

Minutes of Cabinet

**Wednesday 19 June 2024 at 3.30 pm
in the Council Chamber, Sandwell Council House, Oldbury**

Present: Councillor Carmichael (Leader of the Council and Chair);
Councillor S Gill, Hartwell, Hughes, Moore, Smith, Taylor and
Uddin.

In attendance: Councillor W Gill.

Officers: Shokat Lal (Chief Executive); James McLaughlin (Assistant
Chief Executive); Alex Thompson (Executive Director -
Finance and Transformation); Alan Lunt (Executive Director –
Place); Mike Jones (Assistant Director - Legal and
Assurance); Liann Brookes Smith (Interim Director – Public
Health), Ben Percival (Assistant Director – Contracts,
Projects, Strategy & Policy); Matthew More (Communications
and Corporate Affairs Manager); Suky Suthi-Nagra
(Democratic and Member Services Manager) and Connor
Robinson (Democratic Services Officer).

57/24 **Apologies for Absence**

Apologies for absence were received from Councillors K Allcock
and Fenton.

58/24 **Declarations of Interest**

There were no declarations of interest made.



59/24 **Minutes**

Resolved that the minutes of the meetings held on 13 March and 29 May 2024 be approved as a correct record.

60/24 **2023/24 Outturn Report**

Consideration was given to the 2023/24 Financial Outturn. The Cabinet Member for Finance and Resources thanked officers and finance partners from across the Council who had supported the Council in getting to the positive position it was in.

Cabinet recognised that whilst there were challenges ahead, Sandwell was able to present a balanced budget with healthy reserves. Nationally, the financial situation for local authorities was difficult and Sandwell would be required in the years ahead to make significant savings from across the budget.

In response to a question from the Leader of the Opposition, the Cabinet Member for Finance and Resources stated that the overspend relating to Green Space, Events and Visitor Services had occurred because of an underachievement of income targets for Sandwell Valley Country Park and other green spaces. The overspend had been mitigated in 2023/24 from one-off savings and underspends achieved elsewhere in Borough Economy. The Senior Management responsibility for this service area had been reallocated with effect from May 2024 and the current Assistant Director was working with colleagues to develop an urgent action plan to identify corrective action to address ongoing budget pressures, including reviewing the means of increasing income and ensuring that income targets moving forward were ambitious but achievable.

Reason for Decision

Section 151 of the 1972 Local Government Act required the Chief Financial Officer to ensure the proper administration of the Council's financial affairs. Budgetary control, which included the regular monitoring and reporting of budgets, was an essential element in discharging this statutory responsibility.



The reporting and analysis of financial performance versus budget, and the recommended treatment of the year end variances, supported the financial sustainability of the Council.

Alternative Options Considered

Cabinet could choose to vary the proposed treatment of the year end variances from budget.

Resolved:-

- (1) that the outturn position for the 2023/24 financial year is received and referred to the Budget and Corporate Scrutiny Management Board for consideration and comment;
- (2) that in respect of the Revenue Budget, the outturn position of an underspend of (£6.002m) for the General Fund is received;
- (3) that in respect of the Revenue Budget the following outturn variances from budget in relation to ring-fenced funding is received:
 - an underspend of (£1.367m) for the Housing Revenue Account, prior to 'below the line' transactions such as depreciation and capital adjustments being carried out;
 - an underspend of (£0.673m) for the Dedicated Schools Grant.
- (4) that in respect of the Revenue Budget, approval is given for the transfers to and from General Fund and Individual Schools Balances reserves for the 2023/24 financial year, as set out in appendix A;
- (5) that in respect of the Revenue Budget, approval is given to enable on completion of the closedown process for the Housing Revenue Account, that any



outturn surplus/deficit is transferred to/from the Housing Revenue Account reserve;

- (6) that in respect of the Capital Programme, approval is given for the addition of £1.465m Department for Education Devolved Formula Capital grant to the General Fund Capital Programme for 2023/24, to fund additional expenditure incurred by schools on capital projects during the year;
- (7) that in respect of the Capital Programme, the outturn expenditure for the General Fund as per appendix B, representing 43% of the revised budget for 2023/24 is received;
- (8) that in respect of the Capital Programme, approval is given to the addition of £3.745m additional budget to the HRA Capital Programme for 2023/24;
- (9) that in respect of the Capital Programme the outturn expenditure for the Housing Revenue Account as per appendix C, representing 61% of the revised budget for 2023/24 is received.

61/24

Houses in Multiple Occupation additional licensing designation - borough wide implementation

Agreement was sought for the Houses in Multiple Occupation (HMOs) additional licensing designation and borough wide implementation.

Sandwell had faced a major increase in private rented accommodation in some areas and it was recognised that there were landlords and agents who had not provided adequate accommodation or management of their properties. This poor management of properties had a significant impact on people's lives and on Council and partner resources in tackling issues such as anti-social behaviour, fly tipping of domestic waste, concerns about



property condition and harassment and illegal eviction. The Council had implemented a range of powers and approaches to seek to address many of these issues including additional licensing within parts of West Bromwich, but the on-going pressures were such that an expansion of this approach was considered necessary.

In response to a question from the Leader of the Opposition, the Cabinet Member for Housing and Sustainable Development confirmed that if the scheme was approved, the Council would introduce a 3-month grace period for additional licensing from 1 October 2024 to 31 December 2024 to allow for the opportunity for landlords to make licence applications. Enforcement activity would commence in January 2025 where suspected unlicensed HMOs would be visited and evidence would be gathered. The enforcement process was set out in the Housing and Housing Planning Acts. Where a property was operating as an unlicensed HMO, the council would issue the landlord with a 28-day notice of intention to issue a civil penalty. If the Council decided to pursue and prove an offence had been committed, a final demand would be issued but this was subject to a 28-day appeal period. Based on this, the Council would anticipate income to be generated as early as May 2025.

Before being granted a license, landlords and others wishing to be involved in the management of houses of multiple occupation must first pass a fit and proper persons test overseen by the Council to meet the requirements of the Housing Act. When determining if a landlord was a fit and proper person and had sufficient competence, the Council would take into account their previous experience, the circumstances of the property and the proposed management arrangements. Where the Council believed the landlord was not a fit and proper person, the licence could be refused or revoked.

Reason for Decision

The borough had experienced a major increase in private rented accommodation in some areas, including Houses of Multiple Occupation (HMO) not subject to the Mandatory Licensing Scheme. It was recognised that some landlords and agents had not provided adequate accommodation or management of their properties.



The Council had implemented a range of powers and approaches to seek to address these issues, however, a new approach was considered necessary to address the specific concerns relating to HMO private rented properties within Sandwell which had been the subject of consultation for these proposals.

The consultation had been carried out as per the Housing Act 2004. Part 2 of the Act provided discretionary power, subject to carrying out consultation, for Local Housing Authorities to licence all private landlords in a designated area with the intention of ensuring that HMOs meet a minimum standard of management.

Alternative Options Considered

The options considered included several possible interventions for tackling substandard and problematic smaller HMOs:

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

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

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

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



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

Resolved:-

- (1) that the outcome of the consultation in respect of the proposed Additional Licensing scheme for Houses in Multiple Occupation (HMOs) be noted;
- (2) that approval be given to progress a borough wide designation for Sandwell MBC as being subject to Additional Licensing under Section 56(1)(a) of the Housing Act 2004 for all Houses in Multiple Occupation (HMOs), irrespective of the number of storeys, that contain three or four occupiers or as defined under section 257 of the Act in accordance with the proposal approved for consultation by Cabinet on 13 September 2023;
- (3) that the Executive Director – Place in consultation with the relevant Cabinet Member(s) be authorised to take such steps as are necessary to promote and implement this decision on behalf of the Council including but not limited to:
 - a) publication of the notice of delegation and date for implementation within seven days of the decision of Cabinet;
 - b) implement the above designation to come into force on the 1 October 2024 for a period of 5 years;
 - c) undertake a promotional campaign, including timescale for implementation, to run from July 2024;



- d) introduce a 3-month grace period for additional licensing from 1 October 2024 to 31 December 2024;
- e) commence enforcement activity for unlicensed premises from 1 January 2025;
- f) conclude the revocation of the “The Metropolitan Borough Council of Sandwell Designation for an Area for Additional Licensing of Houses in Multiple Occupation 2022” within the West Bromwich area under Section 60 of the Act on the 30 September 2024;
- g) adoption of the proposed fees structure as set out at Appendix D and to review those fees annually to ensure they remain reasonable and proportionate;
- h) adoption of the proposed license conditions as attached at Appendix E and review those conditions to ensure they remain reasonable and proportionate;
- i) adoption of the Sandwell Council Standards and Amenities Guide for Houses in Multiple Occupation (HMO) as set out at Appendix F.

62/24

Public Sector Decarbonisation Scheme, Phase 3c

Approval was sought for the Public Sector Decarbonisation Scheme, Phase 3c. The Public Sector Decarbonisation Scheme Phase 3c was administered by Salix, a non-departmental public body administering funds on behalf of the Department for Energy Security and Net Zero.

The Council had been successful in previous rounds of Public Sector Decarbonisation Scheme funding to the value of £1.63m. Projects had included the installation of solar PV systems at eight sites, new heating systems in schools and the heat pumps at Sandwell Council House.



The leisure centres had been severely impacted by the sharp rises in energy costs in recent years. UKActive, had indicated that 40% of authorities were considering facility closures and restrictions as a result of increased energy costs. Energy assessments of Sandwell leisure facilities were commissioned from Leisure Energy at the end of 2022. The two sites chosen were the only ones both eligible for the Public Sector Decarbonisation Scheme grant and cost effective.

Reason for Decision

The Public Sector Decarbonisation Scheme (PSDS) provided funding for heat decarbonisation and energy efficiency projects to reduce carbon emissions from public sector buildings. The chief aim of the scheme was the upgrading of fossil fuel heating systems to low carbon alternatives, which could be cost-prohibitive as technologies such as heat pumps could have a much higher upfront cost than equivalent gas boilers.

An application to the PSDS Phase 3c was made on the 7 of November 2023 for a grant of £3,055,000. The grant required a Council match funding contribution of 13% of total project costs, which amounted to £449,280 to give a total project cost of £3,504,280. The grant would fund the installation of heat pumps and associated works at two sites:

- Tipton Leisure Centre, and
- Tipton Sports Academy

These sites were selected following an energy audit of leisure centres in Sandwell and were identified as the most in need of works due to the age of their respective existing heating systems.

The value of the match funding was equivalent to the value of replacing the existing gas boilers with like for like systems at the end of their life.

Installation of heat pumps at both sites would lead to estimated carbon saving of 470 tonnes of CO2 per year, or 3.9% of corporate emissions. This would support meeting commitments in the Climate Change Strategy to become a carbon neutral organisation by 2030 and also in response to the declaration of a Climate Change Emergency.



Alternative Options Considered

The Council may choose to decline the PSDS grant offer and continue to utilise fossil fuel heating systems at Tipton Leisure Centre and Tipton Sports Academy. Further phases of PSDS funding have been announced, but the grant terms were not yet clear, and may require a larger percentage of Council match funding in future funding opportunities.

Resolved:-

- (1) that retrospective approval be given to accept the grant offer from Salix for the amount of £3,055,000 for the installation of air source heat pumps at Tipton Leisure Centre and Tipton Sports Academy;
- (2) that approval be given for the Council to provide match funding for the grant, to the total of £449,280 sourced through prudential borrowing, as profiled in the medium term financial plan;
- (3) that the Executive Director for Place be authorised to appoint Leisure Energy via a direct award through the UK Leisure framework to design and install the heat pump project;
- (4) that the Executive Director for Place in consultation with the Executive Director of Finance and Transformation be authorised to determine whether the project continues to represent value for money once the design phase is concluded and if the value for money has substantially deteriorated, a further report will be brought to Cabinet.



Ideal for All

Approval was sought for the Ideal for All - Asset Transfers of Malthouse Garden, Salop Drive Market Garden and Barlow Road Community Garden.

Ideal for All was a user-led charity and social enterprise that supported disabled, elderly and vulnerable people and their carers. They provided a number of services including: peer support groups, support with direct payments, employment support and the Growing Opportunities healthy lifestyle and wellbeing project. The Growing Opportunities project was delivered from 3 sites leased from the Council: Malthouse Garden, Salop Drive Market Garden and Barlow Road Community Garden.

The Ideal for All's approach was outcome focussed and building capacity. Their Employment Support Programme provided non-traditional gardening and short activities/workshops to engage individuals furthest away from the labour market; focusing on activities to show positive change to both physical/mental health and well-being, providing a 'hook' to engage beneficiaries in wider support.

Well-being services empowered and enabled people to 'help themselves' and learn new skills and gain confidence in order to support positive health and wellbeing and contribute to positive outcomes by focusing on their strengths. They were built upon the 5 ways to wellbeing whilst recognising the need to lever support from other people in their lives such as families, support-networks, neighbourhoods, communities/peers to create opportunities for long-term and sustained healthy lifestyle and wellbeing.

Reason for Decision

Ideal for All provided therapeutic and active gardening, food growing, healthy cookery and lifestyle programmes and creative workshops, as well as a variety of opportunities to support children, young people, families and adults towards improving their futures via 'hands on' activities, vocational experiences/learning development and volunteering. Their Community Business video illustrated some of the work going on at the gardens.



Ideal for All had transformed the sites from derelict land to 3 thriving community gardens. They have secured over £5.5 million in funding in order to bring the sites into fully accessible horticultural sites that are used all year round. Ideal for All had requested asset transfer of the 3 sites in order to secure the long-term future of these gardens as community assets. Asset transfer would enable Ideal for All to develop longer term sustainability plans for the sites and secure further grants for maintenance, improvement and replacement.

Malthouse Garden was part of the Independent Living Centre site and was therefore not suitable for asset transfer. However, a long term lease of 25 years was appropriate, on the basis of the current rental, which contributed towards the overall cost of the centre.

Alternative Options Considered

Salop Drive Market Garden and Barlow Road Community Garden sites: Renew the current leases for a further period of 25 years. This would inhibit Ideal for All's ability to lever in external resources to continue to run and develop the sites. Furthermore, this would not signal to the wider voluntary and community sector that we value their contribution as partners and want to use asset transfer as a positive tool for enabling the development of enterprising and sustainable organisations with a long-term stake in the area.

Resolved:-

- (1) that approval be given to the granting of a 25 year lease for 25 years at a rent of £2,000 pa to Ideal for All Ltd for the purpose running a community garden at the following:

Site 1: Malthouse Garden, 100 Oldbury Road,
Smethwick, B66 1JE



- (2) that approval be given to the asset transfer of the following sites to Ideal for All Ltd on the basis of a lease for 99 years with a rental of £1 pa for the purpose of running 2 community gardens:

Site 2: Salop Drive Market Garden, Salop Drive, Oldbury, B68 9AG

Site 3: Barlow Road Community Garden, Barlow Road, Wednesbury, WS10 9QA

- (3) that the Monitoring Officer and Assistant Director – Legal & Assurance be authorised to enter into or execute under seal if necessary, formal leases for each of the three sites.

Meeting ended at 3.52pm

Contact: democratic_services@sandwell.gov.uk

