

Minutes of Budget and Corporate Scrutiny Management Board

**Thursday, 29 November 2022 at 6.00 pm
In Council Chamber at Sandwell Council House, Oldbury**

Present: Councillor Moore (Chair);
E M Giles, Fenton, Hinchliff, Bhullar, Taylor and Simms.

In attendance: Michael Jarrett (Director of Children's Services and Education), Neil Cox (Director of Business Strategy and Change), Kate Ashley (Strategic Lead – Service Improvement), Rebecca Maher (Assistant Director of Finance), Rebecca Jenkins (Senior Lead – Service Improvement Team), Trisha Blackstock (Assistant Director - Social Work and Therapy), Susanne Moore (Business Partner for Adult Social Care), Elaine Taylor (Business Partner for Children's Services), Comie Campbell (Head of Financial Business Partnering – Place), Tammy Stokes (Service Manager for Growth and Spatial Planning), Nigel Collumbell (Assistant Director for Housing Management), Chris Hilton (Interim Service Manager for Land and Assets) Suky Suthi-Nagra (Democratic Services Manager) and Anthony Lloyd (Democratic Services Officer).

50/22 **Councillor Ann Shackleton**

The Chair reported on the passing of late Councillor Ann Shackleton, Chair of Children's Services and Education Scrutiny Board. Councillor Shackleton had previously led a career as a teacher and Headteacher.



Members and officers also paid tribute to the late Councillor Ann Shackleton and her dedication to improving children's services in Sandwell.

The Chair, on behalf of the Board, passed on condolences to her family.

The Board stood in silent tribute to the late Councillor Shackleton.

51/22 Apology for Absence

Apologies for absence were received from Councillors Anandou, Giles and Trumpeter.

52/22 Declarations of Interest

There were no declarations of interest.

53/22 Minutes

Resolved that the minutes of the meeting held on 13 October 2022 are approved as a correct record.

54/22 Additional Items of Business

There were no additional items of business to consider.

55/22 Improvement Plan Progress

The Strategic Lead – Service Improvement was invited to address the Board on progress made on the Improvement Plan.

A quarterly update on progress against the Improvement Plan, which was agreed by Council on 7 June 2022, was provided. The Improvement Plan incorporated all recommendations from the Grant Thornton Governance Review, the LGA Corporate Peer Challenge and the CIPFA Financial Management Review, as well as the Statutory Directions from the Secretary of State for Levelling Up, Housing and Communities.

Significant progress had been made to deliver actions of the improvement plan. This included the appointment of a permanent Chief Executive. A decision had also been made by Council in relation to a 4-yearly election cycle. The three main recommendations for Scrutiny made by the Grant Thornton review had also seen good progress. Effective development and support for members in statutory roles had begun, forward plans were shared with Audit Committee and Scrutiny Boards, and training on governance roles, reading reports and asking questions was underway. It was highlighted that the LGA report confirmed that Scrutiny at Sandwell now had a sense of energy and drive and was going from strength to strength.

A comprehensive monitoring tool was in place to monitor progress against the Improvement Plan. This tool included both a risk rating for each main action within the Improvement Plan and a progress status rating for all actions. An update on the Improvement Plan's six themes was provided to the Board:

Organisational Culture:

Progress had been made with some slippage in the delivery of workforce strategy and the delivery of corporate governance training for members.

The Director Business Strategy and Change highlighted that a much wider approach had now been taken regarding workforce strategy. Slippage was due to the detailed approach at identifying what the values and culture of the strategy should be.

The Director of Law and Governance and Monitoring Officer addressed the Board. The Centre for Governance and Scrutiny had undertaken training with members that focused on the code of governance. Further training had been scheduled. Training in relation to the implementation of the changes to the code of governance had also been looked at.

The Code of Corporate Governance would go to Council for approval in December and therefore, delays with training had taken place until approval was sought and confirmed.

Corporate Oversight:

No progress issues were reported.

Strategic Direction:

The LGA framework had been adopted to progress the Equality, Diversity and Inclusion Strategy (EDI). The framework contained four modules that enabled officers to examine the effectiveness of the Council's EDI agenda. At the end of this process, the Council would be able to produce a strong EDI strategy.

The Strategy would also look outwards towards the communities of Sandwell to ensure that EDI was a top priority when engaging with residents. The strategy would take 12 months to complete, following this, a complete roadmap would be available to refresh EDI policies.

Decision Making:

Slippage had occurred with the revised financial regulations. Key changes had been approved at Council in July with further changes going to Council in December. Financial threshold and Contract Procedure Rules had already been changed and implementation had begun.

Procurement and Commercial:

An Expert Determination process was underway in relation to the Lion Farm options agreement. The Council was still awaiting an update for the process to progress.

Partnerships and Relationships:

Progress had been made across several workstreams however slippage had occurred in relation to the Sandwell Children's Trust Key Performance Indicator (KPI) review and partnership structures around transition from Children's to Adult's services.

The Director of Children's services confirmed that the KPI Suite had been reviewed and agreed. Completion was due to take place in December 2022 with a planned implementation of April 2023. Slippage regarding the transition work had taken place due to the unsuccessful recruitment of a Project Lead. A delay in obtaining funding had contributed to the delays.

Embedding activity into business as usual as well as reflecting on the findings from the re-visits of external reviewers were the main focuses going forward.

In response to questions from members, the following answers and clarification was provided: -

- Difficulties had been faced with the recruitment of a project lead due to it being a specialised post with a very small talent pool.
- Both the Council and the Commissioners reported to the Secretary of State on a 6-month basis.
- Conversations would be arranged with independent witnesses regarding the customer journey aspect of the improvement plan; this would include interviews with security officers, members of the public and frontline staff.
- Significant progress should be seen regarding the customer journey aspect of the improvement plan over the next few months.
- Customer feedback would be utilised to ensure Council services were adapting to the needs of the public.

The Board noted the excellent progress against the Improvement Plan and officers were thanked for their hard work.

Resolved that the comments of the Board on the progress of the Improvement Plan be reported to Cabinet for consideration.

56/22

Draft General Fund Budget 2023/24 and Medium-Term Financial Strategy

The Assistant Director of Finance presented the Draft General Fund Budget 2023/24 and Medium-Term Financial Strategy to the Board. The report contained budget pressures, growth items and saving proposals for directorates. Responses to the public budget consultation were also included. The draft report was originally presented to Cabinet on 16 November 2022; the final budget report would be received by Cabinet in February 2023.

Prior to savings identified by directorates, the budget gap was approximately £15m. In total, directorates had identified savings of £9.6m and corporate savings of £6.4m had also been found. A predicted surplus of £1.4m was identified, however, this would

most likely change due to the on-going financial climate and cost of living crisis. The Autumn Statement was not yet factored into the draft budget.

The assumptions included in the draft budget was: -

- Inflation where it was contractual and unavoidable with an estimated increase in utilities by 80%;
- Provision for an annual pay reward at 5%;
- Pension contributions assumed at the current rate;
- Business rates income on current trends with no changes expected;
- 1% increase in Council Tax base;
- A 2.99% increase in Council Tax.

The Winter Statement was announced by central government on 17 November 2022, following the production of the draft budget.

The following key points were identified:-

- The departmental expenditure budget would be maintained at the levels set at the spending review, however, inflation would have a big impact on spending power.
- The core school's budget would receive an additional £2.3 billion in 2023/24 and 2024/25.
- Social Care reforms had been delayed until October 2025 however, funding would be retained to off-set adult social care pressures. There would be a corresponding reduction in a separate grant as a result.
- Additional funding for Adult Social Care and discharge arrangements of £2.8 billion next year and £4.7 billion the year after was available.
- Core Council Tax could now be increased by 3% before a referendum was required
- Adult Social Care precept could now be increased by 2%.
- Business rates bills would be updated following a revaluation that was taking place.
- Business rates multipliers were to be frozen next financial year.
- The retail, hospitality and leisure relief would be extended. Local authorities would be compensated for the decisions made by central government regarding the freezing of business rates.

- Social Housing rents would be capped at 7% and the national living wage would increase from 1 April 2023.

The provisional settlement was expected to be received on 19 December 2022; until then, it would be difficult for officers to know how the funding would impact Sandwell Council specifically. Decisions would be required from Cabinet quickly regarding Council Tax increases. No further information had been received in relation to the Fair Funding reform, business rates reset or new homes bonus.

In response to questions from members regarding the impact to core care services following constraints on the budget, it was noted that safe and effective care remained a priority and that although a financial impact would be felt, a person would never be left at risk.

A 33% increase in the number of children with Educational Health and Care plans highlighted that although the demand was increasing, Councils were struggling to stay on budget when delivering services. Members displayed their concerns around the short-term nature of many of the funding options and how this made it difficult to forward plan.

Additional short-term funding streams such as the household support fund could be used to help individuals who were struggling with the cost of living crisis. Reassurance was provided by officers regarding the deliverability of the budgeted savings.

Members thanked officers for the work in creating the draft budget despite the ongoing financial and political pressures.

Resolved the comments of the Board in relation to the draft budget proposals for 2023/24 be reported to the Cabinet to inform final budget proposals.

57/22

Cabinet Forward Plan

After consideration by members of the Board, it was identified that the Tree Strategy and Policy item contained within the forward plan should be considered by the Budget and Corporate Scrutiny Management Board as part of pre-scrutiny.

58/22

Work Programme

The Board noted its work programme for 2023.

Meeting ended at 7.31pm.

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