

Minutes of the Budget and Corporate Scrutiny Management Board

10th October, 2018 at 3.44pm
at Sandwell Council House, Oldbury

Present: Councillor P Hughes (Chair);
Councillors Ahmed, E M Giles and Rollins.

Apology: Councillor Underhill.

In attendance: D Carter (Executive Director – Resources);
C Davey (Business Partner – Adults);
S Lilley (Business Partner – Finance).

17/18 **Minutes**

Resolved that the minutes of the meetings held on 13th and 20th June, 2018 be approved as a correct record.

18/18 **2018/19 Budget Monitoring – Quarter 1**

The Cabinet, at its meeting on 19th September 2018, had referred the Council-wide budget monitoring report for Quarter 1 for consideration by the Budget and Corporate Scrutiny Management Board.

The Executive Director - Resources reported that the Council continued to be in a stable financial position. However, this was as a result of a lot of hard work, which would need to continue as the financial picture became unclear beyond 2019/20, pending the UK's exit from the European Union and the anticipated subsequent Comprehensive Spending Review.

Details of the Council's revenue and capital expenditure as at the end of June 2018 were received.

At a service level, excluding Public Health and the Housing Revenue Account, there was a forecast year-end surplus of £4.710m made up as follows:

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Corporate Management – balanced budget;
Resources – surplus of £0.354m;
Adults Social Care – surplus of £3.926m;
Children’s Services – deficit of £0.450m;
Regeneration and Planning – balanced budget;
Housing and Communities – deficit of £0.210m;
Central Items – surplus of £1.090m.

In addition, there was a projected year end surplus of £0.887m within Public Health that related to ring fenced funds carried forward from previous years.

The Board noted the reasons for the variances at the end of Quarter 1 for each service area. The Executive Director - Resources highlighted that these figures included underspend from previous years, which were relied upon to delay having to make cuts that had previously been avoided.

The forecast outturn for individual directorates assumed that a total of £5.512m of corporate resources would be used to support expenditure. This meant that the projected year-end deficit for the Council as a whole would be £0.802m. Reserves would be used to manage this deficit.

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

Adult Social Care

- The projected under spend of £3.9 million was after the application of £5.5million of one-off resources brought forward from previous years. The underlying operational variance was an overspend.
- The projected overspends reflected the recruitment of additional social workers to reduce the use of agency staff and additional demand for disability equipment, linked to reductions in the number of delayed transfers of care from hospital.
- The underspend brought forward from previous years had been used to support placement budgets and to fund £0.5 million of additional demand for best interest assessments connected to Deprivation of Liberty Safeguards. It was anticipated that new legislation would reduce demand and ease this pressure in future years.

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- The projected underspend against placement budgets reflected the use of the underspend brought forward, a one-off grant (£1.1 million), the recovery of unused direct payments (£0.8 million) and additional Better Care Fund resources.
- There had been an announcement at the recent Conservative Party Conference that more funding would be available for social care to ease winter pressures. It was estimated that this would be around £1.8 million for Sandwell, which could be used to fund aids and adaptations.
- In the longer term, it was possible that additional Better Care Fund monies could be re-directed to fund aids and adaptations to support continued reductions in delayed transfers of care.
- The Government's Green Paper on older people's social care is expected around Christmas time.
- The capital resources allocated to develop three extra care facilities in the Borough had not been fully utilised. It was hoped that the balance of the funding could be used in a new social care building currently being planned.
- The Better Care Fund now included a capital element which must be used for disabled facilities grants, however, it was anticipated that the resources available in 2018/19 were unlikely to be fully used.
- Quarter 2 reports were likely to show reprofiled allocations of capital resources.
- A reserve had been created as a result of historic underspends on Supporting People budgets which had significantly reduced in recent years. The reserve was intended to support the gradual de-commissioning of former Supporting People funded services.

In response to concerns raised by constituents relating to delays in progressing applications for aids and adaptations, the Board requested that a report be submitted to the Health and Adult Social Care Scrutiny Board, .

Resources

- The retention of recovered housing benefit over-payments would stop when Universal Credit was rolled out.
- The Planned Leavers Register continued to support the Council in planning ahead, however, the scope for bringing forward future years' savings was reducing year on year.
- The last Comprehensive Spending Review looked up to 31st March, 2020, beyond that things remained unclear.

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- The Council's mortgage scheme was not utilised very much, however, the resources available did not allow for the Council to become a large scale provider so marketing had been limited. Other uses for the funding, which had been set aside by the Cabinet, would be explored with the Cabinet Member for Regeneration and Economic Investment.

The Board welcomed and supported the Executive Director-Resources in his proposals to explore, with the Cabinet Member, the use of mortgage underspends for another suitable purpose to bring forward more housing schemes in the Borough.

Regeneration and Growth

- There were no business loan applications pending, hence the expected underspend on the Sandwell Business Loan Fund. This was largely due to the Combined Authority now being the biggest source of funding for business development.

Homes and Communities

- A deficit of £0.170m had been incurred as a result of neighbourhood wardens no longer being able to open and close parks due to them having to focus more on anti-social behaviour.
- New legislation on homelessness had seen an increase in people presenting as homeless and consequently, an increased demand for temporary accommodation. It was felt that a better co-ordinated, council-wide response was required to address this.

Members expressed disappointment at the lack of information that was provided to them in relation to the expenditure of funding under Section 106 of the Town and Country Planning Act 1990. The Executive Director - Resources undertook to raise this with the Executive Director - Neighbourhoods.

The Board supported a multi-disciplinary response to tackle the increasing numbers of people presenting as homeless and felt that a piece of work was required to ensure a council-wide response and the better utilisation of both Council and private sector properties.

Children's Services

- Financial monitoring information from the Children's Trust would be available and explored in more detail in Quarter 2.

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- The savings anticipated from a re-procurement of school transport for children with special educational needs had not materialised and the reasons for this were being investigated and would be reported in Quarter 2.

The Board expressed concern about the overspend on school transport and felt that a more in-depth piece of work was required, including benchmarking with other local authorities and exploring opportunities for joint working.

Public Health

- The future Public Health Grant was still unknown, and was not expected to be known until next Autumn, following the Comprehensive Spending Review.
- A number of contract payments were based on activity levels and performance; as these varied from plans underspends were expected.
- There were currently vacancies within the Public Health Development Officers posts.

Members expressed concern about the Public Health Development Officer vacancies and the pressures that this created on the service. The Board requested a report to the Health and Adult Social Care Scrutiny Board on the activities and impact of the Public Health Development Officers (formerly Community Activity Network Development Officers).

Housing Revenue Account

- Planned leavers were being replaced by apprentices to refresh the workforce.
- Surpluses would be used to fund ongoing capital projects, which included the refurbishment of high rise blocks.
- The next programme of new build council properties was being developed and good progress was being made on current projects.
- Former empty neighbourhood offices would be developed for housing.

Resolved:-

- (1) that the Executive Director – Adult Social Care, Health and Wellbeing, submit a report to the Health and Adult Social Care Scrutiny Board on the timescales in relation to applications for aids and adaptations;

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- (2) that proposals to explore the use of underspends on the Council's mortgage scheme for purposes to support the development of more housing schemes in the Borough with the Cabinet Member for Regeneration and Economic Investment be supported;
- (3) that the Cabinet is recommended to direct a council-wide piece of work to ensure that an appropriate multi-disciplinary response is made and that there is better utilisation of both Council and private sector properties to tackle the increase in homelessness in the Borough;
- (4) that the Cabinet is recommended to direct an in-depth piece of work to determine where savings can be made on school transport for children with special educational needs, including exploring opportunities for joint working with other local authorities;
- (5) that the Director – Public Health submit a report to the Health and Adult Social Care Scrutiny Board on the activities and impact of the Public Health Development Officers (formerly Community Activity Network Development Officers).

19/18

West Midlands Combined Authority Overview and Scrutiny Update

Councillors P Hughes, in his role as Sandwell's representative on the West Midlands Combined Authority Overview and Scrutiny Committee, gave an update on work of that Committee and the wider overview and scrutiny function at the Combined Authority.

(Meeting ended at 6.55 pm)

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