

Minutes of Council

**Tuesday, 20 February 2024 at 6.00 pm
at Council Chamber - Sandwell Council House, Oldbury**

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

Councillors Abrahams, Allcock, Ashraf, H Bhullar, Carmichael, Chambers, Chapman, Crompton, Davies, Dhariwal, Dhatt, Dunn, Fenton, Fisher, Fitzgerald, Gavan MBE, J Giles, L Giles, Hackett, Hartwell, Hemingway, Hinchliff, Hughes, Jalil, Johnston, Kalebe-Nyamongo, Kaur, Khatun, Kordala, Loan, Maycock, Mayo, Melia, Millard, Millar, Moore, Muflihi, Owen, Padda, Pall, Piper, Preece, Rahman, Shaeen, J Singh, N Singh, V Smith, Taylor (Vice-Chair), Tipper, Tromans, Trumpeter, Uddin, Uppal, J Webb, Weston, Wilkes and Williams

Officers: Shokat Lal – Chief Executive; Mike Jones – Assistant Director Legal and Assurance and Monitoring Officer; Suky Suthi-Nagra – Democratic Services Manager; Stephnie Hancock -Deputy Democratic Services Manager, Connor Robinson – Democratic Services Officer, Anthony Lloyd – Democratic Services Officer and Kennedy Brown – Sergeant at Arms:



12/24 Apologies for Absence

Apologies for absence were received from Councillors Akpoteni, M Allcock, Anandou, Chidley, Choudhry, S Gill, Khan, Lewis, Randhawa, Rollins and Younis.

13/24 Declarations of Interest

There were no declarations of interest made.

14/24 Minutes

Resolved that the minutes of the extraordinary and ordinary meetings of Council held on 30 January 2024 are approved as a correct record and signed by the Chair.

15/24 Announcements

The Chief Executive announced that the “Any of Us” film project on fostering recruitment, which was produced through a national collaboration with local authorities across England had been recognised with two awards at the comm2point0 UnAwards.

Sandwell Children’s Trust were one of the founding and lead members on the project at national level, with awards won in both the “Best Collaboration” and “Best Creative Comms” categories. The awards were presented to the Chair of the Trust, Rt Hon Jacqui Smith, at Metsec House on 30 January

16/24 Written Questions

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

17/24

Improvement Plan Progress - Grant Thornton Follow-up Report 2023

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.

A single Improvement Plan was agreed by Council on 7 June 2022. Under the Statutory Directions, the Council was 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. The first report was submitted in December 2022.

The Secretary of State had recognised the vast improvements made by the Council during intervention. Additionally, it was highlighted that Grant Thornton had determined that they were satisfied that the Council had made appropriate progress against the three statutory recommendations and that these could be lifted.

18/24

General Fund and Housing Revenue Account (HRA) Budget and Capital Programme & Council Tax Resolution 2024/25

Council considered the Council Finances and Council tax Resolution for the period 2024/25.

The Final Local Government Finance Settlement was announced on 5 February 2024. The key points from the settlement were as follows:-

- the Council Tax referendum limit would be 2.99% for local authorities, with social care authorities allowed an additional 2% Adult Social Care precept;
- Local Government Funding Reform – the Fair Funding Review and reset of Business Rates growth would not be implemented in 2024/25;
- the Social Care Grant had increased by £692m to £4.5bn nationally. The increase for this Council equated to £10.87m;

- Adult Social Care Discharged Fund increased by £200m to £500m nationally. Sandwell MBC received an increase £2.15m to take total grant to £5.38m;
- Adult Social Care Market Sustainability Improvement Fund totalling £1.05bn for 2024/25. Sandwell MBC saw an increase of £3.76m with grant now totalling £8.08m;
- no change to the Better Care Fund;
- Services Grant continuing to see reductions from £822m in 2022/23 to £464m in 2023/24 to £77m in 2024/25. The decrease in these grants were being used to fund other increases within the overall settlement. Sandwell MBC saw a reduction of £3.47m with final grant amount totalling £0.65m.

Fees and Charges

The Council's portfolio of fees and charges had been updated using a figure of 5% although this would change if charges were later specified by Government or there were other relevant constraints. In a small number of cases, charges had been raised beyond this adjustment factor.

Reserves Position

The Council had two types of reserves:-

- earmarked Reserves which were for specific future projects, commitments or risks, both revenue and capital;
- unallocated balance, which was to ensure the Council could manage unexpected financial challenges.

The level of unearmarked reserves as at 31 March 2022 was £16.6m based on the unaudited financial statements for 2021/22 and estimated to be £17.4m as at 31 March 2024.

Council Tax Proposals

The Draft Budget 2024/25 assumed a 2.99% increase in core Council Tax and this had been adopted as a general planning assumption across Local Government.

The Autumn Statement and Provisional Finance Settlement confirmed a referendum limit of 2.99% for core Council Tax and allowed 2% for the Adult Social Care Precept. This meant that the Council could raise Council Tax by a total of 4.99% in 2024/25.

Each 1% increase in Council Tax raised approximately £1.3m in additional Council Tax income and also ensured that the Council Tax Base was maximised for future years. This was an important consideration because if this opportunity was not taken, further cuts to key services would have been required to balance the budget in future years.

75% of chargeable properties in Sandwell were in Council Tax Bands A and B (42% Band A and 33% Band B).

Housing Revenue Account

The Housing Revenue Account (HRA) was a ring-fenced account for the Council's housing stock and was shown separately to the General Fund. Income came from rent and service charges and expenditure related to the management and maintenance of the stock.

Capital Programme

The total Capital Programme for 2024/25 was recommended to be set at £144.476m for the General Fund. This was to be funded by a combination of grants, earmarked reserves and revenue contributions. Prudential borrowing levels were budgeted to be £21.504m for the General Fund.

The programme included an indicative amount of £10m for the Schools Programme as the Basic Need Allocations had not yet been confirmed by Government.

In accordance with Standing Order No. 13, Councillor William Gill moved an alternative budget proposal, which was duly seconded by Councillor Fisher:-

Approve the adoption of the following Amendment; such that the Draft Budget and resolution for 2024/25 be varied as follows:

-
- a. Full Council does not agree the 2% Adult Social Care Levy thus reducing funding to the Council in 2024/25 in the sum of £2.588m;
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- b. Full Council agrees to provide free car parking on Saturdays resulting in reduced income to the Council in the sum of £159,000;

- c. Full Council agrees to provide financial support to enable the Shopmobility Service to continue operating in the financial year 2024/25 in the sum of £53,000;
- d. Full Council notes that the total additional net cost to be met by the General Fund following recommendations 4 (a), (b) and (c) above amounts to £2.8m;
- e. Full Council agrees the following compensatory savings to offset the additional net cost pressures introduced by Section 4 of this Amendment to the General Fund resulting in the following decisions;
- f. to cease production of 'The Herald' Council newspaper with a full year and recurring saving of £66,000;
- g. to make recurring savings of £416,000 by reducing councillor allowances by 50%. This would be subject to consultation with, and Full Council taking into consideration, any recommendations of the Independent Remuneration Panel;
- h. to cease all Special Responsibility Allowances with a full year and recurring saving of £428,000. This would be subject to consultation with, and Full Council taking into consideration, any recommendations of the Independent Remuneration Panel;
- i. to make a saving of £34,000 from the Travel budget (car mileage);
- j. to make a contribution from Earmarked Reserves in the sum of £1.856m through reduction in the resources earmarked for the Customer Journey and Climate Change.

The Council's S151 officer, in compliance with the requirements of the Local Government Act 2003, had stated that the Amendment was inconsistent with the tenets of good financial management and was not aligned with financial prudence.

In accordance with the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014, and Standing Order 13 (4), the amendment relating to Council Finances 2024-25 was put to a named vote as follows:-

For

Councillors Abrahams, Chapman, Dunn, Fisher, W Gill, Kordala, Trumpeter and Weston.

Against

Councillors K Allcock, Ashraf, Bhullar, Carmichael, Chambers, Crompton, Davies, Dhariwal, Dhatt, Fisher, Fitzgerald, Gavan, E Giles, J Giles, L Giles, Hackett, Hartwell, Hemingway, Hinchliff, Hughes, Jalil, Johnston, Kalebe-Nyamongo, Kaur, Khatun, Loan, Maycock, Mayo, Melia, Millar, Millard, Moore, Muflihi, Owen, Padda, Pall, Piper, Preece, Rahman, Shaeen, J Singh, N Singh, Smith, Taylor, Tipper, Tromans, Uddin, Uppal, Webb and Wilkes.

Abstentions

None

On being put to the vote, the amendment was lost and Council moved to consider the original budget.

In accordance with the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014, and Standing Order 13 (4), the decision relating to Council Finances 2024-25 was put to a named vote as follows:-

For

Councillors K Allcock, Ashraf, Bhullar, Carmichael, Chambers, Crompton, Davies, Dhariwal, Dhatt, Fisher, Fitzgerald, Gavan, E Giles, J Giles, L Giles, Hackett, Hartwell, Hemingway, Hinchliff, Hughes, Jalil, Johnston, Kalebe-Nyamongo, Kaur, Khatun, Loan, Maycock, Mayo, Melia, Millar, Millard, Moore, Muflihi, Owen, Padda, Pall, Piper, Preece, Rahman, Shaeen, J Singh, N Singh, Smith, Taylor, Tromans, Uddin, Uppal, Webb and Wilkes.

Against

Councillors Abrahams, Chapman, Dunn, Fisher, W Gill, Kordala, Trumpeter and Weston.

Abstentions

Councillor Tipper.

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On being put to the vote, the motion was carried and it was

Resolved:-

- 1.1 That Council approve the recommendations from Cabinet at the meeting of 7th February 2024 on the Draft Budget 2024/25 as listed below:
 - I. That it be noted that the Council Tax Base was agreed at Full Council on 12th December 2023.
 - II. That it be noted that the Council Tax Support Scheme was approved at Full Council on 12th December 2023.
 - III. That it be noted that Housing Rents and Service Charges were uplifted by Full Council on 12th December 2023
 - IV. That the report of the Section 151 Officer, included at paragraphs 6 to 25 of the Draft Budget 2024/25 report , as required under Section 25 of the Local Government Act 2003 on the robustness of the estimates made for the purposes of the budget calculations and adequacy of proposed financial reserves be noted
 - V. That the Medium-Term Financial Strategy at [Appendix A](#) of the Draft Budget 2024/25 report is approved, which incorporates the following recommendations:
 - a. The MTFS and embedded MTFP as an estimate of the Council's current financial position at January 2024.
 - b. The Guiding Principles as framework for financial planning for the period of the MTFS.
 - c. The Capital Planning Principles to guide the preparation of the Capital Programme in the years ahead.
 - d. The planned development of the Transformation Programme to date and through 2024/25 and

endorse the extension of the transformational approach to other services of the Council.

- e. The Budget Timetable set out in this report.
 - f. The submission to DLUHC of a proposal to employ flexible use of capital receipts in financial year 2024/25 and to delegate the amendment and final approval of this proposal to the Portfolio Holder for Finance and Interim Director of Finance together with the Assistant Chief Executive.
 - g. The onward submission of the Winter 2024 update of the MTFS to the next meeting of Full Council.
 - h. The adjustments to fees and charges as set out in Annex 12.
 - i. The savings proposals set out at Annex 5 subject to removal of proposals relating to the closure of Shopmobility, the resultant reduction in savings (£53,000 in 2024/25) to be met by an equivalent contribution being made from Earmarked Reserves;
- VI. That an increase of 2.99% in the level of general council tax for 2024/25 is approved;
- VII. That an increase of 2.00% in the level of Adult Social Care precept for 2024/25 is approved;
- VIII. That the General Fund Budget net budget of £333.008m at [Appendix B](#) (Updated), including the proposed total increase of Council Tax for Sandwell Metropolitan Borough Council of 4.99%, in accordance with the Council Tax Referendum Principles as set by Government for 2024/25 is approved.
- IX. That the report at [Appendix D](#) on the Dedicated Schools Grant and Schools funding is approved which incorporates the following recommendations such that Council:
- a. adopt the minimum transition option for calculating schools funding in 2024/25

- b. approve the Growth Funding at £1.60m in 2024/25
 - c. approve the introduction of a Falling Rolls Fund in 2024/25
 - d. approve the transfer of £0.512m funding from the Schools Block to the Central Schools Services Block (CSSB) to fund the attendance service
 - e. approve the CSSB, De-delegated and Education Function proposals as set out in Annex A (with the exception of Schools in Financial Difficulty).
 - f. adopt the allocation by block per paragraph 5 of that Appendix; and
 - g. note the details of the Schools Funding Settlement.
- X. That the General Fund Capital Programme at [Appendix E](#) is approved;
- XI. That the Housing Revenue Account and HRA Capital Programme at [Appendix F](#) is approved including:
- a. Noting that Full Council on 12th December 2023 approved recommendations of the report entitled 'The review of council tenants rents and housing related property charges' as outlined in paragraph 8 of Appendix F and Annex 1.
 - b. The HRA Revenue Budget for 2024/25 as set out in Table 2 (Updated)
 - c. The HRA estimated working balances in 2024/25 as set out in paragraph 15 of [Appendix F](#).
 - d. The investment principles for the HRA Capital Programme as set out in paragraph 19 of [Appendix E](#).
 - e. The HRA Capital Programme control totals as set out in Table 3 of [Appendix F](#).

- f. The HRA Treasury Management Strategy as set out in paragraph 4 of [Appendix F](#).
 - g. The 30 year HRA Business Plan as set out in Annex 2 of [Appendix F](#).
- XII. That the Capital Strategy and Capital Financing Strategy at [Appendix G and H](#) of this report is approved.
- XIII. That the Investment Strategy set out at [Appendix I](#) is approved.
- XIV. That the Treasury Management Strategy Statement at [Appendix J](#) is approved including:
- a. The Borrowing and Investment Strategy for 2024/25
 - b. The Minimum Revenue Provision Policy Statement for 2024/25
 - c. The Treasury and Prudential Indicators for 2024/25 to 2026/27, summarised at Annex 6
 - d. Expected new net borrowing of £40.4m in 2024/25
- XV. That the Revenues and Benefits Policy Framework at [Appendix K](#) is approved including:
- a. The Revenues and Benefits Policy Framework for 2024/25 comprising the policies set out at Annexes 1 to 9 of the [Appendix K](#);
 - b. the Council Tax Award of Discount Policy (Annex 2), Council Tax Discretionary Reduction Policy (Annex 3), Non-Domestic Rates Discretionary Rate Policy (Annex 8), Non-Domestic Rates Discretionary Hardship Relief Policy (Annex 7) and War Pension Policy (Annex 9) as set out [Appendix K](#); and
 - c. that authority be given to the Director of Finance – Section 151 Office in conjunction with Cabinet Member for Finance and Resources, and in consultation with the monitoring officer to make necessary changes to the policies during 2024/25 due to the Cost of Living Crisis;

XVI. That the Section 151 Officer and the Monitoring Officer is authorised to make any further financial adjustments, corrections, or amendments in relation to the final input of budgetary information into corporate finance systems;

XVII. that the Section 151 Officer is authorised to make transfers to or from reserves during the financial year to ensure that adequate reserves are maintained and adjusted when spend from earmarked reserves is required;

XVIII. that the Section 151 Officer is authorised to adjust the funding sources applied to the Capital Programme during the year to maximise flexibility in use of capital resources and minimise borrowing costs where possible;

(2) that having received confirmation of approved final precept amounts from West Midlands Fire Service and West Midlands Office for the Police and Crime Commissioner, the following Council Tax is approved:

1. that it be noted that the Council meeting on the 12th December 2023 approved the amount of 78,217.27 as its Council Tax base for the year 2024/25 in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 made under Section 33 (5) of the Local Government Finance Act 1992;

2. that the following amounts be calculated by the Council for the year 2024/25 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992: -

- | | | |
|-----|---|----------------|
| (a) | Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) (a) to (f) of the Act; | £1,372,642,200 |
| (b) | Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) (a) to (d) of the Act; | £1,236,772,502 |

(c) Being the amount by which the aggregate at 2(a) above exceeds the aggregate at 2(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year; £135,869,698

(d) Being the amount at 2(c) above, all divided by the amount at 1 above, calculated by the Council in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year; £1,737.08

(e) Valuation Bands

	Core Amounts	Adult Social Care Amounts	Total
A	£990.33	£167.72	£1,158.05
B	£1,155.39	£195.67	£1,351.06
C	£1,320.44	£223.63	£1,544.07
D	£1,485.50	£251.58	£1,737.08
E	£1,815.61	£307.49	£2,123.10
F	£2,145.73	£363.39	£2,509.12
G	£2,475.83	£419.30	£2,895.13
H	£2,971.00	£503.16	£3,474.16

Being the amounts given by multiplying the amount at 2(d) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands;

3. That it be noted that for the year 2024/25 the major precepting authorities have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act, 1992, for each of the categories of dwellings shown below: -

Valuation Bands	West Midlands Fire and Rescue Authority	Police and Crime Commissioner for the West Midlands
A	£50.13	£143.70
B	£58.49	£167.65
C	£66.84	£191.60
D	£75.20	£215.55
E	£91.91	£263.45
F	£108.62	£311.35
G	£125.33	£359.25
H	£150.40	£431.10

4. That, having calculated the aggregate in each case of the amounts at 2(e) and 3 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, sets the following amounts as the amounts of Council Tax for the year 2024/25 for each of the categories of dwellings shown below:

Valuation Band

A	£1,351.88
B	£1,577.20
C	£1,802.51
D	£2,027.83
E	£2,478.46
F	£2,929.09
G	£3,379.71
H	£4,055.66

5. That the Chief Financial Officer is authorised to take any necessary action to collect revenues and disburse monies from the relevant accounts;
6. That the requirements of any relevant legislation, to consider reports as a consequence of the approval of the Council's Finances 2024/25 report, is dispensed with on the grounds that in the opinion of the Council the items are urgent.

Cabinet Recommendations to Council

At its meeting on 17 January 2024, Cabinet recommended to Full Council that the existing contract procedure rules be amended to reflect a tendering evaluation quality weighting of 10-30% on Social Value for all services, goods and work contracts.

The existing Social Value Policy (2010-2013) for Sandwell was deemed not fit for purpose in that it did not reflect contemporary best practice and did not align with the Social Value in Sandwell priority as set out in the Sandwell Business Growth Plan which was approved by Cabinet on 15 November 2023.

The existing policy only applied to services and goods contracts; however, the Social Value in Sandwell Policy proposed to go further and include works contracts. The existing tendering evaluation weighting of 5-30% on Social Value for services and goods contracts was not ambitious enough, considering the contract values of services, goods and works the council had commissioned, the planning applications it determined and the investment it levered into the borough. Increasing the minimum weighting to 10% with a maximum of 30% demonstrated the council's commitment to maximising Social Value outcomes that could be derived due to the council's influence as an anchor organisation.

Resolved that a tendering evaluation quality weighting of 10-30% on Social Value for all services, goods and works contracts is approved and that the existing Contract Procedure Rules are amended to reflect this change.

Meeting ended at 7.48pm following an adjournment between 6.21pm and 6.29pm

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