

Minutes of Budget and Corporate Scrutiny Management Board

**Wednesday, 1 December 2021 at 6.00 pm
at Council Chamber - Sandwell Council House, Oldbury**

Present: Councillor Moore (Chair);
Councillors E M Giles and Mabena

Also present: Councillor Gavan

In attendance: Simone Hines (Director of Finance, Rebecca Maher (Head of Finance), Sue Stanhope (Interim Director of Human Resources) , Charlie Davey (Adults Business Partner), Steve Lilley (Finance Business Partner) Suky Suthi-Nagra (Democratic Services Manager), Matt Powis (Senior Democratic Services Officer) and Gabrielle Evans (Democratic Services Officer).

60/21 Apologies for Absence

Apologies for absence were received from Councillors Anandou, Bhullar, L Giles and Shackleton.

In the absence of the Chair, Councillor Luke Giles, Councillor Paul Moore was elected Chair of the meeting.

61/21 Declarations of Interest

There were no declarations of interest made.

62/21 Minutes



Resolved that the minutes of the meeting held on 17 November 2021 are approved as a correct record.

63/21 Additional Items of Business

There were no additional items of business to consider.

64/21 Impact of the COVID-19 pandemic on employee's productivity and well-being

The Interim Director – HR provide the Board with an update in relation to the impact of the COVID-19 pandemic on employee's productivity and well-being.

Since the announcement of the first lockdown, the Government ordered people to stay at home and for a significant part of our workforce, this had meant that people had to work from home. There were also several employees providing essential services who continued to fulfil those roles. This meant that there was a significant change in the way that work was undertaken by all of our employees and the organisation had to adapt to that change.

To better understand the impact of the pandemic on employees, two surveys were conducted in September 2020 and a pulse survey in May 2021. The response from staff was that they considered isolation from their work colleagues and mental health as the biggest barrier to working from home.

In respect of the September survey, the results revealed that stress, mental health had increased by 8.6% compared to the previous year.

The results of the pulse survey aimed to collect information on how employees felt about working from home. Overall, the results had shown that employees felt positive about working from home and would like to continue to work in this fashion for the foreseeable future.

There were no significant differences between responses made by part time and full-time staff, although employees would like to be engaged more about the council's future working arrangements/plans, particularly for those employees who did not manage staff and those employees who were aged between 16-34. The survey also revealed that the vast majority of employees would like to come occasionally into the office.

In relation to cumulative sickness figures for Q2 (2021), compared to the previous financial years data to see the impact of Covid-19 on overall absence levels, it was revealed that sickness absence levels currently were very similar to pre-pandemic levels which was felt was due to the positive impact that working from home had on absenteeism against the increase of Covid-19 cases and mental and stress levels amongst employees.

In recognition of the feedback received from employees from the surveys, the Council had continued to develop support mechanisms such as creating the 'My Wellbeing Hub' which signposted employees to a range of mental health and wellbeing support interventions. Advice and guidance was shared weekly via staff communications, this included advice on physical wellbeing with our physiotherapist through virtual sessions, Talking Life (talking therapy sessions), EAP promotion and team Wellbeing presentations.

Surveys had also been conducted of managers about the way in which services were organised to understand how buildings would be utilised going forward. Feedback from employees who were currently working from home was gathered regarding attendance in buildings. The occupancy survey completed in April-June 2021 by service managers reported that across all the employees working from home, 102 colleagues had wellbeing needs which could benefit from either a hybrid or fuller return to working from an office rather than continued working from home.

To support this, the collaboration zone was opened earlier in October 2021, to offer an alternative to remote working and conduct face to face meetings. Agile fixed drop-down desks were also bookable with prioritisation offered to colleagues with Wellbeing requirements, to date the take up of these had been low but it was still relatively new. Bookings for the collaboration zone have steadily increased.

As the refurbishment of Oldbury Council House neared completion from March 2022, focal fixed home zones would be available to each Directorate further supporting hybrid ways of working by offering more choice for colleague's work-styles and therefore wellbeing.

The feedback from the surveys conducted suggested people were more engaged and preferred working from home especially as they could manage their work life balance needs better (so they were using their time more effectively) and this had made them more productive with outputs either increasing or remaining the same) while current sickness levels had remained the same as pre-pandemic levels.

In relation to questions raised by the Board, the Interim Director – HR confirmed that:-

- incidents of violence and aggression had decreased by 52% compared to the previous year and related to threats via social media etc due to not enough face to face contact with staff or not wearing PPE etc. This was continuing to be monitored by the Council;
- workers could get in touch with the Council's counselling service which was confidential, and a referral did not need to be made by the manager;
- the Council's Reset and Recovery Board were making decisions in relation appropriate risk assessments being undertaken to ensure staff were safe to return to work. There were currently challenges with all staff returning back to the workplace due to the Council's property portfolio reducing since Covid-19 and customers using services changing during that time. The Council was continuing to bring back services in a managed way and not put staff at risk; whilst balancing the use of staffing resource in the best way possible;
- there continued to be support in managing staff remotely with one to ones and regular keeping in touch with staff;
- lessons had been learnt from 2020 to now including how resilient staff were.

The Board thanked the Director for the presentation and acknowledged the enormous contribution made by employees both during the height of the pandemic to now. Members noted the work being undertaken to manage a safe return to the workplace and looked forward to all frontline areas opening back up to respond to the needs of Sandwell residents.

65/21

Quarter 2 Budget Monitoring 2021/22

At its meeting on 24 November 2021, the Cabinet referred the forecast budget position of individual directorates as at 30 September 2021 (Quarter 2 2021/22) to the Budget and Corporate Scrutiny Management Board for consideration.

Services were projecting an overspend of £10.337m against allocated budgets, however, after adjusting for reserves, corporate resources, revenue to fund capital costs (RCCO) and the application of centrally held Covid-19 grant funding, the adjusted projected outturn identified an underspend of £4.490m.

Services continued to experience the financial impact of Covid-19, most significantly a loss of income due to suspended or significantly reduced services. Pressures of £12.133m were expected to be managed through the centrally held Covid funding which was from the unused balance of grants received in 2020/21 and additional grants received or anticipated for part of 2021/22.

In addition to the Covid related issues, services were reporting a number of significant ongoing operational pressures which would need to be incorporated into the next refresh of the Corporate Medium-Term Financial Strategy.

The main change in budget position was noted in Adult Social Care budget, which had changed from a projected underspend of approximately £2m at Quarter 1 to a projected overspend of £0.409m. The main reason for this related to placements costs, in particular placements for people with mental health concerns, which had shown a 4% increase (139 placements) between Q1 and Q6. Also, the number of older people homecare placement numbers had increased by over 3,115 hours per week since April 2021 and this was likely to generate an overspend at year-end.

These budget pressures were being offset by vacancies across the directorate along with brought forward balances from previous years. Staffing costs relating to Covid-19 were being offset by the use of Covid-19 grant income.

There were also cost pressures relating to Children's Services. Delays in implementing the Oracle Fusion project were also causing cost pressures but these were offset by the use of reserves.

Expenditure on the Council's Capital Programme was forecast to be £169,276m. There was a decrease of £1.103m in the Adults Social Care budget mainly in respect of slippage of Adult Social Care Grant resources into 2022/23. This slippage would now be used to fund improvements to the Walker Grange facility as agreed by Cabinet on 18 November 2021.

Approval was sought for the revised treatment of earmarked balances and earmarked reserves and the Treasury Management Mid-Year Review, which confirmed that the Council was meeting the requirements of the CIPFA Code of Practice and Treasury Management and the Prudential Code.

The Board sought clarity on what measures were being taken to protect the Council's reserves, including the consideration of bringing back some contracts in house.

In response, the Director of Finance reported that there was a current underspend in 2021 and Covid funding would also be used to mitigate against Covid budget pressures. In order to protect reserves, the Council would be utilising savings not reserves.

In relation to bringing contracts back in house, this may not be financially viable to the Council as the Council had higher salary costs, due to the pension scheme and terms and conditions in comparison to the private sector, and there was also the maintenance of vehicles, etc. The Council could however consider other options such as creating a trading arm, etc.

Whilst Covid money was currently being used to address Covid related pressures, as Government had announced there would be no more Covid funding available for local authorities next year, the Council would need to look at income levels returning and financial planning. Assurances measures had been put in place to ensure robust financial management such as monthly budget reports with Directors to hold them to account.

The Board recognised that there were additional costs related to the SEN transport contract due to increased demand in the service and extending the current contract due to procurement issues. In relation to the ongoing spend with the Sandwell Children's Trust, it was reported that the Council was working closely with the Trust to look at reducing costs and invest to save proposals.

In the meantime, Finance were continuing to launch the development of commercial activity across the Council in order to sell services and events to generate income as well as maximising treasury returns.

Agreed that the observations of the Budget and Corporate Scrutiny Management Board on Quarter 2 Budget Monitoring Report for 2021/22 be noted by the Cabinet.

66/21

Cabinet Forward Plan

The Scrutiny Management Board noted the Cabinet Forward Plan as at the time of the meeting.

67/21

Budget and Corporate Scrutiny Management Board Work Programme 2021-22

The Scrutiny Management Board noted its work programme for the remainder of the 2021-22 municipal year.

Meeting ended at 7.00 pm

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