

Minutes of the Budget and Corporate Scrutiny Management Board

**20th June, 2018 at 3.30pm
at Sandwell Council House, Oldbury**

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

Apologies: Councillor Hickey

In Attendance: Councillor Singh (Vice-Chair – Economy, Skills,
Transport and Environment
D Carter (Executive Director – Resources);
C Davey (Business Partner – Adults)
C Sandland (Service Manager – Finance)
A Timmins (Group Head, Education Employment
and Skills)
Errol Blackwood (Commissioning Manager)
Suky Suthi-Nagra (Democratic Services Manager)

13/18 Declaration of Interest

Councillor E M Giles declared a personal interest relating to item 3 Financial Outturn 2017-18 – a family member works for Adult Education (SAFL).

Councillor P Hughes declared an interest relating to item 3 Financial Outturn 2017-18 – Amount of subsidy for the Trust as Board Member of Sandwell Leisure Trust.

14/18 Implementation of the Devolution Agreement – Adult Education Budget – Transfer of Powers to West Midlands Combined Authority

The Board was provided with a report to outline the process for agreeing the Devolution Orders required to enable full devolution of the

Budget and Corporate Scrutiny Management Board – 20 June, 2018

Adult Education Budget (AEB) and the timescale proposed for doing so.

The Board was advised of the reason for urgency, that Mayoral Combined Authorities were required to provide the DfE with consent to the draft Order by 9 July 2018 to meet the timescales to enable full devolution in 2019/20. Should the order not be laid before Parliament by the end of July, the order would not be made in November 2018 and the West Midlands Combined Authority would not receive AEB for 2019/20.

The Group Head, Education Employment and Skills outlined the main considerations in the report. He advised that the DfE was aware that the AEB Order would not include apprenticeships, adult offender learning or provision for people aged 16-18 and summarised the functions contained in the Apprenticeships, Skills, Children and Learning Act (ASCAL) 2009 that would transfer to the WMCA in relation to constituent member areas.

The Board was advised that WMCA had committed to maintaining current levels of funding to colleges and local authorities for the first twelve months and to work collaboratively on improving the mix and balance of provision so that it better met local needs. Officers advised that the changes may be positive for Sandwell moving forward.

The Board was advised that the Cabinet would consider the matter at its meeting 27 June 2018 and comments of the Board would be taken into consideration.

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

- Special Educational Needs (SEN) funding will be split between the West Midlands Combined Authority and the Secretary of State, Scrutiny will need to monitor that SEN funding is reaching where it is needed and is not lost in the process.
- Scrutiny Board welcomes the approach for greater local and regional collaboration to map provision and identify gaps to target funding more efficiently.

Budget and Corporate Scrutiny Management Board – 20 June, 2018

- Concerns that there had been a lack of communication and awareness about adult education in the past and a need to promote learning opportunities.
- The Board endorse the devolution of Adult Education Budget and the transfer of power to WMCA.

Resolved that Cabinet be recommended to consider the comments of the Budget and Corporate Scrutiny Management Board and endorse the Implementation of Devolution Agreement and the Transfer of the Powers to the West Midlands Combined Authority (WMCA) in relation to Adult Education Budget (ARB).

15/18 Consideration of the Council's Financial Outturn 2017/2018

At its meeting on 13 June, 2018 the Cabinet considered the proposals arising from the 2017/18 directorate outturn reports for each service area and the Treasury Management Outturn report. The Cabinet also received commentary in relation to the 2017/2018 revenue collection performance for the major income streams of the Council, including Council Tax, Non-Domestic Rates, Housing Rents and General Debtors. The Cabinet referred the proposals to the Budget and Corporate Scrutiny Management Board for detailed review.

It was reported that Sandwell's net general fund balance had increased by £.061 million in 2017/18 and that the majority of services had ended the year in a healthy position with a surplus for approval to carry forward to protect frontline services. The Board welcomed the continued success of the multi-year budget planning process.

It was reported that there had been an unprecedented increase in demand for children's social care services, which had resulted in a deficit of £9.070 million. This had been expected, and an amount had been earmarked for this purpose in the 2017-18 budget and was included in the budget for 2018-19.

The Executive Director outlined the main considerations in the report relating to revenue, central items, central items, severance payments, capital, general fund balance and key performance indicators.

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

Budget and Corporate Scrutiny Management Board – 20 June, 2018

- The Scrutiny Management Board welcomed that Sandwell MBC remained in a healthy financial position in terms of balance and that the Revenue and Benefits Service remained amongst the best performing Local Authority in relation to budget and collection rates.
- Severance payments mainly related to people leaving the authority and the payment made to the pension fund not to the person.
- £84 million capital costs included building Council houses and extending schools to provide additional school places.
- The Board welcomed that Sandwell Council had achieved the best performing Council for increased Council Tax collection and asked that congratulations be passed on to staff in Revenue and Benefits Section.
- Concern was raised about the charging arrangements between schools and the Local Authority and the level of overdue payments. A quarter 1 monitoring report was requested.
- The recent peer inspection had found that financial management was good in Sandwell.
- There was concern that large debts highlighted were from schools and the charging arrangements between schools and the Authority which were not being completed before 31st March each year.
- The Board requested an update in the first quarter monitoring report relating to academies and schools charging arrangements.
- The net reduction 97 to 96.5 in year was of concern to the Board however no data was available yet to determine if it was related to the roll out of Universal Credit (UC). When UC rolls out across the Borough the impact would be monitored.
- The investment in Children's Services buildings was a grant reimbursement £117 treated as capital.

Corporate Management outturn:

- the Board noted responses to questions about increased contribution to West Midlands Combined Authority (WMCA) and in relation to staff award ceremonies which were to increase employee engagement.
- The Board suggested that many of the points for clarification could have been avoided if more comprehensive information was provided in the paper.

Budget and Corporate Scrutiny Management Board – 20 June, 2018

Resources outturn:

- the Board heard that three members of staff had joined the planned leavers scheme in Resources and that Cabinet had approved staffing costs and equipment to deliver the ICT transformation this year.
- The Board suggested that a glossary of terms would be helpful when considering the outturn report.
- West Midlands Fire Service would be moving into the West Midlands Fire Authority and use of Sandwell Council's financial system 'Oracle' would no longer be required by the Fire Service.
- There had been an increase in the income from the right to buy (RTB) scheme.
- There had been unforeseen legal costs in a number of Standards matters and there were additional legal costs to set up the Sandwell Children's Trust.
- There had been a higher take up than anticipated of the employee benefit scheme, staff engagement was considered a good thing by the Board.

Adult Social Care financial outturn:

- Underspend in previous years were used to create an earmarked reserve for improvements to services currently based at the Waterfall Lane site.
- The Board welcomed the programme to recruit Social Workers.
- The Board welcomed the work being carried out to tackle environmental issues, £150,000 had been carried forward to continue the work of the environmental response team.
- Occupational Therapy Service was employing Agency staff using funding from the better care fund (BCF). The Board highlighted the impact of the bottleneck in OT services when moving people back home as an issue for further investigation by scrutiny.

Housing Revenue Account financial outturn

- There were issues in relation to staffing resources in Highways and an identified need to move forward recruitment.
- The costs to replace street lighting columns was due to the need to replace equipment where replacement parts would not be available. Bus lane income would be used to fund highway improvements.
- Major regeneration schemes happen over several years but the monitoring report only looked at single financial year, not the full duration of the programme.

Budget and Corporate Scrutiny Management Board – 20 June, 2018

Public Health Financial Outturn:

- The Board felt that the criteria for Healthier Town Team Grants needed to be extended to ensure that the funding was all distributed to where it was needed.

Children's Services Financial Outturn:

- In relation to Sandwell Children's Trust the upward trajectory had continued between January and March 2018 and it was expected that costs would increase further due to the increasing level of looked after children in Sandwell. It was expected that Cabinet would be requested to increase the cost of the contract.
- In the contract, the Trust was required to model what would happen over the next 3-6 years and there was provision in the contract for invest to save proposals to bring the situation under control. SCT would also be looking at other funding options and innovation to reduce the level of demand in the system. The Board requested a report back to consider payment by results to improve performance in this area.

Housing and Communities Financial Outturn:

- The Board were pleased to see income being achieved in Waste Management through a 3rd party income with Staffordshire County Council. The surplus would be transferred to corporate balances to support the Medium Term Financial Strategy.
- The overspend against premises budget related to temporary accommodation for the homeless; the improvements to the depot at Waterfall Lane and failure to reach projected savings against the Community Hub Project.
- The Board requested that an item relating to temporary accommodation for Homeless be added to the Scrutiny Board Work Programme.
- The Board requested more information about section 106 projects at local level.

Housing Revenue Account

- The Board was pleased to see the reserve was increasing in preparation for the roll out of Universal Credit.
- The Board highlighted the use of temporary Occupational Therapists to reduce the backlog and the plans to restructure the service.
- The Board requested an update from bereavements services in relation to Autopsy and the digital service business model.
- The Board requested Member training be arranged relating to Treasury Management and specific reserves.

Budget and Corporate Scrutiny Management Board – 20 June, 2018

The Board thanked officers for attending the meeting.

Resolved:-

- (1) that the proposals for the use of outturn surpluses for the following General Fund Services be endorsed:

Corporate Management;
Resources;
Adult Social Care;
Regeneration and Economy;
Public Health and Regulatory Services;
Neighbourhoods;
Children's Services.
- (2) that the proposals for the use of outturn surplus for the Housing Revenue Account be endorsed;
- (3) that congratulations and appreciation from the Board be sent to all officers involved with ensuring the Council Tax Collection Rate within the borough remains amongst the best performing in the country;
- (4) that the Executive Director – Resources, when compiling future budgetary and financial reports, be requested to take account of the following:-
 - (a) that a glossary of terms would be helpful when considering the outturn report.
 - (b) that many of the points for clarification could be avoided in future if the information in the paper were more comprehensive.
- (5) that the Executive Director – Resources provide an update in the first quarter monitoring report relating to academies and schools charging arrangements;
- (6) that the Executive Director – Resources and the Executive Director – Neighbourhoods be requested to consider the feasibility of extending the criteria for Healthier Town Team Grants to ensure that more of the funding is distributed at local level;

Budget and Corporate Scrutiny Management Board – 20 June, 2018

- (7) that the Executive Director – Neighbourhoods and Director - Regeneration and Growth investigate staffing resources in Highways and an identified need to move forward recruitment;
- (8) that the Executive Director – Resources be requested to arrange Member training in relation to treasury management and specific reserves;
- (9) that the Executive Director – Neighbourhoods be requested to provide further information to Members relating to section 106 projects at local level;
- (10) that the Safer Neighbourhoods and Active Communities Scrutiny Board be requested to consider temporary accommodation for the homeless;
- (11) that the Health and Adult Social Care Scrutiny Board consider the use of agency staff to reduce the backlog in Occupational Therapy services and the plans to restructure the service;
- (12) that the Budget and Corporate Scrutiny Management Board be requested to include an update from bereavements services in relation to Autopsy and the digital service business model on the work programme for in 2018/19;
- (13) that the Children’s Services and Education Scrutiny Board be requested to review the increasing level of looked after children in Sandwell, other funding options and invest to save initiatives to improve performance in children’s social care services;
- (14) That the Budget and Corporate Scrutiny Management Board be provided with a briefing note relating to the anticipated impact of the roll out of Universal Credit in Sandwell.

16/18 **Scrutiny Work Programme 2018-19**

The terms of reference for the Budget and Corporate Scrutiny Management Board contained the responsibility for approving the overview and scrutiny work programme.

The Chair of the Budget and Corporate Scrutiny Management Board invited the other Scrutiny Board Chairs to consider the draft work programme 2018-19 and any additional items highlighted for inclusion in the work programme during item 3 - Financial Outturns 2017-18.

The Chair highlighted the need for Members to consider the proposed items in the work programme which relate to their Boards and to scope and focus items to ensure that they support Sandwell's Vision 2030 and the 10 ambitions.

The work programme would be regularly reviewed by Scrutiny Board Chairs throughout 2018-19.

Resolved:-

- (1) that the work programme for 2018-19 be approved in principle;
- (2) that additional items highlighted during consideration of Financial Outturns 2017-18 be considered by Chairs of the relevant Scrutiny Boards for inclusion in the work programme.

(Meeting ended at 6.30pm)

<p>Contact Officer: Deb Breedon Democratic Services Unit 0121 569 3896</p>
--