

Minutes of Budget and Corporate Scrutiny Management Board

**Wednesday, 22 November 2023 at 6.00 pm
at Council Chamber - Sandwell Council House, Oldbury**

Present: Councillor Moore (Chair);
Councillors Fenton (Vice- Chair), Lewis and Taylor.

Also Present: Laura Shoaf (Chief Executive – West Midlands Combined Authority) and James Hughes (Member and Relationship Manager – West Midlands Combined Authority)

In attendance: James McLaughlin (Assistant Chief Executive), Brendan Arnold (Interim Section 151 Officer), Mike Jones (Assistant Director – Legal and Assurance), Kate Ashley (Strategic Lead for Service improvement), Suky Suthi-Nagra (Democratic and Member Services Manager) and John Swann (Democratic Services Officer).

76/23 Apologies for Absence

Apologies for absence were received from Councillors E Giles, Hinchliff, Owen and Tipper.

77/23 Declarations of Interest and Party Whip

There were no declarations of interest made.

78/23 Minutes



Resolved that the minutes of the meetings held on 28 September and 5 October 2023 be approved as a correct record.

79/23 Additional Items of Business

There were no additional items of business.

80/23 West Midlands Combined Authority Update - Devolution Deal

The West Midlands Combined Authority (WMCA) delivered services on behalf of the Council across the West Midlands region and was accountable to all seven of its constituent council members.

The WMCA received £4.6m a year from its constituent councils and £0.5m from its non-constituent member. In addition, it also received funding from central government, largely via grant funding which was subject to conditions and could not be utilised at the discretion of the Board.

The Department for Levelling Up, Housing and Communities had asked the WMCA and the Greater Manchester Combined Authority to participate in the trailblazer deeper devolution deal (the deal) and formulate an approach to further devolution to the region. The WMCA had consulted with its constituent members and had presented proposals to government detailing what powers should be devolved, what further devolution looked like in practice and how the WMCA should be financed.

The Chief Executive of West Midlands Combined Authority provided an overview of the deal which was valued at approximately £1.5b and was ratified by the WMCA's Board on 13 October 2023.

The deal contained over 190 different commitments including:

- Commitments to provide new funds for the region.
- Commitments to increase flexibility and local- decision making power over existing and future funding.
- Commitments to new partnerships to plan and manage the delivery of government programmes.

- Commitments to enable the region to co- design new policy initiatives with central government.

The deal represented an opportunity for financing arrangements to be detailed within the Single Settlement. This provided the opportunity for the region to receive government department- style multi- year financial settlements which would provide greater financial certainty and reduce the amount of competitive bidding for government funding.

It was proposed that the Single Settlement would enable greater power over investment decisions locally, allowing the region to pursue place- based priorities, without the ring- fenced requirements of grant- based funding. The Single Settlement would offer multi- year block funds and would enable long- term economic planning over a five- year timescale. On 22 November 2023, the Memorandum of Understanding, which covered the design principles for the Single Settlement, had been published. This supported efforts for the region to receive the first Single Settlement in 2025, subject to proposed funding allocation being agreed at the WMCA Spending Review in Autumn 2024.

Elements of the deal which were of particular relevance to the Borough included:

- Provision for the Council to have a 10- year period of certainty over its ability to retain business rates growth, therefore increasing the Council's financial certainty.
- The opportunity for the Council to identify growth zones, from which business rates would be retained for 25 years.
- £60m of funding for the Wednesbury to Brierley Hill Metro extension.
- £100m of funding to the region for town centres and estate regeneration which was accessible to the Council. It was proposed that this would support the delivery of complex housing sites.
- Greater flexibility for the region over Skills Bootcamps, Free Courses for Jobs and future adult skills funding. This would allow skills funding to be more closely aligned with the needs of the local labour market and support efforts to tackle youth unemployment.
- The devolution of the Bus Services Operators Grant (BSOG), enabling the region to have enhanced oversight of funding support and commits to exploration of a fully integrated ticketing structure across the region.

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

- It was agreed that the Memorandum of Understanding would be circulated to the Board.
- The allocation of funding across the region was the responsibility of the WMCA's Board (where the leaders of all seven constituent councils sat).
- It was acknowledged that the deal had not reflected the national and local challenges related to retrofitting homes, of which 28,000 council homes were required across the Borough and that the appetite for devolution had varied by government department.
- Heat pump network pilots had taken place in Birmingham and Coventry, of which details were to be provided to the Board.
- Upskilling and providing educational opportunities for the residents of Sandwell was a key priority of the WMCA Skills Board. Efforts had taken place between local authorities and businesses to increase opportunities, notably with regard to local apprenticeships schemes.
- The Cultural Investment Fund provided by the deal had a potential value of £4m and could be accessed by the Council.
- The WMCA had confirmed its commitment to the Wednesbury to Brierley Hill Metro extension, however, all capital schemes were prone to industry pressures such as inflationary costs.
- It was acknowledged that the WMCA had undergone significant expansion since its conception and that this had resulted in enhanced scrutiny as part of its governance journey.

81/23 Improvement Plan Quarterly Progress Report

The Strategic Lead for Service Improvement provided a progress update on the Improvement Plan up to 1 November 2023. This report was the sixth quarterly progress update to the Budget and Corporate Scrutiny Management Board.

Organisational improvements had been positive in nature and notable achievements had included the outcome of the local area Special Educational Needs and Disabilities (SEND) inspection, the Corporate Debt policy and the implementation of the Asset Management System.

Organisational Culture

Response rates had been low in relation to the new Member survey conducted, however, Member feedback following each training session had been positive. Attendees had completed decision- making training in October 2023 and a project team would be curated to agree the further training package. Slippage had been encountered with regards to the delivery of Directorship and trusteeship training as this was held later than anticipated, however, this had now been completed for 2023.

Corporate Oversight

The start date of the development of a Continuous Improvement Framework had encountered slippage, with the efforts to build continuous improvement into business planning ongoing. The Senior Leadership restructure had been approved at Full Council on 24 October 2023 and was in recruitment stage.

Strategic Direction

The Customer Journey Strategy delivery date had been revised, and funding for external partners had been agreed with procurement activity having been commenced, however, it was understood that this would take longer than originally anticipated.

Decision Making

No issues were reported.

Procurement and Commercial

The options appraisal for the Corporate Performance Management System was underway and it was proposed that council- wide requirements would be captured.

Partnerships and Relationships

Key performance indicators were being reviewed by the Department for Education appointed independent Chair of the Sandwell Children's Trust Improvement Board following consultation with the Director of Children and Education and the Chief Executive of Sandwell Children's Trust. The Council's relationship with the Voluntary and Community Sector was undergoing a re- profiling of timescales following the second Cost of Living Summit for local partner organisations to launch the joint Tackling Poverty Plan.

It was highlighted that the next improvement focus areas included driving transformational change, ensuring a strong basis for the Medium Term Financial Plan and improving the experience of all who use the Council's services.

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

- Equality, Diversity and Inclusion measures may benefit from further Member input.
- The newly created positions arising from the corporate restructure should be filled by June 2024.
- The hiring of external consultants rather than recruiting and retaining permanent staff did not represent value for money, however, it was acknowledged that it was sometimes required when departments were experiencing staffing issues or specialist knowledge was required.
- Capital monitoring arrangements were in place for large projects such as Oracle Fusion implementation.
- Officers undertook to provide further information regarding the requirement of social workers to re- register with the social work regulator (Social Work England) by 30 November 2023.
- The Member development and training package was being workshopped ahead of the May 2024 intake of newly- elected Members.
- The development of a 'Members Digest' bulletin providing Members with regular briefings detailing policy and strategy updates would be beneficial.
- Varying Member consultation methods would maximise response rates and should include face- to- face interviews, the attendance by Officers at ward and town meetings and online consultations and surveys.

Resolved:-

- (1) that a 'Members Digest' be developed to provide Members with regular briefings on policy and strategy updates;
- (2) that a variety of methods to consult members are utilised, which should include face- to- face interviews, attending ward and town meetings and online consultations and surveys.

82/23 Medium Term Financial Strategy - Autumn 2023 Update

The Interim Section 151 Officer outlined the Medium Term Financial Strategy (MTFS) – Autumn 2023 Update.

The document was developmental in nature and brought together the considerations which would formulate the budget proposal, which was scheduled to be considered by the Board in detail on 15 January 2023.

The MTFS applied only to the General Fund, which was made up of £800m and was used to provide the majority of services to residents across the Borough. The Housing Revenue Account and the Capital Programme would be the subject of separate reports.

An estimated £13m was the current predicted General Fund shortfall for the municipal year of 2024/ 25, however, this was subject to revision following the Chancellor's Provisional Finance Settlement on 21 December 2023. Alterations to the National Living Wage and further information regarding the New Homes Bonus would also result in further revision prior to agreement by Full Council.

The Local Government Finance Act 1992 required the Council to set a balanced, risk assessed budget each year and approve the Council tax precept before 11 March 2024.

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

- A 'Star Chamber' exercise had been conducted over the Summer 2023 to challenge existing budgets and identify savings options. Benchmarking exercises against neighbouring local authorities had also been conducted.
- Rigorous processes had been in place when exploring efficiency savings and when considering the minimum staffing level per department, managers had been consulted.
- Changes to the way adult social care services was provided had been considered, including the use of new technological options to support service demand.
- Modelling exercises had been undertaken to calculate projected revenue, business rates and other income finance streams as part of the curation of the MTFS.
- Transformative and digital savings such as the phasing out of paper- based working and the implementation of Oracle Fusion software had been considered during financial forecasting exercises.
- A 3% increase in Council tax represented an additional £4m to the Council's budget and was less than the rate of inflation set by the Bank of England.
- Sandwell Council had fully retained the Council Tax Support Scheme, with less than 50 councils nationwide having also continued such schemes.
- Revenue streams had been rethought to maximise income making measures.
- The recoupment of debt by the Council would be considered by the Board to ensure revenue collection was supporting both the Borough's residents and income streams.

83/23 Minutes of West Midlands Combined Authority - Overview and Scrutiny Committee

The Board received the minutes of the Overview and Scrutiny Committee of the West Midlands Combined Authority for the meetings held on 10 July, 4 September and October 2023 for information.

84/23 Budget and Corporate Scrutiny Management Board Action Tracker

The Board noted the status of actions and recommendations it had made. Further updates would be reported to future meetings of the Board.

85/23 Cabinet Forward Plan and Work Programme

The Board received and noted the Cabinet Forward Plan and the Board's work programme.

Officers in attendance also undertook to explore proposals to share all items within the Board's terms of reference on the Forward Plan within the agenda packs moving forward, rather than only those within a four- month timescale.

Meeting ended at 8.27pm.

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