills facilities in the Borough at primary, secondary, special needs and further education level.

## **Decision Making**

In our last letter, we relayed to you our pride at our work around the Cost-of-Living crisis which shows Leadership Team increasingly focusing on strategic matters and working effectively with our partners.

A Cost-of-Living Emergency Summit held in March 2023 brought together more than sixty public, private and voluntary sector partners to coordinate our efforts to support our community through this crisis. Since March, we have worked collaboratively with partners to codesign the [Sandwell Tackling Poverty Plan](#), seeking to address the underlying causes of poverty in Sandwell. The plan was launched at a further Cost-of-Living Summit in October, where over 80 partners joined us to agree ways we will work together to deliver the plan.

Cabinet continues to work well as a team and we have continued to take difficult decisions. We recently reviewed our approach to the management of leisure services in light of changed circumstances. The business case to provide leisure services through a Local Authority Trading Company was reviewed and Cabinet demonstrated our commitment to take agile decisions that are responsive to a changing external environment and to obtain value for money through revising our approach.

This was made possible through our improved relationship with Sandwell Leisure Trust.

Scrutiny and Audit Committees continue to focus on the subjects that matter most. The scrutiny work-planning process is now well-established and embedded as part of how scrutiny works in Sandwell. For example, the following topics have been discussed by Scrutiny over last six months:

- Playing Pitch Strategy- request to establish a steering group to support the completion, adoptions and implementation of the strategy
- Europa Avenue Cycle Path consultation in response to residents' feedback
- Haden Hill Leisure Centre Rebuild- request for consideration and comments on the three options available.
- Customer Journey performance and transformation programme.

The Audit & Risk Assurance Committee regularly receives reports from both the internal and external auditors and operates with a specific focus on improving governance across the council. Audit & Risk Assurance Committee has been keen to ensure that the council mitigates its key risks appropriately. The Committee regularly receives and reviews the Council's strategic and improvement risk registers and has sight of a wide range of directorate risk registers. The Committee has called in items such as the customer journey for a more detailed deep-dive review. In June, Audit Committee resolved long standing historical committee related matters.

We are developing a set of new measures as part of the performance management framework to provide us with further insight into the quality of the decision-making process and drive our continuous improvement. We continue to strengthen our arrangements for accountability and scrutiny.

### **Partnerships and Relationships, Procurement and Commercial**

We continue to invest in our work with partners. Our recently launched Family Hubs, supporting families with children aged 0-19 (or 25 with SEND), show the strength of our partnerships at a local level. At the official launch of the Family Hubs parent forums were held with the parent representatives of each town.

I am pleased to be leading the Inclusive Communities Portfolio for the WMCA and in September, Sandwell hosted the launch of the Race Forward Strategy for the region.

We are becoming a more mature partner. Our recent State of Sandwell report is the foundation of a review of our partnership wide Vision 2030 which is being undertaken during this Municipal Year.

We have seized partnership opportunities such as our effective working with Government on our Levelling Up Partnership to bring forward robust proposals. We have also demonstrated our strength through our approach to the Devolution Deal and holding firm on red lines that matter most to ~~outcomes~~ Sandwell residents.

Our performance management framework continues to enable oversight and management of key major contracts. Through a period of industrial action over Summer, we worked closely with our waste partner (Serco) to continue delivering a service to residents and were able to recover service levels quickly once a resolution had been reached. We have engaged with West Midlands Police and Serco in a debrief exercise to ensure that lessons are learned for the future.

Our established governance arrangements for the Sandwell Children's Trust contract have provided strong oversight of the Trust's financial position enabling us to work proactively with them to address the increase in their projected outturn for 2023/24.

Accompanying this letter are our quarterly progress reports to Cabinet which provide a greater level of detail around progress issues, risks, resources and changes to the Improvement Plan.

Our key areas of focus over forthcoming months continue to be driving our plans around organisational culture and the successful recruitment of a new senior leadership team, improving our customer journey, and delivering the Medium-Term Financial Strategy through a robust transformation programme.

We are also looking further ahead and working with the Local Government Association to develop the mechanisms we will put in place to continue our improvement journey after March 2024 and assure ourselves of our onward trajectory. Our ambition is to be an excellent authority, delivering for our residents – the journey we have been on over the last two years has established a sound basis from which to achieve that goal.

Yours faithfully

[Leader's Sign-off]



## Report to Council

**12 December 2023**

<b>Subject:</b>	Code of Corporate Governance
<b>Director:</b>	Brendan Arnold – Interim Director of Finance
<b>Contact Officer:</b>	Mike Jones Assistant Director – Legal & Assurance, Deputy Monitoring Officer

### 1 Recommendations

That the updated Code of Corporate Governance is approved.







### 2 Reasons for Recommendations

The revised Code of Corporate Governance contributes toward the statutory assurances on the robustness of its governance arrangements.

Approval of the Code is a matter for Council to determine, on the recommendation of Audit and Risk Assurance Committee. Audit and Risk Assurance Committee as the committee with a corporate governance and compliance remit need to be satisfied that arrangements remain robust and recommend adoption of the Code of Corporate Governance to Council. The Audit and Risk Assurance Committee considered the Code of Corporate Governance at its meeting on 23 November 2023 and recommended the matter to Full Council for approval.



### 3 How does this deliver objectives of the Corporate Plan?

		Governance mechanisms underpin all aspects of the Council. The Code of Corporate Governance, as a public statement that demonstrates the Council has the necessary governance arrangements in place to perform effectively, contributes toward achievement of the Corporate Plan in its entirety.
		
		

### 4 Context and Key Issues

- 4.1 The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded, properly accounted for and used efficiently and effectively, and that it has robust and assured governance arrangements in place.
- 4.2 The Accounts and Audit Regulations 2015 require a local authority to review at least once a year the effectiveness of its system of internal control. This requirement will be fulfilled if the review is conducted in accordance with the CIPFA/SOLACE Delivering Good Governance in Local Government Framework (2016).
- 4.3 The Council adopted the Local Code of Corporate Governance as a mechanism to demonstrate that its governance structures comply with the principles contained in the framework. The Code is a key component of the Council's governance arrangements and describes the processes and arrangements that the Council has in place to evidence compliance with good governance principles.
- 4.4 As part of its commitment to ensuring that the governance infrastructure remains appropriate, the Council undertakes a regular review of its arrangements and updates the Code to reflect any changes. The Code (attached at appendix 1) captures any revisions to the Councils governance arrangements, and this year incorporates:
- The inclusion of the Councils Corporate Improvement Plan, reflecting the recommendations arising from external reviews, and associated performance monitoring and reporting arrangements;



- Additional detail on the Councils performance management framework and governance arrangements;
- The adoption and embedding of revised corporate values and behaviours
- The outcomes of the governance review including changes to the Council’s constitutional arrangements;
- Revised arrangements following the implementation of recommendations arising from the scrutiny review
- The evolution of the governance framework for Towns Fund programmes;
- Removal of the section relating to the Councils response to the coronavirus pandemic.

## Monitoring Compliance with the Code

The Code reflects a range of corporate governance mechanisms that the council has in place. These are subject to internal monitoring and controls that are specific to the various elements. Lead officers maintain oversight and report on compliance in accordance with established governance reporting structures that include the Council’s improvement board, Scrutiny Boards, ARAC and full Council. Corporate governance arrangements are routinely considered by the Commissioners and has been positively reported to the Secretary of State. The annual review of the Code is reported into the Audit and Risk Assurance Committee for onward recommendation for approval by Council and outcomes of the review are captured in the Annual Governance Statement, that again is submitted for approval by the Committee.

## 5 Implications

<b>Resources:</b>	The Code outlines the Council’s systematic and procedural approach to strategic resource management.
<b>Legal and Governance:</b>	The governance review process ensures that the Council discharges its statutory duties. The adoption of the Code of Corporate Governance demonstrates how the council complies with the Delivering Good Governance in Local Government Framework 2016.



<b>Risk:</b>	The Council is legislatively required to have efficient and effective governance arrangements in place. These are evaluated on an annual basis by the internal and external audit function who provide an opinion on the efficiency and effectiveness of the council's governance arrangements. The code and the arrangements outlined within provides assurances that the Council remains compliant with its obligations
<b>Equality:</b>	There are no equality impact issues associated with this report
<b>Health and Wellbeing:</b>	None associated with this report
<b>Social Value:</b>	The Council's approach to measuring social value is considered as one of the mechanisms of good governance
<b>Climate Change:</b>	None associated with this report
<b>Corporate Parenting:</b>	There are no direct implications in relation to corporate parenting responsibilities

## 6 Appendices

Appendix 1 Code of Corporate Governance

## 7. Background Papers

None



# Code of Corporate Governance

November 2023.



# Introduction

Corporate governance is a term used to describe the way that organisations direct and control what they do. For local authorities, it includes the systems, policies and processes, as well as the cultures and values, that underpin a council's arrangements for effective:

- leadership
- management
- performance
- delivery of positive customer outcomes
- community engagement
- stewardship of public money

## The Sandwell Vision 2030



*In 2030, Sandwell is a thriving, optimistic and resilient community. It's where we call home and where we're proud to belong - where we choose to bring up our families, where we feel safe and cared for, enjoying good health, rewarding work, feeling connected and valued in our neighbourhoods and communities, confident in the future, and benefiting fully from a revitalised West Midlands.*

The Sandwell Vision and its 10 Ambitions are at the heart of everything the council and partners in Sandwell do.



# Corporate Plan: Big Plans for a Great Place

The Council has developed its Corporate Plan- The Sandwell Plan – Big Plans for a Great Place that sets out what the Council will do to deliver Vision 2030 and the 10 Ambitions over the next five years and is based upon six strategic outcomes. The driving theme behind the Plan is One Team: One Council, which reflects the culture of the organisation through strong leadership in an honest, open and transparent environment.

## OUR STRATEGIC OUTCOMES



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



ONE COUNCIL  
ONE TEAM

This Code of Corporate Governance contributes to our Big Plans for a Great Place by ensuring that a strong governance framework is in place and underpins everything the council does.



# Good Corporate Governance

Sandwell Council is committed to achieving good corporate governance and this Code describes how the council intends to achieve this in an open and explicit way. In developing this Code, the council has considered best practice and guidance, particularly the seven core principles of the CIPFA/SOLACE framework “Delivering Good Governance in Local Government”.

Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.

Ensuring openness and comprehensive stakeholder engagement.

Defining outcomes in terms of sustainable economic, social, and environmental benefits.

Determining the interventions necessary to optimise the achievement of the intended outcomes.

Developing the entity’s capacity, including the capability of its leadership and the individuals within it.

Managing risks and performance through robust internal control and strong public financial management.

Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

However, the Code is purposefully written in a way that best reflects the council’s own structure, functions, size and the governance arrangements in existence.





# The Sandwell Position

Sandwell embraces the seven principles with clear lines of accountability for any decisions it makes, and clear rules, regulations, policies and practices which govern how those decisions are made and implemented.

The council has adopted the strong ‘leader and cabinet’ form of executive arrangement under the Local Government and Public Involvement in Health Act 2007 with a Cabinet of up to ten Councillors, meeting in public to make executive decisions on matters of strategy and borough-wide significance. Each Cabinet Member also has a portfolio of responsibility for the delivery of services, which are aligned to each of the 10 Vision Ambitions, for which they are accountable. The council’s practices are underpinned by three overarching principles:

## Respect for others

Councillors should promote equality by not discriminating unlawfully against any person and by treating people with respect, regardless of their sex, sexual orientation, gender reassignment, race, religion and belief, disability, age, marriage and civil partnership. They should respect the impartiality and integrity of the council’s statutory officers and its other employees.

## Duty to uphold the law

Councillors should uphold the law and, on all occasions, act in accordance with the trust that the public has entrusted in them.

## Stewardship

Councillors should do whatever they are able to do to ensure that the council uses its resources prudently and in accordance with the law.



# Putting the principles into practice in Sandwell

Sandwell Council is confident that its governance arrangements are robust. Following central government intervention and the appointment of independent Commissioners, the Council has reviewed, with the assistance of external specialist organisations, its corporate governance arrangements and has implemented a schedule of changes. The council recognises, however, that improvement and progress will need to continue and evolve in order that we continue to respond to extensive change and to meet rising government and customer expectations about the quality and responsiveness of services.

The Council has an Improvement Plan in place that is monitored monthly by Leadership Team and quarterly by Cabinet, Audit and Scrutiny. The council reports its progress to Central Government every six months. Significant progress has been made to deliver the actions within the Improvement Plan and the council's progress has been recognised by the Commissioners and by our external reviewers (Grant Thornton, CIPFA and LGA) who conducted follow up reviews in late 2022.

The council acknowledges the amount of work ahead to continue the council's improvement. Key areas of focus are organisational culture, customer journey, transformation and delivering the Medium-Term Financial Strategy.



# Monitoring, Review and Changes

The council's commitment to good corporate governance includes the application, development and maintenance of this Code. This is undertaken by the council's Corporate Governance Board (the Board). The Board is responsible for monitoring and reviewing the effectiveness of the governance framework and identifying any issues and agreeing an action plan. The results of this review are contained in the Annual Governance Statement which is reported to the Audit and Risk Assurance Committee and published with the Annual Statement of Accounts. The role of the Committee is to understand the process undertaken to review governance and to ensure that the Statement aligns with its understanding of the effectiveness of the council's governance framework. The Committee is also responsible for obtaining assurances that the measures within the action plan to improve governance are addressed and implemented.

Any changes that are required to this Code resulting from its review, will be submitted to the council for approval.



**Councillor Kerrie Carmichael**  
**Leader of the Council**



**Shokat Lal**  
**Chief Executive**



# Principle 1

## Principle 1: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

### CIPFA/ Solace behaviours and actions that demonstrate good governance in practice

- Ensuring Councillors and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation.
- Ensuring Councillors take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles).
- Leading by example and using these standard operating principles or values as a framework for decision making and other actions.
- Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively.
- Seeking to establish, monitor and maintain the organisation's ethical standards and performance.
- Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation.
- Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values.
- Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with high ethical standards expected by the organisation.
- Ensuring Councillors and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations.
- Creating the conditions to ensure that the statutory officers, other key post holders and Councillors are able to fulfil their responsibilities in accordance with legislative and regulatory requirements.

### The key processes and arrangements Sandwell Council has in place to demonstrate compliance with the principles of good governance

- The council's values and behaviours guide and shape the council's culture and helps Councillors and officers understand what is expected from them. These values and behaviours have been reviewed corporately, with input from colleagues across the organisation during 2022, were considered by Cabinet in March 2023 and rolled out across the organisation with a series of workshops and regular, targeted communications aiding in dissemination and corporate adoption. The revised values and behaviours set out the corporate expectations of officers on their conduct and enhance the officer protocols contained in the constitution.
- Upon election to office, Councillors confirm in writing that they will fulfil the expectations set out in the Code of Conduct for Elected Members. The Code of Conduct is provided to all Councillors immediately after their election.
- Codes of Conduct for officers and Councillors are in place and supplemented by guidance for when serving on outside bodies including partnerships.
- During 2022, all members have been invited to contribute to a comprehensive review of the Code of Conduct for Officers and associated protocols that establish how Councillors and Officers work together. The Council adopted the LGA model Code of Conduct in November 2022 and implemented it with immediate effect.
- Alongside the Code of Conduct review, arrangements for dealing with complaints about members were refreshed and the Councils website content updated in line with the changes
- The ethical standards and member development committee have a development programme in place for Councillors. The Council is able to demonstrate compliance with the 15 recommendations to local authorities from the Committee on Standards in Public Life
- Cabinet Members and Directors provide an annual assurance statement on compliance with and their respective Codes of Conduct.
- The Council has in place, arrangements for performance management for officers. these arrangements establish individual officer objectives that align with corporate priorities, and are measured at 6-month intervals
- Professional development planning for Councillors informs the member induction and development programme

# Principle 1

## Principle 1: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

### CIPFA/ Solace behaviours and actions that demonstrate good governance in practice

- Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders.
- Dealing with breaches of legal and regulatory provisions effectively.
- Ensuring corruption and misuse of power are dealt with effectively.

### The key processes and arrangements Sandwell Council has in place to demonstrate compliance with the principles of good governance

- Corporate training and induction programmes ensure that Members and Officers have access to appropriate training to assist them in effectively executing their duties and understand the standards of behaviour expected of them
- The Council has a programme of governance training for officers that focuses on key issues including procurement, contract management, budget management, decision making, report writing and transparency and accountability
- The Member Development programme incorporates corporate governance themes. The corporate governance offer is tailored to Members undertaking a variety of different roles and responsibilities.
- A central Register of interests for Councillors and officers is held and updated regularly.
- Declarations of interest sought and recorded annually or, upon identification of a new interest, within 28 days.
- The Council has a Gifts and Hospitality policy for Members and Officers.
- Open and transparent decision-making arrangements, including an effective Audit and Risk Assurance Committee.
- Robust and proper arrangements in place to ensure high standards of behaviour in dealing with the invitation of tenders and award of contracts and financial matters through effective Standing Orders, Financial Regulations and Procurement and Contract Procedure Rules. These have been refreshed as part of the Council's holistic review of democratic governance arrangements.
- All Members were invited to participate in the review that was led by the Governance and Constitution Review Committee. Changes to the Councils Constitutional provisions in relation to Standing Orders, Finance Regulations and Contract Procedure rules were approved by Full Council in July, September, November and December 2022.

# Principle 1

## Principle 1: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

CIPFA/ Solace behaviours and actions that demonstrate good governance in practice

The key processes and arrangements Sandwell Council has in place to demonstrate compliance with the principles of good governance

- The Council has a Modern Slavery policy and statement to ensure modern slavery is not taking place in any part of its own business or any of its supply chains.
- Policies and processes on information governance in place and process in place for dealing with Freedom of Information Act requests, Environmental Information Regulations requests and Subject Access Requests.
- Confidential reporting code (whistleblowing policy) which allows employees, partners, contractors and the public to make confidential complaints on matters of concern.
- The Ethical Standards and Member Development Committee promotes and maintains high standards of conduct and ethical governance by Councillors and presents an Annual Report to the council setting out how it has discharged its functions. The committee receives regular reports on allegations of Elected Member misconduct and the outcome of each complaint.
- Customer Complaints and Compliments Processes are in place.
- Arrangements for dealing with (Councillors) standards allegations under the Localism Act 2011 are in place.
- Compliance with CIPFA's "Statement on the role of the Chief Finance Officer in local government" which is reviewed on an annual basis.
- Specific roles and responsibilities of Councillors are detailed in the Constitution.
- Each Committee has clear terms of reference which are reviewed on an annual basis.
- Anti-Money Laundering and Anti-Fraud and Corruption policies.
- Compliance with Data Protection requirements, GDPR and related guidance.
- Membership of various professional and advisory organisations (by both the council and professional officers) to help ensure up to date knowledge of legal and regulatory duties and responsibilities are maintained.
- In March 2023, the Cabinet approved a refreshed corporate approach to the Equality, Diversity and Inclusion (EDI) agenda. Following the LGA Equality Framework the Councils is working to develop its future EDI strategy.

# Principle 2

## Principle 2: Ensuring openness and comprehensive stakeholder engagement

CIPFA/ Solace behaviours and actions that demonstrate good governance in practice

The key processes and arrangements Sandwell Council has in place to demonstrate compliance with the principles of good governance

- Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness.
  - Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided.
  - Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear.
  - Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action.
  - Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably.
  - Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively.
  - Ensuring that partnerships are based on trust, a shared commitment to change, a culture that promotes and accepts challenge among partners and that the added value of partnership working is explicit.
  - Establishing a clear policy on the type of issues that the organisation will meaningfully consult with to ensure that service (or other) provision is contributing towards the achievement of intended outcomes.
  - Ensuring that communication methods are effective, and that Councillors and officers are clear about their roles with regard to community engagement.
- The council's Constitution outlines the way in which it is organised to carry out its functions, powers, duties and obligations. It explains the structures and decision-making processes of the council and brings together in one document all the detailed rules and procedures that govern the behaviour of those who work for or represent the council.
  - The Constitution sets out how the council is accountable to the local community, the individual rights of citizens and sets out the role of the scrutiny function in engagement with the public and partners.
  - Cabinet reports include details of engagement and consultation activity undertaken as part of the decision-making process.
  - A Scrutiny Annual Report is produced, and individual scrutiny review reports are also undertaken and published.
  - Electronic communications and use of social media (Facebook, Twitter, YouTube, etc.).
  - Statutory Notices are published on a monthly basis and set out what key decisions the council's Executive is going to make.
  - The Committee Management Information System (Modern.gov) allows members of the public to examine agendas, reports, minutes and decisions of any meeting via the council's web site.
  - Full Council, Cabinet and certain committee meetings are webcast.
  - Reporting guidelines ensure consultation with all relevant officers takes place prior to submitting decision making reports.
  - Sandwell's Elected Member level decisions are taken in a public forum, at a formal meeting at a pre-advertised time and place so that the public and/or other Councillors of the council can attend. Decisions are only made in private if a report contains exempt information as defined by Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006.
  - The Freedom of Information policy and Publication Scheme provide details of information that is publicly accessible.

# Principle 2

## Principle 2: Ensuring openness and comprehensive stakeholder engagement

CIPFA/ Solace behaviours and actions that demonstrate good governance in practice

- Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs.
- Implementing effective feedback mechanisms to demonstrate how views have been taken into account.
- Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity.
- Taking account of the interests of future generations of tax payers and service users.

The key processes and arrangements Sandwell Council has in place to demonstrate compliance with the principles of good governance

- Council's compliance with the data transparency agenda includes publication of all expenditure in excess of £500 and all spend on procurement cards.
- Sandwell Trends provides data, intelligence and analysis of the people and places of Sandwell to inform decision making
- The council has protocol and procedure in place in line with the Localism Act 2011 for dealing with requests in relation to assets of community value.
- The Sandwell Vision 2030, Corporate Plan and Medium Term Financial Strategy set out the council's ambitions and plans, to achieve our vision.
- Communication with officers through team briefs, staff surveys, the intranet, social media, newsletters, blogs, manager briefings and staff conferences.
- Communication with representative bodies is conducted through the service area Joint Consultative Committees and the corporate Joint Consultative Panel.
- The council website hosts a database of issues where we actively engage in public consultation.
- The council consults with targeted stakeholders for specific projects using a variety of different consultation tools.
- The MySandwell account allows residents to request services, report problems and track any enquiries they put in to the council. A mobile app has been developed to heighten public access to the Council
- Improving resource use through effective business planning and appropriate application of techniques such as benchmarking and other approaches in order to determine how resources are allocated to achieve outcomes effectively and efficiently.
- The council undertakes Equality Impact Assessments on issues that will affect our community.



# Principle

## Principle 3: Defining outcomes in terms of sustainable economic, social, and environmental benefits

CIPFA/ Solace behaviours and actions that demonstrate good governance in practice

- Having a clear vision, which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provide the basis for the organisation's overall strategy, planning and other decisions.
- Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer.
- Delivering defined outcomes on a sustainable basis within the resources that will be available.
- Identifying and managing risks to the achievement of outcomes
- Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available.
- Considering and balancing the combined economic, social and environmental impact of policies and plans when taking decisions about service provision.
- Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints.
- Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs.
- Ensuring fair access to services.

The key processes and arrangements Sandwell Council has in place to demonstrate compliance with the principles of good governance

- The council's Corporate Plan sets out how the council aims to achieve its ambitious Vision 2030 to deliver positive outcomes for the people of Sandwell. The Plan is supported by the council's Medium Term Financial Strategy which ensures that resources are targeted towards achievement of the council's priorities.
- The council uses its combined spending power to work towards sustainable social and economic benefits.
- The Black Country Core Strategy makes a valuable contribution to shaping future development, improving the safety and security of the area and reducing crime and disorder within the Borough and is linked into the West Midlands Combined Authority Strategic Economic Plan.
- Annual reports including Scrutiny, Audit, Safeguarding Boards, provide details of performance against service specific activities.
- Each directorate has a business plan which sets out how they will contribute to the delivery of the Council's corporate aims and objectives.
- The MySandwell customer portal provides data derived from customer feedback for the use of service areas to direct improvements.
- Value for money is assessed through External Audit, the Audit and Risk Assurance Committee reviews, service reviews and other external inspections.
- A Strategic Risk Register identifies the key risks which may impact upon the delivery of key priorities and appropriate mitigating actions. This is regularly considered by the Audit and Risk Assurance Committee.
- Decision making reports consider the sustainability of proposals as well as health, social value and financial implications.
- Cabinet Workshop meetings are regularly held to set the strategic direction and identify priorities in response to available resources, identified need, statistical evidence and citizen feedback.

# Principle 4

## Principle 4: Determining the interventions necessary to optimise the achievement of the intended outcomes

CIPFA/ Solace behaviours and actions that demonstrate good governance in practice

- Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and associated risks. Therefore, ensuring best value is achieved however services are provided.
- Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts.
- Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets.
- Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered.
- Considering and monitoring risks facing each partner when working collaboratively, including shared risks.
- Ensuring arrangements are flexible and agile so that the mechanisms for delivering goods and services can be adapted to changing circumstances.
- Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured.
- Ensuring capacity exists to generate the information required to review service quality regularly.
- Preparing budgets in accordance with objectives, strategies and the Medium Term Financial plan.
- Informing medium and long-term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy.

The key processes and arrangements Sandwell Council has in place to demonstrate compliance with the principles of good governance

- The council's Constitution sets out our approach to decision making and details the responsibilities for and principles of decision making within the council. This was reviewed, revised and approved by Council during 2022.
- Decision making reports include alternative options available and details of any significant risks associated with the proposals.
- There are clear timescales for the submission of reports to Council, Cabinet and committee's and a compulsory consultation process to evidence the review of reports prior to submission to Councillors. Reports are structured to identify options for consideration along with an analysis of outcomes, any identified risks and associated mitigating measures.
- The council's Medium Term Financial Strategy is updated annually. The strategy sets out how the council wishes to structure and manage its finances now and, in the future, and to ensure this approach facilitates delivery of the its vision, aims and objectives.
- Directorates produce individual business plans which are reviewed annually and set out the vision and strategy for services.
- Electronic communications and use of social media (Facebook, Twitter, YouTube, etc.) as tools for community engagement
- Communication with staff is through manager briefings, team briefs, staff surveys, the intranet, social media, newsletters and blogs.
- Communication with representative bodies is conducted through the service area Joint Consultative Committees and the corporate Joint Consultative Panel.
- Partnerships are in place where the council has arrangements to deliver services jointly or through other organisations. The effectiveness of these arrangements is assessed through partnership boards or contract monitoring.
- The Council has established Towns Fund Boards to deliver the Towns Fund Programmes in each of the towns in receipt of funding. The boards are comprised of a series of partners and has a defined and established governance framework that complies with national requirements and are regularly reviewed in line with each phase of the programme

# Principle 4

## Principle 4: Determining the interventions necessary to optimise the achievement of the intended outcomes

### CIPFA/ Solace behaviours and actions that demonstrate good governance in practice

- Ensuring the Medium Term Financial strategy integrates and balances service priorities, affordability and other resource constraints.
- Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term.
- Ensuring the Medium Term Financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage.
- Ensuring the achievement of 'social value' through service planning and commissioning.

### The key processes and arrangements Sandwell Council has in place to demonstrate compliance with the principles of good governance

- Partnership risks are identified in relevant risk registers.
- The council has a strategic risk register and a Brexit strategic risk register that identifies the key risks which may impact upon the delivery of key services and the effectiveness of the council's response to the pandemic.
- The Sandwell Vision 2030, Corporate Plan and Medium Term Financial Strategy set out the council's improvement plan,
- Detailed plans for annual budgets are prepared and presented to council for approval alongside financial plans for the medium term. Regular reports are presented to the Budget and Corporate Scrutiny Management Board where the council's performance against budget is monitored.
- A corporate performance management framework tracks delivery of the council's strategy and performance of its services, with regular reporting to senior officers, Cabinet and Scrutiny which informs where action is required to address issues identified.
- Annual reports including Scrutiny, Audit, Safeguarding, provide details of performance against service specific activities.
- The council has guidance for compliance with the Public Services (Social Value) Act 2012. The Act requires all Public Services contracts above the OJEU threshold to be subject to appropriate social value criteria. While the Act is only compulsory for this category of contracts it was agreed that the council will consider social value criteria within all contracts.
- The Anchor Network Partnership establish priorities and assist in informing and developing community wealth projects.
- Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how resources are allocated so that defined outcomes are achieved effectively and efficiently.
- An Equality Impact Assessment is a compulsory consideration for all cabinet reports.

# Principle 5

## Principle 5: Developing the entity's capacity, including the capability of its leadership and the individuals within it

CIPFA/ Solace behaviours and actions that demonstrate good governance in practice

The key processes and arrangements Sandwell Council has in place to demonstrate compliance with the principles of good governance

- Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained.
- Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body.
- Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a structure whereby the chief executive leads in implementing strategy and managing the delivery of services and other outputs set by Councillors and each provides a check and a balance for each other's authority.
- Developing the capabilities of Councillors and senior management to achieve effective leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by:
  - Ensuring Councillors and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged.
  - Ensuring Councillors and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis.
  - Ensuring personal, organisational and system-wide development through shared learning, including lessons learnt from governance weaknesses both internal and external.
  - Ensuring that there are structures in place to encourage public participation.
  - Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections.
- Cabinet member portfolios are aligned to 10 Ambitions.
- The roles and responsibilities of the cabinet are set out in the council's Constitution, including the scheme of delegation.
- Annual reports including Scrutiny, Audit, Safeguarding, provide details of performance against service specific activities.
- Youth Parliament which encourages young people to engage with the council and its democratic processes.
- Protocol for Elected Member / Officer Relations included within the council's constitution.
- There is a Member Development Programme and newly Elected Member induction, that aim to meet the needs of the organisation and elected members. This is reviewed and adapted on an annual basis. Corporate Governance is a core element of both the induction and wider development programme
- The council's Leadership Team has a defined role and area of responsibility and all senior officers have job descriptions which set out respective responsibilities and accountabilities.
- Regular briefings are scheduled between the Leader, Commissioners and the Chief Executive to discuss current and emerging issues that need to be addressed corporately. Any associated member development needs are routinely considered
- The council-wide process for understanding the performance and professional development needs of our employees along with a suite of policies to support employee performance toward delivering excellence.
- Employee engagement survey helps understand how the council is performing against other organisations both in the public and private sector and identifies services and areas for improvement.
- Induction programme for staff and ongoing appraisal, training and development.
- The council-wide process for understanding the performance and professional development needs of our employees along with a suite of policies to support employee performance toward delivering excellence.

# Principle 5

## Principle 5: Developing the entity's capacity, including the capability of its leadership and the individuals within it

CIPFA/ Solace behaviours and actions that demonstrate good governance in practice

- Holding staff to account through regular performance reviews which take account of training or development needs.
- Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing.

The key processes and arrangements Sandwell Council has in place to demonstrate compliance with the principles of good governance

- Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources, including, Planned Leavers, Sandwell Graduate Programme and the Modern Apprentice programme. The council invests in its current and future leaders through the 'Future Engage Deliver' programme for all senior management and managers.
- Suite of clear policies and support mechanisms in place to maintain the health and wellbeing of its workforce, including access to Occupational Health, Employee Assistance and Counselling service, Wellbeing Hub, remote and flexible working.
- The Local Government Association undertook a Corporate Peer Review in 2018 with a follow up review in 2022. The council has developed an action plan to address areas for continuous improvement that were identified by the review process.
- Engagement in national and local benchmarking exercises to help identify whether the council is performing well and identify areas for improvement.
- External inspections including Ofsted and external audit assess the capability and capacity of senior officers
- Assessment against CIPFA's "Role of the Chief Financial Officer" and the "Role of the Head of Audit".



# Principle 6

## Principle 6: Managing risks and performance through robust internal control and strong public financial management

CIPFA/ Solace behaviours and actions that demonstrate good governance in practice

- Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making.
- Implementing robust and integrated risk management arrangements and ensuring that they are working effectively
- Ensuring that responsibilities for managing individual risks are clearly allocated.
- Monitoring service delivery effectively including planning, specification, execution and independent post implementation review.
- Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook.
- Ensuring an effective scrutiny or oversight function is in place which provides constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation's performance and that of any organisation for which it is responsible (Or, for a committee system) Encouraging effective and constructive challenge and debate on policies and objectives to support balanced and effective decision making.
- Providing Councillors and senior management with regular reports on service delivery plans and on progress towards outcome achievement.
- Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (e.g. financial statements).
- Aligning the risk management strategy and policies on internal control with achieving objectives.
- Evaluating and monitoring risk management and internal control on a regular basis.
- Ensuring effective counter fraud and anti-corruption arrangements are in place.

The key processes and arrangements Sandwell Council has in place to demonstrate compliance with the principles of good governance

- The council has assessed itself against the six core principles in the CIPFA Financial Management Code and has prepared an action plan to address any areas of improvement for implementation from 2022 to 2024.
- The corporate risk management policy and strategy sets out the processes in place to manage risk across the organisation and the roles and responsibilities of officers and Councillors in this respect. The Audit and Risk Assurance Committee has oversight of risk management and is the council's primary body in respect of related issues.
- Partnership governance arrangements are in place where the council delivers services jointly or through other organisations. The effectiveness of these arrangements is assessed through partnership boards or contract monitoring.
- Regular reports to scrutiny boards, Audit and Assurance Committee and Full Council include annual Scrutiny, Audit, safeguarding reports and quarterly monitoring reports from Children's Services Commissioner which provide details of performance against service specific activities.
- A comprehensive review of the Councils Scrutiny function was completed in 2022. Recommendations arising from the review have been implemented and are embedding across the organisation.
- The Constitution contains a section on decision making which details the responsibilities for and principles of decision making within the council.
- The Committee Management Information System on the council's website advertises when committee meetings will take place and publicises the agenda, reports (unless legislative exemptions apply) and minutes of the meeting.
- A corporate performance management framework tracks delivery of the council's strategy and performance of its services, with regular reporting to senior officers, Cabinet and Scrutiny which informs where action is required to address issues identified.
- The council has a scrutiny function which considers financial and corporate performance, making recommendations through to the cabinet.
- Decision making reports have a standard template ensuring that the financial and risk implications of the decisions are explicit.
- The council's Constitution states that it will exercise all its powers and fulfil its duties in accordance with the law and the Constitution and the Monitoring Officer ensures that this is complied with.
- The council has Financial Regulations and Procurement and

# Principle 6

## Principle 6: Managing risks and performance through robust internal control and strong public financial management

CIPFA/ Solace behaviours and actions that demonstrate good governance in practice

- Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor.
- Ensuring an audit committee or equivalent group/ function, which is independent of the executive and accountable to the governing body.
- Provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment.
- That its recommendations are listened to and acted upon
- Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data.
- Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies.
- Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring.
- Ensuring financial management supports both long term achievement of outcomes and short-term financial and operational performance.
- Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls.

The key processes and arrangements Sandwell Council has in place to demonstrate compliance with the principles of good governance

- Appropriate Schemes of Delegation to Cabinet Members and Officers are in place.
- The Internal Audit function and Corporate counter-fraud function are in place to provide independent assurance on risk areas. Assurance is based on completion of an annual internal plan, approved by the Audit and Risk Assurance Committee and presentation of progress reports and an annual report to the Committee.
- An Annual Governance Statement, which provides assurances that the Council's governance arrangements are robust is published with the Annual Statement of Accounts.
- The Audit and Risk Assurance Committee has clear terms of reference and receives regular training updates.
- The Audit and Risk Assurance Committee presents its annual report to Council detailing how it has met its constitutional functions.
- Suite of information governance policies are in place to manage data in compliance with the law.
- Codes of Conduct and declarations of interest ensure appropriate safeguards are in place for potential conflicts of interest.
- Customer Complaints and Compliments Process are in place and a Local Government Ombudsman Annual Review is presented to the Audit and Risk Assurance Committee.
- Process in place for dealing with Freedom of Information Act requests, Environmental Information Regulations requests and Subject Access Requests.
- Confidential Reporting Code (whistleblowing policy) communicated to officers, Councillors, partners and contractors.
- External Auditors provide an annual report which gives a conclusion on the council's arrangements to secure economy, efficiency and effectiveness in its use of resources.
- An Information Governance framework to ensure compliance with Data Protection requirements and related guidance including General Data Protection Regulations.

# Principle 7

## Principle 7: Implementing good practices in transparency, reporting, and audit to deliver effective accountability

### CIPFA/ Solace behaviours and actions that demonstrate good governance in practice

- Writing and communicating reports for the public and other stakeholders in a fair, balanced and understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate.
- Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand.
- Reporting at least annually on performance, value for money and stewardship of resources to stakeholders in a timely and understandable way.
- Ensuring Councillors and senior management own the results reported.
- Ensuring robust arrangements for assessing the extent to which the principles contained in this Framework have been applied and publishing the results on this assessment, including an action plan for improvement and evidence to demonstrate good governance (the annual governance statement).
- Ensuring that this Framework is applied to jointly managed or shared service organisations as appropriate.
- Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other, similar organisations.
- Ensuring that recommendations for corrective action made by external audit are acted upon.
- Ensuring an effective internal audit service with direct access to Councillors is in place, providing assurance with regard to governance arrangements and that recommendations are acted upon.
- Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations.

### The key processes and arrangements Sandwell Council has in place to demonstrate compliance with the principles of good governance

- Website reports on actions completed and decisions taken and provides access to the information on which decisions were made. Stakeholders are kept informed of future plans of the council and asked to become involved through the completion of consultation exercises.
- Annual reports produced by the various committees and are available on the council website.
- The Statement of Accounts is available through the council website. The public is able to inspect the councils accounts and discuss them with external auditors in advance of them providing their opinion on robustness.
- An Annual Governance Statement (AGS) is published with the Statement of Accounts. The AGS provides an accurate representation of the corporate governance arrangements and highlights areas where improvements are required and the action plan in place to address this which is monitored by the Audit and Risk Assurance Committee.
- Service support agreement with Sandwell Children's Trust stipulates requirements of the Trust to operate within this framework.
- Service Delivery Contract with the Trust sets out the respective responsibilities and accountabilities of the council and the Trust.
- External Auditors provide an annual report (ISA 260- Report to Those Charged with Governance) which gives a conclusion on the council's arrangements to secure economy, efficiency and effectiveness in its use of resources.
- Internal audit complies with the Public Sector Internal Audit Standards.
- Annual Internal Audit Report with opinion from the Head of Internal Audit.
- Assessment against CIPFA's role of the Head of Internal Audit
- Action plans resulting from review reports (internal audit, external audit, peer reviews, third party reviews), a named officer is given responsibility for completion and progress is monitored by the appropriate committee or senior officer.
- The corporate risk management policy and strategy sets out the processes in place to manage risk across partnerships and the roles and responsibilities of officers and Councillors in this respect.



# Principle 7

## Principle 7: Implementing good practices in transparency, reporting, and audit to deliver effective accountability

### CIPFA/ Solace behaviours and actions that demonstrate good governance in practice

- Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement.
- Ensuring that when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognised and met.

### The key processes and arrangements Sandwell Council has in place to demonstrate compliance with the principles of good governance

- Partnership governance arrangements are in place where the council delivers services jointly or through other organisations. The effectiveness of these arrangements is assessed through partnership boards or contract monitoring.
- Annual assurances sought from the Trust through completion of an assurance statement which informs the Annual Governance Statement.
- External inspections including Ofsted, and external audit assess council performance, of which the outcomes of which are reported as appropriate to Audit and Risk Assurance Committee, Scrutiny and Cabinet.
- The Local Government Association undertook a Corporate Peer Review in 2018 with a follow up review in 2022. The Council has developed an action plan to address areas for continuous improvement that were identified by the review process.
- External reviews were also undertaken by Cipfa and the Council's external auditors. Recommendations were incorporated into the Council's Improvement Plan, which is routinely monitored, and performance reported to central government
- During 2022, the Council reviewed its constitutional provisions and refreshed core governance framework strands including Financial, Contract and Procurement Procedures alongside its arrangements for the acquisition and disposal of assets protocol
- The corporate performance management framework includes a set of Key Performance Indicators which regularly track performance against desired outcomes, with reports incorporating benchmarking information with statistical neighbours where available.





## Report to Council

**12 December 2023**

<b>Subject:</b>	Consideration of Special Responsibility Allowance for Shadow Cabinet Members
<b>Director:</b>	Surjit Tour, Director of Law & Governance & Monitoring Officer
<b>Contact Officer:</b>	Suky Suthi-Nagra, Democratic & Member Services Manager







### 1 Recommendation

- 1.1 That Council considers the recommendation of the Independent Remuneration Panel to introduce a Special Responsibility of Allowance of 10% of the Leader's Allowance to Shadow Cabinet Members, providing the size of the largest opposition group membership equates to at least 5% of the membership size of the controlling political group on the Council and determines whether an allowance should be payable.

### 2 Reasons for Recommendations

- 2.1 The Independent Remuneration are required to consider and form recommendations to Council on a Scheme of Member Allowances in line with the parameters set out in the 2003 Regulations.

### 3 How does this deliver objectives of the Corporate Plan?

		Elected Members are integral to the delivery of the Council's ambition and corporate objectives. The Member Allowance Scheme supports all Councillors in the achievement of all objectives in the corporate plan
		
		



## 4 Context and Key Issues

### Report of the Independent Remuneration Panel (IRP)

- 4.1 The Council is required by the Local Authorities (Members' Allowances) (England) Regulations 2003 to undertake periodic reviews of its Scheme of Members' Allowances.
- 4.2 The Independent Remuneration Panel (IRP) must comprise a minimum of three members, none of whom is also a member of the Council or of a committee or sub-committee of the Council; or is disqualified from being a member of the Council by virtue of s80 of the Local Government Act 1972 and s79 and 83(11) of the Local Government Act 2000.
- 4.3 The IRP was convened under the Local Authorities (Members' Allowances) (England) Regulations 2003. These regulations provide for the requirement for all local authorities to maintain an independent remuneration panel to review and provide advice on the Council's members' allowances. The Council, in accordance with the regulations, retains decision making powers and responsibilities to determine the scope and levels of allowances. All Councils are required to convene and seek advice from the IRP before they make any changes to their scheme of allowances and must do so having considered any recommendations from the IRP.

### Scope of the Review

- 4.4 A comprehensive review of the Members Allowance Scheme took place in November 2022 with a focus on:-
- Setting the basic allowance
  - Special Responsibility Allowance (SRA)
  - Indexing of the scheme
  - Access to the superannuation scheme
  - DBS (Disclosure Barring Service) checks for elected members
  - ICT related allowances
  - SRA for Opposition Group Leaders
  - Potential for a "shadow cabinet" position and whether, if introduced, they would attract a SRA



## Shadow Cabinet Members

- 4.5 In 2022, the Independent Remuneration Panel met with members to seek views on the introduction and operation of a shadow cabinet member role and considered benchmarking data. The Panel subsequently recommended to Council on 23 May 2023 that the issue of formally recognising a shadow cabinet was a matter for Council and should the Council wish to progress this issue, it would be the Panel's recommendation that the roles should be afforded an allowance equivalent to 10% of the Leaders allowance.
- 4.6 The Governance and Constitution Committee met on 21 September 2023 and set up a working group to consider a Shadow Cabinet protocol (see Appendix 1). The protocol was subsequently approved by the Chair of the Committee in October 2023 and was considered by Council on 24 October 2023.

## Special Responsibility Allowance (SRAs)

- 4.7 A Special Responsibility Allowance (SRA) is a payment made to a member in recognition of holding a responsibility over and above that of a normal Member, paid monthly, in arrears. Sandwell has determined that a Member can only receive one SRA regardless of the number of positions that person holds.
- 4.8 SRAs are normally calculated as a percentage of the rate of allowance paid to the Leader of the Council. In making recommendations to the Council, the IRP will need to have regard with the following principles:-
- The work of a Member is essentially voluntary in nature;
  - Any scheme of allowances should be fair, transparent and logical;
  - Allowances apply to roles within the Council, not individual Members;
  - Allowances should represent reasonable compensation to Members for expenses they incur, and time they commit, in relation to their role, not remuneration for their work;
  - Members are not paid employees of the Council and their allowances should not be treated as salary;
  - Allowances cannot be used to recognise individual performance, the legislation does not provide for "performance related" allowances; and



- Special responsibility allowances are used to recognise the significant additional responsibilities which attach to some roles, not just the extra time required.

4.9 In recommending SRA and posts that merit an additional allowance, the IRP was mindful of the 2006 statutory guidance (para 72) that states:

“If the majority of Members of a Council receive a special responsibility allowance, the electorate may rightly question whether this was justified. Local Authorities will wish to consider very carefully the additional roles of Members and the significance of these roles, both in terms of responsibility and real time commitment before deciding which will warrant the payment of a Special Responsibility Allowance”.

4.10 The Independent Remuneration Panel met on 6 November 2023 to consider whether any SRA should be applied to the shadow cabinet member roles. The Panel considered the:-

- Shadow Cabinet Protocol which provided clarity on the role of shadow cabinet members;
- benchmarking data of other local authorities which identified whether other local authorities had a shadow cabinet and whether there was an allowance attached to the role.

4.11 The Panel was of the view that a Special Responsibility Allowance should be payable to Shadow Cabinet Members, to be set at 10% of the Leader’s Allowance (i.e. £2,858.40), where the size of the majority opposition group remains at 5% and above of the size of the controlling group. The Council is now requested to consider the recommendation of the IRP and determine whether an allowance should be payable to Shadow Cabinet Members.



## 5 Implications

<b>Resources:</b>	Member allowances are funded from within existing budgets. Any revisions to the scheme would be incorporated into budget proposals for approval by Council in March 2024
<b>Legal and Governance:</b>	The Council has a statutory duty to support and independent review of its members allowance scheme
<b>Risk:</b>	There are no risks associated with the proposal.
<b>Equality:</b>	The Member Allowance Scheme aims to support all who undertake the role of councillor.
<b>Health and Wellbeing:</b>	None associated with this report
<b>Social Value:</b>	None associated with this report
<b>Climate Change:</b>	None associated with this report
<b>Corporate Parenting:</b>	None associated with this report

## 6 Appendices

Appendix 1 - Shadow Cabinet Protocol

## 7. Background Papers

[Council Report 23 May 2023](#)

[IRP report November 2022](#)



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## Appendix A



### Shadow Cabinet Protocol

#### 1.0 Introduction

- 1.1 This Protocol captures the rights and responsibilities of members of the Shadow Cabinet for Sandwell Metropolitan Borough Council. The Protocol sets out the rights of Shadow Cabinet Members to access information, pose questions in Cabinet, inspect documents, receive briefings from Directors and attend Cabinet meetings. This protocol should be read in conjunction with other elements of the Constitution. Advice on the interpretation and application of this protocol will be given by the Monitoring Officer.
- 1.2 In law, all Councillors are equal and have the responsibilities of trustees. However, legislation and guidance gives certain powers and duties to the different roles which Councillors may hold e.g. Chair of the Council, Leader of the Council, Cabinet Member, Leader of the Opposition, Shadow Cabinet Member and Chair of a Scrutiny Board.
- 1.3 It is the responsibility of all Councillors to ensure that they are aware of their rights and responsibilities. If Councillors are ever in any doubt in terms of the law, Constitution, general propriety, or potential conflicts of interest, they should consult the Monitoring Officer.

#### 2.0 Composition

- 2.1 The Group Leader of the largest opposition group within the Council may choose to form a Shadow Cabinet by their nomination. If so, they will notify the Council and the Monitoring Officer of the names of the members nominated to form a Shadow Cabinet and of any changes in the membership of the Shadow Cabinet which may occur from time to time.

## **Appendix A**

- 2.2 The Group Leader of the largest opposition group may appoint a Shadow Cabinet Leader, Shadow Cabinet Deputy Leader and other Shadow Cabinet Members. In accordance with the relevant legislation relating to the composition of the Cabinet (Local Government Act, 2000) and the Sandwell Metropolitan Borough Council's Constitution in relation to the composition of the Cabinet (Article 7 Paragraph 7.02), the Shadow Cabinet shall comprise of no more than the number of members permissible for the Cabinet, i.e. no more than 10 Members and may not exceed the number of Members appointed to Cabinet at any given time.
- 2.3 Collectively these opposition councillors will be termed the Shadow Cabinet. A member of the Opposition may be appointed to shadow any one Cabinet Portfolio, but no Cabinet Portfolio shall be shadowed by two or more Opposition members.
- 2.4 The Group Leader of the majority opposition group can allocate portfolio responsibilities between and amongst the Shadow Cabinet and will mirror the portfolios of those of the Cabinet, save that a single Shadow Cabinet member may shadow more than one Cabinet Portfolio.

### **3.0 Role**

- 3.1 The Shadow Cabinet will have collective responsibility for providing an effective challenge to the controlling executive and for constructive scrutiny of the achievement of the Council's corporate and service objectives and priorities, as would be expected from the largest Opposition Group.

### **4.0 Questions to Cabinet**

- 4.1 Members of the Shadow Cabinet have a right to present questions to Cabinet as allowed under the Constitution:
- 4.1.1 If two days' notice in writing has been given to the Monitoring Officer, a Shadow Cabinet Member, may ask the Cabinet Member a question on a matter set out on the Cabinet agenda for that meeting.
- 4.1.2 Every question of which notice has been given under 4.1.1 above shall be put and answered without discussion.

## **Appendix A**

- 4.1.3 A Shadow Cabinet Member under 4.1.1 asking a question, once their question has been responded to, may ask one relevant supplementary question which must arise directly out of the original question, whether it is answered or not, or arising from the reply. The question must be put as a direct question and not preceded by a statement.
- 4.1.4 If a Shadow Cabinet Member, having submitted written notice of a question, is unable to attend the meeting of Cabinet, a written response shall be provided to the Shadow Cabinet and a copy appended to the minutes of the meeting.

### **5.0 Content of questions**

- 5.1 The Monitoring Officer may reject a Shadow Cabinet Member's request to ask a question if:
  - 5.1.1 it does not comply with any of the requirements of this Protocol;
  - 5.1.2 it is not about a matter which is being considered as an item of business at the meeting;
  - 5.1.3 it is defamatory, frivolous, vexatious, or offensive; and/or
  - 5.1.4 it would require the disclosure of confidential or exempt information or unauthorised/improper disclosure of personal data or personal sensitive data.

### **6.0 Rights of Shadow Cabinet Members to Private Briefings**

- 6.1 Shadow Cabinet Members are entitled to request private briefings from Council Chief Officers on:
  - 6.1.1 proposals to be considered by the Cabinet that have been published;
  - 6.1.2 matters contained within the Cabinet Forward Plan; and
  - 6.1.3 other matters identified by the Shadow Cabinet.
- 6.2 The Shadow Cabinet acknowledges that certain information and details may not be possible to include in any briefing without the approval of the Executive or due to legal and/or the need to maintain confidentiality or confidence. In such circumstances, the Chief Officer shall explain the reasons for not disclosing information.

## **Appendix A**

- 6.3 In such cases, the procedures set out under section 33, Part 5 of the Sandwell Metropolitan Borough Council Protocol on Member/Officer Relations will apply.
- 6.4 Directors can share with Shadow Cabinet Members information relating to policy as well as statistical analysis. For the avoidance of doubt, all briefings shall be factual and non-political in nature and not reveal information and advice that is precluded by statute or other established practices.
- 6.5 The briefings shall be underpinned, amongst others, by respect, dignity, courtesy, integrity, openness, mutual support and appropriate confidentiality.

### **7.0 Budget briefing Arrangements**

- 7.1 Council shall make arrangements for the Shadow Cabinet Members to receive briefings on the budget setting process. This support can include but not limited to supporting the opposition group prepare an alternative budget.

### **8.0 Information on Cabinet Forward Plans and other Plans**

- 8.1 Members of the Shadow Cabinet shall be entitled to receive timely information on the Cabinet Forward Plan as well as Scrutiny Work Programmes.

### **9.0 Information on delegated decisions**

- 9.1 Shadow Cabinet Members shall be entitled to receive periodically information on the list of delegated executive decisions made by individual Cabinet Members and officers.

### **10.0 Limitations on access to information**

- 10.1 Subject to Members existing rights of access to information as set out in Section 24-Part 4 Access to Information Rules within the Constitution, the Executive, cognisant of its duty to provide information upon request, has discretion on the nature, form, and content of information which it may or may not share with members of the Shadow Cabinet.

## **Appendix A**

- 10.2 Any exercise of discretion by the Executive may be subject to the provision of confidentiality undertakings by the Shadow Cabinet as to the access, use or processing of information shared under this Protocol.
- 10.3 Subject to 10.2 above, information shared with the Shadow Cabinet confidentially or in confidence shall not be disclosed by the Shadow Cabinet to any other person(s) within the council or with any external third party. Any requests for disclosure of such information must be referred to the Monitoring Officer for consideration and determination.

### **11.0 Powers**

- 11.1 For the avoidance of doubt, the Shadow Cabinet is not a decision-making body and will not have any Executive or Non-Executive powers. In this respect, council officers cannot be instructed to act on behalf of the Shadow Cabinet or individual members of the Shadow Cabinet in any way.

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## Report to Council

12 December 2023

<b>Subject:</b>	Proposed departure from the Development Plan At West Midlands Foundry Co Limited, Blakemore Road, West Bromwich, B70 8JF
<b>Director:</b>	Tony McGovern Director of Regeneration & Growth - Neighbourhoods
<b>Contact Officer:</b>	William Stevens Principal Planning Officer <a href="mailto:William_stevens@sandwell.gov.uk">William_stevens@sandwell.gov.uk</a>

### 1 Recommendations


- 1.1 That approval be given to an exception to the Development Plan in respect of planning application DC/23/68467 (proposed 2 No. portal framed buildings to house 7 No. small units for general industrial/storage and distribution use with associated vehicle access, substation, sliding front gates, parking and covered cycle shelter) – West Midlands Foundry Co Limited, Blakemore Road, West Bromwich.

### 2 Reasons for Recommendations

The proposal is on land allocated for residential use and as such any development is contrary to adopted Council policy. However, on the emerging Sandwell Development Plan, the site will be recommended to remain as industrial land, and therefore would not be a departure in years to come.



### 3 How does this deliver objectives of the Corporate Plan?

	A strong and inclusive economy
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### 4 Context and Key Issues

- 4.1 Planning Committee granted conditional approval at the meeting held on the 25 October 2023, which considered planning application DC/23/68467 (proposed 2 No. portal framed buildings to house 7 No. small units for general industrial/storage and distribution use with associated vehicle access, substation, sliding front gates, parking and covered cycle shelter).
- 4.2 The application was publicised by neighbour notification letters, site and press notice all without response.
- 4.3 Whilst Planning Committee Members approved the application, Council will need to approve the departure from the Development Plan before planning permission can be granted.
- 4.4 The site is currently a residential allocation and the proposed development would infill a vacant yard within an existing industrial estate. It is necessary for the Council to consider whether or not to grant an exception to adopted policy to allow the application to proceed.
- 4.5 The purpose of this report is to discuss the departure from the Development Plan only. It is not the role of Council to reconsider the wider planning merits of the application which have already been considered by Planning Committee.
- 4.6 The Council's Highways, Planning Policy, and Environmental Health teams have also been consulted on the proposal. No overall objections have been received from consultees which cannot be overcome by condition.





## 5 Alternative Options

- 5.1 Refusing the departure is an option, in doing so clear planning justification would have to be provided as any refusal of planning permission could result in an appeal and costs being awarded against the Council.

## 6 Implications

<b>Resources:</b>	The granting of exceptions to the Development Plan would not have any implications for the resources of the Council.
<b>Legal and Governance:</b>	The Planning Committee has delegated powers to determine planning applications within current Council policy. The decision to grant permission for this proposal would be contrary the Development Plan. Consequently, the Committee has referred the application to the Council to consider whether or not an exception to the development plan should be granted.
<b>Risk:</b>	None Relevant
<b>Equality:</b>	None Relevant
<b>Health and Wellbeing:</b>	None Relevant
<b>Social Value</b>	The proposal would create jobs
<b>Climate Change:</b>	None Relevant
<b>Corporate Parenting:</b>	None Relevant

## 7 Appendices

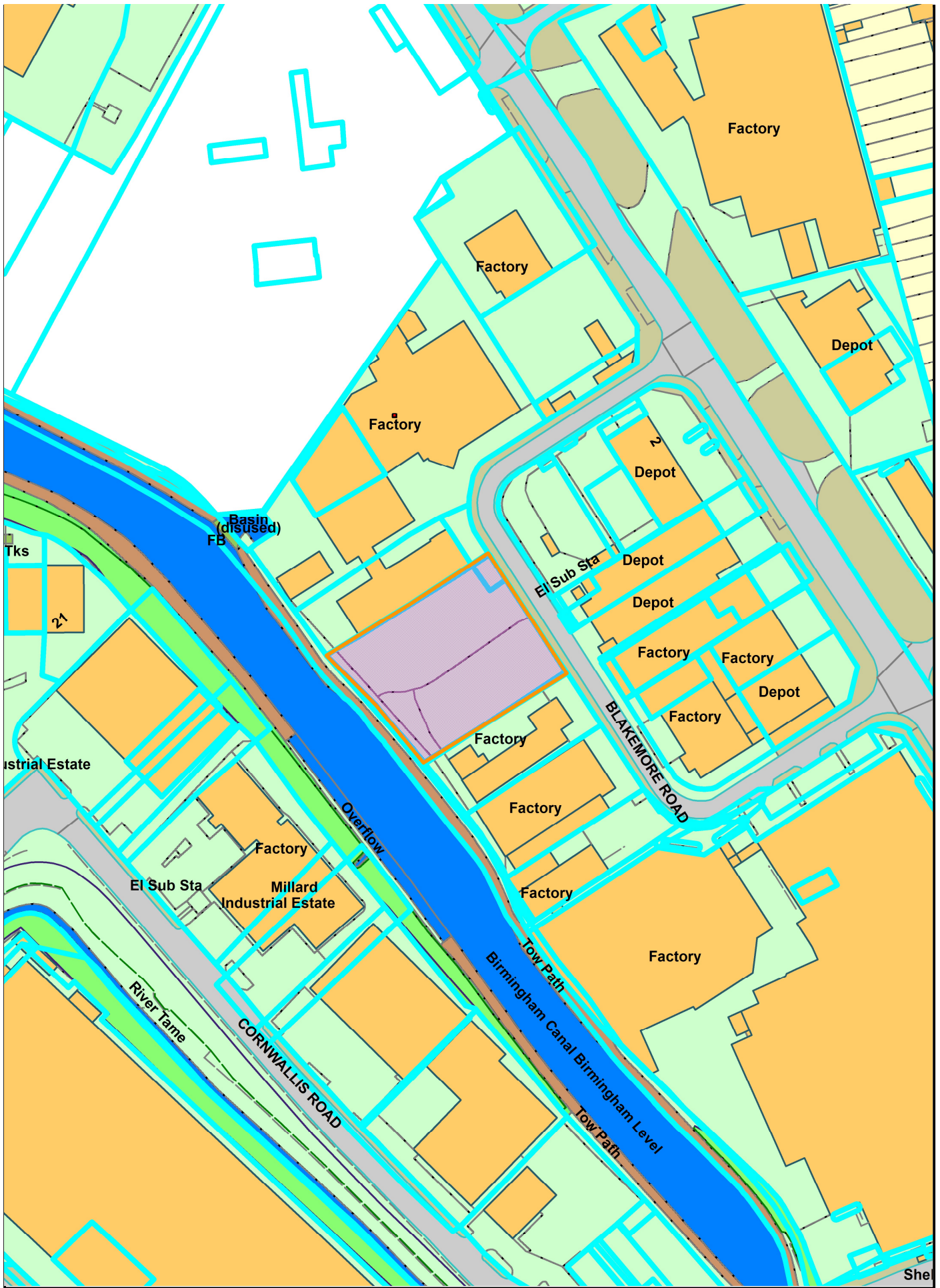
None

## 8 Background Papers

Planning application reference DC/23/68467



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## Report to Council

12 December 2023

<b>Subject:</b>	Proposed departure from the Development Plan At Locarno Works, Locarno Road, Tipton, DY4 9AF
<b>Director:</b>	Tony McGovern Director of Regeneration & Growth - Neighbourhoods
<b>Contact Officer:</b>	William Stevens Principal Planning Officer <a href="mailto:William_stevens@sandwell.gov.uk">William_stevens@sandwell.gov.uk</a>


### 1 Recommendations

- 1.1 That approval be given to an exception to the Development Plan in respect of planning application DC/23/68518 (Retention of light industrial and storage use, vehicular access, car and vehicle parking, lighting and CCTV) at Locarno Works, Locarno Road, Tipton.

### 2 Reasons for Recommendations

The proposal is on land allocated for residential use and as such any development is contrary to adopted Council policy.

### 3 How does this deliver objectives of the Corporate Plan?

	A strong and inclusive economy
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## 4 Context and Key Issues

- 4.1 Planning Committee granted conditional approval on the meeting held on the 29 November 2023, which considered planning application DC/23/68518 (Retention of light industrial and storage use, vehicular access, car and vehicle parking, lighting and CCTV).
- 4.2 The application was publicised by neighbour notification letters, site and press notice with five objections. These are contained within the attached report.
- 4.3 Whilst Planning Committee Members approved the application, Council will need to approve the departure from the Development Plan before planning permission can be granted.
- 4.4 The site is currently a residential allocation and the proposed development would make use of an yard within an existing industrial estate. It is necessary for the Council to consider whether or not to grant an exception to adopted policy to allow the application to proceed.
- 4.5 The purpose of this report is to discuss the 'departure' from the Development Plan only. It is not the role of Council to reconsider the wider planning merits of the application which have already been considered by Planning Committee.
- 4.6 The Council's Highways, Planning Policy, and Environmental Health teams have also been consulted on the proposal. No overall objections have been received from consultees which cannot be overcome by condition.

## 5 Alternative Options

- 5.1 Refusing the departure is an option, in doing so clear planning justification would have to be provided as any refusal of planning permission could result in an appeal and costs being awarded against the Council.



## 6 Implications

<b>Resources:</b>	The granting of exceptions to the Development Plan would not have any implications for the resources of the Council.
<b>Legal and Governance:</b>	The Planning Committee has delegated powers to determine planning applications within current Council policy. The decision to grant permission for this proposal would be contrary the Development Plan. Consequently, the Committee has referred the application to the Council to consider whether or not an exception to the development plan should be granted.
<b>Risk:</b>	None Relevant
<b>Equality:</b>	None Relevant
<b>Health and Wellbeing:</b>	None Relevant
<b>Social Value</b>	The proposal would create jobs
<b>Climate Change</b>	None Relevant
<b>Corporate Parenting</b>	None Relevant

## 7 Appendices

None

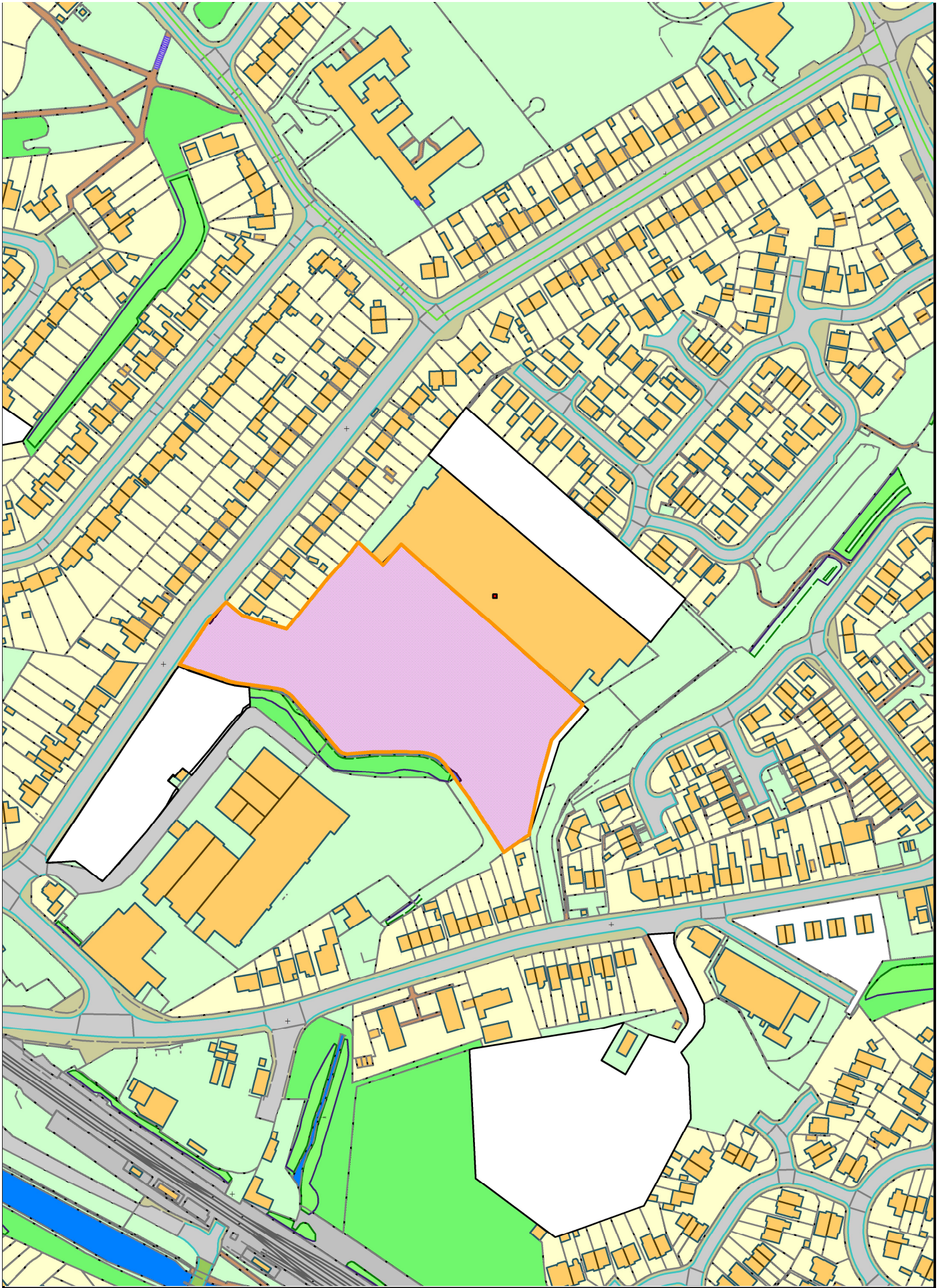
## 8 Background Papers

Planning application reference DC/23/68518



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## Report to Council

**12 December 2023**

<b>Subject:</b>	Proposed departure from the Development Plan at Tata Cargo Ltd, Rigby Street, Wednesbury, WS10 0NP
<b>Director:</b>	Tony McGovern Director of Regeneration & Growth
<b>Contact Officer:</b>	Senior Planner, Douglas Eardley douglas_eardley@sandwell.gov.uk

### 1 Recommendations


- 1.1 That approval be given to an exception to the Development Plan in respect of planning application DC/22/67520 - Retention of heavy goods lorry and trailer parking area with portable office at the site of Tata Cargo Ltd, Rigby Street, Wednesbury, WS10 0NP.

### 2 Reasons for Recommendations

- 2.1 The site forms part of a wider housing allocation in the Development Plan. To realise the housing allocation, comprehensive redevelopment would be required and given there is no evidence to suggest that the site would be brought forward for housing within a reasonable timeframe, on balance, it is considered that, on this occasion, the policy should be set aside to facilitate the site being retained for heavy goods lorry and trailer parking area with portable office which would remain in-keeping with the surrounding industrial area.



### 3 How does this deliver objectives of the Corporate Plan?

	A strong and inclusive economy – The retention of the use of the site for heavy goods lorry and trailer parking area with portable office would remain in-keeping with the surrounding industrial area, secure investment in the Borough, provide employment and add to the range of facilities in the local area.
---	--

### 4 Context and Key Issues

- 4.1 At the meeting of the Planning Committee held on 25 October 2023, consideration was given to planning application DC/22/67520 which sought approval for the retention of heavy goods lorry and trailer parking area with portable office at the site of Tata Cargo Ltd in Wednesbury.
- 4.2 Planning Committee approved the planning application with conditions, and to the application being referred to Council as a departure from the Development Plan.
- 4.3 The site is currently allocated for housing under the Site Allocations and Delivery Development Plan Policies Map. It is necessary for the Council to consider whether or not to grant an exception to adopted policy to allow the application to proceed.
- 4.4 The purpose of this report is to discuss the departure from the Development Plan only. It is not the role of Council to reconsider the wider planning merits of the application which have already been considered by Planning Committee.
- 4.5 The application has been publicised by site and press notices without response. The Canal and River Trust, Health and Safety Executive and the Council's Highways, Planning Policy, and Pollution Control teams have also been consulted on the proposal. No overall objections have been received from consultees which cannot be overcome by condition.

### 5 Alternative Options

- 5.1 Refusal of application is an option but there are no reasonable planning reasons for doing so.



## 6 Implications

<b>Resources:</b>	The granting of exceptions to the Development Plan would not have any implications for the resources of the Council.
<b>Legal and Governance:</b>	The Planning Committee has delegated powers to determine planning applications within current Council policy. The decision to grant permission for this proposal would be contrary to the Development Plan. Consequently, the Committee has referred the application to Council to consider whether or not an exception to the Development Plan should be granted.
<b>Risk:</b>	None relevant.
<b>Equality:</b>	None relevant.
<b>Health and Wellbeing:</b>	The development would provide employment and add to the range of facilities in the local area.
<b>Social Value</b>	The development would retain the use of the site and secure investment in the Borough.
<b>Climate Change</b>	None relevant.
<b>Corporate Parenting</b>	None relevant.

## 7. Appendices

Location Plan.

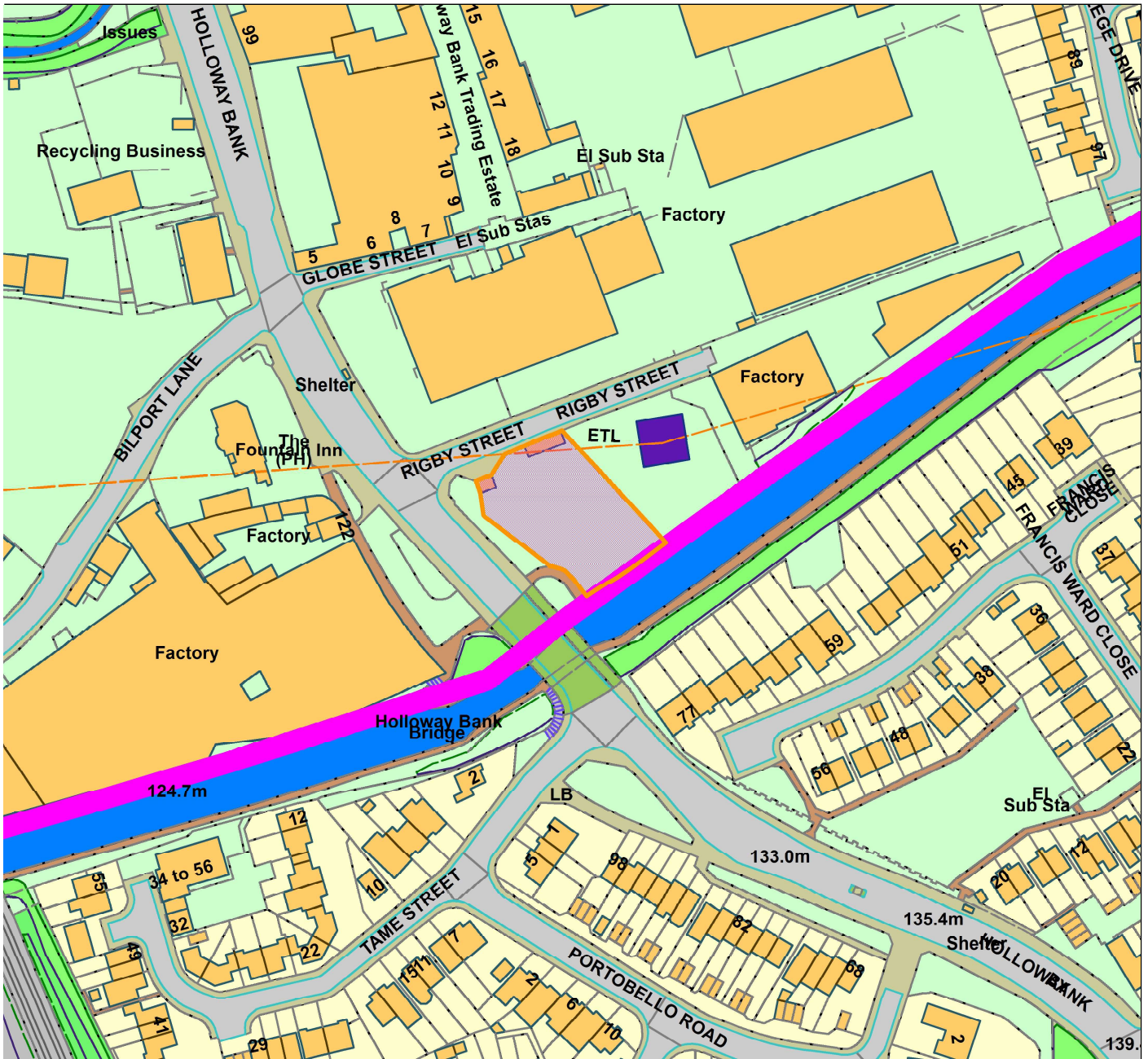
## 8. Background Papers

Planning application DC/22/67520.

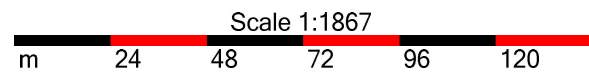


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Location Plan  
Tato Cargo Ltd, Rigby St, W'Bury



**Legend**



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Ordnance Survey Licence No 100023119

Organisation	Sandwell MBC
Department	Development Management
Comments	DC/22/67520
Date	21 November 2023
OS Licence No	

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## Report to Council

**12 December 2023**

<b>Subject:</b>	Proposed departure from the Development Plan at land at Corner of Cleton Street and Sedgley Road East/Tipton Road, Tipton, DY4 7TR
<b>Director:</b>	Tony McGovern Director of Regeneration & Growth
<b>Contact Officer:</b>	Senior Planner, Anjan Dey anjan_dey@sandwell.gov.uk

### 1 Recommendations

- 1.1 That approval be given to an exception to the Development Plan in respect of planning application DC/23/68624 - Proposed 2 No. detached light industrial units with new access, parking, landscaping and new retaining wall with railings to rear at land at corner of Cleton Street and Sedgley Road East/Tipton Road, Tipton.

### 2 Reasons for Recommendations

- 2.1 The site forms part of a wider housing allocation in the Development Plan. To realise the housing allocation, comprehensive redevelopment would be required and given there is no evidence to suggest that the site would be brought forward for housing within a reasonable timeframe, on balance, it is considered that, on this occasion, the policy should be set aside to facilitate the construction of 2 no. detached light industrial units with new access, parking, landscaping and new retaining wall with railings to the rear.



### 3 How does this deliver objectives of the Corporate Plan?



A strong and inclusive economy – the proposed 2 no. industrial units would keep with the surrounding industrial area within Cleton Street Industrial Park, secure investment in the Borough, provide employment and add to the range of facilities in the local area.

### 4 Context and Key Issues

- 4.1 At the meeting of the Planning Committee held on 29<sup>th</sup> November 2023, consideration was given to planning application DC/23/68624 which sought approval for 2 no. detached light industrial units with new access, parking, landscaping and new retaining wall with railings to rear.
- 4.2 Planning Committee approved the planning application with conditions, and to the application being referred to Council as a departure from the Development Plan.
- 4.3 The site is currently allocated for housing under the Site Allocations and Delivery Development Plan Policies Map. It is necessary for the Council to consider whether or not to grant an exception to adopted policy to allow the application to proceed.
- 4.4 The purpose of this report is to discuss the departure from the Development Plan only. It is not the role of Council to reconsider the wider planning merits of the application which have already been considered by Planning Committee.
- 4.5 The application has been publicised by neighbour notification letter without response. The Canal and River Trust, and the Council's Highways, Planning Policy, and Pollution Control teams have also been consulted on the proposal. No overall objections have been received from consultees which cannot be overcome by condition.

### 5 Alternative Options

- 5.1 Refusal of application is an option but there are no reasonable planning reasons for doing so.



## 6 Implications

<b>Resources:</b>	The granting of exceptions to the Development Plan would not have any implications for the resources of the Council.
<b>Legal and Governance:</b>	The Planning Committee has delegated powers to determine planning applications within current Council policy. The decision to grant permission for this proposal would be contrary to the Development Plan. Consequently, the Committee has referred the application to Council to consider whether or not an exception to the Development Plan should be granted.
<b>Risk:</b>	None relevant.
<b>Equality:</b>	None relevant.
<b>Health and Wellbeing:</b>	The development would provide employment and add to the range of facilities in the local area.
<b>Social Value</b>	The development would retain the use of the site and secure investment in the Borough.
<b>Climate Change</b>	None relevant
<b>Corporate Parenting</b>	None relevant

## 7. Appendices

Location Plan.

## 8. Background Papers

Planning application DC/23/68624.



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SITE LOCATION PLAN  
AREA 4 HA  
SCALE: 1:1250 on A4  
CENTRE COORDINATES: 396706 , 291160



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Licence No: 100047474  
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## Report to Council

12 December 2023

<b>Subject:</b>	Planning Delegations Agreement
<b>Director:</b>	Director of Regeneration and Growth Tony McGovern
<b>Contact Officer:</b>	Development Planning Manager Alison Bishop Alison_bishop@sandwell.gov.uk

### 1 Recommendations




1.1 That the revised planning delegations agreement be approved.

### 2 Reasons for Recommendations

2.1 The local planning authority is monitored closely by the Government regarding the time taken to determine planning applications. (Applicants have a right to appeal to the Planning Inspectorate if their application is not dealt within the prescribed time). The revised planning delegations agreement has been updated to align with new legislation and Council structure, clarify the reasons for reporting a planning application to your committee and removing the need to report certain planning applications to your committee that are not controversial. This will ensure the delegations agreement aligns with current legislations and Council structures and assists in ensuring that planning decisions are made within timescales set out by Central Government.



### 3 How does this deliver objectives of the Corporate Plan?

	Strong resilient communities
	Quality homes in thriving neighbourhoods
	A strong and inclusive economy

## 4 Context and Key Issues

- 4.1 The current planning delegations agreement was last reviewed in 2012. The purpose of the planning delegations agreement is to ensure that planning applications are determined in an open and transparent manner.
- 4.2 The current agreement sets out those planning decisions that are excluded from being delegated to planning officers. There are currently 9 reasons that remove delegated authority and instead require a planning application to be reported to planning committee. The reasons are summarised below:-
- i) A Councillor makes written request;
  - ii) The Director of Regeneration and Economy considers the application should be reported to your committee;
  - iii) The application is a departure from the development plan;
  - iv) The proposal involves the Council as applicant or land owner;
  - v) The applicant is a councillor or their immediate relative;
  - vi) The applicant is a member of the Council's management team, a service unit head, a member of the planning service or any member of staff within the authority who could be seen to have a direct influence on the application;
  - vii) Any application where a Council employee is privately involved in a capacity as an agent or consultant;
  - viii) Where an application receives three or more material planning representations which are contrary to officer recommendation; and
  - ix) Any application which is subject to a Section 106 agreement.





- 4.3 The local planning authority is monitored closely by the Government regarding the time taken to determine planning applications. (Applicants have a right to appeal to the Planning Inspectorate if their application is not dealt within the prescribed time).

The Government targets are as follows:-

60% of major applications to be determined in 13 weeks

70% of minor applications to be determined in 8 weeks

80% of other applications to be determined in 8 weeks

The number of planning and related applications received and determined between 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023 was;

**1153** planning applications received of which **1169\*** applications were determined. (*\*this number is larger as we determined applications in this period that were carried over from previous months*).

Of the 1169 applications determined, 1124 (96%) were dealt with by officers using delegated powers.

- 4.4 The proposed revisions to the delegations agreement as indicated above is firstly to reflect updated legislation and changes in the Councils organisational structure. Secondly, there are proposals to clarify the wording for reasons why an application cannot be determined under delegated powers to avoid ambiguity. Thirdly, it is proposed to remove the need to report an application to planning committee which requires a s106 agreement where less than three objections have been received.
- 4.5 The changes proposed, would ensure that the delegations agreement reflects current legislation and council structure whilst also ensuring that applications that require a democratic decision are brought to planning committee to ensure that robust, transparent and balanced decisions are made within Sandwell in accordance with national and local policy and material planning considerations.



## 5 Alternative Options

- 5.1 The current delegations agreement could remain in place however, it is now over 10 years old. Hence revisions are recommended to align the agreement with current legislation and council structures, to provide greater clarity within the delegations agreement and remove the need for uncontroversial planning applications being reported to planning committee.

## 6 Implications

<b>Resources:</b>	Financial, staffing, land/building implications
<b>Legal and Governance:</b>	Legal implications including regulations/law under which proposals are required/permitted and constitutional provisions
<b>Risk:</b>	Risk implications, including any mitigating measures planned/taken, health and safety, insurance implications
<b>Equality:</b>	Implications for equality (all aspects and characteristics) including how meeting Equality Duty, equality impact assessments
<b>Health and Wellbeing:</b>	Implications of the proposals on health and wellbeing of our communities
<b>Social Value</b>	Implications for social value and how the proposals are meeting this (for e.g. employment of local traders, young people)
<b>Climate Change</b>	Sandwell Council supports the transition to a low carbon future, in a way that takes full account of the need to adapt to and mitigate climate change. Proposals that help to shape places in ways that contribute to radical reductions in greenhouse gas emissions, minimise vulnerability and improve resilience; encourage the reuse of existing resources, including the conversion of existing buildings; and support renewable and low carbon energy and associated infrastructure, will be welcomed.



## 7. Appendices

Appendix 1 - Revised Delegations Agreement.

## 8. Background Papers

None.



## Delegations Agreement

Determination by officers of **all** applications for permission, approval, variation or consent, requirements for enforcement action, issuing of notices, discharge of conditions, matters relating to protected trees and high hedges; screening opinions; appeals; prosecutions; and the completion or modification of agreements or obligations made under the Town and Country Planning Act 1990, the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Hazardous Substances) Act 2004, the Planning and Compensation Act 1991; the Planning (Environmental Impact Assessment) (England and Wales) Regulations 2017; the Planning and Compulsory Purchase Act 2004; the Planning (Control of Advertisements) (England) Regulations 2007 and the Planning Act 2008 or any subordinate rules, orders or regulations made under that legislation, with the **exception** of the following matters:-

- 1 A councillor makes a written request to the Assistant Director of Development Planning and Building Consultancy on material planning grounds within 15 working days from the date of publication of the weekly list of planning applications on which the said planning application appeared, for the application to be considered by planning committee.
- 2 The Executive Director - Place, considers that the application should be considered by planning committee.
- 3 The application would represent a departure from the policies of the statutory development plan.
- 4 The proposal is a major development<sup>1</sup> which involves the Council either as applicant or land owner and has generated objection(s).
- 5 The applicant is a councillor or their immediate relative.

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<sup>1</sup> Major development is defined by The Town and Country Planning (Development Management Procedure) (England) Order 2015

- 6 The applicant is a member of the Council's management team, a service unit head, a member of the Planning Service or any member of staff within the authority who is submitting a planning application in a private capacity and could be seen as having a direct input to, and therefore influence on, application decisions.
- 7 Any application where a Council employee is privately involved in a capacity as an agent or consultant.
- 8 Where an application receives **three or more** material planning representations which are contrary to officer recommendation.

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## Report to Council

12 December 2023

<b>Subject:</b>	Political Balance of Committees and Boards
<b>Director:</b>	Assistant Chief Executive – James McLaughlin
<b>Contact Officer:</b>	Trisha Newton Trisha_newton@sandwell.gov.uk







### 1 Recommendations

- 1.1 That Council approve the political balance of the committees, boards and other fora for the remainder of 2023-24, as set out in Appendix A.

### 2 Reasons for Recommendations

- 2.1 Following a change in political balance, the Council is asked to approve the political balance of committees, boards and other fora.

### 3 How does this deliver objectives of the Corporate Plan?

		The Council's decision-making structures are designed to support the delivery of the Corporate Plan.
		
		



## 4 Context and Key Issues

4.1 Section 15 of the Local Government and Housing Act 1989 provides, amongst other things, that where a local authority is divided into different political groups, it will have regard to the allocation to the different political groups on the Council, of all of those seats on any ordinary committee, sub-committee and Joint Authorities established pursuant to Part IV of the Local Government Act 1985.

4.2 The regulations provide for a political group to comprise two or more elected members of a local authority.

4.3 Notification has been received of 2 groups –

Labour	60
Conservative	10
Independent	$\frac{2}{72}$

The seats on committees have been allocated according to proportionality rules (as set out in Appendix A).

4.4 A political group represented on the Council may choose to allocate a proportion of its allocation of seats to an elected member who is not in a political group on the Council, without affecting proportionality.

## 5 Alternative Options

5.1 There is no alternative option, the Council has a duty to allocate seats according to political party, in accordance with the Act and appointment of elected members to committees and other/outside bodies can only be made by full Council.





## 6 Implications

<b>Resources:</b>	There are no direct resource implications arising from this report.
<b>Legal and Governance:</b>	There is a duty on the Council to allocate seats to political groups, as per the Local Government and Housing Act 1989. Council can determine the making of non-executive appointments to committees and other fora. Council is under a legal and constitutional obligation to make appointments to its committees, boards and other fora to ensure the effective operation of the Council's functions and other obligations, duties and responsibilities.
<b>Risk:</b>	There are no direct implications arising from this report.
<b>Equality:</b>	
<b>Health and Wellbeing:</b>	
<b>Social Value</b>	
<b>Climate Change</b>	
<b>Corporate Parenting</b>	

## 7. Appendices

Appendix A – Political Balance of Committees and Boards

## 8. Background Papers

None



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**Sandwell Metropolitan Borough Council  
Constitution of Boards, Committees and  
Other Fora 2023/24**

	<b>Labour</b>	<b>Conservative</b>	<b>Total</b>
<b>Scrutiny Boards</b>			
Health and Adult Social Care	9	2	11
Economy, Skills, Transport and Environment	10	1	11
Safer Neighbourhoods and Active Communities	10	1	11
Children's Services and Education	9	2	11
			44
<b>Constitutional and Quasi-Judicial Committees/Panels</b>			
Audit and Risk Assurance Committee	6	1	7
Planning Committee	13	3	16
Licensing Committee	13	2	15
General Purposes and Arbitration Committee	6	1	7
Governance and Constitution Review Committee	7	1	8
Land and Asset Management Committee	6	1	7
Ethical Standards and Member Development Committee	7	1	8
Chief Officer Terms and Conditions Committee	6	1	7
Emergency Committee	6	1	7
			82
	<b>108</b>	<b>18</b>	<b>126</b>

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## Report to Council

**12 December 2023**

<b>Subject:</b>	Revisions to Committees/Boards/Other Bodies
<b>Director:</b>	Director of Law and Governance and Monitoring Officer
<b>Contact Officer:</b>	Trisha Newton Senior Democratic Services Officer Trisha_newton@sandwell.gov.uk

### 1 Recommendations







- 1.1 To receive and approve revisions to appointments to committees, boards and other bodies established by the Council, as set out in Appendix A.
- 1.2 That subject to 1.1 above, the nominations received be approved and appointed to those bodies with immediate effect.

### 2 Reasons for Recommendations

- 2.1 Appointments to positions on committee/boards/other bodies is a matter for Council to determine.



### 3 How does this deliver objectives of the Corporate Plan?

		The Council's decision-making structures are designed to support the delivery of Sandwell's Vision 2030.
		
		

### 4 Context and Key Issues

4.1 The Council's Constitution sets out the executive, scrutiny and constitutional functions and the rules and procedures for how the Council operates, it also prescribes the issues that the Council should address at its Annual Meeting in identifying the person(s) or bodies it wishes to carry out its functions as a local authority and the portfolios and terms of reference for those persons and bodies.

### 5 Alternative Options

5.1 There is no alternative option. Appointment of elected members to committees and other/outside bodies and revisions to constitution of a committee can only be made by full Council.

### 6 Implications

<b>Resources:</b>	There are no direct resource implications arising from this report.
<b>Legal and Governance:</b>	Council can determine the making of non-executive appointments to committees and other fora. Council is under a legal and constitutional obligation to make appointments to its committees, boards and other fora to ensure the effective operation of the Council's functions and other obligations, duties and responsibilities.
<b>Risk:</b>	A risk assessment is not required.



<b>Equality:</b>	An equality impact assessment is not required.
<b>Health and Wellbeing:</b>	The proposals have no direct implications.
<b>Social Value:</b>	The proposals have no direct implications.
<b>Climate Change:</b>	The proposals have no direct implications.
<b>Corporate Parenting:</b>	There are no direct implications.

## 7. Appendices

Appendix A – Revision to Appointments to Committees, Boards and Other Bodies

## 8. Background Papers

None.



## Appendix A

Committee/Board/Other Body	Revision/nomination
Budget and Corporate Scrutiny Management Board	Councillor Trumpeter to replace Councillor Anandou
Audit and Risk Assurance	Councillor W Gill to replace Councillor Anandou Councillor Dunn to replace Councillor Trumpeter as Substitute Member
Licensing Committee	Councillor Johnston to replace Councillor Abrahams Councillor Hemingway to replace Councillor Davies
West Bromwich Town Chair	Councillor Melia to replace Councillor Akpoteni





## Minutes of Cabinet

**Wednesday 18 October 2023 at 3.30pm  
in the Council Chamber, Sandwell Council House, Oldbury**

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

**In attendance:** Councillors Lewis, Moore and Taylor.

**Also present:** Shokat Lal (Chief Executive), Brendan Arnold (Interim Section 151 Officer), Surjit Tour (Director of Law and Governance and Monitoring Officer), Michael Jarrett (Director of Children's Services), Rashpal Bishop (Director of Adults Services), Tony McGovern (Director of Regeneration and Growth), Liann Brook-Smith (Interim Director Public Health), James McLaughlin (Assistant Chief Executive), Mike Jones (Assistant Director Legal and Assurance), Dean Epton (Assistant Director Housing), Ben Percival (Assistant Director Waste), Nicola Leavy (Senior Lead Officer), Robert Marlow (Senior Lead Officer), Alex Oxley (Capital Projects Manager), Suky Suthi-Nagra (Democratic & Member Services Manager), Connor Robinson (Democratic Services Officer) and John Swann (Democratic Services Officer).

### 111/23 **Apologies for Absence**

Apologies for absence were received from Councillors Fenton and E Giles.

### 112/23 **Declarations of Interest**

There were no declarations of interest made.

113/23 **Minutes**

**Resolved** that the minutes of the meeting held on 13 September 2023 be approved as a correct record.

114/23 **Urgent Item of Business - Approval of contract extensions and commencement of procurement – Housing repair and maintenance services**

Approval was sought for the contract extensions and commencement of procurement for the Housing repair and maintenance services.

The matter was considered urgent as procurement and contractual frameworks had identified that the Council had not implemented a planned procurement process to evaluate options, total contract value or alternative forms of contract and, in some cases, had continued to purchase goods and services following the expiry of existing contracts. Approval was required to enable take immediate steps to rectify this by providing for:

- short term extensions to contracts;
- the commencement of full procurement processes where required to ensure full compliance and the delivery of best value in our contracts, which would deliver improved services to Sandwell and its residents.

**Reason for Decision**

The Council used external providers to deliver a wide range of its services and meet its statutory duties to residents and service users. Providers ranged from global businesses to small and local specialist suppliers.

In each case, the Council must procure services in accordance with its own Contract Procedure Rules, which set out the Council's own procurement rules to ensure it acted fairly and obtained best value when spending public money. Contracts which had a contract value in excess of the statutory financial thresholds for works or services/supplies must also be procured in compliance with the Public Contracts Regulations 2015 (PCR2015).

The Council had an overriding duty to achieve best value in the procurement of goods, services and works.

### **Alternative Options Considered**

The Council must take action to regularise the contractual position of the services currently being operated without formal contract or where existing contracts had expired and goods/services continue to be procured. The following options had been considered.

Do Nothing. This was non-compliant as existing contracts had either expired or agreed procurement limits were about to be exceeded or had already exceeded.

Without suitable arrangements, the Council was unable to fulfil its landlord obligations and maintain its housing assets. This option was not available to provide the services over the medium and long term and did not address continued service provision until further procurement activity was undertaken.

Re-procurement of the services and works. The Council could choose to undertake a procurement exercise without an extension to the contracts. This would mitigate some risks of non-compliance going forward but was not recommended as it would result in the cessation of services to residents and service users and places the Council at risk of not meeting its statutory duties. Furthermore, cessation of services to enable an immediate procurement exercise would likely result in significant delay until new suppliers/service providers were appointed.

### **Resolved:-**

- (1) that approval be given to extend the following contracts on the terms set out in Appendix 1 relating to:
  - Domestic Electrical Components;
  - Electrical repairs and maintenance;
  - Timber supplies for council-owned housing stock;
  - Pitched and felt roof repairs to council owned properties;
  - Hand tools, Ladders and Steps, Power Tools, Fixings, Drills and Consumables.

- (2) that approval be given to:-
- (a) commence procurement for timber supplies for council owned properties, 3 years (2+1), total contract value up to £1.5m over 3 years;
  - (b) amend the previous decision of Cabinet (January 2023) relating to the procurement of electrical services (repairs and maintenance) by revising both the approved term and limit from £3.6m over 4 years to £6m over 3 years (2+1) in line with the commentary in Appendix 1A and authority be granted to commence procurement;
  - (c) amend the previous decision of Cabinet (January 2023) relating to the procurement of building supplies to council owned properties by increasing the previously approved limit of £1.6m to £1.8m and Contract Award to commence from 1st December 2023;
- (3) that the Interim Head of Contract Procurement be authorised to make minor amendments and changes to the extensions and / or processes described in this report in order to give effect to Resolution (1) and (2) above, in consultation with the Interim Director of Housing, Director of Finance and the Director of Law & Governance.

115/23

**Urgent Item of Business - Oracle Fusion ERP System Implementation Support Partner - SOCITM**

Approval was sought to authorise the Director of Finance to undertake all steps and actions necessary to implement the Oracle Fusion Enterprise Resource Planning system.

Oracle Fusion was a cloud-based Enterprise Resource Planning (ERP) system and would enable the Council to deliver key functions such as Finance, HR, Payroll and Procurement more efficiently and effectively to support the delivery of frontline services. Oracle Fusion represents an organisation wide Transformation Programme.

In August 2022, the Council awarded a contract to Infosys for the Systems Integrator role and to SOCITM for System Implementation Support.

The approach taken for implementation had been the substantive adoption of Oracle Fusion as developed, as opposed to the bespoke reconfiguration of function to meet current operating arrangements within the Council. This approach mitigated risks and delays associated with a bespoke reconfiguration of functionality as previously seen in the wider public sector and offers opportunity for the Council to review and refresh its operating arrangements relating to finance, HR, payroll and support.

The continued support from SOCITM would deliver a strong level of Project Management and Governance that was not available within the existing council workforce. The role of SOCITM was to guide SMBC on best practice, to impart their knowledge to SMBC stakeholders, challenge all parties including the System Integrator (Infosys) on the approach to ensure a best in class solution is delivered.

The Chair of the Budget and Corporate Scrutiny Management Board expressed concern at the situation and the short notice in which to consider the report. The Director of Finance advised that he had been made aware of the requirement only recently but could advise that the project was proceeding as required and that the figures noted in the report were correct and any change would be communicated to the Leader of the Council.

### **Reason for Decision**

The implementation of Oracle Fusion was a key corporate project and would fundamentally change the way the Council's Finance, Procurement, HR and Payroll services operate.

Failure to extend the existing agreement would result in a delay to the rollout of Oracle Fusion, incremental costs and potential reputational damage.

### **Alternative Options Considered**

In order to achieve the desired implementation, there were no other alternatives were available.

## **Resolved:-**

- (1) that approval be given to extend the SOCITM Implementation Support taking the aggregate spend above the Key Decision Threshold (£1million+) and authorise the Director of Finance, in consultation with the Cabinet Member for Finance and Resources, to award the contract up to a cumulative value as now submitted;
- (2) that the Director of Finance be authorised to undertake all steps and actions necessary to implement the Oracle Fusion Enterprise Resource Planning (ERP) system.

### **116/23 Adoption of Playing Pitch and Outdoor Sports Strategy**

Approval was sought for the Playing Pitch and Outdoor Sports Strategy.

The primary purpose of the Strategy was to provide a strategic needs assessment report and a strategy document which would ensure that the provision of outdoor playing pitches met the local needs of existing and future residents within an area. The Strategy was also an important document when seeking evidence for external funding and making future planning decisions.

The Vice-Chair of Safer Neighbourhoods and Active Communities Scrutiny Board thanked the Cabinet Member for Leisure and Tourism for supporting the establishment of a steering group that would help provide a resident/member voice to the implementation of the Strategy and action plan.

#### **Reason for Decision**

Having a formally adopted Playing Pitch Strategy along with a Strategic Needs Assessment would help;

- ensure that the provision of outdoor playing pitches met the local needs of existing and future residents within Sandwell;
- provide evidence to the Council when making planning decisions;
- assist when seeking investment/grants from external funding agencies;
- enable officers and partner agencies to deliver against an action plan of recommended improvements/interventions.

As a key partner agency, Sport England had offered match funding of £5,000 towards the costs of employing the specialist consultant, Knight, Kavanagh and Page (KKP) that prepared the PPS in conjunction with the Council and other partner agencies. This would contribute towards the Council's overall budget position.

The formation of an implementation group representing key service areas and wider stakeholders within the Council would help to ensure the effective implementation of the actions recommended within the strategy and contribute towards the Corporate Plan.

Adoption of the PPS and the Action plan would enable NGB's, funders and external agencies to work alongside the Council, sports clubs and schools to implement actions against a robust evidence base.

### **Alternative Options Considered**

The alternative option was to not formally adopt the PPS. The impact of this would have been:

- Sandwell would not have a robust/up to date strategy to relate to when making planning decisions;
- the Delivery Group would not have a formally adopted action plan to work towards achieving;
- opportunities for securing inward investment from NGBs and funders would be limited due to the lack of a formal 'sign off';
- NGBs may be more reluctant to work with the authority on future developments / strategies;
- a £5,000 of 'match funding' towards the consultancy cost would be lost.

### **Resolved:-**

- (1) that the Playing Pitch Strategy 2023 be approved and adopted by the Council;
- (2) that £5,000 of external funding be drawn down (from Sport England) towards the consultancy costs that have been incurred in producing the strategy;
- (3) that an implementation group be formed, representing key Council services to ensure the effective implementation of the Council-led actions recommended within the Playing Pitch Strategy;

- (4) that the Playing Pitch Strategy delivery group of wider stakeholders and partners continues its work and meets twice yearly in order to explore opportunities for pitch/facility improvements and participation development.

## 117/23 **Highway Infrastructure Investment Funding Plan**

Approval was sought for the Highway Infrastructure Investment Funding Plan.

The Chair of the Economy, Skills, Transport and Environment Scrutiny Board inquired as to the reasoning behind the unspent capital, how the Plan addressed problems with the public footway and the material used to repair potholes across the Borough.

The Cabinet Member for Environment and Highways advised that a range of factors had led to unspent capital including changes to revenue accounting which had brought forward some revenue spend from 2023/24 to 2022/23 delaying the need for part of the capital requirement, the mild winter, the release of maintenance and postponing the need for capital in 2022/23. Taken together, those factors allowed £2.981million of the planned £10.702million expenditure for 2022/23 to be reprofiled into 2023/24.

In addition, the Cabinet Member for Environment and Highways stated that public footway repairs were programmed in priority order based on condition surveys regardless of the cause and potholes were permanently repaired in accordance with specified materials and standards.

### **Reason for Decision**

The Highway Infrastructure Asset Management Lifecycle Plan set out the framework for investment in, management of and the operation of highway the highway network to meet legal obligations and high public expectations for safe, reliable and accessible travel within the wider objectives of strategy set out in the West Midlands Local Transport Plan.

Asset Management was about managing and maintaining and operating carriageways, footways, street lighting, structures, traffic signals, drainage and street furniture through long term planning and optimal allocation of resources in order to manage risk for a defined service performance.



The Council had a statutory duty of care to users and the community to maintain the highway in a condition fit for purpose, as far as was reasonably practicable. The duty was not absolute but decisions had to be taken on reasonable grounds with due care and regard to relevant considerations set out in best practice guidance such as “Well Managed Highway Infrastructure – A Code of Practice (October 2016).

A key aspect of the HIAMP was the development of strategic lifecycle plans for each critical infrastructure asset, including;

- 880km of carriageways, of which 75% are unclassified roads;
- 1,440km footways and cycleways;
- 35,000 street/lights, illuminated signs, traffic signals;
- 450 bridges and structures;
- 3500km drainage & culverts including 40,000 gullies & connections;
- A wide range of other street furniture.

### **Alternative Options Considered**

An alternative would be to limit the repair of high-risk infrastructure to a value that matched the £4.741m City Region Sustainable Settlement maintenance block grant. There would consequently be no Council capital provision available to fund the gap in the cost of replacement of high-risk life expired highway infrastructure. The programme of urgent work for 2024/25 would not be completed. This was not recommended because the red risk backlog had been escalating. Also, a severe winter could add £3m to £5m to projections.

### **Resolved:-**

- (1) that the Capital Programme for Borough Economy be reprofiled to provide a capital highway allocation of £3,602,000 for 2023/24 with the remaining balance of £2,981,000 (existing capital highway allocation of £6,583,000 less 2023/24 requirement of £3,602,000) carried forward to 2024/25;
- (2) that up to £500,000 of preventative maintenance work currently treated as revenue expenditure be capitalised and funded as part of the allocation of £3,602,000 as referred to on Resolution (1);

- (3) that up to £500,000 of revenue released in Resolution (2) be earmarked for use in 2023/24 for potential revenue pressures and risks associated with energy inflation, supplies and services inflation and increased gritting in the event of a severe winter;
- (4) that capital resources of £1,901,550 be allocated in 2024/25 in addition to the £2,981,000 of Highway Capital Programme funding re-profiled from 2023/24 giving a total budget requirement of £4,882,550 for 2024/25;
- (5) that after the use of unspent capital from existing allocations the additional capital requirement for 2024/25 of £1,901,550 be funded from Corporate Main Programme resources, with any resulting prudential borrowing finance charges funded within Highways revenue budget and should additional borrowing be required to fund the additional capital budget requested, it is estimated that this would result in additional revenue costs to the council of £167,535 per annum over an 18 year period, with these costs being funded within Highways revenue budgets;
- (6) that a further report to Cabinet be submitted in Autumn 2024 after the Highway Infrastructure condition is reviewed in Summer 2024, to identify the budget that would be required in 2025/26 in order to address the replacement of red risk Highway Infrastructure.

118/23

### **Sandwell Children's Trust Annual Review 2022/2023**

Consideration was given to the Sandwell Children's Trust Annual Review 2022/2023. The Sandwell Children's Trust was commissioned by the Council to deliver statutory children's social care and targeted services. The performance of the Trust continued to improve. The Fostering Service had been rated 'Good' by Ofsted in 2021 and was followed in 2022 with the Trust overall receiving the Ofsted judgment of 'Requires Improvement' and in later 2022, the Adoption Service received a 'Good' Ofsted rating, the ratings demonstrated clear improvements across services and this had been recognised by the Department for Education.

The Cabinet Member for Children, Young People and Education expressed his thanks to the Chair and Chief Executive of the Sandwell Children's Trust along with the wider leadership and staff for their hard work and commitment. It was also agreed that next year, the Chair and Chief Executive of the Trust be invited to Cabinet to deliver the Annual Review alongside the Cabinet Member.

### **Reason for Decision**

The Service Delivery Contract between the Council and Sandwell Children's Trust required that an annual review of services was completed and presented to the Council. At the Cabinet meeting on 22 March 2017, it was agreed that the Cabinet, in its executive role, would perform this function on behalf of the Council and agree certain 'reserved matters' that are set out in the Contract. Consideration of the Annual Review by the Cabinet formed an important part of the governance of Sandwell Children's Trust; providing assurance to the Council in its capacity as the body that is responsible and accountable for the discharge of the relevant children's social care services functions.

### **Alternative Options Considered**

At its meeting on 19 October 2016, Cabinet was advised of the Government's Statutory Direction (under Section 479A of the Education Act 1996) to set up a new arrangement in the form of a children's trust to deliver children's social care services. As a result, Sandwell Children's Trust started operating on 1 April 2018. Any alternative to the current arrangement must be agreed by the Secretary of State for Education.

**Resolved** that the Cabinet, in its capacity as the body responsible and accountable for the discharge of the relevant children's social care services functions:

- (1) formally receive the Sandwell Children's Trust Annual Review 2022/23;
- (2) notes the progress made to date by Sandwell Children's Trust in delivering services as set out in the contract between the Council and the Sandwell Children's Trust, as set out in the Annual Review 2022/23;
- (3) notes the feedback from the Department for Education following its recent 6-month review of Sandwell Children's Trust.

119/23

## **Highway Winter Operational Plan 2023 - 2024**

Approval was sought for the Highway Winter Operational Plan 2023-2024 which would set out the policies, service standards and operational arrangements.

### **Reason for Decision**

Road users and the wider community place a high value on keeping traffic moving safely in snow and freezing winter weather. Failure to do so can result in adverse economic and social impacts, along with public dissatisfaction and significant reputational damage to the Council.

The council had a statutory duty 'to ensure, so far as reasonably practicable, that safe passage along a highway was not endangered by snow or ice'. The duty was not absolute, but decisions were required be taken on reasonable grounds with due care and regard to relevant considerations set out in best practice guidance.

Winter service operations are carried out to prevent ice forming (precautionary salting), melt ice already formed (post salting) and remove snow accumulations by using ground rock salt.

### **Alternative Options Considered**

There was no recommended affordable alternative to mitigate the safety risks addressed by the Winter Operational Plan 2023-24.

**Resolved** that approval be given for the Winter Operational Plan 2023 - 2024.

120/23

## **Sandwell Health and Care Partnership Alliance Agreement**

Consideration was given to the Sandwell Health & Care Partnership Annual Report 2022-23 and approval was sought for the Sandwell Health and Care Partnership Alliance Agreement.

The Sandwell Health and Care Partnership Alliance Agreement, although not legally binding, set out principles by which partners agreed to work together as an integrated Place partnership and was developed in consultation with all members.

### **Reason for Decision**

The Sandwell Health and Care Partnership had been developing new integrated ways of working to improve the health and wellbeing outcomes of the population, increase the quality of care provided and provide long term financial sustainability for the system. This agreement was an integral part of the vision to promote integrated services that delivered personalised care and it was anticipated that the agreement would facilitate the objectives of Sandwell Health and Care Partnership as more fully described in the agreement.

The Sandwell Health and Care Partnership had been developing a Place Based Partnership through which to plan, manage and deliver integrated care, which would include informing future recommendations for improvements to the contractual environment and further develop and strengthen the role and responsibility of the Sandwell Place over the coming years.

Over the period of this agreement, the partners would work together positively and in good faith in accordance with the alliance principles to achieve the alliance objectives. The partners also envisaged that this agreement would endeavour to provide flexibility to their relationship as may be required, from time to time, to implement the changes required either nationally or any subsequent changes to the Health or Social Care functions.

The agreement was overarching and set out how the Council would work together in a collaborative and integrated way and the Service Contracts, the Service Operations Manual and Third-Party Service Contracts respectively set out how the Council would provide the Services.

### **Alternative Options Considered**

The Sandwell Health and Care Partnership (SHCP) approved the Alliance Agreement to be signed and upheld by participating partner organisations. The option of not asking for Cabinet to support this agreement was considered but all partners agreed that each of the individual governance structures should be given the opportunity to support this document to show commitment to partnership working across Place.

### **Resolved:-**

- (1) that the Sandwell Health & Care Partnership Annual Report 2022-23 be received and the aligned governance arrangements be noted;

- (2) that approval be given to the Sandwell Health and Care Partnership Alliance Agreement and support its implementation across the Local Authority to include Adult Social Care, Children's Social Care and Public Health.

121/23

### **Extension of contract for a non-executive director of Sandwell Children's Trust board**

Approval was sought for the extension of contract for Stephen Rimmer as a non-executive director (NED) of Sandwell Children's Trust Board. Stephen Rimmer had been on the Trust Board since November 2017 and the Department for Education had been notified and agreed to his extension of contract.

#### **Reason for Decision**

There have been several changes at the Sandwell Children's Trust Board level. Both the Cabinet appointed Officer and Member NED had been replaced since January 2023 with a further subsequent change in officer NED following their resignation from the Council. In addition to this, Jane Bleach was appointed in March 2023 to replace Vineeta Manchanda, whose term had come to an end.

Due to the number of changes, the Sandwell Children's Trust Board wished to extend the term of Stephen Rimmer to maintain a level of continuity and ensure that the Trust continued on its improvement journey.

#### **Alternative Options Considered**

The alternative option would be to reject the recommendation. However, in line with the Governance Side Agreement with the DfE and the Trust's Articles of Association, there would be a vacancy on the board that would still need to be filled. An alternative candidate would need to be identified via a competitive process and the process of consulting with the Secretary of State would need to be undertaken again. This would leave a potential gap in the governance arrangements of the Trust for a period.

**Resolved** that Cabinet, on behalf of the Council as the sole owner of Sandwell Children's Trust:

- (1) notes the completed sequence of events that are contractually required to extend the contract of a non-executive director of Sandwell Children's Trust Board;

- (2) notes and takes into account in its decision-making, the response from the Secretary of State for Education;
- (3) agrees the extension of contract to Stephen Rimmer as a nonexecutive director of Sandwell Children's Trust for the period of up to three years from 1 November 2023.

## 122/23 **Quarter 1 Performance Monitoring**

Cabinet received details on the development of the Corporate Performance Management Framework and sought approval of the Q1 monitoring reports.

The Council had approved the Performance Management Plan in April 2022 to address the recommendations contained in the Grant Thornton Value for Money Report. Since 2022, the Plan had been revised to accommodate some new measures, some measures had been improved and some had been taken out. Overall, the delivery of the Corporate Plan was on track.

### **Reason for Decision**

An effective performance management framework facilitated increased accountability, learning and improvement. It also provided early warning signals and facilitated decision-making.

On a quarterly basis, the Council gathered and analysed a wide range of data and information to understand how effectively its plans had been implemented and whether the strategic outcomes contained in the Corporate Plan had been achieved.

The information collected was used to enable the authority to better understand the impact of its work on local people, and where necessary, target actions and resources.

### **Alternative Options Considered**

No alternative was presented.

**Resolved** that details of progress on the further development of the Corporate Performance Management Framework be received and approval be given to the Q1 monitoring reports.

## **Sandwell Aquatic Centre Project Closedown Report and Financial Closure**

Approval was sought for the Sandwell Aquatic Centre Project Closedown Report and Financial Closure.

Sandwell Aquatic Centre had been completed on 6 July 2023 and formally transferred to Sandwell Leisure. It had opened as a community leisure centre on 24 July 2023, and it provided world-class facilities for the residents of Sandwell and the wider region.

The Chair of the Economy, Skills, Transport and Environment Scrutiny Board sought clarity on the decision not to legally formalise the funding agreement between the Council and Sandwell Leisure Trust.

The Cabinet Member for Leisure and Tourism stated that the reason behind this was due to the Council receiving a letter from the CEO of Sandwell Leisure Trust at that time in 2017 confirming the commitment to provide this funding and there was also a Sandwell Leisure Trust Board decision to allocate these funds which was reflected in the Sandwell Leisure Trust Annual Accounts as a provision in 2019. In these circumstances, it was determined that it was not an effective use of legal resources to develop and execute a legally binding agreement.

### **Reason for Decision**

Sandwell Aquatic Centre had been developed as the host venue for all aquatic activity at the Birmingham 2022 Commonwealth Games as well as a new leisure centre for residents, allowing the Council to condense other outdated local provision.

### **Alternative Options Considered**

Do nothing- the financial liabilities outlined in the report cannot be avoided without significant risk of legal action being brought against the Council by the contractor given that the Council had already contractually committed to these costs. Legal action would add costs to those outlined within the report and severely damage the Council's reputation in the construction market.



### **Resolved:-**

- (1) that the Director of Finance be authorised to identify and finance the £0.54m funding contribution previously committed, and then rescinded, by Sandwell Leisure Trust, from the most appropriate funding source for the Sandwell Aquatic Centre;
- (2) that approval be given to authorise the Director of Regeneration and Growth, in consultation with Director of Finance, to fund an identified shortfall of £0.151m in business rate liability from project underspend and the Capital Project Support Reserve for the Sandwell Aquatic Centre.

### 124/23 **Sandwell Local Plan - Approval to Consult on the Draft Plan**

Approval was sought to carry out the consultation on the Draft Sandwell Local Plan.

The Sandwell Local Plan would be comprised of the Sandwell 2041 - spatial vision, priorities and objectives, the Spatial Strategy, the Development Strategy, the Local Plan Policies, the Site Allocations, the Policies Map and Sustainability Appraisal.

The Chair of the Economy, Skills, Transport and Environment Scrutiny Board sought clarity on how the consultation would reach out to all members of the Sandwell community, how the Council would engage educational and NHS partners, what measures would be in place to address climate change and what percentage of new builds would be classified and retained as social housing.

In response, the Cabinet Member for Regeneration and WMCA stated that the consultation would use all existing networks to reach as many people as possible, in addition exhibitions would be in place in libraries and leisure centres, an article would be included in the Sandwell Herald and a video would be produced and shared via social media. Stakeholder engagement was a key part of the work and the future infrastructure requirements had been and would continue to be discussed with the main infrastructure providers including educational and health providers. The Building Regulations required the installation of electric vehicle charging points in proposals for 10 or more dwellings. The minimum proportion of affordable housing that should be provided was 25%.

However, the final amount delivered was dependent on the viability of the site. Of the amount of affordable housing provided, 25% of the affordable homes required by this policy would be First Homes tenure, of which 10% should be for affordable home ownership. The remaining 75% of affordable homes would be for affordable rent. It was the Council's intention that the affordable housing created would remain affordable in perpetuity. However, tenants living in affordable housing are able to purchase their home through the Right to Buy Scheme at a price lower than the full market value.

### **Reason for Decision**

It was a statutory requirement of every Local Planning Authority to have an up-to-date Local Plan. Following the demise of the Black Country Plan in 2022, Sandwell had been producing its own plan – the Sandwell Local Plan. The Government had previously expressed a desire to see full Local Plan coverage across England by December 2023, or as soon as was practical after that date. However, the Government was currently consulting on a proposed new system for producing local plans and had indicated that the last date for submitting a revised local plan under the current system would be 30 June 2025. Officers had been working to a timetable that would enable the Sandwell Local Plan to be submitted prior to that date. The timetable for the production of the Local Plan was set out in the Sandwell Local Development Scheme which was available to view in the Planning Policy pages of the Sandwell website. The Draft Sandwell Local Plan was the next stage in the preparation of the Local Plan.

### **Alternative Options Considered**

The preparation of a Local Plan was a statutory requirement under the Town and Country Planning (Local Planning) (England) Regulations 2012. The process for preparing a Local Plan was set out in additional legislation and guidance. As a result, there were no alternative solutions to the preparation of a new local plan for Sandwell, which was a matter of increasing urgency. Options relating to the form and content of the Local Plan had been set out in the report to Cabinet on 16 November 2022.

### **Resolved:-**

- (1) that approval be given to the Draft Sandwell Local Plan (Appendix A), Sustainability Appraisal Reports and consultation material for consultation commencing on 6 November 2023 for 6 weeks;

- (2) that the Director - Regeneration & Growth, in consultation with the Cabinet Member for Regeneration & WMCA, be authorised to make minor and other necessary amendments, if required, to the Draft Sandwell Local Plan and its associated documents prior to the start of public consultation to enable effective consultation to be undertaken;
- (3) that a further report be presented to Cabinet summarising key issues raised during the consultation be submitted to a future meeting to inform preparation of the Publication of the Sandwell Local Plan under Regulation 19 of the Town and Country Planning (Local Planning) (England) Regulations 2012.

125/23

### **Update and decisions on the Asset Management Strategy - Income and Savings 2023-2026**

Approval was sought for the decisions on the Asset Management Strategy, Income and Savings 2023-2026.

The recommendations supported delivery of the agreed corporate Asset Management Budget Savings targets 2023-2026 detailed as £1.6million in 2023/24, £2.5million in 2024/25 and £2.5million in 2025/26.

The Chair of the Economy, Skills, Transport and Environment Scrutiny Board asked what the consequences were if the targets for 2023- 26 were not achieved.

The Cabinet Member for Regeneration and WMCA stated that the asset management savings budgets had been formally agreed by Cabinet and, as such, must be delivered to support the Medium Term Financial Strategy. Should they not be derived from the Council's asset base and associated functions, the budget savings would need to be identified from alternative areas to ensure the Council maintain a balanced budget moving forward.

#### **Reason for Decision**

Recommendations support the delivery of the MTFs and ensuring the Council had a balanced budget moving forward alongside an efficiently operating estate to deliver Council services.

The Council was committed to maintaining an effective and efficient property portfolio which supported the delivery of services to residents, provides value for money, reduces Council environmental impact and maximises opportunities to generate value.

Progress had been made for 2023/24 with the savings target of £1.6 million expected to be achieved by year end. It was however, noted that the variance in 2024/25 and 2025/26 was far more challenging as a result of a number of savings being achieved in 2023/24 being non-recurring. There was a current savings target variance of £1.86 million for 2024/25 and £2.05 million for 2025/26 and emphasised the importance of effective and significant decisions being made around the Council's corporate property estate to ensure delivery of the savings targets moving forward.

### **Alternative Options Considered**

The Council general fund asset base was initially placed in one of three options, that was to retain the asset in its current use, to re classify the asset as an investment property, such as Jack Judge House or to dispose of the Asset. This was done within the context of achieving a more efficient asset base and/or increasing income for the Council.

It was possible that a large building, such as Sandwell Council House can serve a dual purpose, that is remaining in Council use but also generating more income. This was now the case at the Sandwell Council with the subletting of space to the NHS on the first and third floor of the building.

Option appraisals had been completed on the main Council buildings with the process providing an analysis of alternative options.

In general, however if the Council did not achieve either significant savings and/or increased income from the Council assets, the alternative was that those savings or increased income would have to come from front facing Council services.

### **Resolved:-**

- (1) that approval be given to declare the Tipton Library, Owen House, 17 Unity Walk, Tipton DY4 8QL surplus to Council requirements;

- (2) that the Director of Borough Economy be authorised to relocate the library provision to the former Tipton Carnegie Library, Victoria Road, Tipton, DY4 8SR;
- (3) that the Interim Director of Housing be authorised to relocate services from the Tipton Local centre at High Street, Princes End, Tipton, DY4 9JB to Glebefields Library and Family Hub Centre or other location as deemed appropriate;
- (4) that the Interim Director of Housing prepare a business case for the reuse of the former Tipton Local Centre within the Housing Revenue Account Stock and, should this not be viable, the former Tipton Local Centre building be disposed of subject to the appropriate authority being obtained;
- (5) that the Director of Borough Economy, subject to the identification of the necessary funding, be authorised to declare the Smethwick Library and archive, High Street. Smethwick, B66 1AA surplus to the requirements of the Council;
- (6) that the Director of Borough Economy be authorised to relocate the services provided from Smethwick High Street Library to Smethwick Council House;
- (7) that the Director of Law and Governance and Monitoring Officer be authorised to dispose of the freehold interest of the Smethwick Library, High Street. Smethwick B66 1AA on terms and conditions to be agreed by the Director of Regeneration and Growth;
- (8) that the Director of Law and Governance and Monitoring Officer be authorised to enter or execute under seal where necessary any legal documentation in connection with the disposal of land referred to in the Resolution (1) to (7) above;

- (9) that the Director of Law and Governance and Monitoring Officer be authorised to enter or execute under seal where necessary any legal documentation in connection to the granting of a lease of 747 m<sup>2</sup> (or thereabouts) to the Sandwell and West Birmingham Hospitals NHS Trust of the first floor of Sandwell Council House on terms and conditions to be agreed by the Director of Regeneration and Growth;
- (10) that approval be given to offer all community centres not currently subject to a live Community Asset Transfer or FRI lease on a Community Asset Transfer basis where a suitable expression of interest and business case has been received subject to terms and conditions to be agreed by the Director of Regeneration and Growth;
- (11) that subject to Resolution (10) not producing any viable expressions of interest, approval be given to the Director of Regeneration and Growth to declare the assets surplus to Council requirements and to undertake an open market disposal of the same subject to terms and conditions to be agreed by the Director of Regeneration and Growth;
- (12) that the Director of Law and Governance and Monitoring Officer be authorised to enter or execute under seal where necessary any legal documentation in connection with the disposal of land referred to in Resolutions (10) and (11) above.

126/23      **Exclusion of the Public**

**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.

## **Haden Hill Leisure Centre Rebuild Options - Levelling Up Fund**

Approval was sought for the Haden Hill Leisure Centre Rebuild. The Cabinet had been presented with three options.

### **Reason for Decision**

The opportunity to utilise the allocated funding to renew Haden Hill Leisure Centre would resolve the long-term future of the well-used but ageing asset. Once renewed, Sandwell would be in the position of not having a public swimming pool in its portfolio that was more than 10 years old.

The recent Sport England Facilities Planning Model assessment of swimming pool provision in Sandwell confirmed that with the continuation of provision at Haden Hill Leisure Centre, the Borough would have sufficient swimming pool supply to meet population demand inclusive of projected housing growth.

Option 1 Part rebuild and part refurbishment – rebuild wet facilities, refurbish the dry This option achieves the replacement of the pool facilities and also provides a new 100-station fitness gym, new changing facilities plus a reconfigured reception with café. The studios and sports hall will be retained and refurbished; the sauna and steam and squash court would be lost.

This option had the benefit of new pool provision – where asset liability is greatest and quality of provision most sensitive. It also provided a substantially larger fitness gym – critical to driving the revenue model. The retention of the dry facilities presented less risk, although the age of the facilities still meant the refurbishment costs were substantial.

This option was recommended as it only marginally reduced the site facilities mix from that proposed within the original LUF bid submission (no sauna or steam room) and it also reduced the risks around the aged wet (pool) facilities through the replacement of these in full while providing a beneficial revenue position.

### **Alternative Options Considered**

Option 2: Part rebuild and part refurbishment – rebuild dry facilities, refurbish the wet

This option would result in a new centre built with just the existing swimming pools retained and refurbished. The layout of the centre would be substantially improved, with less corridor space and an easier customer flow.

### Option 3: New build to a reduced scope

This option sought to deliver a new-build project within the available funding. The priority (based on supporting resident physical activity) would be to rebuild the swimming provision, which would also allow the development of a large (100 station) fitness gym plus studio provision on the first floor.

#### **Resolved:-**

- (1) that approval be given to Option 1 - the part rebuild and part refurbishment – (rebuild wet facilities, refurbish the dry) of Haden Hill Leisure Centre;
- (2) that the Director of Borough Economy be authorised to progress the preferred option for the Haden Hill Leisure Centre rebuild;
- (3) that the Director of Regeneration and Growth be authorised to procure and appoint a main contractor via the most suitable procurement route for the chosen option;
- (4) that the Director of Regeneration and Growth, in consultation with the Assistant Director of Legal and Assurance, be authorised to sign legal agreements and contracts associated with the delivery of the replacement of Haden Hill Leisure Centre;
- (5) that the Director of Regeneration and Growth provide a further report to Cabinet for approval of final project costs and procurement contract award;
- (6) that the Director of Finance be authorised to submit funding bids to Sport England or other appropriate organisations to support the delivery of the replacement of Haden Hill Leisure Centre.

128/23

### **Future Provision of Leisure Services**

Approval was sought for the future provision of leisure services in Sandwell.



### **Reason for Decision**

The 2021 Grant Thornton Governance Review raised concerns regarding the management of the contract with Sandwell Leisure Trust (SLT). The subsequent review of future provision of leisure services had sought to address these concerns.

This period would be used to consider the long-term settlement of the provision of leisure services.

### **Alternative Options Considered**

There were no alternatives presented.

### **Resolved:-**

- (1) that the extension of a revised Management and Funding Agreement with Sandwell Leisure Trust as the settlement of the provision of leisure services to 31 March 2027 be approved;
- (2) that the Director of Borough Economy, in consultation with the Cabinet Member for Leisure and Tourism, be authorised to have responsibility for the ongoing management of the contract with Sandwell Leisure Trust.

129/23

### **Tipton Town Centre Regeneration Scheme Rescope and Funding Package**

Approval was sought for the Tipton Town Centre Regeneration Scheme Rescope and Funding Package.

### **Reason for Decision**

Tipton Regeneration Fund was set to deliver a minimum 65, and potentially up to 78, new homes on three key sites in Tipton town centre. These would provide low-energy and sustainable apartments at affordable rents and would underpin Sandwell's commitment to build new social housing to meet the needs of its citizens. The three sites were within the town centre, which offered a range of shops and key public services close by. The redevelopment of vacant sites and the replacement of obsolete accommodation would help foster optimism in the local community and hopefully boost confidence and stimulate further investment.

## **Alternative Options Considered**

Do nothing, Refurbish the existing buildings or Revert to the original scheme as submitted in August 2022.

### **Resolved:-**

- (1) that the Director of Regeneration and Growth be authorised to design, procure, and develop three sites in Tipton town centre (as indicated in Appendix 1) for affordable one and two bed Council housing units, subject to obtaining planning approval;
- (2) that the Director of Regeneration and Growth, in consultation with the Interim Director of Finance, be authorised to sign under seal the Memorandum of Understanding (MoU) that has been agreed by both parties. (Appendix 5);
- (3) that the Interim Director of Finance be authorised to allocate adequate additional resources from the Housing Revenue Account (HRA) to deliver the scheme in line with the funding package, subject to the completion of a satisfactory financial appraisal to be undertaken by Financial Planning;
- (4) that approval be given to authorise the steps necessary for the delivery of the proposed projects, including:
  - a. The Director of Regeneration and Growth in consultation with the Interim Director of Finance and Interim Director of Housing be authorised to prepare tender documentation and subsequently procure, in accordance with any statutory regulations and the Council's Procurement and Financial Regulations, any professional services required to develop proposals set out in 2.14 and Appendix 2 up to RIBA Stage 4.
  - b. Subject to 1.4.1 the Director of Regeneration and Growth in consultation with the Interim Director of Finance and the Interim Director of Housing be authorised to prepare tender documentation and subsequently procure, in accordance with any statutory regulations and the Council's Procurement and Financial Regulations, a development/construction/demolition contractor to

deliver the proposals set out in 1.1 and Appendix 2.

- c. The Director of Regeneration and Growth be authorised to progress any consents or applications required for Demolition, Planning, Building Regulations or Highways appertaining to the delivery of the schemes set out in 1.1 and any other agreements with the procured contractor(s) as may be deemed necessary to facilitate development of the sites set out in Appendix 1.

Meeting ended at 4.35pm

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

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# Minutes of Cabinet

**Wednesday 15 November 2023 at 3.30pm  
in the Council Chamber, Sandwell Council House, Oldbury**

**Present:** Councillor Piper (Vice Chair in the Chair);  
Councillors Carmichael, Hackett, Hartwell, Hughes, Khatun  
Padda and Rollins.

**In Attendance:** Councillors Fenton, E M Giles, Lewis and Taylor

**Also present:** Shokat Lal (Chief Executive), Brendan Arnold (Interim Section 151 Officer), Surjit Tour (Director of Law and Governance and Monitoring Officer), Michael Jarrett (Director of Children's Services), Rashpal Bishop (Director of Adults Services), Tony McGovern (Director of Regeneration and Growth), James McLaughlin (Assistant Chief Executive), Lina Martino (Consultant in Public Health), Suky Suthi-Nagra (Democratic & Member Services Manager), Connor Robinson (Democratic Services Officer) and John Swann (Democratic Services Officer).

## 130/23 **Apologies for Absence**

Apologies for absence were received from Councillors Millard and Moore.



## 131/23 Declarations of Interest

Minute No.	Subject	Member	Interest
140/23	Sandwell Health Determinants Research Collaboration (HDRC) proposal	Councillor Hackett	Work for the SWEDA who are part of the Sandwell Consortium
140/23	Sandwell Health Determinants Research Collaboration (HDRC) proposal	Councillor Hartwell	Work for the Bangladeshi Women's Association which was a member of the SCVO and Sandwell Consortium
140/23	Sandwell Health Determinants Research Collaboration (HDRC) proposal	Councillor Khatun	Work for the Bangladeshi Women's Association which was a member of the SCVO and Sandwell Consortium
141/23	School Teachers' Model Pay Policies 2023/24	Councillor Taylor	School Governor at George Salter School

## 132/23 Minutes

**Resolved** that the minutes of the meeting held on 18 October 2023 be approved as a correct record.



133/23 **Additional Item of Business**

There were no additional items of business to consider.

134/23 **Medium-Term Financial Strategy – Autumn 2023 Update**

Approval was sought to the Medium-Term Financial Strategy and Medium-Term Financial Plan.

The Chair of the Economy, Skills, Transport and Environment Scrutiny Board inquired as to how the quality of service delivered and how this would be measured, how the consultation would reach all communities across Sandwell, how reduced budgets would impact services, how measures would ensure the consultation received adequate responses, how methods of debt recovery would be financially viable and how the pressures and technical adjustments continued to increase.

The Cabinet Member for Finance and Resources advised that the priority had been and continued to be delivering the best possible outcomes for residents. Sandwell was no different to other local authorities who faced significant financial pressures. Although the Council were in a fortunate position to have options to achieve a balanced budget, difficult decisions would need to be made. The Council was required to meet legal requirements but had the ability to make choices in how services were delivered. The Council's approach to the consultation on the specific savings proposals had been designed to ensure the voices of residents, communities and businesses was captured, the Council would encourage as many people as possible to engage in the consultation through the online survey.

The Council recognised the impact of the cost of living emergency and would only pursue debts through court processes or enforcement agents as a method of last resort. The Council had duty to use reasonable means to recover debt and encouraged individuals and businesses to engage early with the Council if they were struggling to pay any debt that was owed.



The majority of the increase in costs that the Council incurred from one year to the next related to price inflation, pay inflation and demographic growth.

The Chair of the Safer Neighbourhoods and Active Communities Scrutiny Board asked if the options to be considered by Cabinet could be provided to Scrutiny ahead of the proposed meeting to look at the draft Budget in January.

The Cabinet Member for Finance and Resources advised that the session of the Budget and Corporate Scrutiny Management Board in January would include the detail of all the savings proposals that had been developed and selected by that date which would be included in the papers.

### **Reason for Decision**

The Local Government Finance Act 1992 required the Council to set a balanced, risk assessed budget each year and approve a Council Tax precept by 11 March.

The Council had a duty to consult with those who were liable to pay council tax or non-domestic rates, as well as those who use or are likely to use services provided by the authority. A public engagement exercise on the Council's budget had been conducted in the Summer 2023 seeking residents' views on how the Council should reduce spend in order to deliver a balanced budget. In order to set a balanced budget for 2024/25, the Council had developed a long list of savings options which, if adopted for 2024/25, would impact residents and businesses in the Borough.

The Medium-Term Financial Strategy and accompanying Medium Term Finance Plan following a detailed and extensive review indicated that there was an estimated Budget shortfall of £13m in 2024/25. The figure had changed in the course of financial year 2023/24 and reflected the expected refinement and testing of initial planning assumptions.





From analysis presented it was indicated that the Council must select savings which amounted to £13m to balance the 2024/25 Budget and that the overwhelming proportion of these must be recurring in nature to remove the relevant costs in years following and to prevent the avoidable growth of future budget shortfalls.

### **Alternative Options Considered**

The Council was legally required to set a balanced budget during March 2024. There were no alternative options.

#### **Resolved:-**

- (1) that approval be given to the Medium-Term Financial Strategy and embedded Medium-Term Financial Plan as an estimate of the Council's current financial position as at October 2023 noting that the figures will change as further updating takes place;
- (2) that the Director of Finance be authorised to commence a period of consultation regarding the savings opportunities referred to in Annex 6;
- (3) that the Guiding Principles be approved as a framework for financial planning for the period of the Medium-Term Financial Strategy;
- (4) that the Capital Planning Principles be approved to guide the preparation of the Capital Programme in the years ahead;
- (5) that the planned development of the Transformation Programme to date and through 2024/25 be noted and approval be given to endorse the extension of the transformational approach to other services of the Council;
- (6) that the Budget Timetable be noted;



(7) that approval be given to submit to the Department for Levelling Up and Homes and Communities a proposal for the flexible use of capital receipts in financial year 2023/24 to support transformation and to delegate the approval of this proposal to the Portfolio Holder for Finance and Interim Director of Finance together with the Assistant Chief Executive and the Monitoring Officer;

(8) that the Council be recommended to approve the Autumn 2023 update of the Medium-Term Financial Strategy at its next meeting.

## 135/23 Council Tax Base 2024/2025

Approval was sought for Council Tax Base for 2024/2025.

The Council Tax Base was 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 was used when setting the Council's budget.

In order to calculate the Council Tax Base, it was 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 needed to be made for changes in the number of properties in each band between now and 31 March 2025 as a result of new builds and demolitions.

### Reason for Decision

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

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



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

### **Alternative Options Considered**

No alternative options were applicable.

#### **Resolved:-**

- (1) that the Council be recommended to approve setting the Council Tax Base for 2024/2025 at 78,217.27;
- (2) that the Section 151 Officer be authorised to adjust the Council Tax Base as required following approval of the 2024-2025 Council Tax Reduction Scheme by Council on 12 December 2023.

136/23

### **Local Council Tax Reduction Scheme 2024/2025**

Approval was sought for the Local Council Tax Reduction Scheme 2024/2025

The Chair of the Safer Neighbourhoods and Active Communities Scrutiny Board, on behalf of the Chair of the Budget and Corporate Scrutiny Management Board, welcomed the report which ensured the most vulnerable and those in poverty were protected and inquired as to the details other local authorities who offered a similar scheme.

The Cabinet Member for Finance and Resources advised it was difficult to provide specific information regarding those local authorities who offer similar schemes to Sandwell as these details were not collected and published nationally. However, the Council had established that there were only around 50 councils nationally that offer 100% Council Tax Reduction Schemes. The Council had also checked the websites for neighbouring authorities and



confirmed that, very few of them still offered 100% Council Tax Reduction support.

### **Reason for Decision**

The Local Council Tax Reduction Scheme provided crucial support to low income families and the most vulnerable residents.

The Local Council Tax Reduction Scheme was based on income bands and residents on very low incomes can continue to receive 100% support. Sandwell was one of only a few nationally that still provides 100% support.

The local scheme only applied to working age claimants as the Government prescribes how Council Tax Support was calculated for pensioners.

Sandwell made several changes to its Local Council Tax Reduction Scheme in 2019/20 to ensure the scheme worked effectively with the Government's Universal Credit system which was rolled out fully in Sandwell in November 2018.

### **Alternative Options Considered**

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

Sandwell does not want to introduce a minimum payment into its Local Council Tax Reduction Scheme, this was to protect the most vulnerable households and improve child poverty and support residents with the cost of living crisis.

### **Resolved:-**

- (1) that approval be given to make no changes to the Local Council Tax Reduction Scheme for 2024/25 as set out in [Appendix 1](#);



- (2) that the Council be recommended to approve the Local Council Tax Reduction Scheme for 2025/25 as set out in [Appendix 1](#).

## 137/23 Sandwell Tackling Poverty Plan

Consideration was given to the Sandwell Tackling Poverty Plan and the approval of the resources allocated to the plan.

The Chair of the Economy, Skills, Transport and Environment Scrutiny Board inquired as to how the Council could support those hard-to-reach citizens in Sandwell.

The Leader advised that the Council was very aware that people can often find it difficult to ask for help and therefore the Council would do what it could to remove barriers. The Welcoming Space initiative had sought to reduce stigma and it was hoped that people would see these spaces as simply a friendly place to be without any judgement about why they were there.

### **Reason for Decision**

Sandwell was the twelfth most deprived borough in the country and the cost of living crisis was being felt by and having a tangible impact on the daily lives of our residents and communities. The Sandwell Tackling Poverty Plan set out proposals and actions for the Council and its partners to work together in a co-ordinated way to address poverty in Sandwell.

### **Alternative Options Considered**

The Tackling Poverty Plan aimed to make the best possible use of all the resources that partners bring to supporting Sandwell residents to address the causes of poverty. An alternative would be to not adopt this plan. However, this would risk not adequately joining up our services across Sandwell or enhancing our coordinated approach.



## Resolved:-

- (1) that Sandwell's Tackling Poverty Plan as at out in [Appendix 1](#) be endorsed;
- (2) that the Chief Executive, in consultation with the Section 151 Officer, be authorised to agree the spending of the £1.5m resources allocated to the plan.

138/23

## Community Based Provision – Reablement Service within Sandwell

Approval was sought for the Community Based Provision – Reablement Service within Sandwell.

For around half of the people being discharged from hospital, it was expected they would need a period of care, rehabilitation or reablement. The proposed service would provide a reablement service free of charge for up to six weeks in order to promote independence and recovery and until assessment for long-term care was undertaken.

The Council commissioned a Promoting Independence: Care at Home Service under the ASC089 and ASC121 contracts, which delivered 1500 hours of care per week. Contracted providers received referrals for people either being discharged from hospital or for people in the community to avoid hospital admissions. The block contracts ensured there was guaranteed provision available that could meet the demands for a more expedited timeframe given the need to ensure that delayed transfers of care were minimised and also with the aim of hospital avoidance for those already in the community. The prevailing domiciliary care hourly rate was paid (80% block purchased, and 20% spot purchased).

There was no further extension option available in the current ASC089 and ASC121 Promoting Independence Contracts as all extensions within these contracts, which would end on 2 February 2024, had been utilised.



However, an extension of four months (from 3 February 2024 to 2 June 2024) in line with Regulation 72 (1) (b) of the Procurement Regulations would allow further review and development of the model whilst also allowing a procurement exercise to be undertaken.

Approval of the extension and proposed new contract would ensure that Adult Social Care could assist people to be discharged home from hospital as soon as they were medically optimised thereby relieving pressure on acute beds. In addition, the contract would also allow admission avoidance by providing care and support to individuals thereby eliminating the need for a hospital admission.

The proposal would create more providers to enable greater availability and increased choice for service users.

The Chair of the Health and Adult Social Care Scrutiny Board inquired the reasons for tendering the contract late and the effects upon service users.

The Cabinet Member for Health and Adult Social Care advised that service users would continue to receive a Promoting Independence Service, there would not be a detrimental impact in terms of not receiving a service. As it was a new service model and redesign being procured/tendered rather than a like for like service being commissioned, the Council needed the time to develop the new specification and work with the necessary teams to design the new approach.

### **Reason for Decision**

The Council was statutorily required under the Care Act 2014 to carry out an assessment of anyone who appeared to require care and support. Where someone was in hospital, under Discharge to Assess (D2A), funders were required to undertake assessments away from an acute bed setting.



## Alternative Options Considered

Re-procure like for like.

The current Promoting Independence service was a domiciliary care service with a promoting independence ethos. The new model would be ensuring Providers were delivering a reablement service with a clear focus on outcomes and reducing long term care needs, with financial efficiencies anticipated as a result due to the preventative and strength-based focus.

Do not extend current contracts:

This was not considered a viable option. If current Promoting Independence contracts were not extended, this would leave insufficient time to run a compliant procurement exercise, ultimately leaving a gap in provision, which would put the Council in breach of its statutory duty.

Do not re-procure:

This was not considered a viable option. To not re-procure a new service to replace existing provision and allow the current contracts in place to lapse. There would be increased delays in hospital and people not benefiting from admission avoidance leading to system pressure, as a result.

### Resolved:-

- (1) approval be given to extend the current six Promoting Independence: Care at Home Service contracts with 5 existing providers, which are ending on 2 February 2024 to 2 June 2024 (this covers contract refs ASC089 and ASC121);
- (2) that in connection with Resolution (1) above, an exemption to the Council's Contract Procedure Rules be approved to enable a short-term extension of four months to allow a new requirement to be scoped out, specified and a tender process to be run, and to allow the Director of Adult Social Care to award contracts to the successful tenderer in the event that the required minimum number of tenders are not received;





- (3) that the Director of Adult Social Care be authorised to complete a procurement exercise in order to secure a Reablement Service in Sandwell, which will replace the current Promoting Independence: Care at Home Service contracts from 3 June 2024;
- (4) that the Director of Adult Social Care be authorised to award the contract referred to in Resolution (3) above and enter into a contract with the successful bidders, on terms to be agreed with the Director of Adult Social Care, for the provision of a Reablement Service in Sandwell to commence on 3 June 2024 to 2 June 2026 with an option to extend for 2 x 12 month periods – 3 June 2026 to 2 June 2027 and 3 June 2027 to 2 June 2028;
- (5) that the Director - Law and Governance and Monitoring Officer, or their designated representative, execute any documents necessary within a reasonable time;
- (6) that approval be given to make variations to the Contract referred to in Resolutions (1) and (4) 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 Cabinet Member for Adult, Social Care and Health;
- (7) that approval be given to the Reablement Service in Sandwell to mirror the prevailing standard Domiciliary Care rate paid including any uplifts applied for the duration of the contract with variations to the contract being undertaken in consultation with the appropriate Chief Officer;
- (8) that approval be given to the Reablement model as set out in [Appendix One](#).



## Sandwell Health Determinants Research Collaboration proposal

Approval was sought for the Sandwell Health Determinants Research Collaboration proposal.

The Health Determinants Research Collaboration (HDRC) aim was to boost research capacity and capability within local government to embed a culture of always using evidence when making decisions. HDRC used research findings to understand how decisions impact on health and health inequalities.

Sandwell Council was the 12<sup>th</sup> most deprived local authority in England and life expectancy was 2-3 years shorter than the national average. Inequalities had deepened by the pandemic, austerity and climate change, yet Sandwell's superdiverse communities, industrial heritage and green spaces were key assets. A research needs analysis in 2021 found a strong culture of evidence-based decision making in the Public Health directorate, but this was weaker across the wider Council.

### Reason for Decision

The funding would provide the Council with a unique opportunity to progress the service ambitions to use information and intelligence in a more strategic way to improve outcomes for Sandwell residents and reduce health inequalities over the longer term.

The HDRC would align to our Borough-wide Levelling Up Programme (LUP), which would invest in affordable homes, improved skills infrastructure, better leisure facilities, an improved public realm, active travel infrastructure, social value, local spend, and local employment opportunities. The HDRC would give the Council the means to ensure that the LUP and related work across the Council was informed by evidence and robustly evaluated.



Meeting the objectives of the proposed HRDC programme would lead to higher quality of the services the Council deliver and commission and more efficient investment to improve Sandwell as a place, including education, skills, employment, community cohesion, transport, housing, economy and the built environment – which were the wider determinants of health and the objectives of the Corporate Plan. Over the longer term, this would lead to improved health outcomes and reduced inequalities in both physical and mental health across the life course, contributing to the Vision 2030 of a thriving, optimistic and resilient community.

The HDRC would therefore have potential benefits across all Corporate Plan priority areas throughout the programme and beyond.

### **Alternative Options Considered**

Without the funding, the Council would continue to attempt to achieve as much of these objectives as we can within existing resources and partnerships. However, what the Council can achieve in this way was severely limited as the Council do not have the capacity or infrastructure to achieve positive change at the scale and pace anticipated with the funding in place.

#### **Resolved:-**

- (1) that the Health Determinants Research Collaboration proposal and supporting documents be received;
- (2) that funding up to £5 million and implementation of the proposed 5-year programme be approved, subject to the pending bid being successful;
- (3) that implementation of the following action points identified within the Strategic Investment Unit Appraisal Report be approved to reduce any risk to the Council:
  - (a) that NIHR's terms and conditions of funding are passported to delivery partners in agreements with Sandwell MBC and include the following:



- Procurement in accordance with Sandwell MBC's own procurement requirements
  - Maximum funding allocation for each del
  - Evidence required to support grant claims
  - Grant claims paid in arrears
  - Repayment of grant in the event of non-delivery of outputs
  - Monitoring requirements
  - Responsibility for funding overspends on delivery of the project
- (b) that all estimated costs are reviewed with delivery partners to ensure that the outputs of the project can be delivered within available funding;
- (c) that agreed output levels are agreed with partners involved in the delivery of the project and monitored throughout the funding period;
- (d) that overhead costs are reviewed to ensure that defrayment can be evidenced in accordance with the funder's requirements;
- (e) that the Risk Register is reviewed to ensure all risks relating to the project are identified and adequately mitigated;
- (f) that capital equipment purchased for the project is notified to Strategic Finance at the end of the financial year and is included on the council's Asset Register and accounted for accordingly on the authority's Balance Sheet;
- (g) that VAT/tax advice is received from the Council's tax consultants and adhered to accordingly.



## School Teachers' Model Pay Policies 2023/24

Approval was sought for the School Teachers' Model Pay Policies 2023/24 which had been informed by the School Teachers' Pay and Conditions Document 2023. There was a statutory duty on organisations employing teachers to have a pay policy in place by 1 September each year which set out the basis on which the employer would determine teachers' pay, the date by which it would determine the teacher's annual pay review and to establish procedures for addressing teachers' grievances in relation to their pay.

### Reason for Decision

The School Teachers' Pay and Conditions Document (STPCD) required schools and local authorities to have a pay policy which sets out the basis on which they determine teachers' pay, the date by which they would determine teachers' annual pay review and the procedures for determining appeals.

Schools and local authorities must stay within the legal framework set out within the School Teachers' Pay and Conditions Document and in other relevant legislation, such as equality, employment protection and data protection legislation.

The September 2023 pay award had been agreed nationally and the recommendation for Sandwell Council was in keeping with regional comparators for all teachers.

The Department for Education issued the School Teachers' Pay and Conditions Document to local authorities on an annual basis. It placed a statutory duty on organisations employing teachers to have a pay policy in place by 1 September each year which sets out the basis on which the employer would determine teachers' pay, the date by which it would determine the teacher's annual pay review and to establish procedures for addressing teachers' grievances in relation to their pay.

### Alternative Options Considered

There were not any alternative courses of action available that would otherwise satisfy requirements.



Historical feedback had always suggested that the majority of schools do still want a consistent pay spine produced by the Local Government Association (LGA) for them across all the pay ranges.

**Resolved:-**

- (1) that the September 2023 Pay Award be agreed as follows and is applied to local authority Community Schools:
  - 6.5 per cent uplift to all pay points and allowances for both teachers and leaders, apart from:
  - Higher uplift for M1 of 7.1 per cent (equating to a starting salary of £30,000)
  - All pay uplifts will be back dated to 1 September 2023
- (2) that the Unattached Teachers' Pay Policy 2023/24, now submitted as [Appendix 1](#), be approved and implemented by the Council with effect from 1 September 2023;
- (3) the Model Schools' Pay Policy 2023/24, now submitted as [Appendix 2](#), be approved and recommended to the Governing Bodies of Schools in Sandwell for adoption and implementation with effect from 1 September 2023.

(Councillor Taylor left the room during consideration of this matter)

141/23

**Black Country Framework Contract for Minor Works 2021 – 2024**

Approval was sought for the Black Country Framework Contract for Minor Works 2021 – 2024 which would apply the new percentage inflationary uplift to the schedule of rates on the current Black Country Framework for Minor Works 2021-2024.



## Reason for Decision

The Highways Minor Works framework enabled quick and efficient use of contractors to undertake programmes of work comprising many schemes and eliminates the need for costly and timely tendering processes for each individual scheme. This avoided long delays in delivering safety and infrastructure improvement projects and provides better value for money by tendering in volume for programmes of work in collaboration with Black Country Authorities.

The framework contract provides for an index linked inflationary adjustment at the end of the first 2 years.

## Alternative Options Considered

Highway Services would need to utilise elements of other less suited framework contracts for urgent service provision and tender separately for dozens of individual schemes. This would increase costs, delay delivery and put external grant funding at risk of underspend or claw back.

### Resolved:-

- (1) that approval be given to apply a provisional BCIS inflationary uplift of 20.64% to the schedule of rates on the current Black Country Framework Contract for the Minor Works 2021 – 2024 in accordance with [Appendix B](#) of the Contract;
- (2) that the provisional BCIS inflationary uplift is implemented as soon as possible and adjusted to align with the firm BCIS index for September 2023 when published in January 2024;
- (3) that decision making as the “Authorised Officer” defined in the Black Country Framework Contract for the Minor Works 2021 – 2024 be delegated to the Director of Borough Economy.



## Sandwell Business Growth Plan

Approval was sought for the Sandwell Business Growth Plan.

The Inclusive Recovery Plan identified 7 priorities for the Sandwell Business Growth Team which had been updated in the Sandwell Business Growth Plan by merging the 'Local Spend' and 'Good Jobs' priorities into the 'Social Value in Sandwell' priority, and the addition of the 'Support in Sandwell' priority capturing the customer journey and the council's commitment to supporting Sandwell Businesses. The Economic Data contained within the Sandwell Business Growth Plan had been provided by the Economic Intelligence Unit to provide an updated evidence base for the plan. The 7 priorities of the Sandwell Business Growth Plan were:

1. Support in Sandwell
2. Start Up in Sandwell
3. Grow in Sandwell
4. Innovate in Sandwell
5. Invest in Sandwell
6. Social Value in Sandwell
7. Net Zero in Sandwell

The Sandwell Business Growth Plan set out the aims of each priority and articulates why this was a priority and how the Sandwell Business Growth Team would deliver against them. Detailed activity, outputs and outcomes for each priority are also included, and identifies outputs which were contracted for delivery through UKSPF and outcomes that the team would measure to determine performance. Contracted outputs were set annually, so on this basis the outputs and outcomes profile would be monitored quarterly and set annually.

The Chair of the Safer Neighbourhoods and Active Communities Scrutiny Board, on behalf of the Chair of the Budget and Corporate Scrutiny Management Board, sought further clarify on the hub model, and how the work of the business growth team complements the work of the WMCA's Business Growth West Midlands team in order to reduce any overlap and duplication.





The Cabinet Member for Regeneration and WMCA advised that Business Growth West Midlands was a function of the West Midlands Combined Authority who were the accountable body for the UK Shared Prosperity Fund (UKSPF) which primarily funds Business Support activity in the region. Business Growth West Midlands did not provide business support directly, they operated as a point of contact for all businesses requiring support within the WMCA geography and then triage business enquiries to the relevant local authorities for action. The WMCA had retained an amount of the UKSPF to fund Business Growth West Midlands and to also commission Business Support programmes that would run at a regional level which all local authorities within the WMCA geography delivered. In addition, an amount of UKSPF funding was devolved directly to local authorities to deliver business support programmes that were tailored to the local level.

### **Reason for Decision**

The WMCA have established 'Business Growth West Midlands' (BGWM) as the centre of a 'hub and spoke' model for Business Support Services in the West Midlands. BGWM are the hub, with each local authority being a spoke. BGWM is responsible for devolving UKSPF to the local authorities, collating Monitoring and Evaluation information for reporting to Government as the Accountable Body for the fund. They also utilise this brand as a contact for all West Midlands Business Support Services and triage business clients to the relevant local authority spoke. Businesses will continue to contact local authorities direct for support.

### **Alternative Options Considered**

Retain the existing Inclusive Recovery Plan, acknowledging that the data, partners, and methods of activity delivery are different.

Rescind the Inclusive Recovery Plan and not replace it with an updated plan, acknowledging that the Business Support offer to Sandwell Businesses was not articulated and the level of endorsement unclear.



## Resolved:-

- (1) that approval be given to the Sandwell Business Growth Plan as set out in [Appendix 1](#) which sets out the Services and Programmes available from the Sandwell Business Growth Team for Sandwell Businesses in the pursuit of Sandwell's Economic Growth;
- (2) that the Inclusive Recovery Plan for Business approved by Cabinet on 23 March 2022 be rescinded;
- (3) that the budget profile and outputs and outcomes of the Business Growth Plan for period 23/24-24/25 financial year be noted.

Meeting ended at 4.14pm

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



## 12 December 2023

The following summary report relates to those minutes of the Cabinet which contain a recommendation to the Council. The reports are attached.

<b>Meeting Date</b>	<b>Subject</b>
15 November 2023	Medium Term Financial Strategy – Autumn 2023
15 November 2023	Council Tax Base 2024/25
15 November 2023	Local Council Tax Reduction Scheme 2024/25
6 December 2023	The review of council tenant rents and housing related property charges
6 December 2023	10 Year Business Rates Retention Agreement

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# Report to Cabinet

**15 November 2023**

<b>Subject:</b>	Medium-Term Financial Strategy – Autumn 2023 Update
<b>Cabinet Member:</b>	Cabinet Member for Finance & Resources Cllr Bob Piper
<b>Director:</b>	Interim Director of Finance & Section 151 Officer Brendan Arnold
<b>Key Decision:</b>	Yes
<b>Contact Officer:</b>	Interim Assistant Director – Finance, Claire Spencer <a href="mailto:Claire_spencer@sandwell.gov.uk">Claire_spencer@sandwell.gov.uk</a> Strategic Lead – Service Improvement, Kate Ashley, <a href="mailto:kate1_ashley@sandwell.gov.uk">kate1_ashley@sandwell.gov.uk</a>

## 1. Recommendations

- 1.1 That approval be given to the Medium-Term Financial Strategy and embedded Medium-Term Financial Plan as an estimate of the Council's current financial position as at October 2023 noting that the figures will change as further updating takes place.
- 1.2 That the Director of Finance be authorised to commence a period of consultation regarding the savings opportunities referred to in Annex 6.
- 1.3 That the Guiding Principles be approved as a framework for financial planning for the period of the Medium-Term Financial Strategy.
- 1.4 That the Capital Planning Principles be approved to guide the preparation of the Capital Programme in the years ahead.









- 1.5 That the planned development of the Transformation Programme to date and through 2024/25 be noted and approval be given to endorse the extension of the transformational approach to other services of the Council.
- 1.6 That the Budget Timetable be noted.
- 1.7 That approval be given to submit to the Department for Levelling Up and Homes and Communities a proposal for the flexible use of capital receipts in financial year 2023/24 to support transformation and to delegate the approval of this proposal to the Portfolio Holder for Finance and Interim Director of Finance together with the Assistant Chief Executive and the Monitoring Officer.
- 1.8 That the Council be recommended to approve the Autumn 2023 update of the Medium-Term Financial Strategy at its next meeting.

## 2. Reasons for Recommendations

- 2.1 The Local Government Finance Act 1992 requires the Council to set a balanced, risk assessed budget each year and approve a Council Tax precept by 11 March.
- 2.2 The Council has a duty to consult with those who are liable to pay council tax or non-domestic rates, as well as those who use or are likely to use services provided by the authority. A public engagement exercise on the Council's budget was conducted in Summer 2023 seeking residents' views on how the Council should reduce spend in order to deliver a balanced budget. In order to set a balanced budget for 2024/25, the Council has developed a long list of savings options which, if adopted for 2024/25, will impact residents and businesses in the Borough.
- 2.3 This report presents the current position of the medium-term financial strategy and seeks approval to commence consultation on a range of potential savings options to support the Council in setting a balanced budget in February 2024.



### 3. How does this deliver objectives of the Corporate Plan?

     	<p>Under the One Council, One Team strategic outcome, the Council's aim is to make the most of our resources. The Council has stated that we will:</p> <ol style="list-style-type: none"><li>update the Medium-Term Financial Strategy at least annually;</li><li>set a sustainable and balanced budget each year; and</li><li>ensure that the Medium-Term Financial Strategy is underpinned by a realistic savings plan.</li></ol> <p>This report sets out an updated Medium-Term Financial Strategy as at Autumn 2023 and details proposed actions required to work towards a sustainable and balanced budget in 2024/25.</p>
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### 4. Key Points of Briefing

#### Medium-Term Financial Strategy – Update Autumn 2023

- 4.1 The MTFs and accompanying Medium Term Finance Plan (MTFP) - following a detailed and extensive review - suggests that there is an estimated Budget shortfall of £13m in 2024/25 at the date of this report. This figure has changed in the course of financial year 2023/24, reflecting the expected refinement and testing of initial planning assumptions. Accordingly, the fact that the figures have changed is not a surprise given (a) the financial position of the Local Government sector in general and (b) given that the financial estimates inevitably change as fresh information becomes available and is taken into the budget forecasts.
- 4.2 The reasons for the increases in forecast net expenditure are shown in Annex 9 of the MTFs and include the net effect of:
  - a. Additional savings identified.



- b. Downward adjustment of anticipated savings following a review of the underlying assumptions.
  - c. The challenging and adjustment of cost pressures previously admitted to the MTFP.
- 4.3 From the analysis presented it is clear that the Council must select savings amounting to £13m to balance the 2024/25 Budget and that the overwhelming proportion of these must be recurring in nature to remove the relevant costs in years following and to prevent the avoidable growth of future budget shortfalls.
- 4.4 In any local authority the overall suite of savings selected to ensure that the MTFP is balanced in the medium term will reflect a blend of (a) savings gathered from efficiencies and adoption of best practice (b) the adjustment of service levels (sometimes suspension or cessation of previous service levels) and (c) transformational savings. The Council will need to explore all of these dimensions as it considers the means of setting a balanced Budget for 2024/25.
- 4.5 As part of this process the Council is keen to further develop a *transformational* approach to delivering savings and has already taken steps in this direction. To this end a transformation programme to implement *Oracle Fusion* - a corporate Enterprise Resource Planning (ERP) system - is already underway and set to go live in April and July 2024. In addition, a Transformation Strategy has been prepared, and a Corporate Transformation Board has been established to guide and control the use of transformational approaches in the years ahead. These materials are attached to the MTFS at Annex 11. It should be clear that the benefits of the transformational endeavours described are to develop better value for service users and to enhance the customer journey.
- 4.6 As part of these ambitions the Council acknowledges the need to organise many of its activities along more commercial lines including adopting the Corporate Landlord Model (itself a transformational programme) for management of its property estate. As part of this emergent Property Transformation programme the Council acknowledges a need to further develop its proposals for significant asset disposals and to bring these to





decision at pace. Equipping these approaches with policies around flexible working, team building and to develop a One Team approach to service delivery are already underway and will be further developed.

- 4.7 Additional opportunities in the application of transformational approaches exist with regard to the delivery of transactional services generally; significant work has been undertaken to inform development of a clear business case in this area during 2024/25 and 2025/26. Further transformational approaches are expected in the operation of the Housing Revenue Account to assure its future financial sustainability. In addition to significant programmes that are service focussed, a range of other projects has been assembled that have transformational characteristics.
- 4.8 The Council has commenced a resident engagement exercise through the summer of 2023 and this - together with the Consultation and Engagement Plan (See Annexes 4 & 5 to the MTFS) - forms the Council's proposed approach to meeting its responsibilities in this area as part of setting the Budget for 2024/25. Accordingly, the MTFS includes proposals to launch the Consultation and Engagement Plan for savings amounting to £18m in response to the gross budget shortfall of £13m currently identified. The savings for which Cabinet is asked to launch consultation are included at Annex 6 to the MTFS.
- 4.9 A Budget Timetable for the 2024/25 Budget process is also presented and appears at Annex 3. In line with the highest standards of transparent governance this timetable includes opportunity for specific challenge and review by the Council's Overview & Scrutiny Boards.
- 4.10 The MTFS (and MTFP) will be further updated for the meetings of the Executive, Budget Scrutiny and Full Council in January and February 2024 based on receipt of the Provisional Finance Settlement from Government which is expected in late December 2023 and other adjustments to assumptions.



## Savings Options

- 4.11 Over summer 2023, Cabinet and Leadership Team undertook a 'Star Chamber' exercise for the second year running to challenge existing budgets and identify savings options. The Council has also continued to make use of benchmarking costs against our nearest neighbours.
- 4.12 This exercise has resulted in a basket of savings options being put forward to Cabinet for approval to consult on further, prior to making formal decisions to adopt in February 2024. These initial savings options amounting to £18m in 2024/25 are attached at Annex 6 of the MTFS.

## Consultation Approach

- 4.13 The Council's proposed approach to consultation is set out in paragraph 49 and Annex 5 in the attached report.
- 4.14 Equality Impact Assessments will be conducted for all savings options, with outcomes also being built into the decision-making process.

## Scrutiny of Budget

- 4.15 Effective scrutiny of the Council's financial position and strategy is integral to the Council's ability to deliver a sustainable MTFS that is aligned to its strategic priorities. Scrutiny Boards will be engaged throughout the 2024/25 budget setting process and have ample opportunity to review and challenge the Council's MTFS and proposed savings to achieve a balanced budget. This will take place between November 2023 and January 2024 in advance of the Cabinet meeting in February 2024.



## Next steps

4.16 The assumptions and estimates currently being used in the draft budget will be constantly monitored and the funding position will be revised, if needed, once the Local Government Finance Settlement has been announced. Separate reporting arrangements are in place with regard to the general Fund Capital Programme and also the Housing Revenue Account and Capital programme.

## 5. Alternative Options

5.1 The Council is legally required to set a balanced budget during March 2024. There are no alternative options.

## 6. Implications

<b>Resources:</b>	This report sets out the Autumn 2023 update of the Council's Medium Term Financial Strategy.
<b>Legal and Governance:</b>	<p>This report forms a preparatory part of the process under the Council's obligation to set a balanced budget for 2024/25.</p> <p>As identified within the report, various options require consultation with the public and/ or recognised trade unions and authority is sought through this report to commence relevant consultation exercises. Such consultation must take place in the formative stages of decision-making, as is proposed in this report.</p> <p>In turn and under the provisions of the Local Government Finance Act 1992, the Council must consult with persons or persons representative of bodies subject to non-domestic rates each financial year and before the rates become due for payment. Any consultation activity must engage those directly affected by any proposed decision by providing sufficient information to allow for intelligent response and with adequate time to do so.</p>



	<p>The Local Government Act 1999 requires that the Council must consult with representatives of persons:</p> <ul style="list-style-type: none"> <li>• liable to pay council tax, precepts or levies in respect of the authority;</li> <li>• liable to pay non-domestic rates in the authority area;</li> <li>• use or likely to use services provided by the authority; and</li> <li>• who have an interest in the area within which the authority carries out its functions.</li> </ul> <p>The consultation outcomes must then be conscientiously considered by decision-makers. The process set out in this report provides clear and structured arrangements for consultation to take place in advance of 2024/25 and will allow for decisions to be made after the budget is set taking account of individual consultation outcomes. It must in turn be open to Cabinet not to proceed with an individual savings option as proposed in this report following consultation but, if so, compensatory savings will need to be made to balance the Council's budget.</p>
<b>Risk:</b>	<p>The Medium-Term Financial Plan and Resource Allocation is identified as a risk on the Strategic Risk Register (SRR 27) in that if the council is unable to identify sufficient savings and put in place necessary policies, processes and actions to manage pressures, inflation and manage its plans, then this will impact on the council's financial resilience and its ability to effectively discharge its statutory responsibilities including the setting of a balanced budget for future years.</p>
<b>Equality:</b>	<p>The Equality Act 2010 obliges the Council to have due regard to its equality duties in the budget setting process. To achieve this, Equality Impact Assessments (EIAs) will be conducted on all savings options where required ahead of the final options being put forward to Cabinet for approval.</p>



<b>Health and Wellbeing:</b>	The Medium-Term Financial Strategy and draft Budget for 2024/25 sets out how the council will allocate its resources to deliver its statutory functions and the priorities within the Corporate Plan. These priorities focus on improving the health and wellbeing of our residents and tackling health inequalities in a multi-faceted way.
<b>Social Value:</b>	No specific implications arising from this report.
<b>Climate Change:</b>	Certain budget options may have beneficial environmental and climate change impacts.
<b>Corporate Parenting:</b>	No specific implications arising from this report.

## 7. Appendices

1: The Medium Term Financial Strategy

## 8. Background Papers

None



# Medium Term Financial Strategy 2024/25 to 2026/27

**Sandwell Metropolitan Borough Council**



**Finance Directorate**

**Autumn 2023**

**Prepared: October 2023**

Version: MTFS Autumn 2023 Final

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## Introduction

The Medium-Term Financial Strategy (MTFS) is a key document in the Council's financial planning cycle. This document sets out the strategic financial approach that the Council will adopt in supporting delivery and completion of the Improvement Plan and the portfolio of other strategies and plans that support delivery of the services in the Borough. The MTFS will explain - when fully developed for Full Council in February 2024 - how the Council will distribute its resources in this endeavour over the next five years. In order to deliver the Corporate Plan the Council will need to operate carefully within specific quantitative financial targets. These targets manifest themselves as budget limits, within which the Council must deliver its services over the period of the MTFS. There will be no room for overspends on the future journey and the Council needs to refresh its approach to operate with highly disciplined financial management arrangements. By doing so, the Council will be able to minimise the risk of the financial perils which have engulfed some local authorities in the recent past and demonstrate a level of financial stability and good management that the community in Sandwell is entitled to expect.

Brendan Arnold FCPFA  
Interim Director of Finance & Section 151 Officer

29 October 2023



### The MTFS - Form and Purpose

1. The purpose of the Medium Term Financial Strategy (MTFS) is to set down the approaches that will be used by the Council in assembling, organising and deploying its financial resources to (i) deliver the objectives set down in the Improvement Plan presented to Full Council on 7 June 2022, and updated in December 2022 and June 2023.
2. The MTFS contains a Medium Term Financial Plan (MTFP) which sets out the planning assumptions and financial limits formed by the relevant funding constraints presently assumed. These will be updated quarterly moving forward. This is the first presentation of a quarterly update to frame the development of the 2024/25 Budget at Full Council on 20 February 2024. The updated MTFP appears at Annex 8. Further updates will be required as further insight is gained regarding the Local Government Finance Settlement generally (expected to be released by Government in late December 2023) and as savings options within the Council are more fully developed.
3. It should be noted that development of the Council's MTFS is a key recommendation of the VFM Governance Review undertaken by Grant Thornton in 2021 and forms a notable action within the Council's Improvement Plan. Accordingly, the suitable development and use of the MTFS has been identified by Commissioners as one of the key considerations in advising the Secretary of State of progress made by the Council on its journey to improvement. More generally, it is important to note that like all Councils, the Council is *required under statute* to set a balanced Budget for 2024/25 during March 2024.
4. The MTFS sets out (i) a set of Guiding Principles which are presented for agreement by Cabinet and Council in seeking to obtain sustainable financial balance in the medium term and (ii) the design and operation of specific programmes and other initiatives that will - when fully developed - contribute to savings and cost reductions which are able to be considered in balancing the 2024/25 Budget on 20 February 2024.
5. This being so, the MTFS (incorporating the MTFP) provides a framework within which the annual Budget can be considered, and eventually set, by Council. Accordingly, this document is to be seen as a dynamic part of the Council's financial operations in the future and is of critical importance on the Council's improvement journey.

### Background & Context

6. On 22 March 2022 a process of Intervention was initiated by the Secretary of State in response to the issuance by the External Auditor of their report following the Value for Money Governance Review containing statutory recommendations.

7. In seeking to address the recommendations from the External Auditor's report as well as those resulting from the CIPFA Financial Management Review and a Local Government Association Peer Challenge, the Council has – with the oversight of the Commissioners – adopted an Improvement Plan which is closely monitored by the Leadership Team, the Cabinet, Scrutiny function and Full Council. Although Intervention was not driven from a financial perspective as part of this process the Council needs to be able to assure that its financial affairs can be managed in a sustainable way.

#### Strategic Goals

8. The MTFs has the following strategic goals:
  - a. To provide a framework within which the Council is able to achieve a series of balanced budgets in the medium term to support the delivery of the Corporate Plan and Improvement Plan, demonstrating sustainable improvement.
  - b. By so doing to reach for and assure both financial stability and sustainability and to deliver these in the short, medium and long terms.
  - c. To enable successive budgets to be balanced using a set of Guiding Principles that are commonly adopted across the Local Government Sector and to apply these rigorously; and
  - d. To provide a budget and risk structure within which the Corporate Plan and Improvement Plan can be completed to meet the needs of stakeholders.

#### Key Points of Briefing

9. The MTFs and accompanying MTFP - following a detailed and extensive review - is suggesting that there is an estimated Budget shortfall of £13m in 2024/25 at the date of this report. This figure has changed in the course of financial year 2023/24, reflecting the expected refinement and testing of initial planning assumptions. Accordingly, the fact that the figures have changed is not a surprise given (a) the financial position of the Local Government sector in general and (b) given that the financial estimates inevitably change as fresh information becomes available and is taken into the budget forecasts.
10. The reasons for the increases in forecast net expenditure are shown in Annex 9 and include the net effect of:
  - a. Additional savings identified.
  - b. Downward adjustment of anticipated savings following a review of the underlying assumptions.
  - c. The challenging and adjustment of cost pressures previously admitted to the MTFP.

11. From the analysis presented it is clear that the Council must select savings amounting to £13m to balance 2024/25 Budget and that the overwhelming proportion of these must be recurring in nature to remove the relevant costs in years following and to prevent the avoidable growth of future budget shortfalls.
12. In any local authority the overall suite of savings selected to ensure that the MTFP is balanced in the medium term will reflect a blend of (a) savings gathered from efficiencies and adoption of best practice (b) the adjustment of service levels (sometimes suspension or cessation of previous service levels) and (c) transformational savings. The Council will need to explore all of these dimensions as it considers the means of setting a balanced Budget for 2024/25.
13. As part of this process the Council is keen to further develop a *transformational* approach to delivering savings and has already taken steps in this direction. To this end a transformation programme to implement *Oracle Fusion* - a corporate Enterprise Resource Planning (ERP) system - is already underway and set to go live in late Spring and Summer 2024. In addition, a Transformation Strategy has been prepared, and a Corporate Transformation Board has been established to guide and control the use of transformational approaches in the years ahead. These materials are attached to this report at Annex 11. It should be clear that the benefits of the transformational endeavours described are to develop better value for service users and to enhance the customer journey.
14. As part of these ambitions the Council acknowledges the need to organise many of its activities along more commercial lines including adopting the Corporate Landlord Model (itself a transformational programme) for management of its property estate. As part of this emergent Property Transformation programme the Council acknowledges a need to further develop its proposals for significant asset disposals and to bring these to decision at pace. Equipping these approaches with policies around flexible working, team building and to develop a One Team approach to service delivery are already underway and will be further developed.
15. Additional opportunities in the application of transformational approaches exist with regard to the delivery of transactional services generally; significant work has been undertaken to inform development of a clear business case in this area during 2024/25 and 2025/26. Further transformational approaches are expected in the operation of the Housing Revenue Account to assure its future financial sustainability. In addition to significant programmes that are service focussed, a range of other projects has been assembled. The Transformation Strategy appears at Annex 11.
16. The Council has commenced a resident engagement exercise through the summer of 2023 and this - together with the Consultation and Engagement Plan (See Annexes 4 & 5) - forms the Council's proposed approach to meeting its responsibilities in this area as part of setting the Budget for 2024/25. Accordingly the MTFP includes proposals to launch the Consultation and Engagement Plan for savings amounting to £18m in response to the gross budget shortfall of £13m currently identified. The potential savings of £18m for which Cabinet is asked to launch consultation are included at Annex 6.

17. A Budget Timetable for the 2024/25 Budget process is also presented and appears at Annex 3. In line with the highest standards of transparent governance this timetable includes specific challenge and review by the Council's Overview & Scrutiny function through the Budget & Corporate Scrutiny Management Board as part of the consultation process.
18. The MTFS (and MTFP) will be further updated for the meetings of the Executive, Budget Scrutiny and Full Council in January and February 2024 based on receipt of the Provisional Finance Settlement from Government which is expected in late December 2023 and other adjustments to assumptions..

The Guiding Principles

19. In undertaking its financial operations over the period of the MTFS the Council is asked to adopt the following Guiding Principles ('The Principles'). The Principles are based on sound management and professional practice. They are presented as *Guiding* Principles because there may be occasions where – after careful consideration - the exigencies of strategic or operational management may necessitate from time to time a departure from the Principles.

No.	Guiding Principles
1	Fees & Charges will be reviewed annually and adjusted for inflation, comparability and competitiveness.
2	As a compassionate Council, in setting charges, the impact on vulnerable groups will be considered carefully and equalities impact assessments prepared where needed.
3	Service level spend will be benchmarked regularly with a suitable peer group and proposals to align with the benchmark will be brought forward.
4	The Council will seek to adopt incrementally a policy of Digital First in service delivery generally but as a compassionate Council will be mindful of the risks of <i>digital exclusion</i> in doing so.
5	A rolling programme of Service Reviews launched as part of the Star Chamber process will continue from time to time within the timeframe of the MTFS and will be used to ensure that operating models, organisational design and cost footprints are subject to regular review and adjustment across the Council.
6	Service developments, savings and investment will be brought forward on the basis of business cases that must demonstrate feasibility, deliverability, and appropriate financial pay back and other investment appraisal techniques.
7	The Council will consult with residents and other stakeholders in the Borough in forming budget options.

8	Where business cases are prepared for decision a proactive approach will operate encompassing review in depth prior to such presentation; this will include rigorous application of investment appraisal techniques, peer review and use of the Scrutiny function to achieve searching review and challenge before business cases are adopted.
9	The Council will welcome approaches from regional and other partners for joint working and joint management initiatives.
10	The Council will seek to reach and maintain Unearmarked Reserves at a level of at least 5% of Net Expenditure (i.e. £16m based on current net expenditure of in 2023/24 of £317m).
11	Given the financial position of the Council and the need to maintain key statutory services the Council will seek to maximise receipts from Council Tax and optimise receipts from fees and charges and other income over the period of the MTFs.
12	Growth in service budgets must be funded from (a) grants or other contributions, (b) realistic estimates of commercial income and fees and charges or (c) revenue savings. Following the setting of the 2024/25 Budget there will be a general planning assumption that no other growth will be adopted into the Budget within the period of the MTFs unless under the most pressing circumstances.
13	Council will develop moving forward enhanced means of assessing and managing risks at both strategic and operational levels and these will be used to inform the annual Budget process.
14	The Council will seek to make Value for Money decisions and be mindful of its obligations to obtain best value for the 'public purse' generally.
15	The Council will consider invest to save proposals in preparing the MTFs generally.
16	In making decisions to buy goods and services the Council will be mindful of powers to seek social value in procurement and reduce the carbon impact of decisions to assist with Net Zero.

#### Financial Challenges: Governance & Decision Making

20. A full Budget Timetable appears at Annex 3 to this report. It must be noted that - following the Intervention already referred to - the Commissioners will in support of Cabinet - consider and receive the materials referred to below and will guide and advise the Council in fulfilment of their supporting role as part of the overall Improvement journey.

21. In summary, the following arrangements are envisaged for Budget decision making in the period to the setting of the 2024/25 Budget on 20 February 2024.

- a. The Budget & Corporate Scrutiny Management Board will hold a Budget Enquiry and Review meeting during January 2024 to consider the Draft Budget options and consultation responses. The recommendations by Scrutiny will be incorporated into overall

consultation feedback and submitted to Cabinet for consideration in the formulation of the final budget proposals. The meeting of Cabinet at which this information will be received is 7 February 2024.

- b. That the Medium-Term Financial Strategy is further updated for the meeting of Full Council on 20 February 2024; this to enable (i) the capture of any further savings (ii) the impact of the Provisional Finance Settlement from Government and (ii) updated corporate assumptions to be incorporated within the Draft Budget.
- c. Full Council to consider the setting of the 2024/25 Budget on 20 February 2024 following a decision of Cabinet to recommend the Draft Budget to Full Council.

### Consultation & Engagement

22. The views of Sandwell's residents, businesses and communities are integral to the development of a MTFs that reflects the priorities of the Borough. A two phased approach to engagement and consultation has been devised to support the development of the 2024/25 Budget and the MTFP. This has been designed to align to the Council's Consultation Principles:
- a. Consultation lies at the heart of effective public policy development and service to the public. It should be a first thought and not an afterthought.
  - b. Consultation should never be used to communicate decisions already taken, and the outcome of consultation should never be pre-determined.
  - c. Consultation should be inclusive. Whenever possible, it should involve all parties/groups, including our children and young people, who can contribute to or are affected by the outcome of the consultation.
23. Phase One consisted of a face-to-face public engagement exercise with a representative sample of residents in Summer 2023. Building on the budget consultation activity conducted in 2022, this survey offered the opportunity for residents to provide input on their local priorities and preferences for delivering further council savings going into the budget setting process for 2024/25. The results of this helped inform the development of options for future savings. Details on the methodology used and responses are included at Annex 4. At the same time, the Council also conducted the SHAPE survey with primary and secondary school age children across the Borough. This survey captured the experiences of children and young people in Sandwell and what matters to them. The final results of this survey are expected in mid-November, and will be included in the outcome of Phase Two.
24. Phase Two will commence from 15 November 2023 and will involve further consultation with residents, businesses and communities. The approach will be to seek views on the whole basket of possible savings options which will feed into the Cabinet decision making process. Where savings options impact on groups of staff, engagement and formal consultation with affected staff and Trade Unions will be conducted as appropriate.

25. The timing of this consultation period is scheduled to feed into the meetings of Cabinet and Full Council in February 2024 that will be asked to take decisions on the Budget for 2024/25.
26. The Council will comply with its obligations under statute in all respects in undertaking these activities.

#### Scrutiny of Budget Options

27. The role of Scrutiny in this budget process is key to providing assurance that the council's budget and MTFs is sustainable and aligned to priority areas over the short, medium and longer term. It is important that sufficient time is given to this process to allow for effective scrutiny and review of budget options prior to decisions being made.
28. The budget generally will be scrutinised as follows:
  - a. A consideration of this MTFs (Autumn 2023) by the Budget & Corporate Scrutiny Management Board on 22 November 2023.
  - b. An in-depth consideration of the 2024/25 Budget and the basket of savings options; this to take place in January 2024 prior to the meeting of Cabinet on 7 February to consider the Draft Budget and the meeting of Full Council on 20 February 2024.

#### The National Financial Background

29. The National economy is being driven by international economic events not least the impact of the war in Ukraine, ongoing issues with international supply chains and the ongoing impact of the Pandemic. One of the key issues that has emerged is the emergence of high levels of inflation in energy, food and other products and commodities which has caused very significant inflationary pressures in wholesale and retail markets across a range of goods and services; naturally these pressures have also related to increases in labour costs. The resulting inflationary pressure has not been seen in the UK economy since the very high levels experienced during the late 1970's and early 1980's.
30. In recent years Local Government has received a much higher proportion of funding from local rather than national sources as has historically been the case. It follows that Government has inherited a position where it no longer has the appropriate levers or – following the support afforded to communities and businesses through and following the Pandemic and energy crisis – the resources to meet the inflationary pressure in the cost of service delivery.
31. The result is that much of the financial pressure has been left for local councils to manage and this has resulted and will continue to entail a need for largescale savings across the Local Government sector. That said, the savings currently required in this Council are currently forecast to be at the lower end of the savings envelope faced by some other local authorities.

32. On the back of these developments a ‘cost of living’ crisis has been described. This is something of which the Council is keenly aware. Accordingly, the Council will be invited subsequently in this budget approval process to maintain the Council Tax Support Scheme in Sandwell for 2024/25 without any downward adjustment to the level of support provided. There also needs to be an awareness that in the UK economy where inflation is forecast to continue rising at beyond 6% per annum in the foreseeable future, levels of Council Tax are set to become less costly in real terms given the expected thresholds set by Government for the level of potential increase to the Council Tax.

#### The Pandemic and ongoing Societal Changes

33. The ongoing impact of the Pandemic has resulted in a number of behavioural changes at a societal level which result in additional costs for local authority budgets. Examples nationally have included - but are not confined to - higher waste collection costs, pressure on the collection of commercial rents, changes in the demand for office accommodation associated with the emergence of ‘working from home’ as a ‘new normal’ and a consequential adverse impact on car parking income..
34. Although some of these effects are estimated to recover towards former levels in the medium term (particularly commercial rental income and car parking revenues) the evident financial pressures are expected to continue into the medium term. This is the case in Sandwell as for other councils.

#### General Budget Planning Assumptions

35. The following paragraphs set out a suite of headline planning assumptions which inform the construction of the MTFP; greater detail is presented in Annex 7. These will be reviewed on an ongoing basis for the next quarterly update of the MTFP to be prepared for the meeting of Full Council on 20 February 2024.

#### Council Tax

36. As a response to the inflationary pressures in the economy the Government at the last Finance Settlement (2023/24) set the referendum threshold for Council Tax increases to an overall total of 2.99% and an additional ‘Adult Social Care Precept’ of 2% for upper tier councils such as Sandwell. The level of the council tax cap for 2024/25 is presently unknown but for planning purposes - in expectation that inflationary pressures will continue to be significant in the economy – it is assumed that an annual increase of 2.99% will continue to apply in future years. Even at this level, the Council’s spending power will decrease in real terms if - as seems likely - inflation continues to erode the value of money in the short and early medium term. This is why the development of a *transformational* approach to service delivery is so important to the Borough in the period ahead.
37. The increase in Council Tax will be a decision of Council in each year moving forward but to do other than maximise potential increases would imperil the Council’s ability to sustain statutory services at a reasonable level.



### National Non-Domestic Rates (NNDR)

38. The Government has for some years been considering reform of the NNDR system amid concerns from the business sector that the Rate imposes an unwarranted burden on the commercial sector. To this point no firm proposals have been brought forward by Government and so the MTFP uses the existing methodology to forecast the yield in the forward period of the Plan. In addition, for Sandwell, the proposed Devolution Deal negotiated between the West Midlands Combined Authority and Government envisages maintenance of the existing NNDR pooling arrangements in the West Midlands to which the Council presently belongs for a further 10 years.

### The Capital Programme

39. Services have been provided with a list of provisional capital programme budgets based on information included within the February 2023 budget report, taking into account any potential slippage in the current programme. They are in the process of re-affirming these estimates taking into consideration any potential changes in pricing or rephrasing or to request removal if sums previously earmarked for particular schemes are no longer required.
40. Where a new scheme is put forward Services have been asked to complete an outline bid for capital funding which will be assessed against corporate priorities. Final proposals will be presented as part of the Draft Budget which is presented to the Budget & Corporate Scrutiny Management Board and then to Cabinet on 7 February and to Full Council on 20 February 2024. In the future it is envisaged that the Capital Programme will be prioritised and managed using a refreshed approach which is described below.

### The Capital Planning Principles

41. For financial year 2024/25 and within the period of this MTFP the following *Capital Planning Principles* are proposed for use in forming the Capital Programme which will be presented to and approved by Full Council. Proposals that do not fall within these 'Capital Principles' will not – except in conditions of compelling exigency - be included within the Draft Capital Programme for the General Fund or the Housing Revenue Account.
- a. Items of programming that relate to essential health and safety works and deliver compliance to the regulations within in the Council's property estate.
  - b. Items of programming that have a measurable beneficial impact on the carbon footprint of the Council and the Borough and which have affordable cost implications.
  - c. Essential investment in Information & Communications Technology (both hardware and software) to ensure that the Council has fit for purpose and secure tools and infrastructure to support operations generally and transformational programmes where there are suitable business cases to support such investment.

- d. Items where - following provision of external grant support (principally from Government, Government Agencies or the West Midlands Combined Authority) - specific resources are provided to the Council by to complete or partially complete certain specified schemes that support the Council's objectives or wider regional ambitions such that match funding is required. Such match funding must be affordable to the Council and decisions made must demonstrate the Council's duty to achieve VFM in the decisions made.
  - e. Any schemes that can be shown to be wholly funded from external resources (e.g. Government Grants, external contributions) without implying additional cost burdens for the Council.
  - f. Where proposals are estimated to return a measurable revenue saving; for example, leasing of the Council's commercial property portfolio which may require modest upfront capital investment and which then return a beneficial income stream to the revenue budget.
  - g. Schemes for which there may be a perception of compelling need but where such schemes are wholly dependent on Council funding. In these cases, a rigorous business case must be prepared which demonstrates that additional cost pressures can be assuaged by alternative savings or removal of capital programming. This approach will ensure that the Council seeks to enhance the approaches already in play in forming the Council's Capital Programme in the years ahead.
42. For the avoidance of doubt, on grounds of affordability there will be no other new borrowing for capital purposes in the General Fund during the period of the MTFS.

#### Reserves

43. In previous years the Council has sometimes used significant contributions from Reserves to support service delivery. The Council – as has happened in other local authorities – may face the future prospect of compromising its ability to manage strategic risks at some future point. Accordingly, unless in case of grave exigency, or in respect of use of reserves that has been previously planned, The Draft Budget presented to Council in February 2024 is not expected to contain proposals to subsidise the budget shortfall of £13m currently estimated by drawing on reserves.

### Debt Service

44. The Council's General Fund holds a current debt portfolio of £146m for which the annual debt service costs are estimated at c. £15m per annum which represents less than 5% of the Net Budget. The fact that this percentage is relatively modest compared with similar authorities is a significant factor in the budget shortfall in Sandwell being lower compared with such authorities. The position with regard to the Housing Revenue Account will be discussed within the separate HRA Budget report which will be presented later in the Autumn of 2023.

### The Finance Settlement 2024/25: Forecast and Key Points

45. The Provisional Local Government Finance Settlement for 2024/25 is to be published in late December 2023 and will become Final in late January or early February 2024. Accordingly, at this stage in the planning process an assessment is made of the forecast position with regard to the content of the Finance Settlement at that future date. These assumptions will be improved and revised as information becomes available, particularly on the 22 November when the Chancellor of the Exchequer is expected to release their Autumn Statement.

46. Currently, the key points of briefing in relation to the Forecast are:

- a. New Homes Bonus – The Government has been considering reform or phasing out of New Homes Bonus and currently the grant is calculated on a one-off annual basis. In the absence of detailed consultation by Government it is assumed that the Council will continue to receive a benefit similar in value to prior years.
- b. Controls on use of packaging and waste volumes – the Government is planning to establish a system where the producers of packaging waste are charged a levy related to the waste volumes that result such that the proceeds - net of regulatory costs - are passed on to local Councils. The assumption made generally in the MTFP is that the incoming monies will need to be reinvested in waste services and that, accordingly, there will not be a net benefit to the Council from this scheme. This assumption will be reviewed for the next update of the MTFP; in addition Government has deferred implementation until 2025/26.
- c. Planning Fees – in the period ahead Government is expected to re-set planning fees that are significantly higher than is presently the case. The results of this decision – if received by February 2024 – will be built into the Final Budget proposals.
- d. Collection Fund – the working assumption is that Council Tax will increase by 2.99% throughout each year of the MTFP, the maximum permitted under current Government guidance. The Collection Fund in respect of Council Tax is currently estimated to be in deficit at end of 2023/24 and a charge to the General Fund of £0.5m has been included

in the current MTFP to account for this. The situation will be reviewed in depth for the next update of the MTFP. The setting of Council Tax at this level is for the purposes of modelling; the decision on the level of Council Tax increase is a matter for the meeting of Full Council on 20 February 2024.

- e. The NNDR Pool - it is assumed that the Council will continue to be a member of the West Midlands Business Rates Pool in 2024/25 and future years and it is also assumed that the Government will continue to permit the operation of such pools as a matter of policy within the Devolution Deal.

#### Other Planning Assumptions

- 47. Further planning assumptions made in the Medium Term Financial Plan appear at Annex 7.

#### Savings for Consultation

- 48. The Council has assembled a list of opportunities that could be led to generate savings in the region of £18m in 2024/25. The opportunities have been grouped into themed areas to align with the existing transformational savings in place for financial year 2023/24. It must be remembered that the forecast shortfall for Budget 2024/25 is £13m and so the savings opportunities highlighted in the table are designed to deliver a level of choice to Cabinet in drawing up final options following the end of consultation and when the Provisional Finance Settlement has been received in late December 2023. The List of Savings Opportunities appears at Annex 6.

#### Delivery of Savings in 2023/24

- 49. A review of savings has been undertaken to assess whether the targeted savings were delivered in 2022/23 and 2023/24 as planned. Should this not be the case, the additional cost this implies remains within the forward years of the MTFP as a pressure. At the present time there is evidence to suggest that – with minor exceptions – the savings for 2023/24 are set to be delivered by the end of the year or are capable of delivery in the near future. This position will be reviewed throughout out the Autumn of 2023 to inform the preparation of the Draft Budget for Cabinet, Scrutiny and Full Council by February 2024.

#### Flexible Use of Capital Receipts

- 50. The Council will wish to make use of the facility to use capital receipts to fund revenue expenditure used to fund business change and transformation. For this reason, a plan will be produced and included in the Budget Report for Council on 20 February 2024 following which the plan will be shared with the Government Department (DLUHC) as required in recent guidance from Government. Further, the Council wishes to submit a proposal for flexible use of capital receipts in financial year 2023/24.

## Property

51. The holding and management of property assets is a significant activity for the Council and as previously described in this report work is proceeding on a number of strands to form a transformation programme in this service area. The principal components are considered to be:
- a. Operation of the Corporate Landlord model which is expected to drive efficiency by unified management of all property assets within the Council; this to release revenue savings in the cost of management of these assets and also to reduce significantly the property holding costs in the revenue budget.
  - b. The Council holds some 4,000 property assets including buildings and parcels of land of various kinds. This includes a number of properties for which the Council has no economic use and which drive a cost stream including maintenance, security, business rates and others which can only be assuaged through the disposal of the surplus property. The next update of the MTFs will contain a listing of surplus property for disposal and this will form part and parcel of the proposals set down in the Draft Budget.

## The Medium Term Financial Plan (MTFP)

52. The Council's MTFP (MTFS Autumn 2023/24), is shown in Table 1. The MTFP is the product of (i) detailed technical analysis (ii) detailed discussion with the Directorates and their respective management teams regarding the pressures identified and (iii) further engagement to assist the Directorates to identify savings to bridge the Budget shortfall identified.
53. In preparing to balance the 2024/25 Budget the Council produced an initial forecast shortfall of £8.9m for 2024/25 which has been revised to £13m following a process of review which led to the acceptance of additional net pressures. These arose from stress testing a number of key variables used to form the previous version of the MTFP. The full detail of the MTFP is shown in Annex 8 and the movements between the original figures and those now presented are shown in Annex 9.

Table 1: Medium Term Financial Plan 2024/25 to 2026/27

	2024/25	2025/26	2026/27
	£m	£m	£m
Current Net Budget	317.103	317.103	317.103
Budget pressures and technical adjustments	28.272	49.723	66.727
Revised Net Budget	345.375	366.826	383.830
Funding	(332.412)	(338.158)	(344.476)
Net Deficit before savings options	12.963	28.668	39.354

### The MTFS & MTFP: Governance & Reporting

54. The MTFP will continue to be updated on a rolling basis from this point forward and will be reported quarterly to Cabinet, Scrutiny Management Boards, Full Council, and the Commissioners moving forward. This will enable stakeholders to receive regular briefing on observed changes to the forecasts that are from time to time observed.

### Risk Assessment & Management

55. The Council has a need to develop structured arrangements to manage risk with regard to strategic and operational dimensions of its operations. The principal risks associated with maintenance of the Council's services within the financial constraints identified in the MTFS and associated MTFP together with headline mitigations are set out in Annex 10.

### Summary

56. This document has set out the MTFS and the embedded MTFP and the acceptance and application of these documents can be summarised as follows:
- a. The Council has identified a set of Guiding Principles which will assist in shaping responses to future revenue budget shortfalls.
  - b. The Council is aware of the challenging financial pressures that bear on the 2024/25 Budget and beyond and has understood the issues that this presents.
  - c. The Council has taken effective action to identify a portfolio of potential savings opportunities in the order of £18m which may be considered in order to balance the 2024/25 Budget shortfall of £13m currently forecast and wishes to consult the Borough on these options.
  - d. It will be key across the years of the MTFS for the Council to maximise funding streams including Council Tax and this should continue – as in previous years – to inform planning assumptions in the MTFS and MTFP.
  - e. MTFP Planning assumptions will continue to be refined and reviewed on an ongoing basis; accordingly, the figures contained in this report will continue to change, moving forward.
  - f. The Council has also identified *Capital Planning Principles* to inform capital planning moving forward and has acknowledged a need to review its capital programme methodology in the period ahead.

## Recommendations

57. It is recommended that Cabinet.

- a. Approve the MTFS and embedded MTFP as an estimate of the Council's current financial position at October 2023 noting that the figures will change as further updating takes place.
- b. Give approval for the commencement of a period of consultation regarding the savings opportunities referred to in Annex 6.
- c. Approve the Guiding Principles as framework for financial planning for the period of the MTFS.
- d. Approve the Capital Planning Principles to guide the preparation of the Capital Programme in the years ahead.
- e. Note the planned development of the Transformation Programme to date and through 2024/25 and endorses the extension of the transformational approach to other services of the Council.
- f. Note the Budget Timetable set out in this report.
- g. Approve the submission to DLUHC of a proposal for the flexible use of capital receipts in financial year 2023/24 to support transformation and to delegate the approval of this proposal to the Portfolio Holder for Finance and Interim Director of Finance together with the Assistant Chief Executive and the Monitoring Officer.
- h. Approve the onward submission of the Autumn 2023 update of the MTFS to the next meeting of Full Council.



Sandwell Council's Corporate Plan ([refreshed June 2023](#)) sets out six outward facing strategic priorities for the council to deliver on, underpinned by 'One Council One Team' – our seventh strategic priority to be a modern, outstanding council. Underpinning these strategic priorities, the council has established [145 'we will' statements](#) which indicate key actions the Council will work towards to help achieve delivery of the strategic outcomes. Performance in delivery of these 'we will' statements and the impact of our activity on the strategic priorities is monitored through the council's corporate performance management framework. This is reported to Cabinet and Budget & Corporate Scrutiny Management Board on a quarterly basis.



## **The Role of Commissioners**

On 22 March 2022 the Secretary of State for Levelling Up, Housing and Communities announced an [intervention package](#) and a set of [Directions](#) to ensure Sandwell Council was able to comply with its best value duty under Part 1 of the Local Government Act 1999. These Directions were in-part influenced by the Grant Thornton report following their [Value for Money Governance Review of December 2021](#). The Directions remain in force until 22 March 2024 unless amended by the Secretary of State.

In response to the Directions, the council developed a single [Improvement Plan](#) that combined the actions to address not only the Grant Thornton Review, but also the findings of the [CIPFA Financial Management Review \(January 2022\)](#) and the [LGA Corporate Peer Challenge \(February 2022\)](#). Robust programme management and assurance arrangements are in place to manage the delivery of the Improvement Plan and ensure that it remains a live document. A [revised Improvement Plan](#) was approved by Cabinet in March 2023 to incorporate recommendations from follow-up reviews by [Grant Thornton](#) and the [LGA](#). An [Annual Report](#) was approved by Cabinet in June 2023, setting out the council's improvement journey over the preceding 12 months and the priorities for further improvement during the intervention period.

The Directions of the Secretary of State (March 2022) enable the Commissioners to exercise the following functions:

1. All functions associated with the governance and scrutiny of strategic decision making by the Authority.
2. All functions relating to the appointment and dismissal of persons to positions the holders of which are to be designated as statutory officers, and the designation of those persons as statutory officers, to include:
  - a. The functions of designating a person as a statutory officer and removing a person from a statutory office.
  - b. The functions under section 112 of the Local Government Act 1972 of –
    - i. appointing and determining the terms and conditions of employment of an officer of the Authority, insofar as those functions are exercised for the purpose of appointing a person as an officer of the Authority principally in order for that person to be designated as a statutory officer; and
    - ii. dismissing any person who has been designated as a statutory officer from his or her position as an officer of the Authority

The Commissioners submit a report to the Secretary of State every six months on Sandwell Council's progress in addressing the issues that led to government intervention. In their [letter of June 2023](#), the Commissioners noted that they had seen "*significant progress on the single improvement plan*" since their last report, and that "*substantial progress has also been achieved on nearly all*" of the priorities highlighted in their previous report. In the same letter, the Commissioners stated that they believed the council needed to give particular focus to the following four areas:

1. Developing the strategic capacity of the organisation.
2. Further work on implementation of the culture and values work.
3. A comprehensive transformation programme linked to delivering the Council's MTFS.
4. The 2020/21 accounts approved by auditors and a clear timetable for the approval of the 2021/22 accounts.

## Annex 3

### The Budget Timetable for 2024/25 Budget

Timeline	Activity	Status
<b>August '23</b>	Budget Consultation feedback received; Star Chambers conducted	Completed
<b>Early October '23</b>	Business case development and review	Completed
<b>15 November '23</b>	Autumn 2023 MTFS report to Cabinet and commencement of next phase consultation	<i>In Progress</i>
<b>Nov '23 –Jan '24</b>	Consultation period on savings opportunities to include residents, businesses and communities. Completion of Equality Impact Assessments	<i>Decision at Cabinet 15 November</i>
<b>22 November '23</b>	Budget & Corporate Scrutiny Management Board to consider Autumn 2023 MTFS	<i>Scheduled</i>
<b>21 December '23</b>	Finance settlement receipt expected 21 December 2023;	-
<b>January '24</b>	Budget & Corporate Scrutiny Management Board Sessions	<i>16-18 January</i>
<b>February '24</b>	Draft Budget 2024/25 and to Cabinet (7 Feb 2024) and Council (20 Feb 2024)	<i>Scheduled</i>

# Sandwell Council Budget Survey report

## Key Findings Report July 2023



# Research objectives and method



In June and early July 2023 M·E·L Research interviewed a randomly selected sample of 1,100 Sandwell residents.

Following last year's budget consultation, in which residents stated that rationalising buildings and assets would be the preferred method to achieve required savings, Sandwell Council set itself savings targets and examined ways to reduce running costs.

This survey offered the opportunity for residents to provide input on their local priorities, and preferences for delivering further council savings going into the budget setting process for 2024/25.



A stratified random locational sampling approach was used. In each ward, Census Output Areas (COAs) were ranked by the Index of Multiple Deprivation (IMD). COAs were then selected at random as sampling points. The number of sampling points selected was proportional to the interviewing target for each ward. All addresses for each COA sampling point were made available to interviewers, with a target of 10 interviews set per sampling point.

At ward level quotas were set by age and gender to ensure that the sample reflected the characteristics of the borough's population. Quotas were set using Census 2021 data.

# Spatial Analysis

The sample size of this research does not allow robust analysis at ward level. In order to analyse the data at a more statistically robust geographies, wards have been grouped into towns. These towns, as defined by the table on the right, will be used throughout the analysis.

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**Towns and Wards in Sandwell**



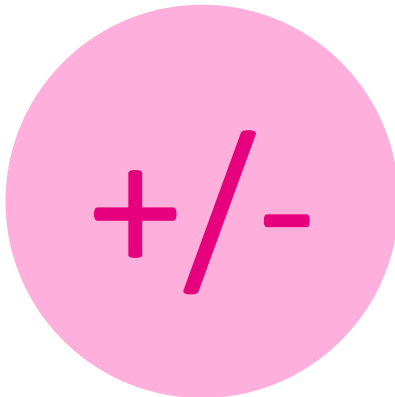
Contains Ordnance Survey data. © Crown copyright and database right 2018.

Town	Ward
Oldbury	Bristnall
	Langley
	Old Warley
	Oldbury
Rowley Regis	Blackheath
	Cradley Heath and Old Hill
	Tividale
Smethwick	Rowley
	Abbey
	Smethwick
	Soho and Victoria
Tipton	St Pauls
	Great Bridge
	Tipton Green
	Princes End
Wednesbury	Friar Park
	Wednesbury North
	Wednesbury South
West Bromwich	West Bromwich Central
	Hateley Heath
	Greets Green and Lyng
	Newton
	Great Barr with Yew Tree
	Charlemont with Grove Vale

# Data weighting and confidence level



In total 1100 interviews were completed. While the application of quotas at ward level ensured a diverse mix of residents were interviewed, the final dataset was weighted. This weighting eliminated the effect of differential response rates by geography and between demographic groups so that the resulting data is fully representative of the borough. The final data has been weighted by ward, age and gender, using 2021 Census population data.



The sample size of 1,100 means that this dataset has a maximum confidence level of +/- 2.95 at the borough level (at a 95% level of confidence). This means that we can say with 95% confidence that the responses reported will be no more than 2.95 percentage-points different than if all residents of the borough were interviewed.

Sub-group analysis i.e., comparing responses from particular resident groups or from specific locations within the borough will have higher confidence intervals.

# Note on analysis of priorities

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# Contextual information given to respondents

In last year's budget consultation residents said their preferred way for us to achieve the required savings was to rationalise our buildings and assets, we have taken this on board and set a target saving in 2023/24 to look at ways we can reduce the running costs of the buildings that we currently operate from. This includes sharing our space with partners to generate more income and looking at running services from fewer buildings, especially where we have multiple buildings close together.

The Council is facing similar pressure to residents from inflation and rising costs. The cost of living crisis is also creating more demand for some council services. This means that difficult decisions need to be made when the Council sets its budget.

We have identified and delivering savings of over £30m in the last two years and our current Medium Term Financial Plan shows that further savings of around £8m will be needed for next year.

The Council spends around £318m on our day-to-day services, such as refuse collections, street cleansing, providing libraries and leisure centres and our adult and children's social care services. We must meet all our legal requirements but can make choices in how we deliver some of these services.

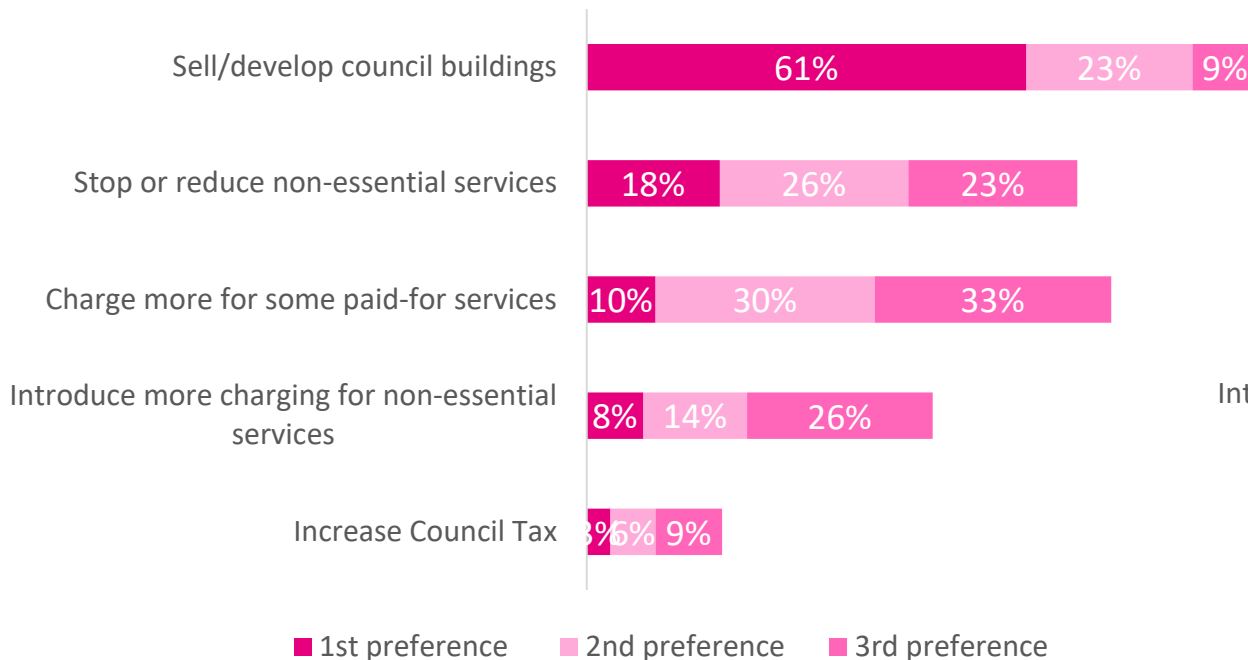


# Preferred approach for delivering the Council savings needed

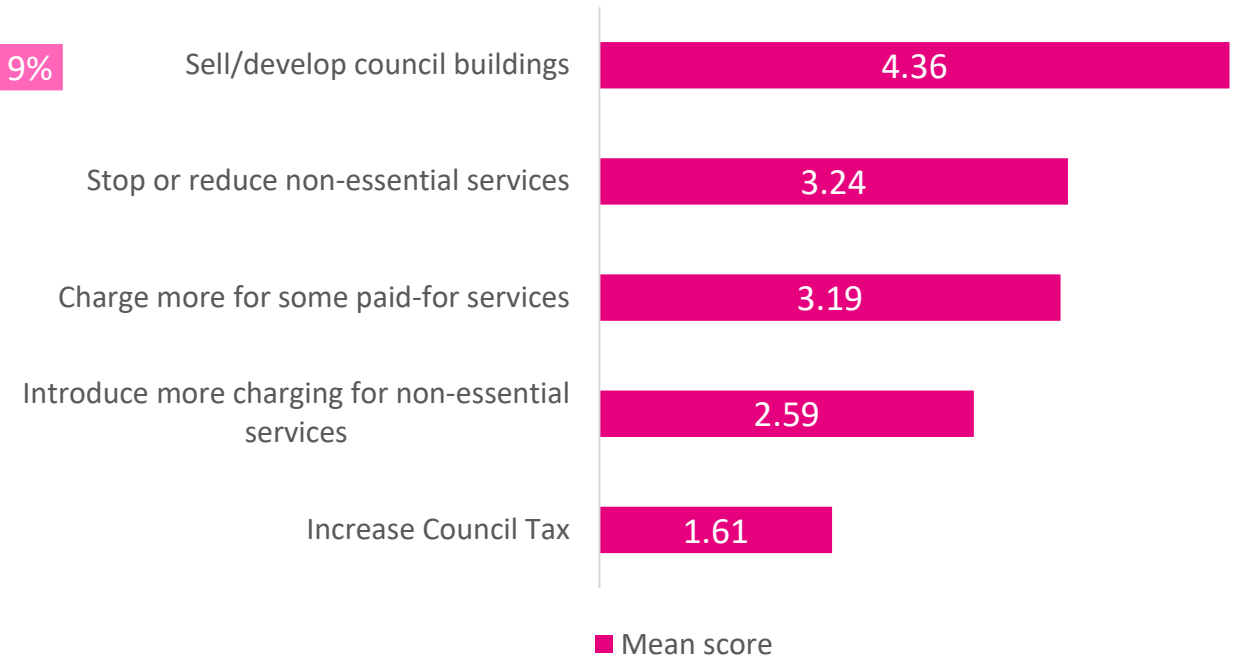
Selling or developing council buildings is the most preferred method of achieving Council savings goals rather than making changes to services or their cost at point of use. Increasing Council Tax, the option that would most directly affect residents financially is the least commonly favoured option.

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Top 3 choices



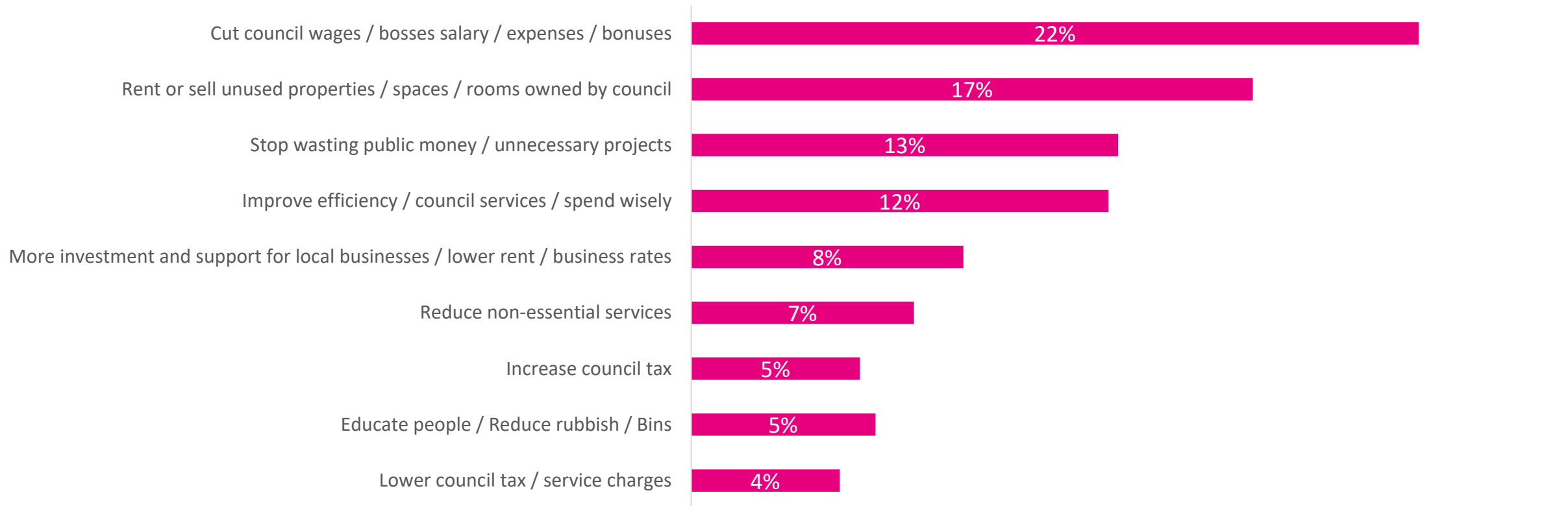
Mean score of choices



# Suggested approaches for delivering the Council savings needed

Of the 120 residents who provided alternative suggestions as to how budget savings can be achieved, 22% suggested cutting wages of council workers, including reducing bonuses and expenses. 17% proposed renting or selling unused properties and spaces which go unused by the council and 13% suggested the council should be more stringent when deciding which projects to fund.

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All residents were presented with the Council's six strategic outcomes and were asked to consider how important these are to them...

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Our Strategic Outcomes



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



ONE COUNCIL ONE TEAM



# Priorities when considering strategic outcomes

The best start in life for Children and Young People (Theme 1) is the strategic priority most commonly selected as important by residents (34%), followed by strong, resilient communities. Theme 1 is significantly more likely to be chosen by those aged 18 – 34 (44%), those who are struggling financially (35%) and women (38%). The best start in life is however less likely to be a top priority for those 55 -74 (26%) and 75+ (12%). These older age groups are significantly more likely to select Theme 2, People Living and Aging well as a top priority (26% and 48% respectively).



# Residents' priorities for Sandwell: detailed analysis

- **Theme 1: The Best Start in Life for Children and Young People** – this theme is most likely to be selected by those aged 18-34 (44%), females (38%), and residents who are economically active (38%) This could be a reflection of these demographics being the most likely to be those who have young families. There is evidence of this within the explanations residents gave for their choices (examples in the next slide). Residents living in Tipton are significant less likely to prioritise Theme 1 (25% cf. 34%), along with older residents (55-74: 26%; 75+: 12%).
- **Theme 2: People Living Well and Aging Well** – This theme appears to be a more prominent priority in Wednesbury (26%) and among those who are economically inactive (perhaps as a result of being retired – 24%) and understandably, those aged 55-74 (26%) and 75+ (48%). Young people (18-34: 11%; 35-54: 12%) are less likely to prioritise spending in this area, along with those who are financially struggling (14%). Those who prioritised this theme, cited relevance to them as an ageing person as their primary reason for doing so, along with there being an ageing population in their area.

**"I'm from that age group"**  
Theme 2

**"They should look after the younger generation and for this community too"**  
Theme 1

**"It's good for the health of this community"**  
Theme 2

**"I HAVE A CHILD AND SUPPORT SHOULD BE PROVIDED TO HELP GET A GOOD START IN LIFE"**  
Theme 1

**"Older generation needs some help and support"**  
Theme 2

**"They need a good start especially if they are coming from a different background"**  
Theme 1

**"I have children my own and it's good for our area"**  
Theme 1

**"A lot of cut backs older people need company and somewhere to go and beat loneliness for their own mental health"**  
Theme 2

**"Young people are the future of this country"**  
Theme 1

**"People are not living well because of the cost of living crisis"**  
Theme 2

“We have some safety issues, so they should concentrate more for safety and security in this area”  
Theme 3

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“Affordable housing is important for this borough”  
Theme 4

“Safe place leads to safe place for kids, infrastructures will follow”  
Theme 3

“Everything starts at home and having a good home”  
Theme 4

“All are important but safety is more I don't want to be scared in my area”  
Theme 3

“The streets were clean and safe years ago they are not anymore and people get mugged”  
Theme 3

“We never have had quality homes”  
Theme 4

“Safe and clean living environment is very important for everyone”  
Theme 3

“There are poor condition of homes currently and need new improved homes”  
Theme 4

“They need to spend on the safety and security of this area”  
Theme 3

“We need affordable and quality housing services”  
Theme 4

“It's important to feel happy safe and comfortable where we live”  
Theme 3



# Residents' priorities for Sandwell: detailed analysis

- **Theme 3: Strong, Resilient Communities – A safe, clean and green place to live** – This theme is significantly more likely to be selected as a priority by residents in Tipton (31%) and Smethwick (29%), more so than the overall and the other towns. Those in Rowley Regis are significantly less likely to prioritise Theme 3, (16%). Amongst tenure types, there is little significant variation in the priority given to this theme. The theme is also prioritised by a similar proportion of each age cohort.
- **Theme 4: Quality Homes in Thriving Neighbourhoods** – Theme 4 is the lowest priority theme for residents of Sandwell (7% selected this ). Residents in Wednesbury are more likely to consider Quality Homes and Neighbourhoods a priority than residents of other areas (9%), though not significantly so. Residents in Oldbury are the least likely to indicate that Theme 4 is the most important to them.

# Residents' priorities for Sandwell: detailed analysis

- **Theme 5: A Connected and Accessible Sandwell – good quality public transport and road networks. Good internet connectivity for residents and businesses** – There is no significant variation between towns in the proportion of residents who prioritise this theme, with between 6% and 8% selecting it as the most important to them. Selection of this theme was done consistently by age.
- **Theme 6: A strong and Inclusive Economy– spending money locally to grow the local economy -** Residents aged 35 -54 are significantly more likely than the survey average (16% cf. 11%) to value a strong and inclusive economy. Male residents are significantly more likely than women (14% cf. 9%) to rate a strong and inclusive as important to them. Perhaps surprisingly, those who are concerned about the cost of living crisis are significantly less likely to consider the economy as the most important theme, as mentioned, prioritising instead giving children and young people the best start in life.

**“We need a good network routes”**  
Theme 5

**“Good quality public transport will enable people to get around without congestion and associated air pollution”**  
Theme 5

**“The way the economy is at the moment something needs to be done”**  
Theme 6

**“Continuous growth if we haven't got that how are we going to live”**  
Theme 6

**“It will benefit everyone locally”**  
Theme 6

**“Good road network is very important for a better economy”**  
Theme 5

**“It means we are able to our of Sandwell for work and education more easily”**  
Theme 5

**“Mainly because the community will be a better place”**  
Theme 5

**“We can build a strong economy it's going to help children”**  
Theme 6

**“Money will stay in this area and can use for the local community”**  
Theme 6

**“Encourages people to invest and look after property”**  
Theme 6

**“We need a better condition of roads and a bigger network of buses”**  
Theme 5

# Theme 1: The best start in life for children and young people

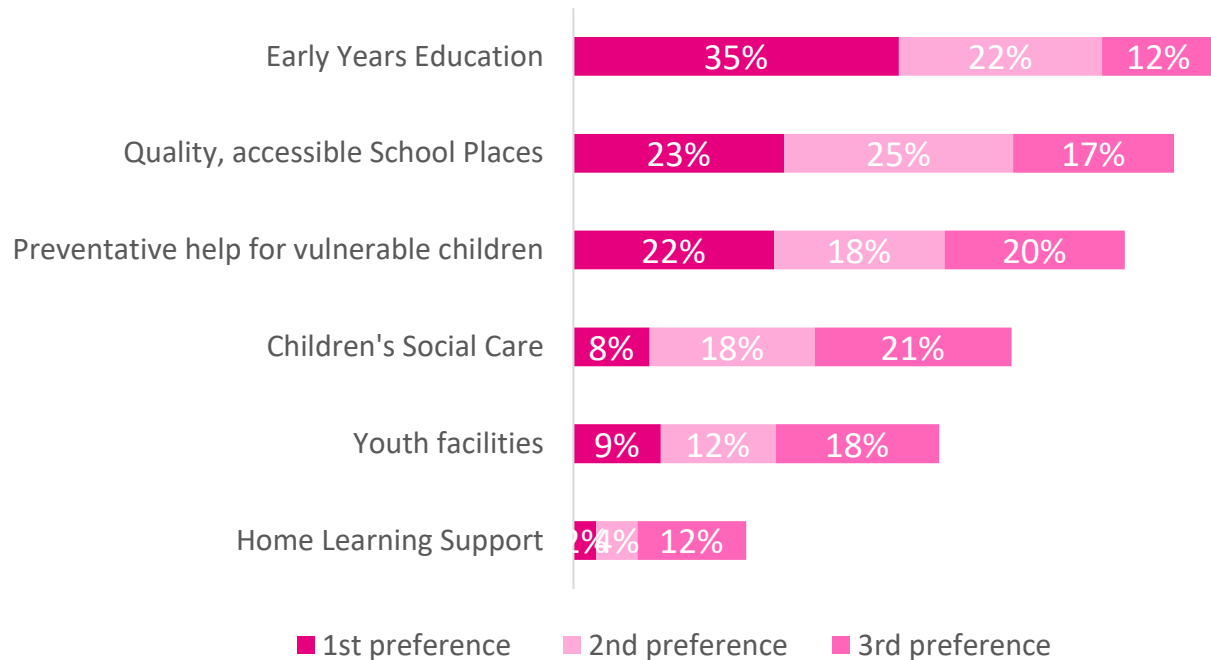


# Priorities within Theme 1: the best start in life for children and young people

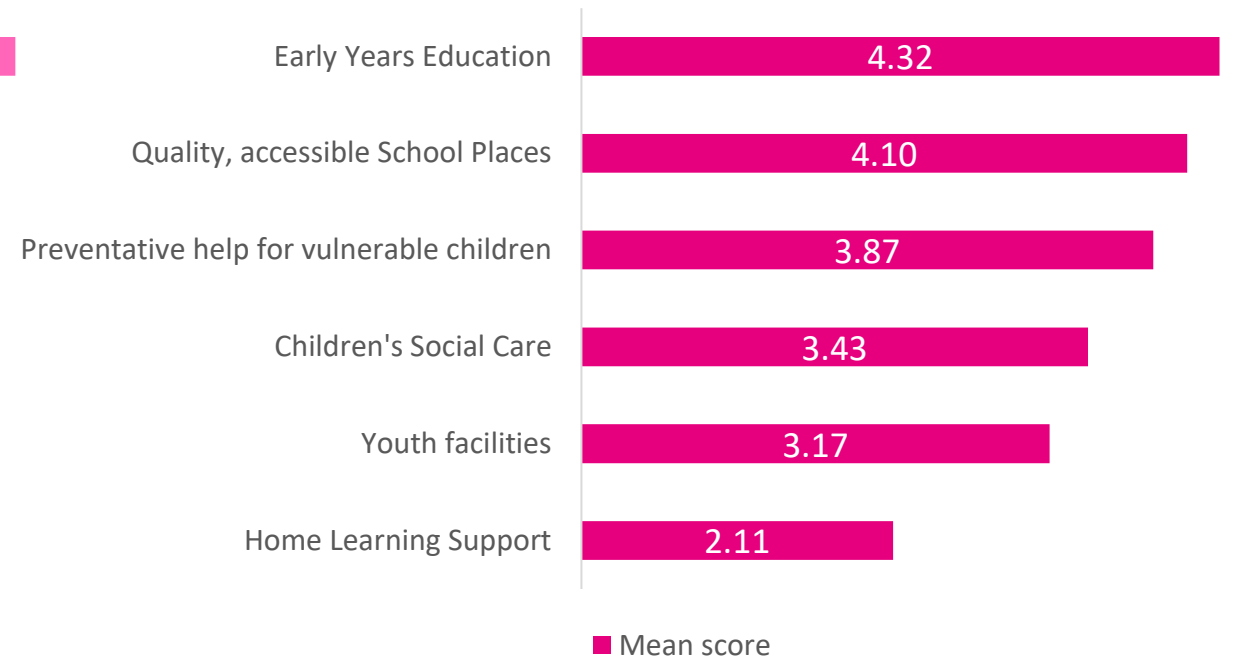
All residents were asked for their top priorities within each strategic theme, regardless of which theme they considered to be most important. Within Theme 1, early years education (4.32), quality and accessible school places (4.10) and preventative help for vulnerable children (3.87) are the service areas most commonly favoured. Home learning support was least commonly chosen as a priority by residents.

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Top 3 choices



Mean score of choices



# Theme 1: The best start in life for children and young people – notable variations in opinion

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Theme  
1

Looking specifically at those who earlier selected Theme 1 as most important, this group are even more likely than the total sample to rank early years education as their 1<sup>st</sup> priority (41% cf. 35%), Otherwise, the Theme 1 priorities among this sub-group of residents is similar to the overall sample, with home learning support least commonly prioritised along with youth facilities.



Those aged **18 to 34** are significantly more likely than the total sample to select early years education as their top priority (44% cf. 35%). This age group are also more likely than the overall to prioritise home learning support, though this is still their lowest priority.



Early years education is consistently the first choice in residents living in all five towns. However, beneath this there is slightly stronger support for quality and accessible school places being the top priority within Smethwick and Tipton.

## Theme 2: people live well and age well

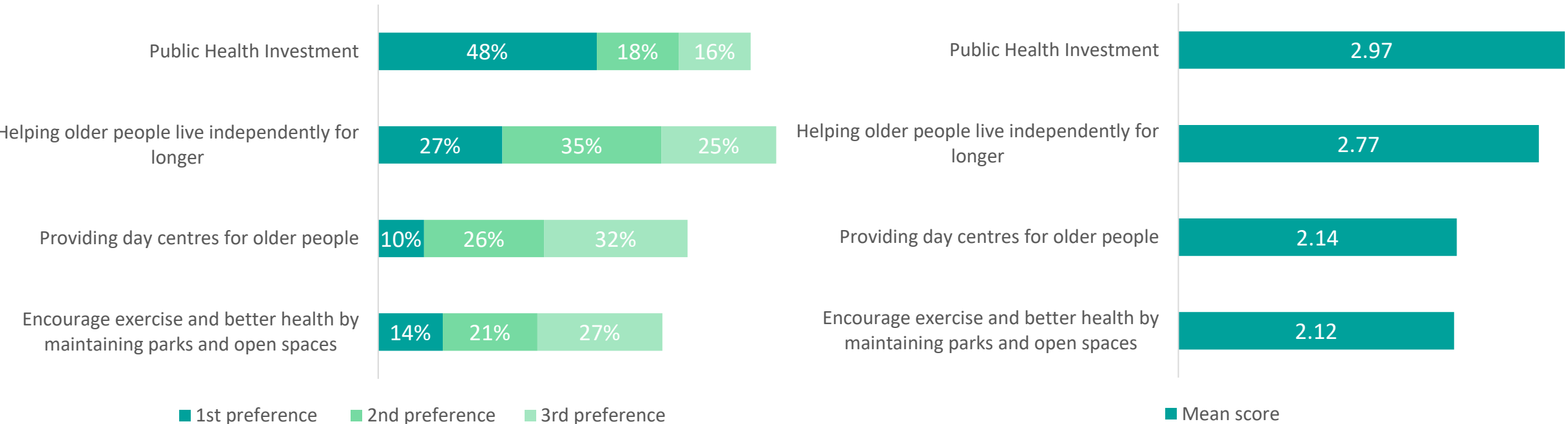


# Priorities within Theme 2: people live well and age well

When asked for their priorities within Theme 2, residents most commonly chose Public Health Investment in their top 3, followed by helping older people to live independently for longer and providing day centres for elderly people. Public Health Investment is almost twice as likely to be chosen as a top priority than helping older people live independently for longer (48% and 27% respectively). Encouraging exercise and better health via parks and open spaces is the lowest priority for residents, with only 14% considering this the top priority.

Top 3 choices

Mean score of choices





## Theme 2: People Live Well and Age Well – notable variations in opinion

While public health investment has the most support overall within this Theme, among residents who consider **helping residents to live and age well as the most important theme**, the top priority based on mean is ‘helping older people to live independently’ (2.95). 35% of this group consider this as the top priority, significantly higher than the overall population (27%).



Younger residents are significantly more likely than older residents to prioritise public health investment (18 – 34: 3.27; 75+: 2.57). Older residents are more likely to support budget spending on helping older people to live independently ahead of public health investment. Men and women prioritise the options similarly, with the exception of men being significantly less likely than women to prioritise providing day centres for elderly people (men: 2.09, women: 2.20).



Residents in **Smethwick** have slightly different priorities to the overall, considering encouraging exercise as a higher priority than providing day centres (2.39 compared to 2.12 in the overall).

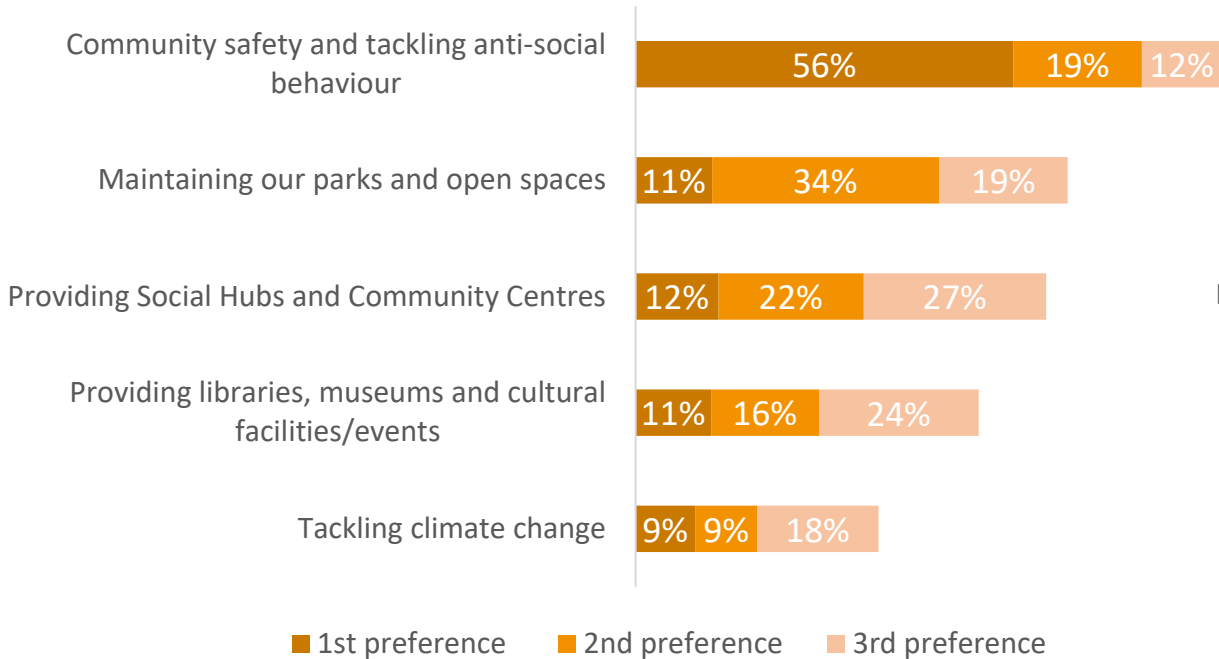
## Theme 3: strong, resilient communities



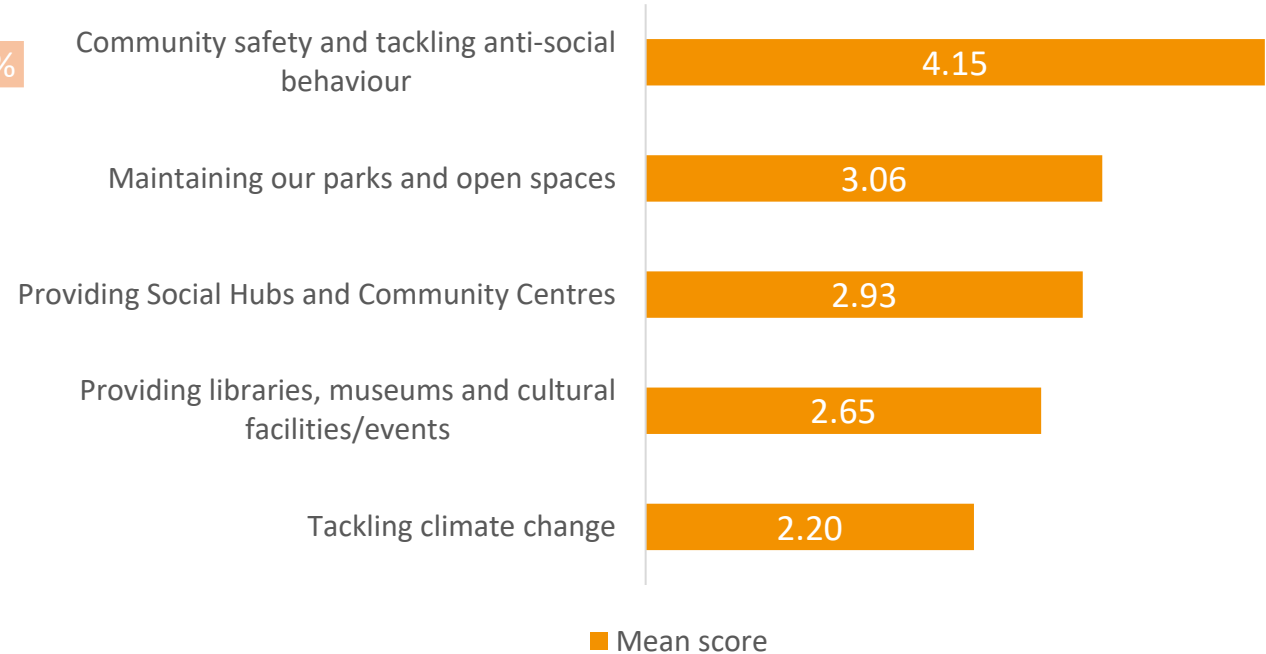
# Priorities within Theme 3: strong, resilient communities

When considering detailed choices within Theme 3, community safety and tackling anti-social behaviour is most likely to be considered a top priority by residents (4.15). Over half chose (56%) this as their first choice, providing a clear message that this is a priority issue. In the context of this Theme, maintenance of parks and open spaces is a priority, whereas this did not seem to be the case in the context of improving public health (see slide 22).

Top 3 choices



Mean score of choices



# Theme 3: Strong, Resilient Communities – notable variations in opinion

Page 300

Theme  
3

Among residents who **selected Theme 3 as most important to them** community safety is the key priority, with 69% of this group selecting this as their top priority compared to 56% of all residents. Residents who consider Theme 3 as most important rank the options in the same order as the total sample.



Ranking of priorities is largely consistent across different demographic groups, mirroring the overall results, with community safety and tackling ASB the top priority and tackling climate change the lowest priority. **Residents aged 35 and above** are likely to feel more strongly that community safety should be a priority with approximately 60% of each of these cohorts selecting this as the top priority compared with 49% of those **aged 18 – 35**.



Whilst community safety is consistently the top priority across towns in Sandwell, there is some spatial variation in the lower order priorities. **Oldbury, Wednesbury and Tipton** residents consider Providing Social Hubs and Community Centres as a higher priority than the survey average (with this the second highest scoring priority by mean for these areas, above maintaining parks). Whilst **Smethwick** residents chose a ranking of priorities that was consistent with those chosen by all residents, they are more likely to consider community hubs the lowest priority (23% cf. 14%).

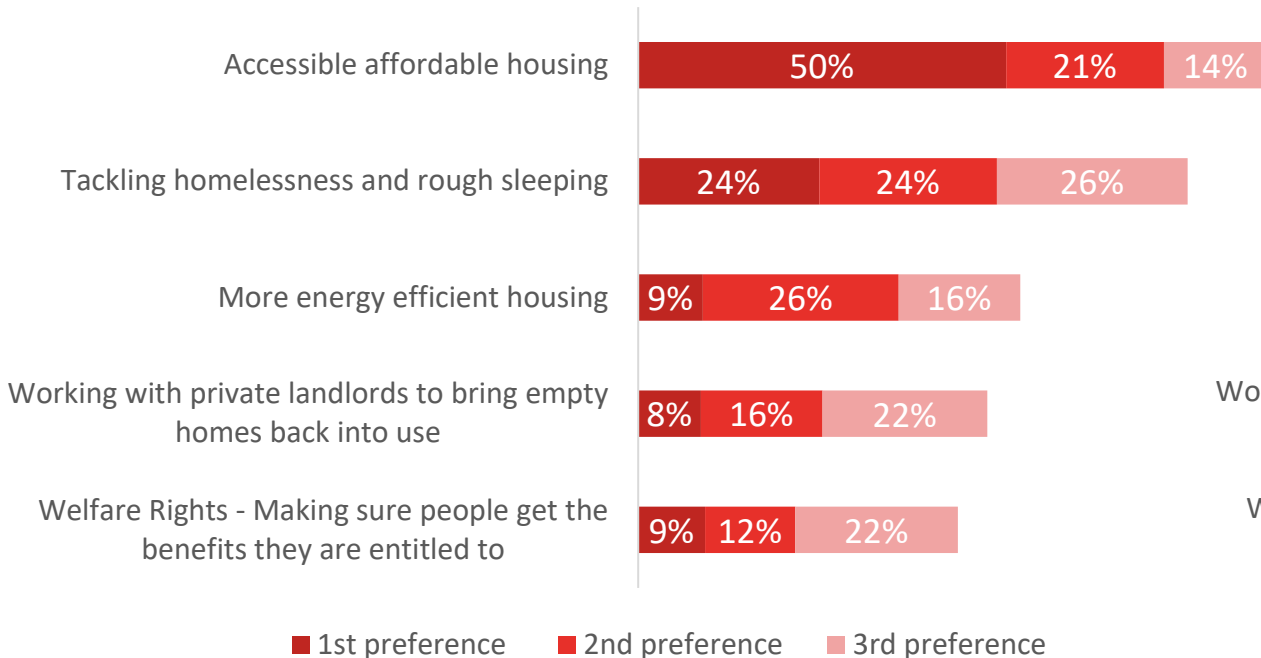
## Theme 4: quality homes in thriving neighbourhoods



# Priorities within Theme 4: quality homes in thriving neighbourhoods

Within Theme 4 accessible affordable housing is the top priority for Sandwell residents, with approximately 85% considering this a top 3 choice, and 50% considering this the ultimate priority. Tackling homelessness and rough sleeping is also important to residents, though to a lesser extent than affordable housing. Welfare rights are much less of a priority. More energy efficient housing and working with private landlords on empty homes are considered to be of relatively similar importance to residents.

Top 3 choices



Mean score of choices



# Theme 4: Quality Homes in Thriving Neighbourhoods - – notable variations in opinion

Page 303



The priorities of residents who earlier **selected Theme 4 as the most important** mirror those chosen among the overall population. Among this group affordable housing is the top priority, even more so than among all residents (64% selected this as their first choice cf. 50%).



The ranking of priorities within Theme 4 is largely consistent across demographic groups, with accessible affording housing a priority for all. **Those aged 18 to 34** are likely to feel more strongly that accessible affordable housing is the ultimate priority (57% cf. 50%).



Residents in **Oldbury** are less likely to rank more energy efficient housing as a priority, with this being considered a priority by a lower proportion of residents in this area than working with private landlords and welfare rights. Residents in **Rowley Regis** are more likely to consider homelessness and rough sleeping a top priority compared to the total sample (31% cf. 24%).

## Theme 5: A connected and accessible Sandwell



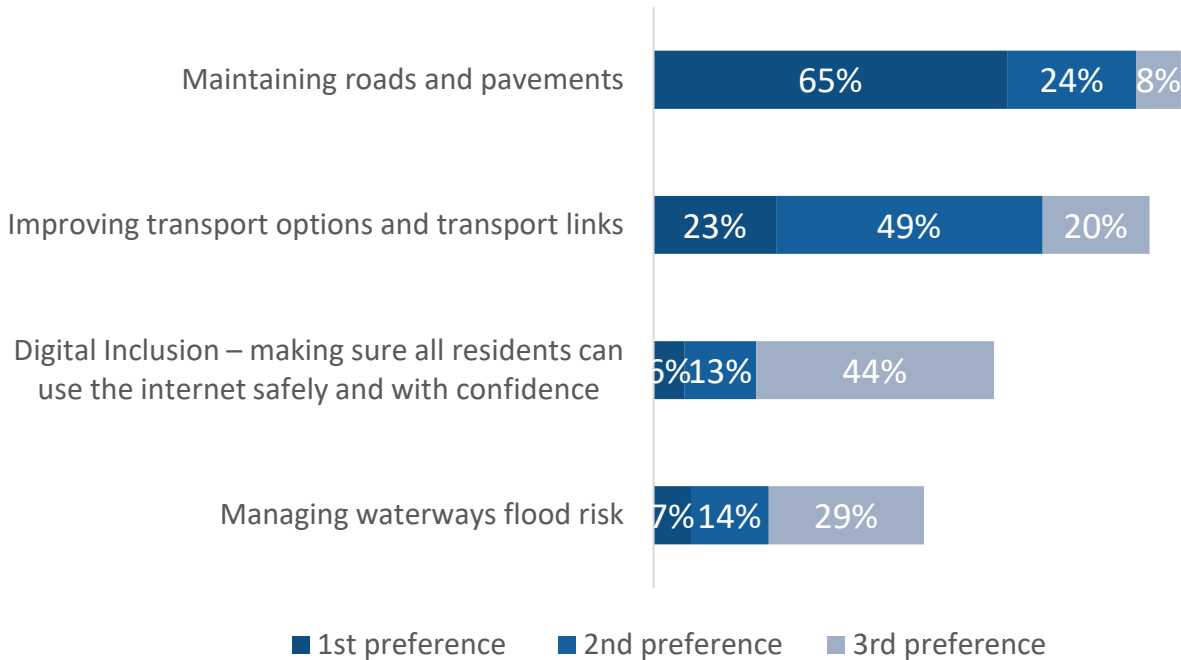


## Priorities within Theme 5: a connected and accessible Sandwell

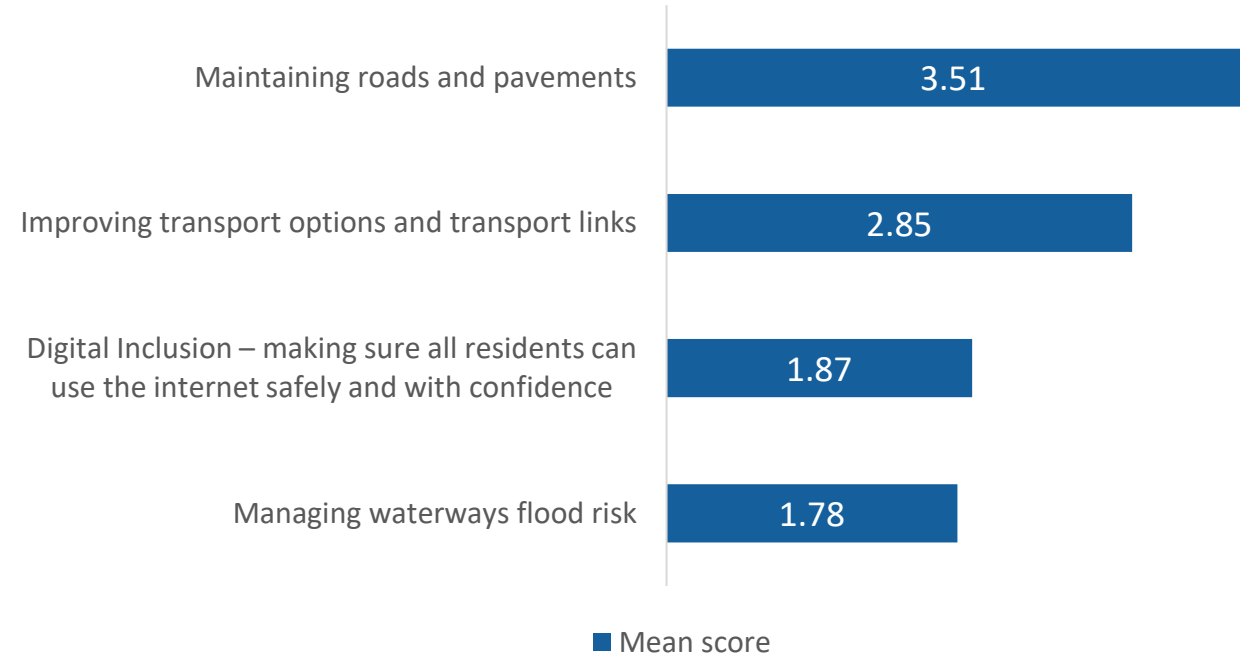
Within Theme 5 maintenance of roads and pavements is the dominant priority, with nearly two-thirds (65%) choosing this as their highest priority. Improving transport links is the second highest priority, with nearly half of residents (49%) choosing this as their second priority. Managing waterways flood risk is least commonly considered a priority within this Theme.

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Top 3 choices



Mean score of choices



# Theme 5: A Connected and Accessible Sandwell – notable variations in opinion

Page 306

Theme 5

Residents who earlier **selected Theme 5 as the most important** chose maintaining roads and pavements as the top priority (43%), albeit to a significantly lesser extent than the all residents (65%). Those suggesting a connected and accessible Sandwell is the key strategic priority for them, are equally likely to consider improvement of transport options and links as their ultimate priority (44%) alongside the maintenance of roads and pavements.



Residents' **aged 75+** are less likely to consider digital inclusion a priority, with 51% of these residents ranking it as the lowest priority, the highest proportion of any age cohort to do so.



Improved transport options are most commonly chosen as a top priority by residents of **Wednesbury** (57%) and **Smethwick** (54%). Residents in **Tipton**, consider managing waterway flood risk as a top priority more often than those in other areas (15% cf. 7%), suggesting that this may need to be considered more in relation to this town, despite being the lowest ranked priority overall.

## Theme 6: A strong and inclusive economy

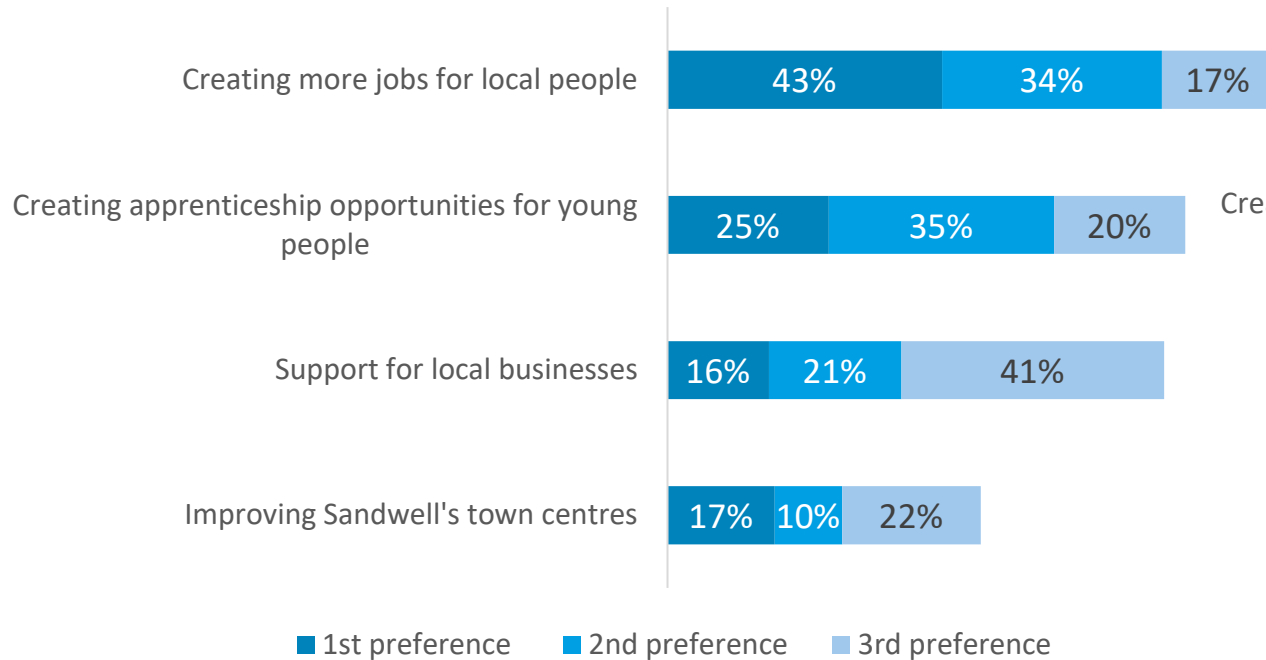


# Priorities within Theme 6: a strong and inclusive economy

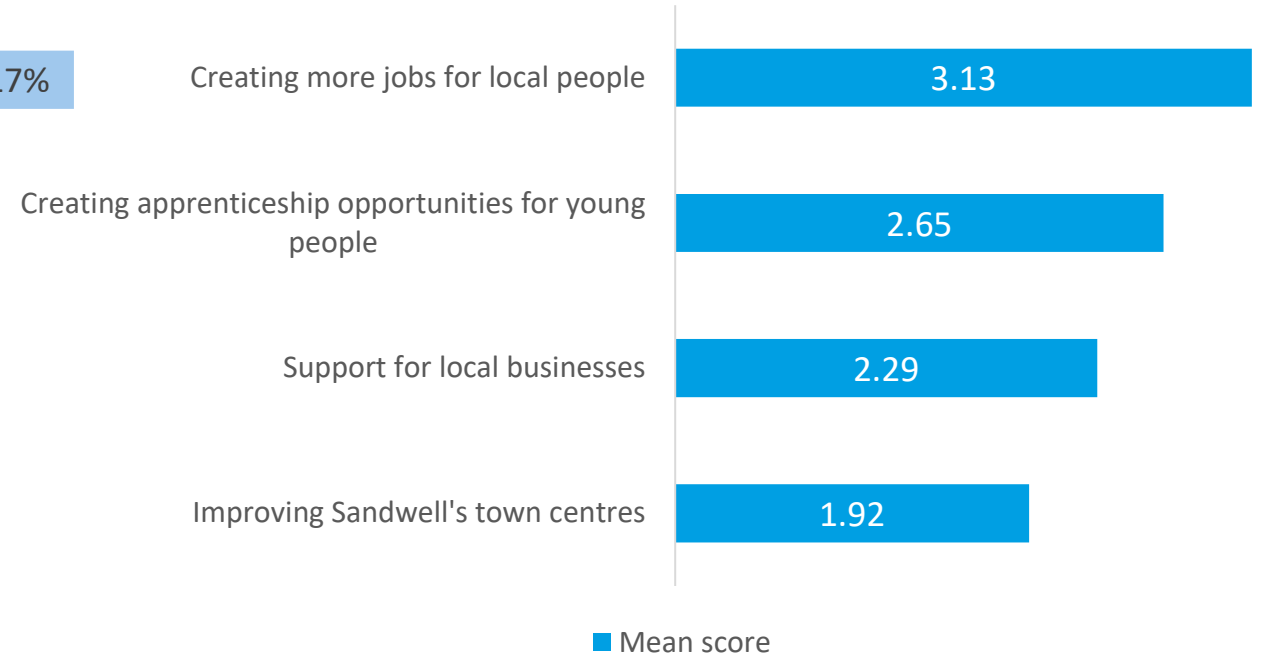
Within this Theme creating jobs for local people is the highest priority for Sandwell residents, with two in five (43%) selecting this as their top priority and a further third ranking this second. Improving Sandwell's town centre is the lowest priority in this question context of improving the local economy.

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Top 3 choices

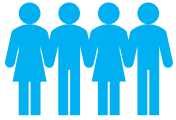


Mean score of choices



# Theme 6: A strong and inclusive economy – notable variations in opinion

Residents who earlier said that **Theme 6 was the most important to them** most commonly prioritise job creation followed by creating apprenticeship opportunities.



**Residents aged between 55 -74** are significantly more likely to prioritise the improvement of Sandwell’s town centres with 24% considering this their top priority (cf. 17%). This age group are significantly less likely to consider creating jobs as their top priority (34% cf. 43%). This pattern is reversed amongst **those aged 18 – 34** who are significantly more likely to prioritise job creation (47%) at the expense of improving town centres (12%).



By area, **Tipton** is most likely to advocate for supporting local businesses (2.38), significantly more so than the average and **Wednesbury** (1.87) and **Oldbury** (1.62). Across all areas, creating more jobs is consistently a top priority, indicating a desire for this to be area of focus.

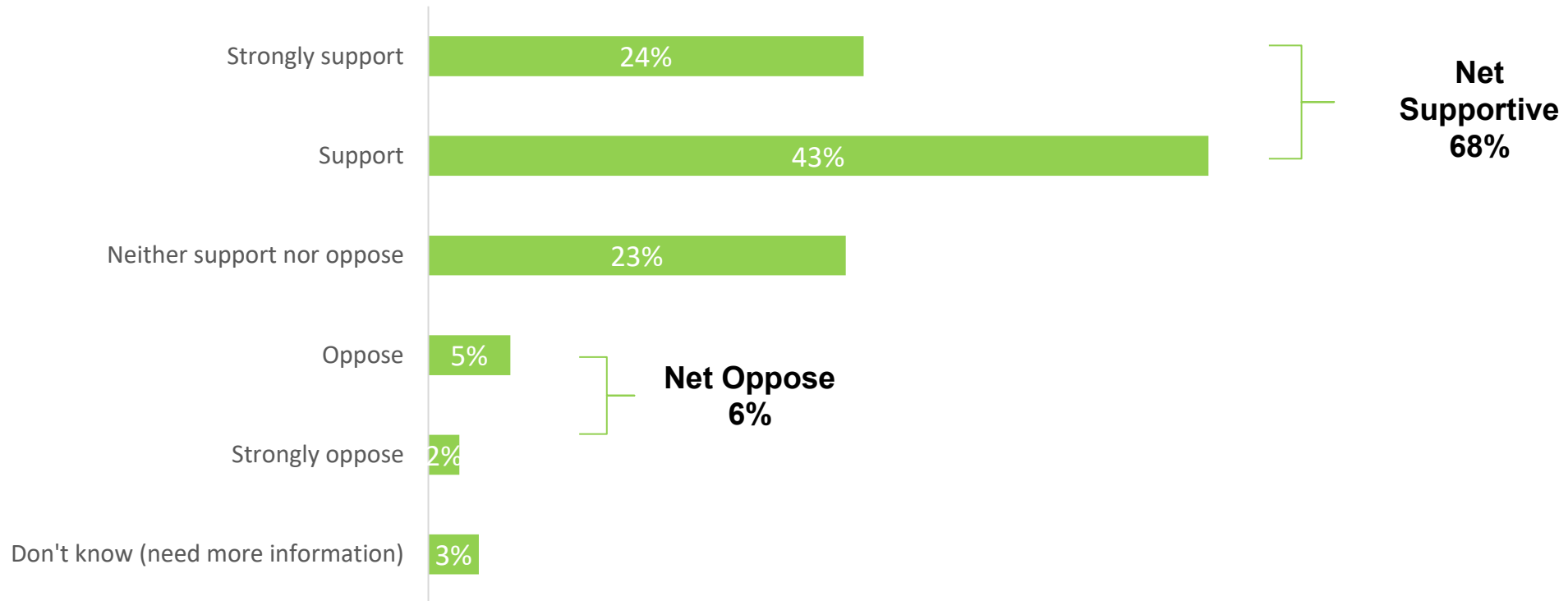


# Support for renewable energy generation...

Two-thirds (68%) of residents actively support Sandwell Council exploring renewable energy generation opportunities, with a quarter (24%), strongly supporting such measures. Opposition is low with only 6% stating they are opposed. Please note that the question wording mentioned both energy security and tackling climate change as the rationale for this approach.

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## Support for renewable energy



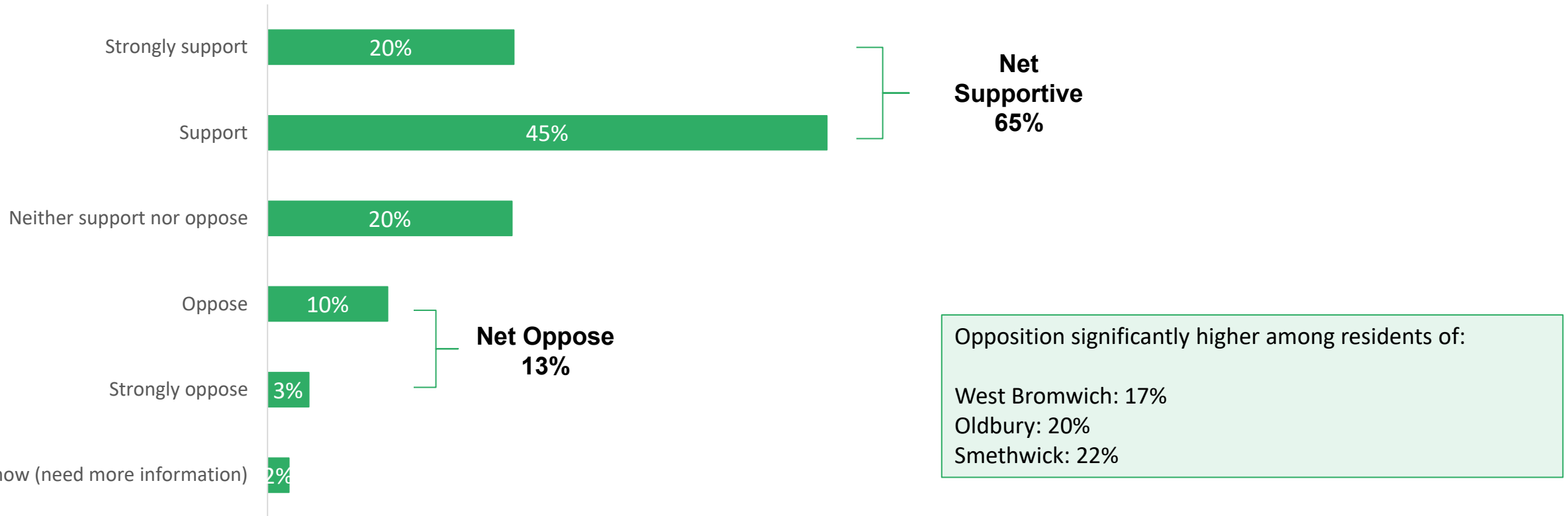




# Residents' support for rewilding

Support for rewilding some areas of Sandwell's parks and open spaces is expressed by two-thirds of residents (65%), including one in five (20%) who strongly supporting this approach. In total 13% oppose rewilding in Sandwell's parks and open spaces.

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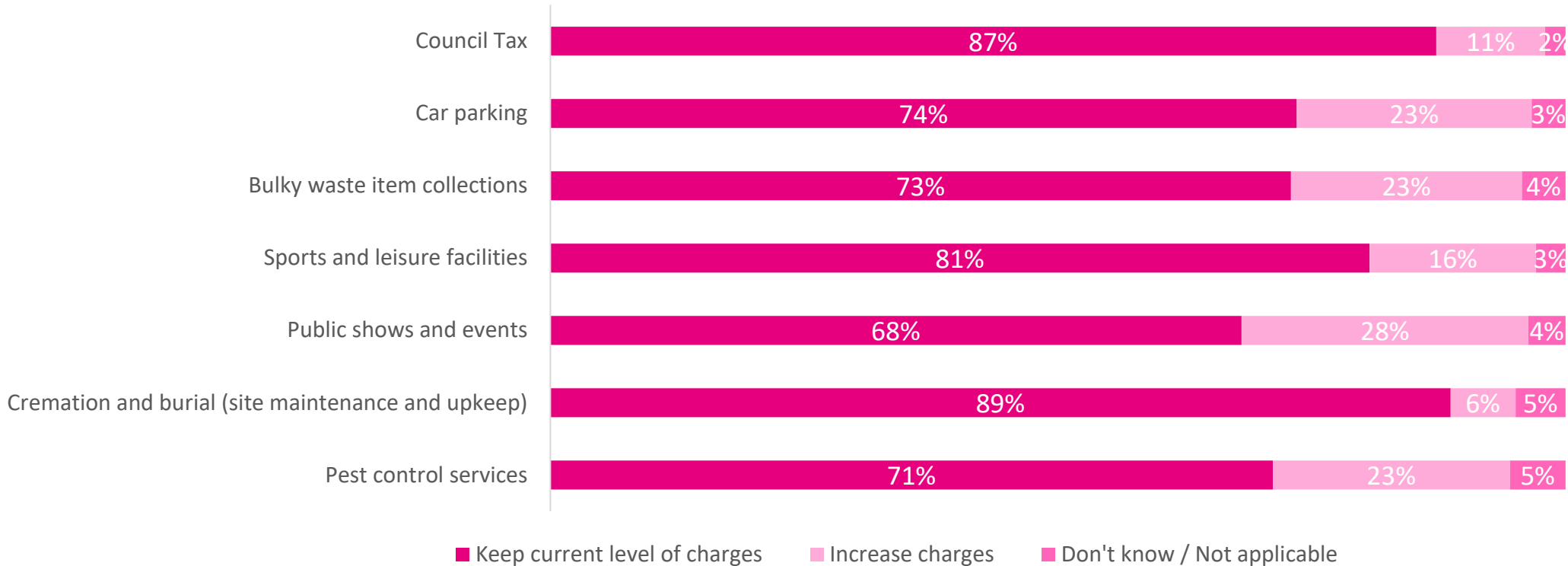
# Service Changes



# Paying more for Council services

Generally speaking, the majority of residents would prefer not to see changes to service related charges, with more than two-thirds stating that current charges should stay the same for each service. The most acceptable increases to service charges would be for public shows and events (28%) and for use of pest control services (23%), although even for these a majority remain opposed.

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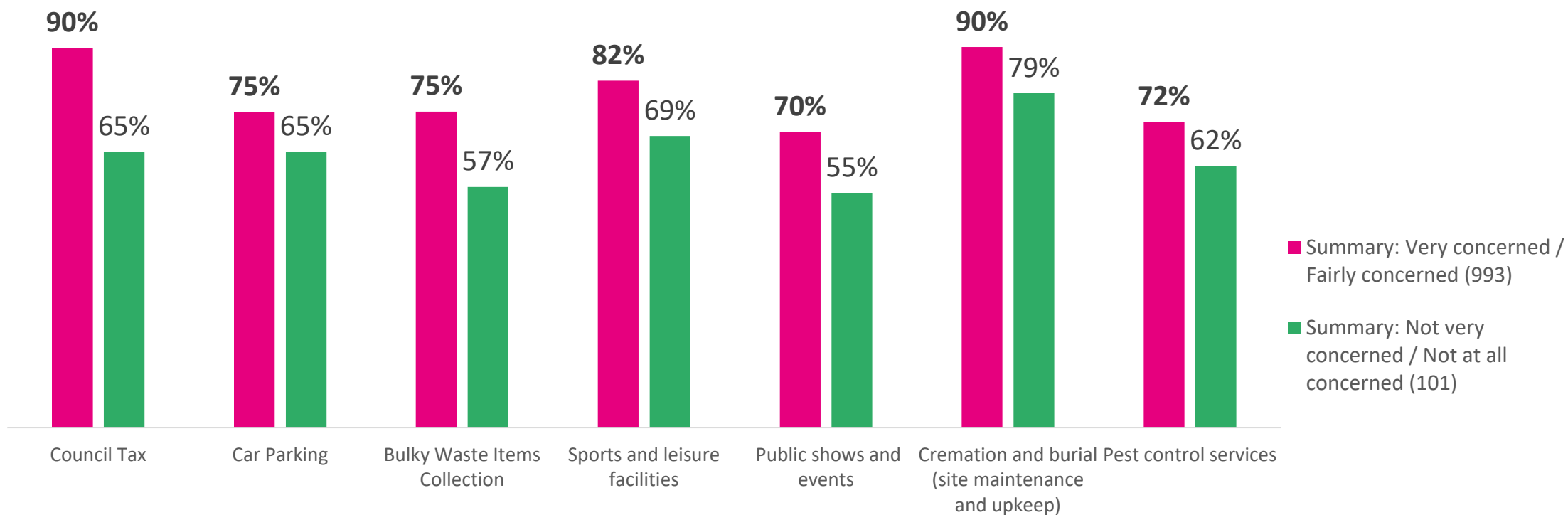
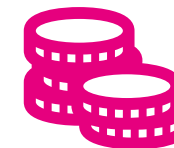


Summary: Q12. Taking into consideration the financial challenge the Council is facing, and in order to set a balanced budget and limit any reductions to services, which of the below would you be prepared to pay more for?  
Unweighted sample base: 1100

# Views on charging for services based on current financial circumstances

Perhaps unsurprisingly, given the current cost of living crisis, those who are **fairly or very concerned about their financial situation** are more likely to oppose the increase of service charges.

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Summary: Q12. Taking into consideration the financial challenge the Council is facing, and in order to set a balanced budget and limit any reductions to services, which of the below would you be prepared to pay more for?  
Base Sizes in Chart Legend

# Views on Council Tax increases

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87%  
Keep the Same

11%  
Increase Charges

2%  
Don't Know / Not  
Applicable

Support for keeping the same higher among:

- Social Renters – 93%
- Private Renters – 91%
- Females – 90%
- Fairly / very concerned about cost of Living – 90%

Support for an increase is higher among:

- Those not very concerned about the cost-of-living crisis – 33%
- Those aged 75+ - 19%
- Homeowner - 17%
- Male – 15%

- Council Tax is the thing that residents most emphatically want to stay the same (87%).
- Younger cohorts are less supportive of increases in Council Tax charges than those aged 75+. Residents who are aged 75 and over are significantly more likely than the average to be willing to accept council tax increases (17%).

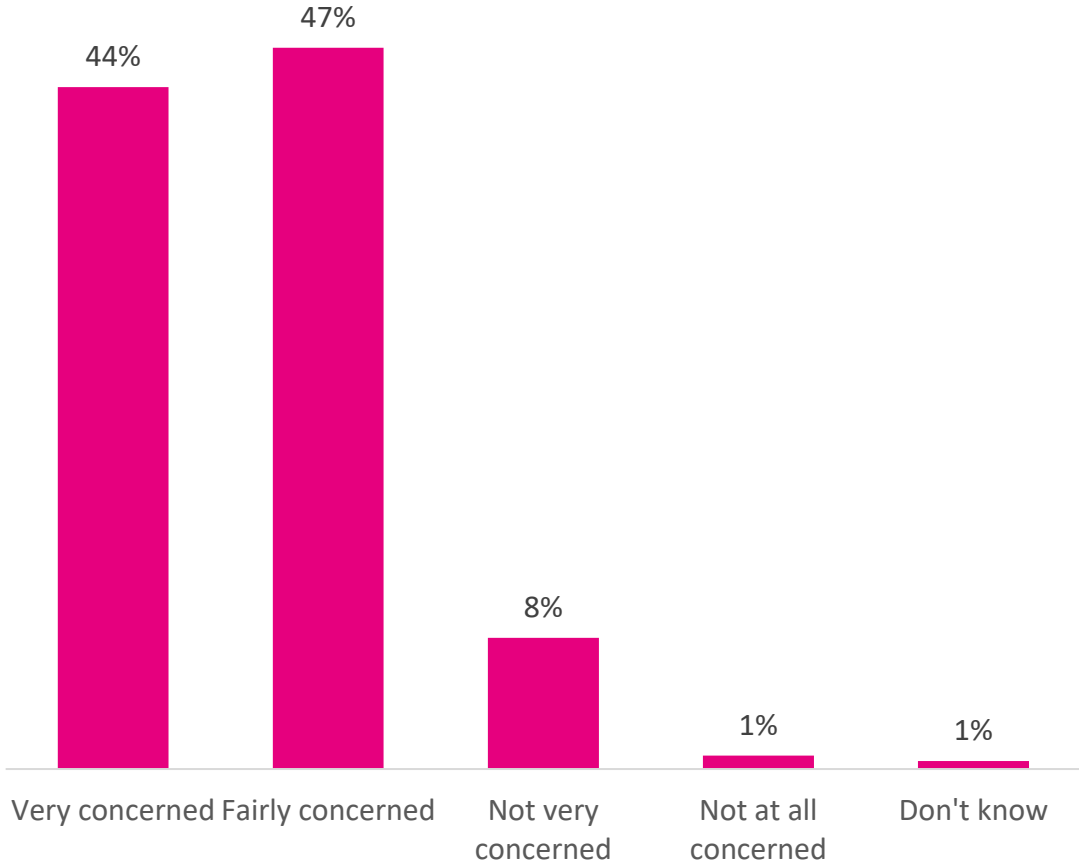


# Financial Security



# Concerns about the cost of living

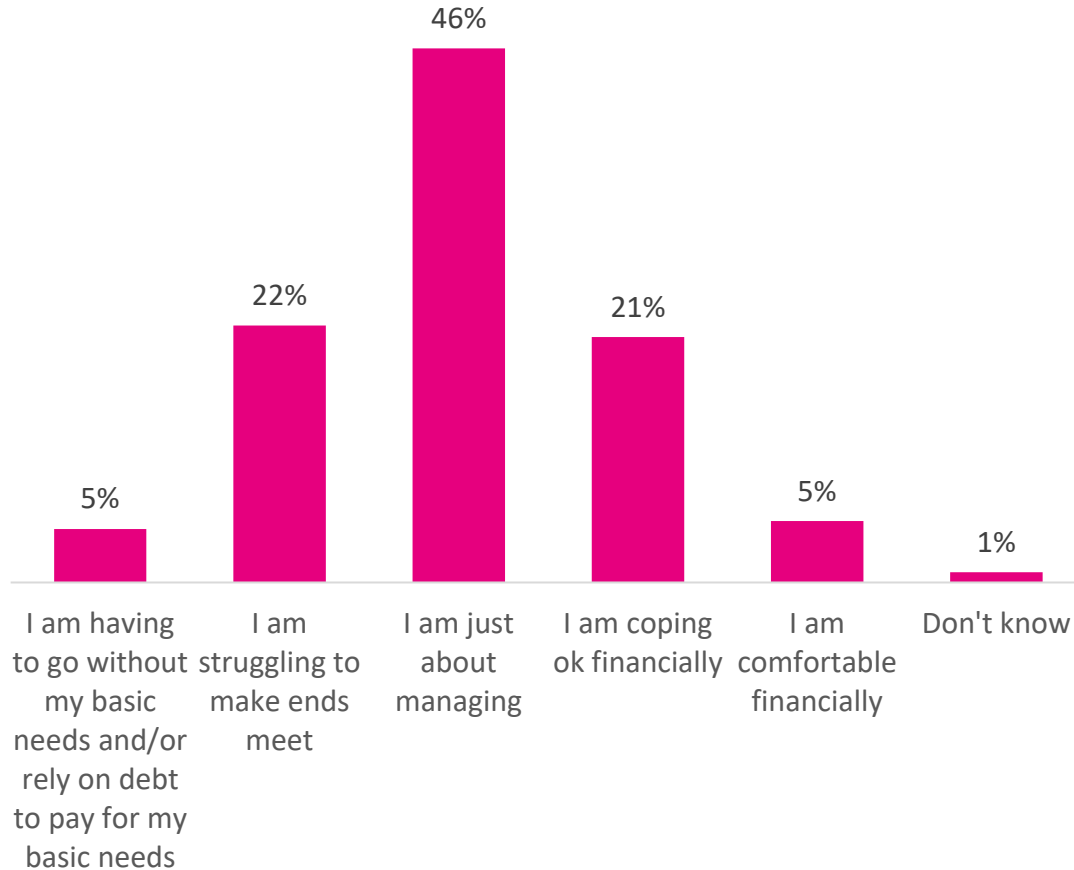
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- To put residents' views on how Sandwell Council sets its budget in 2024/25 into context, two questions were asked regarding personal financial circumstances.
- Nine in ten residents in Sandwell are at least fairly concerned about the current cost of living. Within this, two in five residents (44%) give the most extreme response of 'very concerned'. This demonstrates that the council's choices will have to be made when there is a heightened sensitivity to impacts upon household budgets.
- Concern about the cost of living is prevalent in all age groups, although older residents more commonly state that they are not very or not at all concerned about the current cost of living (75+: 18%; 55 -74: 13%).



# Residents' financial security



- Approximately one quarter of Sandwell residents say that they are currently struggling to make ends meet (22%) or are having to go without basic needs (5%).
- This level of financial vulnerability has potential implications not only for the potential of the council to leverage extra revenue from Council Tax and service related charges, but also on future service demand.
- Regarding the strategic themes discussed in this report, residents who are going without or struggling are significantly more likely to prioritise Theme 1 – providing the best start in life for children and young people (42% chose this).



# Contact Preferences

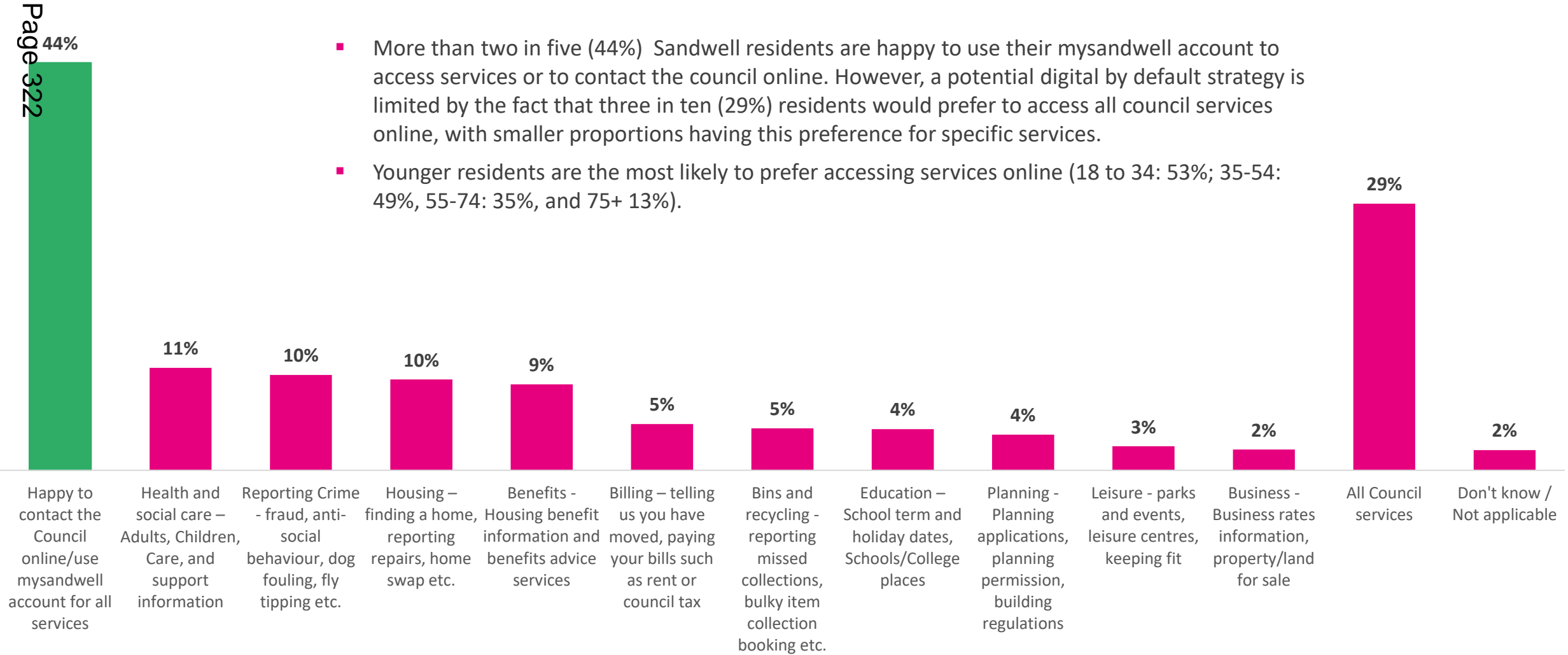


# Preferred methods for accessing services

Are there any services that you would prefer to access in-person or on the telephone, rather than online/using mysandwell account?

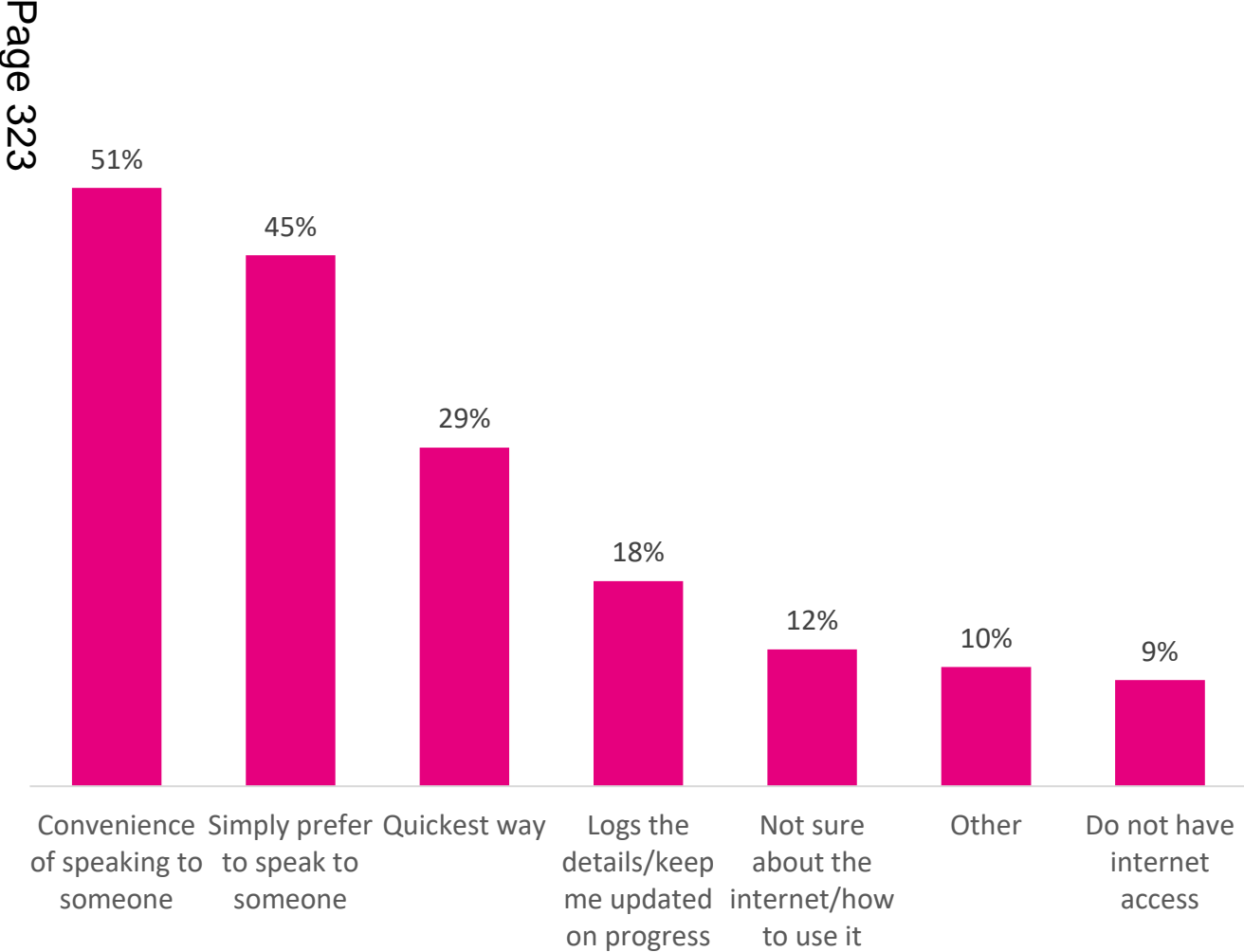
Page 322

- More than two in five (44%) Sandwell residents are happy to use their mysandwell account to access services or to contact the council online. However, a potential digital by default strategy is limited by the fact that three in ten (29%) residents would prefer to access all council services online, with smaller proportions having this preference for specific services.
- Younger residents are the most likely to prefer accessing services online (18 to 34: 53%; 35-54: 49%, 55-74: 35%, and 75+ 13%).



# For those who would prefer to contact by telephone or in-person...

Why would you prefer to contact the Council in-person or by telephone?



- Residents who prefer to contact by telephone or speak to someone face to face, most frequently cite the convenience of speaking to someone (51%) and simply preferring to speak to someone as the reason why they prefer to do so (45%). On the basis of these responses, it is service quality, ease and speed that drive these preferences much more so than a lack of digital skills (12%) or internet access (9%).



# Diversity and inclusion issues



# Variations in response by ethnic origin

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Within the budget survey residents were asked to state their ethnic origin. Looking at the responses given by those who are White, those who have a Mixed ethnic origin, those who are Asian/Asian British and those who are Black/Black British there is no consistent variation in the responses given/the priorities chosen.

- The order of strategic properties chosen is largely consistent among each ethnic group. Whilst Theme 1 remains the top priority for Asian/Asian British residents, this group are significantly more likely to prioritise Theme 3: Strong, Resilient Communities – A safe, clean and green place to live (34% cf. 23%), and as a result significantly less likely to prioritise Theme 2: People Living Well and Aging Well (9% cf. 18%).
- Black/Black British residents are significantly more likely to prioritise Theme 4: Quality Homes in Thriving Neighbourhoods (15% cf. 7%). This shows that there is some variation in priorities in different communities, which the council must be sensitive to when making budgeting choices.
- Non-white residents are significantly more likely to oppose Council Tax increases. This may be related to their higher concern about the current cost of living crisis. That 95% of Asian / Asian British and 94% of Black British residents' feel fairly or very concerned about the cost-of-living crisis suggest that financial resilience may be lower among these communities.

## **Formal Consultation for Potential Changes to Discretionary Services**

### Background

1. The council's Consultation Principles sets out that:
  - a. Consultation lies at the heart of effective public policy development and service to the public. It should be a first thought and not an afterthought.
  - b. Consultation should never be used to communicate decisions already taken, and the outcome of consultation should never be pre-determined.
  - c. Consultation should be inclusive. Whenever possible, it should involve all parties/groups, including our children and young people, who can contribute to or are affected by the outcome of the consultation.
2. The views of our residents, businesses and communities are integral to the development of a MTFs that reflects the priorities of the borough. So that views could be captured in a timely manner to support the developed of the MTFs and savings options, a two phased approach to consultation and engagement has been devised for the 2024/25 Budget.

### Consultation Process - Phase One

3. Phase One consisted of a face-to-face consultation exercise with a representative sample of residents in Summer 2023. Building on the budget consultation activity conducted in 2022, this face-to-face survey offered the opportunity for a representative sample of residents to provide input on their local priorities and preferences for delivering further council savings going into the budget setting process for 2024/25. The survey sought views on:
  - a. Preferred approach for delivering the Council savings needed
  - b. Suggested approaches for delivering the Council savings needed
  - c. Priorities when considering strategic outcomes
  - d. Paying more for Council services
  - e. Council Tax increases
4. The results of this helped inform options for future savings. The full report of the results of this survey are included at Annex 4.
5. Over the summer period, the council conducted the SHAPE survey with primary and secondary school age children across the borough. This survey captured the experiences of children and young people in Sandwell and what matters to them. At the same time, the council also conducted a Resident Wellbeing and Perception Survey with a representative sample of residents to gain insight into their experiences and views of living in Sandwell. The final results of both of these surveys are expected in mid-November, and will be reported with the results of Phase Two.

## Consultation Process - Phase Two

6. Phase Two of the consultation process will commence following Cabinet approval on 15 November 2023 and will be scheduled to feed into the meetings of Cabinet and Full Council in February 2024 that will be asked to take decisions on the Budget for 2024/25. The council will comply with its obligations under statute in all respects in undertaking these activities
7. The form of the consultation will be to seek the views of residents, businesses and communities on the whole basket of savings options that have been developed for consideration by Cabinet and Council in order to meet the financial gap in 2024/25. These interests will be contacted using the following methods:
  - a. Focus groups with residents who participated in the summer budget consultation;
  - b. Focus groups with representatives of children and young people, businesses and the voluntary & community sector; and
  - c. Online survey hosted on the council's consultation hub open to all residents, businesses and communities, promoted through multiple avenues to ensure as wide participation as possible.
8. Where savings options impact on groups of staff, engagement and formal consultation with affected staff and Trade Unions will be conducted as appropriate.

## Equality Impact Assessments

9. Service Leads will complete Equality Impact Assessments for each saving proposal to fully understand the risks and implications of removal, reduction, or a change in delivery. This will be undertaken in parallel to the consultation process.
10. The outcome of the Equality Impact Assessment, alongside the findings of the consultation process, will be assessed and used to prepare final recommendations that will be presented to Cabinet in February for approval.

## Timeline for Public Consultation

11. Work will commence to prepare the consultations will commence once approval of the savings options has been received. The timing of this consultation period is scheduled to feed into the decision-making process for Cabinet in February.
12. The online survey will be launched from 20 November 2023 and run for a period of six weeks. Focus groups will be conducted during this time, with analysis built up over the period as feedback is received.

**Savings Opportunities for Consultation**

Savings Options	2024/25 £'000	2025/26 £'000	2026/27 £'000
<p><b>Maximising Budget Efficiencies and Making the Best Use of External Grants and Contributions</b> Reducing our service budgets where projects have ended, or activities are no longer required, as well as making the best use of external grants and contributions to service costs with no direct impact on the public.</p>	5,200	5,300	5,300
<p><b>Making Best Use of Assets</b> Implementing the Asset Rationalisation Strategy to sell assets that are no longer needed and making the best use of the assets we retain</p>	0	800	800
<p><b>Maximising Income &amp; Commercial Opportunities</b> Reviewing the fees and charges for services where we have discretion to set the value of changes to increase by 5%, and increasing the following by more than 5%:</p> <ul style="list-style-type: none"> <li>• Meals on Wheels</li> <li>• Registration Services</li> <li>• Green Waste Subscription</li> <li>• Pre-application Planning and Planning Fees</li> <li>• Building Regulation Fees</li> <li>• Private Rented Sector Fees</li> <li>• Streetworks Permit Charges</li> <li>• Development and Commercial Property Rates</li> </ul> <p>Exploring Commercial Opportunities to generate income through reviewing our:</p> <ul style="list-style-type: none"> <li>• Pest Control Delivery Models</li> <li>• Visitor Services and Events</li> <li>• Sandwell Residential Education Services</li> <li>• Data Services to Schools/Academies</li> </ul>	1,900	3,400	4,800



<p><b>Prevention &amp; Promoting Independence</b> Adult Social Care Transformation Programme, including:</p> <ul style="list-style-type: none"> <li>• assistive technology and reablement to support people to live independently for as long as possible</li> <li>• expansion of our Shared Lives offer to increase the opportunity for people to live as independently as possible</li> <li>• reviewing the transition between Children's Services and Adult Social Care to make sure people are supported as they grow into</li> </ul>	2,200	3,500	3,500
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<b>Savings Options</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>	<b>2026/27 £'000</b>
adulthood and that services are better able to meet their changing needs			
<p><b>Reducing the Cost of Discretionary Services through reviewing how we deliver:</b></p> <ul style="list-style-type: none"> <li>• Green Spaces Services (including Parks, Ground Maintenance, Events and Sandwell Valley)</li> <li>• Christmas Lights programme</li> <li>• Arts Café</li> <li>• Shop Mobility service in West Bromwich</li> </ul>	900	900	1,000
<p><b>Reducing the Cost of High Cost Services</b> Reviewing the way we deliver waste management service and leisure facilities to ensure they are meeting the broad aims of the council and needs of residents and are fit for future delivery models while delivering value for money</p>	800	4,500	4,500
<p><b>Smarter Support Services</b> Reviewing how we deliver our support services:</p> <ul style="list-style-type: none"> <li>• Streamlining internal HR and Business Management processes to get the best out of the technology available</li> <li>• Being smarter with how we procure ICT contracts</li> <li>• Making our cash handling activities more efficient to reduce costs</li> </ul>	1,300	1,900	2,100

<p><b>Sustainable Delivery Models</b></p> <p>Reviewing the range, extent and way we deliver services to ensure they are meeting the broad aims of the council and needs of residents while delivering value for money. Service areas include:</p> <ul style="list-style-type: none"> <li>• The Appointeeship Service.</li> <li>• Customer Contact Centres.</li> <li>• Community Sports Plans.</li> <li>• School Crossing Patrols.</li> <li>• Investment in the Voluntary and Community Sector.</li> <li>• Enhancing Temporary Accommodation Provision.</li> <li>• The Climate Change Programme.</li> <li>• Introducing Part Night Street Lighting where safe to do so.</li> <li>• Exploring different options to provide home to school transport for children and young people with Special Educational Needs or Disabilities.</li> <li>• Making better use of the Council's vehicle fleet.</li> <li>• Improving support to individuals and families who have 'No Recourse to Public Funds' to reduce cost to public services.</li> </ul>	5,700	6,600	6,600
<b>Savings Options</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>	<b>2026/27 £'000</b>
<ul style="list-style-type: none"> <li>• Reviewing Children's Services to optimize the number of children looked after and the cost of residential care.</li> </ul>			
<b>Total</b>	<b>18,000</b>	<b>26,900</b>	<b>28,600</b>

**General Budget Planning Assumptions**

The key points of briefing in relation to the Forecast are:

- a. New Homes Bonus – The Government has been considering reform or phasing out of New Homes Bonus and currently the grant is calculated on a one-off annual basis. It is assumed that the Council will receive a commensurate sum in 2024/25 and in future years.
- b. Controls on use of packaging and waste volumes – the Government is planning to establish a system where the producers of packaging waste are charged a levy related to the waste volumes that result such that the proceeds - net of regulatory costs - are passed on to local Councils. The assumption made in this version of the MTFP is that the incoming monies will need to be reinvested in waste services and that, accordingly, there will not be a net benefit to the Council from this scheme. This assumption will be reviewed for the next update of the MTFP. Government has confirmed that implementation will be deferred until 2025/26.
- c. Collection Fund – the working assumption is that Council Tax is assumed to increase by 2.99% throughout each year of the MTFP, the maximum permitted under current Government guidance for core tax increases. The Collection Fund is currently estimated to be in deficit at the end of the current financial year and therefore £0.5m has been included in the MTFP as a charge to account for the Council's share of that deficit. The situation will be reviewed and final values will be included in the February budget report.
- d. NNDR Income – the assumption is that Sandwell will continue to retain 99% of its business rates (with 1% being provided for West Midlands Fire). From 2024/25 it is likely that the Council will be part of the new Devolution Deal which is effectively a continuation of the current retention arrangements. At this time it is considered unlikely that there will be a reset of the business rates baseline and therefore future income in the MTFP is a continuation of current baseline levels with no growth assumptions due to the current economic climate.
- e. Inflation is only provided on key contracts (e.g. SERCO waste management, Sandwell Children's Trust and utilities). Other inflationary pressures are to be managed within existing service budgets.
- f. Pay inflation is provided for at an estimated level, with year 1 of the MTFP taking into account an adjustment for the difference between budgeted and actual pay awards in the current year (i.e. 2023/24). Future estimated pay awards are currently calculated on a 4% increase in 2024/25 and 4% thereafter as core CPI inflation is brought back to target levels.

**Medium Term Financial Plan 2023/24 to 2026/27 - Autumn 2023/24**

	2024/25	2025/26	2026/27	Notes
	£m	£m	£m	
Current Net Budget	317.103	317.103	317.103	
Pay inflation	9.601	16.171	23.006	Includes impact of increased offer for 23/24 plus 5% 2024/25 then 4% pa
Technical Adjustments: debt financing and investment income	0.300	2.550	3.850	Increased interest rates when refinancing debt maturities
Other Technical Adjustments	(12.023)	(12.023)	(12.023)	Earmarked reserves and contingency budget adjustments
Total Pay and Technical Adjustments	(2.122)	6.698	14.833	
Other Service Pressures:				
Growth	2.725	3.286	3.296	
Demographic Changes	8.662	10.924	13.186	
Inflationary Increases	12.801	23.353	29.950	
Loss of funding	0.189	-	-	
Changes in recharges	2.000	2.000	2.000	Revision to charges to/ from Housing Revenue Account
Budget correction	4.017	3.462	3.462	Re-basing of budgets
Total Service Pressures	30.394	43.025	51.894	
Total Budget Adjustments	28.272	49.723	66.727	
Revised Net Expenditure	345.375	366.826	383.830	
Funded by:				
Non Ringfenced Government Grants	(4.225)	(4.225)	(4.225)	Includes new homes bonus and services grant

Retained Business Rates (including Section 31 + topup grant)	(195.406)	(194.607)	(194.607)	Assumes no reset in business rates and nil growth in base
Council Tax Income	(133.281)	(139.326)	(145.644)	Assumes 2.99% pa
Collection Fund (Surplus)/ Deficit	0.500	-	-	Estimate as at end Sept 2023
Total Funding	(332.412)	(338.158)	(344.476)	
Net Shortfall	12.963	28.668	39.354	

**The MTFP Change Log****Movement of Savings Target from June 2023 MTFP Report**

	<b>2024/25 £m</b>
Shortfall reported in June 2023	8.859
Changes in Council Net Expenditure:	
Reduction in Pressures:	(5.892)
Removal of assumed increase in ASC Service Grant pending autumn statement announcements and provisional local government finance settlement	10.009
Total Changes in net expenditure	4.117
Changes in Funding:	
Revised council tax base generating additional council tax income	(0.513)
Estimated Council Tax Deficit to be charged to the General Fund	0.500
Total Changes in Funding	(0.013)
Total Changes	4.104
Revised Shortfall	12.963

**Annex 10**

**Risks: Principal Risks to the MTFS & Headline Mitigation**

Risks	Headline Mitigation
Failure to constrain expenditures within relevant budget targets.	The Council's financial reporting arrangements including the chart of accounts, budget management approaches, and forecasting are under review. This will be completed in financial years 2023/24 & 2024/25.
Failure to prepare for balancing the 2024/25 Budget shortfall.	The preparation of this MTFS at this point in the financial year, the generation of savings options, the planned launch of consultation and engagement and the promulgation of the Budget Timetable incorporating two meetings of Full Council to take decisions on savings.
Failure to increase Reserves.	The Council has a medium term intention to maintain essential reserves at a level to maximise assurance that strategic exigencies can be met within the term of the MTFS. Accordingly, there are presently no plans to employ significant reserves to balance the 2024/25 Budget shortfall.
Failure to assure Commissioners that sufficient progress has been made in building a robust MTFS	The preparation and endorsement of this MTFS and MTFP by the Statutory Officers, Leadership Team and Cabinet, together with the development of a robust approach to consultation and review by the Scrutiny function is relevant here.
Failure to deliver savings.	The Council has reviewed savings delivery in 2023/24 and is enhancing monitoring for the Leadership Team, Cabinet and the Scrutiny function.

<p>Failure to arrange cover for expected cost increases</p>	<p>The Council has set in place a process whereby the MTFP is updated quarterly and the thoroughness of review and analysis will be enhanced on each occasion as additional information becomes available and insight gained. In addition the Council will adjust its fees and charges annually in the future to ensure that the net cost of services is moderated where it is equitable to do.</p>
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<p>Inability to Fund the Capital Programme arising from continued rises in interest rates and higher cost of borrowing.</p>	<p>Capital Principles to set down a clear and affordable framework for capital planning have been recommended to Cabinet. Further work to develop an affordable Capital Programme will be undertaken for inclusion in the Draft Budget to be received by Full Council in February 2024.</p>
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# CREATING A COUNCIL FOR THE FUTURE



# Purpose and Vision

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We are fortunate to work in a Council that has an ambitious and determined vision to create a modern and agile organisation, that is laid out in clear terms in the Strategic Outcomes of our plan. At the heart of the Plan, and front and centre of everything we do is to ensure we improve our Borough by investing in what matters for the positive benefit of the residents of Sandwell.

In such uncertain and turbulent times, we should be proud of the enormous amount that has already been achieved in the last two years. The Council now feels stable, safe and has a clearer appreciation of what it needs to achieve, building on the foundations of our Improvement Plan. And with that clarity also comes an understanding that there is still much more to be done, not only to invest in the vital services that our residents need, but to also make the Council sustainable and relevant for the future. We must challenge ourselves to ensure everything we do has real measurable impact, because to deliver everything we want to do affordably and effectively we will need to have a clear focus on how and why we do things and how we work together with each other and in partnership with the community to codesign services for the future. We will need to do more of the things that matter and reduce or stop the things that do not.

We must not forget that these are not easy times for our residents and thousands of them are living with poverty and hardship, but together we have a real opportunity to address these challenges and deliver the outcomes that will make a real difference.



# Where We Are Now

Page 339  
To achieve the impact that we want needs a step change in how we do business. We face critical funding and growth pressures and the way that our budgets are currently constructed means that our planned level of future expenditure leaves significant challenges to deliver savings in the later years of the MTFs that can only be met through transformation. It should be clear that whilst the Council was not put into statutory intervention because of its financial position at the time, it is likely that without a plan for transformation and a steadying of the finances it is highly likely that we would have been.

We cannot afford to reduce the pace of the change needed as delivery of some savings will take time to embed. We also cannot meet this challenge through incremental and marginal savings – often described as ‘salami slicing’ - to all areas of expenditure. Instead, there needs to be a clear focus on the services we provide now and want to provide in the future, taking a standard approach to managing our projects and programmes of change. We need a fresh look at the contribution that everything we do has to the outcomes that we want to achieve as part of our vision. Rather than a threat or a burden, we need to treat this as an opportunity to ‘reset’ ourselves and re-imagine our Council for the future.

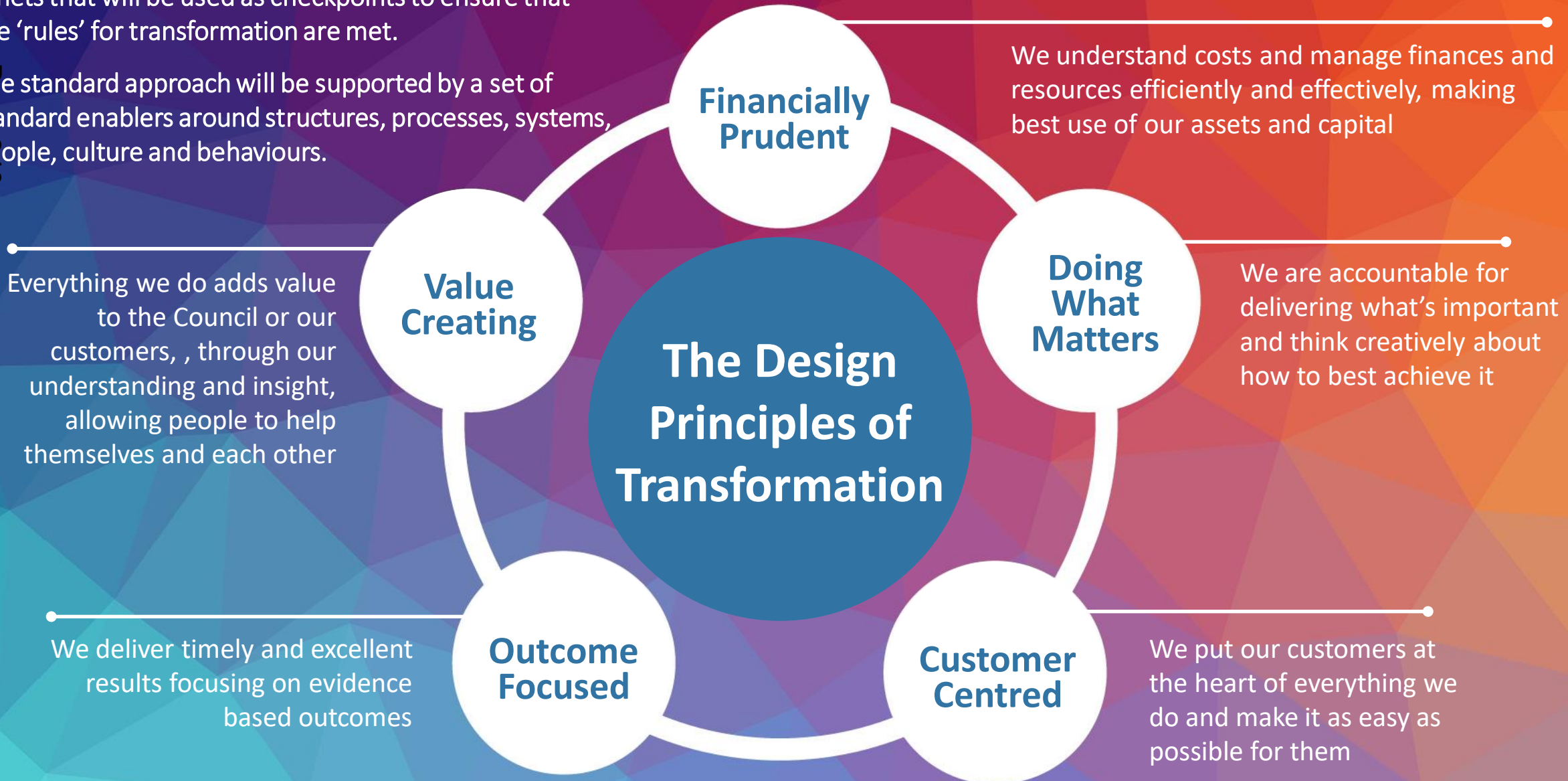
The transformation needs to be challenging but achievable and capable of being delivered in the timescales we say it can. Without this level of commitment and focus on evidence to show impact, we cannot be certain of moving out of intervention.



The Design Principles for Transformation are the guiding tenets that will be used as checkpoints to ensure that the 'rules' for transformation are met.

The standard approach will be supported by a set of standard enablers around structures, processes, systems, people, culture and behaviours.

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# Transformation Fundamentals – The Brilliant Basics

The starting point for our transformation is a blend of key Directorate projects prioritised to deliver in the next year and some critical cross cutting projects.

Page 34

## Key Directorate projects include...

SEND Service Transformation  
SEN Transport

Transitions

Community Hubs, Enforcement  
Leisure Review, Waste Review

Housing Repairs Transformation  
Housing Asset Mgt System

Major contracts & commissioning review

Asset & Estate Rationalisation Strategy,  
Neighbourhood Working

Governance & Decision Making

## Key Corporate projects include...

A **business support** project is underway which aims to provide a single professional service with consistent standards, staff training and career prospects; gaining greater efficiencies by utilising new technology and applying lean business processes across the organisation.

Ensuring the best customer experience is a critical element of our improvement journey and our **customer journey** programme will ensure we deliver on this so we add maximum value to our customer in everything we do, making it as easy as possible for them to interact with us.

Developing a comprehensive **digital strategy** means embedding the new tools currently under development, such as Oracle Fusion, which will allow for improved processes and more self-service. It also means ensuring all our other systems are optimised to allow us to work intelligently and seamlessly across the organisation for the benefit of our customers.

# Ongoing Transformation – Sustainability

Page 342

The key to the delivery of a sustainable transformation programme to ensure that we can link everything we do to the outcomes we want to achieve. As part of this we will have a Framework that ensures a clear link between...

Purpose

Inputs

Outputs

Outcomes

Impact

It is a way to show the direct relationship between *what we do* and the *difference we make*.

Projects that are considered to form part of the programme will be tested against the design principles and then assessed to ensure they have positive impact, either on our customers, or our finances, or both. They will also be looked at in terms of risk – and issues such as capacity to deliver addressed.



# What it will mean for staff

Page 343  
To deliver this kind of transformation there will need to be positive leadership at all levels of the Council. This means having a mindset that is open to the possibilities of thinking what the Council can be in the future. They will uphold the agreements of the transformation and help their staff to deliver the change, providing the opportunities, the moral conviction and the learning.

The transformation cannot be seen as a distraction from current priority programme of delivery. On the contrary, it must be recognised as the critical enabler for our future success. We will continue to invest in and develop our people as we know they are our greatest asset and continue to work hard to embed Equality, Diversity and Inclusion in our workforce, so they represent our community.

We value our people and want to see them thrive. Whilst this transformation means we will see a change in what people do and how they do it and this may mean that we stop, reduce or re-think how we do many things, equally there will be new things to do and new opportunities. We will also look at how we are structured in terms of our hierarchies and spans of control, and how each person contributes to our outcomes, ensuring synergies with performance management.



As we change, grow and develop, we will invest in staff – in their learning and development - to help them achieve new things for the maximum impact of Sandwell and for themselves.

# THE TIMELINE FOR CHANGE

**2023/2024**

**Brilliant  
Basics**

**2024/2028**

**Sustainable  
Transformation**

**Beyond**

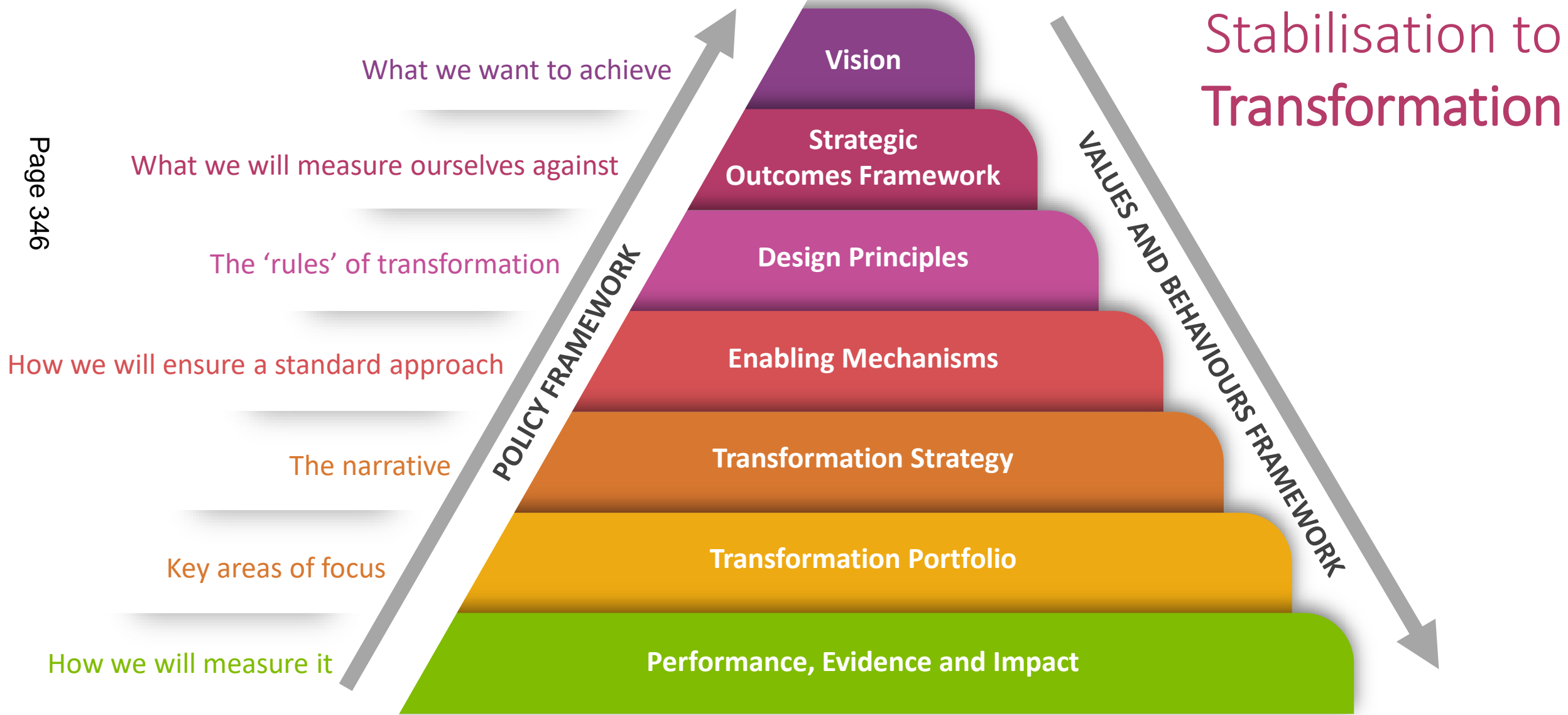
**Continuous  
Improvement**

To make such a fundamental shift in how we do business is a long-term commitment, not an overnight fix, with a new model that may emerge from the work that will not only be around process and structure, but also culture and behaviours. That is not to say there will not be short- and medium-term changes in how we do business, focused around our Brilliant Basics programme - and we will take every opportunity that arises, as long as it aligns to our long-term vision and strategic outcomes.

Our Brilliant Basics programme will commence immediately – in fact the majority of projects are already in hand. So, this is our focus for 2023/24. And whilst work will also commence on the longer-term sustainable transformation programme, this will be our focus from 2024 onwards. As we move forward, there will of course be new challenges and opportunities and our programme will adjust to reflect that, as well as continuing to improve everything else we do. We will ensure we measure, manage, test and learn from all projects as we go along, ensuring we focus our efforts on what works.



# How will this be delivered in practice

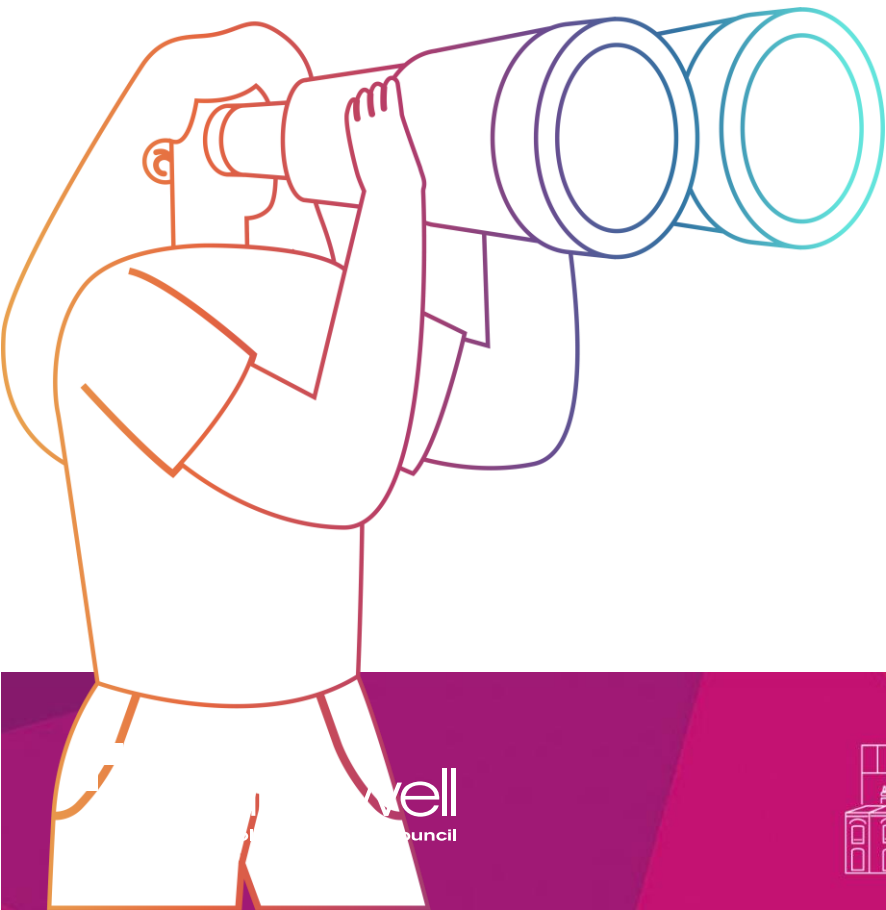


# Alignment to the Vision

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**Our Vision is**

‘to create a modern, outstanding council,  
one where our organisational structure,  
business systems, process and people and  
cultural working practices are fully aligned  
to deliver our strategic outcomes’.



# Strategic Outcomes Framework

Page 348  
Our Strategic Outcomes are the basis on which we deliver our services:

- 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
- One Council, One Team

The development of a Strategic Outcomes Framework ensures a coherent linkage between purpose, inputs, outputs, outcomes and impact. It is a way to show the direct relationship between what we do and the difference we make.

# Design Principles

These are the 'rules' we will apply to ensure all change is aligned to the Transformation Vision.

## DESIGN PRINCIPLES

We put our customers at the heart of everything we do and make it as easy as possible for them

**Customer Centred**

Everything we do adds value to the Council or our customers, through our understanding and insight, allowing people to help themselves and each other

**Value Creating**

We deliver timely and excellent results focusing on evidence-based outcomes

**Outcome Focused**

We understand costs and manage finances and resources efficiently and effectively, making best use of our assets and capital

**Financially Prudent**

We are accountable for delivering what's important and think creatively about how to best achieve it

**Doing What Matters**

## TRANSFORMATION VISION

To create a modern, outstanding council, one where our organisational structure, business systems, process and people and cultural working practices are fully aligned to deliver our strategic outcomes.



# The enabling mechanisms

## Design Principles

Customer Centred

Value Creating

Outcome Focussed

Financially Prudent

Doing what matters

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

One Council, One Team

Structures

Systems

Processes

People

Culture & Behaviours

## The Enabling Mechanisms

## Vision

To create a modern, outstanding council, one where our organisational structure, business systems, process and people and cultural working practices are fully aligned to deliver our strategic outcomes.

# Understanding the Enabling Mechanisms

Mechanism	Structures	Systems	Processes	People	Culture & Behaviours
-----------	------------	---------	-----------	--------	----------------------

Governance PMO & Gateways

Approach	Spans of Control and contribution to outcomes	Digital Blueprint and improved self service	Redesign Toolkit and methodology	Workforce Strategy and succession planning	Behaviour framework and Organisation Development approach
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Overview	Structures ensure there are the right people in the right place	Systems ensure the right technology is there to deliver on the programme	Processes ensure the right work is being done in the most efficient way	People ensures that we have a sufficient capacity of people with the right skills and capabilities	Culture cuts across all themes and without it none of the other enablers will deliver
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# The Strategic Outcome-led Transformation Portfolio



# Assessing the Significance

The council has adopted a system that uses a number of inputs to consider the level of support and assurance required. A PM Threshold Tool has been created and based on the inputs the project will be identified as level 1, 2, 3 or 4 – this can then be the basis of a discussion with the PMO in terms of resourcing and requirements. This is illustrated below:

Thresholds	Tiering		Menu of PMO Support	Scoring
Value	1	Intense	Full range of support including project management	1
Complexity	2	High	Project officer support working alongside service on delivery	1
Risk	3	Medium	Oversight of the project giving advice and guidance	1
Capacity	4	Reporting	Templates and tools available for services to use	1

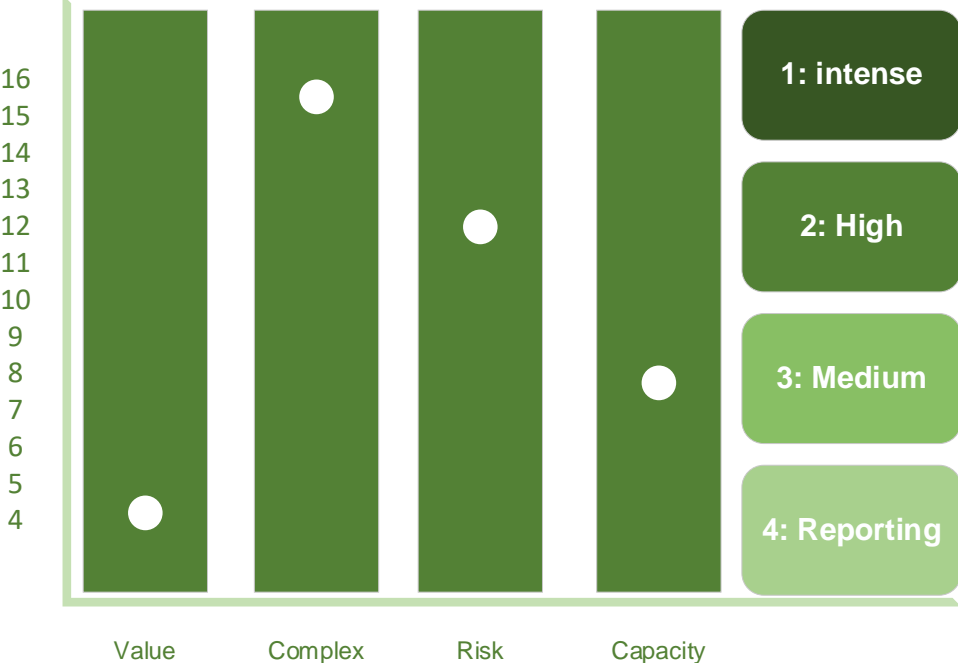
# Assessing the Significance

The threshold inputs cover the following:

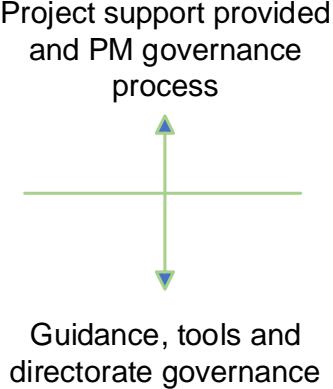
- Value and status
- Complexity
- Risk
- Capacity

The scoring will result in an overall rating.

This is illustrated as follows:



Total overall score:



# A PHASED APPROACH

**2023/2024**

**Brilliant Basics**

Brilliant Basics:

- Portfolio Structure
- Design Principles and Strategic Framework
- Existing Transformation aligned to Outcome-led Portfolio
- Strategic Outcome Mapping and Service Planning

**2024/2028**

**Sustainable Transformation**

Sustainable Transformation:

- Outcome-led Portfolio
- Long-Term Planning

**Beyond**

**Continuous Improvement**

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

One Council, One Team

## Brilliant Basics Portfolio

SEND Service Transformation  
SEN Transport

Transitions

Community Hubs, Enforcement  
Leisure Review, Waste Review

Housing Repairs Transformation  
Housing Asset Management System

Major Contracts and Commissioning Review  
Asset and Estate Rationalisation Strategy

Customer Journey, Digital Blueprint  
Neighbourhood Working

Oracle Fusion, Business Support,  
Governance and Decision-Making

# Informing Sustainable Transformation and Outcome-led Decision Making

Strategic Outcome	What this means	Activity	VfM	Service Plan Actions
The best start in life for children and young people	Remove barriers to education & learning, prioritise consistent support to families, check in with all children			
People live well and age well	Offer healthy choices for health & social care, respectful treatment in safe, clean environments			
Strong, resilient communities	Offer safe, non-threatening places, encourage outdoor activities			
Quality homes in thriving neighbourhoods	Provide fair & efficient assessments to provide homes to those in need			
A strong and inclusive economy	Incentivise local businesses and recruit & train locally based staff			
A connected and accessible Sandwell	Maximise location, transport network, promote alternative transport in schools			
One Council, One Team	Streamline processes, staff training & support & encouragement			

## EFFECTIVE

Is what we are doing contributing to the outcomes? First pass

## EFFICIENT

Are we delivering the best outcomes for the resources being input? <sup>105</sup> Second pass

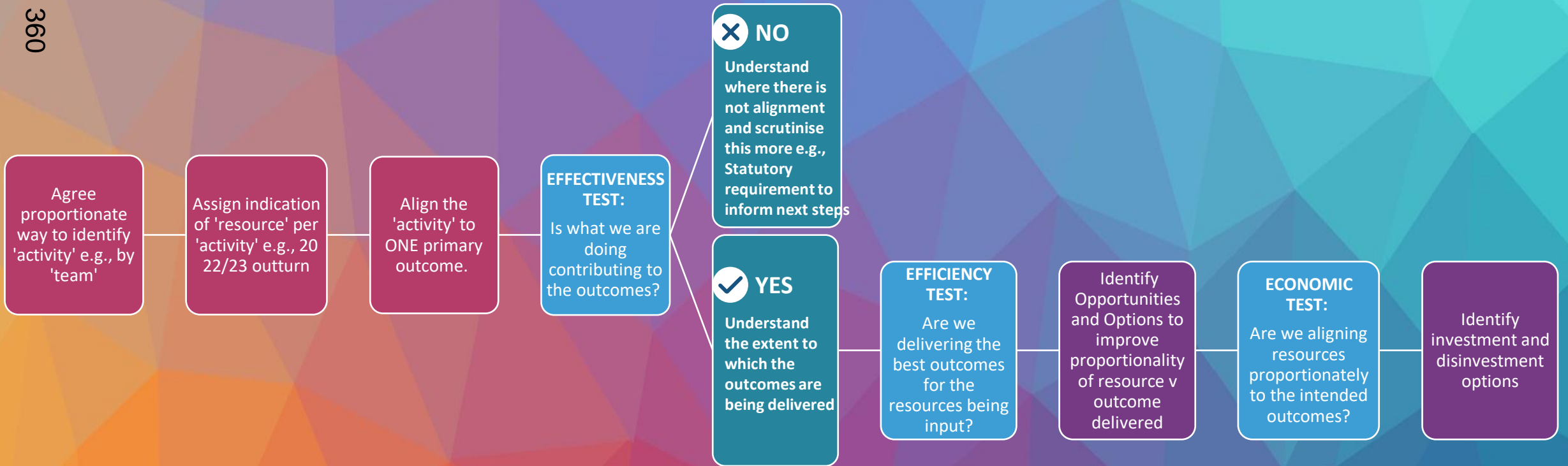
## ECONOMIC

Are we aligning resources proportionately to intended outcomes? Strategic Pass

# Applying Value for Money tests to Sustainable Transformation

<p><b>EFFECTIVE</b></p> <p>Is what we are doing contributing to the outcomes? First pass</p>	<p><b>EFFICIENT</b></p> <p>Are we delivering the best outcomes for the resources being input? Second pass</p>	<p><b>ECONOMIC</b></p> <p>Are we aligning resources proportionately to intended outcomes? Strategic Pass</p>
<ul style="list-style-type: none"> <li>▪ Service and activity identification.</li> <li>▪ Collaborative alignment to the interpretations of the Strategic Outcomes.</li> <li>▪ Gap Analysis.</li> <li>▪ Opportunity Identification.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Understanding of Impact (e.g., KPIs, customer feedback).</li> <li>▪ Benchmarking.</li> <li>▪ Cost vs benefit analysis.</li> <li>▪ Opportunity Identification.</li> <li>▪ Opportunity Quantification (BAU/ Transformation).</li> </ul>	<ul style="list-style-type: none"> <li>▪ Prioritisation of cost &amp; impact.</li> <li>▪ Benchmarking.</li> <li>▪ Opportunity Identification.</li> <li>▪ Opportunity Quantification (BAU/ Transformation).</li> <li>▪ Collaboration with SLT.</li> <li>▪ Transformation Portfolio.</li> <li>▪ Service Plan inputs.</li> </ul>

# The Approach





# WE ARE SANDWELL!



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# Report to Cabinet

**15 November 2023**

<b>Subject:</b>	Council Tax Base 2024/2025
<b>Cabinet Member:</b>	Councillor Bob Piper - Cabinet Member for Finance and Resources
<b>Director:</b>	Brendan Arnold – Director of Finance Section 151 officer
<b>Key Decision:</b>	Yes
<b>Contact Officer:</b>	Ian Dunn <a href="mailto:ian_dunn@sandwell.gov.uk">ian_dunn@sandwell.gov.uk</a> Carl Jones <a href="mailto:Carl_jones@sandwell.gov.uk">Carl_jones@sandwell.gov.uk</a>

## 1 Recommendations


- 1.1 That the Council be recommended to approve setting the Council Tax Base for 2024/2025 at 78,217.27.
- 1.2 Authorise the Section 151 Officer to adjust the Council Tax Base as required following approval of the 2024-2025 Council Tax Reduction Scheme by Council on 12 December 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?

	A strong and inclusive economy	Collection of Council Tax is important as it gives the council money to spend and invest locally
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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 2025 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 Cabinet on 15 November 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 2024/25 has been calculated as 78,217.27.
- 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	78,217.27

4.7 The actual levels of Council Tax for 2024/2025 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 2023/24 the Council Tax Base was 76,764.73 based on a 98.5% collection rate. The Council Tax Base for 2024/25 has increased by nearly 1.9% and this is mainly due to the additional number of properties.

## 5 Alternative Options

5.1 Not applicable

## 6 Implications

<b>Resources:</b>	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.
<b>Legal and Governance:</b>	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.
<b>Risk:</b>	If Council Tax is not collected the Council's income could be affected and services provided by the Council may need to be cut.
<b>Equality:</b>	No impact



<b>Health and Wellbeing:</b>	No impact
<b>Social Value:</b>	No impact
<b>Climate Change:</b>	No impact
<b>Corporate Parenting:</b>	No impact

**7. Appendices**

None

**8. Background Papers**

None



# Report to Cabinet

**15 November 2023**

<b>Subject:</b>	Local Council Tax Reduction Scheme 2024/2025
<b>Cabinet Member:</b>	Councillor Bob Piper - Cabinet Member for Finance and Resources
<b>Director:</b>	Brendan Arnold – Director of Finance
<b>Key Decision:</b>	Yes
<b>Contact Officer:</b>	Ian Dunn <a href="mailto:ian_dunn@sandwell.gov.uk">ian_dunn@sandwell.gov.uk</a> Carl Jones <a href="mailto:carl_jones@sandwell.gov.uk">carl_jones@sandwell.gov.uk</a>

## 1 Recommendations


- 1.1 That approval be given to make no changes to the Local Council Tax Reduction Scheme for 2024/25 as set out in Appendix 1.
- 1.2 That the Council be recommended to approve the Local Council Tax Reduction Scheme for 2025/25 as set out in Appendix 1.

## 2 Reasons for Recommendations

- 2.1 The LCTRS provides crucial support to low income families and our most vulnerable residents.
- 2.2 The LCTRS is based on income bands and residents on very low incomes can continue to receive 100% support.
- 2.3 Sandwell is one of only a few nationally that still provides 100% support.



### 3 How does this deliver objectives of the Corporate Plan?

	People live well and age well	The LCTRS provides financial support to the lowest income households to pay their Council Tax.
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### 4 Context and Key Issues

- 4.1 Significant changes were made to the scheme on 1 April 2019.
- 4.2 The local scheme only applies to working age claimants as the Government prescribes how Council Tax Support is calculated for pensioners.
- 4.3 Sandwell made several changes to its LCTRS in 2019/20 to ensure the scheme worked effectively with the Government's Universal Credit (UC) system which was rolled out fully in Sandwell in November 2018.
- 4.4 Changes from 1 April 2019 included:
- Replacing the weekly means test approach with a series of income bands for different household sizes
  - Simplifying the claim process for claimants receiving UC
  - Introducing a £5 per week deduction for non-dependants not in work
  - Two income bands for families with children as follows:
    - Families with 1 child
    - Families with 2 or more children
  - Reducing the capital cut-off limit to £3,000
- 4.5 Positive features of the scheme were also retained to continue to support our most vulnerable residents and to incentivise work.
- 4.6 The draft policy which is in Appendix 1 will have the income bands updated for 2024-2025 once the Department for Work and Pensions publicise the new income rates from April 2024.





## 5 Alternative Options

- 5.1 Nationally a lot of local authorities have introduced a minimum Council Tax payment. This means that everyone, including those people on a very low income must pay something towards their Council Tax.
- 5.2 Sandwell does not want to introduce a minimum payment into its LCTRS as we want to protect our most vulnerable households and improve child poverty and support residents with the cost of living crisis

## 6 Implications

<b>Resources:</b>	The forecasted cost of the Council Tax Reduction Scheme for 2024/25 based on current caseload information is £30m. This does not take account of any council tax increase for 2024/25 which would increase the cost of the LCTRS.
<b>Legal and Governance:</b>	The LCTRS must be made in accordance with Schedule 4 paragraph 5 (2) of the Local Government Finance Act 2012 which states: The authority must make any revision to its scheme, or any replacement scheme, no later than the 11 <sup>th</sup> March in the financial year preceding that for which the revision or replacement scheme is to have effect.
<b>Risk:</b>	The calculation of the cost of LCTRS assumes that there will be no increase in caseload throughout 2024/25. If there was an increase in caseload this would lead to additional LCTRS costs.
<b>Equality:</b>	An equality impact assessment (EIA) was completed on the 2019/20 LCTRS. As we are proposing no changes to the scheme a further EIA is not required.
<b>Health and Wellbeing:</b>	The Sandwell's LCTRS is a generous scheme. It aims to protect our lowest income households by giving them 100% support towards their Council Tax and is one of only a few schemes nationally to do this.
<b>Social Value</b>	Not applicable
<b>Climate Change</b>	Not applicable
<b>Corporate Parenting</b>	Not applicable



## 7. Appendices

7.1 Appendix 1 – Draft Local Council Tax Reduction Scheme Policy 2024/25.

## 8. Background Papers

None



**Sandwell Metropolitan Borough Council**  
**Council Tax Reduction Scheme**  
S13A and Schedule 1a of the Local Government Finance Act 1992

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## **1.0 Introduction to the Council Tax Reduction Scheme**

1.1 The following has been adopted by the Council and details the Council Tax Reduction scheme for the period from 1<sup>st</sup> April 2024.

1.2 This document details how the scheme will operate for both pension credit age and working age applicants and in accordance with Section 13A of the Local Government Finance Act 1992 specifies the classes of person who are to be entitled to a reduction under the scheme and is effective from 1<sup>st</sup> April 2024 for a period of one financial year.

1.3 1.3 The scheme in respect of pension age applicants is defined by Central Government within the following:

- Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012;
- Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (England) (Amendment) Regulations 2012;
- Council Tax Reduction Schemes (Transitional Provision) (England) Regulations 2013;
- Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013;
- Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2013;
- The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) (No. 2) Regulations 2014
- The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2015:
- The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2016;
- The Council Tax Reduction Schemes (Amendment) (England) Regulations 2017;
- The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2018;
- The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2020:
- The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2021:
- The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2022;
- The Council Tax (Demand Notices and Reduction Schemes) (England) (amendment) Regulations 2022;
- The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2023; and
- Local Government Finance Act 1992 (as amended by the Local Government Finance Act 2012).

### **The scheme for pension age applicants – Central Government’s scheme as defined by the Council Tax Reduction Scheme (Prescribed Requirements) (England) Regulations 2012**

1.4 There are three main classes under the prescribed pension credit age scheme, for each of which there are a number of qualifying criteria. In all cases individuals must not be of a prescribed class exempted from reduction, such as a person subject to immigration control with limited leave to remain. The definition of a pension credit age person is a person who;

- a. has attained the qualifying age for state pension credit; and
- b. is not, or, if he has a partner, his partner is not;
  - i. a person on income support, on an income-based jobseeker’s allowance or on an income-related employment and support allowance; or
  - ii. a person with an award of universal credit

The three prescribed classes are as follows;

**Class A: pensioners whose income is less than the applicable amount.**

On any day Class A consists of any person who is a pensioner:

- a. who is for that day liable to pay council tax in respect of a dwelling of which he is a resident;
- b. who, subject to paragraph 5 of Schedule 1 of the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012, is not absent from the dwelling throughout the day; in respect of whom a maximum Council Tax Reduction amount can be calculated;
- c. who does not fall within a class of persons prescribed for the purposes of paragraph 2(9) of Schedule 1A to the Local Government Finance Act 1992 and excluded from the authority's scheme;
- d. whose income (if any) for the relevant week does not exceed his applicable amount calculated in accordance with paragraph 9 and Schedule 2 of the Local Government Finance Act 1992;
- e. not have capital savings above £16,000; and
- f. who has made an application for a reduction under the authority's scheme.

**Class B: pensioners whose income is greater than the applicable amount.**

On any day class B consists of any person who is a pensioner:

- a. who is for that day liable to pay council tax in respect of a dwelling of which he is a resident;
- b. who, subject to paragraph 5 of Schedule 1 of the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012, is not absent from the dwelling throughout the day; in respect of whom a maximum Council Tax Reduction amount can be calculated;
- c. who does not fall within a class of person prescribed for the purposes of paragraph 2(9) of Schedule 1A to the Local Government Finance Act 1992 and excluded from the authority's scheme;
- d. whose income for the relevant week is greater than his applicable amount calculated in accordance with paragraph 9 and Schedule 2 to the Local Government Finance Act 1992;
- e. in respect of whom amount A exceeds amount B where;
  - (i) amount A is the maximum Council Tax Reduction in respect of the day in the applicant's case; and
  - (ii) amount B is 2 6/7 per cent of the difference between his income for the relevant week and his applicable amount;
- g. not have capital savings above £16,000; and
- h. who has made an application for a reduction under the authority's scheme.

**Class C: alternative maximum Council Tax Reduction**

On any day class C consists of any person who is a pensioner:

- a. who is for that day liable to pay council tax in respect of a dwelling of which he is a resident;
- b. who, subject to paragraph 5 of Schedule 1 of the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012, is not absent from the dwelling throughout the day;
- c. in respect of whom a maximum Council Tax Reduction amount can be calculated;
- d. who does not fall within a class of person prescribed for the purposes of paragraph 2(9) of Schedule 1A to the 1992 Act and excluded from the authority's scheme;
- e. who has made an application for a reduction under the authority's scheme; and
- f. in relation to whom the condition below is met.

The condition referred to in sub-paragraph f. is that no other resident of the dwelling is liable to pay rent to the applicant in respect of the dwelling and there is an alternative maximum Council Tax Reduction in respect of the day in the case of that person which is derived from the income, or aggregate income, of one or more residents to whom this sub-paragraph applies.

The above applies to any other resident of the dwelling who:



- a. is not a person who, in accordance with Schedule 1 to the 1992 Act, falls to be disregarded for the purposes of discount;
- b. is not a person who is liable for council tax solely in consequence of the provisions of section 9 of the 1992 Act (spouse's or civil partner's joint and several liability for tax);
- c. is not a person who is residing with a couple or with the members of a polygamous marriage where the applicant is a member of that couple or of that marriage and—
  - (i) in the case of a couple, neither member of that couple is a person who, in accordance with Schedule 1 to the 1992 Act, falls to be disregarded for the purposes of discount; or
  - (ii) in the case of a polygamous marriage, two or more members of that marriage are not persons who, in accordance with Schedule 1 to the 1992 Act, fall to be disregarded for the purposes of discount;
- d. is not a person who, jointly with the applicant, falls within the same paragraph of section 6(2)(a) to (e) of the 1992 Act (persons liable to pay council tax) as applies in the case of the applicant; or
- e. is not a person who is residing with two or more persons both or all of whom fall within the same paragraph of section 6(2)(a) to (e) of the 1992 Act where two or more of those persons are not persons who, in accordance with Schedule 1 to the 1992 Act, fall to be disregarded for the purposes of discount.

#### **Disregard of certain incomes**

- 1.5 For those who have reached the qualifying age for state pension credit, the Council has resolved to enhance the government scheme (as defined by the Council Tax Reduction Scheme (Prescribed Requirements) (England) Regulations 2012 to disregard in full the following:
- a. a war disablement pension;
  - b. a war widow's pension or war widower's pension;
  - c. a pension payable to a person as a widow, widower or surviving civil partner under any power of Her Majesty otherwise than under an enactment to make provision about pensions for or in respect of persons who have been disabled or have died in consequence of service as members of the armed forces of the Crown;
  - d. a guaranteed income payment;
  - e. a payment made to compensate for the non-payment of such a pension or payment as is mentioned in any of the preceding sub-paragraphs;
  - f. a pension paid by the government of a country outside Great Britain which is analogous to any of the pensions or payments mentioned in sub-paragraphs (a) to (d) above;
  - g. pension paid to victims of National Socialist persecution under any special provision made by the law of the Federal Republic of Germany, or any part of it, or of the Republic of Austria.

**The provisions outlined above, enhance the Central Government's scheme.**

#### THE SCHEME FOR WORKING AGE APPLICANTS – THE COUNCIL'S LOCAL SCHEME

- 1.6 The adopted scheme for working age applicants is an income banded / grid scheme means test, which compares income against a range of discounts available. Full details of the working age scheme of the authority are contained within this document from section 2 onwards. The authority is required to specify a scheme for working age and therefore this scheme only applies to a person who;
- a. has not attained the qualifying age for state pension credit; or
  - b. has attained the qualifying age for state pension credit if he, and his partner, is a person on income support, on an income-based jobseeker's allowance, on an income-related employment and support allowance or on universal credit.
- 1.7 The Council has resolved that there will be **one** class of persons who will receive a reduction in line with adopted scheme. The scheme has qualifying criteria. In all cases individuals must not be of a prescribed class exempted from reduction as specified within section 7 of this scheme.

#### **Class D**

To obtain reduction the individual (or partner) must:

- a. have not attained the qualifying age for state pension credit; or
- b. he has attained the qualifying age for state pension credit and he, or if he has a partner, his partner, is a person on income support, on income-based jobseeker's allowance or an income-related employment and support allowance; or a person with an award of universal credit.
- c. be liable to pay council tax in respect of a dwelling in which he is solely or mainly resident;
- d. is not deemed to be absent from the dwelling;
- e. not fall within a class of person prescribed for the purposes of paragraph 2(9) of Schedule 1A to the Local Government Finance Act 1992 and excluded from the authority's scheme;
- f. be somebody in respect of whom a maximum Council Tax Reduction amount can be calculated;
- g. not have capital savings above £3,000;
- h. not have income above the levels specified within the scheme;
- i. be a person in respect of whom a day in which s/he is liable to pay council tax falls within a week in respect of which the person's *income* is within a range of incomes specified within Schedule 1; and
- j. has made a valid application for reduction.

## **Council Tax Reduction Scheme**

Details of support to be given for **working age applicants** for the financial year 2024/25

**Sections 2- 8**  
**Definitions and interpretation**

## 2.0 Interpretation – an explanation of the terms used within this scheme

### 2.1 In this scheme–

**‘the Act’** means the Social Security Contributions and Benefits Act 1992;

**‘the Administration Act’** means the Social Security Administration Act 1992;

**‘the 1973 Act’** means the Employment and Training Act 1973;

**‘the 1992 Act’** means the Local Government Finance Act 1992;

**‘the 2000 Act’** means the Electronic Communications Act 2000;

**‘Abbeyfield Home’** means an establishment run by the Abbeyfield Society including all bodies corporate or incorporate which are affiliated to that Society;

**‘adoption leave’** means a period of absence from work on ordinary or additional adoption leave by virtue of section 75A or 75B of the Employment Rights Act 1996;

**‘an AFIP’** means an armed forces independence payment payable in accordance with an armed and reserve forces compensation scheme established under section 1(2) of the Armed Forces (Pensions and Compensation) Act 2004

**‘applicant’** means a person who the authority designates as able to claim Council tax reduction – for the purposes of this scheme all references are in the masculine gender but apply equally to male and female;

**‘application’** means an application for a reduction under this scheme:

**‘appropriate DWP office’** means an office of the Department for Work and Pensions dealing with state pension credit or office which is normally open to the public for the receipt of claims for income support, a jobseeker’s allowance or an employment and support allowance;

**‘assessment period’** means such period as is prescribed in sections 19 to 21 over which income falls to be calculated;

**‘attendance allowance’** means–

(a) an attendance allowance under Part 3 of the Act;

(b) an increase of disablement pension under section 104 or 105 of the Act;

(c) a payment under regulations made in exercise of the power conferred by paragraph 7(2)(b) of Part 2 of Schedule 8 to the Act;

(d) an increase of an allowance which is payable in respect of constant attendance under paragraph 4 of Part 1 of Schedule 8 to the Act;

(e) a payment by virtue of article 14, 15, 16, 43 or 44 of the Personal Injuries (Civilians) Scheme 1983 or any analogous payment; or

(f) any payment based on need for attendance which is paid as part of a war disablement pension;

**‘the authority’** means a billing authority in relation to whose area this scheme has effect by virtue of paragraph 4(6) of Schedule 1A to the 1992 Act;

**‘Back to Work scheme(s)’** means any scheme defined within the Jobseekers (Back to Work Schemes) Act 2013 or Jobseeker’s Allowance (Schemes for Assisting Persons to Obtain Employment) Regulations 2013;

**‘basic rate’**, where it relates to the rate of tax, has the same meaning as in the Income Tax Act 2007 (see section 989 of that Act).

**‘the benefit Acts’** means the Act (SSBA) and the Jobseekers Act 1995 and the Welfare Reform Act 2007;

**‘board and lodging accommodation’** means accommodation provided to a family, for a charge which is inclusive of the provision of that accommodation and at least some cooked or prepared meals which both are cooked or prepared (by a person other than the person to whom the accommodation is provided or a member of his family) and are consumed in that accommodation or associated premises;

**‘care home’** has the meaning given by section 3 of the Care Standards Act 2000 and in Scotland means a care home service within the meaning given by section 2(3) of the Regulation of Care (Scotland) Act 2001 and in Northern Ireland means a nursing home within the meaning of Article 11 of the Health and Personal Social Services (Quality, Improvement and Regulation) (Northern Ireland) Order 2003 or a residential care home within the meaning of Article 10 of that Order;

**‘the Caxton Foundation’** means the charitable trust of that name established on 28th March 2011 out of funds provided by the Secretary of State for the benefit of certain persons suffering

from hepatitis C and other persons eligible for payment in accordance with its provisions;

**‘child’** means a person under the age of 16;

**‘child benefit’** has the meaning given by section 141 of the SSCBA as amended by The Child Benefit (General), Child Tax Credit (Amendment) Regulations 2014 and The Child Benefit (General) (Amendment) Regulations 2015;

**‘the Children Order’** means the Children (Northern Ireland) Order 1995;

**‘child tax credit’** means a child tax credit under section 8 of the Tax Credits Act 2002;

**‘claim’** means a claim for council tax reduction;

**‘close relative’** means a parent, parent-in-law, son, son-in-law, daughter, daughter-in-law, step-parent, step-son, step-daughter, brother, sister, or if any of the preceding persons is one member of a couple, the other member of that couple;

**‘concessionary payment’** means a payment made under arrangements made by the Secretary of State with the consent of the Treasury which is charged either to the National Insurance Fund or to a Departmental Expenditure Vote to which payments of benefit or tax credits under the benefit Acts or the Tax Credits Act are charged;

**‘the Consequential Provisions Regulations’** means the Housing Benefit and Council tax reduction (Consequential Provisions) Regulations 2006;

**‘contributory employment and support allowance’** means an allowance under Part 1 of the Welfare Reform Act 2007 as amended by the provisions of Schedule 3, and Part 1 of Schedule 14, to the Welfare Reform Act 2012 that remove references to an income-related allowance and a contributory allowance under Part 1 of the Welfare Reform Act 2007 as that Part has effect apart from those provisions;

**‘council tax benefit’** means council tax benefit under Part 7 of the SSCBA;

**‘council tax reduction scheme’** has the same meaning as **‘council tax reduction or reduction’**

**‘council tax support (or reduction)’** means council tax reduction as defined by S13a Local Government Finance Act 1992 (as amended);

**‘couple’** means;

- (a) a man and a woman who are married to each other and are members of the same household;
- (b) a man and a woman who are not married to each other but are living together as if they were a married couple or civil partners;
- (c) two people of the same sex who are civil partners of each other and are members of the same household; or
- (d) two people of the same sex who are not civil partners of each other but are living together as if they were civil partners,

Two people of the same sex are to be treated as living together as if they were civil partners if, and only if, they would be treated as living together as husband and wife were they of opposite sexes. The above includes the Marriage (Same Sex Couples) Act 2013 and The Marriage (Same Sex Couples) Act 2013 (Commencement No. 3) Order 2014;

**‘date of claim’** means the date on which the application or claim is made, or treated as made, for the purposes of this scheme

**‘designated authority’** means any of the following;  
the local authority; or a person providing services to, or authorised to exercise any function of, any such authority;

**‘designated office’** means the office designated by the authority for the receipt of claims for council tax reduction;

- (a) by notice upon or with a form approved by it for the purpose of claiming council tax reduction; or
- (b) by reference upon or with such a form to some other document available from it and sent by electronic means or otherwise on application; or
- (c) by any combination of the provisions set out in sub-paragraphs (a) and (b) above;

**‘disability living allowance’** means a disability living allowance under section 71 of the Act;

**‘dwelling’** has the same meaning in section 3 or 72 of the 1992 Act;

**‘earnings’** has the meaning prescribed in section 25 or, as the case may be, 27;

**‘the Eileen Trust’** means the charitable trust of that name established on 29th March 1993 out of funds provided by the Secretary of State for the benefit of persons eligible for payment in accordance with its provisions;

**‘electronic communication’** has the same meaning as in section 15(1) of the Electronic Communications Act 2000 ;

**‘employed earner’** is to be construed in accordance with section 2(1)(a) of the Act and also includes a person who is in receipt of a payment which is payable under any enactment having effect in Northern Ireland and which corresponds to statutory sick pay or statutory maternity pay;

**‘Employment and Support Allowance Regulations’** means the Employment and Support Allowance Regulations 2008 and the Employment and Support Regulations 2013 as appropriate;

**‘Employment and Support Allowance (Existing Awards) Regulations’** means the Employment and Support Allowance (Transitional Provisions, Housing Benefit and Council Tax Benefit) (Existing Awards) Regulations 2010;

**‘the Employment, Skills and Enterprise Scheme’** means a scheme under section 17A (schemes for assisting persons to obtain employment; ‘work for your benefit’ schemes etc.) of the Jobseekers Act 1995 known by that name and provided pursuant to arrangements made by the Secretary of State that is designed to assist applicants to obtain employment, including self-employment, and which may include for any individual work-related activity (including work experience or job search). This also includes schemes covered by The Jobseekers Allowance (Employment, Skills and Enterprise Scheme) Regulations 2011 as amended by the Jobseekers (Back to Work Schemes) Act 2013 – see **‘Back to Work Schemes’**;

**‘enactment’** includes an enactment comprised in, or in an instrument made under, an Act of the Scottish Parliament;

**‘extended reduction’** means a payment of council tax reduction payable pursuant to section 60;

**‘extended reduction period’** means the period for which an extended reduction is payable in accordance with section 60A or 61A of this scheme;

**‘extended reduction (qualifying contributory benefits)’** means a payment of council tax reduction payable pursuant to section 61;

**‘family’** has the meaning assigned to it by section 137(1) of the Act and Section 9 of this scheme;

**‘the Fund’** means moneys made available from time to time by the Secretary of State for the benefit of persons eligible for payment in accordance with the provisions of a scheme established by him on 24th April 1992 or, in Scotland, on 10th April 1992;

**‘a guaranteed income payment’** means a payment made under article 15(1)(c) (injury benefits) or 29(1)(a) (death benefits) of the Armed Forces and Reserve Forces (Compensation Scheme) Order 2011;

**‘he, him, his’** also refers to the feminine within this scheme

**‘housing benefit’** means housing benefit under Part 7 of the Act; ‘the Housing Benefit Regulations’ means the Housing Benefit Regulations 2006;

**‘Immigration and Asylum Act’** means the Immigration and Asylum Act 1999;

**‘an income-based jobseeker’s allowance’** and **‘a joint-claim jobseeker’s allowance’** have the meanings given by section 1(4) of the Jobseekers Act 1995;

**‘income-related employment and support allowance’** means an income-related allowance under Part 1 of the Welfare Reform Act 2007;

**‘Income Support Regulations’** means the Income Support (General) Regulations 1987(a);

**‘independent hospital’**–

(a) in England, means a hospital as defined by section 275 of the National Health Service Act 2006 that is not a health service hospital as defined by that section;

(b) in Wales, has the meaning assigned to it by section 2 of the Care Standards Act 2000; and

(c) in Scotland means an independent health care service as defined by section 10F of the National Health Service (Scotland) Act 1978;

**‘the Independent Living Fund (2006)’** means the Trust of that name established by a deed dated 10th April 2006 and made between the Secretary of State for Work and Pensions of the one part and Margaret Rosemary Cooper, Michael Beresford Boyall and Marie Theresa Martin of the other part;

**‘invalid carriage or other vehicle’** means a vehicle propelled by a petrol engine or by electric power supplied for use on the road and to be controlled by the occupant;

**‘Jobseekers Act’** means the Jobseekers Act 1995; ‘Jobseeker’s Allowance Regulations’ means

the Jobseeker's Allowance Regulations 1996 and Jobseeker's Allowance Regulations 2013 as appropriate;

**'limited capability for work'** has the meaning given in section 1(4) of the Welfare Reform Act;

**'limited capability for work-related activity'** has the meaning given in section 2(5) of the Welfare Reform Act 2007;

**'the London Bombing Relief Charitable Fund'** means the company limited by guarantee (number 5505072), and registered charity of that name established on 11th July 2005 for the purpose of (amongst other things) relieving sickness, disability or financial need of victims (including families or dependants of victims) of the terrorist attacks carried out in London on 7th July 2005;

**'lone parent'** means a person who has no partner and who is responsible for and a member of the same household as a child or young person;

**'the Macfarlane (Special Payments) Trust'** means the trust of that name, established on 29th January 1990 partly out of funds provided by the Secretary of State, for the benefit of certain persons suffering from haemophilia;

**'the Macfarlane (Special Payments) (No.2) Trust'** means the trust of that name, established on 3rd May 1991 partly out of funds provided by the Secretary of State, for the benefit of certain persons suffering from haemophilia and other beneficiaries;

**'the Macfarlane Trust'** means the charitable trust, established partly out of funds provided by the Secretary of State to the Haemophilia Society, for the relief of poverty or distress among those suffering from haemophilia;

**'main phase employment and support allowance'** means an employment and support allowance where the calculation of the amount payable in respect of the applicant includes a component under section 2(1)(b) or 4(2)(b) of the Welfare Reform Act 2007 except in Part 1 of Schedule 1;

**'the Mandatory Work Activity Scheme'** means a scheme within section 17A (schemes for assisting persons to obtain employment; 'work for your benefit' schemes etc.) of the Jobseekers Act 1995 known by that name and provided pursuant to arrangements made by the Secretary of State that is designed to provide work or work related activity for up to 30 hours per week over a period of four consecutive weeks with a view to assisting applicants to improve their prospect of obtaining employment;

**'maternity leave'** means a period during which a woman is absent from work because she is pregnant or has given birth to a child, and at the end of which she has a right to return to work either under the terms of her contract of employment or under Part 8 of the Employment Rights Act 1996;

**'member of a couple'** means a member of a married or unmarried couple;

**'MFET Limited'** means the company limited by guarantee (number 7121661) of that name, established for the purpose in particular of making payments in accordance with arrangements made with the Secretary of State to persons who have acquired HIV as a result of treatment by the NHS with blood or blood products;

**'mobility supplement'** means a supplement to which paragraph 9 of Schedule 4 refers;

**'mover'** means an applicant who changes the dwelling in which the applicant is resident and in respect of which the applicant liable to pay council tax from a dwelling in the area of the appropriate authority to a dwelling in the area of the second authority;

**'net earnings'** means such earnings as are calculated in accordance with section 26;

**'net profit'** means such profit as is calculated in accordance with section 28;

**'the New Deal options'** means the employment programmes specified in regulation 75(1)(a)(ii) of the Jobseeker's Allowance Regulations 1996 and the training scheme specified in regulation 75(1)(b)(ii) of those Regulations;

**'new dwelling'** means, for the purposes of the definition of 'second authority' and sections 60C, and 61C the dwelling to which a applicant has moved, or is about to move, in which the applicant is or will be resident;

**'non-dependant'** has the meaning prescribed in section 3;

**'non-dependant deduction'** means a deduction that is to be made under section 58;

**'occasional assistance'** means any payment or provision made by a local authority, the Welsh Ministers or the Scottish Ministers for the purposes of:

(a) meeting, or helping to meet an immediate short-term need;



- (i) arising out of an exceptional event or exceptional circumstances, or
- (ii) that needs to be met to avoid a risk to the well-being of an individual, and
- (b) enabling qualifying individuals to establish or maintain a settled home, and—
  - (i) ‘local authority’ has the meaning given by section 270(1) of the Local Government Act 1972 ;and
  - (ii) ‘qualifying individuals’ means individuals who have been, or without the assistance might otherwise be:
    - (aa) in prison, hospital, an establishment providing residential care or other institution, or
    - (bb) homeless or otherwise living an unsettled way of life; and ‘local authority’ means a local authority in England within the meaning of the Local Government Act 1972;

**‘occupational pension’** means any pension or other periodical payment under an occupational pension scheme but does not include any discretionary payment out of a fund established for relieving hardship in particular cases;

**‘occupational pension scheme’** has the same meaning as in section 1 of the Pension Schemes Act 1993

**‘ordinary clothing or footwear’** means clothing or footwear for normal daily use, but does not include school uniforms, or clothing or footwear used solely for sporting activities;

**‘partner’** in relation to a person, means

- (a) where that person is a member of a couple, the other member of that couple;
- (b) subject to paragraph (c), where that person is polygamously married to two or more members of his household, any such member to whom he is married; or
- (c) where that person is polygamously married and has an award of universal credit with the other party to the earliest marriage that still subsists, that other party to the earliest marriage;

**‘paternity leave’** means a period of absence from work on leave by virtue of section 80A or 80B of the Employment Rights Act 1996;

**‘payment’** includes part of a payment;

**‘pensionable age’** has the meaning given by the rules in paragraph 1 of Schedule 4 to the Pensions Act 1995 as amended by the Public Services Pension Act 2013 and Pensions Act 2014;

**‘pension fund holder’** means with respect to a personal pension scheme or an occupational pension scheme, the trustees, managers or scheme administrators, as the case may be, of the scheme concerned;

**‘pensioner’** a person who has attained the age at which pension credit can be claimed;

**‘person affected’** shall be construed as a person to whom the authority decides is affected by any decision made by the council;

**“person from abroad”** means, subject to the following provisions of this regulation, a person who is not habitually resident in the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland

**‘person on income support’** means a person in receipt of income support;

**personal independence payment’** has the meaning given by Part 4 of the Welfare Reform Act 2012 and the Social Security (Personal Independence Payments) 2013;

**‘person treated as not being in Great Britain’** has the meaning given by section 7;

**‘personal pension scheme’** means—

- a. a personal pension scheme as defined by section 1 of the Pension Schemes Act 1993 as amended by the Public Service Pension Act 2013;
- b. an annuity contractor trust scheme approved under section 620 or 621 of the Income and Corporation Taxes Act 1988 or a substituted contract within the meaning of section 622(3) or that Act which is treated as having become a registered pension scheme by virtue of paragraph 1(1)(f) of Schedule 36 of the Finance Act 2004;
- c. a personal pension scheme approved under Chapter 4 of Part 14 of the Income and Corporation Taxes Act 1988 which is treated as having become a registered pension scheme by virtue of paragraph 1(1)(g) of Schedule 36 to the Finance Act 2004;

**‘policy of life insurance’** means any instrument by which the payment of money is assured on death (except death by accident only) or the happening of any contingency dependent on human life, or any instrument evidencing a contract which is subject to payment of premiums

for a term dependent on human life;

**'polygamous marriage'** means a marriage to which section 133(1) of the Act refers namely;

(a) a person is a husband or wife by virtue of a marriage entered into under a law which permits polygamy; and

(b) either party to the marriage has for the time being any spouse additional to the other party.

**'public authority'** includes any person certain of whose functions are functions of a public nature;

**'qualifying age for state pension credit'** means (in accordance with section 1(2)(b) and (6) of the State Pension Credit Act 2002)–

(a) in the case of a woman, pensionable age; or

(b) in the case of a man, the age which is pensionable age in the case of a woman born on the same day as the man;

**'qualifying contributory benefit'** means;

(a) severe disablement allowance;

(b) incapacity benefit;

(c) contributory employment and support allowance;

**'qualifying course'** means a qualifying course as defined for the purposes of Parts 2 and 4 of the Job Seeker's Allowance Regulations 1996

**'qualifying income-related benefit'** means

(a) income support;

(b) income-based jobseeker's allowance;

(c) income-related employment and support allowance;

**'qualifying person'** means a person in respect of whom payment has been made from the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the London Bombings Relief Charitable Fund;

**'reduction week'** means a period of seven consecutive days beginning with a Monday and ending with a Sunday;

**'relative'** means a close relative, grandparent, grandchild, uncle, aunt, nephew or niece;

**'relevant authority'** means an authority administering council tax reduction;

**'relevant week'** In relation to any particular day, means the week within which the day in question falls;

**'remunerative work'** has the meaning prescribed in section 6;

**'rent'** means 'eligible rent' to which regulation 12 of the Housing Benefit Regulations refers less any deductions in respect of non-dependants which fall to be made under regulation 74 (non-dependant deductions) of those Regulations;

**'resident'** has the meaning it has in Part 1 or 2 of the 1992 Act;

**'Scottish basic rate'** means the rate of income tax of that name calculated in accordance with section 6A of the Income Tax Act 2007;

**'Scottish taxpayer'** has the same meaning as in Chapter 2 of Part 4A of the Scotland Act 1998

**'second adult'** has the meaning given to it in Schedule 2;

**'second authority'** means the authority to which a mover is liable to make payments for the new dwelling;

**'self-employed earner'** is to be construed in accordance with section 2(1)(b) of the Act;

**'self-employment route'** means assistance in pursuing self-employed earner's employment whilst participating in–

(a) an employment zone programme;

(b) a programme provided or other arrangements made pursuant to section 2 of the 1973 Act (functions of the Secretary of State) or section 2 of the Enterprise and New Towns (Scotland) Act 1990 (functions in relation to training for employment, etc.);

(c) the Employment, Skills and Enterprise Scheme;

(d) a scheme prescribed in regulation 3 of the Jobseeker's Allowance (Schemes for Assisting Persons to Obtain Employment) Regulations 2013;

(e) Back to Work scheme.

**'Service User'** references in this scheme to an applicant participating as a service user are to

a. a person who is being consulted by or on behalf of—

- (i) the Secretary of State in relation to any of the Secretary of State’s functions in the field of social security or child support or under section 2 of the Employment and Training Act 1973; or
- (ii) a body which conducts research or undertakes monitoring for the purpose of planning or improving such functions in their capacity as a person affected or potentially affected by the exercise of those functions or the carer of such a person; or
- b. the carer of a person consulted as described in sub-paragraph (a) where the carer is not being consulted as described in that sub-paragraph.”.

**‘service user group’** means a group of individuals that is consulted by or on behalf of;

- (a) a Health Board, Special Health Board or the Agency in consequence of a function under section 2B of the National Health Service (Scotland) Act 1978,
- (b) a landlord authority in consequence of a function under section 105 of the Housing Act 1985,
- (c) a public authority in Northern Ireland in consequence of a function under section 49A of the Disability Discrimination Act 1995,
- (d) a public authority in consequence of a function relating to disability under section 149 of the Equality Act 2010;
- (e) a best value authority in consequence of a function under section 3 of the Local Government Act 1999,
- (f) a local authority landlord or registered social landlord in consequence of a function under section 53 of the Housing (Scotland) Act 2001,
- (g) a relevant English body or a relevant Welsh body in consequence of a function under section 242 of the National Health Service Act 2006,
- (h) a Local Health Board in consequence of a function under section 183 of the National Health Service (Wales) Act 2006,
- (i) the Care Quality Commission in consequence of a function under section 4 or 5 of the Health and Social Care Act 2008,
- (j) the regulator or a private registered provider of social housing in consequence of a function under section 98, 193 or 196 of the Housing and Regeneration Act 2008, or
- (k) a public or local authority in Great Britain in consequence of a function conferred under any other enactment,

for the purposes of monitoring and advising on a policy of that body or authority which affects or may affect persons in the group, or of monitoring or advising on services provided by that body or authority which are used (or may potentially be used) by those persons;

**‘single applicant’** means an applicant who neither has a partner nor is a lone parent;

**‘the Skipton Fund’** means the ex-gratia payment scheme administered by the Skipton Fund Limited, incorporated on 25th March 2004, for the benefit of certain persons suffering from hepatitis C and other persons eligible for payment in accordance with the scheme’s provisions.

**‘special account’** means an account as defined for the purposes of Chapter 4A of Part 8 of the Jobseeker’s Allowance Regulations or Chapter 5 of Part 10 of the Employment and Support Allowance Regulations;

**‘sports award’** means an award made by one of the Sports Councils named in section 23(2) of the National Lottery etc Act 1993 out of sums allocated to it for distribution under that section;

**‘the SSCBA’** means the Social Security Contributions and Benefits Act 1992

**‘State Pension Credit Act’** means the State Pension Credit Act 2002;

**‘student’** has the meaning prescribed in section 43;

**‘subsistence allowance’** means an allowance which an employment zone contractor has agreed to pay to a person who is participating in an employment zone programme;

**‘the Tax Credits Act’** means the Tax Credits Act 2002;

**‘tax year’** means a period beginning with 6th April in one year and ending with 5th April in the next;

**‘training allowance’** means an allowance (whether by way of periodical grants or otherwise) payable—

- (a) out of public funds by a Government department or by or on behalf of the Secretary of State, Skills Development Scotland, Scottish Enterprise or Highlands and Islands Enterprise, the Young People’s Learning Agency for England, the Chief Executive of Skills Funding or Welsh Ministers;

- (b) to a person for his maintenance or in respect of a member of his family; and
- (c) for the period, or part of the period, during which he is following a course of training or instruction provided by, or in pursuance of arrangements made with, the department or approved by the department in relation to him or so provided or approved by or on behalf of the Secretary of State, Skills Development Scotland Scottish Enterprise or Highlands and Islands Enterprise or the Welsh Ministers.

It does not include an allowance paid by any Government department to or in respect of a person by reason of the fact that he is following a course of full-time education, other than under arrangements made under section 2 of the 1973 Act or is training as a teacher;

**'the Trusts'** means the Macfarlane Trust, the Macfarlane (Special Payments) Trust and the Macfarlane (Special Payments) (No. 2) Trust;

**'Universal Credit'** means any payment of Universal Credit payable under the Welfare Reform Act 2012, the Universal Credit Regulations 2013, The Universal Credit (Consequential, Supplementary, Incidental and Miscellaneous Provisions) Regulations 2013, Universal Credit (Miscellaneous Amendments) Regulations 2013 and the Universal Credit (Transitional Provisions) Regulations 2014;

**'Uprating Act'** means the Welfare Benefit Up-rating Act 2013, the Welfare Benefits Up-rating Order 2014 and the Welfare Benefits Up-rating Order 2015;

**'voluntary organisation'** means a body, other than a public or local authority, the activities of which are carried on otherwise than for profit;

**'war disablement pension'** means any retired pay or pension or allowance payable in respect of disablement under an instrument specified in section 639(2) of the Income Tax (Earnings and Pensions) Act 2003;

**'war pension'** means a war disablement pension, a war widow's pension or a war widower's pension;

**'war widow's pension'** means any pension or allowance payable to a woman as a widow under an instrument specified in section 639(2) of the Income Tax (Earnings and Pensions) Act 2003 in respect of the death or disablement of any person;

**'war widower's pension'** means any pension or allowance payable to a man as a widower or to a surviving civil partner under an instrument specified in section 639(2) of the Income Tax (Earnings and Pensions) Act 2003 in respect of the death or disablement of any person;

**'water charges'** means;

(a) as respects England and Wales, any water and sewerage charges under Chapter 1 of Part 5 of the Water Industry Act 1991,

(b) as respects Scotland, any water and sewerage charges established by Scottish Water under a charges scheme made under section 29A of the Water Industry (Scotland) Act 2002, in so far as such charges are in respect of the dwelling which a person occupies as his home;

**'week'** means a period of seven days beginning with a Monday;

**'Working Tax Credit Regulations'** means the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002 as amended<sup>1</sup>; and

**'young person'** has the meaning prescribed in section 9(1) and in section 142 of the SSCBA.

- 2.2 In this scheme, references to an applicant occupying a dwelling or premises as his home shall be construed in accordance with regulation 7 of the Housing Benefit Regulations 2006.
- 2.3 In this scheme, where an amount is to be rounded to the nearest penny, a fraction of a penny shall be disregarded if it is less than half a penny and shall otherwise be treated as a whole penny.
- 2.4 For the purpose of this scheme, a person is on an income-based jobseeker's allowance on any day in respect of which an income-based jobseeker's allowance is payable to him and on any day;
  - (a) in respect of which he satisfies the conditions for entitlement to an income-based jobseeker's allowance but where the allowance is not paid in accordance with regulation

<sup>1</sup> The Working Tax Credit (Entitlement and Maximum Rate) (Amendment) Regulations 2013; The Working Tax Credit (Entitlement and Maximum Rate) (Amendment) Regulations 2015

	<p>27A of the Jobseeker’s Allowance Regulations or section 19 or 20A or regulations made under section 17A of the Jobseekers Act (circumstances in which a jobseeker’s allowance is not payable); or</p> <p>(b) which is a waiting day for the purposes of paragraph 4 of Schedule 1 to that Act and which falls immediately before a day in respect of which an income- based jobseeker’s allowance is payable to him or would be payable to him but for regulation 27A of the Jobseeker’s Allowance Regulations or section 19 or 20A or regulations made under section 17A of that Act;</p> <p>(c) in respect of which he is a member of a joint-claim couple for the purposes of the Jobseekers Act and no joint-claim jobseeker’s allowance is payable in respect of that couple as a consequence of either member of that couple being subject to sanctions for the purposes of section 20A of that Act;</p> <p>(d) in respect of which an income-based jobseeker’s allowance or a joint-claim jobseeker’s allowance would be payable but for a restriction imposed pursuant to section 6B, 7, 8 or 9 of the Social Security Fraud Act 2001 (loss of benefit provisions).</p> <p>2.4A For the purposes of this scheme, a person is on an income-related employment and support allowance on any day in respect of which an income-related employment and support allowance is payable to him and on any day;</p> <p>(a) in respect of which he satisfies the conditions for entitlement to an income- related employment and support allowance but where the allowance is not paid in accordance with section 18 of the Welfare Reform Act disqualification; or</p> <p>(b) which is a waiting day for the purposes of paragraph 2 of Schedule 2 to that Act and which falls immediately before a day in respect of which an income- related employment and support allowance is payable to him or would be payable to him but for section 18 of that Act.</p> <p>2.5 For the purposes of this scheme, two persons shall be taken to be estranged only if their estrangement constitutes a breakdown of the relationship between them.</p> <p>2.6 In this scheme, references to any person in receipt of state pension credit includes a person who would be in receipt of state pension credit but for regulation 13 of the State Pension Credit Regulations 2002 (small amounts of state pension credit).</p> <p><b>3.0 Definition of non-dependant</b></p> <p>3.1 In this scheme, ‘non-dependant’ means any person, except someone to whom paragraph 3.2 applies, who normally resides with an applicant or with whom an applicant normally resides.</p> <p>3.2 This paragraph applies to;</p> <p>a. any member of the applicant’s family;</p> <p>b. if the applicant is polygamously married, any partner of his and any child or young person who is a member of his household and for whom he or one of his partners is responsible;</p> <p>c. a child or young person who is living with the applicant but who is not a member of his household by virtue of section 11(membership of the same household);</p> <p>d. subject to paragraph 3.3, any person who, with the applicant, is jointly and severally liable to pay council tax in respect of a dwelling for any day under sections 6, 7 or 75 of the 1992 Act (persons liable to pay council tax);</p> <p>e. subject to paragraph 3.3, any person who is liable to make payments on a commercial basis to the applicant or the applicant’s partner in respect of the occupation of the dwelling;</p> <p>f. a person who lives with the applicant in order to care for him or a partner of his and who is engaged by a charitable or voluntary organisation which makes a charge to the applicant or his partner for the services provided by that person.</p> <p>3.3 Excepting persons to whom paragraph 3.2 a) to c) and f) refer, a person to whom any of the following sub-paragraphs applies shall be a non-dependant–</p>
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- a. a person who resides with the person to whom he is liable to make payments in respect of the dwelling and either;
  - i. that person is a close relative of his or her partner; or
  - ii. the tenancy or other agreement between them is other than on a commercial basis;
- b. a person whose liability to make payments in respect of the dwelling appears to the authority to have been created to take advantage of the council tax reduction scheme except someone who was, for any period within the eight weeks prior to the creation of the agreement giving rise to the liability to make such payments, otherwise liable to make payments of rent in respect of the same dwelling;
- c. a person who becomes jointly and severally liable with the applicant for council tax in respect of a dwelling and who was, at any time during the period of eight weeks prior to his becoming so liable, a non-dependant of one or more of the other residents in that dwelling who are so liable for the tax, unless the authority is satisfied that the change giving rise to the new liability was not made to take advantage of the support scheme.

#### **4.0 Requirement to provide a National Insurance Number<sup>2</sup>**

4.1 No person shall be entitled to support unless the criteria below in 4.2 is satisfied in relation both to the person making the claim and to any other person in respect of whom he is claiming support.

4.2 This subsection is satisfied in relation to a person if–

- a. the claim for support is accompanied by;
  - i. a statement of the person’s national insurance number and information or evidence establishing that that number has been allocated to the person; or
  - ii. information or evidence enabling the national insurance number that has been allocated to the person to be ascertained; or
- b. the person makes an application for a national insurance number to be allocated to him which is accompanied by information or evidence enabling such a number to be so allocated and the application for reduction is accompanied by evidence of the application and information to enable it to be allocated.

4.3 Paragraph 4.2 shall not apply–

- a. in the case of a child or young person in respect of whom council tax reduction is claimed;
- b. to a person who;
  - i. is a person in respect of whom a claim for council tax reduction is made;
  - ii. is subject to immigration control within the meaning of section 115(9)(a) of the Immigration and Asylum Act; and
  - iii. has not previously been allocated a national insurance number.

#### **5.0 Persons who have attained the qualifying age for state pension credit**

5.1 This scheme applies to a person if:

- (i) he has not attained the qualifying age for state pension credit; or
- (ii) he has attained the qualifying age for state pension credit and he, or if he has a partner, his partner, is;
  - (a) a person on income support, on income-based jobseeker’s allowance or an income-related employment and support allowance; or
  - (b) a person with an award of universal credit.

#### **6.0 Remunerative work**

6.1 Subject to the following provisions of this section, a person shall be treated for the purposes of

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<sup>2</sup> Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

this scheme as engaged in remunerative work if he is engaged, or, where his hours of work fluctuate, he is engaged on average, for not less than 16 hours a week, in work for which payment is made or which is done in expectation of payment.

- 6.2 Subject to paragraph 6.3, in determining the number of hours for which a person is engaged in work where his hours of work fluctuate, regard shall be had to the average of hours worked over;
- a. if there is a recognisable cycle of work, the period of one complete cycle (including, where the cycle involves periods in which the person does no work, those periods but disregarding any other absences);
  - b. in any other case, the period of 5 weeks immediately prior to that date of claim, or such other length of time as may, in the particular case, enable the person's weekly average hours of work to be determined more accurately,
- 6.3 Where, for the purposes of paragraph 6.2 a), a person's recognisable cycle of work at a school, other educational establishment or other place of employment is one year and includes periods of school holidays or similar vacations during which he does not work, those periods and any other periods not forming part of such holidays or vacations during which he is not required to work shall be disregarded in establishing the average hours for which he is engaged in work.
- 6.4 Where no recognisable cycle has been established in respect of a person's work, regard shall be had to the number of hours or, where those hours will fluctuate, the average of the hours, which he is expected to work in a week.
- 6.5 A person shall be treated as engaged in remunerative work during any period for which he is absent from work referred to in paragraph 6.1 if the absence is either without good cause or by reason of a recognised customary or other holiday.
- 6.6 A person on income support, an income-based jobseeker's allowance or an income-related employment and support allowance for more than 3 days in any reduction week shall be treated as not being in remunerative work in that week.
- 6.7 A person shall not be treated as engaged in remunerative work on any day on which the person is on maternity leave, paternity leave or adoption leave, or is absent from work because he is ill.
- 6.8 A person shall not be treated as engaged in remunerative work on any day on which he is engaged in an activity in respect of which;
- a. a sports award has been made, or is to be made, to him; and
  - b. no other payment is made or is expected to be made to him.

## **7.0 Persons treated as not being in Great Britain and Persons Subject to Immigration Control**

### **Persons treated as not being in Great Britain**

- 7.1 Persons treated as not being in Great Britain are a class of person prescribed for the purposes of paragraph 2(9)(b) of Schedule 1A to the 1992 Act and which must not be included in an authority's scheme.
- 7.2 Except where a person falls within paragraph (5) or (6), a person is to be treated as not being in Great Britain if the person is not habitually resident in the United Kingdom, the Channel Islands, the Isle of Man, or the Republic of Ireland.
- 7.3 A person must not be treated as habitually resident in the United Kingdom, the Channel Islands, the Isle of Man, or the Republic of Ireland unless the person has a right to reside in one of those places.

- 7.4 For the purposes of paragraph (3), a right to reside does not include a right, which exists by virtue of, or in accordance with—
- (a) regulation 13 of the EEA Regulations;
  - (aa) regulation 14 of the EEA Regulations, but only in a case where the right exists under that regulation because the person is—
    - (i) a jobseeker for the purpose of the definition of “qualified person” in regulation 6(1) of those Regulations, or
    - (ii) a family member (within the meaning of regulation 7 of those Regulations) of such a jobseeker;
  - (b) regulation 15A(1) of the EEA Regulations, but only in a case where the right exists under that regulation because the applicant satisfies the criteria in paragraph (5) of that regulation of the Treaty on the Functioning of the European Union (in a case where the right to reside arises because a British citizen would otherwise be deprived of the genuine enjoyment of their rights as a European Union citizen).
- 7.4A For the purposes of paragraph (3), a right to reside does not include a right which exists by virtue of a person having been granted limited leave to enter, or remain in, the United Kingdom under the Immigration Act 1971 by virtue of—
- (a) (Removed by the Council Tax Reductions Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2021
  - (b) Appendix EU to the immigration rules made under section 3(2) of that Act;
  - (c) being a person with a Zambrano right to reside as defined in Annex 1 of Appendix EU to the immigration rules made under section 3(2) of that Act; or
  - (d) having arrived in the United Kingdom with an entry clearance that was granted under Appendix EU (Family Permit) to the immigration rules made under section 3(2) of that Act.
- 7.4B Paragraph (4A)(b) does not apply to a person who—
- (a) has a right to reside granted by virtue of being a family member of a relevant person of Northern Ireland; and
  - (b) would have a right to reside under the EEA Regulations if the relevant person of Northern Ireland were an EEA national, provided that the right to reside does not fall within paragraph (4)(a) or (b)
- 7.5 A person falls within this paragraph if the person is—
- (za) a person granted leave in accordance with the immigration rules made under section 3(2) of the Immigration Act 1971, where such leave is granted by virtue of—
    - (i) the Afghan Relocations and Assistance Policy; or
    - (ii) the previous scheme for locally employed staff in Afghanistan (sometimes referred to as the ex-gratia scheme);
  - (zb) a person in Great Britain not coming within sub-paragraph (za) or (e) who left Afghanistan in connection with the collapse of the Afghan government that took place on 15th August 2021;
  - (zc) a person in Great Britain who was residing in Ukraine immediately before 1st January 2022, left Ukraine in connection with the Russian invasion which took place on 24th February 2022 and—
    - (i) has been granted leave in accordance with immigration rules made under section 3(2) of the Immigration Act 1971;
    - (ii) has a right of abode in the United Kingdom within the meaning given in section 2 of that Act; or
    - (iii) does not require leave to enter or remain in the United Kingdom in accordance with section 3ZA of that Act;
  - (a) a qualified person for the purposes of regulation 6 of the EEA Regulations as a worker or a self-employed person;
  - (b) a family member of a person referred to in sub-paragraph (a);



- (c) a person who has a right to reside permanently in the United Kingdom by virtue of regulation 15(1)(c), (d) or (e) of the EEA Regulations;
- (ca) a family member of a relevant person of Northern Ireland, with a right to reside which falls within paragraph (4A)(b), provided that the relevant person of Northern Ireland falls within paragraph (5)(a), or would do so but for the fact that they are not an EEA national;
- (cb) a frontier worker within the meaning of regulation 3 of the Citizens’ Rights (Frontier Workers) (EU Exit) Regulations 2020;
- (cc) a family member of a person referred to in sub-paragraph (cb), who has been granted limited leave to enter, or remain in, the United Kingdom by virtue of Appendix EU to the immigration rules made under section 3(2) of the Immigration Act 1971
- (d) a person recorded by the Secretary of State as a refugee within the definition in Article 1 of the Convention relating to the Status of Refugees done at Geneva on 28th July 1951, as extended by Article 1(2) of the Protocol relating to the Status of Refugees done at New York on 31st January 1967;
- (e) a person who has been granted, or who is deemed to have been granted, leave outside the rules made under section 3(2) of the Immigration Act 1971
- (f) a person who has humanitarian protection granted under those rules;
- (g) a person who is not a person subject to immigration control within the meaning of section 115(9) of the Immigration and Asylum Act 1999 and who is in the United Kingdom as a result of his deportation, expulsion, or other removal by compulsion of law from another country to the United Kingdom;
- (h) in receipt of income support or on an income-related employment and support allowance; or
- (ha) in receipt of an income-based jobseeker’s allowance and has a right to reside other than a right to reside falling within paragraph (4).

7.6 A person falls within this paragraph if the person is a Crown servant or member of Her Majesty’s forces posted overseas.

7.7 A person mentioned in sub-paragraph (6) is posted overseas if the person is performing overseas the duties of a Crown servant or member of Her Majesty’s forces and was, immediately before the posting or the first of consecutive postings, habitually resident in the United Kingdom.

7.8 In this regulation—  
 “claim for asylum” has the same meaning as in section 94(1) of the Immigration and Asylum Act 1999;  
 “Crown servant” means a person holding an office or employment under the Crown;  
 “EEA Regulations” means the Immigration (European Economic Area) Regulations 2006; and the Immigration (European Economic Area) (Amendment) (No. 2) Regulations 2014 and references to the EEA Regulations are to be read with Schedule 4 to the Immigration and Social Security Co-ordination (EU Withdrawal) Act 2020 (Consequential, Saving, Transitional and Transitory Provisions) Regulations 2020  
 “EEA national” has the meaning given in regulation 2(1) of the EEA Regulations;  
 “family member” has the meaning given in regulation 7(1)(a), (b) or (c) of the EEA Regulations, except that regulation 7(4) of the EEA Regulations does not apply for the purposes of paragraphs (4B) and (5)(ca);  
 “relevant person of Northern Ireland” has the meaning given in Annex 1 of Appendix EU to the immigration rules made under section 3(2) of the Immigration Act 1971; and  
 “Her Majesty’s forces” has the same meaning as in the Armed Forces Act 2006.

**Persons subject to immigration control**

7.9 Persons subject to immigration control are a class of person prescribed for the purposes of paragraph 2(9)(b) of Schedule 1A to the 1992 Act and which must not be included in an authority’s scheme.

7.10 A person who is a national of a state which has ratified the European Convention on Social and Medical Assistance (done in Paris on 11th December 1953) or a state which has ratified the Council of Europe Social Charter (signed in Turin on 18th October 1961) and who is lawfully present in the United Kingdom is not a person subject to immigration control for the purpose of paragraph 7.9

7.11 “Person subject to immigration control” has the same meaning as in section 115(9) of the Immigration and Asylum Act 1999.

#### **7A.0 Transitional provision**

7A.1 The above does not apply to a person who, on 31st March 2015—

- (a) is liable to pay council tax at a reduced rate by virtue of a council tax reduction under an authority’s scheme established under section 13A(2) of the Act; and
- (b) is entitled to an income-based jobseeker’s allowance, until the first of the events in paragraph 7A.2 occurs.

7A.2 The events are—

- (a) the person makes a new application for a reduction under an authority’s scheme established under section 13A(2) of the Act; or
- (b) the person ceases to be entitled to an income-based jobseeker’s allowance.

7A.3 In this section “the Act” means the Local Government Finance Act 1992.

#### **8.0 Temporary Absence (period of absence)**

8.1 Where a person is absent from the dwelling throughout any day then no support shall be payable

8.2 A person shall not, in relation to any day, which falls within a period of temporary absence from that dwelling, be a prescribed person under paragraph 8.1.

8.3 In paragraph 8.2, a ‘period of temporary absence’ means—

- a. a period of absence not exceeding 13 weeks, beginning with the first whole day on which a person resides in residential accommodation where and for so long as;
  - i. the person resides in that accommodation;
  - ii. the part of the dwelling in which he usually resided is not let or sub-let; and
  - iii. that period of absence does not form part of a longer period of absence from the dwelling of more than 52 weeks,

where he has entered the accommodation for the purpose of ascertaining whether it suits his needs and with the intention of returning to the dwelling if it proves not to suit his needs;

- b. a period of absence not exceeding 13 weeks, beginning with the first whole day of absence from the dwelling, where and for so long as;
  - i. the person intends to return to the dwelling;
  - ii. the part of the dwelling in which he usually resided is not let or sub-let; and
  - iii. that period is unlikely to exceed 13 weeks; and
- c. a period of absence not exceeding 52 weeks, beginning with the first whole day of absence, where and for so long as
  - i. the person intends to return to the dwelling;
  - ii. the part of the dwelling in which he usually resided is not let or sub-let;
  - iii. the person is a person to whom paragraph 8.4 applies; and
  - iv. the period of absence is unlikely to exceed 52 weeks or, in exceptional circumstances, is unlikely substantially to exceed that period.

8.4 This paragraph applies to a person who is;

- a. detained in custody on remand pending trial or required, as a condition of bail, to reside;
  - i. in a dwelling, other than the dwelling referred to in paragraph 8.1, or
  - ii. in premises approved under section 13 of the Offender Management Act 2007 as amended by the Offender Rehabilitation Act 2014, or, detained in custody pending sentence upon conviction;
- b. resident in a hospital or similar institution as a patient;
- c. undergoing, or his partner or his dependent child is undergoing, in the United Kingdom or elsewhere, medical treatment, or medically approved convalescence, in accommodation other than residential accommodation;
- d. following, in the United Kingdom or elsewhere, a training course;
- e. undertaking medically approved care of a person residing in the United Kingdom or elsewhere;
- f. undertaking the care of a child whose parent or guardian is temporarily absent from the dwelling normally occupied by that parent or guardian for the purpose of receiving medically approved care of medical treatment;
- g. in the United Kingdom or elsewhere, receiving medically approved care provided in accommodation other than residential accommodation;
- h. a student;
- i. receiving care provided in residential accommodation other than a person to whom paragraph 8.3a) applies; or
- j. has left the dwelling he resides in through fear of violence, in that dwelling, or by a person who was formerly a member of the family of the person first mentioned.

8.5 This paragraph applies to a person who is;

- a. detained in custody pending sentence upon conviction or under a sentence imposed by a court (other than a person who is detained in hospital under the provisions of the Mental Health Act 1983 (as amended by the Mental Health (Discrimination) Act 2013), or, in Scotland, under the provisions of the Mental Health (Care and Treatment) (Scotland) Act 2003 or the Criminal Procedure (Scotland) Act 1995) or the Mental Health (Scotland) Act 2015; and
- b. on temporary release from detention in accordance with Rules made under the provisions of the Prison Act 1952 or the Prisons (Scotland) Act 1989

8.6 Where paragraph 8.5 applies to a person, then, for any day when he is on temporary release—

- a. if such temporary release was immediately preceded by a period of temporary absence under paragraph 8.3 b) or c), he shall be treated, for the purposes of paragraph 8.1, as if he continues to be absent from the dwelling, despite any return to the dwelling;
- b. for the purposes of paragraph 8.4 a), he shall be treated as if he remains in detention;
- c. If he does not fall within sub-paragraph a), he is not considered to be a person who is liable to pay Council Tax in respect of a dwelling of which he is resident

8.7 In this section;

- ‘medically approved’ means certified by a medical practitioner;
- ‘patient’ means a person who is undergoing medical or other treatment as an in-patient in any hospital or similar institution; ‘residential accommodation’ means accommodation which is provided;
  - a. in a care home;
  - b. in an independent hospital;
  - c. in an Abbeyfield Home; or
  - d. in an establishment managed or provided by a body incorporated by Royal Charter or constituted by Act of Parliament other than a local social services authority;
- ‘training course’ means a course of training or instruction provided wholly or partly by or on behalf of or in pursuance of arrangements made with, or approved by or on behalf of, Skills Development Scotland, Scottish Enterprise, Highlands and Islands Enterprise, a government department or the Secretary of State.

**Sections 9 - 11**

**The family for Council tax reduction purposes**

## **9.0 Membership of a family**

- 9.1 Within the support scheme adopted by the Council 'family' means;
- a. a married or unmarried couple;
  - b. married or unmarried couple and a member of the same household for whom one of them is or both are responsible and who is a child or a young person;
  - c. two people of the same sex who are civil partners of each other and are members of the same household (with or without children);
  - d. two people of the same sex who are not civil partners of each other but are living together as if they were civil partners (with or without children),
  - e. and for the purposes of sub-paragraph (d) two people of the same sex are to be regarded as living together as if they were civil partners if, but only if, they would be regarded as living together as husband and wife were they instead two people of the opposite sex;
  - f. except in prescribed circumstances, a person who is not a member of a married or unmarried couple and a member of the same household for whom that person is responsible and who is a child or a young person;

For the purposes of the scheme a child is further defined as a 'child or young person'  
A 'child' means a person under the age of 16 and a 'Young Person' is someone aged 16 or over but under 20 and who satisfies other conditions. These conditions are:

- they are aged 16, have left 'relevant education' or training, and 31 August following the sixteenth birthday has not yet been passed;
- they are aged 16 or 17, have left education or training, are registered for work, education or training, are not in remunerative work and are still within their 'extension period';
- they are on a course of full-time non-advanced education, or are doing 'approved training', and they began that education or training before reaching the age of 19;
- they have finished a course of full-time non-advanced education, but are enrolled on another such course (other than one provided as a result of their employment);
- they have left 'relevant education' or 'approved training' but have not yet passed their 'terminal date'.

- 9.2 Paragraph 9.1 the definition of child or young person shall not apply to a person who is;
- a. on income support ;
  - b. an income-based jobseeker's allowance or an income-related employment and support allowance; or has an award of Universal Credit; or
  - c. a person to whom section 6 of the Children (Leaving Care) Act 2000 (exclusion from benefits) applies.
- 9.3 The definition also includes a child or young person in respect of whom there is an entitlement to child benefit but only for the period that Child Benefit is payable

## **10.0 Circumstances in which a person is to be treated as responsible (or not responsible) for a child or young person.**

- 10.1 Subject to the following paragraphs a person shall be treated as responsible for a child or young person who is normally living with him and this includes a child or young person to whom paragraph 9.3 applies
- 10.2 Where a child or young person spends equal amounts of time in different households, or where there is a question as to which household he is living in, the child or young person shall be treated for the purposes of paragraph 9.1 as normally living with;
- a. the person who is receiving child benefit in respect of him; or
  - b. if there is no such person;
    - i. where only one claim for child benefit has been made in respect of him, the

- ii. person who made that claim; or  
in any other case the person who has the primary responsibility for him.

10.3 For the purposes of this scheme a child or young person shall be the responsibility of only one person and any person other than the one treated as responsible for the child or young person under this section shall be treated as not so responsible.

10.4 In accordance with Schedule 1 of this scheme, the number of dependants determined to be within the household shall be limited to two.

**11.0 Circumstances in which a child or young person is to be treated as being or not being a member of the household**

11.1 Subject to paragraphs 11.2 and 11.3, the applicant and any partner and, where the applicant or his partner is treated as responsible by virtue of section 10 (circumstances in which a person is to be treated as responsible or not responsible for a child or young person) for a child or young person, that child or young person and any child of that child or young person, shall be treated as members of the same household notwithstanding that any of them is temporarily absent from that household.

11.2 A child or young person shall not be treated as a member of the applicant's household where he is;

- a. placed with the applicant or his partner by a local authority under section 23(2)(a) of the Children Act 1989 or by a voluntary organisation under section 59(1)(a) of that Act, or in Scotland boarded out with the applicant or his partner under a relevant enactment; or
- b. placed, or in Scotland boarded out, with the applicant or his partner prior to adoption; or
- c. placed for adoption with the applicant or his partner in accordance with the Adoption and Children Act 2002 or the Adoption Agencies (Scotland) Regulations 2009.

11.3 Subject to paragraph 11.4, paragraph 11.1 shall not apply to a child or young person who is not living with the applicant and he—

- a. is being looked after by, or in Scotland is in the care of, a local authority under a relevant enactment; or
- b. has been placed, or in Scotland boarded out, with a person other than the applicant prior to adoption; or
- c. has been placed for adoption in accordance with the Adoption and Children Act 2002 or the Adoption Agencies (Scotland) Regulations 2009; or in accordance with an adoption allowance scheme made under section 71 of the Adoption and Children (Scotland) Act 2007 (adoption allowances schemes).

11.4 The authority shall treat a child or young person to whom paragraph 11.3 a) applies as being a member of the applicant's household where;

- a. that child or young person lives with the applicant for part or all of that reduction week; and
- b. the authority considers that it is responsible to do so taking into account the nature and frequency of that child's or young person's visits.

11.5 In this paragraph 'relevant enactment' means the Army Act 1955, the Air Force Act 1955, the Naval Discipline Act 1957, the Matrimonial Proceedings (Children) Act 1958, the Social Work (Scotland) Act 1968, the Family Law Reform Act 1969, the Children and Young Persons Act 1969, the Matrimonial Causes Act 1973, the Children Act 1975, the Domestic Proceedings and Magistrates' Courts Act 1978, the Adoption and Children (Scotland) Act 1978, the Family Law Act 1986, the Children Act 1989, the Children (Scotland) Act 1995 and the Legal Aid, Sentencing and Punishment of Offenders Act 2012.

**12.0 – 14.0 Not Used**

**Sections 15 – 32 & Schedules 3 & 4**

**Definition and the treatment of income for Council tax reduction purposes**

**15.0 Calculation of income and capital of members of applicant's family and of a polygamous marriage**

- 15.1 The income and capital of:  
(a) an applicant; and  
(b) any partner of that applicant,

is to be calculated in accordance with the provisions of this Part.

- 15.2 The income and capital of any partner of the applicant is to be treated as income and capital of the applicant, and in this Part any reference to the applicant applies equally to any partner of that applicant.

- 15.3 Where an applicant or the partner of an applicant is married polygamously to two or more members of his household:  
(a) the applicant must be treated as possessing capital and income belonging to each such member; and  
(b) the income and capital of that member is to be calculated in accordance with the following provisions of this Part in like manner as for the applicant.

**15A.0 Calculation of income and capital: persons who have an award of universal credit**

- 15A.1 In determining the income of an applicant  
a. who has, or  
b. who (jointly with his partner) has,  
an award of universal credit the authority must, subject to the following provisions of this paragraph, use the calculation or estimate of the income of the applicant, or the applicant and his partner jointly (as the case may be), made by the Secretary of State for the purpose of determining the award of universal credit.

- 15A.2 The authority may adjust the amount referred to in sub-paragraph (1) to take account of  
(a) income consisting of the award of universal credit, determined in accordance with subparagraph (3) and housing costs;  
(b) any sum to be disregarded under paragraphs of Schedule 3 to this scheme (sums to be disregarded in the calculation of earnings);  
(c) any sum to be disregarded under paragraphs of Schedule 4 to this scheme (sums to be disregarded in the calculation of income other than earnings: persons who are not pensioners);  
(d) section 16 (circumstances in which income and capital of non-dependant is to be treated as applicant's), if the authority determines that the provision applies in the applicant's case;  
(e) such further reduction (if any) as the authority thinks fit under section 13A(1)(c) of the 1992 Act (power of billing authority to reduce amount of council tax payable)

- 15A.3 The amount for the award of universal credit is to be determined by multiplying the amount of the award by 12 and dividing the product by 52.

- 15A.4 sections 16 (income and capital of non-dependant to be treated as applicant's) and 52 and 53 (disregards from income) apply (so far as relevant) for the purpose of determining any adjustments, which fall to be made to the figure for income under sub-paragraph (2)

- 15A.5 In determining the capital of an applicant;  
(a) who has, or  
(b) who (jointly with his partner) has,  
an award of universal credit, the authority must use the calculation or estimate of the capital of the applicant, or the applicant and his partner jointly (as the case may be), made by the Secretary of State for the purpose of determining that award



**16.0 Circumstances in which capital and income of non-dependant is to be treated as applicant's**

16.1 Where it appears to the authority that a non-dependant and the applicant have entered into arrangements in order to take advantage of the council tax reduction scheme and the non-dependant has more capital and income than the applicant, that authority shall, except where the applicant is on income support, an income-based jobseeker's allowance or an income-related employment and support allowance, treat the applicant as possessing capital and income belonging to that non-dependant, and, in such a case, shall disregard any capital and income which the applicant does possess.

16.2 Where an applicant is treated as possessing capital and income belonging to a non-dependant under paragraph 16.1 the capital and income of that non-dependant shall be calculated in accordance with the following provisions in like manner as for the applicant and any reference to the 'applicant' shall, except where the context otherwise requires, be construed for the purposes of this scheme as if it were a reference to that non-dependant.

**17.0 Calculation of income on a weekly basis**

17.1 For the purposes of this scheme and in line with regulation 34 of the Housing Benefit Regulations 2006 (disregard to changes in tax, contributions etc.), the income of an applicant shall be calculated on a weekly basis;

- a. by estimating the amount which is likely to be his average weekly income in accordance with this Section and in line with Sections 2, 3, 4 and 5 of Part 6 of the Housing Benefit Regulations 2006;
- b. by adding to that amount the weekly income calculated in line with regulation 52 of the Housing Benefit Regulations 2006 (calculation to tariff income from capital); and
- c. by then deducting any relevant child care charges to which section 18 (treatment of child care charges) applies from any earnings which form part of the average weekly income or, in a case where the conditions in paragraph 17.2 are met, from those earnings plus whichever credit specified in sub-paragraph (b) of that paragraph is appropriate, up to a maximum deduction in respect of the applicant's family of whichever of the sums specified in paragraph (3) applies in his case.

17.2 The conditions of this paragraph are that;

- a. the applicant's earnings which form part of his average weekly income are less than the lower of either his relevant child care charges or whichever of the deductions specified in paragraph (3) otherwise applies in his case; and
- b. that applicant or, if he is a member of a couple either the applicant or his partner, is in receipt of either working tax credit or child tax credit.

17.3 The maximum deduction to which paragraph 17.1 c) above refers shall be;

- a. where the applicant's family includes only one child in respect of whom relevant child care charges are paid, £175.00 per week.
- b. where the applicant's family includes more than one child in respect of whom relevant child care charges are paid, £300.00 per week.

The amounts stated in this paragraph shall be amended in accordance with the Housing Benefit Regulations 2006 (as amended).

17.4 For the purposes of paragraph 17.1 'income' includes capital treated as income under section 31 (capital treated as income) and income, which an applicant is treated as possessing under section 32 (notional income).

**18.0 Treatment of child care charges**

18.1 This section applies where an applicant is incurring relevant child-care charges and;

- a. is a lone parent and is engaged in remunerative work;
- b. is a member of a couple both of whom are engaged in remunerative work; or
- c. is a member of a couple where one member is engaged in remunerative work and the

other;

- i. is incapacitated;
- ii. is an in-patient in hospital; or
- iii. is in prison (whether serving a custodial sentence or remanded in custody awaiting trial or sentence).

18.2 For the purposes of paragraph 18.1 and subject to paragraph 18.4, a person to whom paragraph 18.3 applies shall be treated as engaged in remunerative work for a period not exceeding 28 weeks during which he—

- a. is paid statutory sick pay;
- b. is paid short-term incapacity benefit at the lower rate under sections 30A to 30E of the Act;
- c. is paid an employment and support allowance;
- d. is paid income support on the grounds of incapacity for work under regulation 4ZA of, and paragraph 7 or 14 of Schedule 1B to, the Income Support Regulations 1987; or
- e. is credited with earnings on the grounds of incapacity for work or limited capability for work under regulation 8B of the Social Security (Credits) Regulations 1975.

18.3 This paragraph applies to a person who was engaged in remunerative work immediately before

- a. the first day of the period in respect of which he was first paid statutory sick pay, short-term incapacity benefit, an employment and support allowance or income support on the grounds of incapacity for work; or
- b. the first day of the period in respect of which earnings are credited, as the case may be.

18.4 In a case to which paragraph 18.2 d) or e) applies, the period of 28 weeks begins on the day on which the person is first paid income support or on the first day of the period in respect of which earnings are credited, as the case may be.

18.5 Relevant child care charges are those charges for care to which paragraphs 18.6 and 18.7 apply, and shall be calculated on a weekly basis in accordance with paragraph 18.10.

18.6 The charges are paid by the applicant for care, which is provided

- a. in the case of any child of the applicant's family who is not disabled, in respect of the period beginning on that child's date of birth and ending on the day preceding the first Monday in September following that child's fifteenth birthday; or
- b. in the case of any child of the applicant's family who is disabled, in respect of the period beginning on that person's date of birth and ending on the day preceding the first Monday in September following that person's sixteenth birthday.

18.7 The charges are paid for care, which is provided by one, or more of the care providers listed in paragraph 18.8 and are not paid—

- a. in respect of the child's compulsory education;
- b. by an applicant to a partner or by a partner to an applicant in respect of any child for whom either or any of them is responsible in accordance with section 10 (circumstances in which a person is treated as responsible or not responsible for another); or
- c. in respect of care provided by a relative of the child wholly or mainly in the child's home.

18.8 The care to which paragraph 18.7 refers may be provided;

- a. out of school hours, by a school on school premises or by a local authority;
  - i. for children who are not disabled in respect of the period beginning on their eight birthday and ending on the day preceding the first Monday in September following their fifteenth birthday; or
  - ii. for children who are disabled in respect of the period beginning on their eight birthday and ending on the day preceding the first Monday in September following their sixteenth birthday; or
- b. by a child care provider approved in accordance with by the Tax Credit (New Category of Child Care Provider) Regulations 1999;

- c. by persons registered under Part 2 of the Children and Families (Wales) Measure 2010; or
- d. by a person who is excepted from registration under Part 2 of the Children and Families (Wales) Measure 2010 because the child care that person provides is in a school or establishment referred to in article 11, 12 or 14 of the Child Minding and Day Care Exceptions (Wales) order 2010; or
- e. by;
  - i. persons registered under section 59(1) of the Public Services Reform Scotland Act 2010; or
  - ii. local authorities registered under section 83(1) of that Act, where the care provided is child minding or daycare within the meaning of that Act; or
- f. by a person prescribed in regulations made pursuant to section 12(4) of the Tax Credits Act 2002 or
- g. by a person who is registered under Chapter 2 or 3 of Part 3 of the Childcare Act 2006; or
- h. by any of the schools mentioned in section 34(2) of the Childcare Act 2006 in circumstances where the requirement to register under Chapter 2 of Part 3 of that Act does not apply by virtue of section 34(2) of that Act; or
- i. by any of the schools mentioned in section 53(2) of the Childcare Act 2006 in circumstances where the requirement to register under Chapter 3 of Part 3 of that Act does not apply by virtue of section 53(2) of that Act; or
- j. by any of the establishments mentioned in section 18(5) of the Childcare Act 2006 in circumstances where the care is not included in the meaning of 'childcare' for the purposes of Part 1 and Part 3 of that Act by virtue of that subsection; or
- k. by a foster parent or kinship carer under the Fostering Services Regulations 2002, the Fostering Services (Wales) Regulations 2003 or the Looked After Children (Scotland) Regulations 2009 in relation to a child other than one whom the foster parent is fostering or kinship carer is looking after; or
- l. by a domiciliary care worker under the Domiciliary Care Agencies Regulations 2002 or the Domiciliary Care Agencies (Wales) Regulations 2004; or
- m. by a person who is not a relative of the child wholly or mainly in the child's home.

18.9 In paragraphs 18.6 and 18.8 a), 'the first Monday in September' means the Monday which first occurs in the month of September in any year.

18.10 Relevant child care charges shall be estimated over such period, not exceeding a year, as is appropriate in order that the average weekly charge may be estimated accurately having regard to information as to the amount of that charge provided by the child minder or person providing the care.

18.11 For the purposes of paragraph 18.1 c) the other member of a couple is incapacitated where, **but for the implementation of this scheme:**

- a. the applicant's applicable amount includes a disability premium on account of the other member's incapacity or the support component or the work-related activity component on account of his having limited capability for work
- b. the applicant's applicable amount would include a disability premium on account of the other member's incapacity but for that other member being treated as capable of work by virtue of a determination made in accordance with regulation made under section 171E of the Act;
- c. the applicant's applicable amount would include the support component or the work-related activity component on account of the other member having limited capability for work but for that other member being treated as not having limited capability for work by virtue of a determination made in accordance with the Employment and Support Allowance Regulations 2008 or 2013 as appropriate;
- d. the applicant (within the meaning of this scheme) is, or is treated as, incapable of work

and has been so incapable, or has been so treated as incapable, of work in accordance with the provisions of, and regulations made under, Part 12A of the Act (incapacity for work) for a continuous period of not less than 196 days; and for this purpose any two or more separate periods separated by a break of not more than 56 days shall be treated as one continuous period;

- e. the applicant (within the meaning of this scheme) has, or is treated as having, limited capability for work and has had, or been treated as having, limited capability for work in accordance with the Employment and Support Allowance Regulations for a continuous period of not less than 196 days and for this purpose any two or more separate periods separated by a break of not more than 84 days must be treated as one continuous period;
- f. there is payable in respect of him one or more of the following pensions or allowances:
  - i. long-term incapacity benefit or short-term incapacity benefit at the higher rate under Schedule 4 to the Act;
  - ii. attendance allowance under section 64 of the Act;
  - iii. severe disablement allowance under section 68 of the Act;
  - iv. disability living allowance under section 71 of the Act;
  - v. personal independence payment under the Welfare Reform Act 2012;
  - vi. an AFIP;
  - vii. increase of disablement pension under section 104 of the Act;
  - viii. a pension increase paid as part of a war disablement pension or under an industrial injuries scheme which is analogous to an allowance or increase of disablement pension under head (ii), (iv) or (v) above;
  - ix. main phase employment and support allowance;
- g. a pension or allowance to which head (ii), (iv), (v) or (vi) of sub-paragraph (f) above refers was payable on account of his incapacity but has ceased to be payable in consequence of his becoming a patient, which in this section shall mean a person (other than a person who is serving a sentence of imprisonment or detention in a youth custody institution) who is regarded as receiving free in-patient treatment within the meaning of social security (Hospital In-Patients) Regulations 2005;
- h. an AFIP would be payable to that person but for any suspension of payment in accordance with any terms of the armed and reserve forces compensation scheme which allow for a suspension because a person is undergoing medical treatment in a hospital or similar institution;
- i. paragraphs (f) or (g) would apply to him if the legislative provisions referred to in those sub-paragraphs were provisions under any corresponding enactment having effect in Northern Ireland; or
- j. he has an invalid carriage or other vehicle provided to him by the Secretary of State under section 5(2)(a) of and Schedule 2 to the National Health Service Act 1977 or under section 46 of the National Health Service (Scotland) Act 1978 or provided by the Department of Health, Social Services and Public Safety in Northern Ireland under Article 30(1) of the Health and Personal Social Services (Northern Ireland) Order 1972.

18.12A For the purposes of paragraph 18.11, once paragraph 18.11e) applies to the applicant, if he then ceases, for a period of 84 days or less, to have, or to be treated as having, limited capability for work, that paragraph is, on his again having, or being treated as having, limited capability for work at the end of that period, immediately thereafter apply to him for so long as he has, or is treated as having, limited capability for work.

18.13 For the purposes of paragraphs 18.6 and 18.8 a), a person is disabled if he is a person—

- a. in respect of whom disability living allowance or personal independence payment is payable, or has ceased to be payable solely because he is a patient;
- b. who is registered as blind in a register compiled under section 29 of the National Assistance Act 1948 welfare services) or, in Scotland, has been certified as blind and in consequence he is registered as blind in a register maintained by or on behalf of a council constituted under section 2 of the Local Government (Scotland) Act 1994; or

- c. who ceased to be registered as blind in such a register within the period beginning 28 weeks before the first Monday in September following that person's fifteenth birthday and ending on the day preceding that person's sixteenth birthday.

18.14 For the purposes of paragraph 18.1 a woman on maternity leave, paternity leave or adoption leave shall be treated as if she is engaged in remunerative work for the period specified in paragraph 18.15 ('the relevant period') provided that—

- a. in the week before the period of maternity leave, paternity leave or shared parental leave effective from 5/4/2015 or adoption leave began she was in remunerative work or adoption leave began she was in remunerative work;
- b. the applicant is incurring relevant child care charges within the meaning of paragraph 18.5; and
- c. she is entitled to either statutory maternity pay under section 164 of the Act, statutory paternity pay by virtue of section 171ZA or 171ZB of the Act statutory adoption pay by of section 171ZL of the Act, maternity allowance under section 35 of the Act or qualifying support.

18.15 For the purposes of paragraph 18.14 the relevant period shall begin on the day on which the person's maternity, paternity leave or adoption leave commences and shall end on—

- a. the date that leave ends;
- b. if no child care element of working tax credit is in payment on the date that entitlement to maternity allowance, qualifying support, statutory maternity pay, statutory paternity pay or statutory adoption pay ends, the date that entitlement ends; or
- c. if a child care element of working tax credit is in payment on the date that entitlement to maternity allowance or qualifying support, statutory maternity pay or statutory adoption pay ends, the date that entitlement to that award of the child care element of the working tax credits ends.

whichever shall occur first.

18.16 In paragraphs 18.14 and 18.15

- a. '**qualifying support**' means income support to which that person is entitled by virtue of paragraph 14B of Schedule 1B to the Income Support Regulations 1987; and
- b. '**child care element**' of working tax credit means the element of working tax credit prescribed under section 12 of the Tax Credits Act (child care element) 2002.

18.17 In this section 'applicant' does not include an applicant;

- a. who has, or
- b. who (jointly with his partner) has, an award of universal credit

## 19.0 Average weekly earnings of employed earners

19.1 Where an applicant's income consists of earnings from employment as an employed earner his average weekly earnings shall be estimated by reference to his earnings from that employment—

- a. over a period immediately preceding the reduction week in which the claim is made or treated as made and being a period of
  - i. 5 weeks, if he is paid weekly; or
  - ii. 2 months, if he is paid monthly; or
- b. whether or not sub-paragraph 19.1a i) or ii) applies, where an applicant's earnings fluctuate, over such other period preceding the reduction week in which the claim is made or treated as made as may, in any particular case, enable his average weekly earnings to be estimated more accurately.

19.2 Where the applicant has been in his employment for less than the period specified in paragraph 19.1 a)(i) or (ii)

- a. if he has received any earnings for the period that he has been in that employment and those earnings are likely to represent his average weekly earnings from that employment

- his average weekly earnings shall be estimated by reference to those earnings;
- b. in any other case, the authority shall require the applicant's employer to furnish an estimate of the applicant's likely weekly earnings over such period as the authority may require and the applicant's average weekly earnings shall be estimated by reference to that estimate.

19.3 Where the amount of an applicant's earnings changes during an award the authority shall estimate his average weekly earnings by reference to his likely earnings from the employment over such period as is appropriate in order that his average weekly earnings may be estimated accurately but the length of the period shall not in any case exceed 52 weeks.

19.4 For the purposes of this section the applicant's earnings shall be calculated in accordance with sections 25 and 26

#### **20.0 Average weekly earnings of self-employed earners**

20.1 Where an applicant's income consists of earnings from employment as a self-employed earner his average weekly earnings shall be estimated by reference to his earnings from that employment over such period as is appropriate in order that his average weekly earnings may be estimated accurately but the length of the period shall not in any case exceed a year.

20.2 For the purposes of this section the applicant's earnings shall be calculated in accordance with section 27 to 29 of this scheme

#### **21.0 Average weekly income other than earnings**

21.1 An applicant's income which does not consist of earnings shall, except where paragraph 18.2 applies, be estimated over such period as is appropriate in order that his average weekly income may be estimated accurately but the length of the period shall not in any case exceed 52 weeks; and nothing in this paragraph shall authorise the authority to disregard any such income other than that specified in Schedule 4 of this scheme

21.2 The period over which any benefit under the benefit Acts is to be taken into account shall be the period in respect of which that support is payable.

21.3 For the purposes of this section income other than earnings shall be calculated in accordance with paragraphs 30 to 32 of this scheme

#### **22.0 Calculation of average weekly income from tax credits**

22.1 This section applies where an applicant receives a tax credit.

22.2 Where this section applies, the period over which a tax credit is to be taken into account shall be the period set out in paragraph 22.3

- 22.3 Where the instalment in respect of which payment of a tax credit is made is;
- a. a daily instalment, the period is 1 day, being the day in respect of which the instalment is paid;
  - b. a weekly instalment, the period is 7 days, ending on the day on which the instalment is due to be paid;
  - c. a two-weekly instalment, the period is 14 days, commencing 6 days before the day on which the instalment is due to be paid;
  - d. a four-weekly instalment, the period is 28 days, ending on the day on which the instalment is due to be paid.

22.4 For the purposes of this section 'tax credit' means child tax credit or working tax credit.

### **23.0 Calculation of weekly income**

23.1 For the purposes of sections 19 (average weekly earnings of employed earners), 21 (average weekly income other than earnings) and 22 (calculation of average weekly income from tax credits), where the period in respect of which a payment is made;

- a. does not exceed a week, the weekly amount shall be the amount of that payment;
- b. exceeds a week, the weekly amount shall be determined—
  - i. in a case where that period is a month, by multiplying the amount of the payment by 12 and dividing the product by 52;
  - ii. in any other case, by dividing the amount of the payment by the number equal to the number of days in the period to which it relates and multiplying the product by 7.

23.2 For the purpose of section 20 (average weekly earnings of self-employed earners) the weekly amount of earnings of an applicant shall be determined by dividing his earnings over the assessment period by the number equal to the number of days in that period and multiplying the product by 7.

### **24.0 Disregard of changes in tax, contributions etc.**

24.1 In calculating the applicant's income the appropriate authority may disregard any legislative change

- a. in the basic or other rates of income tax;
- b. in the amount of any personal tax relief;
- c. in the rates of national insurance contributions payable under the Act or in the lower earnings limit or upper earnings limit for Class 1 contributions under the Act, the lower or upper limits applicable to Class 4 contributions under the Act or the amount specified in section 11(4) of the Act (small profits threshold in relation to Class 2 contributions);
- d. in the amount of tax payable as a result of an increase in the weekly rate of Category A, B, C or D retirement pension or any addition thereto or any graduated pension payable under the Act;

in the maximum rate of child tax credit or working tax credit,

### **25.0 Earnings of employed earners**

25.1 Subject to paragraph 25.2, 'earnings' means in the case of employment as an employed earner, any remuneration or profit derived from that employment and includes—

- a. any bonus or commission;
- b. any payment in lieu of remuneration except any periodic sum paid to an applicant on account of the termination of his employment by reason of redundancy;
- c. any payment in lieu of notice or any lump sum payment intended as compensation for the loss of employment but only in so far as it represents loss of income;
- d. any holiday pay except any payable more than 4 weeks after termination or interruption of the employment;
- e. any payment by way of a retainer;
- f. any payment made by the applicant's employer in respect of expenses not wholly, exclusively and necessarily incurred in the performance of the duties of the employment, including any payment made by the applicant's employer in respect of—
- g.
  - (i) travelling expenses incurred by the applicant between his home and his place of employment;
  - (ii) expenses incurred by the applicant under arrangements made for the care of a member of his family owing to the applicant's absence from home;
- h. any award of compensation made under section 112(4) or 117(3)(a) of the Employment Rights Act 1996 (remedies and compensation for unfair dismissal);
- i. any payment or remuneration made under section 28, 34, 64, 68 or 70 of the Employment Rights Act 1996 (right to guarantee payments, remuneration on suspension on medical or maternity grounds, complaints to employment tribunals);

- j. any such sum as is referred to in section 112 of the Act (certain sums to be earnings for social security purposes);
- k. any statutory sick pay, statutory maternity pay, statutory paternity pay, shared parental pay or statutory adoption pay, or a corresponding payment under any enactment having effect in Northern Ireland;
- l. any remuneration paid by or on behalf of an employer to the applicant who for the time being is on maternity leave, paternity leave, shared parental pay or adoption leave or is absent from work because he is ill;
- m. the amount of any payment by way of a non-cash voucher which has been taken into account in the computation of a person's earnings in accordance with Part 5 of Schedule 3 to the Social Security (Contributions) Regulations 2001 as amended<sup>3</sup>.

25.2 Earnings shall not include—

- a. subject to paragraph 25.3, any payment in kind;
- b. any payment in respect of expenses wholly, exclusively and necessarily incurred in the performance of the duties of employment;
- c. any occupational pension
- d. any payment in respect of expenses arising out of the applicant's participation in a service user group or an applicant participating as a service user

25.3 Paragraph 25.2 a) shall not apply in respect of any non-cash voucher referred to in paragraph 25.1 l)

**26.0 Calculation of net earnings of employed earners**

26.1 For the purposes of section 19 (average weekly earnings of employed earners), the earnings of an applicant derived or likely to be derived from employment as an employed earner to be taken into account shall, subject to paragraph 26.2, be his net earnings.

26.2 There shall be disregarded from an applicant's net earnings, any sum, where applicable, specified in paragraphs 1 to 14 of Schedule 3.

26.3 For the purposes of paragraph 26.1 net earnings shall, except where paragraph 26.6 applies, be calculated by taking into account the gross earnings of the applicant from that employment over the assessment period, less;

- a. any amount deducted from those earnings by way of
  - i) income tax;
  - ii) primary Class 1 contributions under the Act;
- b. one-half of any sum paid by the applicant by way of a contribution towards an occupational pension scheme;
- c. one-half of the amount calculated in accordance with paragraph 26.5 in respect of any qualifying contribution payable by the applicant; and
- d. where those earnings include a payment which is payable under any enactment having effect in Northern Ireland and which corresponds to statutory sick pay, statutory maternity pay, statutory paternity pay or statutory adoption pay, any amount deducted for those earnings by way of any contributions which are payable under any enactment having effect in Northern Ireland and which correspond to primary Class 1 contributions under the Act.

26.4 In this section 'qualifying contribution' means any sum which is payable periodically as a contribution towards a personal pension scheme.

26.5 The amount in respect of any qualifying contribution shall be calculated by multiplying the daily amount of the qualifying contribution by the number equal to the number of days in the

<sup>3</sup> Social Security (Contributions)(Amendment) Regulations 2013, Social Security (Contributions)(Amendment No.2) Regulations 2013 and Social Security (Contributions)(Amendment No.2) Regulations 2013



assessment period; and for the purposes of this section the daily amount of the qualifying contribution shall be determined—

- a. where the qualifying contribution is payable monthly, by multiplying the amount of the qualifying contribution by 12 and dividing the product by 365;
- b. in any other case, by dividing the amount of the qualifying contribution by the number equal to the number of days in the period to which the qualifying contribution relates.

26.6 Where the earnings of an applicant are estimated under sub-paragraph (b) of paragraph 2) of the section 19 (average weekly earnings of employment earners), his net earnings shall be calculated by taking into account those earnings over the assessment period, less—

- a. an amount in respect of income tax equivalent to an amount calculated by applying to those earnings the basic rate or in the case of a Scottish taxpayer, the Scottish basic rate of tax applicable to the assessment period less only the personal relief to which the applicant is entitled under sections 257(1) of the Income and Corporation Taxes Act 1988(personal allowances) as is appropriate to his circumstances but, if the assessment period is less than a year, the earnings to which the basic rate or in the case of a Scottish taxpayer, the Scottish basic rate of tax is to be applied and the amount of the personal relief deductible under this sub-paragraph shall be calculated on a pro rata basis;
- b. an amount equivalent to the amount of the primary Class 1 contributions that would be payable by him under the Act in respect of those earnings if such contributions were payable; and
- c. one-half of any sum which would be payable by the applicant by way of a contribution towards an occupational or personal pension scheme, if the earnings so estimated were actual earnings.

## **27.0 Earnings of self-employed earners**

27.1 Subject to paragraph 27.2, ‘earnings’, in the case of employment as a self- employed earner, means the gross income of the employment plus any allowance paid under section 2 of the 1973 Act or section 2 of the Enterprise and New Towns (Scotland) Act 1990 to the applicant for the purpose of assisting him in carrying on his business unless at the date of claim the allowance has been terminated.

27.2 ‘Earnings’ shall not include any payment to which paragraph 27 or 28 of Schedule 4 refers (payments in respect of a person accommodated with the applicant under arrangements made by a local authority or voluntary organisation and payments made to the applicant by a health authority, local authority or voluntary organisation in respect of persons temporarily in the applicant’s care) nor shall it include any sports award.

27.3 This paragraph applies to—

- a. royalties or other sums paid as a consideration for the use of, or the right to use, any copyright, design, patent or trade mark; or
- b. any payment in respect of any—
  - (i) book registered under the Public Lending Right Scheme 1982; or
  - (ii) work made under any international public lending right scheme that is analogous to the Public Lending Right Scheme 1982, where the applicant is the first owner of the copyright, design, patent or trade mark, or an original contributor to the book of work concerned.

27.4 Where the applicant’s earnings consist of any items to which paragraph 27.3 applies, those earnings shall be taken into account over a period equal to such number of weeks as is equal to the number obtained (and any fraction is to be treated as a corresponding fraction of a week) by dividing the earnings by

- (a) the amount of the reduction under this scheme which would be payable had the payment not been made, plus
- (b) an amount equal to the total of the sums which would fall to be disregarded from the

payment under Schedule 3 (sums to be disregarded in the calculation of earnings) as appropriate in the applicant's case.

## **28.0 Calculation of net profit of self-employed earners**

- 28.1 For the purposes of section 20 (average weekly earnings of self-employed earners) the earnings of an applicant to be taken into account shall be
- a. in the case of a self-employed earner who is engaged in employment on his own account, the net profit derived from that employment;
  - b. in the case of a self-employed earner whose employment is carried on in partnership or is that of a share fisherman within the meaning of the Social Security (Mariners' Benefits) Regulations 1975, his share of the net profit derived from that employment, less—
    - i. an amount in respect of income tax and of national insurance contributions payable under the Act calculated in accordance with section 29 (deduction of tax and contributions for self-employed earners); and
    - ii. one-half of the amount calculated in accordance with paragraph (11) in respect of any qualifying premium.
- 28.2 There shall be disregarded from an applicant's net profit, any sum, where applicable, specified in paragraph 1 to 14 of Schedule 3.
- 28.3 For the purposes of paragraph 28.1 a) the net profit of the employment must, except where paragraph 28.9 applies, be calculated by taking into account the earnings for the employment over the assessment period less
- a. subject to paragraphs 28.5 to 28.7, any expenses wholly and exclusively incurred in that period for the purposes of that employment;
  - b. an amount in respect of;
    - (i) income tax, and
    - (ii) national insurance contributions payable under the Act, calculated in accordance with section 29 (deduction of tax and contributions for self-employed earners); and
  - c. one-half of the amount calculated in accordance with paragraph (28.11) in respect of any qualifying premium.
- 28.4 For the purposes of paragraph 28.1b) the net profit of the employment shall be calculated by taking into account the earnings of the employment over the assessment period less, subject to paragraphs 28.5 to 28.8, any expenses wholly and exclusively incurred in that period for the purposes of the employment.
- 28.5 Subject to paragraph 28.6 no deduction shall be made under paragraph 28.3 a) or 28.4, in respect of—
- a. any capital expenditure;
  - b. the depreciation of any capital asset;
  - c. any sum employed or intended to be employed in the setting up or expansion of the employment;
  - d. any loss incurred before the beginning of the assessment period;
  - e. the repayment of capital on any loan taken out for the purposes of the employment;
  - f. any expenses incurred in providing business entertainment, and
  - g. any debts, except bad debts proved to be such, but this sub-paragraph shall not apply to any expenses incurred in the recovery of a debt.
- 28.6 A deduction shall be made under paragraph 28.3 a) or 28.4 in respect of the repayment of capital on any loan used for—
- a. the replacement in the course of business of equipment or machinery; and
  - b. the repair of an existing business asset except to the extent that any sum is payable under an insurance policy for its repair.

- 28.7 The authority shall refuse to make deductions in respect of any expenses under paragraph 28.3 a. or 28.4 where it is not satisfied given the nature and the amount of the expense that it has been reasonably incurred.
- 28.8 For the avoidance of doubt–
- a. deductions shall not be made under paragraph 28.3 a) or 28.4 in respect of any sum unless it has been expended for the purposes of the business;
  - b. a deduction shall be made thereunder in respect of–
    - i. the excess of any value added tax paid over value added tax received in the assessment period;
    - ii. any income expended in the repair of an existing business asset except to the extent that any sum is payable under an insurance policy for its repair;
    - iii. any payment of interest on a loan taken out for the purposes of the employment
- 28.9 Where an applicant is engaged in employment, as a child minder the net profit of the employment shall be one-third of the earnings of that employment, less an amount in respect of
- a. income tax; and
  - b. national insurance contributions payable under the Act, calculated in accordance with section 29 (deduction of tax and contributions for self-employed earners); and
  - c. one-half of the amount calculated in accordance with paragraph 28.1 in respect of any qualifying contribution.
- 28.10 For the avoidance of doubt where an applicant is engaged in employment as a self-employed earner and he is also engaged in one or more other employments as a self-employed or employed earner any loss incurred in any one of his employments shall not be offset against his earnings in any other of his employments.
- 28.11 The amount in respect of any qualifying premium shall be calculated by multiplying the daily amount of the qualifying premium by the number equal to the number of days in the assessment period; and for the purposes of this section the daily amount of the qualifying premium shall be determined
- a. where the qualifying premium is payable monthly, by multiplying the amount of the qualifying premium by 12 and divided the product by 365;
  - b. in any other case, by dividing the amount of the qualifying premium by the number equal to the number of days in the period to which the qualifying premium relates.
- 28.12 In this section, ‘qualifying premium’ means any premium which is payable periodically in respect of a personal pension scheme and is so payable on or after the date of claim.
- 29.0 Deduction of tax and contributions of self-employed earners**
- 29.1 The amount to be deducted in respect of income tax under section 28.1b) i), 28.3 b) i) or 28.9 a) i) (calculation of net profit of self-employed earners) shall be calculated on the basis of the amount of chargeable income and as if that income were assessable to income tax at the basic rate or in the case of a Scottish taxpayer, the Scottish basic rate of tax applicable to the assessment period less only the personal relief to which the applicant is entitled under section 257(1) of the Income and Corporation Taxes Act 1988(personal allowances) as is appropriate to his circumstances; but, if the assessment period is less than a year, the earnings to which the basic rate or in the case of a Scottish taxpayer, the Scottish basic rate of tax is to be applied and the amount of the personal reliefs deductible under this paragraph shall be calculated on a pro rata basis.
- 29.2 The amount to be deducted in respect of national insurance contributions under paragraphs 28.1 1 b)(i); 28.3 b) ii) or 28.9 a shall be the total of–
- a. the amount of Class 2 contributions payable under section 11(1) or, as the case may be,

11(3) of the Act at the rate applicable to the assessment period except where the applicant's chargeable income is less than the amount specified in section 11(4) of the Act (small profits threshold) for the tax year applicable to the assessment period; but if the assessment period is less than a year, the amount specified for that tax year shall be reduced pro rata; and

- b. the amount of Class 4 contributions (if any) which would be payable under section 15 of the Act (Class 4 contributions recoverable under the Income Tax Acts) at the percentage rate applicable to the assessment period on so much of the chargeable income as exceeds the lower limit but does not exceed the upper limit of profits and gains applicable for the tax year applicable to the assessment period; but if the assessment period is less than a year, those limits shall be reduced pro rata.

29.3 In this section 'chargeable income' means—

- a. except where sub-paragraph (b) applies, the earnings derived from the employment less any expenses deducted under paragraph 28.3(a) or, as the case may be, 28.4 of section 28;
- b. in the case of employment as a child minder, one-third of the earnings of that employment.

### **30.0 Calculation of income other than earnings**

30.1 For the purposes of section 21 (average weekly income other than earnings), the income of an applicant which does not consist of earnings to be taken into account shall, subject to paragraphs 30.2 to 30.4, be his gross income and any capital treated as income under section 31 (capital treated as income).

30.2 There is to be disregarded from the calculation of an applicant's gross income under paragraph 30.1, any sum, where applicable, specified in Schedule 4.

30.3 Where the payment of any benefit under the benefit Acts is subject to any deduction by way of recovery the amount to be taken into account under paragraph 30.1 shall be the gross amount payable.

30.4 Where the applicant or, where he is a member of a couple, his partner is receiving a contributory employment and support allowance and that benefit has been reduced under regulation 63 of the Employment and Support Allowance Regulations 2008 or 2013 as appropriate, the amount of that benefit to be taken into account is the amount as if it had not been reduced.

30.5 Where an award of any working tax credit or child tax credit under the Tax Credits Act 2002 is subject to a deduction by way of recovery of an overpayment of working tax credit or child tax credit which arose in a previous tax year the amount to be taken into account under paragraph 30.1 shall be the amount of working tax credit or child tax credit awarded less the amount of that deduction.

30.6 In paragraph 30.5 'tax year' means a period beginning with 6th April in one year and ending with 5th April in the next.

30.7 Paragraph 30.8 and 30.9 apply where a relevant payment has been made to a person in an academic year; and that person abandons, or is dismissed from, his course of study before the payment to him of the final instalment of the relevant payment.

30.8 Where a relevant payment is made quarterly, the amount of a relevant payment to be taken into account for the assessment period for the purposes of paragraph 30.1 in respect of a person to whom paragraph 30.7 applies, shall be calculated by applying the formula—

$$\frac{A - (B \times C)}{D}$$

Where

A = the total amount of the relevant payment which that person would have received had he remained a student until the last day of the academic term in which he abandoned, or was dismissed from, his course, less any deduction under paragraph 51.5

B = the number of reduction weeks from the reduction week immediately following that which includes the first day of that academic year to the reduction week which includes the day on which the person abandoned, or was dismissed from, his course;

C = the weekly amount of the relevant payment, before the application of the £10 disregard, which would have been taken into account as income under paragraph 51.2 had the person not abandoned or been dismissed from, his course and, in the case of a person who was not entitled to council tax reduction immediately before he abandoned or was dismissed from his course, had that person, at that time, been entitled to housing benefit;

D = the number of reduction weeks in the assessment period.

30.9 Where a relevant payment is made by two or more instalments in a quarter, the amount of a relevant payment to be taken into account for the assessment period for the purposes of paragraph 30.1 in respect of a person to whom paragraph (30.8) applies, shall be calculated by applying the formula in paragraph 30.8 but as if—

A = the total amount of relevant payments which that person received, or would have received, from the first day of the academic year to the day the person abandoned the course, or was dismissed from it, less any deduction under paragraph 51.5

30.10 In this section— ‘academic year’ and ‘student loan’ shall have the same meanings as for the purposes of sections 43 to 45, ‘assessment period’ means—

a. in a case where a relevant payment is made quarterly, the period beginning with the reduction week which includes the day on which the person abandoned, or was dismissed from, his course and ending with the reduction week which includes the last day of the last quarter for which an instalment of the relevant payment was payable to that person;

b. in a case where the relevant payment is made by two or more instalments in a quarter, the period beginning with the reduction week which includes the day on which the person abandoned, or was dismissed from, his course and ending with the reduction week which includes—

i. the day immediately before the day on which the next instalment of the relevant payment would have been due had the payments continued; or

ii. the last day of the last quarter for which an instalment of the relevant payment was payable to that person.

whichever of these dates is earlier

‘quarter’ in relation to an assessment period means a period in that year beginning on;

a. 1st January and ending on 31st March;

b. 1st April and ending on 30th June;

c. 1st July and ending on 31st August; or

d. 1st September and ending on 31st December;

‘relevant payment’ means either a student loan or an amount intended for the maintenance of dependants referred to in paragraph 46.7 or both.

30.11 For the avoidance of doubt there shall be included as income to be taken into account under paragraph 30.1

a. any payment to which paragraph 25.2 (payments not earnings) applies; or

b. in the case of an applicant who is receiving support under section 95 or 98 of the Immigration and Asylum Act 1999 including support provided by virtue of regulations made under Schedule 9 to that Act, the amount of such support provided in respect of essential living needs of the applicant and his dependants (if any) as is specified in regulations made under paragraph 3 of Schedule 8 to the Immigration and Asylum Act 1999.

### **31.0 Capital treated as income**

- 31.1 Any capital payable by instalments which are outstanding at the date on which the claim is made or treated as made, or, at the date of any subsequent revision or supersession, shall, if the aggregate of the instalments outstanding and the amount of the applicant's capital otherwise calculated in accordance with sections 33 to 42 of this scheme exceeds £3,000, be treated as income.
- 31.2 Any payment received under an annuity shall be treated as income.
- 31.3 Any earnings to the extent that they are not a payment of income shall be treated as income.
- 31.4 Any Career Development Loan paid pursuant to section 2 of the Employment and Training Act 1973 Act shall be treated as income
- 31.5 Where an agreement or court order provides that payments shall be made to the applicant in consequence of any personal injury to the applicant and that such payments are to be made, wholly or partly, by way of periodic payments, any such periodic payments received by the applicant (but not a payment which is treated as capital), shall be treated as income.

### **32.0 Notional income**

- 32.1 An applicant shall be treated as possessing income of which he has deprived himself for the purpose of securing entitlement of support or increasing the amount of that support.
- 32.2 Except in the case of—
- a. a discretionary trust;
  - b. a trust derived from a payment made in consequence of a personal injury;
  - c. a personal pension scheme, occupational pension scheme or a payment made by the Board of the Pension Protection Fund where the applicant has not attained the qualifying age for state pension credit;
  - d. any sum to which paragraph 47(2)(a) of Schedule 5 (capital to be disregarded) applies which is administered in the way referred to in paragraph 47(1)(a);
  - e. any sum to which paragraph 48(a) of Schedule 5 refers;
  - f. rehabilitation allowance made under section 2 of the 1973 Act;
  - g. child tax credit; or
  - h. working tax credit,
  - i. any sum to which paragraph 32.13 applies;
- any income which would become available to the applicant upon application being made, but which has not been acquired by him, shall be treated as possessed by the applicant but only from the date on which it could be expected to be acquired were an application made.
- 32.3 – 32.5 Not used
- 32.6 Any payment of income, other than a payment of income specified in paragraph 32.7 made—
- a. to a third party in respect of a single applicant or a member of the family (but not a member of the third party's family) shall, where that payment is a payment of an occupational pension, a pension or other periodical payment made under or by a personal pension scheme or a payment made by the Board of the Pension Protection Fund, be treated as possessed by that single applicant or, as the case may be, by that member;
  - b. to a third party in respect of a single applicant or in respect of a member of the family (but not a member of the third party's family) shall, where it is not a payment referred to in sub-paragraph a), be treated as possessed by that single applicant or by that member to the extent that it is used for the food, ordinary clothing or footwear, household fuel or rent of that single applicant or, as the case may be, of any member of

- that family or is used for any council tax or water charges for which that applicant or member is liable;
- c. to a single applicant or a member of the family in respect of a third party (but not in respect of another member of that family) shall be treated as possessed by that single applicant or, as the case may be, that member of the family to the extent that it is kept or used by him or used by or on behalf of any member of the family.
- 32.7 Paragraph 32.6 shall not apply in respect of a payment of income made—
- a. under the Macfarlane Trust, the Macfarlane (Special Payments) Trust, the Macfarlane (Special Payments) (No. 2) Trust, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006);
  - b. pursuant to section 19(1)(a) of the Coal Industry Act 1994 (concessionary coal);
  - c. pursuant to section 2 of the 1973 Act in respect of a person’s participation—
    - (i) in an employment programme specified in regulation 75(1)(a)(ii) of the Jobseeker’s Allowance Regulations;
    - (ii) in a training scheme specified in regulation 75(1)(b)(ii) of those Regulations;
    - (iii) in the Intense Activity Period specified in regulation 75(1)(a)(iv) of those Regulations;
    - (iv) in a qualifying course within the meaning specified in regulation 17A(7) of those Regulations or;
    - (v) in the Flexible New Deal specified in regulation 75(1)(a)(v) of those Regulations;
  - d. in respect of a person’s participation in the Work for Your Benefit Pilot Scheme
  - e. in respect of a previous participation in the Mandatory Work Activity Scheme;
  - f. in respect of an applicant’s participation in the Employment, Skills and Enterprise Scheme;
  - g. under an occupational pension scheme, in respect of a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund where—
    - (i) a bankruptcy order has been made in respect of the person in respect of whom the payment has been made or, in Scotland, the estate of that person is subject to sequestration or a judicial factor has been appointed on that person’s estate under section 41 of the Solicitors (Scotland) Act 1980;
    - (ii) the payment is made to the trustee in bankruptcy or any other person acting on behalf of the creditors; and
    - (iii) the person referred to in (i) and any member of his family does not possess, or is not treated as possessing, any other income apart from that payment.
- 32.8 Where an applicant is in receipt of any benefit (other than council tax reduction) under the benefit Acts and the rate of that benefit is altered with effect from a date on or after 1st April in any year but not more than 14 days thereafter, the authority shall treat the applicant as possessing such benefit at the altered rate from either 1st April or the first Monday in April in that year, whichever date the authority shall select to apply in its area, to the date on which the altered rate is to take effect.
- 32.9 Subject to paragraph 32.10, where—
- a. applicant performs a service for another person; and
  - b. that person makes no payment of earnings or pays less than that paid for a comparable employment in the area, the authority shall treat the applicant as possessing such earnings (if any) as is reasonable for that employment unless the applicant satisfies the authority that the means of that person are insufficient for him to pay or to pay more for the service.
- 32.10 Paragraph 32.9 shall not apply—
- a. to an applicant who is engaged by a charitable or voluntary organisation or who is a volunteer if the authority is satisfied in any of those cases that it is reasonable for him to provide those services free of charge; or
  - b. in a case where the service is performed in connection with—
    - (i) the applicant’s participation in an employment or training programme in accordance

with regulation 19(1)(q) of the Jobseeker's Allowance Regulations, other than where the service is performed in connection with the applicant's participation in the Intense Activity Period specified in regulation 75(1)(a)(iv) of those Regulations or

(ii) the applicant's or the applicant's partner's participation in an employment or training programme as defined in regulation 19(3) of those Regulations for which a training allowance is not payable or, where such an allowance is payable, it is payable for the sole purpose of reimbursement of travelling or meal expenses to the person participating in that programme ; or

- c. to an applicant who is participating in a work placement approved by the Secretary of State (or a person providing services to the Secretary of State) before the placement starts.

32.10A In paragraph 32.10 (c) 'work placement' means practical work experience which is not undertaken in expectation of payment.

32.11 Where an applicant is treated as possessing any income under any of paragraph 32.1 to (32.8), the foregoing provisions of this scheme shall apply for the purposes of calculating the amount of that income as if a payment has actually been made and as if it were actual income which he does possess.

32.12 Where an applicant is treated as possessing any earnings under paragraph 32.9 the foregoing provisions of this scheme shall apply for the purposes of calculating the amount of those earnings as if a payment had actually been made and as if they were actual earnings which he does possess except that paragraph (3) of section 26 (calculation of net earnings of employed earners) shall not apply and his net earnings shall be calculated by taking into account those earnings which he is treated as possessing, less;

- a. an amount in respect of income tax equivalent to an amount calculated by applying to those earnings the starting rate or, as the case may be, the starting rate and the basic rate or in the case of a Scottish taxpayer, the Scottish basic rate of tax applicable to the assessment period less only the personal relief to which the applicant is entitled under sections 257(1) of the Income and Corporation Taxes Act 1988 (personal allowances) as is appropriate to his circumstances; but, if the assessment period is less than a year, the earnings to which the starting rate of tax is to be applied and the amount of the personal relief deductible under this sub-paragraph shall be calculated on a pro rate basis;
- b. an amount equivalent to the amount of the primary Class 1 contributions that would be payable by him under the Act in respect of those earnings if such contributions were payable; and
- c. one-half of any sum payable by the applicant by way of a contribution towards an occupational or personal pension scheme.

32.13 Paragraphs (32.1), (32.2), (32.6) and (32.9) shall not apply in respect of any amount of income other than earnings, or earnings of an employed earner, arising out of the applicant's participation in a service user group or an applicant participating as a service user



**Sections 33 – 42 & Schedule 5**

**Definition and the treatment of capital for Council tax reduction purposes**

**33.0 Capital limit**

33.1 For the purposes of this scheme, the prescribed amount is £3,000 and no reduction shall be granted when the applicant has an amount greater than this level.

**34.0 Calculation of capital**

34.1 For the purposes of this scheme, the capital of an applicant to be taken into account shall, subject to paragraph (34.2), be the whole of his capital calculated in accordance with this scheme and any income treated as capital under section 36 (income treated as capital).

34.2 There shall be disregarded from the calculation of an applicant's capital under paragraph (34.1), any capital, where applicable, specified in Schedule 5.

**35.0 Disregard of capital of child and young person**

35.1 The capital of a child or young person who is a member of the applicant's family shall not be treated as capital of the applicant.

**36.0 Income treated as capital**

36.1 Any bounty derived from employment to which paragraph 8 of Schedule 3 applies and paid at intervals of at least one year shall be treated as capital.

36.2 Any amount by way of a refund of income tax deducted from profits or emoluments chargeable to income tax under Schedule D or E shall be treated as capital.

36.3 Any holiday pay which is not earnings under section 25(1)(d) (earnings of employed earners) shall be treated as capital.

36.4 Except any income derived from capital disregarded under paragraphs 1, 2, 4, 8, 14 or 25 to 28, 47 or 48 of Schedule 5, any income derived from capital shall be treated as capital but only from the date it is normally due to be credited to the applicant's account.

36.5 In the case of employment as an employed earner, any advance of earnings or any loan made by the applicant's employer shall be treated as capital.

36.6 Any charitable or voluntary payment which is not made or due to be made at regular intervals, other than a payment which is made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation, the Independent Living Fund (2006) or the London Bombings Charitable Relief Fund, shall be treated as capital.

36.7 There shall be treated as capital the gross receipts of any commercial activity carried on by a person in respect of which assistance is received under the self-employment route, but only in so far as those receipts were payable into a special account during the period in which that person was receiving such assistance.

36.8 Any arrears of subsistence allowance which are paid to an applicant as a lump sum shall be treated as capital.

36.9 Any arrears of working tax credit or child tax credit shall be treated as capital.

**37.0 Calculation of capital in the United Kingdom**

37.1 Capital which an applicant possesses in the United Kingdom shall be calculated at its current market or surrender value less—

- a. where there would be expenses attributable to the sale, 10 per cent.; and
- b. the amount of any encumbrance secured on it;

**38.0 Calculation of capital outside the United Kingdom**

38.1 Capital which an applicant possesses in a country outside the United Kingdom shall be calculated

- a. in a case where there is no prohibition in that country against the transfer to the United Kingdom of an amount equal to its current market or surrender value in that country, at that value.
- b. in a case where there is such a prohibition, at the price which it would realise if sold in the United Kingdom to a willing buyer, less, where there would be expenses attributable to sale, 10 per cent. and the amount of any encumbrances secured on it.

**39.0 Notional capital**

39.1 An applicant shall be treated as possessing capital of which he has deprived himself for the purpose of securing entitlement to council tax reduction or increasing the amount of that support except to the extent that that capital is reduced in accordance with section 40 (diminishing notional capital rule).

39.2 Except in the case of

- (a) a discretionary trust; or
- (b) a trust derived from a payment made in consequence of a personal injury; or
- (c) any loan which would be obtained only if secured against capital disregarded under Schedule 5; or
- (d) a personal pension scheme, occupational pension scheme or a payment made by the Board of the Pension Protection Fund; or
- (e) any sum to which paragraph 47(2)(a) of Schedule 5 (capital to be disregarded) applies which is administered in the way referred to in paragraph 47(1)(a); or
- (f) any sum to which paragraph 48(a) of Schedule 5 refers; or
- (g) child tax credit; or
- (h) working tax credit,

any capital which would become available to the applicant upon application being made, but which has not been acquired by him, shall be treated as possessed by him but only from the date on which it could be expected to be acquired were an application made.

39.3 Any payment of capital, other than a payment of capital specified in paragraph (39.4), made

- (a) to a third party in respect of a single applicant or a member of the family (but not a member of the third party's family) shall, where that payment is a payment of an occupational pension, a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund, be treated as possessed by that single applicant or, as the case may be, by that member;
- (b) to a third party in respect of a single applicant or in respect of a member of the family (but not a member of the third party's family) shall, where it is not a payment referred to in subparagraph (a), be treated as possessed by that single applicant or by that member to the extent that it is used for the food, ordinary clothing or footwear, household fuel or rent of that single applicant or, as the case may be, of any member of that family or is used for any council tax or water charges for which that applicant or member is liable;
- (c) to a single applicant or a member of the family in respect of a third party (but not in respect of another member of that family) shall be treated as possessed by that single applicant or, as the case may be, that member of the family to the extent that it is kept or used by him or used by or on behalf of any member of the family.

39.4 Paragraph 39.3 shall not apply in respect of a payment of capital made

- (a) under or by any of the Trusts, the Fund, the Eileen Trust, MFET Limited, the Independent Living Fund (2006), the Skipton Fund, the Caxton Foundation or the London Bombings Relief Charitable Fund;
- (b) pursuant to section 2 of the 1973 Act in respect of a person's participation
  - (i) in an employment programme specified in regulation 75(1)(a)(ii) of the

- Jobseeker’s Allowance Regulations;
  - (ii) in a training scheme specified in regulation 75(1)(b)(ii) of those Regulations;
  - (iii) in the Intense Activity Period specified in regulation 75(1)(a)(iv) of those Regulations;
  - (iv) in a qualifying course within the meaning specified in regulation 17A(7) of those Regulations; or
  - (v) in the Flexible New Deal specified in regulation 75(1)(a)(v) of those Regulations;
- (bb) in respect of a person’s participation in the Mandatory Work Activity Scheme; Enterprise Scheme;
- (bc) in respect of an applicant’s participation in the Employment, Skills and Enterprise Scheme;
- (c) under an occupational pension scheme, in respect of a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund where–
  - (i) a bankruptcy order has been made in respect of the person in respect of whom the payment has been made or, in Scotland, the estate of that person is subject to sequestration or a judicial factor has been appointed on that person’s estate under section 41 of the Solicitors (Scotland) Act 1980;
  - (ii) the payment is made to the trustee in bankruptcy or any other person acting on behalf of the creditors; and
  - (iii) the person referred to in (i) and any member of his family does not possess, or is not treated as possessing, any other income apart from that payment.

39.5 Where an applicant stands in relation to a company in a position analogous to that of a sole owner or partner in the business of that company, he may be treated as if he were such sole owner or partner and in such a case

- a. the value of his holding in that company shall, notwithstanding section 34 (calculation of capital) be disregarded; and
- b. he shall, subject to paragraph 39.6, be treated as possessing an amount of capital equal to the value or, as the case may be, his share of the value of the capital of that company and the foregoing provisions of this Section shall apply for the purposes of calculating that amount as if it were actual capital which he does possess.

39.6 For so long as the applicant undertakes activities in the course of the business of the company, the amount which, he is treated as possessing under paragraph 39.5 shall be disregarded.

39.7 Where an applicant is treated as possessing capital under any of paragraphs 39.1 to 39.2 the foregoing provisions of this Section shall apply for the purposes of calculating its amount as if it were actual capital, which he does possess.

**40.0 Diminishing notional capital rule**

40.1 Where an applicant is treated as possessing capital under section 39.1 (notional capital), the amount which he is treated as possessing;

- a. in the case of a week that is subsequent to
  - (i) the relevant week in respect of which the conditions set out in paragraph 40.2 are satisfied; or
  - (ii) a week which follows that relevant week and which satisfies those conditions, shall be reduced by an amount determined under paragraph 40.3;
- b. in the case of a week in respect of which paragraph 40.1(a) does not apply but where
  - (i) that week is a week subsequent to the relevant week; and
  - (ii) that relevant week is a week in which the condition in paragraph 40.4 is satisfied, shall be reduced by the amount determined under paragraph 40.4.

40.2 This paragraph applies to a reduction week or part-week where the applicant satisfies the conditions that

- a. he is in receipt of council tax reduction; and

- b. but for paragraph 39.1, he would have received an additional amount of council tax reduction in that week.

40.3 In a case to which paragraph 40.2 applies, the amount of the reduction for the purposes of paragraph 40.1(a) shall be equal to the aggregate of

- a. the additional amount to which sub-paragraph 40.2 (b) refers;
- b. where the applicant has also claimed housing benefit, the amount of any housing benefit or any additional amount of that benefit to which he would have been entitled in respect of the whole or part of the reduction week to which paragraph 40.2 refers but for the application of regulation 49(1) of the Housing Benefit Regulations 2006 (notional capital);
- c. where the applicant has also claimed income support, the amount of income support to which he would have been entitled in respect of the whole or part of the reduction week to which paragraph 40.2 refers but for the application of regulation 51(1) of the Income Support Regulations (notional capital);
- d. where the applicant has also claimed a jobseeker's allowance, the amount of an income-based jobseeker's allowance to which he would have been entitled in respect of the whole or part of the reduction week to which paragraph 40.2 refers but for the application of regulation 113 of the Jobseeker's Allowance Regulations 1996 (notional capital) and
- e. where the applicant has also claimed an employment and support allowance, the amount of an income-related employment and support allowance to which he would have been entitled in respect of the whole or part of reduction week to which paragraph 40.2 refers but for the application of regulation 115 of the Employment and Support Allowance Regulations 2008 (notional capital).

40.4 Subject to paragraph 40.5, for the purposes of paragraph 40.1(b) the condition is that the applicant would have been entitled to council tax reduction in the relevant week but for paragraph 39.1, and in such a case the amount of the reduction shall be equal to the aggregate of

- a. the amount of council tax reduction to which the applicant would have been entitled in the relevant week but for paragraph 39.1; and for the purposes of this sub-paragraph is the amount is in respect of a part-week, that amount shall be determined by dividing the amount of council tax reduction to which he would have been so entitled by the number equal to the number of days in the part-week and multiplying the quotient so obtained by 7;
- b. if the applicant would, but for regulation 49(1) of the Housing Benefit Regulations, have been entitled to housing benefit or to an additional amount of housing benefit in respect of the reduction week which includes the last day of the relevant week, the amount which is equal to—
  - (i) in a case where no housing benefit is payable, the amount to which he would have been entitled; or
  - (ii) in any other case, the amount equal to the additional amount of housing benefit to which he would have been entitled,and, for the purposes of this sub-paragraph, if the amount is in respect of a part-week, that amount shall be determined by dividing the amount of housing benefit to which he would have been so entitled by the number equal to that number of days in the part-week and multiplying the quotient so obtained by 7;
- c. if the applicant would, but for regulation 51(1) of the Income Support Regulations, have been entitled to income support in respect of the reduction week, within the meaning of regulation 2(1) of those Regulations, which includes the last day of the relevant week, the amount to which he would have been entitled and, for the purposes of this sub-paragraph, if the amount is in respect of a part-week, that amount shall be determined by dividing the amount of the income support to which he would have been so entitled by the number equal to the number of days in the part- week and multiplying the quotient so obtained by 7
- d. if the applicant would, but for regulation 113 of the Jobseeker's Allowance Regulations 1996, have been entitled to an income-based jobseeker's allowance in respect of the reduction week, within the meaning of this scheme, which includes the last day of the relevant week, the amount to which he would have been entitled and, for the purposes

of this sub-paragraph, if the amount is in respect of a part-week, that amount shall be determined by dividing the amount of the income-based jobseeker's allowance to which he would have been so entitled by the number equal to the number of days in the part-week and multiplying the quotient so obtained by 7; and

- e. if the applicant would, but for regulation 115 of the Employment and Support Allowance Regulations 2008, have been entitled to an income-related employment and support allowance in respect of the reduction week, within the meaning of regulation 2(1) of those Regulations (interpretation), which includes the last day of the relevant week, the amount to which he would have been entitled and, for the purposes of this sub-paragraph, if the amount is in respect of a part-week, that amount must be determined by dividing the amount of the income-related employment and support allowance to which he would have been so entitled by the number equal to the number of days in that part-week and multiplying the quotient so obtained by 7.

40.5 The amount determined under paragraph 40.4 shall be re-determined under that paragraph if the applicant makes a further claim for council tax reduction and the conditions in paragraph 40.6 are satisfied, and in such a case—

- a. sub-paragraphs (a) to (d) of paragraph 40.4 shall apply as if for the words 'relevant week' there were substituted the words 'relevant subsequent week'; and
- b. subject to paragraph 40.7, the amount as re-determined shall have effect from the first week following the relevant subsequent week in question.

40.6 The conditions are that

- a. a further claim is made 26 or more weeks after
  - (i) the date on which the applicant made a claim for council tax reduction in respect of which he was first treated as possessing the capital in question under paragraph 39.1;
  - (ii) in a case where there has been at least one re-determination in accordance with paragraph 40.5, the date on which he last made a claim for council tax reduction which resulted in the weekly amount being re-determined, or
  - (iii) the date on which he last ceased to be entitled to council tax reduction, whichever last occurred; and
- b. the applicant would have been entitled to council tax reduction but for paragraph 39.1.

40.7 The amount as re-determined pursuant to paragraph 40.5 shall not have effect if it is less than the amount which applied in that case immediately before the re-determination and in such a case the higher amount shall continue to have effect.

40.8 For the purposes of this section

- a. 'part-week'
  - (i) in paragraph 40.4(a) means a period of less than a week for which council tax reduction is allowed;
  - (ii) in paragraph 40.4(b) means a period of less than a week for which housing benefit is payable;
  - (iii) in paragraph 40.4 (c),(d) and (e) means—
    - aa. a period of less than a week which is the whole period for which income support, an income-related employment and support allowance or, as the case may be, an income-based jobseeker's allowance is payable; and
    - bb. any other period of less than a week for which it is payable;
- b. 'relevant week' means the reduction week or part-week in which the capital in question of which the applicant has deprived himself within the meaning of section 39.1
  - (i) was first taken into account for the purpose of determining his entitlement to council tax reduction; or
  - (ii) was taken into account on a subsequent occasion for the purpose of determining or re-determining his entitlement to council tax reduction on that subsequent occasion and that determination or re-determination resulted in his beginning to receive, or ceasing to receive, council tax reduction;and where more than one reduction week is identified by reference to heads (i) and (ii)

of this sub-paragraph the later or latest such reduction week or, as the case may be, the later or latest such part-week;

- c. 'relevant subsequent week' means the reduction week or part-week which includes the day on which the further claim or, if more than one further claim has been made, the last such claim was made.

#### **41.0 Capital jointly held**

41.1 Except where an applicant possesses capital which is disregarded under paragraph 39(5) (notional capital) where an applicant and one or more persons are beneficially entitled in possession to any capital asset they shall be treated, in the absence of evidence to the contrary, as if each of them were entitled in possession to the whole beneficial interest therein in an equal share and the foregoing provisions of this Section shall apply for the purposes of calculating the amount of capital which the applicant is treated as possessing as if it were actual capital which the applicant does possess.

**Sections 43 - 56**

**Definition and the treatment of students for Council tax reduction purposes<sup>4</sup>**

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<sup>4</sup> Amounts shown in sections 43 to 56 will be updated in line with the Housing Benefit Regulations 2006 (as amended)



#### 43.0 Student related definitions

43.1 In this scheme the following definitions apply;

**'academic year'** means the period of twelve months beginning on 1st January, 1st April, 1st July or 1st September according to whether the course in question begins in the winter, the spring, the summer or the autumn respectively but if students are required to begin attending the course during August or September and to continue attending through the autumn, the academic year of the course shall be considered to begin in the autumn rather than the summer;

**'access funds'** means;

- a. grants made under section 68 of the Further and Higher Education Act 1992 for the purpose of providing funds on a discretionary basis to be paid to students;
- b. grants made under section 73(a) and (c) and 74(1) of the Education (Scotland) Act 1980;
- c. grants made under Article 30 of the Education and Libraries (Northern Ireland) Order 1993 or grants, loans or other payments made under Article 5 of the Further Education (Northern Ireland) Order 1997 in each case being grants, or grants, loans or other payments as the case may be, for the purpose of assisting students in financial difficulties;
- d. discretionary payments, known as "learner support funds", which are made available to students in further education by institutions out of funds provided by the Secretary of State under section 14 of the Education Act 2002 or the Chief Executive of Skills Funding under sections 100 and 101 of the Apprenticeships, Skills, Children and Learning Act 2009; or
- e. Financial Contingency Funds made available by the Welsh Ministers;

**'college of further education'** means a college of further education within the meaning of Part 1 of the Further and Higher Education (Scotland) Act 1992;

**'contribution'** means;

- a. any contribution in respect of the income of a student or any person which the Secretary of State, the Scottish Ministers or an education authority takes into account in ascertaining the amount of a student's grant or student loan; or
- b. any sums, which in determining the amount of a student's allowance or bursary in Scotland under the Education (Scotland) Act 1980, the Scottish Ministers or education authority takes into account being sums which the Scottish Ministers or education authority consider that it is reasonable for the following person to contribute towards the holder's expenses;
  - (i) the holder of the allowance or bursary;
  - (ii) the holder's parents;
  - (iii) the holder's parent's spouse, civil partner or a person ordinarily living with the holder's parent as if he or she were the spouse or civil partner of that parent; or
  - (iv) the holder's spouse or civil partner;

**'course of study'** means any course of study, whether or not it is a sandwich course and whether or not a grant is made for attending or undertaking it;

**'covenant income'** means the gross income payable to a full-time student under a Deed of Covenant by his parent;

**'education authority'** means a government department, a local authority as defined in section 579 of the Education Act 1996 (interpretation), a local education authority as defined in section 123 of the Local Government (Scotland) Act 1973, an education and library board established under Article 3 of the Education and Libraries (Northern Ireland) Order 1986, any body which is a research council for the purposes of the Science and Technology Act 1965 or any analogous government department, authority, board or body, of the Channel Islands, Isle of Man or any other country outside Great Britain;

**'full-time course of study'** means a full time course of study which;

- a. is not funded in whole or in part by the Secretary of State under section 14 of the Education Act 2002, the Chief Executive of Skills Funding or by the Welsh Ministers or a full-time course of study which is not funded in whole or in part by the Scottish Ministers at a college of further education or a full-time course of study which is a course of higher education and is funded in whole or in part by the Scottish Ministers;;

- b. is funded in whole or in part by the Secretary of State under section 14 of the Education Act 2002, the Chief Executive of Skills Funding or by the Welsh Ministers if it involves more than 16 guided learning hours per week for the student in question, according to the number of guided learning hours per week for that student set out—
  - (i) in the case of a course funded by the Secretary of State under section 14 of the Education Act 2002 or the Chief Executive of Skills Funding, in the student’s learning agreement signed on behalf of the establishment which is funded by either of those persons for the delivery of that course; or
  - (ii) in the case of a course funded by the Welsh Ministers, in a document signed on behalf of the establishment which is funded by that Council for the delivery of that course; or
- c. is not higher education and is funded in whole or in part by the Scottish Ministers at a college of further education and involves—
  - (i) more than 16 hours per week of classroom-based or workshop-based programmed learning under the direct guidance of teaching staff according to the number of hours set out in a document signed on behalf of the college; or
  - (ii) 16 hours or less per week of classroom-based or workshop-based programmed learning under the direct guidance of teaching staff and additional hours using structured learning packages supported by the teaching staff where the combined total of hours exceeds 21 hours per week, according to the number of hours set out in a document signed on behalf of the college;

**‘full-time student’** means a person attending or undertaking a full-time course of study and includes a student on a sandwich course;

**‘grant’** (except in the definition of ‘access funds’) means any kind of educational grant or award and includes any scholarship, studentship, exhibition allowance or bursary but does not include a payment from access funds or any payment to which paragraph 12 of Schedule 4 or paragraph 53 of Schedule 5 applies;

**‘grant income’** means

- (a) any income by way of a grant;
- (b) any contribution whether or not it is paid;

**‘higher education’** means higher education within the meaning of Part 2 of the Further and Higher Education (Scotland) Act 1992;

**‘last day of the course’** means;

- a. in the case of a qualifying course, the date on which the last day of that course falls or the date on which the final examination relating to that course is completed, whichever is the later;
- b. in any other case, the date on which the last day of the final academic term falls in respect of the course in which the student is enrolled;

**‘period of study’** means—

- a. in the case of a course of study for one year or less, the period beginning with the start of the course and ending with the last day of the course;
- b. in the case of a course of study for more than one year, in the first or, as the case may be, any subsequent year of the course, other than the final year of the course, the period beginning with the start of the course or, as the case may be, the year’s start and ending with either—
  - (i) the day before the start of the next year of the course in a case where the student’s grant or loan is assessed at a rate appropriate to his studying throughout the year, or, if he does not have a grant or loan, where a loan would have been assessed at such a rate had he had one; or
  - (ii) in any other case, the day before the start of the normal summer vacation appropriate to his course;
- c. in the final year of a course of study of more than one year, the period beginning with that year’s start and ending with the last day of the course;

**‘periods of experience’** means periods of work experience which form part of a sandwich course;

**‘qualifying course’** means a qualifying course as defined for the purposes of Parts 2 and 4 of the Jobseeker’s Allowance Regulations;

**‘modular course’** means a course of study which consists of two or more modules, the successful completion of a specified number of which is required before a person is considered by the educational establishment to have completed the course.

**‘sandwich course’** has the meaning prescribed in regulation 2(9) of the Education (Student Support) Regulations 2008, regulation 4(2) of the Education (Student Loans), (Scotland), Regulations 2007 or regulation 2(8) of the Education (Student Support) Regulations (Northern Ireland) 2007, as the case may be;

**‘standard maintenance grant’** means—

- a. except where paragraph (b) or (c) applies, in the case of a student attending or undertaking a course of study at the University of London or an establishment within the area comprising the City of London and the Metropolitan Police District, the amount specified for the time being in paragraph 2(2)(a) of Schedule 2 to the Education (Mandatory Awards) Regulations 2003 (‘the 2003 Regulations’) for such a student;
- b. except where paragraph (c) applies, in the case of a student residing at his parent’s home, the amount specified in paragraph 3 thereof;
- c. in the case of a student receiving an allowance or bursary under the Education (Scotland) Act 1980, the amount of money specified as ‘standard maintenance allowance’ for the relevant year appropriate for the student set out in the Student Support in Scotland Guide issued by the student Awards Agency for Scotland, or its nearest equivalent in the case of a bursary provided by a college of further education or a local education authority;
- d. in any other case, the amount specified in paragraph 2(2) of Schedule 2 to the 2003 Regulations other than in sub-paragraph (a) or (b) thereof;

**‘student’** means a person, other than a person in receipt of a training allowance, who is attending or undertaking—

- a. a course of study at an educational establishment; or
- b. a qualifying course;

**‘student’ loan’** means a loan towards a student’s maintenance pursuant to any regulations made under section 22 of the Teaching and Higher Education Act 1998, section 73 of the Education (Scotland) Act 1980 or Article 3 of the Education (Student Support) (Northern Ireland) Order 1998 and shall include, in Scotland, a young student’s bursary paid under regulation 4(1)(c) of the Student’s Allowances (Scotland) Regulations 2007

- 43.2 For the purposes of the definition of ‘full-time student’, a person shall be regarded as attending or, as the case may be, undertaking a full-time course of study or as being on a sandwich course
- a. in the case of a person attending or undertaking a part of a modular course which would be a full-time course of study for the purposes of this Part, for the period beginning on the day on which that part of the course starts and ending;
    - (i) on the last day on which he is registered with the educational establishment as attending or undertaking that part as a full-time course of study; or
    - (ii) on such earlier date (if any) as he finally abandons the course or is dismissed from it;
  - b. in any other case, throughout the period beginning on the date on which he starts attending or undertaking the course and ending on the last day of the course or on such earlier date (if any) as he finally abandons it or is dismissed from it.

- 43.3 For the purposes of sub-paragraph (a) of paragraph 43.2, the period referred to in that sub-paragraph shall include;
- a. where a person has failed examinations or has failed to successfully complete a module relating to a period when he was attending or undertaking a part of the course as a full-time course of study, any period in respect of which he attends or undertakes the course for the purpose of retaking those examinations or that module;
  - b. any period of vacation within the period specified in that paragraph or immediately following that period except where the person has registered with the educational establishment to attend or undertake the final module in the course and the vacation immediately follows the last day on which he is required to attend or undertake the course.

#### **44.0 Treatment of students**

44.1 The following sections relate to students who claim Council tax reduction

#### **45.0 Students who are excluded from entitlement to council tax reduction**

45.1 Students (except those specified in paragraph 45.3) are not able to claim Council tax reduction under Classes D and E of the Council's reduction scheme.

45.2 To be eligible for support, the student must be liable for Council Tax under Section 6 of the Local Government Finance Act 1992 and they must not be deemed to be a full time student or a persons from abroad within the meaning of section 7 of this scheme (persons from aboard).

45.3 Paragraph 45.2 shall not apply to a student

(a) who is a person on income support, an income-based jobseeker's allowance or an income-related employment and support allowance;

(b) who is a lone parent;

(c) **but for the implementation of this scheme**, whose applicable amount would, but for this section, include the disability premium or severe disability premium;

(d) **but for the implementation of this scheme**, whose applicable amount would include the disability premium but for his being treated as capable of work by virtue of a determination made in accordance with regulations made under section 171E of the Act;

(e) who is, or is treated as, incapable of work and has been so incapable, or has been so treated as incapable, of work in accordance with the provisions of, and regulations made under, Part 12A of the Act (incapacity for work) for a continuous period of not less than 196 days; and for this purpose any two or more separate periods separated by a break of not more than 56 days shall be treated as one continuous period;

(f) who has, or is treated as having, limited capability for work and has had, or been treated as having, limited capability for work in accordance with the Employment and Support Allowance Regulations for a continuous period of not less than 196 days, and for this purpose any two or more separate periods separated by a break of not more than 84 days must be treated as one continuous period.

(g) who has a partner who is also a full-time student, if he or that partner is treated as responsible for a child or young person;

(h) who is a single applicant with whom a child is placed by a local authority or voluntary organisation within the meaning of the Children Act 1989, or, in Scotland, boarded out within the meaning of the Social Work (Scotland) Act 1968;

(i) who is;

i) aged under 21 and whose course of study is not a course of higher education

ii) aged 21 and attained that age during a course of study which is not a course of higher education – this condition needs adding

iii) a qualifying young person or child within the meaning of section 142 of the Act (child and qualifying young person)

(j) in respect of whom

i) a supplementary requirement has been determined under paragraph 9 of Part 2 of Schedule 2 to the Education (Mandatory Awards) Regulations 2003;

(ii) an allowance, or as the case may be, bursary has been granted which includes a sum under paragraph (1)(d) or regulation 4 of the Students' Allowances (Scotland) Regulations 1999 or, as the case may be, under paragraph (1)(d) of regulation 4 of the Education Authority (Bursaries) (Scotland) Regulations 1995, in respect of expenses incurred;

(iii) a payment has been made under section 2 of the Education Act 1962 or under or by virtue of regulations made under the Teaching and Higher Education Act 1998;

(iv) a grant has been made under regulation 13 of the Education (Student Support) Regulations 2005 or under regulation 13 of the Education (Student Support)

Regulations (Northern Ireland) 2000; or  
(v) a supplementary requirement has been determined under paragraph 9 of Schedule 6 to the Students Awards Regulations (Northern Ireland) 1999 or a payment has been made under Article 50(3) of the Education and Libraries (Northern Ireland) Order 1986,

on account of his disability by reason of deafness.

45.3A Paragraph 45.3(i)(ii) only applies to a claimant until the end of the course during which the claimant attained the age of 21

45.4 For the purposes of paragraph 45.3, once paragraph 45.3(e) applies to a full-time student, if he then ceases, for a period of 56 days or less, to be incapable, or to be treated as incapable, of work, that paragraph shall, on his again becoming so incapable, or so treated as incapable, of work at the end of that period, immediately thereafter apply to him for so long as he remains incapable or is treated as remaining incapable, of work.

45.5 In paragraph 45.3(h) the reference to a course of higher education is a reference to a course of any description mentioned in Schedule 6 to the Education Reform Act 1988.

45.6 A full-time student to whom sub-paragraph (i) of paragraph 45.3 applies, shall be treated as satisfying that sub-paragraph from the date on which he made a request for the supplementary requirement, allowance, bursary or payment as the case may be.

45.7 Paragraph 45.2 shall not apply to a full-time student for the period specified in paragraph 45.8 if;

- (a) at any time during an academic year, with the consent of the relevant educational establishment, he ceases to attend or undertake a course because he is;
  - (i) engaged in caring for another person; or
  - (ii) ill;
- (b) he has subsequently ceased to be engaged in engaging in caring for that person or, as the case may be, he has subsequently recovered from that illness; and
- (c) he is not eligible for a grant or a student loan in respect of the period specified in paragraph 45.8.

45.8 The period specified for the purposes of paragraph 45.7 is the period, not exceeding one year, beginning on the day on which he ceased to be engaged in caring for that person or, as the case may be, the day on which he recovered from that illness and ending on the day before;

- (a) the day on which he resumes attending or undertaking the course; or
  - (b) the day from which the relevant educational establishment has agreed that he may resume attending or undertaking the course,
- which shall first occur.

#### **46.0 Calculation of grant income**

46.1 The amount of a student's grant income to be taken into account shall, subject to paragraphs 46.2 and 46.3, be the whole of his grant income.

46.2 There shall be excluded from a student's grant income any payment;

- (a) intended to meet tuition fees or examination fees;
- (b) in respect of the student's disability;
- (c) intended to meet additional expenditure connected with term time residential study away from the student's educational establishment;
- (d) on account of the student maintaining a home at a place other than that at which he resides during his course;

- (e) on account of any other person but only if that person is residing outside of the United Kingdom and ,**but for the implementation of this scheme**, there is no applicable amount in respect of him;
  - (f) intended to meet the cost of books and equipment;
  - (g) intended to meet travel expenses incurred as a result of his attendance on the course;
  - (h) intended for the child care costs of a child dependant.
  - (i) of higher education bursary for care leavers made under Part III of the Children Act 1989.
- 46.3 Where a student does not have a student loan and is not treated as possessing such a loan, there shall be excluded from the student’s grant income;
- (a) the sum of £303 per academic year in respect of travel costs; and
  - (b) the sum of £390 per academic year towards the costs of books and equipment, whether or not any such costs are incurred.
- The above figures will be increased annually in line with the Housing Benefit Regulations 2006 (as amended).
- 46.4 There shall also be excluded from a student’s grant income the grant for dependants known as the parents’ learning allowance paid pursuant to regulations made under Article 3 of the Education (Student Support) (Northern Ireland) Order 1998 or section 22 of the Teaching and Higher Education Act 1998.
- 46.5 Subject to paragraphs 46.6 and 46.7, a student’s grant income shall be apportioned;
- (a) subject to paragraph 46.8, in a case where it is attributable to the period of study, equally between the weeks in that period beginning with the reduction week, the first day of which coincides with, or immediately follows the first day of the period of study and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the period of study;
  - (b) in any other case, equally between the weeks in the period beginning with the reduction week, the first day of which coincides with, or immediately follows, the first day of the period for which it is payable and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the period for which it is payable.
- 46.6 Any grant in respect of dependants paid under section 63(6) of the Health Services and Public Health Act 1968 (grants in respect of the provision of instruction to officers of hospital authorities) and any amount intended for the maintenance of dependants under Part 3 of Schedule 2 to the Education (Mandatory Awards) Regulations 2004 shall be apportioned equally over the period of 52 weeks or, if there are 53 reduction weeks (including part-weeks) in the year, 53.
- 46.7 In a case where a student is in receipt of a student loan or where he could have acquired a student loan by taking reasonable steps but had not done so, any amount intended for the maintenance of dependants to which neither paragraph 46.6 nor section 50 (other amounts to be disregarded) apply, shall be apportioned over the same period as the student’s loan is apportioned or, as the case may be, would have been apportioned.
- 46.8 In the case if a student on a sandwich course, any periods of experience within the period of study shall be excluded and the student’s grant income shall be apportioned equally between the weeks in the period beginning with the reduction week, the first day of which immediately follows the last day of the period of experience and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the period of study.
- 47.0 Calculation of covenant income where a contribution is assessed**
- 47.1 Where a student is in receipt of income by way of a grant during a period of study and a contribution has been assessed, the amount of his covenant income to be taken into account for that period and any summer vacation immediately following shall be the whole amount of the covenant income less, subject to paragraph 47.3, the amount of the contribution.

- 47.2 The weekly amount of the student's covenant shall be determined–
- (a) by dividing the amount of income which falls to be taken into account under paragraph 47.1 by 52 or 53, whichever is reasonable in the circumstances; and
  - (b) by disregarding from the resulting amount, £5.

47.3 For the purposes of paragraph 47.1, the contribution shall be treated as increased by the amount (if any) by which the amount excluded under paragraph 46.2(g) (calculation of grant income) falls short of the amount specified in paragraph 7(2) of Schedule 2 to the Education (Mandatory Awards) Regulations 2003 (travel expenditure).

#### **48.0 Covenant income where no grant income or no contribution is assessed**

48.1 Where a student is not in receipt of income by way of a grant the amount of his covenant income shall be calculated as follows;

- (a) any sums intended for any expenditure specified in paragraph 46.2 (a) to (e) (calculation of grant income) necessary as a result of his attendance on the course shall be disregarded;
- (b) any covenant income, up to the amount of the standard maintenance grant, which is not so disregarded, shall be apportioned equally between the weeks of the period of study;
- (c) there shall be disregarded from the amount so apportioned the amount which would have been disregarded under paragraph 46.2(f) and 46.3 (calculation of grant income) had the student been in receipt of the standard maintenance grant; and
- (d) the balance, if any, shall be divided by 52 or 53 whichever is reasonable in the circumstances and treated as weekly income of which £5 shall be disregarded.

48.2 Where a student is in receipt of income by way of a grant and no contribution has been assessed, the amount of his covenanted income shall be calculated in accordance with sub-paragraphs (a) to (d) of paragraph 48.1, except that;

- (a) the value of the standard maintenance grant shall be abated by the amount of such grant income less an amount equal to the amount of any sums disregarded under paragraph 46.2 (a) to (e); and
- (b) the amount to be disregarded under paragraph 48.1(c) shall be abated by an amount equal to the amount of any sums disregarded under paragraph 46.2(f) and (g) and 46.3.

#### **49.0 Student Covenant Income and Grant income – non disregard**

49.1 No part of a student's covenant income or grant income shall be disregarded under paragraph 15 of Schedule 4 to this scheme

#### **50.0 Other amounts to be disregarded**

50.1 For the purposes of ascertaining income other than grant income, covenant income and loans treated as income in accordance with section 51, any amounts intended for any expenditure specified in paragraph 46.2 (calculation of grant income), necessary as a result of his attendance on the course shall be disregarded but only if, and to the extent that, the necessary expenditure exceeds or is likely to exceed the amount of the sums disregarded under paragraphs 46.2 or 46.3, 47.3, 48.1(a) or (c) or 51.5 (calculation of grant income, covenant income and treatment of student loans) on like expenditure.

#### **51.0 Treatment of student loans**

51.1 A student loan shall be treated as income.

51.2 In calculating the weekly amount of the loan to be taken into account as income

- (a) in respect of a course that is of a single academic year's duration or less, a loan which is payable in respect of that period shall be apportioned equally between the weeks in the

period beginning with;

(i) except in a case where (ii) applies, the reduction week, the first day of which coincides with, or immediately follows, the first day of the single academic year;

(ii) where the student is required to start attending the course in August or where the course is less than an academic year's duration, the reduction week, the first day of which coincides with, or immediately follows, the first day of the course, and ending with the reduction week, the last day of which coincides with, or immediately precedes with last day of the course,

(b) in respect of an academic year of a course which starts other than on 1st September, a loan which is payable in respect of that academic year shall be apportioned equally between the weeks in the period beginning with the reduction week, the first day of which coincides with or immediately follows, the first day of that academic year and ending with the reduction week, the last day of which coincides with or immediately precedes, the last day of that academic year but excluding any reduction weeks falling entirely within the quarter during which, in the opinion of the Secretary of State, the longest of any vacation is taken and for the purposes of this sub-paragraph, 'quarter' shall have the same meaning as for the purposes of the Education (Student Support) Regulations 2005;

(c) in respect of the final academic year of a course (not being a course of a single year's duration), a loan which is payable in respect of that final academic year shall be apportioned equally between the weeks in the period beginning with;

(i) except in a case where (ii) applies, the reduction week, the first day of which coincides with or immediately follows, the first day of that academic year;

(ii) where the final academic year starts on 1st September, the reduction week, the first day of which coincide with, or immediately follows, the earlier of 1st September or the first day of the autumn term,

and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the course;

(d) in any other case, the loan shall be apportioned equally between the weeks in the period beginning with the earlier of;

(i) the first day of the first reduction week in September; or

(ii) the reduction week, the first day of which coincides with, or immediately follows the first day of the autumn term,

and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of June,

and, in all cases, from the weekly amount so apportioned there shall be disregarded £10.

51.3 A student shall be treated as possessing a student loan in respect of an academic year where;

(a) a student loan has been made to him in respect of that year; or

(b) he could acquire such a loan in respect of that year by taking reasonable steps to do so.

51.4 Where a student is treated as possessing a student loan under paragraph 51.3, the amount of the student loan to be taken into account as income shall be, subject to paragraph 51.5

(a) in the case of a student to whom a student loan is made in respect of an academic year, a sum equal to

(i) the maximum student loan he is able to acquire in respect of that year by taking reasonable steps to do so; and

(ii) any contribution whether or not it has been paid to him;

(b) in the case of a student to whom a student loan is not made in respect of an academic year, the maximum student loan that would be made to the student if;

(i) he took all reasonable steps to obtain the maximum student loan he is able to acquire in respect of that year; and



(ii) no deduction in that loan was made by virtue of the application of a means test.

- 51.5 There shall be deducted from the amount of income taken into account under paragraph 51.4
- (a) the sum of £303 per academic year in respect of travel costs; and
  - (b) the sum of £390 per academic year towards the cost of books and equipment, whether or not any such costs are incurred.

The above figures will be increased annually in line with the Housing Benefit Regulations 2006 (as amended).

#### **51A.0 Treatment of fee loans**

- 51A. 1A loan for fees, known as a fee loan or a fee contribution loan, made pursuant to regulations made under Article 3 of the Education (Student Support) (Northern Ireland) Order 1998, section 22 of the Teaching and Higher Education Act 1998 or section 73(f) of the Education (Scotland) Act 1980, shall be disregarded as income.

#### **52.0 Treatment of payments from access funds**

- 52.1 This paragraph applies to payments from access funds that are not payments to which paragraph 55.2 or 55.3 (income treated as capital) applies.

- 52.2 A payment from access funds, other than a payment to which paragraph 52.3 applies, shall be disregarded as income.

- 52.3 Subject to paragraph 52.4 of this section and paragraph 35 of Schedule 4,
- a) any payments from access funds which are intended and used for an item of food, ordinary clothing or footwear, household fuel, or rent of a single applicant or, as the case may be, of the applicant or any other member of his family and
  - b) any payments from access funds which are used for any council tax or water charges for which that applicant or member is liable, shall be disregarded as income to the extent of £20 per week.

- 52.4 Where a payment from access funds is made—
- (a) on or after 1st September or the first day of the course, whichever first occurs, but before receipt of any student loan in respect of that year and that payment is intended for the purpose of bridging the period until receipt of the student loan; or
  - (b) before the first day of the course to a person in anticipation of that person becoming a student,
- that payment shall be disregarded as income.

#### **53.0 Disregard of contribution**

- 53.1 Where the applicant or his partner is a student and for the purposes of assessing a contribution to the student's grant or student loan, the other partner's income has been taken into account, an amount equal to that contribution shall be disregarded for the purposes of assessing that other partner's income.

#### **54.0 Further disregard of student's income**

- 54.1 Where any part of a student's income has already been taken into account for the purpose of assessing his entitlement to a grant or student loan, the amount taken into account shall be disregarded in assessing that student's income.

**55.0 Income treated as capital**

55.1 Any amount by way of a refund of tax deducted from a student's covenant income shall be treated as capital.

55.2 Any amount paid from access funds as a single lump sum shall be treated as capital.

55.3 An amount paid from access fund as a single lump sum which is intended and used for an item other than food, ordinary clothing or footwear, household fuel or rent, or which is used for an item other than any council tax or water charges for which that applicant or member is liable, shall be disregarded as capital but only for a period of 52 weeks from the date of the payment.

**56.0 Disregard of changes occurring during summer vacation**

56.1 In calculating a student's income the authority shall disregard any change in the standard maintenance grant, occurring in the recognised summer vacation appropriate to the student's course, if that vacation does not form part of his period of study from the date on which the change occurred to the end of that vacation.

**Sections 57 – 63**

**The calculation and amount of Council tax reduction**

## **57.0 Maximum council tax reduction**

57.1 Subject to paragraphs 57.2 to 57.4, the amount of a person's maximum council tax support in respect of a day for which he is liable to pay council tax, shall be 100 per cent, of the amount A/B where;

- (a) A is the **lower** of either;
- i. the amount set by the appropriate authority as the council tax for the relevant financial year in respect of the dwelling in which he is a resident and for which he is liable, subject to any discount which may be appropriate to that dwelling under the 1992 Act; or
  - ii. the amount set by the appropriate authority as the council tax for the relevant financial year in respect of a dwelling within Band C subject to any discount which may be appropriate to the person's circumstances; and

(b) B is the number of days in that financial year,

Less any deductions in respect of non-dependants, which fall to be made under section 58 (non-dependant deductions).

In this paragraph "relevant financial year" means, in relation to any particular day, financial year within which the day in question falls.

57.2 In calculating a person's maximum council tax reduction any reduction in the amount that person is liable to pay in respect of council tax, which is made in consequence of any enactment in, or made under, the 1992 Act, shall be taken into account.

57.3 Subject to paragraph 57.4, where an applicant is jointly and severally liable for council tax in respect of a dwelling in which he is resident with one or more other persons but excepting any person so residing with the applicant who is a student to whom paragraph 45.2 (students who are excluded from entitlement to council tax reduction) applies, in determining the maximum council tax reduction in his case in accordance with paragraph 57.1, the amount A shall be divided by the number of persons who are jointly and severally liable for that tax.

57.4 Where an applicant is jointly and severally liable for council tax in respect of a dwelling with only his partner, paragraph 57.3 shall not apply in his case.

## **57A.0 Minimum Council Tax Reduction**

57A.1 Where an applicant's entitlement is less than £1.00 per reduction week in respect of a day for which he is liable to pay council tax, no amount shall be payable whatsoever.

## **58.0 Non-dependant deductions**

58.1 Subject to the following provisions of this paragraph, the non-dependant deductions in respect of a day referred to in section 57 (maximum Council Tax Reduction) shall be;

- (a) in respect of a non-dependant aged 18 or over in remunerative work, £10.00 x 1/7;
- (b) in respect of a non-dependant aged 18 or over to whom sub-paragraph (a) does not apply, £5.00 x 1/7.

58.2 Not used

58.3 Only one deduction shall be made under this section in respect of a couple or, as the case may be, members of a polygamous marriage and, where, but for this paragraph, the amount that would fall to be deducted in respect of one member of a couple or polygamous marriage is higher than the amount (if any) that would fall to be deducted in respect of the other, or any other, member, the higher amount shall be deducted.

- 58.4 In applying the provisions of paragraph 58.2 in the case of a couple or, as the case may be a polygamous marriage, regard shall be had, for the purpose of that paragraph, to the couple's or, as the case may be, all members of the polygamous marriage's joint weekly gross income.
- 58.5 Where in respect of a day–
- a. a person is a resident in a dwelling but is not himself liable for council tax in respect of that dwelling and that day;
  - b. other residents in that dwelling (the liable persons) have joint and several liability for council tax in respect of that dwelling and that day otherwise than by virtue of section 9 or 77 or 77A of the 1992 Act (liability of spouses and civil partners); and
  - c. the person to whom sub-paragraph (a) refers is a non-dependant of two or more of the liable persons, the deduction in respect of that non-dependant shall be apportioned equally between those liable persons.
- 58.6 No deduction shall be made in respect of any non-dependants occupying an applicant's dwelling if the applicant or his partner is–
- a. blind or treated as blind by virtue of paragraph 9 of Schedule 1 (additional condition for the disability premium); or
  - b. receiving in respect of himself:
    - attendance allowance, or would be receiving that allowance but for:
      - i. a suspension of benefit in accordance with regulations under section 113(2) of The Act; or
      - ii. an abatement as a result of hospitalisation; or
    - the care component of the disability living allowance, or would be receiving that component but for:
      - i. a suspension of benefit in accordance with regulations under section 113(2) of The Act; or
      - ii. an abatement as a result of hospitalisation; or
  - c. the daily living component of personal independence payment, or would be receiving that allowance but for a suspension of benefit in accordance with regulations under section 86 of the Welfare Reform Act 2012 (hospital in-patients);
  - d. an AFIP, or would be receiving that payment but for a suspension of it in accordance with any terms of the armed and reserve forces compensation scheme which allows for a suspension because a person is undergoing medical treatment in a hospital or similar institution;
- 58.7 No deduction shall be made in respect of a non-dependant if:
- a. although he resides with the applicant, it appears to the authority that his normal home is elsewhere; or
  - b. he is in receipt of a training allowance paid in connection with a youth training established under section 2 of the 1973 Act or section 2 of the Enterprise and New Towns (Scotland) Act 1990; or
  - c. he is a full time student within the meaning of section 44.0 (Students); or
  - d. he is not residing with the applicant because he has been a patient for a period of excess of 52 weeks, and for these purposes;
  - e. 'patient' has the meaning given within this scheme, and
  - f. where a person has been a patient for two or more distinct periods separated by one or more intervals each not exceeding 28 days, he shall be treated as having been a patient continuously for a period equal in duration to the total of those distinct periods;
  - g. he is not residing with the claimant because he is a member of the armed forces away on operations
- 58.8 No deduction shall be made in respect of a non-dependant who is a student as defined by this scheme.
- 58.9 In the application of paragraph 58.2 there shall be disregarded from his weekly gross income:
- a. any attendance allowance, disability living allowance or personal independence payment

- or an AFIP received by him;
- b. any payment made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006) which had his income fallen to be calculated under section 30 (calculation of income other than earnings) would have been disregarded under paragraph 24 of Schedule 4 (income in kind); and
- c. any payment which had his income fallen to be calculated under section 30 would have been disregarded under paragraph 36 of Schedule 4 (payments made under certain trusts and certain other payments).

**59.0 Not used**

**60.0 Extended reductions**

60.1 An applicant who is entitled to council tax reduction (by virtue of the general conditions of entitlement) shall be entitled to an extended reduction where;

- (a) the applicant or the applicant's partner was entitled to a qualifying income-related benefit;
- (b) entitlement to a qualifying income-related benefit ceased because the applicant or the applicant's partner—
  - (i) commenced employment as an employed or self-employed earner;
  - (ii) increased their earnings from such employment; or
  - (iii) increased the number of hours worked in such employment, and that employment is or, as the case may be, increased earnings or increased number of hours are expected to last five weeks or more; and
- (c) the applicant or the applicant's partner had been entitled to and in receipt of a qualifying income-related benefit, jobseeker's allowance or a combination of those benefits for a continuous period of at least 26 weeks before the day on which the entitlement to a qualifying income-related benefit ceased.

60.2 For the purpose of paragraph 60.1(c), an applicant or an applicant's partner is to be treated as having been entitled to and in receipt of a qualifying income-related benefit or jobseeker's allowance during any period of less than five weeks in respect of which the applicant or the applicant's partner was not entitled to any of those benefits because the applicant or the applicant's partner was engaged in remunerative work as a consequence of their participation in an employment zone programme.

60.3 For the purpose of this section, where an applicant or an applicant's partner is entitled to and in receipt of joint-claim jobseeker's allowance they shall be treated as being entitled to and in receipt of jobseeker's allowance.

60.4 An applicant must be treated as entitled to council tax reduction by virtue of the general conditions of entitlement where—

- (a) the applicant ceased to be entitled to council tax reduction because the applicant vacated the dwelling in which the applicant was resident;
- (b) the day on which the applicant vacated the dwelling was either in the week in which entitlement to a qualifying income-related benefit ceased, or in the preceding week; and
- (c) entitlement to the qualifying income-related benefit ceased in any of the circumstances listed in paragraph 60.1(b).

60.5 This section shall not apply where, on the day before an applicant's entitlement to income support ceased, regulation 6(5) of the Income Support Regulations (remunerative work: housing costs) applied to that applicant.

**60A.0 Duration of extended reduction period**

60A.1 Where an applicant is entitled to an extended reduction, the extended reduction period starts

on the first day of the reduction week immediately following the reduction week in which the applicant, or the applicant's partner, ceased to be entitled to a qualifying income-related benefit.

60A.2 For the purpose of paragraph (60A.1), an applicant or an applicant's partner ceases to be entitled to a qualifying income-related benefit on the day immediately following the last day of entitlement to that benefit.

60A.3 The extended reduction period ends;

- (a) at the end of a period of four weeks; or
- (b) on the date on which the applicant to whom the extended reduction is payable has no liability for council tax, if that occurs first.

#### **60B.0 Amount of extended reduction**

60B.1 For any week during the extended reduction period the amount of the extended reduction payable to an applicant shall be the higher of—

- (a) the amount of council tax reduction to which the applicant was entitled under the general conditions of entitlement in the last reduction week before the applicant or the applicant's partner ceased to be entitled to a qualifying income-related benefit;
- (b) the amount of council tax reduction to which the applicant would be entitled under the general conditions of entitlement for any reduction week during the extended reduction period, if section 60 (extended reductions) did not apply to the applicant; or
- (c) the amount of council tax reduction to which the applicant's partner would be entitled under the general conditions of entitlement, if section 60 did not apply to the applicant.

60B.2 Paragraph 60B1 does not apply in the case of a mover.

60B.3 Where an applicant is in receipt of an extended reduction under this section and the applicant's partner makes a claim for council tax reduction, no amount of council tax reduction shall be payable by the appropriate authority during the extended reduction period.

#### **60C Extended reductions – movers**

60C.1 This section applies;

- (a) to a mover; and
- (b) from the Monday following the day of the move.

60C.2 The amount of the extended reduction payable from the Monday from which this section applies until the end of the extended reduction period shall be the amount of council tax reduction which was payable to the mover for the last reduction week before the mover, or the mover's partner, ceased to be entitled to a qualifying income-related benefit.

60C.3 Where a mover's liability to pay council tax in respect of the new dwelling is to the second authority, the extended reduction may take the form of a payment from the appropriate authority to;

- (a) the second authority; or
- (b) the mover directly.

60C.4 Where—

- (a) a mover, or the mover's partner, makes a claim for council tax reduction to the second authority after the mover, or the mover's partner, ceased to be entitled to a qualifying income-related benefit; and
- (b) the mover, or the mover's partner, is in receipt of an extended reduction from the appropriate authority, the second authority shall reduce the weekly amount of council tax reduction that the mover, or the mover's partner, is entitled to by a sum equal to the amount of the extended reduction until the end of the extended reduction period.

**60D.0 Relationship between extended reduction and entitlement to council tax reduction under the general conditions of entitlement**

60D.1 Where an applicant's council tax reduction award would have ended when the applicant ceased to be entitled to a qualifying income-related benefit in the circumstances listed in paragraph 60.1(b), that award will not cease until the end of the extended reduction period.

60D.2 Changes of circumstances and increases for exceptional circumstances shall not apply to any extended reduction payable in accordance with paragraph 60B.1(a) or 60C.2 (amount of extended reduction – movers).

**61.0 Extended reductions (qualifying contributory benefits)**

61.1 An applicant who is entitled to council tax reduction (by virtue of the general conditions of entitlement) shall be entitled to an extended reduction (qualifying contributory benefits) where;

- (a) the applicant or the applicant's partner was entitled to a qualifying contributory benefit;
- (b) entitlement to a qualifying contributory benefit ceased because the applicant or the applicant's partner;
  - (i) commenced employment as an employed or self-employed earner;
  - (ii) increased their earnings from such employment; or
  - (iii) increased the number of hours worked in such employment, and that employment is or, as the case may be, increased earnings or increased number of hours are expected to last five weeks or more;
- (c) the applicant or the applicant's partner had been entitled to and in receipt of a qualifying contributory benefit or a combination of qualifying contributory benefits for a continuous period of at least 26 weeks before the day on which the entitlement to a qualifying contributory benefit ceased; and
- (d) the applicant or the applicant's partner was not entitled to and not in receipt of a qualifying income-related benefit in the last reduction week in which the applicant, or the applicant's partner, was entitled to a qualifying contributory benefit.

61.2 An applicant must be treated as entitled to council tax reduction by virtue of the general conditions of entitlement where;

- (a) the applicant ceased to be entitled to council tax reduction because the applicant vacated the dwelling in which the applicant was resident;
- (b) the day on which the applicant vacated the dwelling was either in the week in which entitlement to a qualifying contributory benefit ceased, or in the preceding week; and
- (c) entitlement to the qualifying contributory benefit ceased in any of the circumstances listed in paragraph 61.1(b).

**61A.0 Duration of extended reduction period (qualifying contributory benefits)**

61A.1 Where an applicant is entitled to an extended reduction (qualifying contributory benefits), the extended reduction period starts on the first day of the reduction week immediately following the reduction week in which the applicant, or the applicant's partner, ceased to be entitled to a qualifying contributory benefit.

61A.2 For the purpose of paragraph 61A.1, an applicant or an applicant's partner ceases to be entitled to a qualifying contributory benefit on the day immediately following the last day of entitlement to that benefit.

61A.3 The extended reduction period ends;

- (a) at the end of a period of four weeks; or
- (b) on the date on which the applicant to whom the extended reduction (qualifying contributory benefits) is payable has no liability for council tax, if that occurs first.



**61B.0 Amount of extended reduction (qualifying contributory benefits)**

61B.1 For any week during the extended reduction period the amount of the extended reduction (qualifying contributory benefits) payable to an applicant shall be the higher of;

- (a) the amount of council tax reduction to which the applicant was entitled under the general conditions of entitlement in the last reduction week before the applicant or the applicant's partner ceased to be entitled to a qualifying contributory benefit;
- (b) the amount of council tax reduction to which the applicant would be entitled under the general conditions of entitlement for any reduction week during the extended reduction period, if section 61 (extended reductions (qualifying contributory benefits)) did not apply to the applicant; or
- (c) the amount of council tax reduction to which the applicant's partner would be entitled under the general conditions of entitlement, if section 61 did not apply to the applicant.

61B .2 Paragraph 61B.1 does not apply in the case of a mover.

61B.3 Where an applicant is in receipt of an extended reduction (qualifying contributory benefits) under this section and the applicant's partner makes a claim for council tax reduction, no amount of council tax reduction shall be payable by the appropriate authority during the extended reduction period.

**61C.0 Extended reductions (qualifying contributory benefits) – movers**

61C.1 This section applies;

- (a) to a mover; and
- (b) from the Monday following the day of the move.

61C.2 The amount of the extended reduction (qualifying contributory benefit) payable from the Monday from which this section applies until the end of the extended reduction period shall be the amount of council tax reduction which was payable to the mover for the last reduction week before the mover, or the mover's partner, ceased to be entitled to a qualifying contributory benefit.

61C.3 Where a mover's liability to pay council tax in respect of the new dwelling is to the second authority, the extended reduction (qualifying contributory benefits) may take the form of a payment from the appropriate authority to—

- (a) the second authority; or
- (b) the mover directly.

61C.4 Where

- (a) a mover, or the mover's partner, makes a claim for council tax reduction to the second authority after the mover, or the mover's partner, ceased to be entitled to a qualifying contributory benefit; and
- (b) the mover, or the mover's partner, is in receipt of an extended reduction (qualifying contributory benefits) from the appropriate authority, the second authority shall reduce the weekly amount of council tax reduction that the mover, or the mover's partner, is entitled to by a sum equal to the amount of the extended reduction (qualifying contributory benefits) until the end of the extended reduction period.

**61D.0 Relationship between extended reduction (qualifying contributory benefits) and entitlement to council tax reduction under the general conditions of entitlement**

61D.1 Where an applicant's council tax reduction award would have ended when the applicant ceased to be entitled to a qualifying contributory benefit in the circumstances listed in paragraph 61.1 (b), that award will not cease until the end of the extended reduction period.

61D.2 Changes of circumstances and increases for exceptional circumstances shall not apply to any extended reduction (qualifying contributory benefits) payable in accordance with paragraph 61B.1(a) or 61C.2 (amount of extended reduction— movers).

**61E.0 Extended reductions: movers into the authority's area<sup>5</sup>**

61E.1 Where;

- a. an application is made to the authority for a reduction under its scheme, and
- b. the applicant or the partner of the applicant, is in receipt of an extended reduction from;
  - (i) another billing authority in England; or
  - (ii) a billing authority in Wales,

the current authority must reduce any reduction to which the applicant is entitled under its Council Tax Reduction scheme by the amount of that extended reduction.

**62.0 - 63.0 Not Used**

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<sup>5</sup> Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

**Sections 64 – 67**

**Dates on which entitlement and changes of circumstances are to take effect**

**64.0 Date on which entitlement is to begin**

64.1 Subject to paragraph 64.2, any person to whom or in respect of whom a claim for council tax reduction is made and who is otherwise entitled to that support shall be so entitled from the date on which that claim is made or is treated as made.

**65.0 - 66.0 Not Used**

**67.0 Date on which change of circumstances is to take effect**

67.1 Except in cases where section 24 (disregard of changes in tax, contributions, etc.) applies and subject to the following provisions of this paragraph, a change of circumstances which affects entitlement to, or the amount of, a reduction under the authority's scheme ("change of circumstances"), takes effect from the first day of the reduction week following the date on which the change actually occurs, and where that change is cessation of entitlement to any benefit under the benefit Acts, the date on which the change actually occurs shall be the day immediately following the last day of entitlement to that benefit.

67.2 Subject to paragraph (3), where the change of circumstances is a change in the amount of council tax payable, it takes effect from the day on which it actually occurs.

67.3 Where the change of circumstances is a change in the amount a person is liable to pay in respect of council tax in consequence of regulations under section 13 of the 1992 Act (reduced amounts of council tax) or changes in the discount to which a dwelling may be subject under sections 11 or 12 of that Act, it shall take effect from the day on which the change in amount has effect.

67.4 Where the change of circumstances is the applicant's acquisition of a partner, the change takes effect on the day on which the acquisition takes place.

67.5 Where the change of circumstances is the death of an applicant's partner or their separation, it takes effect on the day the death or separation occurs.

67.6 If two or more changes of circumstances occurring in the same reduction week would, but for this paragraph, take effect in different reduction weeks in accordance with paragraphs (1) to (5) they take effect from the day to which the appropriate paragraph from (2) to (5) above refers, or, where more than one day is concerned, from the earlier day.

67.7 Where the change of circumstances is that income, or an increase in the amount of income, other than a benefit or an increase in the amount of a benefit under the Act, is paid in respect of a past period and there was no entitlement to income of that amount during that period, the change of circumstances shall take effect from the first day on which such income, had it been paid in that period at intervals appropriate to that income, would have fallen to be taken into account for the purposes of this scheme.

67.8 Without prejudice to paragraph (7), where the change of circumstances is the payment of income, or arrears of income, in respect of a past period, the change of circumstances takes effect from the first day on which such income, had it been timeously paid in that period at intervals appropriate to that income, would have fallen to be taken into account for the purposes of this scheme.

**Sections 68– 74A**

**Claiming and the treatment of claims for Council tax reduction purposes**

**68.0 Making an application<sup>6</sup>**

- 68.1 In the case of a couple or members of a polygamous marriage an application is to be made by whichever one of them they agree should so apply or, in default of agreement, by such one of them as the authority determines.
- 68.2 Where a person who is liable to pay council tax in respect of a dwelling is unable for the time being to act, and;
- (a) a deputy has been appointed by the Court of Protection with power to claim, or as the case may be, receive benefit on his behalf; or
  - (b) in Scotland, his estate is being administered by a judicial factor or any guardian acting or appointed under the Adults with Incapacity (Scotland) Act 2000 who has power to apply or, as the case may be, receive benefit on his behalf; or
  - (c) an attorney with a general power or a power to apply or, as the case may be, receive benefit, has been appointed by that person under the Powers of Attorney Act 1971, the Enduring Powers of Attorney Act 1985 or the Mental Capacity Act 2005 or otherwise,
- that deputy, judicial factor, guardian or attorney, as the case may be, may make an application on behalf of that person.
- 68.3 Where a person who is liable to pay council tax in respect of a dwelling is unable for the time being to act and sub-paragraph (2) does not apply to him, the authority may, upon written application made to them by a person who, if a natural person, is over the age of 18, appoint that person to exercise on behalf of the person who is unable to act, any right to which that person might be entitled under the authority's scheme and to receive and deal on his behalf with any sums payable to him.
- 68.4 Where a person who is liable to pay council tax in respect of a dwelling is for the time being unable to act and the Secretary of State has appointed a person to act on his behalf under regulation 33 of the Social Security (Claims and Payments) Regulations 1987 (persons unable to act), the authority may if that person agrees, treat him as if he had been appointed by them under sub-paragraph (3).
- 68.5 Where the authority has made an appointment under sub-paragraph (3) or treated a person as an appointee under sub-paragraph (4);
- (a) it may at any time revoke the appointment;
  - (b) the person appointed may resign his office after having given 4 weeks notice in writing to the authority of his intention to do so;
  - (c) any such appointment terminates when the authority is notified of the appointment of a person mentioned in sub-paragraph (2).
- 68.6 Anything required by the authority's scheme to be done by or to any person who is for the time being unable to act may be done by or to the persons mentioned in sub-paragraph (2) above or by or to the person appointed or treated as appointed under this paragraph and the receipt of any such person so appointed shall be a good discharge to the authority for any sum paid.
- 68.7 The authority must;
- (a) inform any person making an application of the duty imposed by paragraph 9(1)(a) of the Council Tax Reduction Scheme (Prescribed Requirements) Regulations 2012;
  - (b) explain the possible consequences (including prosecution) of failing to comply with that duty; and
  - (c) set out the circumstances a change in which might affect entitlement to the reduction or its amount.

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<sup>6</sup> Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

**69.0 Procedure by which a person may apply for a reduction under the authority's scheme<sup>7</sup>**

69.1. Paragraphs 2 to 7 apply to an application made under the authority's scheme. Notwithstanding other paragraphs within this section, the authority will determine the method by which claims are to be made as well as where claims should be sent or delivered. For the purposes of this scheme any Universal Credit claim, a Local Authority Information Document (LAID) or Local Authority Customer Information document (LACI) issued by the Department for Work and Pensions shall be treated as a valid claim

69.2. An application may be made;

- (a) in writing,
- (b) by means of an electronic communication in accordance with sections 101 – 106A of this scheme, or by means of an electronic communication from either the DWP or HMRC; or
- (c) where the authority has published a telephone number for the purpose of receiving such applications, by telephone.

69.3 (1) An application which is made in writing must be made to the designated office on a properly completed form.  
(2) The form must be provided free of charge by the authority for the purpose.

69.4 (1) Where an application made in writing is defective because—  
(a) it was made on the form supplied for the purpose but that form is not accepted by the authority as being properly completed; or  
(b) it was made in writing but not on the form approved for the purpose and the authority does not accept the application as being in a written form which is sufficient in the circumstances of the case having regard to the sufficiency of the written information and evidence,  
the authority may, in a case to which sub-paragraph (a) applies, request the applicant to complete the defective application or, in the case to which sub-paragraph (b) applies, supply the applicant with the approved form or request further information and evidence.

(2) An application made on a form provided by the authority is properly completed if it is completed in accordance with the instructions on the form, including any instructions to provide information and evidence in connection with the application.

69.5. (1) If an application made by electronic communication is defective the authority must provide the person making the application with an opportunity to correct the defect.

(2) An application made by electronic communication is defective if the applicant does not provide all the information the authority requires.

69.6. In a particular case the authority may determine that an application made by telephone is only valid if the person making the application approves a written statement of his circumstances provided by the authority.

69.7 (1) If an application made by telephone is defective the authority must provide the person making the application with an opportunity to correct the defect.

(2) An application made by telephone is defective if the applicant does not provide all the information the authority requests during the telephone call.

69.8 Notwithstanding other paragraphs within this section, the authority will determine the method by which claims are to be made as well as where claims should be sent or delivered.

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<sup>7</sup> Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

- (1) Where an applicant ;
- (a) makes an application under this scheme which includes (or which he subsequently requests should include) a period before the application is made; and
- (b) from a day in that period, up to the date he made the application (or subsequently requested that the application should include a past period), the applicant had continuous good cause for failing to make an application (or request that the application should include that period),

the application is to be treated as made on the date determined in accordance with sub-paragraph (2).

- (2) That date is the latest of;
- a. the first day from which the applicant had continuous good cause;
- b. the day 6 months before the date the application was made;
- c. the day 6 months before the date when the applicant requested that the application should include a past period.

#### **69A.0 Date on which an application is made**

69A.1 Subject to sub-paragraph (7), the date on which an application is made is;

- (a) in a case where;
- (i) an award of income support, an income-based jobseeker's allowance or an income-related employment and support allowance or an award of universal credit has been made to the applicant or his partner, and
- (ii) the application is made within one calendar month of the date on which the claim for that income support, jobseeker's allowance, employment and support allowance or universal credit was received,

the first day of entitlement to income support, an income-based jobseeker's allowance, an income-related employment and support allowance or universal credit arising from that claim;

- (b) in a case where;
- (i) an applicant or his partner is a person on income support, an income-based jobseeker's allowance or an income-related employment and support allowance or has an award of universal credit,
- (ii) the applicant becomes liable for the first time to pay council tax in respect of the dwelling which he occupies as his home, and
- (iii) the application is received at the designated office within one calendar month of the date of the change,

the date on which the change takes place;

- (c) in a case where;
- (i) an applicant is the former partner of a person who was, at the date of his death or their separation, entitled to a reduction under the authority's scheme, and
- (ii) the applicant makes an application for a reduction under that scheme within one calendar month of the date of the death or the separation,
- the date of the death or separation;

(d) except where paragraph (a), (b) or (e) is satisfied, in a case where a properly completed application is received within one calendar month (or such longer period as the authority considers reasonable) of the date on which an application form was issued to an applicant following the applicant first notifying, by whatever means, the authority of an intention to make an application, the date of first notification;

(e) in any other case, the date on which an application is received at the designated office.

69A.2 For the purposes only of sub-paragraph (1)(a) a person who has been awarded an income-based jobseeker's allowance or an income-related employment and support allowance is to be treated as entitled to that allowance for any days which immediately



precede the first day in that award and on which he would, but for regulations made under;

(a) in the case of income-based jobseeker's allowance, paragraph 4 of Schedule 1 to the Jobseekers Act 1995 (waiting days); or

(b) in the case of income-related employment and support allowance, paragraph 2 of Schedule 2 to the Welfare Reform Act 2007 (waiting days),  
have been entitled to that allowance.

69A.3 Where there is a defect in an application by telephone;

(a) is corrected within one calendar month (or such longer period as the authority considers reasonable) of the date the authority last drew attention to it, the authority must treat the application as if it had been duly made in the first instance;

(b) is not corrected within one calendar month (or such longer period as the authority considers reasonable) of the date the authority last drew attention to it, the authority must treat the application as if it had been duly made in the first instance where it considers it has sufficient information to decide the application.

69A.4 The authority is to treat a defective application as if it had been validly made in the first instance if, in any particular case, the conditions specified in sub-paragraph (5)(a), (b) or (c) are satisfied.

69A.5 The conditions are that—

(a) where the authority receives the properly completed application or the information requested to complete it or the evidence within one calendar month of the request, or such longer period as the authority may consider reasonable; or

(b) where an application is not on approved form or further information requested by authority applies;

(i) the approved form sent to the applicant is received at the offices of the authority properly completed within one calendar month of it having been sent to him; or, as the case may be;

(ii) the applicant supplies whatever information or evidence was requested within one calendar month of the request; or,

in either case, within such longer period as the authority may consider reasonable; or

(c) where the authority has requested further information, the authority receives at its offices the properly completed application or the information requested to complete it within one calendar month of the request or within such longer period as the authority considers reasonable.

69A.6 Except in the case of an application made by a person treated as not being in Great Britain, where a person has not become liable for council tax to the authority but it is anticipated that he will become so liable within the period of 8 weeks (the relevant period), he may apply for a reduction under that authority's scheme at any time in that period in respect of that tax and, provided that liability arises within the relevant period, the authority must treat the application as having been made on the day on which the liability for the tax arises.

69A.7 Except in the case of an application made by a person treated as not being in Great Britain, where the applicant is not entitled to a reduction under the authority's scheme in the reduction week immediately following the date of his application but the authority is of the opinion that unless there is a change of circumstances he will be entitled to a reduction under its scheme for a period beginning not later than;

(a) in the case of an application made by;

(i) a pensioner, or

(ii) a person who has attained, or whose partner has attained, the age which is 17 weeks younger than the qualifying age for state pension credit,  
the seventeenth reduction week following the date on which the application is made, or

(b) in the case of an application made by a person who is not a pensioner, the thirteenth reduction week following the date on which the application is made,  
the authority may treat the application as made on a date in the reduction week

immediately preceding the first reduction week of that period of entitlement and award a reduction accordingly.

**70.0 Submission of evidence electronically**

70.1 The authority may accept such evidence, documents and certificates to support the claim electronically where it feels that this would be acceptable given the nature of the claim

**71.0 Use of telephone provided evidence**

71.1 The authority may accept such evidence to support the claim by telephone where it feels that this would be acceptable given the nature of the claim

**72.0 Information and evidence<sup>8</sup>**

72.1 Subject to sub-paragraph (3), a person who makes an application for a reduction under an authority's scheme must satisfy sub-paragraph (2) in relation both to himself and to any other person in respect of whom he is making the application.

72.2 This sub-paragraph is satisfied in relation to a person if—

- (a) the application is accompanied by;
  - (i) a statement of the person's national insurance number and information or evidence establishing that that number has been allocated to the person; or
  - (ii) information or evidence enabling the authority to ascertain the national insurance number that has been allocated to the person; or
- (b) the person has made an application for a national insurance number to be allocated to him and the application for the reduction is accompanied by;
  - (i) evidence of the application for a national insurance number to be so allocated; and
  - (ii) the information or evidence enabling it to be so allocated.

72.3 Sub-paragraph (2) does not apply;

- (a) in the case of a child or young person in respect of whom an application for a reduction is made;
- (b) to a person who;
  - (i) is a person treated as not being in Great Britain for the purposes of this scheme;
  - (ii) is subject to immigration control within the meaning of section 115(9)(a) of the Immigration and Asylum Act 1999; and
  - (iii) has not previously been allocated a national insurance number.

72.4 Subject to sub-paragraph (5), a person who makes an application, or a person to whom a reduction under the authority's scheme has been awarded, must furnish such certificates, documents, information and evidence in connection with the application or the award, or any question arising out of the application or the award, as may reasonably be required by that authority in order to determine that person's entitlement to, or continuing entitlement to a reduction under its scheme and must do so within one calendar month of the authority requiring him to do so or such longer period as the authority may consider reasonable.

72.5 Nothing in this paragraph requires a person who is a pensioner to furnish any certificates, documents, information or evidence relating to a payment to which sub-paragraph (7) applies.

72.6 Where the authority makes a request under sub-paragraph (4), it must;

- (a) inform the applicant or the person to whom a reduction under its scheme has been awarded of his duty under paragraph 9 of Schedule 8 the Council Tax Reduction Scheme

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<sup>8</sup> Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

(Prescribed Requirements) Regulations 2012 (duty to notify change of circumstances) to notify the authority of any change of circumstances; and

(b) without prejudice to the extent of the duty owed under paragraph 9, indicate to him either orally or by notice or by reference to some other document available to him on application and without charge, the kind of change of circumstances which must be notified.

- 72.7 This sub-paragraph applies to any of the following payments;
- (a) a payment which is made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation, the London Emergencies Trust, the We Love Manchester Emergency Fund, or the London Bombings Relief Charitable Fund;
  - (b) a payment which is disregarded under paragraph 24 of Schedule 5, other than a payment under the Independent Living Fund (2006);
  - (c) a payment which is disregarded under paragraph 58.9.

- 72.8 Where an applicant or a person to whom a reduction under the authority's scheme has been awarded or any partner has attained the qualifying age for state pension credit and is a member of, or a person deriving entitlement to a pension under, a personal pension scheme, he must where the authority so requires furnish the following information;

(a) the name and address of the pension fund holder;

(b) such other information including any reference or policy number as is needed to enable the personal pension scheme to be identified.

### **73.0 Amendment and withdrawal of application<sup>9</sup>**

- 73.1 A person who has made an application may amend it at any time before a decision has been made on it by a notice in writing delivered or sent to the designated office.

- 73.2 Where the application was made by telephone the amendment may also be made by telephone.

- 73.3 Any application amended is to be treated as if it had been amended in the first instance.

- 73.4 A person who has made an application may withdraw it by notice to the designated office at any time before a decision has been made on it.

- 73.5 Where the application was made by telephone, the withdrawal may also be made by telephone.

- 73.6 Any notice of withdrawal given in accordance with sub-paragraph (4) or (5) has effect when it is received.

- 73.7 Where a person, by telephone, amends or withdraws an application the person must (if required to do so by the authority) confirm the amendment or withdrawal by a notice in writing delivered or sent to the designated office.

### **74.0 Duty to notify changes of circumstances<sup>10</sup>**

- 74.1 Subject to sub-paragraphs (3), (6) and (7), an applicant (or any person acting on his behalf) must comply with sub-paragraph (2) if there is a relevant change of circumstances at any time;

(a) between the making of an application and a decision being made on it, or

(b) after the decision is made (where the decision is that the applicant is entitled to a reduction under the authority's scheme) including at any time while the applicant is in receipt of such a reduction.

<sup>9</sup> Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

<sup>10</sup> Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

- 74.2 The applicant (or any person acting on his behalf) must notify any change of circumstances which the applicant (or that person) might reasonably be expected to know might affect his entitlement to, or the amount of, a reduction under the authority's scheme (a "relevant change of circumstances") by giving notice to the authority;
- (a) in writing; or
  - (b) by telephone—
    - (i) where the authority has published a telephone number for that purpose unless the authority determines that in any particular case or class of case notification may not be given by telephone; or
    - (ii) in any case or class of case where the authority determines that notice may be given by telephone; or
  - (c) by any other means which the authority agrees to accept in any particular case, within a period of 21 days beginning with the day on which the change occurs, or as soon as reasonably practicable after the change occurs, whichever is later.
- 74.3 The duty imposed on a person by sub-paragraph (1) does not extend to notifying
- (a) changes in the amount of council tax payable to the authority;
  - (b) changes in the age of the applicant or that of any member of his family;
  - (c) in the case of an applicant in receipt of a relevant benefit, changes in circumstances which affect the amount of the benefit but not the amount of the reduction under the authority's scheme to which he is entitled, other than the cessation of that entitlement to the benefit.
- 74.4 For the purposes of sub-paragraph (3)(c) "relevant benefit" means income support, an income-based jobseeker's allowance or an income-related employment and support allowance or universal credit.
- 74.5 Notwithstanding sub-paragraph (3)(b) or (c) an applicant is required by sub-paragraph (1) to notify the authority of any change in the composition of his family arising from the fact that a person who was a member of his family is now no longer such a person because he has ceased to be a child or young person.

**Sections 75- 90**

**Decisions, decision notices and awards of Council tax reduction**

**75.0 Decisions by the authority<sup>11</sup>**

75.1 An authority must make a decision on an application under its scheme within 14 days of paragraphs 4 and 7 and Part 1 of Schedule 7 of the Council Tax Reduction Scheme (Prescribed Requirements) Regulations 2012 being satisfied, or as soon as reasonably practicable thereafter.

**76.0 Notification of decision<sup>12</sup>**

76.1 The authority must notify in writing any person affected by a decision made by it under its scheme;

(a) in the case of a decision on an application, forthwith or as soon as reasonably practicable thereafter;

(b) in any other case, within 14 days of that decision or as soon as reasonably practicable thereafter.

76.2 Where the decision is to award a reduction, the notification under sub-paragraph (1) must include a statement;

(a) informing the person affected of the duty imposed by paragraph 9 of Schedule 8 the Council Tax Reduction Scheme (Prescribed Requirements) Regulations 2012 (duty to notify change of circumstances) to notify the authority of any change of circumstances;

(b) explaining the possible consequences (including prosecution) of failing to comply with that duty; and

(c) setting out the circumstances a change in which might affect entitlement to the reduction or its amount.

76.3 Where the decision is to award a reduction, the notification under sub-paragraph (1) must include a statement as to how that entitlement is to be discharged.

76.4 In any case, the notification under sub-paragraph (1) must inform the person affected of the procedure by which an appeal may be made and must refer the person to the provisions in the authority's scheme relating to the procedure for making an appeal.

76.5 A person affected to whom the authority sends or delivers a notification of decision may, within one calendar month of the date of the notification of that decision request in writing the authority to provide a written statement setting out the reasons for its decision on any matter set out in the notice.

76.6 The written statement referred to in sub-paragraph (5) must be sent to the person requesting it within 14 days or as soon as reasonably practicable thereafter.

76.7 For the purposes of this paragraph a person is to be treated as a person affected by a decision of the authority under its scheme where the rights, duties or obligations of that person are affected by that decision and the person falls within sub-paragraph (8).

76.8 This sub-paragraph applies to—

(a) the applicant;

(b) in the case of a person who is liable to pay council tax in respect of a dwelling and is unable for the time being to act;

(i) a deputy appointed by the Court of Protection with power to claim, or as the case may be, receive benefit on his behalf; or

(ii) in Scotland, a judicial factor or any guardian acting or appointed under the Adults with Incapacity (Scotland) Act 2000(3) who has power to apply or, as the case may be, receive benefit on the person's behalf; or

<sup>11</sup> Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

<sup>12</sup> Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

(iii) an attorney with a general power or a power to apply or, as the case may be, receive benefit, has been appointed by that person under the Powers of Attorney Act 1971, the Enduring Powers of Attorney Act 1985 or the Mental Capacity Act 2005 or otherwise,

(c) a person appointed by the authority to act for a person unable to act.

#### **77.0 Time and manner of granting council tax reduction<sup>13</sup>**

77.1 Where a person is entitled to a reduction under this authority's scheme in respect of his liability for the authority's council tax as it has effect in respect of a chargeable financial year ("the chargeable year"), the authority must discharge his entitlement;

- (a) by reducing, so far as possible, the amount of his liability to which regulation 20(2) of the Council Tax (Administration and Enforcement) Regulations 1992 refers; or
- (b) where;
  - (i) such a reduction is not possible; or
  - (ii) such a reduction would be insufficient to discharge the entitlement to a reduction under the authority's scheme; or
  - (iii) the person entitled to the reduction is jointly and severally liable for the council tax and the authority determines that such a reduction would be inappropriate, by making payment to him of the amount of reduction to which he is entitled, rounded where necessary to the nearest penny.

77.2 The authority must notify the person entitled to a reduction under this scheme of the amount of that reduction and how his entitlement is to be discharged in pursuance of paragraph (1).

77.3 In a case to which paragraph (1)(b) refers;

- (a) if the amount of the council tax for which he remains liable in respect of the chargeable year, after any reduction to which sub-paragraph (1)(a) refers has been made, is insufficient to enable his entitlement to a reduction under the authority's scheme in respect thereof to be discharged, upon the final instalment of that tax becoming due any outstanding reduction;
  - (i) must be paid to that person if he so requires; or
  - (ii) in any other case must (as the authority determines) either be repaid or credited against any subsequent liability of the person to make a payment in respect of the authority's council tax as it has effect for any subsequent year;
- (b) if that person has ceased to be liable for the authority's council tax and has discharged the liability for that tax, the outstanding balance (if any) of the reduction under the authority's scheme in respect thereof must be paid within 14 days or, if that is not reasonably practicable, as soon as practicable thereafter
- (c) in any other case, the reduction under the authority's scheme must be paid within 14 days of the receipt of the application at the offices of the authority or, if that is not reasonably practicable, as soon as practicable thereafter.

77.4 For the purposes of this paragraph "instalment" means any instalment of the authority's council tax to which regulation 19 of the Council Tax (Administration and Enforcement) Regulations 1992 refers (council tax payments).

#### **78.0 Persons to whom support is to be paid<sup>14</sup>**

78.1 Subject to section 80 (payment on death) and paragraph (2), any payment of the amount

<sup>13</sup> Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

<sup>14</sup> Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

of a reduction must be made to that person.

78.2 Where a person other than a person who is entitled to a reduction under this authority's scheme made the application for the reduction and that first person is a person acting pursuant to an appointment or is treated as having been so appointed, the amount of the reduction may be paid to that person.

**79.0 Shortfall in support / reduction<sup>15</sup>**

79.1 Where, on the revision of a decision allowing a reduction under the authority's scheme to a person, it is determined that the amount allowed was less than the amount to which that person was entitled, the authority must either;

- (a) make good any shortfall in reduction which is due to that person, by reducing so far as possible the next and any subsequent payments he is liable to make in respect of the council tax of the authority as it has effect for the chargeable financial year until that shortfall is made good; or
- (b) where this is not possible or the person concerned so requests, pay the amount of any shortfall in reduction due to that person within 14 days of the revision of the decision being made or if that is not reasonably practicable, as soon as possible afterwards.

**80.0 Payment on the death of the person entitled<sup>16</sup>**

80.1 Where the person entitled to any reduction under this scheme has died and it is not possible to award the reduction which is due in the form of a reduction of the council tax for which he was liable, the authority must make payment of the amount of the reduction to his executor or administrator in accordance with regulation 58(4) of the Council Tax (Administration and Enforcement) Regulations 1992.

**81.0 Offsetting**

81.1 Where a person has been allowed or paid a sum of council tax reduction under a decision which is subsequently revised or further revised, any sum allowed or paid in respect of a period covered by the subsequent decision shall be offset against arrears of entitlement under the subsequent decision except to the extent that the sum exceeds the arrears and shall be treated as properly awarded or paid on account of them.

**82.0 Payment where there is joint and several liability<sup>17</sup>**

82.1 Where;

- (a) a person is entitled to a reduction under the authority's scheme in respect of his liability for the authority's council tax as it has effect in respect of a chargeable financial year;
- (b) the person entitled to the reduction is jointly and severally liable for the council tax; and
- (c) the authority determines that discharging his entitlement by reducing the amount of his liability to which regulation 20(2) of the Council Tax (Administration and Enforcement) Regulations 1992(7) refers would be inappropriate, it may make a payment to him of the amount of the reduction to which he is entitled, rounded where necessary to the nearest penny.

82.2 Subject to sub-paragraph (3) any payment made under sub-paragraph (1) must be made to the person who is entitled to the reduction.

<sup>15</sup> Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

<sup>16</sup> Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

<sup>17</sup> Inserted by Schedule 8 of the Council Tax Reductions Scheme (Prescribed Requirements) (England) Regulations 2012



82.3 Where a person other than a person who is entitled to a reduction under the authority's scheme made the application and that first person is a person acting pursuant to an appointment or is treated as having been so appointed, the amount of the reduction may be paid to that person.

**83.0 - 90.0 Not used**

**Sections 91 – 94**

**Collection, holding and forwarding of information for Council tax reduction purposes**

**91.0 Use of information from and to the Department of Work and Pensions (DWP) and Her Majesty's Revenues and Customs (HMRC)**

91.1 The authority will use information provided by the DWP and HMRC for the purposes of Council Tax Reduction, council tax liability, billing, administration and enforcement as outlined within Schedule 2 of the Local Government Finance Act 1992 as amended by the Local Government Finance Act 2012 and the Social Security (Information-sharing in relation to Welfare Services etc.) (Amendment) Regulations 2013

91.2 Where required by the relevant department and where required by law, the authority will share information obtained for Council Tax Reduction with the DWP or HMRC as appropriate and in accordance with Data Protections requirements<sup>18</sup>.

**92.0 Collection of information**

92.1 The authority may receive and obtain information and evidence relating to claims for council tax reduction, the council may receive or obtain the information or evidence from–

- (a) persons making claims for council tax reduction;
- (b) other persons in connection with such claims;
- (c) other local authorities; or
- (d) central government departments including the DWP and HMRC

92.2 The authority may verify relevant information supplied to, or obtained.

**93.0 Recording and holding information**

93.1 The authority may

- (a) may make a record of such information; and
- (b) may hold that information, whether as supplied or obtained or recorded, for the purpose of forwarding it to the person or authority for the time being administering council tax reduction.

**94.0 Forwarding of information**

94.1 The authority may forward it to the person or authority for the time being administering claims to or awards of council tax reduction to which the relevant information relates, being

- (i) a local authority;
- (ii) a person providing services to a local authority; or
- (iii) a person authorised to exercise any function of a local authority relating to council tax reduction.

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<sup>18</sup> Data Retention and Investigatory Powers Act 2014, Data Retention Regulations 2014 and The Regulation of Investigatory Powers (Acquisition and Disclosure of Communications Data: Code of Practice) Order 2015

**Sections 95 – 98**

**Revisions, Written Statements, Termination of Council tax reduction**

## **95.0 Persons affected by Decisions**

- 95.1 A person is to be treated as a person affected by a relevant decision of the authority where that person is;
- a. an applicant;
  - b. in the case of a person who is liable to make payments in respect of a dwelling and is unable for the time being to act
    - (i) a Deputy appointed by the Court of Protection with power to claim, or as the case may be, receive benefit or support on his behalf,
    - (ii) in Scotland, a tutor, curator, judicial factor or other guardian acting or appointed in terms of law administering that person's estate, or
    - (iii) an attorney with a general power or a power to receive benefit or support appointed by the person liable to make those payments under the Powers of Attorney Act 1971, the Enduring Powers of Attorney Act 1985 or the Mental Capacity Act 2005 or otherwise;
  - c. a person appointed by the authority under this scheme;

## **96.0 Revisions of Decisions**

- 96.1 Subject to the provisions in this scheme, a relevant decision ('the original decision') may be revised or further revised by the authority, which made the decision where the person affected makes an application for a revision within;
- (i) one calendar month of the date of notification of the original decision; or
  - (ii) such extended time as the authority may allow.
- 96.2 The authority may revise or further revise that original decision at any time. Where further information is required from the person affected, the authority shall request such information and evidence as it feels is reasonable. Such information must be supplied within;
- i) one calendar month of the date of notification of the additional information; or
  - (ii) such extended time as the authority may allow

## **97.0 Written Statements**

- 97.1 Subject to the provisions in the scheme, the authority may upon a written request issue a written statement to a person affected to further explain the decision of the authority in relation to Council tax reduction. The request must be received within one calendar month of the date of the notification being issued by the authority.

## **98.0 Terminations**

- 98.1 The authority may terminate support in whole or in part the Council tax reduction where it appears to the authority that an issue arises whether;
- a. the conditions for entitlement to Council tax reduction are or were fulfilled; or
  - b. a decision as to an award of such a support should be revised or superseded.
- 98.2 The authority may terminate, in whole or in part the Council tax reduction where it appears to the authority that an issue arises whether;
- a. the conditions for entitlement to Council tax reduction are or were fulfilled; or
  - b. a decision as to an award of such a support should be revised or superseded.
- Where the person fails to provide information to the authority as requested in relation to any matter relating to their liability for Council Tax

**Section 99**

**Appeals against the authority's decisions**

**99.0 Procedure by which a person may make an appeal against certain decisions of the authority<sup>19</sup>**

99.1 A person who is aggrieved by a decision of the authority, which affects;  
(a) the person's entitlement to a reduction under its scheme, or  
(b) the amount of any reduction to which that person is entitled,  
may serve a written notice on the authority stating the matter by which, and the grounds on which, he is aggrieved.

99.2 The authority must  
(a) consider the matter to which the notice relates;  
(b) notify the aggrieved person in writing;  
(i) that the grievance is not well founded, giving reasons for that belief; or  
(ii) that steps have been taken to deal with the grievance, stating the steps taken.

99.3 Where, following notification under sub-paragraph (2)(b)(i) or (ii), the person is still aggrieved, or if the authority fails to notify the person aggrieved in accordance with sub-paragraph (2)(b) within two months of the service of his notice, he may appeal to the valuation tribunal under section 16 of the 1992 Act<sup>20</sup>.

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<sup>19</sup> Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

<sup>20</sup> As amended by the Tribunal Procedure (Amendment No 3 ) Rules 2014, The First-tier Tribunal and Upper Tribunal (Chambers) (Amendment) Order 2015 and The Tribunal Procedure (Amendment) Rules 2015

**Section 100**

**Procedure for applying for a discretionary reduction**



**100.0 Procedure for an application to the authority for a reduction under section 13A(1)(c) of the 1992 Act<sup>21</sup>**

100.1 An application to the authority for a reduction under section 13A(1)(c) of the 1992 Act may be made;

- (a) in writing,
- (b) by means of an electronic communication in accordance this scheme or
- (c) where the authority has published a telephone number for the purpose of receiving such applications, by telephone.

100.2 Where;

- (a) the authority has made a determination under section 13A(1)(c) in relation to a class of case in which liability is to be reduced; and
- (b) a person in that class would otherwise be entitled to a reduction under its scheme, that person's application for a reduction under the authority's scheme may also be treated as an application for a reduction under section 13A(1)(c).

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<sup>21</sup> Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

**Section 101 – 106A<sup>22</sup>**  
**Electronic Communication**

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<sup>22</sup> Inserted by Council Tax Reductions Schemes (Prescribed Requirements) (England) Regulations 2012

**101.0 Interpretation**

101.1 In this Part;  
“**information**” includes an application, a certificate, notice or other evidence; and  
“**official computer system**” means a computer system maintained by or on behalf of an authority for sending, receiving, processing or storing of any information.

**102.0 Conditions for the use of electronic communication**

102.1 The authority may use an electronic communication in connection with applications for, and awards of, reductions under its scheme including any or all information received via DWP or HMRC.

102.2 A person other than the authority may use an electronic communication in connection with the matters referred to in paragraph (1) if the conditions specified in paragraphs (3) to (6) are satisfied.

102.3 The first condition is that the person is for the time being permitted to use an electronic communication by an authorisation given by means of a direction of the Chief Executive of the authority.

102.4 The second condition is that the person uses an approved method of;

- (a) authenticating the identity of the sender of the communication;
- (b) electronic communication;
- (c) authenticating any application or notice delivered by means of an electronic communication; and
- (d) subject to sub-paragraph (7), submitting to the authority any information.

102.5 The third condition is that any information sent by means of an electronic communication is in a form approved for the purposes.

102.6 The fourth condition is that the person maintains such records in written or electronic form as may be specified in a direction given by the Chief Executive of the authority.

102.7 Where the person uses any method other than the method approved of submitting any information, that information is to be treated as not having been submitted.

102.8 In this paragraph “approved” means approved by means of a direction given by the Chief Executive of the authority for the purposes of this section.

**103.0 Use of intermediaries**

103.1 The authority may use intermediaries in connection with;

- (a) the delivery of any information by means of an electronic communication; and
- (b) the authentication or security of anything transmitted by such means,

and may require other persons to use intermediaries in connection with those matters.

**104.0 Effect of delivering information by means of electronic communication**

104.1 Any information which is delivered by means of an electronic communication is to be treated as having been delivered in the manner or form required by any provision of an authority’s scheme on the day the conditions imposed;

- (a) by this section; and
- (b) by or under an enactment,

are satisfied.

104.2 The authority may determine that any information is to be treated as delivered on a

different day (whether earlier or later) from the day provided for in sub-paragraph (1).

104.3 Information may not be taken to have been delivered to an official computer system by means of an electronic communication unless it is accepted by the system to which it is delivered.

**105.0 Proof of identity of sender or recipient of information**

105.1 If it is necessary to prove, for the purpose of any legal proceedings, the identity of—  
(a) the sender of any information delivered by means of an electronic communication to an official computer system; or  
(b) the recipient of any such information delivered by means of an electronic communication from an official computer system,  
the sender or recipient, as the case may be, is to be presumed to be the person whose name is recorded as such on that official computer system.

**106.0 Proof of delivery of information**

106.1 If it is necessary to prove, for the purpose of any legal proceedings, that the use of an electronic communication has resulted in the delivery of any information this is presumed to have been the case where;

(a) any such information has been delivered to the relevant authority, if the delivery of that information has been recorded on an official computer system; or

(b) any such information has been delivered by the relevant authority, if the delivery of that information has been recorded on an official computer system.

106.2 If it is necessary to prove, for the purpose of any legal proceedings, that the use of an electronic communication has resulted in the delivery of any such information, this is presumed not to be the case, if that information delivered to the relevant authority has not been recorded on an official computer system.

106.3 If it is necessary to prove, for the purpose of any legal proceedings, when any such information sent by means of an electronic communication has been received, the time and date of receipt is presumed to be that recorded on an official computer system.

**106A.0 Proof of content of information**

106A.1 If it is necessary to prove, for the purpose of any legal proceedings, the content of any information sent by means of an electronic communication, the content is presumed to be that recorded on an official computer system.

**Section 107**  
**Counter Fraud and Compliance**

## **107.0 Counter Fraud and compliance**

107.1 In order to protect the finances of the authority and also in the interests of all council taxpayers, the authority will undertake such actions as allowed by law to;

- a. Prevent and detect fraudulent claims and actions in respect of Council tax reduction;
- b. Carry out investigations fairly, professionally and in accordance with the law; and
- c. Ensure that sanctions are applied in appropriate cases

107.2 The authority believes that it is important to minimise the opportunity for fraud and;

- a. will implement rigorous procedures for the verification of claims for council tax reduction;
- b. will employ sufficient Officers to fulfil the authority's commitment to combat fraud;
- c. will actively tackle fraud where it occurs in accordance with this scheme;
- d. will co-operate with the Department for Work and Pensions (DWP), Her Majesty's Revenues and Customs and take part in joint working including prosecutions; and
- e. will in all cases seek to recover all outstanding council tax.

107.3 The authority shall put into place such administrative policies, procedures and processes as are necessary to ensure that the actions outlined within paragraph 107.1 and 107.2 can be carried out successfully. In particular the authority shall undertake actions provided by the Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013.

**Schedule 1**

**Calculation of the amount of Council Tax Reduction in accordance with the  
Discount Scheme**

1 The authority's Council Tax Reduction scheme from 2024/25 shall be calculated on the basis of the following Banded Discount Scheme:

Single person		Single person with one child		Single person with two or more children		Couple		Couple with one child		Couple with two or more children	
Income from	Discount	Income from	Discount	Income from	Discount	Income from	Discount	Income from	Discount	Income from	Discount
£0	100%	£0	100%	£0	100%	£0	100%	£0	100%	£0	100%
£85.10	90%	£181.41	90%	£259.19	90%	£133.58	90%	£229.89	90%	£307.67	90%
£115.10	75%	£211.41	75%	£289.19	75%	£163.58	75%	£259.89	75%	£337.67	75%
£145.10	50%	£241.41	50%	£319.19	50%	£193.58	50%	£289.89	50%	£367.67	50%
£175.10	25%	£271.41	25%	£349.19	25%	£223.58	25%	£319.89	25%	£397.67	25%
£205.10	0	£301.41	0	£379.19	0	£253.58	0	£349.89	0	£427.67	0

The income amounts specified above will be increased in line with any increase in welfare benefits announced by the Department for Work and Pensions.

2 The amount of discount to be granted is to be based on the following factors:

- a. The maximum Council Tax Reduction as defined within this scheme;
- b. The Council Tax family as defined within this scheme
- c. The income of the applicant as defined within this scheme;
- d. The capital of the applicant as defined within this scheme.

3 For the sake of clarity all incomes shown within the table above are weekly in accordance with the scheme requirements and definitions.

5 Discount bands vary depending on both weekly income and the household (family as defined within this scheme). For the sake of clarity, it should be noted that in any application for reduction is limited to a maximum of two dependant children or young persons.

6 Any applicant who capital is greater than £3,000 shall not be entitled to any Council Tax Reductions whatsoever.

7. The authority **may** increase the level of incomes within the grid specified in paragraph 1 on an annual basis by the appropriate level of inflation measured by the Consumer Price Index (CPI) at 1<sup>st</sup> October preceding the effective financial year **or** by a percentage representing the increase in personal allowance within the applicable amounts for Housing Benefit for the relevant financial year, **whichever is the lowest**.

8. Where an applicant or partner is in receipt of a relevant benefit namely Income Support, Income Related Employment and Support Allowance or Income Based Jobseeker's Allowance, discount will be award at 100%



**Schedule 2**

**Not Used**

**Schedule 3**

**Sums to be disregarded in the calculation of earnings**

1. There shall be disregarded from an applicant's net earnings, £25 per week (the standard earnings disregard). This shall apply irrespective of the claimant's household and only one disregard shall be applied per claim

**Schedule 4**

**Sums to be disregarded in the calculation of income other than earnings<sup>23</sup>**

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<sup>23</sup> Any amounts shown in this schedule will be updated in line with the Housing Benefit Regulations 2006 as amended

1. Any amount paid by way of tax on income, which is to be taken into account under section 30 (calculation of income other than earnings).
- A2. Any payment made to the applicant and in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Mandatory Work Activity Scheme.
- A3. Any payment made to the applicant in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Employment, Skills and Enterprise Scheme or Back to Work Scheme, but only for 52 weeks beginning with the date of receipt of the payment.
2. Any payment in respect of any expenses incurred or to be incurred by an applicant who is–
  - (a) engaged by a charitable or voluntary organisation, or
  - (b) volunteer,
 if he otherwise derives no remuneration or profit from the employment and is not to be treated as possessing any earnings under section 32.0 (notional income).
- 2A. Any payment in respect of expenses arising out of the applicant’s participation in a service user group or where the applicant is participating as a service user.
3. In the case of employment as an employed earner, any payment in respect of expenses wholly, exclusively and necessarily incurred in the performance of the duties of the employment.
4. Where an applicant is on income support, an income-based jobseeker’s allowance or an income-related employment and support allowance the whole of his income.
5. Where the applicant is a member of a joint-claim couple for the purposes of the Jobseekers Act and his partner is on an income-based jobseeker’s allowance, the whole of the applicant’s income.
6. Where the applicant, or the person who was the partner of the applicant on 31st March 2003, was entitled on that date to income support or an income-based jobseeker’s allowance but ceased to be so entitled on or before 5th April 2003 by virtue only of regulation 13 of the Housing Benefit (General) Amendment (No. 3) Regulations 1999 as in force at that date, the whole of his income.
7. Any disability living allowance or personal independence payment or AFIP
8. Any concessionary payment made to compensate for the non-payment of;
  - (a) any payment specified in paragraph 7 or 10;
  - (b) income support;
  - (c) an income-based jobseeker’s allowance.
  - (d) an income-related employment and support allowance.
9. Any mobility supplement under article 20 of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006 (including such a supplement by virtue of any other scheme or order) or under article 25A of the Personal Injuries (Civilians) Scheme 1983 or any payment intended to compensate for the non-payment of such a supplement.
10. Any attendance allowance.
11. Any payment to the applicant as holder of the Victoria Cross or of the George Cross or any analogous payment.
12. (1) Any payment–
  - (a) by way of an education maintenance allowance made pursuant to;
    - (i) regulations made under section 518 of the Education Act 1996 (payment of

- school expenses; grant of scholarships etc);
- (ii) regulations made under section 49 or 73(f) of the Education (Scotland) Act 1980 (power to assist persons to take advantage of educational facilities);
- (iii) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992
- (b) corresponding to such an education maintenance allowance, made pursuant to;
- (i) section 14 or section 181 of the Education Act 2002 (power of Secretary of State and National Assembly for Wales to give financial assistance for purposes related to education or childcare, and allowances in respect of education or training); or
- (ii) regulations made under section 181 of that Act; or
- (iii) in England, by way of financial assistance made pursuant to section 14 of the Education Act 2002.
- (2) Any payment, other than a payment to which sub-paragraph (1) applies, made pursuant to;
- (a) regulations made under section 518 of the Education Act 1996;
- (b) regulations made under section 49 of the Education (Scotland) Act 1980; or
- (c) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992, in respect of a course of study attended by a child or a young person or a person who is in receipt of an education maintenance allowance or other payment made pursuant to any provision specified in sub-paragraph (1).
- 13.** Any payment made to the applicant by way of a repayment under regulation 11(2) of the Education (Teacher Student Loans) (Repayment etc.) Regulations 2002.
- 14**
- (1) Any payment made pursuant to section 2 of the 1973 Act or section 2 of the Enterprise and New Towns (Scotland) Act 1990 except a payment;
- (a) made as a substitute for income support, a jobseeker's allowance, incapacity benefit, severe disablement allowance or an employment and support allowance;
- (b) of an allowance referred to in section 2(3) of the 1973 Act or section 2(5) of the Enterprise and New Towns (Scotland) Act 1990; or
- (c) intended to meet the cost of living expenses which relate to any one or more of the items specified in sub-paragraph (2) whilst an applicant is participating in an education, training or other scheme to help him enhance his employment prospects unless the payment is a Career Development Loan paid pursuant to section 2 of the 1973 Act and the period of education or training or the scheme, which is supported by that loan, has been completed.
- (2) The items specified in this sub-paragraph for the purposes of sub-paragraph (1)(c) are food, ordinary clothing or footwear, household fuel or rent of the applicant or, where the applicant is a member of a family, any other member of his family, or any council tax or water charges for which that applicant or member is liable.
- 15**
- (1) Subject to sub-paragraph (2), any of the following payments;
- (a) a charitable payment;
- (b) a voluntary payment;
- (c) a payment (not falling within sub-paragraph (a) or (b) above) from a trust whose funds are derived from a payment made in consequence of any personal injury to the applicant;
- (d) a payment under an annuity purchased;
- (i) pursuant to any agreement or court order to make payments to the applicant; or
- (ii) from funds derived from a payment made, in consequence of any personal injury to the applicant; or
- (e) a payment (not falling within sub-paragraphs (a) to (d) received by virtue of any

agreement or court order to make payments to the applicant in consequence of any personal injury to the applicant.

- (2) Sub-paragraph (1) shall not apply to a payment, which is made or due to be made by—
- (a) a former partner of the applicant, or a former partner of any member of the applicant's family; or
  - (b) the parent of a child or young person where that child or young person is a member of the applicant's family.
- 16.** 100% of any of the following, namely
- (a) a war disablement pension (except insofar as such a pension falls to be disregarded under paragraph 9 or 10);
  - (b) a war widow's pension or war widower's pension;
  - (c) a pension payable to a person as a widow, widower or surviving civil partner under any power of Her Majesty otherwise than under an enactment to make provision about pensions for or in respect of persons who have been disabled or have died in consequence of service as members of the armed forces of the Crown;
  - (d) a guaranteed income payment;
  - (e) a payment made to compensate for the non-payment of such a pension or payment as is mentioned in any of the preceding sub-paragraphs;
  - (f) a pension paid by the government of a country outside Great Britain which is analogous to any of the pensions or payments mentioned in sub-paragraphs (a) to (d) above;
  - (g) pension paid to victims of National Socialist persecution under any special provision made by the law of the Federal Republic of Germany, or any part of it, or of the Republic of Austria.
- 17.** Subject to paragraph 35, £15 of any;
- (a) widowed mother's allowance paid pursuant to section 37 of the Act;
  - (b) widowed parent's allowance paid pursuant to section 39A of the Act.
- 18.** (1) Any income derived from capital to which the applicant is or is treated under section 41 (capital jointly held) as beneficially entitled but, subject to sub-paragraph (2), not income derived from capital disregarded under paragraphs 1, 2, 4, 8, 14 or 25 to 28 of Schedule 5.
- (2) Income derived from capital disregarded under paragraphs 2, 4 or 25 to 28 of Schedule 5 but only to the extent of—
- (a) any mortgage repayments made in respect of the dwelling or premises in the period during which that income accrued; or
  - (b) any council tax or water charges which the applicant is liable to pay in respect of the dwelling or premises and which are paid in the period during which that income accrued.
- (3) The definition of 'water charges' in paragraph 2(1) shall apply to sub-paragraph (2) of this paragraph with the omission of the words 'in so far as such charges are in respect of the dwelling which a person occupies as his home'.
- 19.** Where the applicant makes a parental contribution in respect of a student attending a course at an establishment in the United Kingdom or undergoing education in the United Kingdom, which contribution has been assessed for the purposes of calculating—
- (a) under, or pursuant to regulations made under powers conferred by, sections 1 or 2 of the Education Act 1962 or section 22 of the Teaching and Higher Education Act 1998, that student's award;
  - (b) under regulations made in exercise of the powers conferred by section 49 of the Education (Scotland) Act 1980, that student's bursary, scholarship, or other allowance under that section or under regulations made in exercise of the powers conferred by section 73 of that Act of 1980, any payment to that student under that section; or
  - (c) the student's student loan,
- an amount equal to the weekly amount of that parental contribution, but only in respect of the period for which that contribution is assessed as being payable.

- 20.** (1) Where the applicant is the parent of a student aged under 25 in advanced education who either;
- (a) is not in receipt of any award, grant or student loan in respect of that education; or
  - (b) is in receipt of an award under section 2 of the Education Act 1962 (discretionary awards) or an award bestowed by virtue of the Teaching and Higher Education Act 1998, or regulations made thereunder, or a bursary, scholarship or other allowance under section 49(1) of the Education (Scotland) Act 1980, or a payment under section 73 of that Act of 1980,
- and the applicant makes payments by way of a contribution towards the student's maintenance, other than a parental contribution falling within paragraph 19, an amount specified in sub-paragraph (2) in respect of each week during the student's term.
- (2) For the purposes of sub-paragraph (1), the amount shall be equal to–
- (a) the weekly amount of the payments; or
  - (b) the amount by way of a personal allowance for a single applicant under 25 less the weekly amount of any award, bursary, scholarship, allowance or payment referred to in sub-paragraph (1)(b),
- whichever is less.
- 21.** Any payment made to the applicant by a child or young person or a non-dependant.
- 22.** Where the applicant occupies a dwelling as his home and the dwelling is also occupied by a person other than one to whom paragraph 21 or 23 refers and there is a contractual liability to make payments to the applicant in respect of the occupation of the dwelling by that person or a member of his family–
- (a) where the aggregate of any payments made in respect of any one week in respect of the occupation of the dwelling by that person or a member of his family, or by that person and a member of his family, is less than £20, the whole of that amount; or
  - (b) where the aggregate of any such payments is £20 or more per week, £20.
- 23.** (1) Where the applicant occupies a dwelling as his home and he provides in that dwelling board and lodging accommodation, an amount, in respect of each person for which such accommodation is provided for the whole or any part of a week, equal to–
- (a) where the aggregate of any payments made in respect of any one week in respect of such accommodation provided to such person does not exceed £20.00, 100 per cent. of such payments;
  - (b) where the aggregate of any such payments exceeds £20.00, £20.00 and 50 per cent. of the excess over £20.00.
- (2) In this paragraph, 'board and lodging accommodation' means accommodation provided to a person or, if he is a member of a family, to him or any other member of his family, for a charge which is inclusive of the provision of that accommodation and at least some cooked or prepared meals which both are cooked or prepared (by a person other than the person to whom the accommodation is provided or a member of his family) and are consumed in that accommodation or associated premises.
- 24.** (1) Any income in kind, except where regulation 30(11)(b) (provision of support under section 95 or 98 of the Immigration and Asylum Act in the calculation of income other than earnings) applies.
- (2) The reference in sub-paragraph (1) to 'income in kind' does not include a payment to a third party made in respect of the applicant which is used by the third party to provide benefits in kind to the applicant.
- 25.** Any income which is payable in a country outside the United Kingdom for such period during which there is a prohibition against the transfer to the United Kingdom of that income.



- 26.** (1) Any payment made to the applicant in respect of a person who is a member of his family—
- (a) pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002 or in accordance or with a scheme approved by the Scottish Ministers under section 51A of the Adoption (Scotland) Act 1978(b) (schemes for payments of allowances to adopters); or in accordance with an Adoption Allowance Scheme made under section 71 of the Adoption and Children (Scotland) Act 2007 (Adoption Allowances Schemes)
  - (b) not used
  - (ba) which is a payment made by a local authority in pursuance of section 15(1) of, and paragraph 15 of Schedule 1 to, the Children Act 1989 (local authority contribution to a child’s maintenance where the child is living with a person as a result of a residence order) or in Scotland section 50 of the Children Act 1975 (payments towards maintenance of children);
  - (c) which is a payment made by an authority, as defined in Article 2 of the Children Order, in pursuance of Article 15 of, and paragraph 17 of Schedule 1 to, that Order (contribution by an authority to child’s maintenance);
  - (d) in accordance with regulations made pursuant to section 14F of the Children Act 1989(c) (special guardianship support services);
- (2) Any payment, other than a payment to which sub-paragraph (1)(a) applies, made to the applicant pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002.
- 27.** Any payment made to the applicant with whom a person is accommodated by virtue of arrangements made
- (a) by a local authority under—
    - (i) section 23(2)(a) of the Children Act 1989 (provision of accommodation and maintenance for a child whom they are looking after),
    - (ii) section 26 of the Children (Scotland) Act 1995 (manner of provision of accommodation to child looked after by local authority), or
    - (iii) regulations 33 or 51 of the Looked After Children (Scotland) Regulations 2009 (fostering and kinship care allowances and fostering allowances); or
  - (b) by a voluntary organisation under section 59(1)(a) of the Children Act 1989 (provision of accommodation by voluntary organisations).
- 28.** Any payment made to the applicant or his partner for a person (‘the person concerned’), who is not normally a member of the applicant’s household but is temporarily in his care, by—
- (a) a health authority;
  - (b) a local authority but excluding payments of housing benefit made in respect of the person concerned;
  - (c) a voluntary organisation;
  - (d) the person concerned pursuant to section 26(3A) of the National Assistance Act 1948;
  - (e) a primary care trust established under section 16A of the National Health Service Act 1977 or established by an order made under section 18(2)(c) of the National Health Service Act 2006; or
  - (f) a Local Health Board established under section 16BA of the National Health Service Act 1977 or established by an order made under section 11 of the National Health Service (Wales) Act 2006
- 29.** Any payment made by a local authority in accordance with section 17, 23B, 23C or 24A of the Children Act 1989 or, as the case may be, section 12 of the Social Work (Scotland) Act 1968 or section 22, 29 or 30 of the Children (Scotland) Act 1995 (provision of services for children and their families and advice and assistance to certain children).
- 29A.** (1) Subject to sub-paragraph (2), any payment (or part of a payment) made by a local authority in accordance with section 23C of the Children Act 1989(e) or section 29 of the Children (Scotland) Act 1995 (local authorities’ duty to promote welfare of children and powers to grant financial assistance to persons in, or formerly in, their care) to a person (‘A’) which A passes on

to the applicant.

(2) Sub-paragraph (1) applies only where A;

(a) was formerly in the applicant's care, and

(b) is aged 18 or over, and

(c) continues to live with the applicant.

- 30.** (1) Subject to sub-paragraph (2), any payment received under an insurance policy taken out to insure against the risk of being unable to maintain repayments;
- (a) on a loan which is secured on the dwelling which the applicant occupies as his home; or
- (b) under a regulated agreement as defined for the purposes of the Consumer Credit Act 1974 or under a hire-purchase agreement or a conditional sale agreement as defined for the purposes of Part 3 of the Hire-Purchase Act 1964.
- (2) A payment referred to in sub-paragraph (1) shall only be disregarded to the extent that the payment received under that policy does not exceed the amounts, calculated on a weekly basis, which are used to—
- (a) maintain the repayments referred to in sub-paragraph (1)(a) or, as the case may be, (b); and
- (b) meet any amount due by way of premiums on—
- (i) that policy; or
- (ii) in a case to which sub-paragraph(1)(a) applies, an insurance policy taken out to insure against loss or damage to any building or part of a building which is occupied by the applicant as his home and which is required as a condition of the loan referred to in sub-paragraph (1)(a).
- 31.** Any payment of income which, by virtue of section 36 (income treated as capital) is to be treated as capital.
- 32.** Any social fund payment made pursuant to Part 8 of the Act (the Social Fund) or any local welfare fund provision
- 33.** Any payment under Part 10 of the Act (Christmas bonus for pensioners).
- 34.** Where a payment of income is made in a currency other than sterling, any banking charge or commission payable in converting that payment into sterling.
- 35.** The total of an applicant's income or, if he is a member of a family, the family's income and the income of any person which he is treated as possessing under paragraph 15.2 (calculation of income and capital of members of applicant's family and of a polygamous marriage) to be disregarded under paragraph 47.2(b) and paragraph 48.1(d) (calculation of covenant income where a contribution assessed, covenant income where no grant income or no contribution is assessed), paragraph 51(2) (treatment of student loans), paragraph 52(3) (treatment of payments from access funds) and paragraphs 17 shall in no case exceed £20 per week.
- 36.** (1) Any payment made under or by any of the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006).
- (2) Any payment by or on behalf of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of—
- (a) that person's partner or former partner from whom he is not, or where that person has died was not, estranged or divorced or with whom he has formed a civil partnership that has not been dissolved or, where that person has died, had not been dissolved at the time of that person's death;
- (b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or
- (c) any young person who is a member of that person's family or who was such a member and who is a member of the applicant's family.

(3) Any payment by or on behalf of the partner or former partner of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person provided that the partner or former partner and that person are not, or if either of them has died were not, estranged or divorced or, where the partner or former partner and that person have formed a civil partnership, the civil partnership has not been dissolved or, if either of them has died, had not been dissolved at the time of the death, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of;

- (a) the person who is suffering from haemophilia or who is a qualifying person;
- (b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or
- (c) any young person who is a member of that person's family or who was such a member and who is a member of the applicant's family.

(4) Any payment by a person who is suffering from haemophilia or who is a qualifying person, which derives from a payment under or by any of the Trusts to which sub-paragraph (1) refers, where;

- (a) that person has no partner or former partner from whom he is not estranged or divorced or with whom he has formed a civil partnership that has not been dissolved, nor any child or young person who is or had been a member of that person's family; and
- (b) the payment is made either;
  - (i) to that person's parent or step-parent, or
  - (ii) where that person at the date of the payment is a child, a young person or a student who has not completed his full-time education and has no parent or step-parent, to his guardian,

but only for a period from the date of the payment until the end of two years from that person's death.

(5) Any payment out of the estate of a person who suffered from haemophilia or who was a qualifying person, which derives from a payment under or by any of the Trusts to which sub-paragraph (1) refers, where;

- (a) that person at the date of his death (the relevant date) had no partner or former partner from whom he was not estranged or divorced or with whom he has formed a civil partnership that has not been dissolved, nor any child or young person who was or had been a member of his family; and
- (b) the payment is made either
  - (i) to that person's parent or step-parent, or
  - (ii) where that person at the relevant date was a child, a young person or a student who had not completed his full-time education and had no parent or step-parent, to his guardian,

but only for a period of two years from the relevant date.

(6) In the case of a person to whom or for whose support payment referred to in this paragraph is made, any income which derives from any payment of income or capital made under or deriving from any of the Trusts.

(7) For the purposes of sub-paragraphs (2) to (6), any reference to the Trusts shall be construed as including a reference to the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation and the London Bombings Relief Charitable Fund.

- 37.** Any housing benefit or council tax benefit.
- 38.** Any payment made by the Secretary of State to compensate for the loss (in whole or in part) of entitlement to housing benefit.
- 39. - 40.** not used
- 41.** Any payment to a juror or witness in respect of attendance at a court other than compensation

for loss of earnings or for the loss of a benefit payable under the benefit Acts.

42. Not used
43. Any payment in consequence of a reduction of council tax under section 13 or section 80 of the 1992 Act (reduction of liability for council tax).
44. Not used
45. (1) Any payment or repayment made—  
(a) as respects England, under regulation 5, 6 or 12 of the National Health Service (Travel Expenses and Remission of Charges) Regulations 2003 (travelling expenses and health service supplies);  
(b) as respects Wales, under regulation 5, 6 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Wales) Regulations 2007 (travelling expenses and health service supplies);  
(c) as respects Scotland, under regulation 3, 5 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Scotland) (No. 2) Regulations 2003 (travelling expenses and health service supplies).  
(2) Any payment or repayment made by the Secretary of State for Health, the Scottish Ministers or the Welsh Ministers, which is analogous to a payment or repayment, mentioned in sub-paragraph (1).
46. Any payment made to such persons entitled to receive benefits as may be determined by or under a scheme made pursuant to section 13 of the Social Security Act 1988 in lieu of vouchers or similar arrangements in connection with the provision of those benefits (including payments made in place of healthy start vouchers, milk tokens or the supply of vitamins).
47. Any payment made by either the Secretary of State for Justice or by the Scottish Ministers under a scheme established to assist relatives and other persons to visit persons in custody.
48. (1) Where, **but for the implementation of this scheme**, an applicant's applicable amount includes an amount by way of a family premium, £15 of any payment of maintenance, other than child maintenance, whether under a court order or not, which is made or due to be made by the applicant's former partner, or the applicant's partner's former partner.  
(2) For the purpose of sub-paragraph (1) where more than one maintenance payment falls to be taken into account in any week, all such payments such be aggregated and treated as if they were a single payment.  
(3) A payment made by the Secretary of State in lieu of maintenance shall, for the purpose of sub-paragraph (1), be treated as a payment of maintenance made by a person specified in sub-paragraph (1).
- 48A. (1) Any payment of child maintenance made or derived from a liable relative where the child or young person in respect of whom the payment is made is a member of the applicant's family, except where the person making the payment is the applicant or the applicant's partner.  
(2) In paragraph (1)  
'child maintenance' means any payment towards the maintenance of a child or young person, including any payment made voluntarily and payments made under;  
(a) the Child Support Act 1991;  
(b) the Child Support (Northern Ireland) Order 1991;  
(c) a court order;  
(d) a consent order;  
(e) a maintenance agreement registered for execution in the Books of Council and Session or the sheriff court books;  
'liable relative' means a person listed in regulation 54 (interpretation) of the Income Support (General) Regulations 1987, other than a person falling within sub-paragraph (d) of that definition.

49. Not used
50. Any payment (other than a training allowance) made, whether by the Secretary of State or any other person, under the Disabled Persons (Employment) Act 1944 to assist disabled persons to obtain or retain employment despite their disability.
51. Any guardian's allowance.
52. (1) If the applicant is in receipt of any benefit under Parts 2, 3 or 5 of the Act, any increase in the rate of that benefit arising under Part 4 (increases for dependants) or section 106(a) (unemployability supplement) of the Act, where the dependant in respect of whom the increase is paid is not a member of the applicant's family.
- (2) If the applicant is in receipt of any pension or allowance under Part 2 or 3 of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006, any increase in the rate of that pension or allowance under that Order, where the dependant in respect of whom the increase is paid is not a member of the applicant's family.
53. Any supplementary pension under article 23(2) of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006 (pensions to surviving spouses and surviving civil partners) and any analogous payment made by the Secretary of State for Defence to any person who is not a person entitled under that Order.
54. In the case of a pension awarded at the supplementary rate under article 27(3) of the Personal Injuries (Civilians) Scheme 1983(a) (pensions to widows, widowers or surviving civil partners), the sum specified in paragraph 1(c) of Schedule 4 to that Scheme.
- 55 (1) Any payment which is
- (a) made under any of the Dispensing Instruments to a widow, widower or
- (b) surviving civil partner of a person;
- (i) whose death was attributable to service in a capacity analogous to service as a member of the armed forces of the Crown; and
- (ii) whose service in such capacity terminated before 31st March 1973; and equal to the amount specified in article 23(2) of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006.
- (2) In this paragraph 'the Dispensing Instruments' means the Order in Council of 19th December 1881, the Royal Warrant of 27th October 1884 and the Order by His Majesty of 14th January 1922 (exceptional grants of pay, non-effective pay and allowances).
- 55A. Any council tax reduction or council tax benefit to which the applicant is entitled.
56. **Provision for all applicants: Homes for Ukraine scheme**
- (1) Any payment made in connection with the Homes for Ukraine scheme is to be disregarded in determining—
- (a) an applicant's entitlement to a reduction under the scheme; or
- (b) the amount of any reduction to which the applicant is entitled.
- (2) In this regulation—
- "the Homes for Ukraine scheme" means the Homes for Ukraine sponsorship scheme which was announced in Parliament by the Secretary of State for Levelling Up, Housing and Communities on 14th March 2022.
57. Any payment made under section 12B of the Social Work (Scotland) Act 1968, or under sections 12A to 12D of the National Health Service Act 2006 (direct payments for health care) or under regulations made under section 57 of the Health and Social Care Act 2001 (direct payments).
58. (1) Subject to sub-paragraph (2), in respect of a person who is receiving, or who has received,

assistance under the self-employment route, any payment to that person—  
(a) to meet expenses wholly and necessarily incurred whilst carrying on the commercial activity;

(b) which is used or intended to be used to maintain repayments on a loan taken out by that person for the purpose of establishing or carrying on the commercial activity, in respect of which such assistance is or was received.

(2) Sub-paragraph (1) shall apply only in respect of payments, which are paid to that person from the special account

- 59.** (1) Any payment of a sports award except to the extent that it has been made in respect of any one or more of the items specified in sub-paragraph (2).  
(2) The items specified for the purposes of sub-paragraph (1) are food, ordinary clothing or footwear, household fuel or rent of the applicant or where the applicant is a member of a family, any other member of his family, or any council tax or water charges for which that applicant or member is liable.  
(3) For the purposes of sub-paragraph (2) 'food' does not include vitamins, minerals or other special dietary supplements intended to enhance the performance of the person in the sport in respect of which the award was made.
- 60.** Where the amount of subsistence allowance paid to a person in a reduction week exceeds the amount of income-based jobseeker's allowance that person would have received in that reduction week had it been payable to him, less 50p, that excess amount.
- 61.** In the case of an applicant participating in an employment zone programme, any discretionary payment made by an employment zone contractor to the applicant, being a fee, grant, loan or otherwise.
- 62.** Any discretionary housing payment paid pursuant to regulation 2(1) of the Discretionary Financial Assistance Regulations 2001 as amended by the Welfare Reform Act 2012 (Consequential Amendments) Regulations 2013.
- 63.** (1) Any payment made by a local authority or by the Welsh Ministers to or on behalf of the applicant or his partner relating to a service which is provided to develop or sustain the capacity of the applicant or his partner to live independently in his accommodation.  
(2) For the purposes of sub-paragraph (1) 'local authority' includes, in England, a county council.
- 64.** Any bereavement support payment in respect of the rate set out in regulation 3(2) or (5) of the Bereavement Support Payment Regulations 2017
- 65.** Any payments to a claimant made under section 49 of the Children and Families Act 2014 (personal budgets and direct payments)
- 66.** Any payments made by the London Emergencies Trust" means the company of that name (number 09928465) incorporated on 23rd December 2015 and the registered charity of that name (number 1172307) established on 28th March 2017 or the We Love Manchester Emergency Fund" means the registered charity of that name (number 1173260) established on 30th May 2017
- 67.** Any payment of child benefit.
- 68.** Any Carer's Allowance
- 69.** Any support component of Employment and Support Allowance, or where there is an award of the Limited Capability for Work and Work-Related Activity element within Universal Credit, it's equivalent monetary value. The amount disregarded for the current year is £44.70 per week.

- 70.** Any payments disregarded for Housing Benefits under the Social Security (*Emergency Funds* Amendment) *Regulations 2017*.
- 71.** Any payment made under the Energy Rebate Scheme 2022 is to be disregarded in determining:  
(a) an applicant's entitlement to a reduction under the scheme; or  
(b) the amount of any reduction to which the applicant is entitled.  
"The Energy Rebate Scheme 2022" means the scheme to provide financial support in respect of energy bills which was announced in Parliament by the Chancellor of the Exchequer on 3rd February 2022

**Schedule 5**  
**Capital to be disregarded<sup>24</sup>**

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<sup>24</sup> Any amounts shown in this schedule will be updated in line with the Housing Benefit Regulations 2006 as amended



1. The dwelling together with any garage, garden and outbuildings, normally occupied by the applicant as his home including any premises not so occupied which it is impracticable or unreasonable to sell separately, in particular, in Scotland, any croft land on which the dwelling is situated; but, notwithstanding section 15 (calculation of income and capital of members of applicant's family and of polygamous marriage), only one dwelling shall be disregarded under this paragraph.
- A2. Any payment made to the applicant in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Mandatory Work Activity Scheme but only for 52 weeks beginning with the date of receipt of the payment.
- A3. Any payment made to the applicant in respect of any travel or other expenses incurred or to be incurred, by him in respect of his participation in the Employment, Skills and Enterprise Scheme or Back to Work Scheme but only for 52 weeks beginning with the date of receipt of the payment but only for 52 weeks beginning with the date of receipt of payment.
2. Any premises acquired for occupation by the applicant, which he intends to occupy as his home within 26 weeks of the date of acquisition or such longer period as is reasonable in the circumstances to enable the applicant to obtain possession and commence occupation of the premises.
3. Any sum directly attributable to the proceeds of sale of any premises formerly occupied by the applicant as his home which is to be used for the purchase of other premises intended for such occupation within 26 weeks of the date of sale or such longer period as is reasonable in the circumstances to enable the applicant to complete the purchase.
4. Any premises occupied in whole or in part—
  - (a) by a partner or relative of a single applicant or any member of the family as his home where that person has attained the qualifying age for state pension credit or is incapacitated;
  - (b) by the former partner of the applicant as his home; but this provision shall not apply where the former partner is a person from whom the applicant is estranged or divorced or with whom he had formed a civil partnership that has been dissolved.
5. Where an applicant is on income support, an income-based jobseeker's allowance or an income-related employment and support allowance, the whole of his capital.
6. Where the applicant is a member of a joint-claim couple for the purposes of the Jobseekers Act 1995 and his partner is on income-based jobseeker's allowance, the whole of the applicant's capital.
7. Any future interest in property of any kind, other than land or premises in respect of which the applicant has granted a subsisting lease or tenancy, including sub-leases or sub-tenancies.
8. (1) The assets of any business owned in whole or in part by the applicant and for the purposes of which he is engaged as a self-employed earner, or if he has ceased to be so engaged, for such period as may be reasonable in the circumstances to allow for disposal of any such asset.  
 (2) The assets of any business owned in whole or in part by the applicant where—
  - (a) he is not engaged as a self-employed earner in that business by reason of some disease or bodily or mental disablement; but
  - (b) he intends to become engaged or, as the case may be, re-engaged as a self-employed earner in that business as soon as he recovers or is able to become engaged or re-engaged in that business;

for a period of 26 weeks from the date on which the claim for council tax reduction is made, or is treated as made, or, if it is unreasonable to expect him to become engaged

or re-engaged in that business within that period, for such longer period as is reasonable in the circumstances to enable him to become so engaged or re-engaged.

(3) In the case of a person who is receiving assistance under the self-employment route, the assets acquired by that person for the purpose of establishing or carrying on the commercial activity in respect of which such assistance is being received.

(4) In the case of a person who has ceased carrying on the commercial activity in respect of which assistance was received as specified in sub-paragraph (3), the assets relating to that activity for such period as may be reasonable in the circumstances to allow for disposal of any such asset.

9. (1) Subject to sub-paragraph (2), any arrears of, or any concessionary payment made to compensate for arrears due to the non-payment of;

(a) any payment specified in paragraphs 7, 9 or 10 of Schedule 4;

(b) an income-related benefit under Part 7 of the Act;

(c) an income-based jobseeker's allowance;

(d) any discretionary housing payment paid pursuant to regulation 2(1) of the Discretionary Financial Assistance Regulations 2001;

(e) working tax credit and child tax credit

(f) an income-related employment and support allowance

but only for a period of 52 weeks from the date of the receipt of arrears or of the concessionary payment.

(2) In a case where the total of any arrears and, if appropriate, any concessionary payment referred to in sub-paragraph (1) relating to one of the specified payments, benefits or allowances amounts to £5,000 or more (referred to in this sub-paragraph and in sub-paragraph (3) as 'the relevant sum') and is

(a) paid in order to rectify or to compensate for, an official error as defined in regulation 1(2) of the Decisions and Appeals Regulations; and

(b) received by the applicant in full on or after 14th October 2001,

sub-paragraph (1) shall have effect in relation to such arrears or concessionary payment either for a period of 52 weeks from the date of receipt, or, if the relevant sum is received in its entirety during the award of council tax reduction, for the remainder of that award if that is a longer period.

(3) For the purposes of sub-paragraph(2), 'the award of council tax reduction' means—

(a) the award in which the relevant sum is first received (or the first part thereof where it is paid in more than one instalment); and

(b) where that award is followed by one or more further awards which, or each of which, begins immediately after the end of the previous award, such further award provided that for that further award the applicant;

(i) is the person who received the relevant sum; or

(ii) is the partner of the person who received the relevant sum, or was that person's partner at the date of his death.

10. Any sum

(a) paid to the applicant in consequence of damage to, or loss of the home or any personal possession and intended for its repair or replacement; or

(b) acquired by the applicant (whether as a loan or otherwise) on the express condition that it is to be used for effecting essential repairs or improvement to the home, which is to be used for the intended purpose, for a period of 26 weeks from the date on which it was so paid or acquired or such longer period as is reasonable in the circumstances to effect the repairs, replacement or improvement.

- 11.** Any sum—
- (a) deposited with a housing association as defined in section 1(1) of the Housing Associations Act 1985 or section 338(1) of the Housing (Scotland) Act 1987 as a condition of occupying the home;
  - (b) which was so deposited and which is to be used for the purchase of another home, for the period of 26 weeks or such longer period as may be reasonable in the circumstances to enable the applicant to complete the purchase.
- 12.** Any personal possessions except those which have been acquired by the applicant with the intention of reducing his capital in order to secure entitlement to council tax reduction or to increase the amount of that support.
- 13.** The value of the right to receive any income under an annuity or the surrender value (if any) of such an annuity.
- 14.** Where the funds of a trust are derived from a payment made in consequence of any personal injury to the applicant or applicant's partner, the value of the trust fund and the value of the right to receive any payment under that trust.
- 14A.** (1) Any payment made to the applicant or the applicant's partner in consequence of any personal injury to the applicant or, as the case may be, the applicant's partner.
- (2) But sub-paragraph (1)
- (a) applies only for the period of 52 weeks beginning with the day on which the applicant first receives any payment in consequence of that personal injury;
  - (b) does not apply to any subsequent payment made to him in consequence of that injury (whether it is made by the same person or another);
  - (c) ceases to apply to the payment or any part of the payment from the day on which the applicant no longer possesses it;
  - (d) does not apply to any payment from a trust where the funds of the trust are derived from a payment made in consequence of any personal injury to the applicant.
- (3) For the purposes of sub-paragraph (2)(c), the circumstances in which an applicant no longer possesses a payment or a part of it include where the applicant has used a payment or part of it to purchase an asset.
- (4) References in sub-paragraphs (2) and (3) to the applicant are to be construed as including references to his partner (where applicable).
- 15.** The value of the right to receive any income under a life interest or from a life rent.
- 16.** The value of the right to receive any income, which is disregarded under paragraph 13 of Schedule 3 or paragraph 25 of Schedule 4.
- 17.** The surrender value of any policy of life insurance.
- 18.** Where any payment of capital falls to be made by instalments, the value of the right to receive any outstanding instalments.
- 19.** Any payment made by a local authority in accordance with section 17, 23B, 23C or 24A of the Children Act 1989 or, as the case may be, section 12 of the Social Work (Scotland) Act 1968 or sections 22, 29 or 30 of the Children (Scotland) Act 1995 (provision of services for children and their families and advice and assistance to certain children).
- 19A.** (1) Subject to sub-paragraph (2), any payment (or part of a payment) made by a local authority in accordance with section 23C of the Children Act 1989 or section 29 of the Children (Scotland) Act 1995 (local authorities' duty to promote welfare of children and powers to grant financial assistance to persons in, or formerly in, their care) to a person ('A') which A passes on to the

applicant.

(2) Sub-paragraph (1) applies only where A;

- (a) was formerly in the applicant's care, and
- (b) is aged 18 or over, and
- (c) continues to live with the applicant.

- 20. Any social fund payment made pursuant to Part 8 of the Act.
- 21. Any refund of tax which falls to be deducted under section 369 of the Income and Corporation Taxes Act 1988 (deduction of tax from certain loan interest) on a payment of relevant loan interest for the purpose of acquiring an interest in the home or carrying out repairs or improvements to the home.
- 22. Any capital which, by virtue of sections 31 or 51 (capital treated as income, treatment of student loans) is to be treated as income.
- 23. Where any payment of capital is made in a currency other than sterling, any banking charge or commission payable in converting that payment into sterling.
- 24. (1) Any payment made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Independent Living Fund (2006), the Skipton Fund, the Caxton Foundation or the Charitable Fund.

(2) Any payment by or on behalf of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of—

- (a) that person's partner or former partner from whom he is not, or where that person has died was not, estranged or divorced or with whom he has formed a civil partnership that has not been dissolved or, where that person has died, had not been dissolved at the time of that person's death;
- (b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or
- (c) any young person who is a member of that person's family or who was such a member and who is a member of the applicant's family.

(3) Any payment by or on behalf of the partner or former partner of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person provided that the partner or former partner and that person are not, or if either of them has died were not, estranged or divorced or, where the partner or former partner and that person have formed a civil partnership, the civil partnership has not been dissolved or, if either of them has died, had not been dissolved at the time of the death, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of—

- (a) the person who is suffering from haemophilia or who is a qualifying person;
- (b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or
- (c) any young person who is a member of that person's family or who was such a member and who is a member of the applicant's family.

(4) Any payment by a person who is suffering from haemophilia or who is a qualifying person, which derives from a payment under or by any of the Trusts to which sub-paragraph (1) refers, where—

- (a) that person has no partner or former partner from whom he is not estranged or divorced or with whom he has formed a civil partnership that has not been dissolved, nor any child or young person who is or had been a member of that person's family; and
- (b) the payment is made either;

(i) to that person's parent or step-parent; or  
(ii) where that person at the date of the payment is a child, a young person or a student who has not completed his full-time education and has no parent or step-parent, to his guardian,  
but only for a period from the date of the payment until the end of two years from that person's death.

(5) Any payment out of the estate of a person who suffered from haemophilia or who was a qualifying person, which derives from a payment under or any of the Trusts to which sub-paragraph (1) refers, where

(a) that person at the date of his death (the relevant date) had no partner or former partner from whom he was not estranged or divorced or with whom he had formed a civil partnership that had not been dissolved, nor any child or young person who was or had been a member of his family; and

(b) the payment is made either;

(i) to that person's parent or step-parent; or

(ii) where that person at the relevant date was a child, a young person or a student who had not completed his full-time education and had no parent or step-parent, to his guardian,

but only for a period of two years from the relevant date.

(6) In the case of a person to whom or for whose support payment referred to in this paragraph is made, any capital resource which derives from any payment of income or capital made under or deriving from any of the Trusts.

(7) For the purposes of sub-paragraphs (2) to (6), any reference to the Trusts shall be construed as including a reference to the Fund, the Eileen Trust, MFET Limited the Skipton Fund, the Caxton Foundation, and the London Bombings Relief Charitable Fund.

**25.** (1) Where an applicant has ceased to occupy what was formerly the dwelling occupied as the home following his estrangement or divorce from, or dissolution of his civil partnership with, his former partner, that dwelling for a period of 26 weeks from the date on which he ceased to occupy that dwelling or, where the dwelling is occupied as the home by the former partner who is a lone parent, for so long as it is so occupied.

(2) In this paragraph 'dwelling' includes any garage, garden and outbuildings, which were formerly occupied by the applicant as his home and any premises not so occupied which it is impracticable or unreasonable to sell separately, in particular, in Scotland, any croft land on which the dwelling is situated.

**26.** Any premises where the applicant is taking reasonable steps to dispose of those premises, for a period of 26 weeks from the date on which he first took such steps, or such longer period as is reasonable in the circumstances to enable him to dispose of those premises.

**27.** Any premises which the applicant intends to occupy as his home, and in respect of which he is taking steps to obtain possession and has sought legal advice, or has commenced legal proceedings, with a view to obtaining possession, for a period of 26 weeks from the date on which he first sought such advice or first commenced such proceedings whichever is the earlier, or such longer period as is reasonable in the circumstances to enable him to obtain possession and commence occupation of those premises.

**28.** Any premises which the applicant intends to occupy as his home to which essential repairs or alterations are required in order to render them fit for such occupation, for a period of 26 weeks from the date on which the applicant first takes steps to effect those repairs or alterations, or such longer period as is necessary to enable those repairs or alterations to be carried out.

**29.** Any payment made by the Secretary of State to compensate for the loss (in whole or in part) of

entitlement to housing benefit.

30. Not used
31. The value of the right to receive an occupational or personal pension.
32. The value of any funds held under a personal pension scheme
33. The value of the right to receive any rent except where the applicant has a reversionary interest in the property in respect of which rent is due.
34. Any payment in kind made by a charity or under or by the Trusts, the Fund, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006).
35. Any payment made pursuant to section 2 of the 1973 Act or section 2 of the Enterprise and New Towns (Scotland) Act 1990, but only for the period of 52 weeks beginning on the date of receipt of the payment.
36. Not used.
37. Any payment in consequence of a reduction of council tax under section 13 or, as the case may be, section 80 of the Local Government Finance Act 1992 (reduction of liability for council tax), but only for a period of 52 weeks from the date of the receipt of the payment.
38. Any grant made in accordance with a scheme made under section 129 of the Housing Act 1988 or section 66 of the Housing (Scotland) Act 1988 (schemes for payments to assist local housing authority and local authority tenants to obtain other accommodation) which is to be used—
  - (a) to purchase premises intended for occupation as his home; or
  - (b) to carry out repairs or alterations which are required to render premises fit for occupation as his home,for a period of 26 weeks from the date on which he received such a grant or such longer period as is reasonable in the circumstances to enable the purchase, repairs or alterations to be completed and the applicant to commence occupation of those premises as his home.
39. Any arrears of supplementary pension which is disregarded under paragraph 53 of Schedule 4 (sums to be disregarded in the calculation of income other than earnings) or of any amount which is disregarded under paragraph 54 or 55 of that Schedule, but only for a period of 52 weeks from the date of receipt of the arrears.
40. (1) Any payment or repayment made—
  - (a) as respects England, under regulation 5, 6 or 12 of the National Health Service (Travel Expenses and Remission of Charges) Regulations 2003 (travelling expenses and health service supplies);
  - (b) as respects Wales, under regulation 5, 6 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Wales) Regulations 2007 (travelling expenses and health service supplies);
  - (c) as respects Scotland, under regulation 3, 5 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Scotland) (No. 2) Regulations 2003 (travelling expenses and health service supplies),but only for a period of 52 weeks from the date of receipt of the payment or repayment.  
(2) Any payment or repayment made by the Secretary of State for Health, the Scottish Ministers or the Welsh Ministers, which is analogous to a payment, or repayment mentioned in subparagraph (1), but only for a period of 52 weeks from the date of the receipt of the payment or repayment.
41. Any payment made to such persons entitled to receive benefits as may be determined by or

under a scheme made pursuant to section 13 of the Social Security Act 1988 in lieu of vouchers or similar arrangements in connection with the provision of those benefits (including payments made in place of healthy start vouchers, milk tokens or the supply of vitamins), but only for a period of 52 weeks from the date of receipt of the payment.

- 41A.** Any payment made under Part 8A of the Act (entitlement to health in pregnancy grant).
- 42.** Any payment made either by the Secretary of State for Justice or by Scottish Ministers under a scheme established to assist relatives and other persons to visit persons in custody, but only for a period of 52 weeks from the date of the receipt of the payment.
- 43.** Any payment (other than a training allowance) made, whether by the Secretary of State or any other person, under the Disabled Persons (Employment) Act 1944 to assist disabled persons to obtain or retain employment despite their disability.
- 44.** Not used
- 45.** Any payment made by a local authority under section 3 of the Disabled Persons (Employment) Act 1958 to homeworkers assisted under the Blind Homeworkers' Scheme.
- 46.** (1) Subject to sub-paragraph (2), where an applicant satisfies the conditions in section 131(3) and (6) of the Act (entitlement to alternative maximum council tax reduction), the whole of his capital.  
(2) Where in addition to satisfying the conditions in section 131(3) and (6) of the Act the applicant also satisfies the conditions in section 131(4) and (5) of the Act (entitlement to the maximum council tax reduction), sub-paragraph (1) shall not have effect.
- 47.** (1) Any sum of capital to which sub-paragraph (2) applies and  
(a) which is administered on behalf of a person by the High Court or the County Court under Rule 21.11(1) of the Civil Procedure Rules 1998 (as amended by the Civil Procedure (Amendment No. 7 ) Rule 2013) or by the Court of Protection;  
(b) which can only be disposed of by order or direction of any such court; or  
(c) where the person concerned is under the age of 18, which can only be disposed of by order or direction prior to that person attaining age 18.  
(2) This sub-paragraph applies to a sum of capital which is derived from;  
(a) an award of damages for a personal injury to that person; or  
(b) compensation for the death of one or both parents where the person concerned is under the age of 18.
- 48.** Any sum of capital administered on behalf of a person in accordance with an order made under section 13 of the Children (Scotland) Act 1995, or under Rule 36.14 of the Ordinary Cause Rules 1993 or under Rule 128 of those Rules, where such sum derives from  
(a) award of damages for a personal injury to that person; or  
(b) compensation for the death of one or both parents where the person concerned is under the age of 18.
- 49.** Any payment to the applicant as holder of the Victoria Cross or George Cross.
- 50. Provision for all applicants: Homes for Ukraine scheme**  
(1) Any payment made in connection with the Homes for Ukraine scheme is to be disregarded in determining—  
(c) an applicant's entitlement to a reduction under the scheme; or  
(d) the amount of any reduction to which the applicant is entitled.  
(2) In this regulation—  
"the Homes for Ukraine scheme" means the Homes for Ukraine sponsorship scheme which was announced in Parliament by the Secretary of State for Levelling Up, Housing and Communities on 14th March 2022.

- 51.** In the case of a person who is receiving, or who has received, assistance under the self-employment route, any sum of capital which is acquired by that person for the purpose of establishing or carrying on the commercial activity in respect of which such assistance is or was received but only for a period of 52 weeks from the date on which that sum was acquired.
- 52.** (1) Any payment of a sports award for a period of 26 weeks from the date of receipt of that payment except to the extent that it has been made in respect of any one or more of the items specified in sub-paragraph (2).
- (2) The items specified for the purposes of sub-paragraph (1) are food, ordinary clothing or footwear, household fuel or rent of the applicant or, where the applicant is a member of a family, any other member of his family, or any council tax or water charges for which that applicant or member is liable.
- (3) For the purposes of sub-paragraph (2) ‘food’ does not include vitamins, minerals or other special dietary supplements intended to enhance the performance of the person in the sport in respect of which the award was made.
- 53.** (1) Any payment;
- (a) by way of an education maintenance allowance made pursuant to–
- (i) regulations made under section 518 of the Education Act 1996;
- (ii) regulations made under section 49 or 73(f) of the Education (Scotland) Act 1980;
- (iii) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992;
- (b) corresponding to such an education maintenance allowance, made pursuant to;
- (i) section 14 or section 181 of the Education Act 2002 (power of Secretary of State and National Assembly for Wales to give financial assistance for purposes related to education or childcare, and allowances in respect of education or training); or
- (ii) regulations made under section 181 of that Act ;
- or in England, by way of financial assistance made pursuant to section 14 of the Education Act 2002.
- (2) Any payment, other than a payment to which sub-paragraph (1) applies, made pursuant to;
- (a) regulations made under section 518 of the Education Act 1996;
- (b) regulations made under section 49 of the Education (Scotland) Act 1980; or
- (c) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992, in respect of a course of study attended by a child or a young person or a person who is in receipt of an education maintenance allowance or other payment made pursuant to any provision specified in sub-paragraph (1).
- 54.** In the case of an applicant participating in an employment zone programme, any discretionary payment made by an employment zone contractor to the applicant, being a fee, grant, loan or otherwise, but only for the period of 52 weeks from the date of receipt of the payment.
- 55.** Any arrears of subsistence allowance paid as a lump sum but only for the period of 52 weeks from the date of receipt of the payment.
- 56.** Where an ex-gratia payment of £10,000 has been made by the Secretary of State on or after 1st February 2001 in consequence of the imprisonment or interment of–
- (a) the applicant;
- (b) the applicant’s partner;
- (c) the applicant’s deceased spouse or deceased civil partner; or
- (d) the applicant’s partner’s deceased spouse or deceased civil partner,
- by the Japanese during the Second World War, £10,000.



57. (1) Subject to sub-paragraph (2), the amount of any trust payment made to an applicant or a member of an applicant's family who is
- (a) a diagnosed person;
  - (b) the diagnosed person's partner or the person who was the diagnosed person's partner at the date of the diagnosed person's death;
  - (c) a parent of a diagnosed person, a person acting in place of the diagnosed person's parents or a person who was so acting at the date of the diagnosed person's death; or
  - (d) a member of the diagnosed person's family (other than his partner) or a person who was a member of the diagnosed person's family (other than his partner) at the date of the diagnosed person's death.
- (2) Where a trust payment is made to;
- (a) a person referred to in sub-paragraph (1)(a) or (b), that sub-paragraph shall apply for the period beginning on the date on which the trust payment is made and ending on the date on which that person dies;
  - (b) a person referred to in sub-paragraph (1)(c), that sub-paragraph shall apply for the period beginning on the date on which the trust payment is made and ending two years after that date;
  - (c) a person referred to in sub-paragraph (1)(d), that sub-paragraph shall apply for the period beginning on the date on which the trust payment is made and ending—
    - (i) two years after that date; or
    - (ii) on the day before the day on which that person—
      - (aa) ceases receiving full-time education; or
      - (bb) attains the age of 20,
- whichever is the latest.
- (3) Subject to sub-paragraph (4), the amount of any payment by a person to whom a trust payment has been made or of any payment out of the estate of a person to whom a trust payment has been made, which is made to an applicant or a member of an applicant's family who is—
- (a) the diagnosed person's partner or the person who was the diagnosed person's partner at the date of the diagnosed person's death;
  - (b) a parent of a diagnosed person, a person acting in place of the diagnosed person's parents or a person who was so acting at the date of the diagnosed person's death; or
  - (c) a member of the diagnosed person's family (other than his partner) or a person who was a member of the diagnosed person's family (other than his partner) at the date of the diagnosed person's death, but only to the extent that such payments do not exceed the total amount of any trust payments made to that person.
- (4) Where a payment as referred to in sub-paragraph (3) is made to—
- (a) a person referred to in sub-paragraph (3)(a), that sub-paragraph shall apply for the period beginning on the date on which that payment is made and ending on the date on which that person dies;
  - (b) a person referred to in sub-paragraph (3)(b), that sub-paragraph shall apply for the period beginning on the date on which that payment is made and ending two years after that date; or
  - (c) person referred to in sub-paragraph (3)(c), that sub-paragraph shall apply for the period beginning on the date on which that payment is made and ending—
    - (i) two years after that date; or
    - (ii) on the day before the day on which that person
      - (aa) ceases receiving full-time education; or
      - (bb) attains the age of 20,
- whichever is the latest.
- (5) In this paragraph, a reference to a person—

(a) being the diagnosed person's partner;  
(b) being a member of a diagnosed person's family;  
(c) acting in place of the diagnosed person's parents,  
at the date of the diagnosed person's death shall include a person who would have been such a person or a person who would have been so acting, but for the diagnosed person residing in a care home, an Abbeyfield Home or an independent hospital on that date.

(6) In this paragraph— 'diagnosed person' means a person who has been diagnosed as suffering from, or who, after his death, has been diagnosed as having suffered from, variant Creutzfeld- Jakob disease;  
'relevant trust' means a trust established out of funds provided by the Secretary of State in respect of persons who suffered, or who are suffering, from variant Creutzfeld-Jakob disease for the benefit of persons eligible for payments in accordance with its provisions;  
'trust payment' means a payment under a relevant trust.

**58.** The amount of any payment, other than a war pension, to compensate for the fact that the applicant, the applicant's partner, the applicant's deceased spouse or deceased civil partner or the applicant's partner's deceased spouse or deceased civil partner

- (a) was a slave labourer or a forced labourer;
- (b) had suffered property loss or had suffered personal injury; or
- (c) was a parent of a child who had died,

during the Second World War.

**59** (1) Any payment made by a local authority, or by the Welsh Ministers, to or on behalf of the applicant or his partner relating to a service, which is provided to develop or sustain the capacity of the applicant or his partner to live independently in his accommodation.

(2) For the purposes of sub-paragraph (1) 'local authority' includes in England a county council.

**60.** Any payment made under regulations made under section 57 of the Health and Social Care Act 2001 or under section 12B of the Social Work (Scotland) Act 1968, or under section 12A to 12D of the National Health Service Act 2006 (direct payments for health care).

**61.** Any payment made to the applicant pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002.

**62.** Any payment made to the applicant in accordance with regulations made pursuant to section 14F of the Children Act 1989 (special guardianship support services).

**63.** Any payments to a claimant made under section 49 of the Children and Families Act 2014 (personal budgets and direct payments)

**64.** Any payments made by the London Emergencies Trust" means the company of that name (number 09928465) incorporated on 23rd December 2015 and the registered charity of that name (number 1172307) established on 28th March 2017 or the We Love Manchester Emergency Fund" means the registered charity of that name (number 1173260) established on 30th May 2017

**65.** Any bereavement support payment in respect of the rate set out in regulation 3(2) or (5) of the Bereavement Support Payment Regulations 2017

**66.** Any payment made under the Energy Rebate Scheme 2022 is to be disregarded in determining:  
(a) an applicant's entitlement to a reduction under the scheme; or  
(b) the amount of any reduction to which the applicant is entitled.  
"The Energy Rebate Scheme 2022" means the scheme to provide financial support in respect of energy bills which was announced in Parliament by the Chancellor of the Exchequer on 3rd February 2022.

# Report to Cabinet

**6 December 2023**

<b>Subject:</b>	The review of council tenant rents and housing related property charges
<b>Cabinet Member:</b>	Cabinet Member for Housing Councillor Laura Rollins
<b>Director:</b>	Dean Epton Interim Director of Housing
<b>Key Decision:</b>	Yes
<b>Contact Officer:</b>	Nigel Collumbell Assistant Director of Housing

## 1 Recommendations

That Full Council be recommended to authorise the Interim Director of Housing to adjust council rents and housing related charges with effect from 1 April 2024 as follows:

- 1.1 That the housing rental charges is increased by 7.7% which is the consumer price index 6.7% (September 2023) plus 1%, which is equivalent to a 7.7% increase.
- 1.2 That the housing service charges increase by the consumer price index (CPI)+ 1%, equivalent to a 7.7% increase.
- 1.3 That housing service charge is implemented on properties not currently being charged but are receiving the service in line with similar properties receiving the service provision, including heating, water and laundry facility following consultation with residents.
- 1.4 That subject to consultation with the residents of the site, to increase rent at the traveller's pitch in Hills View, Tipton by 7.7%.
- 1.5 That rental charges for garage sites be increased by 7.7% in line with other council fees and charges agreed by Cabinet and Council.




- 1.6 That properties managed by Riverside under the Private Finance Initiative (PFI) agreement receive a 7.7% rental increase and a 7.7% increase in service charges to match the council’s rent and service charge increase.
- 1.7 That properties that sit outside the Housing Revenue Account (including service tenants for Parks, Sandwell Valley and Caretaking) receive a 7.7% increase in rental charges and service charges equivalent to CPI plus 1%.
- 1.8 That the leaseholder annual management fee be increased by 7.7%, CPI + 1% in 2024/25 from £115.66 to £124.57.
- 1.9 That the Director of Housing be authorised to implement adjustments to council rents and housing related charges as set out in this report with effect from 1 April 2024; and
- 1.10 That the Director of Housing be authorised to introduce associated service charges in respect of Building Safety Regulation requirements for Leasehold properties.


**2 Reasons for Recommendations**

- 2.1 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 purpose of this report is to seek approval to implement these charges for the new financial year 2024/25.
- 2.2 The council has to achieve the right balance between supporting tenants to mitigate the continued cost of living pressures and protecting the Housing Revenue Account (HRA) to ensure we can continue to provide affordable social housing for our residents.

**3 How does this deliver objectives of the Corporate Plan?**

	<p>Quality homes in thriving neighbourhoods</p> <p>Rental income is a key component of the financial wellbeing of the Housing Revenue Account. Funds support the council’s ambition to build more new and affordable council homes.</p>
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	<p>Rental income contributes to the maintenance and repairs of existing housing stock to become a decent standard and meet the requirements of the Building Safety Act 2022.</p>
	<p><b>A strong and inclusive economy</b></p> <p>Funds from rental and housing related charges will maintain / increase the capacity to build more affordable housing.</p> <p>Implementing a rental increase below the rate of inflation has a significant impact on our ability to deliver on new build schemes and maintain the quality of our existing housing stock.</p> <p>The requirements of the Building Safety Act will put pressures on the HRA. The significant of this will be identified when the stock condition surveys are complete.</p> <p>We will have fewer financial resources to deliver proposals within the 30year business plan. Every 1% 'lost' from rental income equates to a reduction in next year's rental income, estimated at £1.34m in year 1 (due to a 53-week rent year) and £39.57m over 30 years, based on 52/53 week rent year cycles).</p>

## 4 Context and Key Issues

### Background

- 4.1 In line with the Welfare Reform and Work Act 2016, Sandwell Council reduced housing rents by 1% per year for four years, between 2016/2017 and 2019/20.
- 4.2 In 2019, the government set a rent policy for social housing that would permit rents to increase by up to CPI+1% per annum and made clear its intention to leave this policy in place until 2025.
- 4.3 From 2020 Sandwell Council has had control over its own rent setting in line with the Department for Levelling Up, Housing and Communities (DLUHC) Rents Standard, and Policy Statement on Rents for Social Housing.



- 4.4 In 2023, CPI was 10.1%, which would have permitted social landlords to increase rents by 11.1% (CPI+1%). However, the government amended the rent policy for 2023/2024 and imposed a rent cap of 7% for social housing. Sandwell made the decision to set rent at 5% to help support residents during the exceptional time of inflationary pressures and cost of living. Due to the rising supplier costs, other stock owned local authorities and social landlords took the decision to increase rents by the maximum 7%.
- 4.5 There is a recognition that the council needs to maintain the existing housing stock to a good standard and cover operational costs and to achieve the right balance between protecting our tenants, protecting tax payers (by limiting the welfare costs associated with housing rents) and ensuring the council can deliver on its commitments to build new social homes.
- 4.6 For 2024/25, the government have not announced a rent cap, therefore the council are permitted to increase rents by CPI+1% in line with the Rent Standard and Policy Statement on Rents for Social Housing issued annually in April.

### Rents

- 4.7 The Council applies two types of rents on its housing stock; Social Housing Rents (Formula) and Affordable Rent.
- 4.7.1 Formula rents take account various attributes such as post code area, type of property, local earnings and number of bedrooms; this ensures similar rents are charged for similar properties. The rents for new tenants letting existing stock are set using formula rent and it is proposed that this policy continues.
- 4.7.2 Affordable Rents are set at 80% of the market rent, inclusive of service charges. Affordable rent is charged on new builds under the affordable homes programme and any additional stock such as buy backs from previous Right to Buy or private acquisitions, or appropriated stock from the general fund. The proposal is to increase affordable rents by 7.7% in line with other rental increases.



4.7.3 Rents are charged for the following council properties and buildings:

- Council tenant properties
- Properties managed by Riverside under the PFI
- Travellers Pitch – Travellers at Hillside View, Tipton
- There are a small number of properties that sit outside of the HRA and their income contributes to the General Fund

4.7.4 Appendix 1 sets out the proposed typical rent levels at 53 weeks for the main property types and sizes

4.7.5 It is estimated that 70% of our customers are full or partial benefits. This represents a mix of customers on Housing Benefit and Universal Credit.

Table 1 shows that 30% of our customers pay their rent in full.

Table 1 Customers in Receipt of Housing related benefits for Rents and Service Charges

Overall Summary	No. Customers	% Customers
Total properties	26,616	
Customers on full benefits (UC/HB)	12,112	45.5%
Customers on partial benefits	6,532	24.5%
Customers that pay full rent	7,972	30.0%

4.8 Customers who pay all of their rent and those on partial housing benefits will be impacted by a rental increase, however 45.5% of our customers who receive full benefits will be unaffected.

4.9 To demonstrate the impact a 7.7% rental increase would have, Table 2 below shows the financial impact for customers living in a 3-bedroom property in receipt of housing benefits for 20%, 50% or 70% of their rent.

For example, a customer living in a 3-bed house in receipt of 70% benefits would see a rental increase of £2.24 per week (example 3 below). Please see Appendix 2 for full details of all property types.



Table 2

**Example 1 - Customers on 20% Housing Benefits - Impact of a 7.7% increase in rent (pays 80% of rent)**

Bedrooms	Bungalow	Flat High Rise	Flat Low Rise/Medium Rise	House	Grand Total
3	£6.32	£5.18	£5.57	£5.98	£5.96

**Example 2 - Customers on 50% Housing Benefits - Impact of a 7.7% increase in rent (pay 50% rent)**

Bedrooms	Bungalow	Flat High Rise	Flat Low Rise/Medium Rise	House	Grand Total
3	£3.95	£3.24	£3.48	£3.74	£3.72

**Example 3 - Customers on 70% Housing Benefits - Impact of a 7.7% increase in rent (pays 30% of rent)**

Bedrooms	Bungalow	Flat High Rise	Flat Low Rise/Medium Rise	House	Grand Total
3	£2.37	£1.94	£2.09	£2.24	£2.23

**Example 4 - Customers not in receipt of any benefits Impact of a 7.7% increase in rents (customers paying full rent)**

Bedrooms	Bungalow	Flat High Rise	Flat Low Rise/Medium Rise	House	Grand Total
3	£7.90	£6.48	£6.96	£7.48	£7.45

4.10 The Income and Money Advice Service have implemented positive initiatives to support tenants that contribute towards their rental payment. The Welfare Rights Team assist the residents of Sandwell to claim the benefits that they are entitled to through benefit maximisation, representing clients where claims have failed.

4.11 The Housing Income and Money Advice Services actively promote and signpost customers to services provided through the partnership work with agencies such as; Citizens Advice Sandwell, SCVO, Think Sandwell Employment and Skills Team, Connexions Sandwell and proactive promotion of these services.





- 4.12 Additional funds have been sought through the Local Welfare Provision (LWP) to purchase furniture and white goods. Where customers are not eligible to be supported via the LWP, the HRA Hardship Fund will be utilised where customers are eligible for support. The current hardship fund available is £100k.
- 4.13 Proactive use of Discretionary Housing Payment (DHP) by applying to the Department of Levelling Up, Homes and Communities (DLUHC) to use funds from the HRA to off-set any shortfalls from the DHP fund for 2024/25. Sandwell's overall limit for 2023/24 is £1.786m.
- 4.14 The Council needs to get the right balance between protecting its tenants from rental increases and minimising lost income in order to achieve comments within the 30-year business plan.
- 4.15 The rental income is vital to the financial well-being of the Housing Revenue Account (HRA). Rental income offsets operational costs and financial charges, and the surplus is used to invest in capital improvements to the housing stock. This includes delivering the major works programme on our high-rise accommodation to meet the requirements of the Building Safety Act 2022 and provisions to fund the council's affordable homes new build scheme.
- 4.16 The additional income generated from a 7.7% increase of £11.93million will contribute to the upkeep of our existing stock as well as enabling us to build more high-quality housing to meet the needs of our residents. A rental increase lower than CPI+1% would have a detrimental impact on the council's ability to maintain and improve and increase our social housing stock.
- 4.17 As at 31 March 2023 there are 974 properties in Wednesbury currently managed by Riverside under the Private Finance Initiative (PFI) agreement. It is proposed that PFI property rents are increased by 7.7% and service charges are increased by CPI+1%. This is in line with properties managed by the council.
- 4.18 There are a small number of properties that sit outside the Housing Revenue Account and their rental income contributes to the council's general fund finances. This includes service tenants for Parks, Sandwell Valley and Caretaking. It is proposed that rent and service charges on these properties are increased by CPI+1% from April 2024. These properties are heavily discounted.



## Service Charges

- 4.19 A decision was made to freeze service charges for council tenants during 2021/22. This was following the COVID pandemic as there was an interruption to some services provided.
- 4.20 Service charges were increase by CPI+1% in 2022/23 which was a 4.1% increase
- 4.21 Service charges were increased by CPI+1% in 2023/24 which was a 11.1% increase.
- 4.22 Analysis undertaken by Savills has highlighted a low level of service charge income in Sandwell (based on 2020/21 outturn) when benchmarking against other authorities.
- 4.23 The service charge freeze from previous years has had a detrimental impact on Sandwell's lower comparable service charges.
- 4.24 Service charges are outside of the government's legislative changes. The principle continues to be to recover the cost of service provision.
- 4.25 Service charges are charged to tenants living in flatted accommodation, and other properties having communal areas which require services such as:
- Cleaning - for internal and external cleaning of high and low-rise flatted accommodation
  - Security - for CCTV, Concierge and Door Entry
  - Aerials - for a digital aerial service
  - Heating, water and laundry services - relating specifically to some blocks, an estimated charge is set to recover costs but there may be retrospective adjustments between years to reflect actual costs
- 4.26 Service charges are annually reviewed, traditionally they have only been uplifted annually by inflation. The income generated from service charges contributes significantly to the HRA; however, the costs of service provision is subsidised by rental income as some charges do not cover actual costs.



- 4.27 A commitment was made in the Rent Review Cabinet Report in December 2021 to review all services charges to ensure charges applied cover the full cost of service delivery. This work has been completed; the review has identified a small number of properties are not being charged for the provision of services for heating and water where there is no independent metering for the property, and laundry facilities in a limited number of low and high-rise blocks. Consultation has commenced with residents and it is proposed that charges are implemented to these properties from 2023/24.
- 4.28 Cleaning charges relate to internal cleaning within blocks and other shared facilities, and the external cleaning of paths and gardens. There are higher costs associated with high rise blocks as they will receive more frequent inspections and cleaning.
- 4.29 Security charges are applicable in low and high-rise blocks. Most properties receive a secure door entry service with a fob key and intercom / buzzer link. Full provision includes CCTV at the entrance and around the block, a door entry service with a direct link to the 24/7 CCTV control room at Roway Lane. The block expansion project will increase this facility and ensure all residents in high-rise blocks benefit from the safety and security provided by a monitored CCTV system.
- 4.30 Aerial service charge relates to a digital aerial service provided to 10,163 properties. There is a contract to maintain and repair this service. The service charge contributes to a replacement fund for when these are renewed or replaced.
- 4.31 Other service charges for specific schemes include furniture costs, warden services and lifts. It is proposed that these charges increase by CPI+1% in line with other service charges.
- 4.32 Leaseholders are also charged service charges, in addition to services mentioned above there is a recharge for the management and administration functions.
- 4.33 The proposal is to increase service charges by CPI+1%. Appendix 3 shows how this will impact current charges. Customers who are in receipt of Housing Benefit or Universal Credit will largely not be affected by this increase.



4.34 In response to the requirements of the Building Safety Act 2022, additional services will be introduced to discharge new duties which can be recovered through the introduction of new service charges.

### Garages

4.35 Garages are within the council's general fund property portfolio. As of October 2023, 62% of garages were rented by private home owners or by tenants with more than one garage.

4.36 Increased revenue from garage rental would support the general fund. Garages rented by customers that are not tenants or leaseholders will be charged a higher rate as VAT is applied as a requirement of His Majesty's Revenues and Customs (HMRC).

4.37 A large proportion of garage tenants use this facility as a much cheaper alternative to storage costs. It is recommended that the weekly garage rental is increased in line with the council's fees and charges approved annual by Cabinet.

### Leaseholder Management fee

4.38 Leaseholders are charged a management fee to cover the resource costs of running the service. This includes employee costs, training, ICT costs, management of the billing process, repairs statements, printing and postage. The charge is currently £115.66 per annum.

4.39 It is proposed that the leaseholder annual fee be increase by CPI+1% in 2024/25 to £124.57. The council's leaseholder charges are significantly lower than neighbouring authorities; as a comparable, Dudley MBC increased their management fee from £140.00 per annum in 2022/23 to £230.00 per annum from 2023/24 following a review of the service provision to leaseholders.

4.40 A full review of the leasehold management fee will be undertaken during the next 12-18 months.



## 5 Alternative Options

- 5.1 It has been recommended from April 2024 to increase rents by 7.7% for tenants within the Riverside managed PFI estate of Wednesbury. The council does have the discretion to set PFI rent. It would be unfair and inconsistent for customers in council properties if PFI tenants did not receive the same increase.
- 5.2 Increasing rents below the rate of inflation creates financial pressures for the council to deliver key services. The provision of good quality Housing and Neighbourhoods are key to improving lives and life chances for our residents. Reducing the level of income to the HRA will seriously impact our 30-year business plans and less funding for maintenance of our own stock and funding for new homes.
- 5.3 An alternative would be to increase rents by a lower percentage. The budgetary pressures from this would significantly impact our ability to deliver key services and may result in reduced services where costs can't be met through operational budgets. The challenges presented through the Consumer Regulation Act and the Building Safety Act put financial pressures on the HRA to reshape our services to meet the requirements. Appendix 4 shows the rental impact on budgets.

## 6 Implications

<b>Resources:</b>	<p>Rent income is a key component of the HRA finances. As a ringfenced account, all costs must be met from this revenue source. This includes all day to day running costs and any financing costs associated with capital investment.</p> <p>In order to continue the investment in the Housing stock, rent increases are inevitably required. With increases in CPI and Building Cost Indices (BCI) and the current energy crises more pressure is being put on HRA finances to continue to deliver services to tenants and continue improvements to the stock to ensure high quality homes and services are provided to tenants.</p>
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	<p>Government policy allows an increase of up to CPI plus 1%, current inflation figure is 6.7% Applying rent increases lower than the CPI+1% is a risk to the Council as this results in a significant income loss to the HRA of £1.34m for every 1% reduction.</p>
<p><b>Legal and Governance:</b></p>	<p>Local housing authorities are required by s.74 of the Local Government and Housing Act 1989 to keep a Housing Revenue Account (HRA) unless the Secretary of State has consented to their not doing so. The HRA identifies major elements of housing revenue expenditure, such as maintenance, administration and contributions to capital costs, and how they are funded by rents and other income.</p> <p>S.24 of the Housing Act 1985 gives local authorities the power to make reasonable charges for the tenancy or occupation of dwellings. Rent setting must be seen in the context of the statutory duty to set a balanced HRA budget.</p> <p>The Council is required to review from time to time that the rents and service charges that it charges for the tenancy or occupation of its dwellings are fair and reasonable. The review of rents is now subject to further restrictions arising from the provisions of the Welfare Reform and Work Act 2016. In October 2017, the Government confirmed details for future social rents and from 2020/21, providers are able to increase rents up to a limit of CPI plus 1% each year. This policy is designed to provide more certainty over rent levels.</p> <p>The Council may amend the rent for its tenants by giving at least 28-days notice. The notice period arises from s.102 (1)(b) of the Housing Act 1985 and in the terms of the Council's standard tenancy agreement.</p>
<p><b>Risk:</b></p>	<p>Appropriate measures will be put in place to mitigate any risks identified up to acceptable levels once a decision is made what increases are to be applied.</p>



<b>Equality:</b>	Appropriate measures will be put in place to mitigate any risks identified up to acceptable levels once a decision is made what increases are to be applied.
<b>Health and Wellbeing:</b>	There are no direct implications from this report but rent and service charge income will continue to be used to protect residents such as through the funding of support for the anti-social behaviour service, cleaning of estates, fire protection and building safety measures and CCTV.
<b>Social Value:</b>	There is not direct impact resulting from this report.
<b>Climate Change:</b>	The requirement to retro-fit properties to achieve net zero targets for our housing stock will require significant investment which the HRA currently doesn't have capacity to deliver. Any rent increases below the current levels of inflation will increase further the budget pressures on the HRA in future years putting at risk our ability to deliver on these targets.
<b>Corporate Parenting:</b>	The Council has a duty under the Children (Leaving Care) Act 2000, to ensure that children leaving care and entering adulthood are not isolated and are able to participate social an economically in society. The Council provides training flats for care leavers aged 16 to 18 and access to social housing register as a care leaver of Sandwell Children's Trust aged 25 or below. Apprentice opportunities are being successfully explored within Housing and the Income Management Team have successfully appointed the first care leaver into an apprentice role.

## 7. Appendices

Appendix 1 – Impact of Rental Increase on Average Weekly Rents

Appendix 2 – Impact of Rental Increase to Customers on Partial Housing Benefits

Appendix 3 – Rental from Service charges and Impact on weekly charges

Appendix 4 – Rental Increase and the Impact on Budgets



## 8. Background Papers

None.





Appendix 1 – Impact of rental increase on average weekly rents - varying property types and size

Average of Rent - 7.7% Increase

Bedrooms	Bungalow	Flat High Rise	Flat Low Rise/Medium Rise	House	Average
0	£73.61	£64.18	£68.75	£0.00	£67.41
1	£87.95	£74.78	£81.20	£85.77	£81.82
2	£109.04	£82.40	£90.07	£97.88	£91.32
3	£110.50	£90.61	£97.42	£104.58	£104.17
4	£125.89	£0.00	£0.00	£118.20	£118.22
5	£0.00	£0.00	£0.00	£137.33	£137.33
6	£0.00	£0.00	£0.00	£128.14	£128.14
7	£0.00	£0.00	£0.00	£287.47	£287.47
8	£0.00	£0.00	£0.00	£136.05	£136.05
Average	£90.66	£80.95	£84.73	£103.82	£94.71

Impact of 7.7% increase on weekly Rent

Bedrooms	Bungalow	Flat High Rise	Flat Low Rise/Medium Rise	House	Average
0	£5.26	£4.59	£4.92	£0.00	£4.82
1	£6.29	£5.35	£5.81	£6.13	£5.85
2	£7.80	£5.89	£6.44	£7.00	£6.53
3	£7.90	£6.48	£6.96	£7.48	£7.45
4	£9.00	£0.00	£0.00	£8.45	£8.45
5	£0.00	£0.00	£0.00	£9.82	£9.82
6	£0.00	£0.00	£0.00	£9.16	£9.16
7	£0.00	£0.00	£0.00	£20.55	£20.55
8	£0.00	£0.00	£0.00	£9.73	£9.73
Average	£6.48	£5.79	£6.06	£7.42	£6.77

## Appendix 2 – Impact of Rental Increases for Customers on Partial Benefits

### Impact of a 7.7% Increase

Example 1 - Customers on 20% Housing Benefits - Impact of a 7.7% increase in rent (pays 80% of rent)

Bedrooms	Bungalow	Flat High Rise	Flat Low Rise/Medium Rise	House	Average
0	£4.21	£3.67	£3.93	£0.00	£3.86
1	£5.03	£4.28	£4.64	£4.91	£4.68
2	£6.24	£4.71	£5.15	£5.60	£5.22
3	£6.32	£5.18	£5.57	£5.98	£5.96
4	£7.20	£0.00	£0.00	£6.76	£6.76
5	£0.00	£0.00	£0.00	£7.85	£7.85
6	£0.00	£0.00	£0.00	£7.33	£7.33
7	£0.00	£0.00	£0.00	£16.44	£16.44
8	£0.00	£0.00	£0.00	£7.78	£7.78
Average	£5.19	£4.63	£4.85	£5.94	£5.42

Example 2 - Customers on 50% Housing Benefits - Impact of a 7.7% increase in rent (pay 50% rent)

Bedrooms	Bungalow	Flat High Rise	Flat Low Rise/Medium Rise	House	Average
0	£2.63	£2.29	£2.46	£0.00	£2.41
1	£3.14	£2.67	£2.90	£3.07	£2.92
2	£3.90	£2.95	£3.22	£3.50	£3.26
3	£3.95	£3.24	£3.48	£3.74	£3.72
4	£4.50	£0.00	£0.00	£4.23	£4.23
5	£0.00	£0.00	£0.00	£4.91	£4.91
6	£0.00	£0.00	£0.00	£4.58	£4.58
7	£0.00	£0.00	£0.00	£10.28	£10.28
8	£0.00	£0.00	£0.00	£4.86	£4.86
Average	£3.24	£2.89	£3.03	£3.71	£3.39

## Appendix 2 – Impact of Rental Increases for Customers on Partial Benefits

Example 3 - Customers on 70% Housing Benefits - Impact of a 7.7% increase in rent (pays 30% of rent)

Bedrooms	Bungalow	Flat High Rise	Flat Low Rise/Medium Rise	House	Average
0	£1.58	£1.38	£1.47	£0.00	£1.45
1	£1.89	£1.60	£1.74	£1.84	£1.75
2	£2.34	£1.77	£1.93	£2.10	£1.96
3	£2.37	£1.94	£2.09	£2.24	£2.23
4	£2.70	£0.00	£0.00	£2.54	£2.54
5	£0.00	£0.00	£0.00	£2.95	£2.95
6	£0.00	£0.00	£0.00	£2.75	£2.75
7	£0.00	£0.00	£0.00	£6.17	£6.17
8	£0.00	£0.00	£0.00	£2.92	£2.92
Average	£1.94	£1.74	£1.82	£2.23	£2.03

## Appendix 3 Services Charges – Income and charges

### Income from Service Charges – Impact of Increases

Charge Description	Annual Income 2022/23	Current Income Est. (IE +11.1% Incr. Apr23)	Additional Income			
			5% Increase	7% Increase	7.7% Increase	9% Increase
Communal Cleaning	£1,290,532	£1,433,781	£71,689.07	£100,365	£110,401	£129,040
Security - CCTV/Concierge/Door entry	£1,159,765	£1,288,498	£64,424.92	£90,195	£99,214	£115,965
Aerial	£233,197	£259,082	£12,954	£18,136	£19,949	£23,317
Heating	£86,063	£95,616	£4,781	£6,693	£7,362	£8,605
Gap Service	£46,675	£51,856	£2,593	£3,630	£3,993	£4,667
Furniture	£71,043	£78,929	£3,946	£5,525	£6,078	£7,104
Willow Gardens	£95,950	£106,600	£5,330	£7,462	£8,208	£9,594
Communal Facility	£15,623	£17,357	£868	£1,215	£1,336	£1,562
Water (Walker Grange)	£9,179	£10,198	£510	£714	£785	£918
Lift Maintenance	£7,999	£8,887	£444	£622	£684	£800
Warden	£1,724	£1,915	£96	£134	£147	£172
Grounds Maintenance	£2,061	£2,290	£115	£160	£176	£206
<b>Total</b>	<b>£3,019,811</b>	<b>£3,355,010</b>	<b>£167,751</b>	<b>£234,851</b>	<b>£258,336</b>	<b>£301,951</b>

## Appendix 3 Services Charges – Income and charges

### Average Weekly Charges – Impact of increases on weekly charges

Average Charges	Details	Charges 2023/24	5% Increase	5% Inc. Difference	7% Increase	7% Inc. Difference	7.7% Increase	7.7% Inc. Difference	9% Increase	9% Inc. Difference
Cleaning	High rise flats	£5.36	£5.63	£0.27	£5.74	£0.38	£5.77	£0.41	£5.84	£0.48
Cleaning	Low/med rise flats	£4.83	£5.07	£0.24	£5.17	£0.34	£5.20	£0.37	£5.26	£0.43
Cleaning	Supported Accommodation	£10.33	£10.85	£0.52	£11.05	£0.72	£11.13	£0.80	£11.26	£0.93
Communal cleaning	Medium rise	£0.73	£0.77	£0.04	£0.78	£0.05	£0.79	£0.06	£0.80	£0.07
Aerial	Charge	£0.49	£0.51	£0.02	£0.52	£0.03	£0.53	£0.04	£0.53	£0.04
Furniture		£10.18	£10.69	£0.51	£10.89	£0.71	£10.96	£0.78	£11.10	£0.92
Lift	Scribbans Place	£7.94	£8.34	£0.40	£8.50	£0.56	£8.55	£0.61	£8.65	£0.71
Water	Walker Grange	£4.07	£4.27	£0.20	£4.35	£0.28	£4.38	£0.31	£4.44	£0.37
Security - CCTV		£4.27	£4.48	£0.21	£4.57	£0.30	£4.60	£0.33	£4.65	£0.38
Security - Concierge & CCTV		£9.91	£10.41	£0.50	£10.60	£0.69	£10.67	£0.76	£10.80	£0.89
Security - Door entry and CCTV		£6.23	£6.54	£0.31	£6.67	£0.44	£6.71	£0.48	£6.79	£0.56
Security - security door		£1.97	£2.07	£0.10	£2.11	£0.14	£2.12	£0.15	£2.15	£0.18
Warden	Walker Grange	£0.94	£0.99	£0.05	£1.01	£0.07	£1.01	£0.07	£1.02	£0.08
<u>Willow Gardens</u>										
Furniture		£3.14	£3.30	£0.16	£3.36	£0.22	£3.38	£0.24	£3.42	£0.28

### Appendix 3 Services Charges – Income and charges

Guttering		£0.16	£0.17	£0.01	£0.17	£0.01	£0.17	£0.01	£0.17	£0.01
Management Fee		£8.55	£8.98	£0.43	£9.15	£0.60	£9.21	£0.66	£9.32	£0.77
Oven / Hob		£1.99	£2.09	£0.10	£2.13	£0.14	£2.14	£0.15	£2.17	£0.18
Utilities (communal)		£9.18	£9.64	£0.46	£9.82	£0.64	£9.89	£0.71	£10.01	£0.83
Windows		£0.78	£0.82	£0.04	£0.83	£0.05	£0.84	£0.06	£0.85	£0.07
Grounds		£3.71	£3.90	£0.19	£3.97	£0.26	£4.00	£0.29	£4.04	£0.33
Cleaning		£9.93	£10.43	£0.50	£10.63	£0.70	£10.69	£0.76	£10.82	£0.89
Cleaning materials		£0.89	£0.93	£0.04	£0.95	£0.06	£0.96	£0.07	£0.97	£0.08
Lift		£0.50	£0.53	£0.03	£0.54	£0.04	£0.54	£0.04	£0.55	£0.05
<u>Other service charges</u>										
Gap	Gap	£33.24	£34.90	£1.66	£35.57	£2.33	£35.80	£2.56	£36.23	£2.99
Grounds	Parkside/ Scribbans Place	£1.20	£1.26	£0.06	£1.28	£0.08	£1.29	£0.09	£1.31	£0.11
Grounds	Norma Close	£0.62	£0.65	£0.03	£0.66	£0.04	£0.67	£0.05	£0.68	£0.06
Heating	Selby House	£6.89	£7.23	£0.34	£7.37	£0.48	£7.42	£0.53	£7.51	£0.62
Heating	Selby House	£7.34	£7.71	£0.37	£7.85	£0.51	£7.91	£0.57	£8.00	£0.66
Leaseholder charges	Per annum	£115.66	£121.44	£5.78	£123.76	£8.10	£124.57	£8.91	£126.07	£10.41

Appendix 4 – Budgeted Rental Income and Impact of Increasing rents

	Annual Income 2024/25 (53 weeks)	Additional Annual Income PA (53 weeks)
Rental Income 52 weeks (2024/24 full year forecast)	£122,086,330	
6% Increase (53 weeks)	£131,900,193	£9,813,863
7% Increase (53 weeks)	£133,144,534	£11,058,204
<b>7.7% Increase (53 weeks)</b>	<b>£134,015,573</b>	<b>£11,929,243</b>
8% Increase (53 weeks)	£134,388,876	£12,302,546
9% Increase (53 weeks)	£135,633,217	£13,546,887

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# Report to Cabinet

**6 December 2023**

<b>Subject:</b>	10 Year Business Rates Retention Agreement
<b>Cabinet Member:</b>	Deputy Leader and Cabinet Member for Finance and Resources Councillor Bob Piper
<b>Director:</b>	Director of Finance Brendan Arnold
<b>Key Decision:</b>	Yes
<b>Contact Officer:</b>	Acting Assistant Director – Finance Claire Spencer Claire_spencer@sandwell.gov.uk

## 1 Recommendations

Cabinet recommends to Full Council that:

- 1.1 Approval be granted for the Council to enter into a 10-year business rates retention arrangement with the Department for Levelling Up, Homes and Communities (DLUHC), the West Midlands Combined Authority (WMCA) and the six other West Midlands metropolitan local authorities.
- 1.2 That the Director of Finance in consultation with the Monitoring Officer, be authorised to complete any necessary agreements for the retention arrangement referred to in 1.1 above.
- 1.3 That the Director of Finance be authorised to make an annual payment to the West Midlands Combined Authority of £1.264m in 2023/24, which constitutes the Council's proportion of the "WMCA Share" of regional business rates income collected in the current year under the existing 100% business rates retention pilot arrangements.
- 1.4 That subject to approval of recommendation 1.1, the Director of Finance be authorised to make an annual payment to the West Midlands



Combined Authority in each year throughout the 10-year period commencing on 1<sup>st</sup> April 2024, comprising of the Council's proportion of the "WMCA Share" of regional business rates income collected in that year.

## 2 Reasons for Recommendations

### Summary

- 2.1 This report outlines proposals for a new agreement with Department for Levelling Up, Homes and Communities (DLUHC) which would allow the seven West Midlands metropolitan local authorities to retain 100% of their business rates income for the ten years from 2024/25, with a share payable each year to the West Midlands Combined Authority (WMCA) (and 1% payable to the West Midlands Fire and Rescue Authority).
- 2.2 This agreement is in accordance with the "West Midlands Trailblazer Deeper Devolution Deal", which was set out in a paper to Cabinet on 13<sup>th</sup> September 2023. Cabinet resolved to approve the Deeper Devolution Deal, as set out in the report, and resolved that further reports would be received by Cabinet on specific issues relating to the detail of the Deeper Devolution Deal. This report relates specifically to the proposed 10 year business rates retention agreement.

### Background

- 2.3 In 2017, the seven constituent local authorities of the WMCA entered into a pilot agreement with DLUHC allowing them to benefit from retaining 100% of the business rates generated within their respective local authority areas, compared with 50% nationally, in exchange for forgoing Revenue Support Grant ('RSG'). 1% of local business rates income under both the national and pilot schemes is retained by the West Midlands Fire and Rescue Authority.
- 2.4 Whilst initially expected to be a short-term pilot in advance of national roll-out of 100% business rates retention, the arrangement has been rolled forward under the same terms and conditions annually and remains in effect during 2023/24.
- 2.5 As part of the West Midlands Deeper Devolution Trailblazer Deal, DLUHC has offered to local authorities forming both West Midlands and Greater Manchester Combined Authorities only, the opportunity to extend the



arrangement on a more permanent basis; for 10 years commencing in April 2024.




### The Proposed Agreement

2.6 The proposed agreement is similar in many respects to the existing pilot arrangements and is therefore not expected to have any impact on projected business rates income in the short term. The Government may at some point in the future contemplate a reset of the business rates base nationally; however, that is a separate issue from the scheme discussed in this report and it is not expected that such a policy will emerge for consultation in the short or near medium term.




2.7 The new 10-year arrangement offers greater certainty for the West Midlands local authorities, which will improve medium term financial planning, and the arrangement is expected to be financially more advantageous than reverting to the national scheme of 50% retention. Broadly, the Council would expect to be financially better off under the new 100% retention deal than it would be in the national 50% scheme by the value of the following:

- 50% of any forecast growth above the baseline (expected to be relatively low in the years immediately following the reset), less the WMCA’s share, and
- the levy on any growth that the authority would be liable to pay to government under the 50% scheme.

## 3 How does this deliver objectives of the Corporate Plan?

	<p>The Best Start in Life for Children and Young People The proposals in this report are part of the wider devolution deal which is expected to have a positive impact on the region and to deliver financial benefits which will support the delivery of the priorities in the Corporate Plan.</p>
	<p>People Live Well and Age Well The proposals in this report are part of the wider devolution deal which is expected to have a positive impact on the region and to deliver financial benefits which will support the delivery of the priorities in the Corporate Plan.</p>
	<p>Strong Resilient Communities The proposals in this report are part of the wider devolution deal which is expected to have a positive impact on the</p>



	region and to deliver financial benefits which will support the delivery of the priorities in the Corporate Plan.
	<b>Quality Homes in Thriving Neighbourhoods</b> The proposals in this report are part of the wider devolution deal which is expected to have a positive impact on the region and to deliver financial benefits which will support the delivery of the priorities in the Corporate Plan.
	<b>A Strong and Inclusive Economy</b> The proposals in this report are part of the wider devolution deal which is expected to have a positive impact on the region and to deliver financial benefits which will support the delivery of the priorities in the Corporate Plan.
	<b>A Connected and Accessible Sandwell</b> The proposals in this report are part of the wider devolution deal which is expected to have a positive impact on the region and to deliver financial benefits which will support the delivery of the priorities in the Corporate Plan.

## 4 Context and Key Issues

### 2017-2023 Pilot Arrangements

- 4.1 Details of the existing 100% business rates retention pilot arrangements are set out in appendix 1 of this report.

### 10 Year 100% Business Rates Retention Offer

- 4.2 The process for entering into the new 10-year arrangement will require agreement to a new Memorandum of Understanding (MoU) which has been drafted by DLUHC. Technically, the MoU is not a legally binding document, but it will set firm parameters for how the 100% business rates retention arrangement will be managed over the period for which it is effective.
- 4.3 If the region is not able to reach a timely agreement with DLUHC on the contents of the MoU, then DLUHC have confirmed that the existing pilot arrangements will continue for a further year (2024/25) with the opportunity to enter into a 9-year arrangement from April 2025. Whilst there may be no financial implications in 2024/25 for not agreeing the MoU, there is a risk that if DLUHC policy does change in the next 12 months, the region could lose the opportunity to continue with 100% business rates retention in the medium and long term.



4.4 WMCA, West Midlands local authorities and DLUHC have been negotiating the content of the MoU over recent months. WMCA officers have been supported in all discussions by officers from Solihull Metropolitan Borough Council, who were nominated by the West Midlands Finance Director Group to represent the interests of local authorities in the negotiations.

4.5 The key considerations within the MoU are set out in appendix 2 of this report.

#### **“WMCA Share”**

4.6 At the outset of the pilot of 100% business rates retention, the West Midlands local authorities agreed to fund from business rates gains, the Combined Authority Investment Programme income profile in line with WMCA’s original financial modelling expectations; that being £1.5m in year one growing incrementally by £1.5m each year. This arrangement, which is subject to annual agreement, remains intact and the sum due to the Combined Authority for 2023/24 totals £12.0m. Sandwell MBC’s contribution is £1.264m in 2023/24.

4.7 A share of regional business rates being due to the Combined Authority is required to remain in place under the 10-year deal. In 2024-25, the Combined Authority share of retained business rates from constituent authorities will total £13.5m, with this expected to increase by a maximum of £1.5m per annum. Sandwell MBC’s contribution in 2024/25 is likely to be £1.422m, which is an increase of £0.158m compared with 2023/24. The annual increase is in line with agreements made with the seven local authorities under the first devolution deal.

## **5 Alternative Options**

5.1 The Council could choose to opt out of the proposed 100% business rates retention “Devolution Deal” offer proposed by DLUHC and would return to 50% business rates retention, in line with the arrangements of the majority of local authorities across England.



5.2 If the WMCA and West Midlands authorities do not agree to enter into a new ten-year business rates retention arrangement in time for 2024/25 or 2025/26, then it is assumed that the pilot would come to an end and the member authorities would revert to the national 50% scheme. This would mean that that the council was again liable to pay a levy on business rates growth above the baseline and would lose the enhanced safety net protection offered under the pilot, as described in appendices 1 and 2. In the absence of the additional regional share of business rates growth from which to fund the WMCA contribution, the WMCA would need to either seek financial contributions from the West Midlands authorities outside of the business rates scheme (which would then create a funding pressure for the individual authorities) or seek government support to ensure its ongoing sustainability.

## 6 Implications

<p><b>Resources:</b></p>	<p>According to modelling carried out by WMCA, the pilot of 100% business rates retention has resulted in an average gain in business rates income of £7.1m per annum to Sandwell MBC over the term of the pilot scheme. For context, retained business rates for the Council are forecast to be £109.6m in 2023/34.</p> <p>Whilst the 100% business rates retention pilot has meant that the Council has been in a gain position due to business rates growth compared with prior 50% retention arrangements, there is no guarantee that there will be any gain over the 10 year period of the revised arrangement and it is not possible at this point to quantify any potential gains or risks relating to the new agreement.</p> <p>A payment of £1.264m to WMCA in 2023/24 will require a virement of £0.328m from Contingency to Central items to top-up the budget within Central Items that is available to fund the “WMCA Share” payment that the council is obliged to make.</p> <p>The Council’s “WMCA Share” payment is forecast to increase by £0.158m per annum from 2024/25 and provision for this will be made within the Medium Term Financial Strategy.</p>
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<b>Legal and Governance:</b>	The MoU whilst not legally binding is a formal document which sets out the expectations of the West Midlands local authorities, WMCA and DLUHC and provides clarity for all parties in relation to the operation, review and limitations of the 10 year agreement.
<b>Risk:</b>	There is a risk that a business rates reset or downturn in business rates could potentially put the council or business rates pool into a detriment position due to business rates income potentially falling below the baseline position. However the MoU does provide some protection against this via discussions with DLUHC through a review of the arrangements, safety net and a local “no detriment” agreement.
<b>Equality:</b>	There are no inequalities implications arising from the proposals in this report.
<b>Health and Wellbeing:</b>	There are no health and wellbeing implications from the proposals in this report.
<b>Social Value:</b>	There are no social value implications arising from the proposals in this report.
<b>Climate Change:</b>	There are no climate change implications arising from proposals in this report.
<b>Corporate Parenting:</b>	There are no corporate parenting implications arising from proposals in this report.

## 7. Appendices

Appendix 1: 2017-2023 Pilot Arrangements

Appendix 2: 10 Year Agreement - Memorandum of Understanding Key Considerations

## 8. Background Papers

West Midlands Combined Authority Devolution Deal

West Midlands Combined Authority Trailblazer Deeper Devolution Deal



## 10 Year Business Rates Retention Agreement Report Appendix 1

### 2017-2023 Pilot Arrangements

1. The pilot of 100% business rates retention represented a fundamental change to the pre-2017 arrangements, where 50% of business rates were retained locally and the remainder was remitted centrally to Government; whilst RSG was also received from DLUHC by each West Midlands authority. The pilot arrangements essentially meant RSG was foregone, in exchange for the remaining 50% central share of business rates now being retained locally, rather than remitted to Central Government.
2. Given this fundamental shift in the local authority financing mechanism, DLUHC provided a “no detriment guarantee” which would be triggered if the resources generated for West Midlands authorities under the national business rates retention arrangements in effect at the time (50% retention) would have yielded a higher value of funding at pilot level (being all seven constituent local authorities as a collective) compared with the 100% retention arrangements under the pilot. In the event of a collective-level detriment, DLUHC agreed it would directly reimburse the pilot as a whole.
3. If, however, there were instances of isolated detriment (i.e. some local authorities worse off), the collective no detriment clause would not be triggered, and so no compensating funding from DLUHC would be received. However, the arrangement agreed with DLUHC stipulated that those authorities in a gain position would directly reimburse those in a detriment position.
4. The pilot also contained an enhanced “safety net” level for each West Midlands authority of 97% of its baseline funding level, compared with 92.5% nationally, to reflect the increased exposure to business rates risk by way of 100% retention. The safety net is the level below which DLUHC guarantees an authority’s income from business rates will not fall.
5. The 2016 Devolution Deal with DLUHC (which was effectively the catalyst for the WMCA and the associated Investment Programme) included an





arrangement whereby the Combined Authority would benefit from a share of business rates growth in the region.

6. At the time of the 2016 Devolution Deal, local authorities were in the national retention system (50% retained, 50% remitted centrally) and Central Government agreed to remit back to the Combined Authority any growth within the 50% Central Share that was due from the region to Central Government under the national arrangements in effect at that time.
7. The Combined Authority was initially expected to generate £3bn of income to fund the regional Investment Programme. This would facilitate £2bn of investment (with the remainder used for capital financing) and would be funded from Gainshare (a 30-year DLUHC Grant), Mayoral Precept, Mayoral Business Rates Supplement and business rates growth.
8. The move from the national 50% arrangements to the 100% retention arrangements complicated the calculations of business rates growth and hence the amount due to the Combined Authority. Nevertheless, local authorities agreed to fund from business rates gains, the Combined Authority Investment Programme income profile in line with the original financial modelling expectations; that being £1.5m in year one growing incrementally by £1.5m each year. This arrangement, which is subject to annual agreement, remains intact and the sum due to the Combined Authority for 2023/24 totals £12.0m. Sandwell MBC's contribution is £1.264m in 2023/24.
9. To note, the WMCA share is deducted in the gain/detriment calculations before the "no detriment" assessment is carried out.



## 10 Year Business Rates Retention Agreement Report Appendix 2

### 10 Year 100% Business Rates Retention Offer Memorandum of Understanding (MoU) Key Considerations

1. **Term:** The 10-year arrangement should allow authorities to assemble financial plans with more confidence and where enhanced incomes are projected, authorities may be enabled to make longer term investment decisions given the arrangements have a degree of longevity.
2. **Safety Net:** The safety net is a protection within the system for local authorities which guarantees that reductions in business rates income is limited to a minimum percentage of the baseline funding level. Under the pilot arrangements, each authority had an enhanced safety net level of 97%, compared with 92.5% nationally. WMCA and Solihull MBC have successfully negotiated for this enhanced level of protection to remain unchanged, at an individual authority level, under the proposed 10-year arrangements.
3. **Grants Rolled In:** There is no change to the grants rolled in compared with the pilot arrangements. West Midlands authorities will continue to forgo RSG only in exchange for increased business rates retention.
4. **Additional Levy:** The levy for the pool will remain at nil, unchanged from the pilot arrangements.
5. **WMCA Share:** A share of regional business rates due to the Combined Authority is required to remain in place. Under the 10 year deal, in 2024-25, the Combined Authority share of retained business rates from constituent authorities will total £13.5m, with this expected to increase by a maximum of £1.5m per annum. Sandwell MBC's contribution in 2024/25 is likely to be £1.422m, which is an increase of £0.158m compared with 2023/24. The annual increase is in line with agreements made with the seven local authorities under the first devolution deal.



6. **Impact of a Reset:** The 10 year arrangement will be affected by national resets to business rates baselines. At the point of a reset, at a national level, the resources available to local authorities are unchanged in aggregate. However, a reset changes how DLUHC distributes these resources nationally and as such, some local authorities could benefit from a reset whilst the reverse will be true for other authorities. All core funding systems underpinned by business rates (the pilot, the national 50% scheme and the ten-year arrangements) are exposed to this issue but the MoU describes how WMCA and the local authorities ensure protection from adverse outcomes associated with the reset, as far as is possible given the detail of how a reset will be undertaken has yet to be determined.
7. It is important to note that DLUHC has indicated that there will not be a reset until 2025/26 at the earliest. Additionally, it is as yet unclear what form a reset will take – for example whether it will be a full or partial reset, whether baseline funding levels will be updated in addition to business rates baselines (and if so on what basis) and which year(s) will be used to set the new baselines. These technical details are likely to have a significant influence on the outcome / impact of this national event. Nevertheless, the negotiating team have sought to agree appropriate protections which are acceptable to both sides.
8. A reset presents particular risks for the size of the WMCA share because in the year(s) immediately following a reset when business rates baselines are higher, the likelihood of there being insufficient business rates growth from which to fund the expected contribution is increased. Local authorities were concerned that in that scenario they might be expected to mitigate this risk from core resources, in which case they could be financially better off (particularly in the immediate year/s post re-set) in the national 50% scheme.
9. Through the negotiations with DLUHC steps have been taken to mitigate the loss of the no detriment protection. Firstly, the MoU includes a commitment from DLUHC that, in the event a reset has adverse, unintended consequences on the West Midlands authorities' ability to fund the WMCA share at the level expected, DLUHC will work with the region



to protect the substance of the WMCA share and secondly; it provides a means of reviewing and modifying the arrangements throughout the ten-year term with the agreement of all parties.

10. **No Detriment:** DLUHC is not willing to retain the “no detriment” protection that existed under the pilot arrangements, whereby DLUHC will reimburse the West Midlands authorities where they are collectively in a net deficit position.
11. The no detriment protection has not been called upon under the pilot arrangements, indicating it may be unlikely that the pool encounters a net detriment, however, the region is yet to experience the impact of a baseline reset which could make the overall position more marginal, particularly in the early years following a reset.
12. Outside of the MOU, locally-agreed no detriment protections (i.e. where authorities in a gain position may compensate authorities in a detriment position) will remain in place. The work regarding agreeing specific conditions for local no detriment has been delegated by West Midlands Finance Directors to the local authorities’ technical group to suggest a proposal. This is expected to be presented to Finance Directors and refined accordingly, and once the specifics are agreed, the expectation is that a MoU (rather than contract) would be signed by each Finance Director. Whilst not legally binding, this will ensure that clear expectations are agreed and set from the outset of the arrangements.
13. The following principles have been initially suggested:
  - The no detriment clause is applied on a cumulative basis. Annual results are heavily influenced by matters of judgement (appeals and bad debt provisions being key examples), which often have an impact on following years (for example, a loss due to a prudent provision in one year is likely to yield a higher gain the next year as the provision is unwound, etc).
  - At national resets, the cumulative gain/detriment position is reset to £nil.



- Any payments due under local no detriment must be supported by certified NNDR3 data, and any payments are conditional upon the relevant authority providing all evidence reasonably requested by the other members.

14. It should be noted that, during the existing pilot arrangements, no inter-local authority no detriment reimbursement has been requested or actioned to date.



## Report to Cabinet

**13 September 2023**

<b>Subject:</b>	West Midlands Deeper Devolution Deal
<b>Cabinet Member:</b>	Cabinet Member – Regeneration and WMCA Councillor Peter Hughes
<b>Director:</b>	Director – Regeneration and Growth Tony McGovern
<b>Key Decision:</b>	Yes
<b>Contact Officer:</b>	Tony McGovern <a href="mailto:Tony_McGovern@sandwell.gov.uk">Tony_McGovern@sandwell.gov.uk</a>

### 1. Recommendations

- 1.1 That approval be given to the West Midlands Deeper Devolution Deal as set out in this report and attached Appendices, which includes the in-principle award of the Bus Operator’s Grant as a Mayoral function.
- 1.2 That the Leader of the Council is authorised to vote in favour of the Deeper Devolution Deal when it is considered at the West Midlands Combined Authority Board.
- 1.3 That any views of Cabinet on the draft Governance Review and Scheme for the devolution of Bus Services Operator Grant (BSOG) are submitted to WMCA by Wednesday 27 September 2023.
- 1.4 That the Director of Regeneration and Growth, Director of Finance and Monitoring Officer are authorised to engage on the detailed implementation of the agreed elements of the Deeper Devolution Deal.
- 1.5 That further reports are received by Cabinet (and Council if appropriate) on specific issues relating to the detail of the Deeper Devolution Deal such as opt-outs and approval of the making of the Statutory Instruments following the receipt of a draft order for BSOG.



- 1.6 That the Director of Regeneration in consultation with the Leader of the Council, Monitoring Officer and Director Finance, undertakes such actions and exercises all necessary powers required to give effect to the Deeper Devolution Deal where it is considered expedient and necessary to do so.
- 1.7 That the financial benefits and risks as set out in Section 8 are noted.

## 2. Reasons for Recommendations

- 2.1 The Deeper Devolution Deal provides additional funding to the West Midlands Region and some additional powers to make local rather than national decisions.
- 2.2 The additional funding at high level can be summarised as follows:

Fund	Value	New Money
Growth Zones	<b>c.£0.5bn (minimum)</b>	Yes
Business Rates Retention	<b>c.£450m</b>	Difficult to Assess
Affordable Housing Programme	<b>£200-400m</b>	Yes
Single Regen' Fund	<b>£100m</b>	Yes
Wednesbury to Brierley Hill Metro Extension	<b>£60m</b>	Yes
Smart City Region	<b>£10m</b>	Yes
Air Quality Sensors	<b>£0.5m</b>	Yes
Digital Devices	<b>£4.0m</b>	Yes
Industrial Decarb	<b>£10.5m</b>	Yes
Natural Environment	<b>£1m</b>	Yes
Cultural Infrastructure Fund	<b>£5m</b>	Yes

- 2.3 The benefits that could flow from this Deeper Devolution Deal for residents and businesses in Sandwell include the following:

- A. Greater certainty over retaining business rates growth locally.
- B. Growth Incentives arising from the Sandwell Levelling Up Zone from Wednesbury to Tipton based around the new Metro extension.



- C. Further investment in the Wednesbury to Brierly Hill Metro extension so that Sandwell residents can access employment opportunities more easily.
- D. Higher level of investment in affordable homes as Sandwell is only meeting 50% of the social housing need in the Borough.
- E. Housing regeneration funding for the derelict Chances Glassworks site that has important heritage monuments on site (expression of interest submitted for £20.8m gap funding) and to acquire and remediate brownfield land around the new Midland Metropolitan Hospital in Smethwick to facilitate new homes.
- F. Further funding to combat digital exclusion in the Borough – Sandwell has one of the highest levels of digital exclusion in the Region.
- G. Funding to support business to decarbonise their operations as part of the commitment to Net Zero.
- H. Investment in public realm technology through Smart sensors that could assist Sandwell in multiple ways.
- I. The devolution of the Bus Service Operators Grant opens an opportunity to transition to low carbon / EV buses in Sandwell – currently there is very little low carbon buses in the Borough despite Sandwell having the poorest air quality in the West Midlands region.
- J. Funding to improve the Cultural Offer in Sandwell which is a priority area for Arts Council funding due to low spend baseline on cultural facilities.

2.4 A detailed audit trail of benefits arising from Deeper Devolution Deal for Sandwell residents and businesses will be developed in conjunction with the West Midlands Combined Authority linked to the Implementation Plan. Sandwell Metropolitan Borough Council will need to work proactively with the Combined Authority and a wide range of local and regional stakeholders to maximise the benefits from this Deeper Devolution Deal.





### 3. Background on West Midlands Deeper Devolution Deal

- 3.1 The West Midlands and Greater Manchester Combined Authorities were identified in the Government's Levelling Up White Paper published on 2 August 2022 as the two areas for significant devolution of powers and resources as part of a Trailblazer Devolution Deal, now known as the Deeper Devolution Deal (DDDD). Detailed work and negotiations has been in progress over the last year since then with West Midlands Combined Authority (WMCA) setting up 20 Workstreams to identify proposals to be included in the DDD. There has also been continuous dialogue between WMCA officers and civil servants. Senior Local Authority (LA) officers and WMCA officers have been meeting very regularly to review the issues and in particular, to emphasise that whilst devolution from Government to WMCA is important, it is just as important that there is Double Devolution from WMCA to LA's on appropriate matters. There is also a Devolution Strategy Group which consists of all eight Chief Executive Officers of LA's and WMCA and regular briefings have been provided to Mayor and Leaders during this period to ensure political input into the negotiations on specific matters.
- 3.2 The outcome of these negotiations resulted in a final deal proposal from Government in March 2023. Whilst the offer on the table from Government does not meet the original ambitions of the WMCA and LA's, it is still a deal worth taking with potentially wide-ranging benefits.
- 3.3 On 10 March 2023 at the Mayor and Portfolio Leaders' (MPL) Group, local authority Leaders agreed in principle to the trailblazer deeper devolution deal (the deal) announced at Spring Budget. MPL does not have formal status within the WM Combined Authority's governance structure, so it was always recognised that there would need to be a formal process to ratify the deal at a later point. This formal decision has been scheduled for WMCA Board on 13<sup>th</sup> October 2023. A two-thirds majority decision is required at WMCA Board to ratify the deal. Before Leaders vote on the ratification of the deal at WMCA Board, each is engaging with their own governance structures on deal ratification.
- 3.4 Since MPL on 10 March, a collective decision was taken at WMCA Board **not to pursue** the statutory process to provide WMCA with the 'health improvement duty' offered through the deal. The potential health








improvement duty, therefore, does not form part of the deal that local authorities are being asked to ratify.

- 3.5 The decision to submit the Governance Review and Scheme to the Secretary of State will require a unanimous decision of all the Constituent Authority members under the terms of the Constitution.
- 3.6 Following the receipt of a draft Statutory Order each of the Constituent Councils will be asked to give formal consent to the making of the Order.
- 3.7 After the deal is ratified at WMCA Board in October, there will be further decisions for local authorities on key workstreams. The most important of these are:
  - A. The Single Settlement: WMCA officers, with support from local authority senior officers and Finance Directors, are working collaboratively to prepare for negotiations with Treasury and DLUHC to agree a memorandum of understanding (MoU) on the design of the single settlement. The negotiations on the MoU are unlikely to have concluded before October Board, however there will be a decision-point at a future WMCA Board to seek local authority agreement to the MoU; and
  - B. 10-year business rate retention. It is possible that insufficient detail on the workings of the 10-year business rate retention scheme offered through the deal will be available for October Board. If this is the case, there will be a further decision-point at a future WMCA Board to seek local authority approval to enter this arrangement.
- 3.8 WMCA Board will be engaged in other decisions on deal implementation; the accompanying implementation plan (Annex B) highlights a number of these instances. This is additional to the extensive engagement underway or scheduled across the region between Combined Authority and LA officers on the more detailed aspects of deal implementation.
- 3.9 This means there will be further decision-points for local authorities after the ratification decision at WMCA Board in October, particularly (but not exclusively) on the funding and financial elements of the deal.



#### 4. How does this deliver objectives of the Corporate Plan?

	<p><b>The Best Start in Life for Children and Young People</b></p> <p>Opportunities for children and young people will be strengthened through the delivery of new homes in the Borough, better transport connectivity via the Metro extension and support to address digital exclusion for families.</p>
	<p><b>People Live Well and Age Well</b></p> <p>Opportunities for people to live and age well through more localised bus services, new homes, and opportunities for digital connectivity.</p>
	<p><b>Strong Resilient Communities</b></p> <p>The housing and regeneration funding provides an opportunity to develop a place-based approach in the Borough that supports the needs of specific communities.</p>
	<p><b>Quality Homes in Thriving Neighbourhoods</b></p> <p>The commitments in the deal provide a mixture of new funding streams of a value of £200-400m Affordable Housing Programme for the region which provides the opportunity for the delivery of an increased number of new and quality homes in the Borough.</p>
	<p><b>A Strong and Inclusive Economy</b></p> <p>The Deal provides a more stable arrangement for retaining business rates growth in the Borough to support the delivery of local services. The potential value of the deal to the region is, to a large extent, influenced by the region's ability to establish Growth Zones (formerly known as 'Levelling Up Zones') as intended, and the retained revenue which will flow back to local authorities through the business rates system.</p>





## A Connected and Accessible Sandwell

New monies of £60m for the Wednesbury to Brierley Hill Metro Extension plus the benefits that should arise by local decision making and allocation of the Bus Service Operators Grant will make the Borough more connected in conjunction with the £168m CRSTS transport investment over the period 2022 – 2027 already secured in principle.

## 5. Context and Key Issues

5.1 The deal contains over 190 commitments of different types. These include:

- A. Commitments to provide new funds to the Combined Authority and its constituent authorities, such as for housing and regeneration.
- B. Commitments to increase flexibility and local decision-making power over existing and future funds, particularly though the single settlement.
- C. Commitments to new partnerships and co-working with government to design and deliver programmes, such as employment support, culture and heritage and working with Great British Railways; and
- D. Commitments to undertake further work with government on regional priorities, including transport innovation.

Taken together, the deal represents a significant step forward for the region's multi-year financial stability, particularly over local government revenue retention. This will help to reduce financial risks, de-risk investment decisions, provide new funding to deliver affordable housing, regeneration and transport schemes and give the region an influential role in shaping government policy in line with our shared inclusive growth agenda. The detail of the Devolution Deal is set out in the attached Appendix documents to this report.

5.2 At MPL on 10 March 2023, there are a number of commitments in the deal where even if the requisite number of local authorities ratify the deal at October WMCA Board, individual local authorities will still be able to opt out of these functions being exercised in their areas. These are as follows:



- A. Growth Zones
- B. Local area energy planning
- C. High street rental auctions

Once the detail is fully available on these issues, Cabinet will consider in future whether to opt in or out of these.

## 6. Overview of the Deeper Devolution Deal

- 6.1 The process to commence a 'Trailblazer Devolution Deal' for the West Midlands and for Greater Manchester was announced as part of the Levelling Up White Paper on 2 February 2022.
- 6.2 Following this, the WMCA, working with constituent authorities, instituted a complex programme with multiple workstreams to develop proposals for the deal, which were taken through various working groups and engagement with the constituent authorities and other partners such as the Office for the Police & Crime Commissioner. Alongside were ongoing negotiations with government. The constituent authorities were involved at various levels including Chief Executives, Finance Directors, the Senior Local Authority Officers Group, forums with subject leads (for example transport or public health), and the political leadership including the Met Leaders and Portfolios holders and WMCA Board.
- 6.3 The devolution deal was agreed in principle by the Mayor and Portfolio Leaders on 10 March 2023 and announced in the Chancellor's Budget on 15 March (with the Trailblazer Devolution Deal rebadged as the Deeper Devolution Deal). The health duty provisions in the deal were not agreed in-principle on 10 March and it was determined that these would be subject to further assessment and discussion between the constituent authorities and WMCA and would come back to a future meeting.
- 6.4 *Implementation:* Following the publication of the deal, the in-principle agreement (bar the health duty) was reaffirmed by the Mayor and Portfolio Leaders alongside the need for a more detailed implementation plan. This has been developed over the past months and is an ongoing live process.
- 6.5 The deal has around 190 paragraphs with different elements and activity mostly enhancing the existing functions of the WMCA, setting up new partnerships and unlocking around £1.5bn of new funds for the region. Almost all elements require further work to determine how they will be



implemented (hence the implementation plan), including double devolution and local delivery arrangements. Some elements require further negotiation with government, with the deal setting a headline aim and the detailed policy requiring further in-depth discussion and agreement.

6.6 The implementation is guided by a set of principles:

- A. The most should be made of every commitment in the deal, to derive as much value from the deal commitments ahead of the next general election and spending review.
- B. Local and regional engagement and collaboration is maximised through the implementation process, ensuring that delivery is driven at the most effective level with reporting on progress.
- C. Activity in different workstreams is integrated within mainstream work programmes so that devolved powers become business-as-usual for regional partners.
- D. A clear focus is retained on the need for more inclusive growth in the region in all aspects of deal implementation.

6.7 The deal elements are being monitored and progressed by the WMCA through a detailed 'tracker system'. In more general terms, the implementation plan is being structured around more than 20 different workstreams and looking at:

- A. How is implementation or further negotiations being conducted for the workstream i.e. which WMCA structure / group / local authority leads are determining this.
- B. How it is envisaged that the deal provisions will be administered, delivered, and decided upon (where this is needed).
- C. Key milestones and deliverables.
- D. Outstanding issues and questions.
- E. The implementation plan will also look at what the key outputs and outcomes that the deal elements should secure.



## 6.8 Deal elements: More significant areas of the deal include:

- A. Levelling Up Zones (aka Growth Zones) provision to establish up to six Levelling Up Zones with business rate growth retention for 25 years to fund infrastructure and other priorities.
- B. Up to £400m affordable homes funding to 2026 and £100m brownfield regeneration funding.
- C. Investment Zones - these were not technically part of the deal but were announced at the same time and are applicable to other Mayoral Combined Authority areas. The LUZ/IZ process is being developed in an interconnected way as they both cover growth and tax incentives for specific sites in the West Midlands.
- D. Business rate retention for 10 years.
- E. Measures to tackle digital exclusion including greater influence over high-speed broadband investment across the region and a £4 million fund for devices and data to get more people online.
- F. Greater local responsibility for developing and delivering careers advice and a partnership with the Department for Work and Pensions to target employment support.
- G. Devolution of the bus service operators grant and a new partnership with Great British Railways to offer greater local oversight and control of public transport services.
- H. The UK's first formally designated transport sandbox to deliver cleaner and safer vehicles and innovative transport services and supporting new jobs and investment.
- I. Single departmental-style settlement for the WMCA from 2025 at the next spending providing multi-year period covering five pillars: local growth & place; local transport; housing and regeneration; adult skills; and retrofit. The single settlement corresponds with new accountability arrangements and a single outcomes framework.



J. Within the single settlement is a commitment to devolve retrofit funding from 2025, to allow the WMCA, and partners, to set priorities for investment in insulation and green energy for homes.

- 6.9 *Single settlement and place plans:* The single settlement is the most significant reform with wide implications including how the WMCA may operate ahead. There are currently multiple sources of funding for the WMCA (and for local authorities) that are secured via competitive bids and with a range of requirements and criteria to follow. The idea of the single settlement is that instead of these arrangements there would be pillars or functions, with funding provided by government within these through a departmental-style, multi-year settlement. This should afford greater flexibility and therefore benefit and give certainty of funding. In turn, an outcomes framework would be agreed. The single settlement is part of a wider set of funding arrangements through the DDD. The emerging idea is for 'place plans' - plans draw up by local authorities including for growth corridors and key regeneration areas where funding can be applied in a more co-ordinated way including the single settlement. Both the form and operation of the single settlement and the place plans will require detailed work ahead and co-creation between the WMCA and constituent authorities. A Memorandum of Understanding on the single settlement is set to be agreed with government in January 2024.
- 6.10 *Affordable Homes Funding and Brownfield Regeneration Funding:* £100m Single Regeneration Fund will be deployed flexibly across the region, and for the first time, brownfield land funding will support commercial, employment land and mixed-use development, as well as delivering 4,000 homes in the region.
- 6.11 The commitment of up to £400m Affordable Housing Programme (AHP) funding to the region, and greater influence for the WMCA over affordable housing delivery and strategy acts a precursor to full devolution of the AHP, and additional extra funding to the region from 2026. This is the first time this has happened outside Greater London. The delivery of the AHP will be dependent on the appetite from providers and the development of joint pipeline and delivery plan, developed as part of the new Strategic Place Partnership as part of the deal. The Strategic Place Partnership will be established between Homes England and WMCA to support the WMCA on housing supply, investment, and urban regeneration and to bring new housing supply and regeneration





sites forward. The WMCA will work collaboratively with Homes England, constituent local authorities, and local delivery partners to develop a joint pipeline and delivery plan.

- 6.12 Should the concept of 'place plans' be agreed, the AHP and brownfield funding would likely form part of the suite of funding to underpin the plans.
- 6.13 *Levelling Up Zones/Investment zones*: LUZs and the IZs have been following an accelerated timetable given the government desire to move forward with IZs as quickly as possible. They are technically outside of the DDD and are being taken forward in other Mayoral Combined Authority Areas across the country too.
- 6.14 *Accountability*: A streamlined, overarching single accountability framework coordinated by DLHUC rather than multiple frameworks administered by different government departments is being developed. This will include the data sets used to monitor and chart outcomes. The WMCA will be held to account for delivering outcomes using the settlement funding and areas associated with devolved functions set out in the DDD and previous devolution deals.
- 6.15 The deal made provision for enhanced accountability arrangements. The WMCA governance team is looking at these and engaging with the WMCA Overview & Scrutiny Committee members with any changes brought to the WMCA Board for approval.
- 6.16 Additional scrutiny involves the Mayor and portfolio leads attending a full council meeting each year for each constituent council, if requested by the council, or if a Parliamentary select committee invites attendance. There will also be 'Mayor's question time', where the Mayor visits all parts of the region to take questions from the public, with an independent chair. The portfolio holders will present reports to the WMCA Overview and Scrutiny Committees and the WMCA will arrange public, broadcasted sessions where Members of Parliament representing West Midlands parliamentary constituencies will be able to scrutinise the Mayor and other portfolio leads.
- 6.17 The government is set to publish a scrutiny protocol and the WMCA has committed to reviewing the scrutiny arrangements and reporting on them as part of the implementation plan. This will work through the details of



the arrangements and implications such as Parliamentary scrutiny of the WMCA's work and in turn the relationship with the constituent local authorities and their scrutiny arrangements and constitutional requirements.

- 6.18 The ability for Mayoral Combined Authorities to financially remunerate their Overview and Scrutiny Committee and Audit Committee members is being taken through the Levelling Up and Regeneration Bill. A WMCA Board paper on 21 July 2023 outlines the payments that would be available should the legislation be passed. *Health duty removal from the deal*: Following the publication of the DDD, and as agreed by the Met Leaders and Mayor, further discussions took place on the potential adoption of the WMCA public health duties within the deal. The decision was that these duties were not to be pursued and these are now no longer part of the deal.
- 6.19 *Bus service operators grant (BSOG) devolution and scheme and governance review*: The devolution of the BSOG to the WMCA is considered by the WMCA to be a public authority function, which can be dealt with under section 105B of the Local Democracy, Economic and Construction Act 2009 but requires a scheme, governance review and the consent of the constituent authorities to the laying of the order by government. The scheme and governance review are attached to this paper. An in-principle agreement of the devolution of the BSOG is part of this paper and further formal agreement will be needed after the WMCA Board in October, which will be considering this.
- 6.20 Warwickshire: There has been a proposal for Warwickshire to potentially join the WMCA as a constituent member. If Warwickshire had become a constituent member it would have led to implications for the DDD in relation to the new funding and powers. However, given the proposal is not moving forward the implications are no longer live considerations.
- 6.21 Timetable: The WMCA is developing a detailed timetable on the deal elements. The latest draft is included as appendix.



## 7. Alternative Options

- 7.1 Sandwell Metropolitan Borough Council could decide not to support the final Devolution Deal at WMCA Board on 13<sup>th</sup> October 2023. However, this alternative option is not recommended as the Council would not be able to benefit from significant financial commitments from Government as set out in the Deal and this could lose some of the confidence that Government Ministers and officials have in the West Midlands and key local and regional partners. There are no specific reasons why Sandwell Metropolitan Borough Council should consider this alternative option.

## 8. Implications

- 8.1 The deal is a non-statutory agreement between different Government departments and WMCA and its constituent authorities. Therefore, if the necessary two-thirds agreement at Board to ratify the deal is not obtained, the consequences are at the discretion of the SoS for DLUHC. Should the necessary agreement not be obtained, there is a risk that all or some of the commitments in the deal, and their benefits to the region, may be withdrawn or modified. There is recent precedent for this outcome in other parts of England that are in the process of seeking (non-deeper) devolution deals.
- 8.2 The financial implications of the DDD as a whole are still subject to further discussion and analysis, and specific elements, such as the Single Settlement, will require a further decision-making process. At this stage it is not anticipated that any elements of the DDD will bring any negative financial impact for the Council. The commitment to 10-year Business Rates Retention across the region is estimated to be worth £450m over the period and will drive confidence in public sector borrowing, de-risk investment modelling and accelerate delivery. It will also remove the uncertainty of the current pilot scheme, boosting public financial sustainability and local authority spending power. However, it should be noted that the deal text does refer to this being subject to future Spending Reviews.
- 8.3 Through its 'Single Settlement', the Government commits to giving WMCA single capital and revenue funding certainty, equivalent to government departments – increasing regional autonomy and the ability to prioritise decisions locally in the areas of:



- local growth and place
- local transport
- housing and regeneration
- adult skills
- housing retrofit

8.4 These settlements will cover an entire spending review period. In addition, Government has committed to a £25m capital fund to support business decarbonisation, culture, environmental programmes, and the West Midlands’ Smart City Region initiative.

<p><b>Resources:</b></p>	<p>There are no direct financial implications that arise through this report. Any financial implications flowing from elements of the DDD will be reported to and approved through the governance structures of the WMCA and where necessary via the Cabinets of constituent authorities. This will form part of the implementation plan.</p> <p>The Single Settlement is the element of DDD with potentially wide funding implications, but this requires further detailed work which is ongoing.</p> <p>The commitment to 10-year Business Rates Retention is the continuation of the current pilot arrangement whereby all the business rates growth generated is retained locally. This would mitigate a significant risk in the Council’s current Medium-Term Financial Strategy, although the DDD text does state that this is still subject to future Spending Reviews.</p>
<p><b>Legal and Governance:</b></p>	<p>Sandwell Council is one of seven constituent metropolitan local authority members of the West Midlands Combined Authority. Each local authority member (including Sandwell) has two votes, and the Metro Mayor has one, for a total of 15 votes on the Board.</p> <p>The WMCA advice is that the new powers in relation to the Bus Service Operators Grant are considered to be public authority functions, which can be dealt with under section 105B of the Local Democracy,</p>



	<p>Economic and Construction Act 2009 but require a scheme, governance review and the consent of the Constituent Authorities to the laying of the order by the government. An in-principle agreement of the devolution of the BSOG is part of this report and further formal agreement will be needed after the WMCA Board in October, which will be considering this.</p>
<b>Risk:</b>	<p>There are significant risks relating to the Devolution Deal – especially in relation to the further detail relating to implementation of the Deal and the risk that Government changes some of the parameters of the Deal. There is also a risk that Sandwell Metropolitan Borough Council does not realise the full benefits of the Devolution Deal due to capacity and other priorities.</p>
<b>Equality:</b>	<p>The proposed interventions are in development stage. Through the project development process, consideration will be given to the impact on and improvements that can be made for residents with protected characteristics. Equality Impact screenings and EqlAs will be conducted, as appropriate.</p> <p>The WMCA advice is that the development of the DDD has been undertaken with reference to an equalities lens and reflects a range of WMCA goals and commitments including to inclusive growth. WMCA officers have reviewed provisions and recommended alternative approaches to, or reinforcement of key aspects, which were incorporated. Ahead, through the implementation of the deal, there will an opportunity to further assess DDD elements and their delivery in relation to equalities.</p>
<b>Health and Wellbeing:</b>	<p>One of the underpinning objectives of Regeneration is to ‘level up’ and reduce inequalities. Job growth and</p>



	transport connectivity should improve health and wellbeing
<b>Social Value:</b>	Any investment from the Devolution Deal into Sandwell needs to create local employment opportunities and local spend so that the local SME supply chain can benefit from new homes and transport connectivity.
<b>Climate Change:</b>	The funding for industrial decarbonisation will contribute to the net zero agenda. Housing and regeneration funding will need to deliver low carbon homes.
<b>Corporate Parenting:</b>	The Devolution Deal should create opportunities for the LA to deliver its responsibilities as a Corporate Parent by providing apprenticeship opportunities, digital devices, and an increase in the supply of affordable homes for care leavers.

## 9. Appendices

Appendix 1A - Governance Review– a requirement of the statutory process needed to implement the devolution of the Bus Service Operator Grant commitment in the deal.

Appendix 1B – Scheme – a requirement of the statutory process needed to implement the devolution of the Bus Service Operator Grant commitment in the deal.

Appendix 2 – Detailed Implementation Plan with thematic summaries.

Appendix 3 – DDD Implementation Plan

## 10. Background Papers

WM Devolution Deal Agreement with Government.



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# West Midlands Combined Authority Trailblazer deeper devolution deal

Subject to ratification of the deal by all partners and the statutory requirements referred to within this document, including public consultation, the consent of the West Midlands Combined Authority and its constituent local authorities, parliamentary approval of the secondary legislation implementing the provisions of this deal, and accompanying accountability arrangements.

15 March 2023



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# Introduction

1. The West Midlands has been a hub of innovation and creativity for hundreds of years. The West Midlands was the site of Britain's first bicycle factory, manufacturing the penny farthing; the birthplace of the first fuel-burning engine; and the home of world-famous chocolatier, Cadbury. Today, the region covered by West Midlands Combined Authority (WMCA) represents 2.9 million people across seven constituent authorities with a combined gross value added of over £70 billion. Prior to the pandemic, the West Midlands was the fastest growing city region outside London. It is home to world-leading businesses and sectors across advanced manufacturing, future mobility and life sciences, with key regional assets, including leading universities, on which to build.
2. The West Midlands has also been at the forefront of devolution in England. In November 2015, the government and WMCA agreed an ambitious devolution deal, including a directly elected mayor and powers to improve transport, skills, housing and to drive growth in the region. In 2017, devolution was deepened, and new funding agreed, including significant further investment in transport.
3. The West Midlands has seized these opportunities, demonstrating what local leaders can achieve when empowered with the tools they need. Local leaders have increased investment in transport from £38 million in 2016/17 to £363 million in 2021/22, pioneered new approaches to brownfield development and net zero homes and delivered the c. £130 million Adult Education Budget, securing an over 10% increase in 2020 alone in the portion of the population with Level 3 skills.
4. However, up to now, WMCA has lacked key levers and flexibilities to fully unleash the potential of devolution. Despite being home to the UK's second city, the West Midlands' economy continues to lag against international comparators in terms of productivity. The productivity of the region has remained at 90% of the national average for the past decade. Lifting the productivity of the West Midlands to just the UK average would deliver an estimated £7.8 billion per annum to the UK economy. Unleashing the potential of the people, entrepreneurs and businesses of the West Midlands requires a step change in our approach to realising local and regional economic growth.
5. That is why, in the Levelling Up White Paper, the government committed to open negotiations on trailblazer deeper devolution deals with the West Midlands and Greater Manchester Combined Authorities, acting as a blueprint for other areas to follow.

6. This document sets out the terms of the deal agreed between the government and WMCA. The deal sets out a landmark new approach to devolution in England, devolving responsibility for a clear set of policies to WMCA to support economic growth, alongside enhanced accountability with clear outcomes for delivery. This will be underpinned – from the next Spending Review – by a single funding settlement to invest in local priorities. Altogether, this will release WMCA to get on and deliver for its area, to try innovative new policy approaches, to drive forward the local economy and to be better held to account for delivery.

# Summary of the deal

## The ‘trailblazer’ deeper devolution deal is between the UK Government and the West Midlands Combined Authority.

7. The government and the West Midlands Combined Authority (WMCA) are minded to agree a trailblazer deeper devolution deal, which marks a step change in WMCA’s devolution settlement and the governance of England. Together, we have agreed new levers, functions and responsibilities for WMCA, underpinned by an enhanced approach to accountability.
8. This trailblazing deal provides WMCA with greater control than ever before over the levers of economic prosperity and will create job opportunities and increase productivity across the West Midlands. It demonstrates levelling up in action: empowering local leadership to make the right decisions to stimulate growth and inclusion across the towns and cities of the West Midlands. This deal takes WMCA’s ability to coordinate and locally-tailor devolved action to a new level, with commitments in policy areas previously untouched by English devolution and a deal that is unprecedented in both breadth and depth.
9. The sections of this deal document detail the specific agreements reached across a range of functions and policy levers. These include:
  - New arrangements for **accountability** to recognise the enhanced powers and responsibilities provided for by this deal. There is also a summary of the **governance** procedures in place to explain how WMCA will exercise its responsibilities and make decisions effectively.
  - A new Data Partnership and commitments to boost WMCA’s **data** capacity and capability, to underpin and support local decision-making, as well as to develop and evaluate policies and programmes with greater impact.
  - Delivering **fiscal devolution** by extending WMCA’s 100% business rates retention pilot for 10 years.
  - Providing a series of tools across the deal that will support WMCA’s vision to deliver **Levelling Up Zones** across the West Midlands.

- A consolidated, long-term budget for WMCA. This **single settlement** will be designed in the mould of government departments' budgets: set at Spending Reviews and based on thematic functions.
- A new **rail** partnership with Great British Railways, devolution of the payment of the bus service operators grant, and establishment of the West Midlands as a 'sandbox' for transport innovation.
- On **housing and regeneration**, a new, wide-ranging Strategic Place Partnership between Homes England and WMCA and local leadership of the Affordable Homes Programme for the first time outside of London – worth at least £200 million to the West Midlands – with a clear ambition for WMCA, local partners and Homes England to work together to invest up to £400 million and with greater powers and flexibilities over time. The deal also commits to devolution of £100 million brownfield land funding, joint working between the government and WMCA through the West Midlands Public Land Taskforce, and £3.8 million to support homeless families. The deal also includes the provision of essential infrastructure especially public transport connectivity to give communities access to essential services, facilities and opportunities, including £60 million of investment in the proposed metro line extension from Wednesbury to Brierley Hill.
- Devolution of non-apprenticeship adult **skills** functions and grant funding in the next Spending Review, local flexibilities, which will increase over time, over Free Courses for Jobs and Skills Bootcamps during this Spending Review, and establishment of a strong joint governance board to provide oversight of post-16 technical education and of WMCA as the central convenor of careers provision in the city region.
- A co-design approach to all future contracted **employment support** programmes and commitments to explore data sharing, supported by a new joint board.
- Building on the Innovation Accelerator programme, a Strategic Innovation Partnership to give WMCA a new and influential role informing the national **research and innovation** ecosystem, a knowledge transfer programme focused on local strengths and a pilot to boost innovation adoption and diffusion by local businesses, transferring more autonomy to the West Midlands' developing regional innovation ecosystem.
- Boosting **business productivity** through a new Strategic Productivity Partnership, enabling WMCA to raise local priorities for future **business support** and advisory services and ensuring complementarity between national and local commissioning activities, alongside a new role for WMCA in the governance of the next generation of British Business Bank UK funds in the Midlands and stronger strategic and operational relationships with the UK Infrastructure Bank.
- Stronger partnership between the government and WMCA across a range of **international trade** activities.

- Piloting the devolution of **net zero** funding, including for buildings' retrofit, through allocation rather than competition in the period from 2025 onwards, which will form part of WMCA's single department-style settlement, recognition of WMCA's roles and activity across the energy system and further work on standards, green finance and advice to increase household energy efficiency.
  - To support the **environment**, WMCA leadership of the West Midlands Local Nature Recovery Strategy and government support to help build lasting capacity and capability to support natural environment financing.
  - A Regional Culture and Heritage Framework to support greater funding alignment, joint investment and strategic collaboration between **cultural** arm's length bodies and WMCA, development of a Social Economy Accelerator Programme and Growth Fund and work by the West Midlands Growth Company to become a Local Visitor Economy Partnership.
  - A new Digital Infrastructure Leadership Group to accelerate the roll out and take up of high-speed **digital** connectivity, alongside engagement in Project Gigabit and on digital inclusion.
  - A new formal duty on WMCA to improve the public's **health**.
10. In exercising existing and newly devolved functions, as well as in general decision-making and spending, WMCA (and the government when supporting implementation of the deal, where relevant) will continue to adhere to their public sector equality duties, subsidy control legislation, and relevant guidance set by HM Treasury for spending public money.
11. When referring to WMCA as the decision-making body in this deal, it means those members appointed by the seven constituent councils and the Mayor. When referring to the constituent councils, it means the councils for the local government areas of Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton.



# Governance and accountability

## Governance

12. WMCA was created under provisions in the Local Democracy, Economic Development and Construction Act 2009 and was formally established in June 2016. The first WMCA mayoral election was held in May 2017.
13. There have been a series of devolution deals between WMCA and the government. The deals have led to number of functions being devolved to WMCA via secondary legislation, including transport, housing, and adult education budget functions. These previous devolution deals mean WMCA already has a wide-ranging functionality so is able to take on many of the new areas contained within this deal without the additional conferral of functions.
14. The new functions contained in this deal will be devolved to WMCA by the government. Under WMCA's constitution, the conferral of new powers onto WMCA will require the unanimous agreement of all the constituent members and a simple majority of all other members entitled to vote on the matter.
15. The default position for decision-making in relation to all new functions devolved is that they will require the agreement of the Mayor, two thirds of the constituent members, and a simple majority of any other members who are subsequently given a vote on the matter by WMCA; anywhere this differs is set out below. Where new functions are designated as functions exercisable only by the Mayor, all decisions will be taken by the Mayor or under his delegation without reference to WMCA.
16. The government will devolve to WMCA the following functions:
  - a. Adult education and skills functions, including non-apprenticeship adult skills and funding, and delegated delivery of contracted employment programmes; decisions taken with agreement of the mayor and a two-thirds majority of constituent members of WMCA.
  - b. Transport functions: payment of the bus service operators grant; a function to be exercised by the Mayor, with decisions from WMCA inputting into the allocation taken by a two-thirds majority.



- c. A public health duty concurrent with local authorities; decisions taken on the basis of agreement of the Mayor and a two-thirds majority of WMCA.
  - d. Any other functions which are identified as necessary to implement the deal.
17. Unless otherwise stated in this deal, functions will be conferred through regulations created under the Local Democracy, Economic Development and Construction Act 2009 and are subject to:
- a. The ratification of the deal by WMCA and the agreement of its constituent councils.
  - b. WMCA undertaking a governance review, the development of and consultation on a scheme, and the submission of the results of the consultation to the Secretary of State for Levelling Up, Housing and Communities, following agreement of WMCA and constituent councils.
  - c. The Secretary of State for Levelling Up, Housing and Communities being satisfied that the required statutory requirements have been met as set out in the Local Democracy, Economic Development and Construction 2009.
  - d. Consents from the necessary parties locally to and parliamentary approval of the required secondary legislation.
18. The government will work with WMCA to determine how these functions apply within a framework of fiscal responsibility and accountability.
19. Subject to receiving Royal Assent and coming into force, the devolution provisions in the Levelling Up and Regeneration Bill will facilitate the deepening of devolution for existing mayoral combined authorities, including WMCA. Reforms include:
- a. Changes to statutory consents – to simplify the requirements for combined authority expansion and for mayors to take on new public authority functions.
  - b. Financial remuneration – the ability for mayoral combined authorities to financially remunerate their Overview and Scrutiny Committee and Audit Committee members to ensure constituent authority councillors are compensated for their roles on the committees, strengthening local scrutiny and accountability.
  - c. Alternative mayoral titles – flexibility around mayoral titles so that the area can choose an alternative title to mayor - such as “governor” or “directly elected leader”, if desired.

## Accountability

20. The WMCA will, through this deal, be subject to three levels of accountability:
- a. As a local authority it is subject to the requirements of the Local Government Accountability Framework.
  - b. As an institution with devolved powers, WMCA will be subject to the English Devolution Accountability Framework which details additional accountability processes for all institutions with devolved powers and highlights those requirements of the Local Government Accountability Framework which are of particular significance for such institutions, including the decisions that mayoral combined authorities are responsible for and the recourse available to the government.
  - c. In light of the specific new powers being agreed in this trailblazer deeper devolution deal, including the single settlement, and in the spirit of greater power requiring greater accountability, WMCA commits to building a culture of greater scrutiny and accountability through the proposals set out in this section.

### Overview and Scrutiny and Audit Committees

21. The WMCA and Mayor will also continue to be subject to their existing scrutiny arrangements in place. These currently comprise of the Overview and Scrutiny Committee, Transport Scrutiny Sub-Committee and Audit, Risk and Assurance Committee.
22. To facilitate the building of a culture of scrutiny, government will legislate through the Levelling Up and Regeneration Bill, subject to receiving Royal Assent and coming into force, to allow combined authorities to financially remunerate their Overview and Scrutiny Committee and audit committee members. This will ensure combined authorities are able to compensate constituent authority councillors for their roles on the committees, strengthening local scrutiny and accountability.
23. The government will, in the English Devolution Accountability Framework, also develop the scrutiny protocol for all institutions with devolved functions, which will set out the relationship between the mayor/elected leader, the institution and its scrutiny and audit functions. The scrutiny protocol will focus on ensuring that each institution has a sustained culture of scrutiny. In advance of its publication in summer 2023, WMCA will engage in the development of the protocol and then adhere to its proposals.
24. The scrutiny protocol will be designed to ensure that all areas with devolution deals, but especially those which manage single settlements, should have best in class scrutiny functions. Membership on committees and in particular the role of chair should be prized and competed for. Retention of members for several years should be common. Members should be able to devote the time to the role. The committees should have

the profile and cache to ensure that their findings are brought to the attention of the public wherever necessary.

25. The protocol will also look at the question of how to ensure that overview and scrutiny and audit committees are politically and geographically representative, so that as many different viewpoints as possible can be applied to scrutinising the performance, judgment and conduct of the mayor and combined authority.
26. In developing the scrutiny protocol, government will apply learning from the Greater Manchester Combined Authority (GMCA) Independent Review by the Centre for Governance and Scrutiny. WMCA will consider the recommendations from the Independent Review of GMCA when reviewing its own overview and scrutiny arrangements and consider which recommendations might be appropriate for delivering its own culture of scrutiny, including:
  - a. A single Overview and Scrutiny Committee.
  - b. The chair and deputy chair, who must be from opposition parties to the Mayor of the WMCA, to have clear job descriptions.
  - c. Compensating members of scrutiny committees.
  - d. Requesting constituent local authorities appoint members based on their interests and skills and if possible, for two-year terms, enabling substitute members to take part in task and finish exercises.
  - e. New rules about how information will be shared with members between meetings, informed by members' existing rights of access to information.
  - f. A renewed commitment by WMCA officers to give committees the time to feed into the decision-making process.
  - g. Feedback from senior officers on where formal recommendations by committees have led to a change in the approach of WMCA; and
  - h. The scrutiny function itself should take the lead on monitoring and evaluating the effectiveness of the new system, through on-going reflections and a formal review after one year of the new arrangements.
27. WMCA commits to reviewing their overview and scrutiny arrangements and reporting on the measures taken to strengthen them by March 2024.
28. In addition, in recognition of the new functions and funding being agreed through this devolution deal, WMCA commits to the following further actions to enhance the scrutiny and audit committees' resources and prestige:

- a. To provide reasonable resources sufficient for committees to be able to ask for ambitious research and analysis either through officers or external sources, such as local universities.
  - b. As a measure to ensure quoracy, members of the scrutiny committee are clear through their role description as to their responsibilities, including attendance at all meetings; and
  - c. To provide reasonable communications support to help ensure that the chairs of the committees and the reports they develop are able to get suitable profile. As part of this support, consideration will be made to what branding (including, if necessary, name changes) and communication techniques can help the media and public understand the role of the committees.
29. Government will also look to raise the profile of the chairs of the committees and will explore different options such as ensuring that they are able to get regular meetings with Ministers of the Department for Levelling Up, Housing and Communities (DLUHC) and are empowered to report any concerns they have to appropriate teams in the Department.
30. As a condition of this deal, the chair of WMCA (the Mayor) and other portfolio leads, appointed by the Mayor at the annual meeting of the WMCA each year, commit, where appropriate, to arranging and attending the following events to allow greater scrutiny by key local and national stakeholders:
- a. Full council meetings – up to one a year for each constituent council, if requested by the council.
  - b. ‘Mayors question time’, where the Mayor visits all parts of the city region to take questions from the public, chaired by an independent person – a local journalist or businessperson, for example.
  - c. Parliamentary select committees, when invited to do so by a select committee; and
  - d. WMCA Overview and Scrutiny Committees, to present reports within their portfolio area on a regular basis.
31. In addition, the government and WMCA have agreed through this deal that WMCA will arrange with the Members of Parliament (MPs) representing West Midlands parliamentary constituencies for public, broadcasted sessions where MPs will be able to scrutinise the Mayor and other portfolio leads to aid and strengthen local scrutiny of WMCA. The sessions will allow for questions to be posed which cover at least the performance and strategic direction of WMCA and Transport for West Midlands (TfWM).

32. The government and the WMCA agree that implementation of these arrangements, and adherence to the scrutiny protocol, is a vital part of the implementation of the full range of commitments in the deal. Implementation of commitments from the government in this deal will be conditional upon consistent best and full efforts to delivering these improved arrangements.
33. The terms of reference for these MP sessions will be agreed between the government and the WMCA following engagement with West Midlands MPs by summer 2023, and consider questions of appropriate chairs, schedules, papers and the contribution of the chairs of the Overview and Scrutiny Committee and Audit Committee. The sessions will occur four times a year and will focus solely on the responsibilities of WMCA not those of the government or the constituent council. The government will also explore if these can be hosted as Grand Committees by Parliament. WMCA will then agree a resolution to introduce these with a commitment to review them and identify improvements at the end of the first spending review period for the single department-style settlement.

### **Publicising WMCA's role and performance**

34. WMCA will engage with the government, along with other areas with a devolution deal, in developing the outcomes and metrics that all English institutions with devolved powers will report against. This process will also inform the development of the outcomes framework which will be used to assess performance against the single mayoral settlements. The outcomes framework will be developed with WMCA based on a national set of objectives.
35. WMCA will engage in the development of the plain English guidance and support its dissemination to increase awareness across the city region of the roles of the Mayor, WMCA, local authorities and the government.

### **Accountability arrangements for the single settlement**

36. WMCA will agree with the government a streamlined, overarching single accountability process for the settlement. This will build on, and will be incorporated into future editions of, the English Devolution Accountability Framework. This process will include the assurance framework coordinated by DLUHC, the specific outcomes WMCA will achieve over the spending review period or funding period and appropriate spending control processes.
37. The government will work with WMCA to agree the more detailed elements of the settlement design ahead of the next Spending Review, including on spending control, the approach to managing financial and delivery risks, the outcomes framework and accountability arrangements.

# Data

38. The government acknowledges the value WMCA can add at the local level by undertaking strategic analysis of city region-wide data. The government will work with WMCA to continue to explore options, legislative and otherwise, to safely streamline the sharing of data between the government, the wider public sector and WMCA and its constituent local authorities for this purpose. A range of options to establish a legal gateway will be considered, potentially including amending the Digital Economy Act 2017, subject to sufficient Parliamentary availability. Any and all potential options will respect the provisions in the Data Protection Act 2018, UK General Data Protection Regulation in order to achieve compliance in design, the common law duty of confidentiality and the requirement for local authority consent to any future data sharing arrangements.
39. The government will agree a new Data Partnership with WMCA. The Data Partnership will establish principles for the legal, safe and secure sharing of data between the government and WMCA. The principles will aim to support and streamline WMCA's negotiations with individual government departments over access to specific datasets. This will, in turn, support the delivery of the accountability framework and broader policy commitments set out in this deeper devolution deal. The Data Partnership will be designed with particular regard to the roles and relationships between the parties in accordance with the controller and processor definitions in the data protection legislation and underpinned by the legal powers each of those parties may rely upon. A data protection impact assessment will be produced to underpin the design of the Data Partnership.
40. To support the development and delivery of the Data Partnership, and to facilitate discussions with the relevant government departments, WMCA will be invited to participate in the government's Chief Data Officers' Council. In addition, the government will explore establishing a new Local Chief Data Officers' Council, to facilitate data sharing, share learning and maximise the value of local data and statistics for local decision-making.
41. The Spatial Data Unit will help to increase WMCA's data capability, including in data science, and will engage with WMCA to further understand its needs and priorities. In addition, WMCA will convene a symposium with the relevant government departments and agencies, including the Central Digital and Data Office, Spatial Data Unit, Office for National Statistics, Alan Turing Institute, National Innovation Centre for Data and data

science and machine learning experts in the region, to leverage the benefits of data science capability to local policymaking and service delivery.

42. The government notes WMCA's initial priorities are to have timely access to data at the right local geographical level relating to skills and training, careers, employability and labour markets, business support, transport, trade and investment, energy use and climate resilience; and data held by the government pertaining to WMCA's devolved functions. WMCA will use the Data Partnership as the basis of negotiations to access datasets in these policy areas where appropriate and practicable. Any personal data sharing between the government and WMCA and its constituent local authorities will only be possible if compliant with the Data Protection Act 2018, where applicable the common law duty of confidentiality, UK General Data Protection Regulation and all other relevant legislation and guidance; and will be underpinned by appropriate technical and organisational measures to implement the data protection principles therein to safeguard individual rights.
43. The WMCA and its constituent local authorities commit, in return, to share data and evidence with the government to support the monitoring and evaluation of government programmes in line with the direction of travel towards a single outcomes' accountability framework, to improve the efficiency of public services, and to support the activities of the forthcoming Office for Local Government.
44. The government will work with committees and bodies, such as the local health and wellbeing boards in constituent local authority areas, integrated care boards and integrated care partnerships, and WMCA to explore secure and appropriate ways to share data across the public sector, including examining existing best practice, to help WMCA embed a 'health in all policies' approach to public health, with any improvements in data access being appropriate, safe and legal, and which improves and safeguards public trust in how data is used.

## Fiscal devolution

45. Through this trailblazer deal, the government commits to further fiscal devolution through allowing WMCA's constituent local authorities to retain 100% of their business rates for 10 years.
46. As with the existing model, adjustments will need to be made to ensure cost neutrality. The ability for local authorities to retain business rates over the 10-year term is conditional upon arrangements concerning the WMCA share remaining in place.
47. The government has already confirmed a reset of accumulated business rates growth will not happen until 2025/26 at the earliest. Any move to reset business rates growth would be accompanied by national consultation including with combined authorities. While the current pilot arrangements are in place, the current "no detriment" arrangement will continue until any new local arrangements, for example those proposed in this deal, come online. WMCA and its constituent local authorities and the government will need to work through further detail, including the right balance of risk and reward, ahead of the next Local Government Finance Settlement to enable this next phase of 100% business rates retention to be implemented. The government recognises that WMCA and its constituent local authorities would only sign up to arrangements where the balance of rewards outweighs the risks of being inside the scheme.
48. In addition, the government will work with WMCA and its constituent bodies towards the designation of a number of specific growth zones within which 100% of business rates growth above an agreed baseline will be retained for 25 years. Retained rates would not be subject to reset at any national reset of business rates within this period. The location of these sites will be determined locally – subject to criteria set out in a framework, to be developed by government with consultation with WMCA, and final business cases – provided the model can be sustainably delivered alongside the measures set out in paragraph 45.
49. Paragraph 45 and 48 above would be in addition to existing Enterprise Zone arrangements which would remain and would not limit WMCA from potentially participating in any new national 'incentive area' arrangements, such as the Investment Zones programme which is currently being developed.
50. The government will work with WMCA to agree the detail of these proposals, but noting that arrangements must:



- a. Be consistent with the sustainability and affordability of the overall local government finance position, fair to other local authorities across England and replicable with others.
- b. Be subject to technical design and not jeopardise the operations of the wider local government finance system.
- c. Strengthen accountability to local taxpayers; and
- d. Empower the Mayor as the accountable figure for promoting economic growth in the region working with WMCA constituent bodies.

# Levelling Up Zones

51. Devolution means providing local leaders with the tools to make their economies grow, drive levelling up and improve the lives and opportunities of residents.
52. WMCA and its constituent authorities have identified six key corridors across the region on the basis of their potential for growth and levelling up. These 'Levelling Up Zones' include East Birmingham-North Solihull corridor; Wolverhampton Corridor; Walsall Growth Corridor; Dudley Metro Corridors (including the Wednesbury to Brierly Hill link); and the Coventry and Warwickshire gigafactory zone.
53. The government recognises the WMCA's vision for these places across the region and envisages that the following tools made available in this trailblazer devolution deal will help WMCA to deliver its vision to catalyse growth and levelling up:
  - a. **Fiscal devolution and investment.** WMCA will be able to work with the government towards designation of specific, targeted "growth zones", in which 100% of business rate growth above an agreed baseline could be retained for 25 years. As set out in paragraph 48 a selection of these areas will be determined locally, subject to criteria set out in a framework, to be developed by the government with consultation with WMCA, and final business cases.
  - b. **The single settlement**, which will support WMCA to align funding provided to the region, can be prioritised to further support these sites, as per their own regional objectives for investment and growth.
  - c. **Investment in regeneration.** The government has committed to devolve £100 million brownfield funding to WMCA, subject to a final business case, to deploy across the region to drive placemaking including Levelling Up Zones, housing and urban regeneration. The government will also invest £60 million in the proposed metro line extension from Wednesbury to Brierley Hill.
  - d. **A trailblazing approach to affordable housing.** The government has committed that the WMCA will set the strategic direction of the Affordable Homes Programme, including strategic priorities for spend, worth at least £200 million to the West Midlands with a clear ambition for WMCA, local partners and Homes England to work together to invest up to £400 million. In any relevant successor programme, the government has committed to go further, with the WMCA able to select sites, providers, and standards. This will enable the WMCA to ensure

Affordable Homes Programme delivery is aligned with its strategic objectives, and those of its constituent authority partners, such as Levelling Up Zones.

- e. **Post-19 skills funding.** The government has committed to provide local flexibilities, which will increase over time, over Free Courses for Jobs and Skills Bootcamps and devolve non-apprenticeship adult skills functions and grant funding in the next Spending Review. This will support WMCA to better align adult skills provision with priority growth sectors, such as the sectors WMCA may wish to catalyse through Levelling Up Zones.

54. It will be for the WMCA to determine how to use these tools, subject to the conditions and requirements set out throughout this deal.

55. When used in collaboration with a range of partners – including local government, central government, businesses and the voluntary, community and social enterprise sector – these tools should impact positively on delivery of new homes, jobs, and opportunities for local people, turning levelling up into a reality.

## Single settlement

56. The government and WMCA recognise that the current system of funding for mayoral combined authorities is fragmented, overly reliant on centrally administered funds and lacks clear, lean and proportionate accountability structures.
57. The government therefore commits to give WMCA single capital and revenue funding settlements at the next Spending Review, agreed directly through a single process with the government. This will include the establishment of a streamlined, overarching, single accountability framework coordinated by DLUHC, rather than multiple frameworks administered by different departments. This settlement will increase WMCA's autonomy, ability to prioritise decisions locally, and ability to reprioritise across its own budgets. WMCA will no longer access certain funds. As part of the Spending Review, the government will set out how the settlement has been calculated and which funds WMCA will not be able to access during the Spending Review period. WMCA will receive the same level of long-term certainty over funding as government departments receive. Longer term fiscal arrangements, such as the Investment Funds, also referred to as Gainshare or Earnback, are not covered by the single settlement, and continue to be fully devolved to WMCA as per the existing devolution deal.
58. The government will work with WMCA to design these settlements, based on the principles that the funding settlement will:
  - a. Cover an entire Spending Review period.
  - b. Replace individual grant funding streams from across government departments and therefore mean mayoral combined authorities with single settlements would be exempt from bidding into certain national budgets.
  - c. Be the default mechanism through which WMCA receives its relevant share of additional funding for new national budgets or programmes announced during a Spending Review period associated with the functions that are devolved to WMCA. This includes any increases to relevant competitive pots that WMCA has been excluded from. WMCA will retain the right to bid into new competitive programmes which are not set out as funds WMCA will not be able to access during the Spending Review period. The government will retain the ability to direct some funding centrally.

- d. Give WMCA greater flexibility to plan and fund local priorities over the longer-term. The level of flexibility across the settlement will be agreed between the government and WMCA before the next Spending Review and will give WMCA greater funding flexibility across the pillars of the single settlement listed in paragraph 59 below for activity outside of that pillar in order to achieve the outcomes agreed with the government.
  - e. Be contingent on WMCA agreeing with the government a single, streamlined accountability framework for the settlement. This will build on, and will be incorporated into future editions of, the English Devolution Accountability Framework. This English Devolution Accountability Framework will include the assurance framework administered by DLUHC, the specific outcomes WMCA will achieve over the Spending Review period or funding period and appropriate spending control processes.
  - f. Represent a change to the wiring, nature and flexibility of funding from central government rather than the quantum. The quantum of funding will be decided by an agreed process between the government and WMCA.
59. WMCA will be held to account for delivering outcomes, using the settlement funding and relevant local resources, across areas associated with devolved functions set out in this and previous devolution deals. A single reporting framework across the single settlement against those outcomes will be agreed with the government. The government and WMCA anticipate that the single settlement will be structured around responsibility and accountability for five functions which will now be devolved through this or previous deals, or are already carried out by WMCA and its constituent bodies, with an appropriate split between capital and revenue funding:
- a. local growth and place.
  - b. local transport.
  - c. housing and regeneration.
  - d. adult skills.
  - e. buildings' retrofit for decarbonisation matters covered by the pilot agreement to devolve retrofit funding set out at paragraphs 208 – 214.
60. WMCA will be empowered to use funding under these devolved functions to invest in any lawful way associated with achievement of the outcomes agreed with the government. Where functions have not been devolved through this or other devolution deals, the government retains the right to direct specific funding programmes, and WMCA retains the right to continue to bid into competitive programmes. Funding for major infrastructure projects may be agreed in addition to the settlement.

61. Single settlements will be implemented at the next Spending Review and based on a methodology agreed between the government and WMCA. Therefore, their precise scope of the single settlement will be subject to Spending Review decisions. However, were single settlements to have been in place during this spending review period, the government and WMCA agree that they would have supported outcomes associated with the following budgets:
- a. Local growth and place: the UK Shared Prosperity Fund and the Levelling Up Fund.
  - b. Local transport: City Region Sustainable Transport Settlements which consolidate highways maintenance and integrated transport block funding for small scale renewals as well as transformational funding for local transport. In addition, the settlement would also have included revenue funding for buses, active travel funds and electric vehicle funds.
  - c. Housing and regeneration: the Brownfield Housing Fund and the Brownfield Infrastructure and Land fund.
  - d. Adult skills: the Adult Education Budget and Free Courses for Jobs.
62. The government will work with WMCA to agree the more detailed elements of the settlement design ahead of the next Spending Review, including around spending control; approach to managing financial and delivery risks; transitional arrangements; the outcomes framework; accounting arrangements; and accountability arrangements. The government will work with WMCA to agree a memorandum of understanding outlining how single settlements will work by the end of January 2024. WMCA will reserve the right to not agree the memorandum of understanding should it be deemed to be detrimental to WMCA. This timescale will be reviewed when the timing of the next Spending Review is confirmed, if this happens before January 2024. Outcomes agreed as part of existing programmes which span into the next Spending Review, such as City Region Sustainable Transport Settlements, will be maintained.
63. Single settlements represent an ambitious step on the road to greater simplification of the funding mayoral combined authorities receive from the government. This programme will continue to progress through each spending review, drawing on lessons learnt from engagement with local partners, deepened strategic relationships with arm's length bodies, and the closer alignment with national government programmes set out in this deal.
64. The government and WMCA anticipate that single settlements will become a permanent feature of the landscape for financing WMCA. Nevertheless, it is recognised that this is a novel approach to financing WMCA, and so following the next Spending Review, the government and WMCA will review the approach.

# Transport

65. WMCA has significant transport powers and funding from the previous two devolution deals. The commitments set out below build on them and are intended to provide further autonomy to the WMCA to establish itself as a leader in transport innovation in the UK and improve the transport offer to its citizens.

## Transport planning

66. Transport is a critical element of place-making and has a huge impact on people's lives and communities. Well planned and supported transport improves quality of life, ensuring that the needs of all users are considered. Getting transport right is also critical to the government's efforts to achieve net zero and overall approach to safeguarding the environment.
67. The government recognises that every place is unique and has different transport needs. That is why an area's local transport plan is so crucial to ensuring good transport outcomes for the area. An area's local transport plan is both a process and public facing document that brings together evidence and aspirations to shape the future transport in a local area. local transport plans should be kept updated to make a stronger strategic case for transport investment in an area and provide a platform for accountability needed to support further devolution and funding simplification.
68. WMCA has developed its Reimagining Transport in the West Midlands local transport plan core strategy, and the government is committed to supporting WMCA as it looks to build on its success so far. The government will provide new guidance to assist WMCA in developing its local transport plan, including meeting defined environmental and decarbonisation standards and fully adopting planned new guidance on quantifying carbon reductions. The WMCA will act as a trailblazer with the government to ensure that quantifying carbon reductions are embedded as part of WMCA's local transport plan area strategies by the end of 2023.
69. A key feature of transport planning in WMCA is developing an inclusive economy where anyone, including disabled people, can access travel and play an active role in local economies. This means delivering inclusive local transport plans that support accessibility and reduce health, economic and social inequalities.

70. WMCA will work closely and collaboratively with local authorities to ensure better join up between strategic land use planning and transport planning, from the earliest stages of the funding and planning process. WMCA, along with its constituent local authorities, should provide an integrated system that unlocks homes while enabling more sustainable transport journeys by provision of public, sustainable and active travel, effectively densifies well-connected areas and ensures communities have access to employment, leisure and other opportunities they need. WMCA should work to ensure the benefits transport can provide to leverage regeneration and growth are realised.
71. As WMCA develops its local transport plan, it will host a complementary new trailblazing approach to collaborative research and learning programme. This programme will be coordinated through an influencing transport lab. The government is exploring sponsorship of the influencing transport lab. This approach will seek to better understand how to support the development and design of changes to the transport system that can more readily enable more sustainable choices.
72. The commitments set out below are intended to support and enable WMCA to ensure that it has the tools necessary to achieve the outcomes set out in their local transport plan.

## Funding

73. The government recognises the importance of a consolidated, devolved and long-term approach to transport funding and has provided a £1.05 billion City Region Sustainable Transport Settlement to the WMCA area running until 2027. Clarity and certainty of funding are important to help areas plan appropriately to deliver the government's ambition to level-up local transport connectivity across the country to become significantly closer to the standards of London by 2030.

## Transport innovation

74. WMCA was the government's first future transport zone and will continue to be a leader in transport innovation in the UK. The WMCA will establish itself as a 'sandbox' to create economic benefits by attracting new global investment, catalysing additional growth in high-value clusters and boosting private sector confidence to deliver new transport services in the WMCA, with learning that can be applied across the UK. This will help the WMCA build on its excellence in the automotive and transport sector, such as TfWM Connected and Automated Mobility programme, and remain a leader in innovation.
75. WMCA and the government will form an ongoing relationship to accelerate and drive forward innovations that are priorities for the WMCA and match the government's policy priorities, including the future of transport regulatory review, transport decarbonisation plan and future of freight plan.



76. The sandbox will aim to exploit new transport service opportunities including challenging regulatory barriers where appropriate to provide a safe and secure space to test innovative products and services with private industry. To improve the user experience for travellers, the sandbox will look to modernise practices through digitising services and processes and identify smarter and quicker ways of working within existing regulatory frameworks.
77. New services and business models enabled by digitisation and advances in technology should provide opportunities for all and be designed from the outset on an inclusive and equitable basis, accounting for the needs of a diverse community including disabled people.
78. From spring 2023, the government and WMCA will begin conversations on a range of issues aimed at unlocking innovation. This will involve WMCA working closely with government across the Future of Transport programme on projects that will deliver shared outcomes. The government and WMCA will:
- a. Discuss how to best enable low speed zero emission and automated vehicle trials, with consideration for operational and regulatory challenges.
  - b. Explore the regulatory challenges facing demand responsive transport in the WMCA.
  - c. Explore the use of dynamic traffic management and digitising street spaces.
79. Additionally, the government is exploring a number of further projects that would support innovation and delivery of a safe, efficient, and reliable transport network within the WMCA:
- a. The government is exploring the implications of, and options for, introducing simplified side road zebra crossings, and recognises WMCA's ambitions to introduce these. The WMCA and the constituent authorities will support the government in developing a robust evidence case.
  - b. The government intends to introduce legislation, when parliamentary time allows, that will create a new low speed zero emission vehicle category which is distinct from the cycle and motor vehicle categories. Supported by evidence from trials in the WMCA, new powers would enable government to set proportionate rules for specific micromobility vehicles. The proposed legislation would also enable the creation of a licensing framework for rental micromobility operations, providing consistent powers for local transport authorities such as WMCA to shape rental operations to their local priorities.
  - c. Following the great success of Birmingham and the WMCA hosting the 2022 Commonwealth Games, the government will work with the WMCA to develop a

proposal for the West Midlands to bid to host the 2027 World Intelligent Transport Systems Congress.

- d. WMCA also intends to develop a local, last mile freight and logistics programme to support the area's growing high value logistics and distribution cluster, as identified in the WMCA's Plan for Growth.

## Buses

- 80. In line with the commitment in the National Bus Strategy, the government is working on the reform of the bus service operators grant. This will enable the bus service operators grant to support the governments and West Midlands' shared priorities to support important local bus services and reduce environmental impacts through facilitating the transition to zero emission buses.
- 81. The government will devolve powers for the payment of the bus service operators grant to the Mayor. WMCA will provide support to identify the funding for bus services entirely within the WMCA boundary that is paid to commercial operators and would be suitable to be devolved to WMCA, both currently and following national reform.
- 82. The government will work with WMCA and other key local authority stakeholders to finalise the design of a national reform package for the bus service operators grant bus service operators grant. The government will support WMCA by devolving the bus service operators grant bus service operators grant for services entirely within the WMCA boundary. The government and WMCA will work together to agree an ambitious timeline to implement the bus service operators grant bus service operators grant reforms in the West Midlands, by 2025.
- 83. WMCA has introduced bus bye laws to help improve passenger safety, increase bus patronage and reduce anti-social behaviour on public transport. The government shares this ambition and will work with WMCA to ensure TfWM has appropriate enforcement powers to enforce these existing bye laws and can introduce further byelaws, where necessary.

## Rail

- 84. The government will support the West Midlands Rail Executive, which represents the rail interests of WMCA and other local transport authorities in the region, and is chaired by the Mayor, in seeking a new rail partnership with Great British Railways. This will form part of the journey towards greater local accountability for the West Midlands rail network, in the context of Great British Railways' ultimate overall accountability for the national rail network. This will enable West Midlands Rail Executive to further embed itself as a central part of the rail industry in the region and, by extension, allow their priorities to drive future decisions regarding the local network. Local priorities will need

to be coordinated and compatible with the needs of the national network and surrounding areas.

85. This should build on the collaboration and successful joint working already in place on the WMCA's rail network demonstrated through the collaboration agreement with government and the West Midlands Grand Railway Collaboration. Delivery of rail reform in the WMCA will enable opportunities for enhanced local accountability, scrutiny, responsibility and influence that West Midlands Rail Executive will be at the forefront of due to their prior experience. Enhanced local accountability for the WMCA will be in the context of, and will not override, Great British Railways' ultimate accountability to the Secretary of State for Transport.
86. Partnerships between Great British Railways and mayoral combined authorities will be a key driver in progressing the levelling up transport mission for local public transport connectivity to be significantly closer to the standards of London with improved services, simpler fares, and integrated ticketing by 2030.
87. Reflecting WMCA's position with a trailblazer deal, and with a view to evolving today's successful collaboration agreement with government, the Great British Railways Transition Team is working with West Midlands Rail Executive to discuss local priorities for a partnership. The existing agreement, and the West Midlands Separable Business Unit, will act as a baseline for the future partnership with Great British Railways. The government is supportive of these discussions continuing and of exploring whether aspects of new local partnership working can be piloted ahead of Great British Railways operation.
88. West Midlands Rail Executive will continue to jointly oversee the delivery of rail services within the West Midlands Separable Business Unit and work with Great British Railways Transition Team and government on shared objectives and future outcomes. Partnership working will enable West Midlands Rail Executive to feed in their views regarding optimum services for WMCA's travel to work area, including their ambition for a separate contract for these WMCA services which will be considered within the context of the national network. Progress here will be subject to development of wider reform of the railways and industry processes that support this.
89. As steps to develop the existing agreement ahead of Great British Railways being operational, the government commits to:
  - a. Supporting West Midlands Rail Executive and TfWM to explore a fully integrated multi modal fares and ticketing structure, through the region's already existing Swift platform. In collaboration with West Midlands Rail Executive and TfWM, the government will initially progress pay as you go ticketing infrastructure pilots, to be developed and agreed by the end of 2023. These pilots will be revenue neutral and align with government's wider fares, ticketing and retail programme. Collaboration will allow Great British Railways Transition Team, government, West Midlands Rail Executive, TfWM and train operators to test the technology,

explore and agree potential options for rail fare simplification, and test the revenue raising potential of a genuinely integrated public transport offer. Subject to funding, this will include trialling agreed approaches within the WMCA. Great British Railways Transition Team is already discussing how pay as you go ticketing on rail could work with West Midlands Rail Executive aspirations for local pay as you go and simplifying fares for passengers.

- b. Supporting development of multimodal transport integration by working with West Midlands Rail Executive to co-develop a brand proposition that is compatible with the Plan for Rail's ambition for a single, national rail brand, while also retaining and strengthening the West Midlands Railway brand within the wider TfWM network.
  - c. Working collaboratively with Great British Railways Transition Team, and subject to discussions with Network Rail and train operating companies, to support West Midlands Rail Executive to better integrate local stations into the local public transport network and wider community. This will include exploring the local branding proposition across rail stations, provide opportunities to shape station design and drive-up standards to improve and simplify the customer experience.
  - d. Working closely with Great British Railways Transition Team and West Midlands Rail Executive, taking current responsibilities as a baseline, to ensure they continue to play a full role in future processes and are committed to exploring where that role can be enhanced in areas of rail delivery to enable greater local influence.
  - e. Providing greater access to local rail data to West Midlands Rail Executive, to improve local scrutiny of performance.
  - f. Continuing to engage with WMCA, so that local input is actively considered and exploring whether aspects of the West Midlands Rail Investment Strategy could be incorporated in developing a long-term strategy for rail.
  - g. Giving West Midlands Rail Executive opportunities to promote infrastructure and service enhancement schemes by West Midlands Rail Executive, Network Rail and the government on the options for funding, timing and delivery given existing network challenges.
  - h. Supporting West Midlands Rail Executive in leading and distributing funding for community rail activity in the region. Such engagement can enable rail to connect communities in addition to offering social value and economic impact.
90. The details and progress on the above, including determining appropriate locations for trials of pay as you go ticketing, is subject to further discussions between government, Great British Railways Transition Team, and West Midlands Rail Executive.

## Mass transit delivery

91. The WMCA is driving forward the delivery of a comprehensive transport infrastructure programme including an extension of the Metro network in Birmingham and the Black Country. The government commits to consider solutions to be developed by the WMCA to resolve the pressures on the WMCA's capital programme.
92. WMCA and Coventry City Council are developing proposals for very light rail in Coventry (and tested in Dudley). The aim is to develop a new more cost-effective alternative to conventional light rail which could be deployed in major urban areas and exported globally. If this aim is realised, it could potentially create a reliable, frequent, battery-driven, hop-on hop-off transport system which provides an alternative to a traditional tram system.
93. The proposals for very light rail in Coventry are subject to ministerial approval at key business case stages. At each stage, the government will work with local partners to help ensure that the plans are best formulated to deliver benefits and improvements for the transport system. WMCA and Coventry City Council will provide feedback to the government on the very light rail experience of Transport and Works Act order processes to help inform potential reforms. Government will provide advice to WMCA on future Transport and Works Act order applications to ensure it can be processed as quickly as possible (without prejudice to what any final decision on such application might be).

## Roads

94. Building on the WMCA's flagship, multi-agency Regional Transport Coordination Centre, the government will work with the WMCA to explore whether opportunities exist for traffic officers on the WMCA's key route network to support management of periods of planned and unplanned disruptions.
95. The government is considering options for tackling pavement parking, and we will work with WMCA to explore appropriate powers for mayoral combined authorities and their constituent authorities in this area, once any decisions relating to the national framework are made.

## Housing and regeneration

96. WMCA has a history of success in leading housing delivery, land repurposing, urban renewal and brownfield regeneration across the West Midlands, leveraging private sector investment, driving new innovation in areas like modular construction and delivering high quality brownfield regeneration projects. This deal will build on the success of WMCA's previous devolution deals, and WMCA's track record to date, to be ambitious in delivering high quality regeneration schemes and policy innovation in areas like design quality and affordable housing.
97. This deal will support WMCA's continuing development of brownfield land and the building of new homes and will help the WMCA better manage a portfolio of housing and land funds which the Government and WMCA will continue to make sure is as efficient and effective as possible as we proceed to implementation. It will support the creation of new jobs and commercial floorspace, and repurposing of town and city centres. We will ensure that public sector land is better used, designed and developed as a result of this deal, supporting WMCA's ambitions on housing supply, including the supply of new social and affordable housing, and maximising the ability of the WMCA to continue to lead the way in brownfield development, public land disposals and urban renewal nationally.
98. We will also create a revolutionary new model of delivering affordable housing for the people of the West Midlands, putting WMCA at the centre of the key strategic decisions on how and where this new affordable housing should be delivered – providing the tools and mechanisms to support new affordable housing products, investors and suppliers.
99. At the next Spending Review, we will implement the new single settlement which seeks to better align housing policies alongside other key levers for local economic growth.

## Regeneration funding

100. The government will devolve £100 million brownfield funding to WMCA to drive placemaking, housing and urban regeneration across the region. This will be deployed within this spending review period, supporting WMCA to deliver 4,000 homes. From the next Spending Review, WMCA will receive a simplified single department-style settlement. This will better align housing policies alongside other key levers for local economic growth.

101. Subject to further discussions to refine the business case, WMCA intends that it will be deployed at scale and pace to de-risk stalled and challenging housing, urban and commercial development sites across the West Midlands, which include sites in the city of Wolverhampton, which was identified as a priority in the Levelling Up White Paper, in city centres like Coventry and Birmingham, in town centres (e.g. Walsall, Dudley, Sandwell) and along major transport corridors (e.g. East Birmingham to North Solihull)
102. This investment will support progression and delivery of emerging and adopted local plans, support brownfield first and town centre regeneration policy, and provide WMCA with the critical flexibility and strategic funding, and barrier-busting abilities necessary to tackle the most pertinent development issues for the region and the specific barriers facing individual sites.
103. This funding would have robust reporting and accountability provisions, which satisfy the Single Assurance Framework and the outcomes of which are aligned with the West Midlands Outcomes Framework, as agreed with the government and focussed on enabling placemaking and supporting conditions for growth.
104. There is untapped regeneration and development potential in parts of the WMCA area. As part of the trailblazing commitment to funding simplification, DLUHC commits to provide £60 million of additional funding towards the proposed metro line extension from Wednesbury to Brierley Hill, subject to a subsidy control assessment and business case approval. All further costs for the scheme will be met locally.

## High street rental auctions

105. The government is committed to tackling high vacancy rates which can impact the economic prosperity and pride in place felt across our high streets. As such, the government commits to work closely with WMCA to empower them to take a role in convening its constituent authorities to implement new powers for high street rental auctions following the passage of the Levelling Up and Regeneration Bill.
106. We want the West Midlands to be a first mover in the use of these new powers once the programme commences in autumn 2023.
107. We expect WMCA to identify areas on their patch which would benefit most from HSRA powers, and where the required capacity and capability lies to deliver them. WMCA should then oversee the delivery of high street rental auctions and act as a champion for the programme to encourage and support other areas to maximise take up high street rental auctions.

## Strategic Place Partnership

108. Government commits to working with the WMCA through a strategic place partnership with its housing delivery agency Homes England. Homes England commit to working in partnership with WMCA from the outset of this Deal to bring new housing supply and regeneration sites forward. To do so Homes England will be establishing a new wide-ranging Strategic Place Partnership with WMCA, to support the WMCA with their ambitious plans on housing supply, investment, and urban regeneration. Homes England will work with WMCA and its constituent local authorities to agree a set of place-making outcomes, focused on delivering transformational change across the West Midlands. The Strategic Place Partnership will align expertise, funding and other relevant assets to support the delivery of these outcomes, and other strategic priorities at combined authority level. A part of this new Strategic Place Partnership will include a joint pipeline and delivery plan to bring forward additional affordable homes, land and assets formalised through a Memorandum of Understanding and a future delivery plan.

## Affordable housing provision

109. The government commits to a new trailblazer approach to the delivery of affordable housing within the West Midlands. This will be centred on a new approach to the Affordable Homes Programme 2021-26 being piloted with the WMCA. The Affordable Homes Programme is the government's flagship programme for delivering affordable housing in England. It provides grant funding towards the supply of new social and affordable housing. This agreement relates to funding within the existing Affordable Homes Programme envelope.
110. The trailblazer approach means that the WMCA will set the overall strategic direction, strategy, objectives and local leadership for the deployment of the Affordable Homes Programme in its region. Operational management and administration of the programme will remain within Homes England and hence a strong partnership and collaboration, through the Strategic Place Partnership, will be important from the outset.
111. This provides for local leadership, direction and strategic oversight over the Affordable Homes Programme for the first time by the West Midlands, while retaining Homes England's delivery expertise, administration and operational management, ensuring the Affordable Homes Programme business case objectives are delivered and existing local authority arrangements are maintained.
112. The trailblazer approach will be delivered in two stages, allowing for an evolving picture that increases WMCA involvement, leadership, decision making and direction at each stage. This approach will protect in-flight delivery of the current Affordable Homes Programme, existing investment commitments and strategic partnerships, ensure the fund's business case objectives are met and provide the necessary accountability



arrangements. It will still ensure a trailblazing approach, with WMCA central to key decisions on the Affordable Homes Programme deployment in the West Midlands.

### **Current Affordable Homes Programme**

113. Within the first phase of the trailblazer approach (with timings aligned to the current Affordable Homes Programme):
- a. WMCA will be central to decisions on the Affordable Homes Programme in the region, responsible for setting the strategic direction, leadership and strategy of the Affordable Homes Programme, priorities for investment and strategic oversight within the WMCA area. WMCA will continue to work closely with its local authority partners on Affordable Homes Programme delivery, and work with Homes England, who will continue to lead on day-to-day management, monitoring, grant allocation and administration of the Affordable Homes Programme in the region during this pilot phase.
  - b. Through the Strategic Place Partnership, WMCA will work with local authorities, the government and its agencies, namely Home England, to jointly identify projects for affordable housing. This will be, in line with the strategic direction and policy framework for the Affordable Homes Programme set by WMCA in alignment with the overarching business case for the Affordable Homes Programme. Homes England, the WMCA and its local authorities will develop an effective pipeline of projects across the region within the strategic framework set by WMCA.
  - c. WMCA, local authorities and Homes England will work in close partnership to ensure effective delivery of Affordable Homes Programme funding. WMCA and Homes England will work together in formulating the necessary governance to help ensure strong partnership working and collaboration and support regional decision making on investments and spend of the Affordable Homes Programme. This will sit underneath the existing programme governance structure.
  - d. Where any funding decisions are not acceptable to the WMCA the mayor, as chair of the WMCA board, will have the right to challenge and escalate the decision to DLUHC before any final funding decisions are taken.
114. This represents the first time that decisions on local affordable housing priorities have been devolved, outside of London. Overall funding decisions will need to be aligned and consistent with the national targets set for the current Affordable Homes Programme, but, recognising the trailblazer nature of the deal, more flexibility may be granted to take greater account of regional priorities.

115. The specific arrangement will depend on the provider and/or whether funding has been allocated already and the approach will be formalised through a memorandum of understanding, signed between WMCA, DLUHC and Homes England.
116. Homes England will invest at least £200 million of AHP funding within the WMCA area by March 2026 with a clear ambition for WMCA, local partners and Homes England to work together to invest up to £400 million to build more social and affordable homes by 2026. This will be dependent on appetite from providers alongside the ongoing work to develop a joint pipeline and delivery plan, developed as part of the Strategic Place Partnership. WMCA will work collaboratively with Homes England, constituent local authorities and local delivery partners to develop a joint pipeline and delivery plan which alongside the other elements set out in this trailblazer approach will help bring forward additional funding opportunities beyond the minimum level, through the identification and development of pipeline projects by Homes England and WMCA.

### **Future affordable homes provision**

117. In the second phase of the trailblazer approach (to begin in any successor programme), WMCA will be responsible for adopting a strategic role on affordable housing, including in some decisions currently taken by Homes England, namely agreeing sites and providers and identifying standards, working in partnership with its local authorities. This will be subject to securing appropriate value for money and considering the risks of different standards across the country.
118. This would be subject to any relevant successor programme being agreed in the next Spending Review, the delivery of outcomes to be agreed at the start of any successor programme with the government, set out in a formal settlement including an expectation for the amount of funding to be delivered over the programme within the WMCA. This initial agreement will include the number of homes to be delivered over the programme, annual trajectories of delivery and possible interventions on the event of non-delivery.
119. In this new 'trailblazing' model of delivery, the WMCA will make the key strategic decisions over local investment and spend of Affordable Homes Programme in the WMCA area in line with its strategic framework. The WMCA will be held accountable for delivery through the new accountability framework, which is set out in the Governance and Accountability section of this deal. Day to day administration of the Affordable Homes Programme in the West Midlands will continue to be undertaken by Homes England working to the strategy, objectives and framework set by WMCA, with Homes England reporting to the WMCA on delivery of the agreed outcomes and outputs. Homes England will continue to provide its expertise were called upon, building on the partnership working set out in the Strategic Place Partnership.
120. The development of such an approach for a potential successor programme, including the nature of the relationship between WMCA and Homes England and whether this can be included in WMCA's single settlement, will consider how to maintain the

benefits of nation-wide competitive bidding and long-term contracting with national housing providers, alongside those arising from greater local control and place-led strategic delivery, innovation and objectives for some areas.

121. DLUHC will attempt to pilot this more flexible approach during the current programme, subject to protection of delivery of the existing programme, business cases and appropriate finance becoming available, and will apply the lessons learnt when designing the simplified single department-style settlement for the next Spending Review.

## Land reform and public land in the WMCA area

122. The government recognises that repurposing and redeveloping publicly owned land can represent a significant opportunity to drive regeneration, unlock private investment, create new jobs, repurpose town and city centres and increase housing supply across the WMCA area. For the first time, a combined authority will be involved in decisions on major UK government land disposals and reconfiguration of the government estate in a region – the WMCA and the West Midlands being the national pathfinder of this approach.
123. It is important that departments and arm's length bodies apply Green Book guidance for all public authorities regarding asset sales when designing the sale, disposal and development of public land and buildings. This guidance sets out how estimates of social value should include wider social costs and benefits that may be affected by a sale. It is also important that disposal of public sector assets is done transparently and where a department disposes of assets below market price that the reduced income is properly accounted for and recognised and the social value resulting from this is quantified.
124. Equally we recognise that in terms of the national picture, the government (Treasury and Cabinet Office, DLUHC included) has a role to play in ensuring the right systems and incentives are in place to ensure local needs can be met with local solutions while at the same time delivering for the public purse.
125. The Cabinet Office will continue to champion social and public value as part of their property control function on behalf of the Treasury. Their first priority will be to making this commitment real within the context of delivery in the combined authority trailblazer areas.
126. The government and WMCA agree a number of areas to ensure the full implementation of the West Midlands Public Land Charter and support the work of WMCA and its West Midlands Public Land Taskforce and showcase the contribution of public land and buildings to levelling up and placemaking including:

- a. A formal public land reform partnership with the government led by Cabinet Office will be signed which provides WMCA with new strategic leadership and clarity on government department and agency land and buildings centring on decisions on disposals/development in the government estate in the region. The new land reform partnership with Cabinet Office will include a joint plan to anticipate where there may be potential upcoming disposals and reconfiguration of government land and buildings within the West Midlands.
- b. DLUHC and the Cabinet Office will support the WMCA to become a leader in public land policy and delivery including being the first region for the Cabinet Office's new "place pilots" programme.
- c. The West Midlands is a regional trailblazer for the measures and principles set out in the Levelling Up and Regeneration Bill, with the WMCA, local authorities and DLUHC working together to explore and demonstrate the more flexible compulsory purchase and land assembly opportunities for regeneration.
- d. DLUHC, the WMCA and its constituent authorities, will undertake a review of the effectiveness of local development orders in the West Midlands, explore how local authorities could be supported in their application to accelerate regeneration delivery, growth and investment, and pilot resulting models in the region.
- e. DLUHC and Cabinet Office will, as part of the public land reform partnership between WMCA and Cabinet Office, commit to work with the WMCA to better understand issues around use and redevelopment of public land and buildings.

## Housing quality

- 127. Homelessness.** The government will provide £3.8 million during financial year 2022/23 to WMCA on behalf of Birmingham City Council to lease good-quality private rented sector properties in the City for homeless families, supporting their ongoing work to end the use of bed and breakfast accommodation for families
- 128. Live and Work.** The St Basil's 'Live and Work' model provides an excellent example of collaborative working to help young people enter employment and secure an affordable home. The Live and Work scheme was previously allocated funding for a pilot scheme in Sandwell, and DLUHC will work with Homes England, WMCA and suitable registered providers to consider how the Live and Work model may be expanded and tested in additional localities across the region to strengthen the evidence base for the proposed model.
- 129.** Such schemes would support young workers, and potentially others transitioning from supported housing or homelessness experience, to live, work and be benefit free.

130. DLUHC officials commit to continue to discuss with WMCA and Birmingham City Council what more can be done to increase the replacement of homes sold under the Right to Buy.

# Skills

131. Both the government and WMCA are committed to creating the conditions for West Midland's people, communities, businesses and economy to thrive. Central to that commitment is ensuring that the education, skills, and employment support system is truly responsive to local needs, including those identified by employers in the local skills improvement plan.
132. This deal sets out further commitments towards a more devolved adult skills system. The deal extends existing devolved adult skills functions to include further areas of post-19 education and skills activity; and provides greater oversight of post-16 technical education and skills and careers. In this Spending Review period, the deal proposes increased flexibility on adult skills programmes. The deal also proposes exploring pilots of new local skills and careers initiatives as well as increasing partnership between national government and WMCA.
133. The government recognises that there are distinct labour market challenges faced in the West Midlands to upskill the population, generate inclusive growth, and assist employers in filling vacancies requiring advanced and higher skills. Central to this deal is greater oversight of the local skills system and increasing alignment of careers provision. As a result, WMCA will play a crucial role in the region to ensure the local skills system responds to the local skills improvement plan.
134. This deal is underpinned by the enhanced accountability measures, outlined in the Accountability section of this deal. As a milestone to that devolution, WMCA commit to stretching but achievable targets, as set out in this deal, in the current Spending Review period in return for the greater flexibility and path to devolution that it creates. This will be underpinned by the English Devolution Accountability Framework. Further accountability arrangements as they relate to the single settlement are set out in the single settlement section of this deal. The government will also continue to work with WMCA to simplify the funding landscape for skills provision in the area.

## A new partnership for post-16 technical education and skills

135. The government recognises the critical role that mayoral combined authorities play in supporting education and skills and their alignment to regional economic growth. This is particularly true of technical education and skills up to and including Level 3, which draw their primary purpose from the workplace and employer need and have a line of

sight to occupations and occupational areas. Both WMCA and the government are committed to delivering a simplified technical education and skills system which is more closely aligned to employers' needs, connects people to high quality jobs, and harnesses opportunities to attract investment.

136. A strong joint governance board will be established to provide oversight of post 16 technical education and skills in West Midlands. It will ensure the link between the technical education offer within West Midlands and real time labour market intelligence about the needs of the West Midlands labour market.
137. The board would have four main roles:
- a. **Responsiveness.** Creating a strong strategic partnership between commissioners/funders (with senior representatives from WMCA and the government), the demand side (the designated employer representative body) and supply side (providers), to utilise all available levers and resources to secure a post 16 technical and vocational offer that is aligned to local skills needs. This should ensure sufficiency, capacity, capability and curriculum relevance and pathways.
  - b. **Local skills improvement plan implementation.** As part of this responsiveness, the board will have strategic oversight (i.e., facilitating alignment and addressing issues) of relevant post-16 technical education or training offer linked to delivering the local skills improvement plan, including a role in signing off the local skills improvement fund application from the lead college to ensure alignment of local skills improvement fund-funded projects and wider labour market strategies.
  - c. **Data sharing.** The board will commit to lawful and relevant data sharing to support effective planning functions linked to both sufficiency and alignment between the technical education offer and local labour market needs. This will include considering ways to join up on data collection to avoid placing avoidable burdens on providers.
  - d. **Careers.** Responsibility to develop an all-age careers strategy for West Midlands that responds to the local skills improvement plan and reflects the skills ambition for the city-region. The board will help align the needs of business, the careers ambitions of our residents and the services and providers with the remit to support residents to develop their careers (see careers section of the deal
138. The government envisages that the role of the board will evolve as it becomes established. We will explore, in the next Spending Review, how to better reflect the board's views in relation to place-based capital investment.

## Adult skills

139. The government is committed to ensuring that adult skills functions and funding support people to access the skills they and the economy need, increasing productivity, supporting growth industries, and giving people the opportunity to progress. To ensure this happens at a national and local level, the government commits to devolving non-apprenticeship adult skills functions and grant funding to WMCA in the next Spending Review period.
140. However, there will be specific instances when the national government needs to direct the design of adult skills provision or allocation of adult skills funding – as such, the Secretary of State for Education will retain the ability to do so in next Spending Review period and beyond. However, this will be the exception rather than the rule, where the scale or urgency are such that a national response is judged required to deliver the required outcomes or where there are national skills priorities that the government believes are not being met sufficiently by the skills system. The government will work with the WMCA to ensure that any such direction can be aligned with the existing skills landscape.
141. In this current Spending Review period, the government commits to increasing the local flexibility for MCAs on Free Courses for Jobs and Skills Bootcamps – providing greater flexibility and a path to devolution in the next Spending Review. This will allow them to expand eligibility and select courses and subjects that best respond to the needs of WMCA’s residents, employers and the local labour market.

## Free Courses for Jobs

142. On Free Courses for Jobs, the government plans to remove the ringfence on this programme from the beginning of the next Spending Review by full devolution within WMCA’s single settlement, subject to WMCA demonstrating effective use of its budget that has been allocated for Level 3 provision. This will ensure we deliver more of these high value Level 3 skills, which the country needs, but with greater focus on ensuring resonance with local labour market needs including those identified in local skills improvement plans.
143. From financial years 23-24 the government commits to increasing the flexibility of Free Courses for Jobs funding by enabling WMCA to spend up to 50% on any Level 3 adult qualifications deemed necessary by WMCA to meet local skills needs – this is significantly more flexibility than currently available and will support them to meet their delivery targets.
144. In recognition of their trailblazer status, the government commits to fully devolving and removing all ringfences on Free Courses for Jobs for WMCA, subject to and once WMCA have delivered 80% of their available Free Courses for Jobs funding across an academic year by increasing the amount of delivery.



## Skills Bootcamps

145. Skills Bootcamps will retain the core purpose, policy intent and branding consistent with the national model, and maintain the focus on delivering employment outcomes which respond to local and national skills needs.
146. Commencing in financial years 23-24, to ensure ongoing value for money and guard against duplication, the government commits to sharing relevant commissioning activity, performance information and data with WMCA on Skills Bootcamps provision that will, or is likely to, include delivery to local residents or employers. In turn, WMCA commits to share relevant commissioning activity, performance information and data about local delivery.
147. In 2023-24, the government commits to increasing the flexibility mayoral combined authorities have to spend up to 30% of the available budget to develop bootcamps that meet local labour market/skills needs in any sector.
148. From 2024-25, in recognition of their trailblazer status, the government commits to then further increasing this flexibility for WMCA – to spend up to 100% of the available budget to develop bootcamps that meet local labour market and skills needs in any sector. WMCA will have the ability to flex the Skills Bootcamp model to meet local needs, subject to agreement from DfE about the nature and substance of these changes. This will allow WMCA the discretion to build on the core model, sharing and applying lessons learned to date around the most effective delivery models, tailored to each sector. We expect this provision to be aligned with priorities identified via the relevant local skills improvement plan.
149. As early as possible in the next Spending Review the government plans to provide WMCA with an un-ringfenced, devolved allocation of funding for the delivery of Skills Bootcamps that is representative of their national share of the total amount of funding allocated for Skills Bootcamps delivery, and subject to conditions that ensure that (where funding is used for Bootcamps) the core model and branding is protected.<sup>1</sup> The government will ensure that funding for Bootcamps is added to the single settlement once the activity is fully devolved.

## Careers: joint, place-based governance arrangements

150. With a mandate from the Secretary of State for Education, the government will work with WMCA to take forward the recommendations of the Holman review of careers education by offering a more place-based approach to careers education and develop joint governance arrangements for the delivery of careers services in the West Midlands. This will establish WMCA as the central convenor of careers provision in the

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<sup>1</sup> For any funding above this amount, national criteria will determine the remaining funding share and will be ringfenced for spend on Skills Bootcamps delivery.

region; facilitating more effective and joined up delivery between the National Careers Service and local careers hubs and ensuring greater regional tailoring of careers provision, including through locally agreed key performance indicators.

151. As part of this joint governance, WMCA will join DfE at the quarterly performance monitoring of the relevant National Careers Service regional contractor, allowing them to evaluate the impact of the programme locally and enable the Service to better respond to local need.
152. The government also commits to working with WMCA in shaping the design of future careers provision for all ages in the region, to ensure services more clearly reflect local priorities from the outset. Through this government will establish the WMCA's role in shaping the specification for future contracts and ongoing performance management of future regional careers services
153. The government will pilot a new strategic fund to respond to careers priorities for young people in the West Midlands, including to support those who are not in education, employment or training or at risk of becoming not in education, employment or training.

# Employment support

## Regional labour market governance

154. The DWP Secretary of State will ask WMCA to convene a new Regional Labour Market Partnership Board, which builds on the current collaborative structure that is already in place. The board will oversee the development and implementation of a strategy to tackle regional labour market challenges and move people back into the labour market and into work. This board will include senior representation from DWP, and, where relevant, other government departments, as well as key regional stakeholders.
155. To ensure a rapid and effective response to the actions agreed by the Partnership Board, regular engagement on both a strategic and operational working level between WMCA and DWP, including policy and Jobcentre Plus colleagues as necessary, will continue. This engagement will oversee the development and implementation of these actions.
156. By taking this approach WMCA and DWP will work together to ensure value for money, better use of public funding and achieving the best possible outcomes for clients locally and nationally.

## Contracted employment programmes

157. WMCA and DWP are both committed to ensuring the best employment outcomes and support for WMCA residents; to do this requires working towards alignment of national and locally funded public services, integration of public services so they can deliver to best effect for residents and reducing gaps or duplication. In turn, this requires strengthened partnership working and planning to ensure better value for money and achieve a more targeted approach nationally and locally is achieved. DWP is accountable for paying benefits to people who are out of work, and therefore needs to be sure employment provision is effective.
158. Both government and WMCA recognise that, whilst the core national Jobcentre Plus offer works well for many people, contracted employment programmes are a more impactful way of supporting those with more complex needs with more tailored support that addresses multiple barriers to work. Similarly, WMCA's local authorities are responsible for many public services, like public health and housing, which are crucial

in tackling the barriers that often prevent people moving into good, sustainable employment and which see the wider social consequences of unemployment and inactivity resulting in increased demand and poor outcomes. WMCA also has access to significant funding from the UK Shared Prosperity Fund which is intended to support people furthest from the labour market.

159. In all circumstances, WMCA and DWP commit to formalised joint working as the basis of ensuring the best value for money and outcomes for residents on all new and future employment programme provision. DWP and WMCA will:

- a. Commit to a co-design approach to all future contracted employment support programmes, for young people and adults. This means understanding and agreeing the shared policy intent, pooling relevant data and evidence bases to identify gaps and identifying local need, circumstances, assets, and value-add when constructing the specification for the West Midlands contract package area. DWP and WMCA will reach joint agreement around the high-level design and objectives (purpose, outcomes and accountability), so that target cohorts, payment models, routes to market and referrals meet local need.
- b. This co-design needs to recognise that the programmes sit within the framework agreed between DWP and HMT when the funding is secured and ensure that any minimum standards or requirements that would exist in comparable national contracted employment programmes are met or exceeded.
- c. DWP's Secretary of State will have final sign-off of contracted employment programme design, procurement and delivery mechanisms, given the Annual Managed Expenditure implications, using written advice from the DWP Accounting Officer based on DWP and WMCA assurances.
- d. Agree that, in recognition of the special status of the trailblazers, any contracted employment programme activity within WMCA will start from the assumption of a delegated delivery model, but subject to WMCA satisfying conditions which provide assurance on readiness to deliver a value for money programme, including strengthened accountability arrangements, which are yet to be decided. WMCA will then commission on behalf of DWP on a WMCA footprint.

160. In exceptional circumstances, DWP does however reserve the right to adopt a national approach to new employment programmes, as they did in response to the rise in unemployment during the pandemic. DWP commits to exploring options with WMCA prior to reaching any such decision, and to setting out these circumstances in writing where this is the case. Even in these circumstances, recognising the importance of integrating any new interventions into the existing place-based employment support system which encompasses both national and local services, DWP will commit to actively engaging on the purpose of the national approach and attempt, wherever and as far as reasonably possible, to incorporate WMCA's views on the design and

implementation of the programme to ensure maximum alignment with the wider programmes, optimise value for money, and avoid any unnecessary duplication.

## Data sharing: labour market and skills

161. Alongside these new levers, which will ensure a stronger link between skills and jobs in the local labour market, the government and the WMCA will work together to develop an appropriate data sharing framework that promotes information and data sharing between national government and WMCA to aid the effectiveness of skills planning and delivery, as set out in the data section of this deal.
162. Dependent on the requisite legal gateway being defined, DWP and WMCA will work together to explore feasibility and potential for proportionate data sharing arrangements for programmes and services operating in the region to reduce duplication and facilitate better targeting and efficiency of an integrated employment and skills offer, and an immediate scoping exercise to identify additional areas for reforming data access arrangements. This will test how data can be lawfully shared to better target services and manage the experience of customers with the aim of improving impact and value for money.

# Innovation

163. The government has set itself an ambitious goal: for the UK to become a top global hub of innovation as part of our science superpower mission. But to achieve this, we need to support the research and development clusters all around the UK to ensure more places are able to harness the innovation economy. This is vital if we are to ensure that the industries of the future bring benefits to everyone – as growth and jobs boost productivity, opportunity, and prosperity for all.
164. The Levelling Up White Paper set out clear steps for making this ambition a reality. In it, the government committed to maximising the contribution of innovation to levelling up, by building on existing and emerging research and development strengths across our country’s diverse economic landscape. It set out a new mission, led by the Department for Science, Innovation and Technology (DSIT): to increase domestic public investment in research and development outside the Greater Southeast by at least 40% by 2030, and by at least one third over this Spending Review period. This should result in an increase in public research and development investment in the West Midlands.
165. DSIT has set up a new unit to lead on mapping, and supporting clusters, and is working with the Department for Business and Trade (DBT) on inward investment.
166. As the UK’s largest public funder of research and innovation, UK Research and Innovation has made ‘world-class places’ a key objective in its 2022 – 2027 strategy, with a core commitment to drive levelling up by delivering impact in all parts of the UK, and to support the research and development cluster agenda.

## Innovation Accelerators: empowering local leaders

167. Home to the city of a thousand trades, the West Midlands has a long tradition of industrial innovation. The West Midlands is one of three areas selected as an Innovation Accelerator, in recognition of its research and development strengths, robust private and public innovation governance, and strong local leadership.
168. The Innovation Accelerator programme is pioneering a new model of research and development decision-making. The West Midlands Innovation Board, involving business and university leaders alongside the WMCA, has developed a plan for growing the city region’s innovation ecosystem, and is taking the lead in allocating a

share of £100 million funding to transformative research and development projects, working closely with Innovate UK, to strengthen local clusters and attract investment. This plan puts local leaders at the very centre of decision-making, enabling them to harness innovation to local growth and align research and development investments with local economic strategy.

169. The whole of the government is backing the West Midlands Innovation Board and WMCA in its mission to create a globally competitive innovation cluster with access to dedicated support from DSIT, UK Research and Innovation and DLUHC over the lifetime of the Innovation Accelerator programme. This will help the board to attract vital private research and development investment and overcome barriers on the road to cluster growth.
170. Together, the Innovation Accelerators form part of a pilot programme. The government will evaluate the effectiveness of this approach as we work to empower local leaders in research and development decision-making. Depending on the outcome of the programme and future funding decisions, this will include the government and WMCA working together through the strategic innovation partnership to identify further mechanisms for accelerating innovation in the West Midlands and transferring more autonomy to the West Midlands' developing regional innovation ecosystem. In return, the West Midlands will need to demonstrate that their innovation evidence base, decision making capacity, and ability to generate private sector co-investment is sufficiently robust and mature.

## A Strategic Innovation Partnership

171. Alongside the Innovation Accelerator ways of working, this deeper devolution deal will give the WMCA a new and influential role informing the national research and innovation ecosystem at the strategic level. This will maintain progress towards delivering the commitments set out in this devolution deal. This will be achieved through:
- a. Formally and periodically inviting the WMCA to articulate its research and development priorities to UK Research and Innovation. This will enable local leaders to shape decisions about regional funding priorities and ensure that local priority sectors, technologies, and clusters are fully understood by key decision-making bodies. In return, the WMCA will demonstrate that these priorities are informed by local research and development ecosystem stakeholders in a well governed and inclusive manner.
  - b. Consulting the WMCA on the development of future UK Research and Innovation strategies where appropriate and inviting the WMCA to work with the government research divisions on their respective research and development strategies and programmes. This includes engagement on any long-term alternatives to Horizon programmes, should the UK not be able to associate.

- c. Annually inviting the WMCA to set out their regional research and innovation priorities to the government science ministers. This will ensure that local innovation priorities are understood at the highest level of the government; and provide the WMCA with a means to escalate and address barriers to realising innovation-led growth. Where possible and subject to ministerial agreement, this will include involving the WMCA in inter-Ministerial information sharing structures and fora.
- d. UK Research and Innovation working with the WMCA to support the identification of regional comparative innovation advantages, helping to identify corresponding funding opportunities. UK Research and Innovation will provide their publicly available data to the WMCA annually on UK Research and Innovation investment in the West Midlands including changes in investment levels over time in support of the research and development levelling up mission.

172. In progressing the above, the government remains committed to an impartial funding decision-making process for UK-wide open R&D competitions.

## Working in partnership to grow innovation clusters

- 173. Alongside the Innovation Accelerators programme and strategic innovation partnership, Innovate UK and DSIT will work in partnership with the WMCA to grow the city region's innovation ecosystem.
- 174. Innovate UK will co-develop regional action plans with the WMCA to identify and bolster regional innovation strengths.
- 175. The government and Innovate UK will work with WMCA to pilot new approaches to boost innovation adoption and diffusion across the local business base. This will include the pilot Innovate UK further education innovation fund, which will fund further education colleges to pursue innovation activities. The WMCA will work closely with Innovate UK to embed Innovate UK Edge as part of its business support ecosystem to drive productivity improvements across the region.
- 176. Innovate UK's Knowledge Transfer Network will work with the WMCA to co-design locally led place-based knowledge transfer programmes focused on regional innovation strengths. These programmes will generate new ideas partnerships, enabling innovation to flourish at a local level.
- 177. Subject to the Procurement Bill receiving Royal Assent, the government encourages the WMCA to become a trailblazer for use of the new, more flexible public procurement procedures, empowering all contracting authorities to use procurement as a tool to drive innovation and bring early-stage innovations to market. The Cabinet Office will support the WMCA to make full use of the provisions in the Procurement Bill.



## Business productivity

178. The Levelling Up White Paper sets a target to boost productivity, pay, jobs and living standards by growing the private sector, especially in places where they are lagging. However, UK productivity growth, which is the bedrock of higher living standards, has slowed since the global financial crisis and lags behind comparative economies.
179. The commitments included in this deal will empower the WMCA to affect the drivers of productivity at a local level, from skills to infrastructure, to innovation and trade. The end goal of our joint efforts is ultimately to boost enterprise, business growth and jobs – the pathway to a stronger economy nationally and in the West Midlands.
180. At the firm-level, the uptake of business support is one of the key determinants of productivity, and businesses that seek external advice are more likely to experience high growth. The proportion of businesses in the UK accessing support and particularly for growth, however, is low compared to other countries, which evidence suggests is partly due to the complexity and fragmentation of the business support landscape. External finance, and particularly growth finance, can also help companies to achieve their entrepreneurial potential.
181. The government welcomes and will support WMCA's desire to bring greater coherence to the business support and finance landscape. This will be a key part of our joint efforts to boost local growth, and to raising living standards across the city region.

## Business support

182. The government recognises the WMCA as the lead institution for integrating business productivity interventions at the city region level. The WMCA will develop a service, working in conjunction with private sector providers, to make it much easier for enterprises to access programmes to boost productivity. The WMCA will, through this deeper devolution deal, have a new, empowered role in integrating, promoting and overseeing access to business support and advisory services, small and medium-sized enterprise finance and the broader commitments agreed as part of the deal. This will strip inefficiencies out of the system and increase small and medium-sized enterprise access to support.

183. The government – DBT, DLUHC and DCMS – and WMCA will establish a new Strategic Productivity Partnership, beginning immediately. Through this regular, at least biannual, initiative:
- a. The government and WMCA will share information and intelligence on live and upcoming business support and advisory services, with the aim of ensuring complementarity between national and local commissioning activities to maximise value for money.
  - b. The WMCA will have the opportunity to raise local priorities for future business support and advisory services to inform and influence government's future commissioning priorities, including as part of the next Spending Review. The government recognises the advantages of locally delivered business support programmes and will work pro-actively with the WMCA to put in place the structures and mechanisms for the devolution or co-commissioning of future business support where it makes sense to do so, as part of preparations for the next spending review. This means that business support may form part of the WMCA's simplified funding settlement in the future.
  - c. WMCA will work with the government and its delivery partners to encourage relevant businesses to engage with and take part in the help to growth management programme. WMCA will also work with the Chartered Association of Business Schools to co-design regional help to grow alumni events for businesses and entrepreneurs in the West Midlands and to improve the signposting of support for local businesses. This will help to ensure that when local business leaders and entrepreneurs 'graduate' from the programme, they are able to access additional follow-on support from across the local public and private sectors to further boost productivity.
184. The government will work with WMCA (plus Warwickshire County Council for former Coventry and Warwickshire local enterprise partnership functions) on the future of growth hubs to inform a refreshed approach to the service, which will be progressed quickly. The government and the WMCA will work together to ensure that as much as possible future delivery models enable effective join-up and co-ordination at the local level and complement business support services being delivered by the WMCA and its partners. This builds upon local decisions to invest over £40m of the UK Shared Prosperity Fund to support local businesses and local growth initiatives.

## Small and medium-sized enterprise finance

185. WMCA will have a new, empowered role in the provision of finance to small and medium-sized enterprises. In particular, the WMCA will have a role in the governance of the next generation of British Business Bank UK funds in the West Midlands. In addition:

- a. The referral network between the WMCA's, commercial lenders and the British Business Bank UK funds will be strengthened to make it easier for more local businesses to access the finance they need.
- b. Partnership working and collaboration between the WMCA and the British Business Bank's UK network representatives for the relevant area will be strengthened to stimulate informed demand for finance among businesses. This could involve joint events and initiatives, as well as knowledge sharing.
- c. The WMCA and British Business Bank will work together to bring cohesion to the supply of investment across multiple programmes and institutions. This will include working together with the private sector on a shared understanding of business finance conditions in the West Midlands and priorities and activities, so businesses are financed to grow.

## UK Infrastructure Bank

186. The UK Infrastructure Bank is already working with local authorities, combined authorities, other public sector bodies and the private sector to increase investment in infrastructure across the UK. The bank has already supported WMCA with the transition to greener transport through financing infrastructure for sprint bus services. The bank will continue to strengthen its strategic and operational relationships with WMCA, including by engaging when the WMCA is at the outset of designing the commercial arrangements for infrastructure projects which aim to leverage greater investment locally.

## Trade and investment

187. The Commonwealth Games were an outstanding success and transformed the image of Birmingham across the globe. WMCA and the DBT have worked together to deliver the highly successful Commonwealth Games business and tourism programme to maximise the economic benefits of the games. This work is ongoing. The WMCA worked together with DBT in the Midlands and India to deliver a joint mission to India in early November and further missions are planned as part of the legacy of the games.
188. This document proposes how the WMCA and DBT should strengthen and deepen their successful partnership.

### Strengthening our partnership

189. Upon the West Midlands Growth Company obtaining agreement with all local stakeholders (including WMCA and its local authority members and respective local enterprise partnerships), DBT will:
- a. recognise the West Midlands Growth Company as the lead agency for trade and investment on behalf of the WMCA.
  - b. adopt the WMCA economic geography as the frame of reference for related DBT trade and investment matters for the WMCA area.
190. DBT and WMCA will:
- a. Formalise their engagement at the city region level through:
    - i. Co-development of a West Midlands international strategy and delivery plan spanning both trade and investment.
    - ii. Shared accountability for strategy and delivery; and
    - iii. West Midlands Growth Company board membership subject to formal approval from both sides and standard due diligence.
  - b. Work with local partners including WMCA to gain a holistic view of the UK business environment's competitiveness vis a vis peers specific to our ability to attract regional investment.

- c. Support West Midlands Growth Company in their bid for an extension of the business and tourism programme to secure more trade and investment to the region and the rest of the UK. West Midlands Growth Company will jointly develop the trade and investment business case with DBT and ensure that the programme is scoped in line with the priorities of the international strategy and to deliver the best return in the current macroeconomic environment based on evaluation of the business and tourism programme.
- d. Further to any wider data partnership between the government and WMCA, work jointly to better enable the sharing of intelligence and data owned by each party, to better inform mutual planning and strategy, within the requirements of UK General Data Protection Regulation or other data protection obligations. Note, however, that legally the decision on disclosure for much of the relevant data is for the Commissioners of His Majesty's Revenue and Customs.
- e. Jointly seek to maximise the engagement of appropriate businesses and stakeholders in the WMCA area so that global trade opportunities and activity are created and identified as a result of this deeper devolution agreement.
- f. Maximise the opportunity for WMCA, businesses and stakeholders within the WMCA area to contribute to national policy consultations, including the development of new free trade agreements, for example by responding to Calls for Input that inform the mandate for free trade agreements.
- g. DBT and WMCA to each nominate an official as the single point of contact at operational level to discuss joint plans and delivery on an ongoing basis.
- h. WMCA and West Midlands Growth Company to provide referrals of potential DBT investment and export champions from the WMCA region. DBT will agree to make appointments based on intake capacity and selection criteria.
- i. DBT and overseas international trade representatives for the Midlands Engine to continue to work together, which will in turn directly support WMCA.

## Investment

191. The WMCA will have support from the Office for Investment at regional level for transformation investment opportunities (i.e., those in excess of £100m). This will concentrate around two core elements – capital investment and traditional foreign direct investment. Both parties will work together through a long-term partnership with the aim of maximising large-scale inward investment – utilising WMCA's knowledge of capital investment propositions and opportunities, priority sites, innovation and sector/clustering opportunities. WMCA will provide/signpost to public support to help land inward investment and the Office for Investment will engage with high-value

projects and provide a cross-government convening role, working together to increase the profile of the WMCA area internationally as an investment destination.

192. DBT will continue to work in partnership in co-designing and developing operational support for investors in the city region:
- a. DBT will undertake a review of key account management working with WMCA/ West Midlands Growth Company to consider various options e.g., delivery models which may include better leveraging West Midlands Growth Company's regional delivery capacity.
  - b. Where account management relationships with companies with a presence or interest in the WMCA area are held by DBT, the WMCA will support that relationship with access to information, local support and facilitation as needed to retain and attract high-profile companies in the UK. Likewise, DBT will provide business intelligence from such relationships to enable the WMCA to respond appropriately. Sharing of information will be within the requirements of UK General Data Protection Regulation or other data protection obligations.
  - c. DBT will seek to provide a longer-term commitment to this account management programme, to ensure stability- pending procurement approval from Treasury and business planning outcomes.
193. Future high potential opportunities that are strong UK offers for the WMCA area will continue to be jointly agreed between DBT and WMCA. DBT is currently reviewing the marketing and campaign approach across all local areas and will work with West Midlands Growth Company on promoting investment opportunities.
194. DBT will seek to co-develop a West Midlands city region-specific investment plan, which includes events and other promotional activity - including international visits; access to national marketing campaigns; sector themed inward visits; focus on supply chain opportunities etc – setting out where both parties will lead and or provide support to deliver this plan, which will support and the WMCA international strategy. DBT will work with WMCA to investigate capability/capacity required to reach the goals of the shared plan.
195. DBT will work with WMCA to explore creating a more formal network of local investment promotion agencies. With the aim of:
- a. Increasing collaboration with investment promotion agencies across the United Kingdom to promote foreign direct investment to the UK and decreasing complexity for foreign investors.
  - b. Leveraging the benefits of the partnership between the Office for Investment and the WMCA at a local level, alongside the broader activities proposed as part of this devolution deal.

- c. Improving communication on policy and strategy.
- d. Sharing best practice and training to help build consistency of quality support, knowledge and understanding around how to effectively land investment, how to work with investors and how to work effectively with DBT.
- e. Improving knowledge and communication of local strengths and opportunities within the DBT network and externally.

## Exports

### 196. DBT will:

- a. Support the recruitment and management of business focussed trade mission delegations to accompany mayor-led market visits, such as the mayoral visit to India in November 2022.
- b. Seek to improve the take up of significant WMCA based companies in ministerial, and other high profile trade missions, in order to provide high value and high-profile opportunities for them to increase exports in strategic markets.
- c. Agree for a UK export academy representative to work with WMCA to enhance the offer based on needs of WMCA businesses.
- d. Seek to jointly develop WMCA-specific events and other activity such as sector themed workshops, sub-regional initiatives and supply chain projects.

## WMCA's commitments to the government

197. WMCA will utilise its devolved functions, particularly in relation to skills, housing and transport, to respond to investors' needs and smooth the path to landing greater levels of inward investment in the UK.
198. The WMCA will provide suitable match funding for programmes that are co-financed by DBT, such as the key account management programme.

# Net zero and the environment

## Strategic energy system planning

199. The government recognises the strategic role WMCA can play in planning our future energy system for net zero, with its ability to convene local authorities, the strategic transport authority, energy infrastructure providers and other key stakeholders, and is committed to ensuring that devolved regional institutions such as combined authorities have a meaningful role in planning our future energy system for net zero.
200. The government is considering the role of local area energy planning in delivering net zero and supporting efficient network planning, working closely with Ofgem and its review of local energy institutions and governance. The government is supportive of WMCA developing local area energy plans across the WMCA area. As part of their on-going work, the government and Ofgem will explore how local area energy plans can support local action, investment and delivery by energy system stakeholders.
201. As outlined in Ofgem's review, there is a need to look further at roles and responsibilities at a sub-national level, particularly to address known issues around co-ordination and accountability. WMCA is encouraged to engage both with this discussion and the future systems and network regulation workstream, which looks specifically at network investment.

## Networks

202. To overcome the energy crisis and meet our future needs, it is more important than ever that we rapidly develop a smarter, more integrated, low carbon energy system. Investment by network operators is central to achieving this, as is having the right input from stakeholders to inform it.
203. As part of the next electricity distribution price control framework starting from 1 April 2024, Ofgem required National Grid electricity distribution to engage with WMCA and other local stakeholders to inform its business plans. Where additional allowances are granted during the period, Ofgem expects National Grid electricity distribution to engage with WMCA and other local stakeholders to provide them with confidence that their proposed investment will meet local needs and enable the delivery of net zero and green growth objectives.



204. Ofgem welcomes WMCA's interest in innovation zones and the trialling of novel approaches to inform investment planning. Any decisions on future innovation zones will be considered through the price control review process or as part of wider Ofgem innovation work.

## Local plans

205. As per existing arrangements, local area energy plans can provide valid material evidence to justify planning policies related to energy efficiency and infrastructure. The government welcomes continuing to work with WMCA to explore how local area energy plans and spatial planning could be meaningfully integrated, and to understand implications for planning policy and local planning authorities' capacity and skills needs.

## Clean heat

206. The government has confirmed its intention to establish heat network zoning in England. Under the zoning proposals, zoning coordinators within local government will be able to designate areas as heat network zones where heat networks are going to be the most cost-effective way to decarbonise heating and hot water within the zone. This will enable WMCA or its constituent local authorities to assume the role of heat network zoning coordinator and play a key role in the delivery of heat decarbonisation infrastructure. This includes requiring certain buildings to connect to heat networks within the zones. Government is committed to have heat network zoning in place by 2025.

## Industrial decarbonisation

207. Industrial decarbonisation in the West Midlands is key to the economic competitiveness of the region, particularly in the Black Country and Birmingham, and energy-exposed businesses are an important provider of local jobs. Businesses in these areas often supply critical components into strategic national supply chains (defence, aerospace, energy, automotive) that export globally. The government is keen to explore new approaches to facilitating the net zero transition in the sector with WMCA and will explore a range of potential funding options to pilot a new approach to transitioning businesses and clusters to a net zero energy system, subject to business planning.

## Energy efficiency

### Retrofit

208. The government will pilot the devolution of net zero funding through allocation rather than competition in the period from 2025 onwards to WMCA, subject to confirmation of funding and policy design. The allocation methodology will be agreed between the Secretary of State for Energy Security and Net Zero and the Chancellor, after discussion with WMCA. This pilot will include, but is not necessarily limited to, funding for buildings' retrofit. WMCA's funding allocation will form part of its single department-style settlement.
209. The agreement to pilot devolution of funding is subject to legally binding conditions set by the Secretary of State for Energy Security and Net Zero, including agreeing outcomes and accountability frameworks so that the local and combined authorities involved demonstrate they are meeting the needs of the relevant schemes operated by the Department of Energy Security and Net Zero to the level required. These conditions are expected to include, but are not necessarily limited to, requirements related to:
- a. the type and level of greenhouse gas emission reductions that must be achieved.
  - b. fuel poverty targets.
  - c. the primary objective of the devolved scheme.
  - d. value for money.
  - e. match-funding or private-sector leverage requirements.
  - f. quality standards for the work performed, and
  - g. monitoring, evaluation and audit requirements.
210. The agreement to pilot devolution of funding will also need to take into account work done through the local net zero forum with representative local government organisations and involving WMCA.
211. In addition:
- a. WMCA and its constituent local authorities will not be eligible to bid for funding from competitive national energy efficiency retrofit schemes from which funding has been devolved to them.
  - b. The government reserves the right to pursue non-devolved, non-allocative approaches to the delivery of energy efficiency retrofit schemes; and

c. The release of funding is subject to business case approval.

212. The government will facilitate work ahead of the 2025 period to develop a business case, design a pilot and evaluation approach and harness relevant events for sharing of best practice between local authorities where they are already taking innovative approaches on retrofit delivery. The government will identify and look to utilise opportunities for early activity.
213. During the current spending review period, WMCA can already submit applications to competitive energy efficiency schemes on behalf of its constituent local authorities with their consent.
214. After the pilot, the government and WMCA will undertake a review of the effectiveness of this approach for the Secretary of State for Energy Security and Net Zero and the Chancellor to consider and agree whether to continue it, and if so in what form, as part of future multi-year spending review periods.

### **Minimum energy efficiency standards**

215. The government plans to consult on the potential for a national minimum energy efficiency standard for social housing properties. The government will engage WMCA via a bi-annual, official-level forum to understand the extent to which any national standard meets the energy efficiency requirements of social housing properties in the WMCA area. The government is open to considering the case for enabling local areas to exceed any national standard, if there would be delivery advantages to doing so and subject to the resolution of regulatory and legislative pre-requisites. The government will, as part of the forthcoming consultation, seek views on the advantages of local approaches to energy efficiency in the social rented sector. Over the near-term, the government is open to exploring ways to support any voluntary efforts by WMCA to boost standards across the city region.
216. The government is open to considering the case for WMCA and its constituent local authorities to set minimum energy efficiency standards, which exceed the national standards, for properties in the private rented sector in their local areas. The implementation of any higher standards would be subject to appropriate legislation being in place and WMCA modelling the possible impact on landlord behaviour and supporting local housing markets to transition to any higher standard. The government will engage with WMCA via a bi-annual, official-level forum to explore this further.

### **Finance**

217. The government supports WMCA in wanting to leverage greater private investment to support the delivery of retrofit and energy efficiency measures. The government will engage with WMCA on the development of appropriate financial instruments and innovative funding models, underpinned by existing legislative frameworks and non-legislative options, to increase the number of energy efficiency upgrades.

## Advice

218. The government will work with WMCA to explore how more detailed advice can be provided to households on structural energy efficiency upgrades. This will involve looking at non-legislative options as well as considering potential future legislative options to identify the most effective route to increasing consumer choice within the retrofit market.
219. The government is enhancing its impartial consumer advice and information offer to support consumers with a more personalised advice service on retrofit. This provision includes an online 'MOT-style' checklist, providing clear direction on the structural changes they can make, including installing insulation and heating controls. The government will be launching an enhanced national phonenumber shortly, to support those consumers unable to use the website or in need of further support. In addition, the government is working with the local net zero hubs to engage local and combined authorities and other local actors, on a series of regional in-person advice services. This will provide grants for innovative ideas to better support people locally. WMCA is encouraged to work with the local net zero hubs to promote these services in the most effective way.
220. The government and WMCA will continue to engage on proposals through the bi-annual official level forum proposed below, and through representative local government bodies represented on the local net zero forum.

## Climate adaptation

221. WMCA and its local partners are already demonstrating leadership in their work on climate adaptation through a new multi-stakeholder group, focusing on measures that will increase the region's resilience. Just as sub-national plans for net zero will support the government's 2050 plans, the WMCA and its local partners are committed to supporting delivery of adaptation measures across the regional, local and community level. Depending on the outcomes of the plans being developed by the multi-stakeholder group, the government could liaise with WMCA and its local partners to assist them, where possible, to develop and potentially publish a case study in the national adaptation programme, as an example of good adaptation practice.

## Natural environment financing

222. WMCA has been acting as the provisional responsible authority for the preparation of the local nature recovery strategy in the area to date. The intention is that the Secretary of State for Environment, Food and Rural Affairs will formally appointment the Mayor of WMCA as the responsible authority, who will work closely with the WMCA to develop the local nature recovery strategy. Formal appointments will be made following the publication of local nature recovery strategy regulations and guidance. Funding to

cover new burdens will be agreed at that point. The local nature recovery strategy will: map the most valuable existing habitat for nature; map proposals for creating or improving habitat for nature and wider environmental goals; and agree priorities for nature's recovery, making an important contribution to the government's environmental targets.

223. To deliver national, regional and local ambitions that support nature's recovery and the implementation of nature-based solutions for climate mitigation and adaptation, there is a need to establish an appropriate investment mechanism for nature. Natural environment solutions come with financing challenges, particularly around return on investment and the offer of accreditation required to secure finance.
224. The WMCA region brings scale to this challenge and the opportunity to provide attractive strategic projects that are suitable for a blended finance approach. The government, which is committed to increasing private investment in nature's recovery across England, will support WMCA in the development of an investment mechanism for nature. This support may include a proportion of revenue funding specialist expertise; co-ordination of peer support and networking; and/or local partnership working with the Defra's arm's length bodies, such as the Environment Agency, Natural England and the Forestry Commission. Any funding provided will be subject to further agreement and approvals and conditional on participation in a programme of evaluation and shared learning.
225. The government's support will aim to build lasting capacity and capability within WMCA to continue to support natural environment financing in the longer term, moving away from working on a project-by-project basis. It will also support WMCA to take an integrated approach to delivering its place-based natural environment and climate adaptation ambitions.

## Air quality

226. The government recognises the work WMCA, and its constituent councils are already doing to improve air quality, and in particular towards developing a regional air quality framework, which aims to enhance local monitoring capability. This work will evaluate and inform air quality policy to ensure objectives and targets are met, especially in relation to particulates.

# Digital

## Infrastructure

227. DSIT will work with WMCA via a new Digital Infrastructure Leadership Group, to explore ways to accelerate the roll-out and take-up of high-speed connectivity in accordance with the agreed terms of reference.
228. The group will seek to align and refine place-based opportunities and interventions to create the best possible conditions to deliver competitive high speed fixed, mobile and smart digital connectivity and accelerate take-up and adoption by consumers, businesses and public services to increase productivity and prosperity across the WMCA.
229. In addition, WMCA and its constituent local authorities commit to use the levers at their disposal – pertaining to street works, planning and provisions under the electronic communications code – in support of the aim of the group.
230. Building digital UK will engage with WMCA alongside other local bodies to discuss the design of interventions and procurement lots for investment in digital infrastructure, at various points in the project gigabit process including but not limited to interrogation of open market review data, design of procurement lots and appraisal of social value elements of tenders.

## Inclusion

231. DSIT notes WMCA's commitment to ensuring the benefits of digital technologies are inclusively available to all residents. DSIT will continue to engage with WMCA to understand the work it is undertaking in this area and how this might interact with the development and future delivery of digital inclusion programmes and support greater funding alignment, joint investment and strategic collaboration in the region, to maximise the overall benefit of local, regional and national initiatives that drive local economic growth and support wellbeing.
232. DSIT supports WMCA's efforts to engage with operators and the private sector to provide affordable broadband access and will continue to work with local partners to maximise the reach, awareness and promotion of social tariffs.

233. WMCA has provisionally been awarded £4 million funding to support 20,000 residents with access to data and devices. This capital funding will be targeted at disadvantaged communities, to ensure they can benefit from wider services.

# Culture and tourism

## Culture

234. Both the government and WMCA recognise the crucial role that culture, heritage and sport can play in supporting levelling up, through giving people pride in the places they live, supporting a vibrant local economy and promoting wellbeing. In the West Midlands, the government recognises the opportunity to build on the recent success of the Commonwealth Games 2022 and Coventry UK City of Culture 2021, and to embed their cultural and sporting legacy. As such, the government has made available £70 million of contingency underspends from the Commonwealth Games to support the WMCA to capitalise on these opportunities.
235. To maximise the impact of this investment, and to explore new ways in which culture, heritage and sport can deliver on wider levelling up outcomes like health and wellbeing, the government will work with WMCA to support an ambitious regional culture and heritage framework.
236. As part of this, the government and arm's length bodies of the DCMS, including Arts Council England, Historic England, Sport England, the National Lottery Heritage Fund, the National Lottery Community Fund and the British Tourist Association (trading as Visit England / Visit Britain), will work with WMCA to support greater funding alignment, joint investment and strategic collaboration in the region, to maximise the overall benefit of local, regional and national initiatives that drive local economic growth, support wellbeing and build pride in place. Following agreement of this deal, WMCA will work with DCMS and the relevant arm's length bodies in spring 2023 to establish a terms of reference for the regional culture and heritage framework and agree a forward plan over the coming year, before finalising the framework in 2024.
237. This work could include increased alignment around funding, and programmes including Commonwealth Games legacy funding, heritage action zones, and the rollout of a new accreditation system for local destination management organisations. Investment decisions should consider strategic priorities, such as Arts Council priority places and levelling up for culture places, Birmingham 2022 Commonwealth Games legacy plans and other policies to develop identified cultural and heritage hubs and support skills, health and wellbeing.



## Social economy

238. WMCA is committed to doubling the size of the social economy in ten years, as set out in the plan, growing the social economy in the WMCA area. Recognising this, the government will work closely with the WMCA to develop a pioneering social economy accelerator programme and growth fund and local social economy clusters. There is potential to use dormant assets funding to support community and voluntary sector organisations to make a difference in their places.

## Tourism

239. West Midlands Growth Company is working with VisitEngland to become a local visitor economy partnership. Priorities for the West Midlands local visitor economy partnership will include a focus on the deliverables in the West Midlands tourism strategy and recovery plan and major event legacy, to raise awareness and improve perceptions of domestic and international visitors, using our strong cultural and heritage offer, hero themes, and business and major sporting event pipeline to drive visitors to the WMCA's destinations.

240. West Midlands Growth Company currently operates beyond local visitor economy partnership boundaries, in a similar way to a destination development partnership. Subject to confirmation of West Midlands Growth Company's Commonwealth Games legacy funding, and governance and delivery sign-off with VisitEngland and DCMS, WMCA proposes that West Midlands Growth Company works to achieve a second pilot destination development partnership status, an approach endorsed by VisitEngland, to work at a strategic level across the region to strengthen the visitor economy. WMCA will engage with DCMS and VisitEngland on the development and evaluation of their destination development partnership to demonstrate impact and return on investment of the approach, to ensure that ongoing and final learnings are captured. Additional activity will drive efficiencies across the wider destination development partnership area in research and insight, digital innovation, product development and business support.

# Public service reform

## Health

241. WMCA's Health of the Region report (2020) showed, at the time of publication, a disproportionate number of people in the West Midlands had worse health outcomes from preventable causes than the national average. In addition, two of the three integrated care systems areas in the West Midlands have a higher percentage of deprived neighbourhoods than anywhere else in the country. It is clear that health inequalities, poor health and economic inactivity cannot be tackled in isolation and require greater join up between local partners to improve outcomes for people in the WMCA region. The WMCA has a key role to play through exercising its transport, housing, skills and economic growth functions, which constitute the wider determinants of health and have a key impact on health outcomes.

## Population health improvement

242. The region's constituent local authorities and NHS partners play a crucial role in the public health and addressing health inequalities. The Levelling Up White Paper acknowledges the supportive role mayoral combined authorities can play in improving the public health through devolution. This is why the government will support WMCA to work in partnership with local health and social care partners and integrated care systems on population health improvement.

243. The government and WMCA will agree a new formal duty on WMCA to improve the public's health, concurrent with local authorities as set out in the NHS Act 2006. This will neither supersede existing duties of partners nor be subservient to them, rather it will be a supportive addition to bring about systemic change and will enable WMCA to act to improve health through its wider responsibilities. We will also explore how the government and WMCA can use their collective resources and expertise to develop and test innovative solutions to shared prevention and population health priorities.

244. As part of the government's commitment to funding simplification, government will also support WMCA's ambition to explore innovative ways to improve population health, address health disparities and prevent ill-health, by exploring opportunities to better join-up funding related to population health improvement and prevention.

245. Where relevant new future, funding streams relating to population health improvement and prevention are under consideration, government will engage with WMCA and its

constituent local authorities to discuss whether the WMCA' allocation could be included as part of the department-style single settlement. New funding streams do not include new allocations from existing funds.

246. Under a new health improvement duty and through simplified funding streams, the WMCA can work with its constituent local authorities to enhance the provision of and access to a healthier food environment for children and young people, establish a regional tobacco alliance with local public health and integrated care boards and pilot vaping as a quit tool to reduce smoking rates in the region; and drive forward the ambition to be an exemplar region for disabled people through the development of a pan-disability needs assessment and a regional disability strategy in conjunction with the Cabinet Office, and in line with proposals in the emerging disability action plan.

### **Data and digital**

247. As one of the first regions to develop a regional secure data environment for research and development, and as a trailblazer smart city region, the WMCA area is well-placed to build a more integrated, tech-enabled and population-based model of care. To support these ambitions, WMCA, and its local NHS partners, the government and NHS England will empower residents in the WMCA area through improving their understanding and use of health data through education and skills development within deprived areas and expanding patient access to data. WMCA will also work with NHS England to develop artificial intelligence lab(s) to support real-world research, working with local university partners and academic health science networks to provide patients with personalised and proactive care through predictive analytics and machine learning, encouraging early intervention and prevention through digital innovation.
248. In support of WMCA's new health improvement duty, the government will support the regional linkages of shared care records within the West Midlands integrated care boards, and work with WMCA to explore secure and appropriate ways within the existing legal framework to share data across the public sector, including examining existing best practice, with any improvements in data access being appropriate, safe and legal, and not damaging public trust in how data is used.

### **Workforce**

249. The government supports the commitment of WMCA to work with integrated care boards and other partners to explore the use of aligned budgets along with its adult education budget, to help tackle workforce shortages in the NHS and the wider health and care system, including exploring workforce training and boosting capacity within the voluntary and community sector.

### **West Midlands Smart City Region**

250. To improve public services, the WMCA will pioneer the extension of preventative healthcare, remote monitoring and community diagnosis. This will be delivered through

the Levelling Up: Smart City Region Health, Care and Connectivity programme which builds upon successful trials and complements government funding and priorities, including virtual wards and community diagnostics.

## Early years

251. DfE remains open to discussing the further development of regional early years collaboration across the WMCA area, building on existing work, including exploring initiatives which could be piloted in the area provided they are consistent with the government's wider early years strategy and policies.

## Homelessness

252. A newly established DWP and DLUHC Ministerial Housing Strategy Group will consider innovative approaches and piloting opportunities in partnership with WMCA, funded from within existing budgets and/or subject to consideration at the next Spending Review, to enable higher standards, improve outcomes for residents and communities and deliver better value for money.

253. DWP will continue working with WMCA to explore the development and implementation of a locally designed rent simplification pilot to enable young people in supported accommodation to transition into work whilst remaining, for an agreed period, in the supported environment that they require.

## Antisocial behaviour

254. Addressing antisocial behaviour is a priority for the government, as well as for WMCA. The government is working to drive further action to tackle antisocial behaviour and will discuss its emerging proposals with WMCA and the police and crime commissioner.

255. In particular, the government recognises that there are specific challenges facing all constituent authorities regarding littering, graffiti, contravention of smokefree legislation and managing street traders, performers, and preachers.

## Digital, cultural and environmental projects

256. The government will support WMCA with £25 million of additional capital funding during this spending review period for green and innovative projects, to drive economic growth, support businesses in the West Midlands to transition to net zero and improve public services through the Smart City Region project. The release of funding is subject to approval of a suitable business case.

# Places for Growth

257. Through the places for growth programme, more than 2,100 roles will relocate to the West Midlands by 2025 from departments and public bodies including the DfT, DLUHC, Home Office, Homes England and DfE. As of December 2022, 1,400 roles have been relocated to the West Midlands campus locations, including Birmingham, Wolverhampton and Coventry.
258. The government's ambition to support the development of specialist skills clusters will bring together organisations with a shared policy interest, to encourage collaboration and foster effective engagement with industry and external stakeholders. The relocation of civil and public service roles builds on the existing expertise within the WMCA, including Network Rail and High Speed 2, and the development of a transport and infrastructure cluster, providing deep career pathways and a range of opportunities locally.
259. The government will build on existing progress and meet the commitments set out in the Levelling Up White Paper by working with WMCA to explore further opportunities for programmes to develop skills and career pathways into the civil service and public services. A West Midlands fast stream pilot will set a blueprint for establishing long-term career pathways by delivering a pipeline of civil service talent and skills in the region. This investment in skills pipeline development and the formation of a transport and infrastructure cluster will accelerate the government's places for growth programme, enabling government departments to consider functions that could be located across the WMCA footprint as part of its commitment to levelling up.

**THE END**



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## Minutes of Budget and Corporate Scrutiny Management Board

**Thursday 28 September 2023 at 6.04pm**  
**In the Council Chamber at Sandwell Council House, Oldbury**

**Present:** Councillor Moore (Chair);  
Councillors Fenton (Vice- Chair), Fisher, E Giles, Hinchliff,  
Lewis, Owen and Tipper.

**In attendance:** Surjit Tour (Director of Law and Governance), Michael Jarratt (Director of Children and Education), Brendan Arnold (Interim Section 151 Officer), Sue Moore (Assistant Director for Education Support Services), Kate Ashley (Strategic Lead for Strategic improvement), Suky Suthi- Nagra (Democratic and Member Services Manager) and John Swann (Democratic Services Officer).

### 58/23 **Apologies for Absence**

No apologies for absence were received.

### 59/23 **Declarations of Interest**

There were no declarations of interest made.

### 60/23 **Minutes**

**Resolved** that the minutes of the meeting held on 27 July 2023 be approved as a correct record.



61/23

## **Additional Items of Business**

The Chair placed on record his thanks to the outgoing Director of Finance Simone Hines and welcomed the Interim Section 151 Officer Brendan Arnold to his role at Sandwell.

62/23

## **Quarter 1 Budget Monitoring 2023/ 24**

The Board received an overview of the Quarter 1 Budget Monitoring 2023/24 report which had been considered by Cabinet on 13 September 2023 and had been referred to the Board for consideration.

The Interim Section 151 Officer outlined that the Council had a projected outturn position for the General Fund of an overspend of 2.188m following the use of reserves. The variance, whilst not predicted to increase, was anticipated due to the net budget of the Council being in excess of £300m and the challenges facing local authorities.

The overspend across directorates was largely attributed to the potential pay award and an increased rate of pension contributions, the largest singular projected overspend was against Special, Educational Needs and Disabilities (SEND) transportation.

With regards to the projected overspend against SEND transport, the Director of Children and Education outlined the following:

- Procurement of the new SEND transport arrangements had been challenging, with a key operator terminating arrangements the day before services were due to commence.
- The number of children with Education, Health and Care Plans (EHCP) had increased by 51% since 2019 in the Borough.
- The provision of transport and support for those in receipt of EHCPs was a statutory responsibility of the Council.
- Parents of children with EHCPs had been made aware that they could access personal travel budgets as an alternative to Council operated SEND transport.
- The financial pressures upon the Directorate had been significant and cost saving methods included not recruiting to vacant posts.



- Predictions for service demand to ensure continuity in service offer had been effective and accurate and had resulted in complex SEND cases being retained within the Borough.

The Board acknowledged that savings across all directorates were required prior to the culmination of the financial year.

From the comments and questions by members of the Board, the following responses were made and issues highlighted:-

- The use of consultants by the Council was costly in nature, however it was accepted that vacant positions were required to be filled.
- Further information was sought on the projected outturn of a 3.219m overspend within the directorate of public health.
- It was agreed by Members that the projected outturn for the directorate of borough economy of £0.627m would benefit from further scrutiny, particularly the consideration of parks, green spaces, museums, tendered contracts and concessions.

**Resolved:-**

- (1) that the Interim Section 151 Officer outline to the Board why the Directorate of Public Health had an outturn variance of a £3.219m overspend in Quarter 1 Municipal Year of 2023/ 24;
- (2) that a working group be established to review all areas of income, expenditure and staffing levels, particularly focusing on parks, green spaces, museums, tendered contracts and concessions within the Directorate of Borough Economy, with the membership and scope of the working group to be determined by the Chair of the Board.

63/23

**Improvement Plan – Quarterly Progress Report**

The Strategic Lead for Strategic Improvement provided a progress update on the Improvement Plan up to 3 August 2023. This report was the fifth quarterly progress update to the Budget and Corporate Scrutiny Management Board.

Overall progress had been positive in nature and significant achievements had included the first in person all- staff briefing at Sandwell Aquatic Centre, the approval of the refreshed Corporate Plan and the One Team Framework launch.

Areas of concern were broken down by each theme as set out within the improvement plan and were presented to the Board.

### **Organisational Culture**

The workstream related to the officer and member relationship had encountered issues due to a lower than desired response rate for the spring officer survey. Semi-structured interviews and a condensed Member survey was planned for the Autumn period which would support the Local Government Association sessions.

### **Corporate Oversight**

An Assistant Chief Executive had been appointed and was due to start in September, once in the role, the timeline for the directorate level restructuring would be confirmed. Oracle Fusion was due to go live in April 2024 and had undergone a successful modelling phase, having been approved by both human resources and payroll. The revenue, capital and performance reporting was due to commence from March 2024 to coincide with the roll out of the Oracle Fusion software.

### **Strategic Direction**

Slippage had been encountered for the stock condition surveys of council housing, the contract award had taken place and recruitment was underway for an officer to manage the project and oversee rollout. The customer journey strategy due date had been re- arranged to March 2024 due to delays with face- to- face customer engagement sessions and the online surveys. The recruitment of a commercial project officer had been unsuccessful and had resulted in other options being explored, in addition, whilst business cases had undergone development to support the commercial strategy, slippage against action plans had been encountered.

### **Decision Making**

No issues were reported.

## **Procurement and Commercial**

Delivery of 16 refuse collection vehicles would be received in late 2023 due to a delay with build slots. The options appraisal for the corporate management system had been delayed until after the Oracle Fusion demonstration and testing phase.

## **Partnerships and Relationships**

The project manager position for the transition to adulthood project remained vacant and was being supported by the corporate transformation office. Benchmarking exercises had commenced and a case file audit was due to be started for the project. The Voluntary and Community Sector strategy was being developed and a report on the topic was due before Cabinet in the autumn.

A stable medium- term financial position and the streamlining of processes to deliver high quality services and improve the customer experience were key components when considering the next steps of the improvement plan.

The transition between children's and adult's services, in particular, the service offer available and the impact upon service users, was discussed by members and it was agreed that a further report on the matter should be considered at a future meeting.

It was highlighted that the improvement process was a continuous journey and that Grant Thornton would be providing a follow up review and making recommendations to support the Council in embedding positive steps.

**Resolved** that a report on the transition between Children's and Adult's Services, and the impact upon services users, be added to the Board's work programme.

64/23

## **Section 106 Spotlight Session Outcome**

The Board received the report from the Spotlight Session on Section 106 funding and the recommendation contained within: 'That the Assistant Director: Green Spaces, Green Services and Events present an annual update to each of the Town Boards to discuss available Section 106 funds'.

Section 106 funding could be sought from developers towards the costs of community and social infrastructure and were set out in Section 106 agreements between the developer and the Council as the planning authority.

The majority of existing Section 106 agreements related to green space improvements and modifications to the highway.

The Chair outlined that the format of the session had received positive feedback and had allowed a robust discussion of the section 106 spend.

**Resolved** that the Assistant Director: Green Spaces, Green Services and Events present an annual update to each of the Town Boards to discuss available Section 106 funds.

65/23

### **Budget and Corporate Scrutiny Management Board Action Tracker**

The Board noted the status of actions and recommendations it had made. Further updates would be reported to future meetings of the Board.

66/23

### **Cabinet Forward Plan and Board Work Programme**

The Board received and noted the Cabinet Forward Plan and the Board's work programme.

Members agreed that overview and scrutiny boards needed to have opportunities for effective and proactive pre- decision scrutiny to better add value to the decision- making process.

Meeting ended at 7.19pm.

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

# Minutes of Budget and Corporate Scrutiny Management Board

**Thursday 5 October 2023 at 6pm  
In the Council Chamber at Sandwell Council House, Oldbury**

**Present:** Councillor Moore (Chair);  
Councillors Fenton (Vice- Chair), Anandou, Fisher, E Giles,  
Hinchliff, Lewis and Owen.

**In attendance:** Surjit Tour (Director of Law and Governance), Tony McGovern (Director of Regeneration and Growth), Kate Ashley (Strategic Lead for Strategic improvement), Kayleigh Walker (Senior Lead Officer – Corporate Performance Management), Suky Suthi- Nagra (Democratic and Member Services Manager), Stephnie Hancock (Deputy Democratic Services Manager) and John Swann (Democratic Services Officer).

## 67/23 **Apologies for Absence**

An apology for absence was received from Councillor Taylor.

## 68/23 **Declarations of Interest**

Councillor Moore declared an other interest in the matter referred to at 76/23 (Lion Farm – Secondary options Agreement), in that he was a Cabinet Member when the matter was considered by Cabinet.



69/23

## **Additional Items of Business**

There were no additional items of business.

70/23

## **Corporate Performance Management Framework – Q1 Monitoring**

The Strategic Lead for Service Improvement provided an outline of the Corporate Performance Management Framework – Q1 Monitoring to the Board.

The Corporate Performance Management Framework (PMF) was a key element of the Council's Improvement Plan and had addressed recommendations of the Governance Value for Money Review by Grant Thornton. Subsequent to approval at Council in April 2022, in June 2023, the Corporate PMF had been revised with a refreshed set of Corporate Performance Indicators.

Comprehensive monitoring tools were in place to ensure accountability and continuous improvement, with key performance indicators being RAG rated to identify issues as they had presented. The Corporate PMF themes were aligned to the objectives of the Corporate Plan:

### **The Best Start in life for Children and Young People**

No significant issues or risks had been identified under this theme, slippage on projects such as the Early Help Strategy had been identified with a review of the existing school admission appeals service arrangements having been commenced in Summer 2023.

Sandwell Children's Trust was predicted to have an end- of- year overspend of £0.224m, however, it was noted that in real terms, this represented an overspend of £0.996m due to the expectation that the Trust achieve a budget surplus of £0.742m.

### **People Live and Age Well**

Upgrades to Walker Grange residential units were identified as being behind schedule, as were projects relating to the relocation of Community Alarms. The prevalence of childhood obesity at 34% was a concern, however, due to the childhood measurement programme not taking place during the pandemic, this figure could not be compared with the previous year.

The overall satisfaction of service users accessing care and support was high and above target at 71.6%, and performance indicators relating to drug use, alcohol and smoking were above the national average.

### **Strong Resilient Communities**

The replacement of the Council's diesel vehicle fleet with sustainable fuel vehicles was the only significant issue identified. It was noted that technological limitations for larger vehicles and the lack of infrastructure to support electric vehicles had contributed to the delay.

Reported incidents of domestic abuse in the Borough had increased significantly in the past year and would continue to be monitored by the Council. The Council had recently commissioned a new 5- year contract with Black Country Women's Aid to provide refuge for those fleeing domestic abuse and violence.

### **Quality Homes in Thriving Neighbourhoods**

The viability of projects financed by the Housing Transformation Fund was the only highlighted concern as the government had withdrawn the funding.

The amount of homelessness cases prevented under the Homelessness Reduction Act had slipped below the target of 65% to 58.7%. It was outlined that this was due to a historical backlog and prevention levels were expected to return to target levels before the end of 2023.

### **A Strong and Inclusive Economy**

No significant issues or risks had been identified under this theme, however, it was highlighted that the employment rate in Sandwell had decreased to 63.9%, which was below regional and national averages.

Collaborative work with partners was continuing to take place to retain local spending with the Borough and support employment opportunities locally. Capital projects also continued to support local businesses and the supply chain.

### **A Connected and Accessible Sandwell**

No significant issues or risks had been identified under this theme. Highways infrastructure capital programme of maintenance and the Cycling and Walking Infrastructure Plan projects were progressing well and were on track for completion.

It was highlighted that bus services within the Borough had been reduced to issues of footfall and viability which had impacted the public transport provision across Sandwell, the Council was liaising with Transport for West Midlands on the matter.

It was acknowledged that the Covid- 19 pandemic had resulted in some metrics not being directly comparable to previous years.

From the comments and questions by members of the Board, the following responses were made and issues highlighted:-

- The development of the Customer Access Strategy had encountered delays and the revised date for the draft strategy to be completed was projected to be March 2024.
- The Chair of the Children's Services and Education Scrutiny Board undertook to ascertain why the Not in Employment, Education or Training (NEET) target for care- leavers (aged 19- 21) was 50% when 41% of care- leavers were NEET in England.
- Further information was sought on the increased prevalence of domestic abuse within the Borough.
- Service demands had resulted in slippage in the 10- day target response time for complaints, whilst the existing backlog was a factor, responding to complaints related to multiple service areas within timespan was challenging.
- The Director for Regeneration and Growth noted that the Council had successfully recruited roles within the complaints team to address capacity issues and undertook to identify complaints as complex to better reflect the service.
- The target Ofsted rating for the Directorate of Children and Education Services was 'good', the last inspection of the service was in 2022 and it received the rating of 'requires improvement to be good'.
- Further information was sought relating to service pressures in the homelessness team and the prevention of homelessness cases, to incorporate data relating to Section 21 evictions and financial support.
- Active Travel funding available from government had been utilised to provide a cycling network across the Borough; usage of which was expected to increase following completion.
- That monitoring the usage of the cycling network could better inform decision making related to the Active Travel Policy.
- Sickness due to work- related stress had increased and officers undertook to provide the reasons behind this.



**Resolved** that the Director of Regeneration and Growth be recommended to monitor usage of the cycling network via a representative sample to inform the Active Travel Policy.

72/23

### **Annual Scrutiny Report 2022/ 23**

The Chair of the Board outlined the draft Scrutiny Annual Report for the municipal year 2022/ 23.

It was acknowledged that positive steps had been made within the past year with the role of scrutiny being elevated within the Council's decision- making process.

The Statutory Scrutiny Officer outlined that the strengthening of relationships between Scrutiny Chairs and Cabinet Members, as well as the effective tracking and monitoring of recommendations via the Scrutiny Board Action Trackers, were demonstratable improvements which had taken place.

In particular, the Chair highlighted the steps taken to address recommendations made by Grant Thornton.

**Resolved** that the Annual Scrutiny Report 2022/ 23 be approved for submission to Council.

73/23

### **Budget and Corporate Scrutiny Management Board Action Tracker**

The Board noted the status of actions and recommendations it had made. Further updates would be reported to future meetings of the Board.

74/23

### **Cabinet Forward Plan and Board Work Programme**

The Board received and noted the Cabinet Forward Plan and the Board's work programme.

75/23

## **Exclusion of the Public**

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.

(Councillor Moore left the meeting).

(Vice- Chair in the Chair).

76/23

## **Lion Farm – Secondary options Agreement**

The Director of Regeneration and Growth provided an outline of the Lion Farm Playing Fields site.

The site was 49.6 acres and wholly owned by Sandwell Council, it represented a significant development potential due to its location.

The Council had been subject to the terms of a legally binding agreement in respect of Lion Farm Playing Fields, with a developer since 2013 to explore the establishment of a retail outlet village.

At the meeting of Cabinet in January 2022 (Minute No. 13/22), it was agreed to trigger the Arbitration Clause of the existing agreement to refer the matter for Expert Determination.

The Expert determination was completed in May 2023, with the details of the Secondary Option Agreement having been determined in accordance with the 2013 agreement.

The Council had an obligation as part of the Secondary Option Agreement to work collaboratively with the developer.

From the comments and questions by members of the Board, the following responses were made and issues highlighted:-

- The Council had sought expert legal advice on the issue and had a duty to work with the developer in relation to the site.
- The costs of the expert determination process were to be incurred equally between the Council and the developer.

(Councillor Anandou left the meeting during consideration of this item).

Meeting ended at 7.33pm.

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

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## Minutes of General Purposes and Arbitration Committee

**4 December 2023 at 6.00pm**

**Present:** Councillor Melia (Chair);  
Councillors Dhariwal (Vice Chair); Johnston and  
Maycock.

**In Attendance:** Tracey Hurst (Electoral Services Manager), Zoe  
Armstrong (Deputy Electoral Services Manager), Suky  
Suthi-Nagra (Democratic and Member Services  
Manager) and Johane Gandiwa (Committee and  
Constitutional Services Lead Officer).

**36/23 Apologies for absence**

There were no apologies for absence.

**37/23 Declarations of Interest**

Members present declared an interest only in so far as they  
are elected members and the proposals related to changes  
within their respective wards.

**38/23 Minutes**

**Resolved** that the minutes of the meetings held on 22  
September and 12 October 2023 be confirmed as a  
correct record.

38/23 **Urgent Items of Business**

There were no additional items of business to consider as a matter of urgency.

39/23 **Statutory Polling District and Polling Place Review 2023**

The Committee was informed that The Electoral Administration Act 2006, as amended, introduced a duty on all local authorities in Great Britain to review their polling districts and polling places at least once every five years. The last review in Sandwell had been undertaken in 2019.

As a result, the recommendations being considered took into account:

- a) the ongoing commitment to seek to further reduce the number of schools and temporary huts used as polling places;
- b) the desire to improve voter accessibility to polling places;
- c) the need to identify an alternative location where an existing polling place was no longer available to use.

The notice of review was published on 2 October 2023 and the consultation period was from 2 October 2023 to 2 November 2023. All elected members, Members of Parliament, local political parties and local disability and community groups were consulted. Seven changes were proposed and these would affect five wards.

This review focused on those polling places that it was necessary to change due to the current venue no longer being available, or due to significant issues with the polling place identified at the local election in May 2023. This approach was taken due to the recent commencement of the Local Government Boundary Review of Sandwell which required all polling district boundaries to be reviewed in 2024/25.

To try and minimise voter confusion around where they were able to cast their vote, the intention with this polling district and polling place review was to only change those that were absolutely necessary, as there would likely be many changes to polling districts and polling places at all out Local Council elections in 2026.

In response to comments and questions from the Committee, it was confirmed that:-

- there would be minimal changes to the existing polling stations to minimise voter confusion
- where polling stations had poor lighting, subject to a more permanent solution being found by the venue, the Elections Team could provide temporary lighting to enhance security and safety;
- where a viable alternative was available, schools would not be used to ensure little disruption to them and aid child welfare by keep voters and children separate.

**Resolved** that Council be recommended:

- (1) to approve the proposed changes to polling districts and polling places as set out in Appendix 1 to take effect at all elections from 2 January 2024;
- (2) to approve the proposed changes to polling places as set out in Appendix 2 to take effect at any future Parliamentary General Elections only; and
- (3) that in the event of any or any unforeseen reason and should there be a need to change any further Polling Places or Polling Stations prior to elections in 2024, the Returning Officer be authorised to effect further changes following consultation with relevant Ward Members.

Meeting ended at 6.33pm

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

## Appendix 1

### Proposals for changes to polling places 2023/24

#### Smethwick Constituency

##### Abbey Ward

District(s)	Elector Count	Current Polling Place	Proposed Change	Comments
ABA	761	St Hilda`s Church Hall, Abbey Road, B67 5NQ	No change	
ABB	1406	Abbey Infant School, Nursery Building, Access via Abbey Road, B67 5LR	No change	
ABC	795	Thimblemill Library, Thimblemill Road, Smethwick, B67 5RJ	No change	
ABD	1779	Bearwood Baptist Church, Bearwood Road, Smethwick, B66 4HA	No change	
ABE	1453	St Mary's Hall, St. Mary's Road, Smethwick, B66 4BX	No change	
ABF	1263	St Gregory's R.C. Primary School, Park Road & Wigorn Road Entrances, B67 5HX	No change	
ABG	1027	The Pavilion, Warley Woods Community Trust, 101 Lightwoods Hill, B67 5ED	No change	



**Blackheath Ward** (All of Blackheath ward except BLG – BLG falls in the Halesowen Borough Constituency which is administered by the Dudley A(RO))

District(s)	Elector Count	Polling Place	Proposed Change	Comments
BLA	2424	Blackheath Library, 145 High Street, Blackheath, B65 0EA	No change	
BLB	544	Rowley Regis Disability Centre, Rowley Village, B65 9AT	No change	
BLC, BLD	2104	The Parish of The English Martyrs, 297 Oldbury Road, B65 0PR	No change	
BLE	1883	Blackheath Primary School, Britannia Road, B65 9NA	No change	
BLF, BLG	1405	Highfields Primary School, Beeches Road, B65 0DA	See Appendix 2	
BLH	825	Temple Meadow Primary School, Wrights Lane, B64 6RH	See Appendix 2	

## Bristnall Ward

District(s)	Elector Count	Polling Place	Proposed Change	Comments
BRA, BRH	2034	Our Lady & St Hubert's R C Primary School, Moat Road, B68 8ED	Move BRA to the Pavilion, Barnford Park. BRH to remain at Our Lady & St Hubert's R C Primary.	The Pavilion at Barnford Park is in BRA polling district and much more convenient for voters in BRA polling district than the school. BRA and BRB would become one polling station at The Pavilion.
BRB, BRC	1871	Langley Swimming Centre, Vicarage Road, B68 8HS	Move BRB to The Pavilion, Barnford Park. Move BRC to Sandwell Aquatics Centre	Langley Swimming Centre has now closed down. The Pavilion is the most convenient polling place for voters in BRB district. Sandwell Aquatics centre would be the most convenient polling place for voters in BRC district. Sandwell Aquatics centre would then become a double station for BRC and SMA/SMB.
BRD	705	Hurst Road Community Centre, Hurst Road, Smethwick, B67 6ND	No change	
BRE	1868	Hurst Road Community Centre, Hurst Road, Smethwick, B67 6ND	No change	
BRF	1290	George Road Community Church, George Road, Oldbury, B68 9LN	No change	
BRG	1258	Barlow Homes Community Centre, Pound Road, Oldbury, B68 8NB	No change	

## Langley Ward

District(s)	Elector Count	Polling Place	Proposed Change	Comments
LAA	1993	Rounds Green Library, Martley Road, B69 1DZ	No change	
LAB, LAF	1658	Causeway Green Methodist Church, Penncricket Lane, Oldbury, B68 8LX	No change	
LAB, LAG	1694	Temporary Hut, York Road, B65 0RR	No change	
LAC	737	Langley Lodge Community Centre, Langley High Street, B69 4SN	No change	
LAD	2000	Zion United Reformed Church Hall, Langley Green Road, B69 4TP	No change	
LAE	1446	Temporary Hut on the Corner of, Heron Road and Brook Road, B68 8AE	No change	

## Old Warley Ward

District(s)	Elector Count	Polling Place	Proposed Change	Comments
OWA, OWH	2088	Oak Tree Centre, Kings Community Church, Tame Road, B68 0JP	No change	
OWB, OWC	2053	Lightwoods Primary Academy, Wolverhampton Road Site, entrance via Clent Road, B68 0LP	No change	
OWD	1618	Warley Baptist Church, Castle Road East, Oldbury, B68 9BJ	No change	
OWE, OWF	2343	Brandhall Library, Tame Road, Oldbury, B68 0JT	No change	
OWG	1091	Perryfields Primary School, Apsley Road, B68 0QY	No change	

## Smethwick Ward

District(s)	Elector Count	Polling Place	Proposed Change	Comments
SMA, SMB	1403	Temporary Hut, Your Vets, 300 Londonderry Lane, B67 7EW	Sandwell Aquatics Centre, Londonderry Lane	The Sandwell Aquatics Centre have offered the use of their staff training room for use as a polling place. This room has its own separate entrance from the car park meaning that voters will not have to use the main reception which will then not disrupt the normal functioning of the Aquatics Centre. The Aquatics centre will become a double station for BRC and SMA/SMB
SMC	1438	Smethwick Fire Station, Stony Lane, Entrance via Green Street, B67 7QW	No change	
SMD	1107	Holy Trinity Church, Church Hill Street, B67 7AH	No change	
SME, SMG	1771	Dance Studio at Harry Mitchell Leisure Centre, Broomfield, B67 7DH	No change	
SMF	2167	Dorothy Parkes Centre, Church Road, B67 6EH	No change	
SMH	1999	New Beginnings Community, St Marks Church, Thimblemill Road, B67 6LP	No change	

## Soho &amp; Victoria Ward

District(s)	Elector Count	Polling Place	Proposed Change	Comments
SVA	1074	Smethwick Baptist Church, Regent Street, B66 3BQ	No change	
SVB	980	Windmill Community Centre, Messenger Road, Smethwick, B66 3DX	No change	
SVC	1811	Community Action Project, Windmill Lane, B66 3LX	No change	
SVD, SVE	1825	Community Action Project, Windmill Lane, B66 3LX	No change	
SVF	2463	Shireland Hall Primary Academy, Montague Road, B66 4PW	No change	
SVG	1409	Hadley Stadium, Entrance Waterloo Road, Smethwick, B66 4NL	Room in the main Hadley Stadium building rather than the current building used on Waterloo Road	<p>Reports from polling station staff that the room we currently use is poor quality. There is also a significant step leading into the room which can mean accessibility is difficult.</p> <p>A suitable room in the main Hadley Stadium building (the multi-purpose room) has been identified. This room is just off the main reception and meets all accessibility needs. The pathway from Waterloo Road will also be open on polling day meaning that any voters accessing the site from that direction will only have an extra 1 minute walk to make.</p>

District(s)	Elector Count	Polling Place	Proposed Change	Comments
				External lighting on this pathway will be on.
SVH	1407	Smethwick Heritage Centre, Victoria Park Lodge, High Street, B66 3NJ	No change	

### St. Paul's Ward

District(s)	Elector Count	Polling Place	Proposed Change	Comments
SPA	1611	St Johns Community Centre, St Johns Church, St Johns Road, B68 9RP	No change	
SPB	1418	St Johns Community Centre, St Johns Church, St Johns Road, B68 9RP	No change	
SPC	602	New Hope Christian Centre, Woodland Drive, Smethwick, B66 1JF	No change	
SPD	1329	North Smethwick Resource Centre, Cambridge Road, B66 2HR	No change	
SPE	1507	Brasshouse Community Centre, Brasshouse Lane, B66 1BA	No change	
SPF	2001	West Smethwick Methodist Church Parlour, Holly Lane, B67 7JD	No change	
SPG	2104	The Sons of Rest Building, West Smethwick Park, West Park Road, B67 7JJ	No change	

## Tipton and Wednesbury Constituency

### Coseley East Ward

District(s)	Elector Count	Polling Place	Proposed Change	Comments
B01	1388	Darkhouse Baptist Church, Darkhouse Lane, WV14 8XH	No change	
B02	856	Summerhill Community Centre, 28B Summerhill Road, WV14 8RD	No change	
B03, B04	966	Wallbrook Primary Academy, Bradleys Lane, WV14 8YP	No change	
B04, B06	1957	Roseville Methodist Church Hall, Bayer Street, WV14 9DS	No change	
B05	1061	Darkhouse Baptist Church, Darkhouse Lane, WV14 8XH	No change	
B07	937	Activity Centre, Silver Jubilee Park, Mason Street, WV14 9SZ	No change	
B08, B09	2097	Upper Ettingshall Methodist Church, Upper Ettingshall Road, WV14 9QU	No change	



## Friar Park Ward

District(s)	Elector Count	Polling Place	Proposed Change	Comments
FPA	1924	Woods Methodist Church, Coronation Road, Wednesbury, WS10 0TT	No change	
FPA	1298	Woods Methodist Church, Coronation Road, Wednesbury, WS10 0TT	No change	
FPB	1468	St Francis of Assisi Church, Freeman Road, Friar Park, WS10 0HJ	No change	
FPB	1425	St Francis of Assisi Church, Freeman Road, Friar Park, WS10 0HJ	No change	
FPC	1116	Tameside Primary Academy, Entrance From, Price Road, WS10 0EZ	Open Heaven Church, Price Road	No issues with using Tameside Primary but the change would mean one less school closure. The church is a 3 minute walk from the school and is a suitable building for use as a polling place.
FPD	1585	St Luke`s Church and Centre, Elwell Street, WS10 0QD	No change	

## Great Bridge Ward

District(s)	Elector Count	Polling Place	Proposed Change	Comments
GBA	2049	Jubilee Park Community Centre, Jubilee Park, Powis Avenue, DY4 0RJ	No change	
GBA	1334	Jubilee Park Community Centre, Jubilee Park, Powis Avenue, DY4 0RJ	No change	
GBB	2427	New Road Methodist Church, Mount Street, Great Bridge, DY4 7DE	No change	
GBC	1958	Great Bridge Library & Children's Centre, Sheepwash Lane, Tipton, DY4 7JF	No change	
GBD	2041	New Testament Church of God, Horseley Heath, DY4 7QT	No change	

## Hateley Heath Ward

District(s)	Elector Count	Polling Place	Proposed Change	Comments
HHA	1302	St John Bosco School, Monmouth Drive, West Bromwich, B71 2ST	No change	
HHB, HHD	1854	Hall Green Primary School, Westminster Road, B71 2JQ	No change	
HHC	701	Temporary Hut, Car Park, Holy Cross R.C., Hall Green Road, B71 3LA	No change	
HHE	848	Hope Church, Marsh Lane, B71 2DR	No change	
HHF	1767	West Bromwich Community Centre, Gayton Road, B71 1QS	No change	
HHG	2527	Little Gaters Building, Hargate Primary School, Tantany Lane/Law Street Entrance, B71 1PG	No change	
HHH	1248	Hateley Heath Primary School, Huntingdon Road, B71 2RP	No change	

## Princes End Ward

District(s)	Elector Count	Polling Place	Proposed Change	Comments
PEA	2168	William Perry Boxing Club, High Street, DY4 9JB	No change	
PEB	2174	Tipton Sports Academy Social Club, Wednesbury Oak Road, Tipton, DY4 0BS	No change	
PEC, PED	1698	St Mark's Church Hall, Ocker Hill Road, DY4 0UT	No change	
PEE	1727	Glebefields Library, St. Mark`s Road, Tipton, DY4 0SZ	No change	
PEF, PEG	1647	St John the Evangelist Church Hall, Upper Church Lane, DY4 9ND	No change	

## Tipton Green Ward

District(s)	Elector Count	Polling Place	Proposed Change	Comments
TGA	1113	Grace Community Church, Newhall Street, Tipton, DY4 9HL	No change	
TGB	1068	The Nursery, St Paul's Academy, Robert Road, DY4 9BH	No change	
TGC	1728	The Nursery Room, St. Martin`s Church of England Primary School, Lower Church Lane, DY4 7PG	No change	
TGD	2453	Church of Sacred Heart & Holy Souls, (Church Hall), 31 Victoria Road, DY4 8SN	No change	Cllr Khatun suggested moving to the Carnegie Building which is also on Victoria Road and is council owned. However, the Carnegie Building is not yet open to the public and this is not planned until Spring 2024. There would be a significant risk to the May 2024 elections if the opening of the Carnegie Building was delayed in any way. Therefore, it has been agreed that this will be looked at again as part of the 2024/25 Local Government Boundary Review.
TGE	1992	Tipton Christian Church, Waterloo Street, Tipton, DY4 8NR	No change	
TGF	2326	Church Hall Rear of St. Matthew`s Church, Dudley Road, DY4 8DJ	No change	

### Wednesbury North Ward

District(s)	Elector Count	Polling Place	Proposed Change	Comments
WNA	1028	Temporary Hut , Cemetery, Beebee Road, WS10 9RY	No change	
WNB	1955	Albert Pritchard Infant School, Coleman Road & Crew Road Entrances, WS10 9QG	No change	
WNC	2210	St Bartholomew's Church Hall, Church Hill, WS10 9DJ	No change	
WND	1559	Wood Green Junior School, Hobs Road, WS10 9BW	No change	
WND	1291	Wood Green Junior School, Hobs Road, WS10 9BW	No change	
WNE	1201	Wednesbury Leisure Centre, High Bullen, WS10 7HP	No change	

### Wednesbury South Ward

District(s)	Elector Count	Polling Place	Proposed Change	Comments
WSA, WSB	1689	Leabrook Methodist Church Hall, (entrance Bannister Road), Leabrook Road, WS10 7LY	No change	
WSC	1667	Wesley Centre, Central Methodist Church, Springhead, WS10 9AD	No change	
WSD	1252	Little Learners Building, Moorlands Primary School, Winchester Road, B71 2NZ	No change	
WSE	1263	Hill Top Methodist Church, New Street, Hill Top, B70 0HW	No change	
WSE, WSF	1769	Hill Top Methodist Church, New Street, Hill Top, B70 0HW	No change	
WSG	2538	Harvills Hawthorn Primary School, Wolseley Road, West Bromwich, B70 0NG	No change	

## West Bromwich Constituency

### Charlemont with Grove Vale Ward

District(s)	Elector Count	Polling Place	Proposed Change	Comments
CHA	1308	Charlemont Methodist Church, Charlemont Road, West Bromwich, B71 3DU	No change	
CHA, CHF	2338	Connor Education Centre, Connor Road, B71 3DJ	No change	
CHB, CHC	2595	Church of St. Mary Magdalene, Beaconview Road, B71 3PJ	No change	
CHD	1046	Great Barr Hotel, Festival Suite, Pear Tree Drive, B43 6HS	No change	
CHE	1045	Grove Vale Primary School, Monksfield Avenue, B43 6AL	No change	
CHG	1029	West Bromwich Community Centre, Gayton Road, B71 1QS	No change	

## Great Barr with Yew Tree Ward

District(s)	Elector Count	Polling Place	Proposed Change	Comments
GYA	1852	Yew Tree & Tame Bridge Community Centre, Redwood Road, WS5 4LB	No change	
GYA	1781	Yew Tree & Tame Bridge Community Centre, Redwood Road, WS5 4LB	No change	
GYB	883	Q3 Academy, Community Entrance, Wilderness Lane, B43 7SD	Merge with GYC – Great Barr War Memorial Hall	Q3 Academy remains open on polling day which means we employ security guards at this site. It is also not the most accessible polling station as it is down a long path. Great Barr War Memorial would be able to comfortably accommodate both polling districts as they both have a relatively low electorate. Cllr Allcock supports this proposal.
GYC	631	Great Barr War Memorial Hall, Corner of Chapel Lane &, Birmingham Road, B43 7BD	No change	
GYD, GYE	1829	Great Barr Library, (car park entrance Readers Walk), Birmingham Road, B43 6NW	No change	
GYF	878	Holy Name R.C. Parish Centre, Birmingham Road, Great Barr, B43 6LN	No change	
GYG	1935	Temporary Hut, Woodruff Way, Walsall, WS5 4RR	No change	

## Greets Green and Lyng Ward

District(s)	Elector Count	Polling Place	Proposed Change	Comments
GGA	2189	Ryders Green Primary School, Claypit Lane, B70 9UJ	No change	
GGB	1645	Wood Lane Community Centre, 157 Wood Lane, (Corner of Claypit Lane), B70 9PT	No change	
GGC	1656	Lodge Road Community Centre, Lodge Road, B70 8PJ	No change	
GGD, GGE	1976	Good Shepherd with St. John Church, Lyttleton Street, (Corner of Bromford Lane), B70 7SB	No change	
GGF	1202	Good Shepherd with St. John Church, Lyttleton Street, (Corner of Bromford Lane), B70 7SB	No change	
GGG	820	Farley Park Lodge Community Centre, Whitehall Road, B70 0HF	No change	

## Newton Ward

District(s)	Elector Count	Polling Place	Proposed Change	Comments
NEA	2099	St Bernard's Church, Broome Avenue, Great Barr, B43 5AL	No change	
NEB	1012	Temporary Hut, Meadowside Close, Great Barr, B43 6BP	No change	
NEC	1976	Ferndale Primary School, (Entrance via Eastwood Road), B43 5RR	No change	
NED	1109	Community Room Hamstead House, Coniston Crescent, B43 5NU	No change	
NEE	2462	Tanhouse Community Centre, Hamstead Road, B43 5EL	No change	



## Oldbury Ward

District(s)	Elector Count	Polling Place	Proposed Change	Comments
OLA	2255	Methodist Centre Dudley Port, Entrance From Tividale Street, DY4 7SB	No change	
OLB	2050	Balaji Temple, 101 Dudley Road East, Tividale, B69 3DU	No change	
OLC	1126	Balaji Temple, 101 Dudley Road East, Tividale, B69 3DU	No change	
OLD	1821	Kingdom Life Apostolic Chapel, Birmingham Street, Oldbury, B69 4DY	No change	
OLE	1513	Balaji Temple, 101 Dudley Road East, Tividale, B69 3DU	No change	
OLF	1436	St Michael the Archangel, Tividale Road, Tividale, B69 2LQ	No change	

## Rowley Ward

District(s)	Elector Count	Polling Place	Proposed Change	Comments
ROA	943	Rowley Regis Sure Start Centre, Dudley Road, B65 8JY	No change	
ROB	1862	Rowley Regis Sure Start Centre, Dudley Road, B65 8JY	No change	
ROC	1671	Rowley Hall Primary School, Windsor Road, B65 9HU	No change	
ROD	1060	Temporary Hut, Blue Stone Walk/, Portway Hill, B65 9DE	No change	
ROE	1048	Rowley Regis Disability Centre, Rowley Village, B65 9AT	No change	
ROF	1817	Brickhouse Community Centre, Dudhill Road, B65 8HS	No change	
ROG	1417	St James' W.R. Church, Highgate Street, Old Hill, B64 5SA	No change	

## Tividale Ward

District(s)	Elector Count	Polling Place	Proposed Change	Comments
TIA	1296	Oakham Evangelical Church, City Road, Tividale, B69 1QZ	No change	
TIB	1547	Tividale FC Sports Bar, Packwood Road, Tividale, B69 1UL	No change	Cllr Crompton proposed moving back to Tividale Hall Primary School as she believes turnout has decreased since Tividale FC has been used. The school have now set their inset days for next year and so to use them for May 2024 would mean them having to close for an extra day. We will explore this move again as part of the Local Government Boundary Review in 2024/25.
TIB	1520	Tividale FC Sports Bar, Packwood Road, Tividale, B69 1UL	No change	As above.
TIC	1651	Oakham Library, Poplar Rise, B69 1RD	No change	
TID	1757	Oakham Evangelical Church, City Road, Tividale, B69 1QZ	No change	
TIE	1417	Portway Lifestyle Centre, Newbury Lane, Oldbury, B69 1HE	No change	

## West Bromwich Central Ward

District(s)	Elector Count	Polling Place	Proposed Change	Comments
WBA	2547	Hallam Street Methodist Church, Community Room, Lewisham Street, B71 4HG	No change	
WBB	1615	The Mecure Birmingham West, Birmingham Road, (Access Europa Avenue), B70 6TU	Beeches Road Methodist Church, Beeches Road, West Bromwich	Numerous issues with the booking of The Mercure in May 2023. They changed the room to be used last minute without telling us, the room they gave us was too small. We explored using the National Metalforming Centre, however this would incur a significant cost and the NMC appeared reluctant to be used. Beeches Road Methodist Church welcome the use as a polling place and is only a 6 minute walk from The Mercure.
WBC	1394	Holy Trinity Church Hall, Mary Road, B70 6LF	No change	
WBD	749	Kenrick Park Community Centre, Rear Entrance, 70 Glover Street, B70 6DU	No change	
WBE	435	Kuumba Centre, Boulton Road, B70 6NW	Merge with WBD and both vote at Kenrick Park Community Centre	This polling district has a very small electorate and so Kenrick Park

District(s)	Elector Count	Polling Place	Proposed Change	Comments
				Community Centre could comfortably accommodate the electorate for both polling districts. Cllr Preece supports this proposal.
WBF	1000	St Philips Church, Beeches Road, West Bromwich, B70 6JA	No change	
WBG	1751	West Bromwich Town Hall, High Street, Entrance From Lodge Rd, B70 8DT	No change	
WBH	787	Greets Green Access Centre, Tildasley Street, B70 9SJ	No change	

## Appendix 2

### Proposals for changes to polling places for Parliamentary Elections only – Smethwick Constituency

**Blackheath Ward** (BLG falls in the Halesowen Borough Constituency which is administered by the Dudley A(RO))

District(s)	Elector Count	Polling Place	Proposed Change	Comments
BLF, BLG	1405	Highfields Primary School, Beeches Road, B65 0DA	Move BLG to Good Shepherd Hall, Beeches Road. BLF to remain at Highfields Primary School	<b>For Parliamentary elections only:</b> BLG falls under Halesowen Borough Constituency. If both were to remain at Highfields Primary there is a risk of cross contamination of the two different ballot papers.
BLH	825	Temple Meadow Primary School, Wrights Lane, B64 6RH	BLH to go to Highfields Primary School along with BLF	<b>For Parliamentary elections only:</b> This is a double station with CRF which falls under Halesowen Borough Constituency. If both were to remain at Temple Meadow Primary, there would be a risk of cross contamination of the two different ballot papers.

## Minutes of Audit and Risk Assurance Committee

**21 September 2023 at 6.00pm  
at Sandwell Council House, Oldbury**

**Present:** Councillor Preece (Chair);  
Councillors Bhullar, L Giles and Smith.  
Mr Ager (Independent Vice-Chair) and Mr Hussain  
(Independent Member).

**In attendance:** Brendon Arnold – Interim Director of Finance and Section  
151 Officer, Sanjay Desor – Head of Technical Finance,  
Peter Farrow – Audit Services and Risk Management  
Manager, Kate Ashley – Strategic Lead Service  
Improvement, Mark Stocks – Grant Thornton, Trisha Newton  
– Deputy Democratic Services Manager and Johane  
Gandiwa – Committee and Constitutional Services Lead  
Officer.

### 36/23 **Apologies for Absence**

An apology was received from Councillor Tipper.

### 37/23 **Declarations of Interest**

There were no declarations of interest.

### 38/23 **Minutes**

**Resolved** that the minutes of the meeting held on 20 July  
2023 be confirmed as a correct record.



## 39/23 Urgent Additional Items of Business

There were no urgent additional items of business.

## 40/23 Improvement Plan Progress Report

The Committee received a quarterly update on progress against the Improvement Plan agreed by Council on 7 June 2022. The Improvement Plan incorporated all recommendations from the Grant Thornton Governance Review, the LGA Corporate Peer Challenge and the CIPFA Financial Management Review, as well as the Statutory Directions from the Secretary of State for Levelling Up, Housing and Communities.

As part of the governance and assurance arrangements for the Improvement Plan, Audit and Risk Assurance Committee and Budget and Corporate Scrutiny Management Board reviewed progress of the Improvement Plan and utilised the plan for work programming purposes. Both Committees would consider progress at their meetings in September and any recommendations or comments presented for Cabinet's consideration.

Over this quarter, significant progress had continued to be made to deliver the actions within the Improvement Plan. A comprehensive monitoring tool had been developed which included a progress status rating for all actions. The monitoring tool provided quick reference around which actions are on track for delivery, as well as highlighting areas that may require remedial action or additional levels of assurance.

In response to questions, the following was confirmed:-

- progress continued to be monitored and the Council was still working towards the end of March timeline with significant progress being made. The Commissioners would be submitting a report to the Secretary of State in December;





- in relation to Oracle Fusion, the programme was running under budget and progress was on target with a planned go live date of April. Some aspects may be re-phased but this would not compromise the plan. A detailed report would be submitted to the next meeting;
- the Interim Director of Finance confirmed that there was a transformation team in place and he would be assessing the arrangements in place for overseeing the transformation journey. An update would be provided to a future meeting;
- the member/officer relationship survey had launched in April to provide a source of insight to aid continuous improvement activity, however, the survey had received a lower response rate from both officers and members than was expected. As a result, new plans had been formed for additional insight-gathering during the Autumn of 2023;
- in relation to stock condition surveys, additional information would be provided to the member;
- a report would be submitted to the next meeting in relation to concerns relating to the management structure and potential for instability;
- an update would be provided on the development of leadership values to a future meeting.

**Resolved** that Committee notes progress of the Improvement Plan and the Risk Register and:-

- (1) a report on the progress of Oracle Fusion be submitted to the next meeting by the Interim Director of Finance;
- (2) the Interim Director of Finance would submit an update to a future meeting in relation to the transformation journey and arrangements/structure in place;
- (3) the Chief Executive be invited to provide an update in relation to the management structure be provided at the next meeting;
- (4) HR would be requested to provide a briefing note to members in relation to leadership values.



## Auditor's Interim Annual Report

The Committee received the Grant Thornton's Interim Annual Report.

In response to members' comments and questions, the following points were clarified/noted:-

- the draft accounts for 2021/22 would be ready by October/November and it was anticipated that 2022/23 accounts would be drafted by end of January/February 2024;
- in terms of recurring errors, there had been significant improvements, however, the process had been improved with better controls and systems now in place in relation to property valuation;
- with regard to adult social care, there was a variation which needed to be managed down and carefully monitored;
- in view of recent news around a neighbouring authority, assurances were provided that there was no risk of a Section 114 notice for Sandwell;
- a risk register update would be submitted to all future meetings and would include the projected deficit.

## Audit Findings for Sandwell Council

The Committee received Grant Thornton's Audit Findings for Sandwell Council.

## Strategic Risk Register Update

The Audit Services and Risk Management Manager updated the Committee on the latest Strategic Risk Register. The register captured the top 20 risks. Of these, 8 were in the red category and were linked to compliance with the Data Protection Act and General Data Protection Regulations (GDPR), requests relating to Freedom of Information, cyber-security, climate change and Borough Achieves. Other risks related to the cost of inflation and the customer journey. A new risk was on workforce development.



3 risks had been de-escalated and were being managed at directorate levels - emergency planning, the Aquatic Centre and the Leisure Trust.

In response to members' comments and questions relating to electoral risks centred on new boundaries and the local government boundary review, it was confirmed that a working group was in place and an overview would be requested by way of member update.

#### 44/23 **Audit and Risk Assurance Committee Annual Report 2022/23**

The Audit Services and Risk Management Manager updated the Committee on the Audit and Risk Assurance Committee Annual Report 2022/23.

The report summarised the main areas of work undertaken by the Audit and Risk Assurance Committee during 2022/23.

**Resolved** that Audit and Risk Assurance Committee Annual Report 2022/23 be approved for submission to Full Council.

#### 45/23 **CIPFA Audit Committee Update**

The Audit Services and Risk Management Manager provided the Committee with the latest CIPFA Audit Committee Update.

The Manager advised the committee that there were courses offered by CIPFA and if members were interested, they were free to contact his office.

#### 46/23 **Work Programme for the 2023/24 Municipal Year**

The Committee noted the revised Work Programme for the 2023/24 Municipal Year.



The Committee noted the items contained in the Cabinet Forward Plan.

Meeting ended at 7.37pm

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



## Minutes of Ethical Standards and Member Development Committee

**Tuesday 7 November 2023 at 6:23pm  
in Committee Room 2, Sandwell Council House, Oldbury**

**Present:** Councillor Allcock (Chair)  
Councillors Crompton, J Giles, Hemingway, Muflihi, Rahman  
and Trumpeter.

**Officers:** Surjit Tour (Director of Law and Governance – Monitoring  
Officer), Vanessa Mahersmith (Legal Services Manager),  
Sulaiman Ismail (Solicitor), Trisha Newton (Deputy Manager  
- Democratic Services), and Johane Gandiwa (Committee  
and Constitutional Services Lead Officer).

**25/23      Apologies for Absence**

Apologies for absence were received from Councillor Kaur.

**26/23      Declarations of Interest**

No declarations of interest were made.

**27/23      Minutes**

The minutes of the meeting held on 4 July 2023 were  
agreed as a correct record.

**28/23      Additional Items of Business**

There were no additional items of business to consider.

29/23      **Member Development Update**

The Committee received an update on the Member Development Programme (MDP).

The MDP continued to build on the new and revised programme that was implemented in 2022 and was frequently reviewed to ensure it continued to meet the identified and emerging needs of elected members and the wider organisation.

A skills audit had been created, which was key to measuring performance of members, in addition to supporting their learning needs for future roles. This would be implemented in the MDP for 2024/25, ensuring individual learning pathways are tailored to best support members. The PDP process was being reviewed and an update would be provided at a future meeting.

The Committee recommended that incumbent chairs should do a 5-minute video outlining what their committees/boards entailed so that this information could be shared with members when nominating to committees for the next municipal year.

30/23      **Committee on Standards in Public Life Annual Report: July 2022 – June 2023**

The Committee received the 2022-23 Annual Report of the Committee on Standards in Public Life.

The Committee noted the contents of the report for information, particularly that of relevance to Local Government.

31/23      **Review of Independent Persons dealing with Standards Matters**

The Committee received the latest position with regard to recruitment of Independent Persons for dealing with standards matters.

The Committee on Standards in Public Life recommended there should be at least two Independent Persons for dealing with standards matters and that their views must be sought and taken into account by the Council before it made a decision on an allegation against an elected member that it had decided to investigate.

Full Council had previously given approval to the appointment of three Independent Persons for dealing with standards. There were currently two vacancies. A recent recruitment exercise resulted in one completed application form being received. The application was put on hold pending review and had since been withdrawn.

As the role was a voluntary position, no annual allowance was paid in respect of this appointment, other than payment of travelling and subsistence expenses at the appropriate rate. A benchmarking exercise had therefore been undertaken to review remuneration packages from similar local authorities.

**Resolved:-**

- (1) that the Monitoring Officer be authorised to undertake a further round of recruitment for additional Independent Persons using a range of media, online, community and professional forums to ensure a diverse and representative pool of applicants is identified;
- (2) that the Committee notes allowance and remuneration arrangements in neighbouring and peer authorities and requests the Independent Remuneration Panel to review and comment on this matter and report back to a future meeting of the Committee.

32/23 **Gifts and Hospitality Register**

The Committee noted the two new entries that had been made to the Gifts and Hospitality Register.

33/23 **National Cases**

The Committee received details of a national case that was presented as part of its learning and development.

34/23 **Complaints Update**

Members received the latest update on complaints.

In response to questions, the Committee was informed that the number of complaints had been significantly reduced, with only six live cases under consideration.

35/23 **Work Programme**

The Committee considered the work programme for the remainder of the 2023/24 municipal year.

In response to questions relating to health and safety, the Committee was advised that a review would be undertaken. A training session on personal safety was scheduled.

It was agreed that a meeting of the working group would be held to discuss the review on personal safety and a report brought back to a future meeting of the Committee.

**Resolved** that a meeting of the Working Group be set up in relation to personal safety for elected members.

36/23 **Monitoring Officer**

The Chair, on behalf of the Committee, placed on record the Committee's appreciation to the service that the Director of Law and Governance, Surjit Tour, had provided to Council and the Committee.

The meeting ended at 7.37pm.

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