

Minutes of Cabinet

**Wednesday 5 February 2025 at 3.30pm
in the Council Chamber, Sandwell Council House, Oldbury**

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

In attendance: Councillors E M Giles, Lewis, Bhamra and Jeffcoat.

Officers: Shokat Lal (Chief Executive); James McLaughlin (Assistant
Chief Executive); Alex Thompson (Executive Director –
Finance and Transformation); Alan Lunt (Executive Director -
Place); Sally Giles (Director of Children and Education);
Rashpal Bishop (Director of Adult Social Care); Liann
Brookes-Smith (Interim Director of Public Health); Mike Jones
(Assistant Director - Legal and Assurance); Ben Percival
(Assistant Director for Contracts, Projects, Strategy and
Policy); Nicola Leavy (Principal Officer for Sport and Leisure);
Matthew More (Head of Communications); Suky Suthi-Nagra
(Democratic and Member Services Manager) and Connor
Robinson (Democratic Services Officer).

11/25 **Apology for Absence**

An apology for absence was received from Councillor Fenton.

12/25 **Declarations of Interest**

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

13/25 **Minutes**

Resolved that the minutes of the meeting held 15 January 2025 are approved as a correct record.

14/25 **Additional Item of Business**

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

15/25 **Recommendations from Budget and Corporate Scrutiny Management Board on the Medium Term Financial Strategy 2025-26**

Cabinet gave consideration to the recommendations from the Budget and Corporate Scrutiny Management Board following two days of consideration of the Council's Medium Term Financial Strategy 2025-26 and budget.

Reason for Decision

The Budget and Corporate Scrutiny Management Board had considered the draft Medium Term Financial Strategy 2025-26 at its meetings held on 21 January and 23 January 2025. The Leader, Cabinet Members, the Chief Executive, Executive Directors, the Assistant Chief Executive and Assistant Directors attended the meetings to present the proposals to the Board and to answer questions from members.

The Budget and Corporate Scrutiny Management Board's involvement in the budget setting process strengthened decision making and increased transparency of the budget setting process.

Alternative Options Considered

Engaging scrutiny would ensure that there was a robust budget process, there were therefore no alternative options.

Resolved:-

- (1) that the Budget and Corporate Scrutiny Management Board is assured that there is a clear plan, underpinned by data, for the Council's Medium Term Financial Strategy 2025-26;

- (2) that the Director of Children's Services be requested to ensure members, young people and other stakeholder engagement is undertaken as part of the youth service provision review;
- (3) that the Medium Term Financial Strategy for 2025-26 be endorsed as a robust framework that will form part of the Council's General Fund and Housing Revenue Account (HRA) Budget and Capital Programme and Council Tax proposals for 2025/26.

16/25

Medium-Term Financial Strategy and Draft Budget 2025/26

Approval was sought for the Medium-Term Financial Strategy and Draft Budget 2025/26. The Cabinet Member for Finance and Resources thanked Council colleagues and councillors for their work and support in delivering the draft budget. Work had also gone into engaging with the local community, with residents, businesses and voluntary groups who had all been invited to provide feedback on the challenges facing Sandwell and the proposals within the budget. The Council had taken on board more than 2,800 responses from the local community.

The budget set out £364million in spending for services that delivered for the people of Sandwell, it also set out the Council's commitment of up to £140million for capital projects, £78million in investment in the Council's housing stock and the housing budget and dedicated schools grant.

The budget proposed would maintain investment in key services such as the youth service provision, community safety, green spaces and highways maintenance.

The Council's budget deficit was now £19.3million and proposals within the budget sought to tackle this, which included the move to a fortnightly bin collection, making best use of council assets and increasing fees and charges. The budget would go towards meeting the objectives laid out in the Council Plan and ensure services were accessible and worked for the people who needed them. The budget would help and protect the most vulnerable people in society and support the Council's ambitious plans for the borough.

Sandwell Council was not facing the challenges of other local authorities when it came to financial pressures, however, the Council was legally obligated to set a balanced budget, and this required difficult decisions. The budget proposed a Council Tax increase of 4.99%, 1.9% of which would be made up of the Adult Social Care Precept. The increase in Council Tax would allow the Council to continue to operate services that mattered most to residents. It was noted that the increase was lower than many councils nationally and locally, additionally, Sandwell was not borrowing money like some other local authorities to maintain services, Sandwell only borrowed money to deliver projects and invest in communities. Sandwell also maintained a level of reserves as would be expected of a local authority of Sandwell's size. Sandwell Council over many years had maintained strong financial management.

Sandwell had lost out the most in recent years, and the Council was £95million worse off than it was in 2010 which accounted to £690 per household. A new Government funding formula would be welcomed as a means to address this imbalance. Demands on vital services continued to increase, both nationally and locally and it was important that the budget delivered and continued to deliver for the people of Sandwell.

The Cabinet congratulated the Cabinet Member for Finance and Resources for the delivery of a balanced budget and noted how, across portfolios, the budget would allow for the delivery of vital council services to help and support the people of Sandwell.

Reason 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.

The Section 151 Officer of the Council was required to report on the robustness of estimates made for the purposes of budget calculations per Section 25 of the Local Government Act 2003.

Alternative Options Considered

The Council was legally required to set a balanced budget by 11 March each year. As such, there was no alternative other than to set a balanced budget.

It was a legal requirement for councils to consult on budget proposals, and therefore opportunity for the suite of proposals to change as the budget process progressed.

An extensive consultation exercise had been undertaken on the budget proposals during the autumn and winter of 2024, involving the general public, business ambassadors, trade unions and elected members, including the Budget and Corporate Scrutiny Management Board.

Resolved:-

- (1) that the Council be recommended to consider and approve the Medium-Term Financial Strategy and Draft Budget 2025/26, with the following specific recommendations that:-
- (2) the Medium-Term Financial Strategy and all annexes set out in [Appendix A](#), is approved, incorporating the following recommendations:
 - a) the results of the consultation exercise at Annex 1 be noted;
 - b) the change-log of financial movements in the Medium-Term Financial Plan at Annex 2 be noted;
 - c) the efficiency savings detailed in Annex 3 of the Medium-Term Financial Strategy is approved for inclusion in the General Fund base budget for 2025/26 and the Medium-Term Financial Plan for the financial years 2025/26 to 2029/30;
 - d) the risks associated with the Medium-Term Financial Plan as detailed at Annex 4 is noted;
 - e) the strategy on Flexible Use of Capital Receipts at Annex 5 to the report is approved, and the the Deputy Leader and Cabinet Member for Finance and Resources and Executive Director for Finance and Transformation be authorised to make any submissions to the Ministry of Housing, Communities and Local Government for application;
 - f) the Fees and Charges for 2025/26 is approved, as set out within Annex 6;
- (3) that the General Fund net budget of £363.804m for 2025/26, as detailed at Annex 7 of the Medium-Term Financial Strategy is approved by Council including the financial implications of:
 - a) a proposed Council Tax increase of 4.99% for the Sandwell MBC element resulting in a Band D charge of £1,823.76;

- b) revised Local Council Tax Reduction Scheme Policy as approved by Full Council on 10 December 2024;
 - c) increased Council Taxbase of 80,364.3 as approved by Full Council on 10 December 2024;
- (4) that the analysis of Council Tax amounts by Band at Annex 8 is noted;
- (5) that the application of the Dedicated Schools Grant as set out at Annex 9 is approved, including the following recommendations to:
- a) adopt the grant allocation by block per Table 1;
 - b) agree the amount of funding available for distribution from the Schools Block at £373.004 as set out at Table 2 including:
 - Set aside of £1.000m as Pupil Growth contingency;
 - set aside of £0.840m as Falling Rolls Funding contingency;
 - transfer of £0.522m to Central Schools Services Block to fund attendance service;
- (6) that in relation to the General Fund Capital Programme:
- a) the budget allocation of £102.432m for 2025/26, and of £343.120m for the programme to 2029/30, as set out at Annex 10, is approved;
 - b) it is noted that it is assumed that the 'pipeline' projects, as detailed in Annex 10, will be brought forward for appraisal in due course and will be added into the programme following the completion of due process as prescribed by the Council's Financial Regulations;
- (7) that the Housing Revenue Account and associated Capital Programme as set out at Annex 11 is approved, including:
- a) the Housing Revenue Account Revenue Budget for 2025/26 as set out in Table 2 of the report, including the draw of £3.336m from Housing Revenue Account earmarked reserves;
 - b) the Housing Revenue Account Capital Programme budget of £78.401m for 2025/26 as set out in Table 3 of the report submitted;
 - c) the 30 Year Housing Revenue Account Business Plan as set out in sub-annex 1;

- (8) that the Reserves Strategy at Annex 12 to the Medium-Term Financial Strategy is approved, and 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;
- (9) that the Capital Strategy and Capital Financing Strategy at Annex 13 and 14 is approved;
- (10) that the Investment Strategy at Annex 15 is approved;
- (11) that the Treasury Management Strategy at Annex 16 is approved, including:
 - a) the Borrowing and Investment Strategies;
 - b) the Minimum Revenue Provision Policy Statement;
 - c) the Treasury and Prudential Indicators as set out within the report and summarised at sub-annex 6;
 - d) forecast new borrowing requirement of £118m;
- (12) that the Revenues and Benefits Policy Framework at Annex 17 is endorsed;
- (13) that the Section 151 Officer and Monitoring Officer is authorised to make any financial corrections or amendments to the Medium-Term Financial Strategy and annexes as may be required in the final preparation of papers for Full Council on 25 February 2025, and, subject to approval by Full Council of the Medium-Term Financial Strategy and budget recommendation, to make any in-year financial corrections, technical adjustments or virements in the event of variations in indicated funding allocation made by Government, subject to these being allocated in accordance with the principles set out in this report; and;
- (14) to authorise the Section 151 Officer to adjust the funding sources applied to the Capital Programmes during the year to maximise flexibility in use of capital resources and minimise borrowing costs where possible.

Haden Hill Leisure Centre Rebuild - Levelling Up Fund

Approval was sought for the Haden Hill Leisure Centre Rebuild through the Levelling Up Fund. The project programme remained under development owing to difficulties with a previous contractor which had gone into administration. Any issues had subsequently been resolved and a new contractor was in place to ensure the completion of the project. The current draft programme estimated a construction start on site in November 2025 with the final handover in May 2027.

Consideration had been given to the current construction climate and the long-term financial sustainability of the centre. It was anticipated that the Haden Hill Leisure Centre would cover its costs and generate a surplus income that could be reinvested in the local community.

It was noted that following the completion of the Haden Hill Leisure Centre all six Sandwell towns would have a first-class leisure facility.

Reason for Decision

The previous preferred option for Haden Hill Leisure Centre had been reviewed by the design team and a significant cost pressure had been identified. Following a review of the design, an alternative option had been identified that reverted the scheme to a complete rebuild which continued to deliver all the outputs from the Levelling Up Fund scheme and within the available funding.

Alternative Options Considered

Investigative work could be conducted to determine whether the current facility could be refurbished and reopened; however, there was a clear need to replace the facility to ensure the long-term sustainability of sport and leisure provision in Rowley Regis. Failing to replace the facility would compromise the Council's ability to meet the demand for sport and leisure facilities in the area, particularly for a swimming pool and sports hall provision.

Resolved:-

- (1) that the new design for the rebuild of Haden Hill Leisure Centre is endorsed within the financial envelope available;
- (2) that in connection with Resolution (1) above, the Executive Director for Place in consultation with the

Executive Director for Finance and Transformation is authorised to enter into the construction contract, subject to an affordable cost plan at RIBA Stage 4;

- (3) that the Executive Director for Place, in consultation with the Assistant Director of Legal and Assurance is authorised to sign legal agreements and contracts associated with the delivery of the replacement of Haden Hill Leisure Centre.

18/25

Acceptance of Levelling Up Grant Funding – Grove Lane, Smethwick

Approval was sought for the Levelling Up Grant Funding for Grove Lane, Smethwick. Official confirmation had been received on 31 October 2024 and a draft Memorandum of Understanding had been shared with the Council which was under review.

Discussions with the Ministry of Housing, Communities and Local Government had commenced regarding the timescale and the funding profile and whilst the current funding was due to end in March 2026, the funding profile had allowed for spend to be allocated up to March 2028, to accommodate the delayed start date. A recent letter from the Ministry of Housing, Communities and Local Government had confirmed that extensions beyond March 2026 would be confirmed on a case-by-case basis.

It was anticipated that the extension to funding would be announced in the Government Spring 2025 budget. The allocation of £18million from Government, with just over £2million match funding from the Council, would allow for the acquisition of sites at Grove Street and Cranford Street and the subsequent remediation of the land to facilitate major regeneration within the Grove Lane area. It was estimated that, once remediated, the sites could provide in the region of 151 new homes and a new primary school, as set out in the Grove Lane Masterplan approved by Cabinet in 2022.

Reason for Decision

Cabinet approved the submission of the funding bid in June 2022 and the project had not materially changed since that time. Due to the deadline for the submission of the bid previously, a Financial Appraisal was not undertaken. However, with the agreement of the Section 151 Officer, the bid was submitted on the basis that a financial appraisal would be undertaken in the future.

The Council had received the draft Memorandum of Understanding which was being reviewed by Finance, Legal and Regeneration. The review would ensure that there was no risk to the Council of accepting the grant and conditions attached to it. Once the Memorandum of Understanding had been agreed with the Ministry of Housing, Communities and Local Government, work could commence immediately in progressing the project.

Alternative Options Considered

The Council could withdraw the bid, losing out on £18million of funding that could have assisted with the transformational change to one of the Council's key regeneration areas.

Resolved:-

- (1) that approval is given for the acceptance of grant funding of £18,063,128 from the Government's Levelling Up Fund for Grove Lane subject to the conditions set out in an agreed Memorandum of Understanding and subject to an acceptable Financial Appraisal;
- (2) that the Executive Director – Finance and Transformation is authorised to provide the 10% match funding contribution to the Grove Lane Levelling Up Fund programme of £2,007,014, including via prudential borrowing if necessary;
- (3) that the Executive Director – Place is authorised to finalise and enter into a Memorandum of Understanding with the Ministry of Housing, Communities and Local Government;
- (4) that the Executive Director – Place is authorised to undertake all necessary steps/actions to acquire relevant sites in line with the Council's land and property policies;
- (5) that the Executive Director – Place, in consultation with the Executive Director – Finance and Transformation and Assistant Director Legal and Assurance, is authorised to enter into any necessary legal agreements, submit any necessary planning applications/agreements, undertake all necessary procurement processes (including entering into

contracts for the provision of goods and services and any direct contract awards), and undertake/exercise all other necessary action/powers necessary to deliver the Grove Lane Levelling Up scheme.

19/25

Local Development Scheme Update 2025

Approval was sought for the Local Development Scheme 2025. Local planning authorities were required to prepare their Local Development Scheme and make it available to the public by 6 March 2025. They were also required to send a copy to the Ministry of Housing, Communities and Local Government.

The Local Development Scheme had been revised to reflect the various stages of the Local Plan process. Over 2024, the Sandwell Local Plan had been published and subsequently submitted for Examination to the Secretary of State for Housing, Communities and Local Government via the Planning Inspectorate. It was anticipated that the Sandwell Local Plan would be adopted by the end of 2025.

Reason for Decision

The Local Development Scheme was the Council's three-year project plan that identified which local plan documents would be produced by the Council, in what order and by when. Any new documents would be subject to Cabinet and Full Council approval at the relevant stages.

The Council needed to review its planning documents at regular intervals to assess whether some or all of them required updating. The Local Development Scheme therefore also provided information on the timetabling of several existing approved planning documents that needed to be reviewed.

Alternative Options Considered

Preparation of the Sandwell Local Development Scheme was a requirement of the Planning and Compulsory Purchase Act 2004. As such there was no alternative to its preparation.

Resolved:-

- (1) that approval is given to the Sandwell Local Development Scheme 2025;

- (2) that the Executive Director of Place is authorised to make minor changes to the Local Development Scheme that may be required prior to making it available to the public, in consultation with the Cabinet Member for Regeneration and Growth.

20/25

Drug Strategy Grant: Drug and Alcohol Treatment and Recovery Improvement Grant

Approval was sought to the receipt of the Drug and Alcohol Treatment and Recovery Improvement Grant and to its spend on interventions that aimed to achieve the Government's Drug Strategy ambition to reduce drug and alcohol related deaths and harms.

The Strategy required that local areas rebuild and reinvest into local support systems towards "a world class drug treatment and recovery system".

Reason for Decision

Sandwell's indicative allocated Drug and Alcohol Treatment and Recovery Improvement Grant amount for the 2025/26 period was £1,182,342 (subject to Department of Health and Social Care and Treasury approval). The funding was dependent on maintaining existing Public Health Grant investment in substance misuse treatment and therefore must be additional to existing Public Health grant expenditure. Any future funding beyond the 2025/26 period was currently unknown.

The Drug and Alcohol Treatment and Recovery Improvement Grant included a specific amount of grant monies specifically for Inpatient Detoxification provision of £55,086. This money was administered and managed through a regional commissioning arrangement outside of the Council's fiscal management process.

The Drug and Alcohol Treatment and Recovery Improvement Grant would be made available through a Section 31 of the Local Government Act 2023 grant provision. The expectation from Government was that additional enhanced delivery afforded from the Drug and Alcohol Treatment and Recovery Improvement Grant commence as early as possible from Quarter 1 of 2025/26 to ensure continuity of provision from the previous 2024/25 grant period.

Alternative Options Considered

To not approve distribution of the Drug and Alcohol Treatment and Recovery Improvement Grant as required by Office for Health Improvement and Disparities and not utilising the additional funding and return the monies to Government would mean that the local treatment population would not benefit from the potential quality and capacity improvements that the monies could afford.

Resolved:-

- (1) that approval is given for the distribution of the Drug and Alcohol Treatment and Recovery Improvement Grant for a total indicative* amount of £1,182,342 as required by Office for Health Improvement & Disparities grant conditions.

*Indicative amount subject to Department of Health and Social Care and Treasury approvals - as such final allocation could vary.

- (2) that approval is given for the variation to the current Adult Alcohol and Drug Service Contract to fund additional enhanced provision totalling a maximum of £668,981 for the period 2025/26, and that the Director of Public Health is authorised to approve such variation, in consultation with the Cabinet Member for Adult Services, Health and Wellbeing;
- (3) that the Director of Public Health is authorised to determine the distribution of the Drug and Alcohol Treatment and Recovery Improvement Grant over the grant period covering the financial year 2025/;
- (4) that in connection with Resolution (3) above, the Director of Public Health is authorised to award and enter into any contract(s), on terms to be agreed by the Director of Public Health, for the provision of services funded by the Drug and Alcohol Treatment and Recovery Improvement Grant funds;
- (5) that the Assistant Director – Legal and Assurance is authorised to enter into and execute, under seal as may be required, any contracts or ancillary documentation necessary to give effect to the proposals referred to in Resolution (1) – (4) above for the provision of Drug and Alcohol Treatment and Recovery Improvement Grant funded provisions.

Opening of 'in-house' Children's Residential Care Provision

Approval was sought for the opening of an 'in-house' children's residential care provision. The Children Act 1989, section 22(3), mandated local authorities to safeguard and promote the welfare of children in their care. This involved Sandwell Council, its members, employees, and partner agencies collectively ensuring the best possible care and safeguarding for these children.

The proposal to develop internal residential provision was part of a wider programme of activities undertaken by the Children's Partnership to safeguard young people and support them and their families to achieve positive outcomes. These activities focused on prevention, building on family strengths and networks to enable children to remain safely at home within their communities. The approach was personalised, emphasising a deep understanding of each child's needs and creating high-quality support plans tailored to their circumstances. Wherever possible, partners prioritised keeping children within their local communities to maintain vital relationships and ensure they lived in homes that met their diverse needs. For care-experienced young people, the Council strove to provide them with choices of home and support as they transitioned into adulthood, equipping them for independent and fulfilling futures.

Reason for Decision

Local authorities had a duty to place children close to home. The Children Act 1989 22C (7) to (9) placed a duty on local authorities to ensure, as far as reasonably practicable.

Research highlighted that the current market for children's homes was not benefiting local authorities, providers, or children due to a mismatch between demand and supply and a lack of flexible, responsive residential options.

By owning and managing its own children's homes, the Council and Sandwell Children's Trust could ensure higher standards of care and better oversight, leading to improved outcomes for children. This approach could be more cost-effective compared to placing children in private homes, where demand led pricing could occur.

Alternative Options Considered

The Council could do nothing and allow the sector to continue to develop independently. Purchasing placements for children as the need arose via the regional framework agreement or spot purchase. The national average cost of a residential care placement had risen by 14% over the last 12 months, there was no indication that this

rate of increase would reduce, therefore a do-nothing approach would likely lead to further budget pressures.

As an alternative to purchasing and refurbishing two properties the Council could build the homes, however, there would be a longer lead in time for this as land in suitable locations would need to be sought, design work would need to be undertaken, planning permission would need to be gained before building work could commence. None of this work could commence until a third-party provider was appointed as the location and design would need to be done in consultation with them to ensure the homes were suitable for use as children's homes. that met the needs of young people. The lead in time for building would be significantly longer than purchasing and refurbishing properties.

The availability of land would be a limiting factor as any plots identified would need to be in residential areas to ensure that OFSTED would consider them for registration.

Sandwell Children's Trust could independently develop and manage the children's residential homes. Following a needs assessment, it was felt that the specialised skill set required to successfully deliver this project were more effectively accessed through a strategic partnership with an experienced provider residential children's home.

Resolved:-

- (1) that approval is given for up to £130,000 to be provided to Sandwell Children's Trust, as part of the Contract Sum, to recruit a dedicated project manager for a period of up to 20 months whose sole responsibility will be to lead on the creation of two children's homes in partnership with the Council and a third-party provider;
- (2) that approval is given for the purchase and refurbishment of two properties to be used as children's homes subject to a satisfactory capital appraisal being agreed by the Executive Director - Finance and Transformation and demonstrating best value supported by an independent valuation/homebuyer's report;
- (3) that the feasibility of opening additional homes beyond the initial two noted in Resolution (2) above is explored, as well as short-term provision that would provide

overnight short breaks to children to help prevent them requiring full time care;

- (4) that the Assistant Director – Legal and Assurance is authorised to make any variations to the Service Delivery Contract between the Council and Sandwell Children’s Trust required to allow the above course of action;
- (5) that the Assistant Director – Legal and Assurance in consultation with the Executive Director of Place is authorised to simultaneously enter into a lease and service agreement with a third-party provider, as identified via open procurement led by Sandwell Children’s Trust, for the use of the properties purchased and refurbished to be used as children’s homes.

Meeting ended at 4.19pm

Contact: democratic_services@sandwell.gov.uk