

Budget and Corporate Scrutiny Management Board

Tuesday 7 July 2020 at 5.45pm

Present: Councillor L Giles (Chair)
Councillors E M Giles, Rollins and Singh.

In Attendance: Councillors Piper and Preece.

Officers: David Stevens (Chief Executive), Alison Knight (Executive Director – Neighbourhoods), Rebecca Maher (Interim Section 151 Officer and Head of Finance), Elaine Newsome (Service Manager – Democracy), Gemma Ryan (Business Manager – Sport and Leisure) and Surjit Tour (Director of Law and Governance and Monitoring Officer).

10/20 **Apologies for Absence**

Apologies for absence were received from Councillor Moore.

11/20 **Matter of Urgency**

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

12/20 **Declarations of Interest**

There were no declarations of interests declared at the meeting.

13/20 **Minutes**

The minutes of the meeting held on 18 June 2020 were agreed as a correct record.



Council Budget Update

Further to Minute No. 4/20, the Board received an update on the Council Budget position, including the impacts of the COVID-19 pandemic.

The COVID-19 pandemic had caused a significant impact on the financial position of the council. This had been in the form of both additional expenditure and a loss of income from various sources.

The situation around COVID-19, and the Government's response to meet it, was changing frequently and guidance was awaited in relation to funding to meet the financial impact of the pandemic. The Board received a presentation to set out the most up to date position.

All figures were based on an estimated position for 2020/21 due to the frequent changes, but there was an anticipated COVID-19 related budget pressure of £23.942million which had been partially offset by emergency COVID-19 funding of £21.578million. When other budget pressures and previously planned savings that were not possible to realise in 2020/21 were also taken into account there was a projected estimated overspend of £9.408million.

Particular areas of budget pressure were Council Tax and Business Rate income, spend on transport for children with special educational needs and disabilities as well as various falls in income as a result of COVID-19.

It was reported that the government was making additional emergency funding available of £500million. It was not yet known what Sandwell's allocation from this fund would be.

Other measures announced by the government included:-

- Reimbursement of lost income from sales, fees and charges - where losses were more than 5% of planned income, government would reimburse 75p in every pound;
- Collection Fund deficit (Business Rates/Council Tax) could be spread across three years instead of one.

In response to the situation, the Council was carrying out and planning a range of activities:-

- Directors and Service Managers would identify service reset and recovery timetables and work with their Finance Team to assess the financial implications for the full financial year;
- Directors and Service Managers would work closely with Principal Accountants to produce quarter 1 monitoring and identify: -
 - Accurate level of budget pressures and how much of these could be addressed;

- New savings/underspends that could be used to offset budget pressures;
- Level of planned savings that could be delivered;
- Assumptions used in the 2021/22 and 2022/23 budget would be revisited and revised where appropriate together with identifying the level of budget pressures for those years and potential mitigations;
- Projection for the financial year would be updated following announcements from the Ministry of Housing, Communities and Local Government.

Resolved that further updates on the budget pressures faced by the Council be brought to the Budget and Corporate Scrutiny Management Board.

15/20

Update on Members ICT and Remote Committee Meetings

The Board received an update report on remote committee meetings, members ICT and other decision-making related matters that had been impacted upon by COVID-19.

At the outset of the COVID-19 pandemic, the Council's Resilience Manager, as the officer with responsibility for civil and emergency contingencies, recommended that the Emergency Committee provisions in the constitution should be enacted in light of the emerging situation.

The Emergency Committee membership was appointed by Council and was authorised to exercise council functions.

The Emergency Committee, at its inaugural meeting on 18th March 2020, agreed temporary revisions to the key decision threshold, chief officer delegations, financial, procurement and contract procedure rules in order that the council was able to respond appropriately and safely to the challenges posed by COVID-19. Where heightened officer delegations were introduced, advance consultation on any decision was undertaken with the relevant committee, for example, planning and licensing decisions, or the Chair of the relevant Scrutiny Board for executive functions. Statutory requirements for publication of decisions had been complied with. All decisions taken under delegated authority were reported through to Emergency Committee during public session, in line with the values of openness and transparency.

The Council introduced a weekly e-bulletin for elected members to keep them apprised of emerging topics, the content of Emergency Committee agenda and up to date advice and guidance from partner and stakeholder organisations.

The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 ("the Remote Committee Regulations") came into force on 4th April 2020. This new legislation enabled Councillors and

members of the public to attend and participate in meetings remotely, using technological solutions. The legislation was intended to remain in place until the 7th May 2021.

The Board was advised that the Council had opted to utilise Microsoft software, MS Teams to support remote committee activity. The software was initially trialled with members of the Emergency Committee with a wider roll out to Cabinet and Scrutiny Board Chairs.

Following this successful initial roll out and testing of MS Teams, the Emergency Committee at its meeting on 27th May 2020 agreed an interim calendar of committee meetings from June to September with the majority of committee meetings recommencing in July 2020. In addition to the agreed programme, committee meetings including Ethical Standards, General Purposes and Audit and Risk Committees were being called in accordance with business need, with a full programme of meetings anticipated to be scheduled from September onwards. Agenda co-ordination meetings and committee briefings had been introduced as standard working practices.

Democratic and Member Services along with colleagues in ICT had been working to support the installation and testing of the Teams software with all remaining councillors so that they were able and confident in using the software functionality during meetings and other business-related functions.

The support programme had been positively received and individual member needs had been identified and progressed. As with all new initiatives, the development and testing phase had highlighted a small number of issues to be addressed. Whilst most members had reported positively on the implementation of remote committees, there were some who have advised of issues arising from device compatibility. An initial 17 members had reported some limitations with existing devices which impacted on connectivity into remote meetings. These included the age of devices along with challenges around accessing electronic papers during meetings. Having undertaken an assessment of member needs, a corporate provision of laptops was agreed for those members who were encountering issues. This was being progressed with the ICT service with six members recently issued with devices and a further 10 arranging to collect devices.

The Chair noted that a meeting of full Council had been arranged for 9 July 2020. He thanked officers for their work in making arrangements to allow this meeting to take place.

Following comments and questions from members of the Board, the following responses were made, and issues highlighted:-

- The minimum requirement for participation in remote meetings was to hear and be heard. This was possible through teleconferencing facilities that were in place – although the Council had chosen to adopt video as the preferred method.

- Whilst acknowledging the reasons for the Emergency Committee operating during the initial response phase to COVID-19, members felt that it was important to reinstate a full programme of committees as soon as possible to support the reset and recovery phases.
- Compatibility issues would continue to be learnt from and addressed.
- Remote meetings offered a new way for members to attend, which could make it easier for those with other responsibilities or health problems to still attend and fully participate in meetings. The Council was therefore joining with other local authorities in supporting retaining the provisions after 7 May 2021, although this would be determined by the government.

Resolved that the Leader of the Council, Chief Executive and Director of Law and Governance and Monitoring Officer be requested to draft a full programme of meetings beyond September 2020 for the remainder of the current Municipal Year.

16/20

Leisure Provision in Sandwell

The Board received an update on the current position of Sandwell's leisure services following their closure due to COVID-19. The report primarily focussed on Sandwell Leisure Trust as it operated the majority of the leisure facilities in Sandwell.

In March 2020 the government published 'Procurement Policy Note 02/20 – Supplier Relief Due to COVID-19' (PPN 02/20). The guidance recommendations within PPN 02/20 focussed on suppliers receiving their 'usual' payments. For Sandwell Leisure Trust, the 'usual' payments were the monthly management fee. The guidance recommended that local authorities provide cash flow support by continuing to pay providers despite not receiving services. To qualify, suppliers should agree to act on an open book basis and make cost data available to the contracting authority during this period. They should also continue to pay employees and flow down funding to their subcontractors.

It was confirmed that the Council had continued to provide Sandwell Leisure Trust with its usual monthly management payment. The level of monthly management fee had not been adjusted during the period of closure. Therefore, the Council had provided Sandwell Leisure Trust with financial support in line with government guidance.

Sandwell Leisure Trust had requested support to cover costs and losses during the period of closure and had provided further financial information as part of the Council's supplier questionnaire. The information provided was clarified and assessed by officers, whilst taking into account that Sandwell Leisure Trust had accessed the government's Job Retention Scheme to furlough the majority of their staff. Based on the specific information provided,

it was felt that the continued payment of the monthly management fee would mitigate any immediate financial risk for the initial period of closure to 30th June 2020. Officers were continuing to work with Sandwell Leisure Trust to understand the impact and level of support required.

It was reported that due to the ongoing impact of COVID-19, Sandwell Leisure Trust had begun communication and consultation with their staff and Trade Unions regarding staff Terms and Conditions. Sandwell Leisure Trust was currently proposing a two-year pay freeze for all their staff. A deed of variation to the contract in 2012 removed Sandwell Leisure Trust's obligations to the TUPE Plus Agreement that was previously in place. This provided Sandwell Leisure Trust with the autonomy to make decisions regarding staff Terms and Conditions without approval from the Council, notwithstanding their membership with the National Joint Council.

Places Leisure, which operated one of Sandwell's leisure facilities, had also requested support from the Council for the period of closure and for the ongoing impact. Council officers were in regular communication with Places Leisure's senior representatives to determine the level of support required.

The Board was advised that Sport England recognised the significant difficulties and impact that the leisure industry faced as a result of the closure of facilities. Sport England was concerned about the long-term impact on people's health and wellbeing should facilities be unable to re-open. As a result of these concerns it was offering to provide consultancy support to Local Authorities to support with the management of leisure services through the impact of COVID-19 and support with future planning. Sport England approached the Council to offer support and assigned a firm of consultants to work with Sandwell Council, providing a grant of £5,000 towards this work.

In relation to questions from members, the Board was advised that no date had been announced by the government for the re-opening of leisure facilities

Resolved that further updates on Leisure Provision in Sandwell be brought to the Budget and Corporate Scrutiny Management Board.

Meeting ended at 6.36pm