

Budget and Corporate Scrutiny Management Board

Thursday 6 August 2020 at 5.45pm

Present: Councillors E M Giles, Moore and Rollins.

In Attendance: Councillors Piper and Preece.

Officers: David Stevens (Chief Executive), Clare Sandland (Service Manager - Finance), Charlie Davey (Business Partner – Finance).

17/20 **Election of Chair**

Councillor Moore was elected Chair for the duration of the meeting.

(Meeting adjourned 5.47pm-5.57pm)

18/20 **Election of Chair**

Due to remote connectivity issues, the Scrutiny Management Board elected Councillor Rollins as Chair for the remainder of the meeting.

19/20 **Apologies for Absence**

Apologies for absence were received from Councillor L Giles.

20/20 **Matter of Urgency**

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



21/20 **Declarations of Interest**

There were no declarations of interests declared at the meeting.

22/20 **Minutes**

The minutes of the meeting held on 7 July 2020 were agreed as a correct record.

23/20 **2019/20 Financial Outturn**

At its meeting on 22nd July, 2020 the Cabinet referred the proposals arising from the 2019/20 directorate outturn reports for each service area to the Budget and Corporate Scrutiny Management Board for consideration.

The General Fund balance at the end of 2019/20 was £42.061m. This included £8.641m of target carry forwards, £20.941m of earmarked central items and £1.009m for a Revenue Contribution to Capital Outlay (RCCO), leaving a free balance of £11.470m which equated to 4.59% of net General Fund expenditure.

At a directorate level, excluding Public Health and the Housing Revenue Account, the outturn for 2019/20 was a surplus of £1.548m. Including, Public Health and Central Items, the outturn for 2019/20 was a surplus of £1.813m.

At the end of 2018/19, a total of £27.075m was held in earmarked reserves. £18.939m was added to these reserves during 2019/20 leaving a remaining balance of £46.014m at the end of the financial year. The main reasons for the large increase to reserves were the establishment of a Public Health Grant reserve (£4.842m), and the receipt of COVID 19 Emergency Grant income late in March, which was required to be moved to an earmarked reserve (£12.369m).

From the comments and questions by councillors, the following responses were made and issues highlighted:-

- at the end of 2019/20 the Council's reserves were £46m, which was the equivalent of 18.5% of general fund expenditure.
- COVID-19 had caused uncertainty at local, national and global levels and the full financial impact was not yet known. However, there was approximately £12m in additional expenditure and an £8.7m loss of service income as a result of the pandemic so far.
- whilst the Council had received some emergency funding from the Government to meet some of the costs associated with COVID-19, there was still a funding gap.
- the impact on Council Tax and Business Rate collection would be known in 2020/21 as the pandemic only had an impact from mid-March onwards. Recent announcements by Government indicated that deficits would be able to be repaid over a three year period.
- the Chief Executive and Deputy Leader of the Council held weekly briefings with the borough's Members of Parliament to ensure they were aware of all issues impacting on the Council.
- the Council was in ongoing discussions with the two providers that operated its leisure facilities; Sandwell Leisure Trust and Places Trust.
- a significant proportion of Adult Social Care budget came via the Better Care Fund. Within Adult Social Care savings had been deferred by using savings from previous years, but in 2019/20 a number of services that were largely Better Care Fund funded were trialled to see if they could operate within only that funding rather than with any local authority funding. Services operated without significant performance problems, so for 2020/21 the Council's core funding for those services was reduced and the savings delivered.

- Better Care Fund was partially a grant from central Government to local authorities, the balance was funding that was given to the Clinical Commissioning Group and they were required to work with the Council on a pooled budget – the Council and the Clinical Commissioning Group then jointly decide what that budget is spent on.
- Sandwell's settlement was reduced year on year, and savings were required by all directorates. Even when there was no savings target, there was no increase in budgets but factors such as increases in national living wage and inflationary increases for external providers requiring efficiency savings to still be identified.
- members felt that Adult Social Care workers should be better remunerated to reflect the importance of their work, which had been highlighted throughout the COVID-19 pandemic. The Chief Executive indicated that this would need to be raised with the borough's Members of Parliament to make representations at a national level.
- within 2019/20 there was minimal impact as a result of COVID-19 and social distancing; this would be reported throughout the 2020/21 financial monitoring process.

Resolved that the Leader and Chief Executive communicate to the four Members of Parliament for the borough of Sandwell the need for Government investment in Adult Social Care through local government, in recognition of the effect of the COVID-19 pandemic on that sector and the individual sacrifice that many employees in that sector have had to make during the pandemic.

24/20

Executive Forward Plan

The Board received the Executive Forward Plan for August 2020.

25/20

Potential Item for Inclusion on the Scrutiny Work Programme

With the permission of the Chair, Councillor Preece suggested to the Scrutiny Management Board that the risk of industrial action in relation to Sandwell Leisure Trust could be an item for consideration by scrutiny. This matter would be discussed with the Chair of the Scrutiny Management Board and relevant officers to determine an appropriate way forward.

Meeting ended at 6.36pm