

Minutes of Budget and Corporate Scrutiny Management Board

**Wednesday, 21 July 2021 at 6.00 pm
at Sandwell Council House, Oldbury**

Present: Councillor L Giles (Chair)
Councillors J Anandou, E M Giles, Moore and A Shackleton

Also present: Rebecca Maher (Director of Finance/ Deputy S151 Officer),
Lesley Hagger (Director of Children and Education), Charlie
Davey (Business Partner - Adults, Finance) and Steve Lilley
(Finance Business Partner)

38/21 Apologies for Absence

Apologies were received from Councillor Mabena. Apologies were also received from Councillors Bhullar and Gavan who, as vice-chairs of Scrutiny Boards, had been invited to the meeting.

39/21 Declarations of Interest

There were no declarations of interest made.

40/21 Minutes

Resolved that the minutes of the meeting held on 23 June 2021 are approved as a correct record.

41/21 Additional Items of Business

Councillor Anandou raised an item relating to SEND Transport. He sought clarity around the overspend in relation to that service and



it was confirmed that an increase had been experienced after budget setting processes had taken place. Other issues in relation to the scrutiny of SEND Transport would be referred to the Children's Services and Education Scrutiny Board that was scheduled to meet on 2 August 2021.

42/21 2020/21 Financial Outturn

At its meeting on 7th July, 2021 the Cabinet referred the proposals arising from the 2020/21 directorate outturn reports for each service area to the Budget and Corporate Scrutiny Management Board for consideration.

The overall net service outturn variance, excluding the Housing Revenue Account, was an underspend of £23.279m.

Services had reported an underspend of £6.939m from 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 outturn was an underspend of £23.279m.

The Covid-19 crisis had significantly affected the Council's financial position. The impact had included:

- reduced expenditure from the suspension / cancellation of services or a focus on emergency responses only;
- loss of income due to service reductions / travel restrictions;
- additional costs from undertaking new Covid related activity;
- redeployment of staff and resources as part of the corporate Covid response;
- access to additional Covid related grant funding to manage additional costs and income reductions.

Additional Covid related grant funding was available during Quarter 1 of 2021/22 however the financial impacts were expected to continue throughout the year.

Initial budget planning for 2021-2024 had identified non-Covid related financial pressures which were being managed in the short-term by reserves and other one-off sources of funding. The proposed treatment of the 2020/21 underspends would assist to temporarily manage the financial risks however, all service areas had been allocated indicative savings targets during the next phase of budget planning to address the projected funding gap on a long-

term basis.

From the comments and questions by councillors, the following responses were made and issues highlighted:-

* The recruitment to the restructured senior management team was ongoing. Costs related to interim appointments were met by individual directorate budgets.

* Even though costs relating to Covid had been covered by emergency funding provided to the Council by the Government, there was still a need to address savings as set out in the Council's Medium Term Financial Strategy (MTFS).

* The Council's reserves had not gone below any statutory limits and remained within the guidelines of 3-5% of net expenditure. If savings were identified as per the MTFS then it was not anticipated that this situation would change.

Resolved that an update on the senior management restructure be brought to the September meeting of the Budget and Corporate Scrutiny Management Board.

43/21

Cabinet Forward Plan

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

44/21 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 6.18 pm

Contact: democratic_services@sandwell.gov.uk