

Minutes of Cabinet

**Wednesday 15 February 2023 at 3.30pm
at Council Chamber, Sandwell Council House**

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

In attendance: Councillors Moore, E M Giles and Taylor.

Also present: Surjit Tour (Director of Law and Governance and Monitoring
Officer), Gillian Douglas (Director of Housing), Michael Jarrett
(Director of Children's Services), Lisa McNally (Director of
Public Health), Tony McGovern (Director of Regeneration and
Growth), Simone Hines (Director of Finance), Elaine
Newsome (Service Manager – Democracy), Anthony Lloyd
(Democratic Services Officer) and Suky Suthi-Nagra
(Democratic Services Manager).

12/23 **Apologies for Absence**

Apologies were received from Councillors Hughes, Fenton and
Simms.

13/23 **Declarations of Interest**

There were no interests declared.

14/23 **Minutes**

The minutes of the meeting held on 18 January 2023 were
approved as a correct record.

15/23 **Additional Items of Business**

There were no additional items of business to consider as a matter of urgency.

16/23 **Expansion of the Cooperative working agreement**

Approval was sought to authorise the Director of Public Health to add further services to the long-standing Co-operative working agreement with Sandwell West Birmingham Hospital (within the time frames necessary based on their current agreements).

The Chair of the Budget and Corporate Scrutiny Management Board asked for clarification on what mechanisms were in place to ensure the Council was getting value for money from the agreement given the sums involved.

The Cabinet Member highlighted that the contract worked on an open book process regarding costs. Anything not spent was reinvested back into the contract and utilised where needed to best advance the agreement. Therefore, this operated at cost with no one taking away a profit. The agreement was seen as a transparent jointly committed programme of work which was also held within the governance of the Health and Care Partnership.

The Cabinet member for Finance and Resources, on behalf of the Cabinet, thanked the Director for Public Health, Lisa McNally for all of the work done for the Council and wished her well in her future endeavours.

Reason for Decision

The cooperative working agreement enabled joint working to get the best service for Sandwell residents. As such, the Council sought to benefit further from the agreement by adding more services to it. The Cooperative working agreement was due a review of costs as it had not been updated since its inception 6 years ago. The increase in costs were necessary as the Council operated transparently regarding expenses and understood the outlay for the service was going beyond its budget.

Alternative Options Considered

The team continued to retender the School nursing programme. Over the last ten years the service has mainly been provided by SWBHT, the contract was awarded to another provider, but then provided by SWBHT at the next two commissioning rounds.

Tendering out the healthy pregnancy service, which would lose the cooperative element, the combined staffing options and the opportunity to run the service

Agreed:--

- (1) that the Director of Public Health be authorised to add further services to the long-standing Co-operative working agreement with Sandwell West Birmingham Hospital (within the time frames necessary based on their current agreements) as follows:-
 - School Nursing and vision screening– currently provided by Sandwell West Birmingham Trust until 2024 following successful tender;
 - Pilot a 2-year Healthy Pregnancy Service – a new service with mutual contribution between SMBC, Integrated Care Board Tobacco control and the Trust to target those most at risk of poor maternity outcomes, and in the event this is successful at reducing poor birth outcomes, to continue the programme;
- (2) that the Director of Public Health be authorised to review and increase the financial contribution to the co-operative agreement with Sandwell West Birmingham Hospital in line with current inflation and (max 15% over 3 years) to bolster service areas or invest in wider quality improvements identified as requiring extra resource due to local pressures;
- (3) that the Director of Public Health be authorised to increase contribution to the Co-operative working agreement with Sandwell West Birmingham Hospital where necessary, in accordance with the Scheme of Delegation to Officers.

17/23

Housing Revenue Account 30 Year Business Plan

Approval was sought to the Housing Revenue Account 30 Year Business Plan.

Whilst it had been proposed to recommend the Council to approve the Plan, it was moved, seconded and agreed that the Cabinet approve the Housing Revenue Account 30 Year Business Plan.

Reasons for recommendations

The Business Plan is a key strategic document that was necessary for effective management and oversight of the Housing Revenue Account. It was a financial plan that sits alongside and was complementary to the council's Medium Term Financial Strategy.

Alternative options considered

There were no alternative options.

Agreed that approval be given to the Housing Revenue Account 30 Year Business Plan.

18/23

General Fund, Housing Revenue Account and Capital Programme Budgets 2023/24

Approval was sought to approve the General Fund, Housing Revenue Account and Capital Programme Budgets 2023/24.

In comparison to neighbouring authorities, the Council raised less Council Tax due to a lower average Council Tax Band for homes within the borough.

Reasons for Decision

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

Alternative Options Considered

Cabinet could request that alternative savings options be proposed and agreed, although there was limited time to do this and still be able to carry out the appropriate consultation on alternative savings. Cabinet could also consider an alternative Council Tax increase, subject to adhering to the Referendum Principles, or alternative increases in Fees and Charges.

Agreed:-

- (1) that the key points from the Local Government Finance Settlement and the impact on the budget position for 2023/24 be received;
- (2) that feedback on the draft budget proposals following consideration by the Budget and Corporate Scrutiny Board be received;
- (3) that feedback on the draft budget from business representatives be received;
- (4) that the fees and charges increases for 2023/24, as set out in Appendix C be approved alongside the Charging Policy as set out in Appendix D;
- (5) that approval be given to the the contract sum for Sandwell Children's Trust of £74.475m plus £186k funding from Public Health;
- (6) that the final General Fund budget position as set out at [Appendix E](#) be approved and recommended to Council;
- (7) that the Housing Revenue Account budget for 2023/24 be approved as shown at [Appendix E](#) and recommended to Council;
- (8) that the Council Tax precept for 2023/24 of £127,008,781, representing a 2.99% increase in Council Tax and a further 2% increase in the Adult Social Care precept be recommended to Council for approval;
- (9) that the Director of Finance's assurance statement on the robustness of the budget estimates and reserves be received;

(10) that the Capital Programme for the General Fund and HRA for 2023/24 and Capital Strategy be approved and recommended to Council;

(11) that the Treasury Management Strategy and Prudential Indicators be recommended to Council for approval;

(12) that the Director of Finance be 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;

(13) that the Director of Finance be 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;

(14) that the Director of Finance be authorised, in consultation with the Cabinet Member for Finance and Resources, to make minor amendments to the base budget to reflect any changes from the Local Government Finance Settlement if required;

(15) that Leadership Team prioritise the further development of the Transformation Savings Plan to ensure the Medium-Term Financial Strategy is balanced to 2025/26.

19/23

Contract for the Supply of Mains Electricity, October 2024 to September 2028 - Appointment of Contractor

Approval was sought to utilise Eastern Shires Purchasing Organisation (ESPO) Framework 191_24 to appoint Total Energies Gas and Power Ltd to supply Mains Electricity to Council sites for the period 1 October 2024 to 30 September 2028.

Reasons for decision

The Pan-Government Energy Project was launched in 2007 to improve the standard of energy procurement across the public sector. The key recommendation was that all public-sector organisations adopted one of the aggregated, flexible and risk managed energy procurement frameworks that were put in place by the recognised Central Purchasing Bodies (CPB) that had been evaluated by the Government's Project Strategy Team against best practice criteria.

By aggregating energy requirements under the ESPO Electricity Framework and utilising a flexible purchasing strategy, ESPO were able to take advantage of market movements to the benefit of customers. This is achieved by purchasing energy in advance when commodity prices are at their most advantageous. Flexible purchasing also limits exposure to the significant spikes in pricing by securing energy requirements in advance at multiple opportunities rather than at a single decision point.

Alternative options considered

One alternative option would be to undertake tendering exercises on behalf of the Council in isolation of the Pro5 providers which would be against the best practice guidance published from the Pan-Government Energy Project. Alternatively, seek to transfer to another Pro5 Framework provider but this would result in the loss of representation on stakeholder governance panels.

Agreed-

- (1) that approval be given to utilise Eastern Shires Purchasing Organisation (ESPO) Framework 191_24 to appoint Total Energies Gas and Power Ltd to supply Mains Electricity to Council sites for the period 1 October 2024 to 30 September 2028;
- (2) that in connection with Resolution (1) above, the Director, Law and Governance and Monitoring Officer be authorised to enter into an appropriate contract with Total Energies Gas and Power Ltd.

20/23

Tenant Fees Act Policy

Approval was sought to adopt the policy and framework for issuing fixed penalty notices under the Tenant Fees Act 2019.

Reasons for Decision

The Tenancy Fees Act 2019 placed a statutory duty for enforcement on the council as the Local Weights and Measures Authority (Trading Standards).

Alternative Options Considered

In order to enforce the legislation and fulfil its statutory duty, the Council required a policy that outlined what fines would be for breaches of the legislation. The Council could have decided to construct its own framework for calculating the amount of a civil penalty however, this risked not being aligned with other authorities which could impact the Council's ability to justify in the event of any appeal against a penalty levied. As a result of the requirement for all authorities in England to have regard to the policy of the Lead Enforcement Authority, the adoption of this policy would ensure that the approach is consistent with that of other authorities.

Agreed that the policy and framework for issuing fixed penalty notices under the Tenant Fees Act 2019 as now submitted, be adopted.

21/23

Local Council Tax Reduction Scheme 2023/24

Approval was sought to recommend the Local Council Tax Reduction Scheme 2023/24 to Council for further approval.

The Chair of the Budget and Corporate Scrutiny Management Board sought clarity on the report which assumed that there would be no increase in caseload in the next financial year despite the cost of living crisis.

The Cabinet Member for Finance and Resources explained that over the last 2 years, a month on month reduction in the Council Tax reduction caseload had been witnessed. In July 2020, this figure was 34,600 and at the end of January 2023, it was 30,800. This was due to a decrease in the number of pensioners claiming Council Tax reduction and the number of working age households moving from out of work benefits into work and losing their entitlement to Council Tax reduction. This trend was expected to

continue. Officers had not seen an increase in caseload so far in 2022/23 despite the cost of living crisis.

Reasons for recommendations

The Scheme provided crucial support to low income families and Sandwell's most vulnerable residents.

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, would pay something towards their Council Tax. Sandwell did not want to introduce a minimum payment into its Scheme as it wanted to protect the most vulnerable households and improve child poverty and support residents with the cost of living crisis.

Agreed-

- (1) That no changes are made to the Local Council Tax Reduction Scheme for 2023/24;

- (2) that the Council be recommended to approve the Local Council Tax Reduction Scheme for 2023/24.

22/23

Asset transfer of The Bridge, Tipton to Murray Hall Community Trust

Approval was sought for the asset transfer of The Bridge, Tipton, to Murray Hall Community Trust on the basis of a full repairing lease for 99 years with a rental of £1 pa for the purpose of a multi-purpose community facility and office space.

The Chair of the Budget and Corporate Scrutiny Management Board sought clarification on what steps the Council was taking to ensure a single and consistent approach to asset transfer and the granting of voluntary sector leases. A request was also made to clarify what break clauses would be included in the proposed 99 year agreement.

It was confirmed that a standardised suite of documents had been introduced for voluntary sector applicants to complete. Following assessment of the application by a range of officers, a comprehensive report would be prepared for the Investing in the Voluntary Sector Strategic Group to ensure consistency of approach. The matter would only progress if the Strategic Group endorsed the proposals and financial analysis.

A revised Community Asset Transfer Strategy for SMBC would be progressed and implemented over the course of 2023 through the appropriate governance process with input from the Homes and Communities Team along with other relevant stakeholders.

This strategy was intended to sit alongside and compliment the Land and Asset Disposal Protocol. The strategy would centre around Community Asset Transfer as a property disposal option (not just for current community buildings but any property declared surplus where this would be suitable) and was intended to act as a supportive guidance document for prospective applicants rather than a 'formal' policy. It would provide a comprehensive overview to what a CAT entailed through a successful partnership approach that ensured any property transfer was sustainable.

The 99-year lease would not include a break option. As part of the transfer the council would require the lessee to have full repairing liability for the building. The lessee would be better placed to procure funding to maintain and improve the premises, but the inclusion of a break clause would deter funders from progressing applications as there would be no security of their tenure for their investment.

The lessee would be required to sign an agreed statement setting out their outputs and deliveries in return for a peppercorn rental.

The statement would be reviewed regularly, and the lease would reserve the right to revert to a market rental if the lessee failed to adhere to the agreed statement or to agree new outputs and deliverables.

Reasons for recommendations

Murray Hall Community Trust (MHCT) was a well-established anchor organisation, with a presence in Sandwell since 1994. They were locally-led and deeply rooted in the community. They had strong partnerships with the council and with other voluntary and community groups and had taken a community development approach to all aspects of their work (responding to service users

views, enabling people to do more for themselves). They had already demonstrated their ability to attract capital funding and manage complex refurbishment projects in the initial phases of transformation of the building.

The proposed asset transfer accorded with the principles set out in the strategy where Strategic Assets & Land would proactively lead discussions with community groups about the possibility of undertaking Community Asset Transfers. Transfers would be undertaken in accordance with the Council's policy on Community Asset Transfers. They would only happen if officers were satisfied that a clear sustainable plan was in place to maintain the asset and that further calls on the Council for support were unlikely.

Alternative options considered

Do nothing – MHCT had a 30-year rent free, full repairing voluntary body lease, expiring in 2043. This would not signal to the wider voluntary and community sector that the Council value their contribution as partners. The asset transfer was a positive tool for enabling the development of enterprising and sustainable organisations with a long-term stake in the area. Furthermore, it would undermine the business case that MHCT needed to develop in order to complete the refurbishment.

Agreed:-

- (1) that approval be given to the asset transfer of The Bridge, Tipton, to Murray Hall Community Trust on the basis of a full repairing lease for 99 years with a rental of £1 pa for the purpose of a multi-purpose community facility and office space;
- (2) that the Director Law and Governance and Monitoring Officer be authorised to enter into or execute under seal if necessary, a formal lease for The Bridge Tipton.

23/23

City Region Sustainable Transport Settlement Update and Local Transport Capital Programme 2023/24

Approval was sought to fund the programme of minor works, highways, bridges and street lighting maintenance for 2023/24 through the Local Network Improvement Plan and Maintenance Block allocations.

Reasons for recommendations

The block allocations included in the City Region Sustainable Transport Settlement (CRSTS) programme comprised the majority of the Council's capital programme of minor works, highway and bridge maintenance for financial year 2023/24 and the following three years of the settlement period.

Alternative options considered

With regards to the Local Network Improvement Plan, the proportion allocated to each of the individual block headings was the same as for 2022/23 and was broadly in line with ITB allocations in the preceding years. However, as in 2022/23, more of the 21% uplift on the 2021/22 figure had been allocated to the road safety and traffic calming categories, to reflect member priorities. The option existed to allocate more funding to some headings and less to others. It also remained possible to alter the allocations 'in year', should circumstances require it. However, the use of this funding was reported to, and monitored by, WMCA and therefore should reflect the priorities outlined by Government through the CRSTS guidance, and by WMCA through the Local Transport Plan.

Agreed:-

- (1) that the update in relation to the City Region Sustainable Transport Settlement for the period April 2022 to March 2027 be received;
- (2) that approval be given to the following programme of minor works, highways, bridges and street lighting maintenance for 2023/24 to be funded through the Local Network Improvement Plan and Maintenance Block allocations as set out in the reports to West Midlands Combined Authority Board on 14th January 2022, 18 March 2022 and 13 January 2023;

Minor Works Programme	Funds 2023/24 £
Major Schemes Development	220,000
Road Safety	540,000
Decarbonising Transport	300,000
Demand Management	120,000

Traffic Calming	200,000
Major Route Signing	70,000
Named Schemes Over £250k.	347,900
Total	1,797,900

Maintenance Programme	Funds 2023/24 £
Carriageway Maintenance	3,986,300
Bridges	603,000
Street Lighting	152,000
Total	4,741,300

24/23

Revenues and Benefits Policy Framework 2023/24

Approval was sought to the Revenues and Benefits policy framework for 2023/24.

The Chair of the Budget and Corporate Scrutiny Management Board requested a target date for when the Council was expected to have implemented a single view of a person or household's debt.

The Cabinet Member for Finance and Resources confirmed that officers were gathering information from services outside of Revenues and Benefits that collected debts on behalf of the council. This had given officers information on the top debtors across Council Tax, NNDR and Housing Benefit overpayments and the Council would be trialling a different approach to dealing with those who have multiple debts with the Council. However, debtor's information was held on multiple systems which made this work very time consuming; work was underway on bringing together all of the debt information into one single view. Oracle Fusion may have provided a solution to hold debtor's information in one place. Although it was difficult to provide an exact time frame, the work was expected to be completed within 12 months.

Reasons for recommendations

To make recommendations for the Revenues and Benefits policy framework for 2023-24.

Alternative options considered

The council was required to set out its application of areas of the legislation which allow local application of rules. The policy framework achieved this.

Agreed:-

- (1) that approval be given to the Revenues and Benefits policy framework for 2023-24 as follows:

Corporate Debt Recovery Policy
Council Tax Award of Discount Policy
Council Tax Discretionary Reduction Policy
Flood Relief Policy
Discretionary Housing Payments Policy
Local Welfare Provision Policy
Non-Domestic Rate Hardship Relief Policy
Non-Domestic Rates Discretionary Rate Relief Policy

- (2) that the Director of Finance - Section 151 Officer, in consultation with the Cabinet Member for Finance and Resources, be authorised to make necessary changes to the policies during 2023-24 due to the Cost of Living crisis;

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| <p>(3) that the Council be recommended to approve the Council Tax Award of Discount Policy.</p> |
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25/23

Sandwell Local List of Non-Designated Heritage Assets

Approval was sought to review the Local Lists Supplementary Planning Document and adopt the new and amended Sandwell Local List.

Reasons for recommendations

The adoption of a Local List of Non-Designated Heritage Assets would provide a level of protection through the planning system for buildings with historic or architectural merit that do meet the criteria for national status as Listed Buildings. The Local list would, once adopted, become a material consideration in determining planning applications and applicants should give regard to this in drawing up proposals.

Alternative options considered

Although locally listed buildings are not afforded the protection under the Planning (Listed Buildings and Conservation Areas) Act, they may be offered some level of protection by the local planning authority identifying them on a formally adopted list of local heritage assets, as such 'non-designated heritage asset' status is recognised by the National Planning Policy Framework. A decision not to proceed with the local list would result in local buildings with an assessed level of local heritage significance being afforded a lower level of protection by the planning system.

Agreed:-

- (1) that the new and amended Sandwell Local List be adopted and that the extant (2012) Local Lists Supplementary Planning Document is reviewed as part of the local plan process;
- (2) that officers be authorised to investigate the merits of introducing an Article 4 Direction covering buildings on the local list which would withdraw (Class B) permitted

26/23

Sandwell Museums – Approval of Forward plan and policies

Approval was sought to authorise the Director of Borough Economy to approve and adopt Sandwell Museums and Arts Service Forward Plan and Policies in order to progress a submission from Sandwell Museums Service towards achieving full accreditation status – as part of Arts Council England's (ACE) national Museum Accreditation Scheme.

Reasons for recommendations

Sandwell Museums had full accreditation before 2015 for 3 of sites. But this was downgraded to provisional accreditation status as the Forward Plan and Museum Policies had not been approved and adopted formally by the Cabinet. Achieving full Museum Accreditation status would support those involved with a museum service to deliver high quality services that are open and accessible and help people interact with the collections and protect/conservate them for the future while also ensuring people are at the centre of services and monitoring quality services to communities and users. The Museum Accreditation scheme does this by making sure museums manage their collections properly, engage with visitors/key stakeholders, and are governed appropriately. It also opens-up opportunities for museums such as external funding opportunities and new partnerships – giving reputational confidence to potential donors (collections/funding) and other key supporters.

Alternative options considered

The current service is provisionally accredited and there is an option to allow this to elapse and no longer be an accredited service. This is not recommended as there are clear benefits to achieving accreditation including the increased ability to raise external funding to support the service and the potential ability to support recruitment of staff and volunteers and to increase learning from other accredited museum services.

Agreed that the Director of Borough Economy be authorised to approve and adopt Sandwell Museums and Arts Service Forward Plan and Policies in order to progress a submission from Sandwell Museums Service towards achieving full accreditation status – as part of Arts Council England's (ACE) national Museum Accreditation Scheme.

27/23

Scrutiny Review on the Impact of Lockdown on Children and Families

Approval was sought to approve all, approve in part or to not approve any of the recommendations of Children's Services and Education Scrutiny Board in respect of the scrutiny review on the impact of lockdown on children and families.

The Chair of the Budget and Corporate Scrutiny Management Board thanked the former Chair of the Children's Services and Education Scrutiny Board, late Councillor Shackleton, the Vice Chair of the Working Group Councillor W Gill and members of the Working Group for their hard work in bringing together this comprehensive report.

Reasons for recommendations

The Children's Services and Education Scrutiny Board conducted a scrutiny review into the Impact of Lockdown on Children and Families in 2022. The Scrutiny Board felt that recovery across multiple areas in education and social care needed to be investigated, through the lens of uplifting standards and attainment, the Board, therefore established a Working Group to carry out the review and ascertain an understanding of the current pressures across Children's Services and Education and provide, where necessary, recommendations to support Children and Families in Sandwell.

At the Children's Services and Education Scrutiny Board on Monday 9 January 2023, the Board agreed to a range of recommendations based on the research and findings of the Working Group.

Alternative options considered

There were no alternative options. The Cabinet may approve all, some, or none of the recommendations.

Agreed that approval be given to the following recommendations of the Children's Services and Education Scrutiny Board in respect of the scrutiny review on the impact of lockdown on children and families as follows:-

- a) that the Director of Children and Education works co-operatively with the Department for Education to improve the education standards of children and young people, utilising Education Investment Area funding;
- b) that the Director of Children and Education is proactive in working with schools in the area to consider the creation or adoption of multi-academy trusts;
- c) that the Director of Children and Education is proactive in considering suitable locations in the Borough for specialist sixth-form free schools which are funded by central government;

- d) that the Council joins the Department for Education's 1-2-1 attendance mentoring pilot to monitor issues in schools across the Borough.
- e) that, the Cabinet Member for Children and Education pledges to improve and increase the Borough's educational assessment data in line with the national average by 2027, in line with the aims and objectives of Vision 2030;
- f) that the Cabinet Member for Children and Education writes to the Secretary of State for Education, to request that the Government actively engages with education practitioners to understand the long-term problems caused by the national pandemic and prepare appropriate resources to help children and young people recover academically, socially and psychologically.
- g) that the Director of Children and Education encourages and supports schools in the Borough to provide sports programmes and extracurricular activities to help children catch up in all areas of lost learning and experiences and to improve mental and physical health;
- h) that the Cabinet Member for Children and Education writes to the Secretary of State for Education, to request that specific monetary assistance is made available to children eligible for free school meals to take part in extracurricular activities;
- i) that the Director of Children and Education reviews the Council's partnership working with education providers and the Sandwell Children's Trust to ensure that actions, outcomes and best practice work are shared to ensure we are working cohesively together.
- j) that the Cabinet Member for Children and Education investigates ways to connect with young people and offer extra support, mentoring and encouragement including, but not limited to:-
 - i) establishing a peer mentoring programme;
 - ii) encouraging social youth work, sports, drama, and outdoor activities;

- iii) engaging with local businesses to improve the number of available apprenticeships;
 - iv) supporting a holistic youth services experience which accompanies physical and digital offer;
 - v) supporting and championing the new Eco Bus with young people's involvement.
- k) that the Cabinet Member for Children and Education writes to the Secretary of State for Education, to lobby for recurrent yearly funding which will allow for consistent support to address young people's emotional wellbeing and (low level) mental health as we recovery from COVID and the impact that it caused, whilst supporting the Council's ambition to improve academic performance, socialisation, conversation, mental health and wellbeing;
- l) that the Director of Children and Education works with multi-agency partners to support, engage and monitor the stability within the early years settings.

28/23

Q3 Budget Monitoring 2022/23

Approval was sought to transfers between reserves and to refer the financial monitoring position, as at 31 December 2022, to the Budget and Corporate Scrutiny Management Board for consideration.

The Chair of the Budget and Corporate Scrutiny Management Board highlighted that a significant amount of reserves was proposed to be used in the current financial year which would leave a remaining balance of £106.415 million. Clarification was sought on whether the remaining amount was sufficient and if there was a plan to increase the amount of reserves held in 2023/24.

The Cabinet Member for Finance and Resources reported that £31m of the reduction in reserves was the use of the NNDR S31 grant. This was required during COVID purely for accounting reasons due to timing differences between when grant payments were received and when they had to be accounted for. This was the same for all billing authorities. This reserve did not need to be replenished.

The other significant use of reserves was the COVID Emergency grant which was largely being used to fund COVID recovery projects per the Recovery Plan approved by Cabinet in June. The S151 Officer was comfortable that this reserve did not need to be replenished given the reducing impact of COVID on the Council's financial position.

Where risk reserves were being used, there were provisions in the 2023/24 budget for these to be topped up to a reasonable level. This included the Financial Planning Reserve and Waste Reserve.

The S151 Officer assurance statement stated that the Council's reserves were at a prudent level when taking into account the financial risks the authority faced.

Reasons for recommendations

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

Alternative options considered

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

Agreed;-

- (1) that the financial monitoring position as at 31 December 2022 be received and referred to the Budget and Corporate Scrutiny Management Board for consideration and comment;
- (2) that the transfers between reserves be approved.

29/23

Exclusion of the Public and Press

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

30/23

Adult Social Care Market Sustainability

Approval was sought to the three-year financial plan for the adult social care provider market to ensure market sustainability.

Reasons for recommendations

Each year local authorities consider and/or set the rates paid to its Adult Social Care provider market and determine the uplifts, if any, that will be applied for the following financial year to take account of inflationary pressures.

In 2022/23 the Department for Health and Social Care (DHSC) has required local authorities to complete a Cost of Care exercise for 65+ residential and nursing homes and for Domiciliary Care (otherwise known as Home Care) for people 18+ to better understand the sustainability of fee rates. This exercise had been completed and the draft outcome was submitted to the DHSC by the deadline of 14 October 2022, although further work was needed to better understand the outcome concluded for care homes.

Alternative options considered

The Council can hold fees at current rates, however the social care sector across all markets was significantly challenged, with issues that include escalating costs that were unsustainable, recruitment and retention and low morale, which would inevitably impact availability of provision. Unless the Council addressed sustainability in a meaningful and enduring way, that properly reflected its recognition of the challenges providers were experiencing and by approving the proposed three-year financial plan which uplifts rates as recommended, there was a real risk that markets will become increasingly vulnerable. This would lead to increasing market exits and an inability of the Council to fulfil its statutory obligations, in addition to the undermining of key strategic priorities if the market shrunk or becomes less responsive.

Agreed;-

- (1) that approval be given to the three-year financial plan for the adult social care provider market to ensure market sustainability;
- (2) that the Adult Social Care Domiciliary Care standard hourly rate is increased from £16.92 per hour from 1 April 2023, subject to the proposed uplift being compliant with the Public Contract Regulations (PCR) 2015, with proposals from April 2023 to March 2026:

Year	Proposed Domiciliary Care Hourly Rate
23/24	18.40
24/25	19.52
25/26	20.52

- (3) that should legal advice not support an uplift of the Domiciliary Care rate in 2023/2024 to £18.40, which is the rate calculated using the formula in the contract plus an extra £0.32 for market sustainability, the rate of £18.08 is implemented instead;
- (4) that the Promoting Independence and Rapid Response/ Wrap Around services hourly rates are also uplifted to align with the Domiciliary Care rate from 1 April 2023 and to the rates thereafter;
- (5) that the Adult Social Care Supported Living hourly rate is uplifted to mirror the Domiciliary Care rate from April 2023 to March 2026, but paid at £17.08 initially in 2023/24, with the rate reviewed on completion of the planned Cost of Care exercise to determine if the exercise concludes there should be this parity, with approval to be paid up to the Domiciliary Care rate, if appropriate and backdated to April 2023;
- (6) that the Adult Social Care Extra Care hourly rate is aligned to its standard Domiciliary Care hourly rate from April 2023 onwards, and when the rate is uplifted thereafter;

- (7) that the Council's Adult Social Care Direct Payment rate is aligned to its standard Domiciliary Care hourly rate from April 2023 onwards, and when the rate is uplifted thereafter;
- (8) that the Adult Social Care residential and nursing care home standard rates for Older People are uplifted as outlined below where they are below these rates, with any uplift to the Free Nursing Care rate to be fully passed onto applicable nursing homes when announced as follows:

	Residential	Dementia Residential	Nursing	Dementia Nursing
	£ /week	£ /week	£ /week	£ /week
Proposed Rate for 23/24 inclusive of Free Nursing Care (average paid in 22/23 plus inflation/adjustment for NMW)	651.91	651.91	805.69	910.52
Proposed in principle rates for 24/25 inclusive of Free Nursing Care	679.58	733.52	951.98	1007.28
Rates in 2025/26 proposed to be those paid in 2024/25 plus applicable inflationary increase for each care category.				

- (9) that the Adult Social Care residential non-standard care home rates for the complex care (Learning Disability, Mental Health, Memory and Cognition, Physical Disability and Sensory Impairment) market are uplifted by 10.25% from 1 April 2023;
- (10) that the Adult Social Care nursing non-standard care home rates for the complex care (Learning Disability, Mental Health, Memory and Cognition, Physical Disability and Sensory Impairment) market are uplifted by 6.45% from 1 April 2023, with any uplift to the Free Nursing Care rate in 2023/24 to be fully passed onto applicable nursing homes when announced;

- (11) that a principal is created that the residential and nursing non-standard care home rates for the complex care (Learning Disability, Mental Health, Memory and Cognition, Physical Disability and Sensory Impairment) market are increased in line with the applicable inflation rate calculated for Older People's residential and nursing care homes for 24/25 and 25/26, and that any uplift to the Free Nursing Care rate is also fully passed onto applicable nursing homes when announced;
- (12) that the Adult Social Care day care rates are uplifted by 10.25% from 1 April 2023 and mirror the inflation paid for Older People's residential care in 2024/25 and 2025/26;
- (13) that the Personal Assistant rate is uplifted as per the formula used in previous years, including growth in National Minimum Wage from April 2023 to March 2026;
- (14) that individual negotiated rates are in place for those people with more specialist needs and where the provider is not willing to accept the Council's standard rate for care and support, approval is sought that the individually negotiated residential care home rates paid above standard rate are uplifted by 10.25% from 1 April 2023 and mirror the inflation paid for Older People's residential care in 2024/25 and 2025/26;
- (15) that in connection with Resolution (14) above, the individually negotiated nursing care home rates paid above standard rate are uplifted by 6.47% from 1 April 2023 and 6.45% for nursing dementia from 1 April 2023, and mirror the inflation paid for Older People's nursing residential care in 2024/25 and 2025/26, with any uplift to the Free Nursing Care rate to be fully passed onto applicable nursing homes when announced;
- (16) that it be noted that there is a risk that the proposed three-year financial plan may be insufficient to manage market pressures in the years identified given the projected budget settlement, however, should the financial assumptions made for 2024/25 and 2025/26 not be accurate and additional % uplifts are necessary, that further paper(s) are presented to Cabinet to seek approval for addressing any deficits indicated;

- (17) that the Director of Adult Social Care in consultation with the Cabinet Member for Adult Social Care and Health be authorised to submit the final Market Sustainability Plan to the Department for Health and Social Care by the date required, currently set as 27 March 2023, subject to the Leader and Section 151 Officer approving the report content before submission.

Meeting ended at 4.32pm

Contact: democratic_services@sandwell.gov.uk