

Minutes of Budget and Corporate Scrutiny Management Board

Monday 15 January 2023 at 10am
In the Council Chamber at Sandwell Council House, Oldbury

Present: Councillor Moore (Chair);
Councillors Fenton, E Giles, Hinchliffe, Owen and Taylor.

In attendance: Statutory Deputy Leader and Cabinet Member for Finance (Councillor Piper), Deputy Leader and Cabinet Member for Health and Social Care (Councillor Hartwell), Cabinet Member for Regeneration and WMCA (Councillor Hughes), Cabinet Member for Leisure and Tourism (Councillor Padda), Cabinet Member for Public Health and Communities (Councillor Khatun) and Cabinet Member for Children, Young People and Education (Councillor Hackett).

Shokat Lal (Chief Executive), James McLaughlin (Assistant Chief Executive), Brendan Arnold (Interim Section 151 Officer), Rashpal Bishop (Director of Adult Social Care), Alice Davey (Director of Borough Economy), Tony McGovern (Director of Regeneration & Growth), Liann Brookes-Smith (Interim Director of Public Health), Matthew Huggins (Assistant Director – Green Spaces, Green Services, Events), Dean Epton (Assistant Director – Housing), Nigel Columbello (Assistant Director – Housing Management), Sue Moore (Assistant Director for Education Support Services), Claire Spencer (Acting Assistant Director of Finance), Mark Satchwell (Assistant Director – Law and Governance), Dave Guest (Assistant Director - ICT), Craig Pugh (Financial Strategy Manager), Kay Murphy (Divisional Manager - Brokerage), Abi Asimolowo (Head of Financial Business



Partnering – People), Ramesh Prashar (Interim Head of Business Partnering (Place)), Sally Giles (Strategic Partnerships and Commissioning Manager), Kate Ashley (Strategic Lead for Service improvement), Suky Suthi-Nagra (Democratic and Member Services Manager) and Alexander Goddard (Scrutiny Lead Officer).

9/24 **Apologies for Absence**

Apologies for absence were received from Councillors Fisher and Tipper.

10/24 **Declarations of Interest**

There were no declarations of interest made.

11/24 **Additional Items of Business**

There were no additional items of business.

12/24 **Draft Budget 2024/25 – Budget Scrutiny Review**

On 22 November 2023, the Budget and Corporate Scrutiny Management Board considered the Autumn update of the Medium-Term Financial Strategy (MTFS) (see Minute No. 83/23). That report set out the assumptions that had been made when developing the MTFS, including spend pressures, as well as a series of options available to address the estimated budget shortfall at that time.

The Draft Budget for 2024/25 had been developed following a further review of pressures and assumptions and a period of consultation on options to address the budget shortfall set out in November 2023 and the announcement of the Council's Provisional Finance Settlement from Government on 18 December 2023. The Draft Budget was due to be considered by the Cabinet at its meeting on 7 February 2024 and was being reported to the Scrutiny Management Board to provide an opportunity to scrutinise the proposals, seek assurances and identify any recommendations the Board wished to make to the Cabinet.

Directors, Assistant Directors and Cabinet Members attended throughout the meeting to present the budget proposals for their respective areas of responsibility. Arising from the presentations and questions and comments that arose, the following items were of particular note:-

Corporate

The proposals for the Budget aimed to deliver required savings whilst keeping service delivery up to date and continuing a programme of investment. They had been through a range of processes, including member involvement, to ensure they were acceptable and appropriate.

The Budget had been prepared based on the assumption of a 2.99% increase in Council Tax, with an additional 2% precept for Adult Social Care. The Council Tax increase was the maximum allowable within the referendum limit set by the Government.

It was reported that Sandwell had been able to protect its reserves, unlike many other councils, with unearmarked reserves preserved at the 5% level. These reserves were to manage risks and could only be used for specific reasons, not to fund council service delivery. The Board requested a briefing note on this topic.

Assistant Chief Executive

This was a new directorate and included Human Resources (HR), Equality, Diversity and Inclusion, Strategy and Performance, Corporate Customer Services, Communications, Democracy and the Leader's Office.

The introduction of Oracle Fusion would help deliver efficiencies and once the capabilities of the system were understood, it would be possible to explore commercial opportunities.

Queries were raised around HR income targets, the proposed savings within the supplies and services within Democratic and Member Support and the services that received Housing Revenue Account (HRA) funds for services.

Finance

The establishment of a Project Management Office within ICT and Corporate Transformation would help services across the Council to deliver improvements and efficiencies through providing technical knowledge to help maximise and optimise the use of technology.

The Board requested further clarity around the use of penalty clauses where contractual requirements were not met by providers.

Adult Social Care

Particular areas of pressure for Adult Social Care were inflation, staff vacancies, the development of the Midland Metropolitan University Hospital and the new inspection regime from the Care Quality Commission – Assurance of Adult Social Care.

There was a national shortage of social workers and mental health assessors, which had worsened by 20% in the last year. A Workforce Strategy had been created to look at recruitment and retention.

Members requested further information on vacancies within Adult Social Care, the use of agency staff and the costs of internal and external care placements.

Regeneration & Growth

It was reported that increases in fees for planning applications were set nationally by government. Sandwell had received fewer major planning applications, which attracted higher fees, but with regeneration coming to the borough over the coming years, it was anticipated that more major applications would be submitted. Other fees were set locally, such as for Building Regulations, however, as this was a trading account, the fees had to be set at a competitive level, with regular benchmarking carried out.

Other areas of pressure within this directorate included the Tipton Unity Walk premises which the Council was leasing until February 2025, but circumstances had changed due to the library and associated services relocating to the Tipton Carnegie building. The Council was exploring options around this lease.

There was a proposal to reduce fees for the indoor market traders in recognition of the delay to the redevelopment of the West Bromwich Indoor Market.

Members discussed the potential for disposal or redevelopment of Council-owned sites. It was confirmed that the Council did not dispose of assets purely to create income, but to help in the delivery of strategic objectives, for example the sale of Providence

Place for a new secondary school or the disposal of Grafton Lodge to a Housing Association for a 100% affordable housing scheme.

It was reported that energy costs remained a significant budget pressure, the Council had invested in technology to help reduce these costs such as solar panels and heat pumps.

The Board requested details of income generation for the 2023-24 financial year, as well as further information on numbers of vacant Council-owned retail and industrial units and the costs of any security for sites that were vacant or under construction.

Capital Programme

It was reported that the Council had a significant Capital Programme, this was due to the success in drawing down funding over the last two years. The Council worked to maintain and develop relationships with key funders such as the West Midlands Combined Authority, Homes England and Government departments.

Members discussed the merits of having a dedicated officer resource to apply for funding opportunities. However, the scarcity of the required skills made it a more cost-effective approach to take on consultancies for specific bids.

The Board noted that the debt service costs in Sandwell were low, and even with enhanced programming were not expected to rise above 6%, whereas other metropolitan boroughs had debt service costs of 15% or more.

Borough Economy

It was reported that energy price inflation necessitated an increase in the Highways budget to cover street lighting. It was noted that there were proposals around part night lighting that could help offset some of this. Any such initiative would be subject to consultation and assessment.

Libraries and Museums had struggled to meet their income targets. This was attributable to service changes, such as paid-for loans for CDs and DVDs being phased out and a reduced demand for printing. There was a proposed budget correction to address this.

Green Spaces, Visitor Services and Events was a high cost service area when benchmarked against similar local authorities. Furthermore budget corrections had been proposed due to

unachievable income targets for Sandwell Valley and Lightwoods House. Members raised concern at the levels of savings proposed for this service and queried the potential for a negative impact on income generation.

The Board was advised that increased car parking charges did not go to the general fund; it could only be used for limited purposes.

Questions were raised about if the booking system for the Household Recycling Centre impacted on the number of fly-tipping instances in Sandwell. Generally fly tipping was a criminal act and from national data, there was not a link with booking systems for municipal waste centres.

It was confirmed that there were no proposals within the draft Budget 2024/25 to move to alternate weekly household waste collections.

Members requested further information on income generation for the 2023-24 year from this directorate.

Public Health

It was reported that the final two GP practices had now signed up to help drive the uptake of Health Checks in Sandwell. These had also been promoted through an online media campaign, leaflets, through partners including Health and Leisure as well as inclusion in the winter health booklet that had been distributed.

It was confirmed that more work would be carried out around the community health offer, including social prescribing over the next 12 months.

The Board noted that it had proven particularly difficult to recruit to the vacant consultant posts within Public Health. It was noted that a consultant would be taking up post in February 2024.

Housing

The Board was advised that the majority of Housing funds came from the HRA.

The directorate had undertaken work to understand the implications of the increasing costs within the construction industry, which also impacted on repairs.

The Shopmobility operating model had been reduced by 50% last year and the Council did approach other organisations to gauge interest for taking on the service. However, the heavy subsidy coupled with user fees representing a fraction of operating costs had made it difficult to identify any potential service partners. An Equality Impact Assessment had been carried out on this matter.

Further information was requested on when and where the Council could utilise HRA reserves.

Housing Revenue Account Capital Programme

There was a programme of capital investment covering the next five years. There was an important balance to achieve between investing in current housing stock and increasing the stock to meet demand. The Council was undertaking stock condition surveys which, based upon a representative sample, would inform the balance.

Children & Education

In line with the national situation, Sandwell was experiencing particular pressures around placement sufficiency, increased placement costs and workforce recruitment and retention. The Council was working with Sandwell Children's Trust.

Another area of budget pressure related to Special Educational Needs and Disabilities (SEND) Transportation. There had been a significant increase in demand for this service, necessitating an increase of budget and the creation of a contingency fund. The increase in demand, coupled with both an increase in the complexity of cases as well as inflationary costs created a significant budget pressure.

Concerns were raised about the cost of out of borough placements, although it was acknowledged that there were instances when this was in a child or young person's best interests. Changes to modern delivery meant that a change to in-house provision was a possibility. The Trust was already working with existing residential providers in Sandwell.

Members requested further details on exclusions, home-schooling parents who did not engage with the Council, new Focus Provision and what resources had been used to help children and young people involved in county lines or gang-related crime.

The Chair put on record his thanks to all for attending and for their hard work to organise the meeting. He also thanked the Cabinet for taking a transparent approach to the budget process.

Resolved that the Budget and Corporate Scrutiny Management Board consider the information presented and that recommendations to Cabinet be brought to the next meeting of the Board.

Meeting ended at 6.47pm
(following adjournments between 1.16pm and 2.15pm,
3.33pm and 3.52pm and 5.11pm and 5.27pm)

Contact: democratic_services@sandwell.gov.uk