

Budget and Corporate Scrutiny Board

12 November and 17 December, 2015

Summary of Matters Considered at the Board

Report of Councillor P Sandars

The Scrutiny Board met on 12 November and 17 December, 2015 and the following items were considered. I have selected the main points of the discussion that I feel members of the Council will be particularly interested to know more about. For more detail, a copy of the minutes is available on the Committee Management Information System (CMIS) via the Council's website at <http://cmis.sandwell.gov.uk/cmis5/>

12 November

Quarter 2 Council Wide Budget Monitoring

The Board received details of the Council's revenue and capital expenditure as at the end of September 2015 together with a forecast outturn for the financial year 2015/2016.

The Board queried the significant projected surplus of £4.2m on the Housing Revenue Account. The Section 151 Officer reported that this is due to a better performance than expected in relation to rent collection rates, due to the delayed introduction of Universal Credit. It was noted however, that there will be some financial challenges in the future following the Government's announcement that it will enforce a 1% reduction in council housing rents each year for the next four years. For the Council, this means a £33m reduction in rental income therefore plans are being made as to how to manage that loss and ensure that the Housing Revenue Account remains healthy. In addition, the eventual introduction of Universal Credit will have an impact on rent collection rates in future years.

The Board notes that growth in business rates and council tax will be a key priority for local government going forwards and this has been built into Sandwell's Medium-Term Financial Strategy.

Members noted that delays in the implementation of the revised Supporting People commissioning strategy have generated a year to date deficit within

Adult Social Care's budget. Preventative Services within Adult Social Care are being remodelled in order to manage the government's removal of the Supporting People programme and its funding and the predicted year-end surplus will assist Adult Social Care in managing the impact of that prior to the anticipated savings that the re-modelling of services is hoped to generate.

17 December

Facing the Future Programme Update

The Board received an update on the progress of the Facing the Future programme and noted the current projects within the programme.

The Board also received details of the proposed Target Operating Model which will prompt directors to look in detail at how existing services can be delivered in future and whether more commercial options are available. The Board is pleased to note that the results of the Council's recent SIMALTO (simultaneous multi attribute level trade off) exercise indicate that the public is prepared to pay for some services. The Board is also pleased to note that public satisfaction levels have increased since the exercise was undertaken in 2009/2010.

The Section 151 Officer also reported on the Chancellor of the Exchequer's recent announcement on local government funding settlements and the likely implications for the Council. The Board is pleased to note that early indications show that the funding reductions the Council will endure in 2016/2017 are as have been expected and therefore the Council is on track to deliver a balanced budget for 2016/2017. However, the Board is also aware of the importance of the Facing the Future programme in continuing to prepare for the cuts anticipated in future financial years.

The Board also noted the Facing the Future Programme Plan. Scrutiny Board meeting dates will be added to the Plan to enable scrutiny to maintain oversight and have an input into the programme.

The Board congratulated the Section 151 officer for the prudent way in which the Council's finances are being managed, in particular with regards to the advanced planning and foresight into future government proposals. The Board also congratulated officers for the user friendly manner in which the information had been presented in the report.

Councillor P Sandars
Chair