

Minutes of the Budget and Corporate Scrutiny Management Board

**10th July, 2019 at 5.45pm
at Sandwell Council House, Oldbury**

Present: Councillor E M Giles (Chair);
Councillors Rollins and Singh.

Apology: Councillor Moore.

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

10/19 **Minutes**

Resolved that the minutes of the meeting held on 27th June, 2019 be approved as a correct record.

11/19 **Scrutiny Review**

The Scrutiny Management Board was informed that, in January 2018, a peer review was undertaken by Local Government Association Assessors.

One of the recommendations of the review was that a wholesale governance review be undertaken. This included a review of the Constitution, the overview and scrutiny function and the codes of conduct.

Nationally, it was acknowledged that a number of authorities faced challenges with their Overview and Scrutiny functions, for example a lack of engagement (across the board), difficulties in making an impact or evidencing adding value.

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An engagement session was undertaken with Chairs and Vice Chairs last year regarding the proposed Scrutiny Review. Feedback received indicated that those members felt disillusioned and demoralised as there was little opportunity for pre-decision scrutiny, members did not feel valued by the Executive or officers and there was not enough consistency in Scrutiny Board memberships due to annual changes in appointments.

It was proposed for the review of Scrutiny to include:

- knowing the purpose of Scrutiny;
- detailing what good Scrutiny looked like;
- how to conduct good Scrutiny;
- what benefits Scrutiny could bring;
- raising the profile of effective Scrutiny;
- developing a stronger understanding of roles and responsibilities;
- appreciation and understanding of the value that Scrutiny brings;
- actively engaging with, and encouraging the participation of, members, officers, partners and the public;
- understanding how Scrutiny resources were used, and how effectively;
- ensuring Scrutiny made good recommendations which were responded to by the executive and that impact was both measured and felt;
- ensuring there was a strong cultural commitment to enable Scrutiny to succeed and flourish.

It was reported that the Ministry of Housing, Communities and Local Government had published statutory guidance in May 2019. The Centre for Public Scrutiny also produced a refreshed version of its Good Scrutiny Guide in June 2019.

Within the guidance documents there was a strong emphasis on the Scrutiny-Executive relationship. Early and regular engagement between the functions was recognised as critical to Scrutiny's success. This was also echoed in last year's session where Chairs and Vice Chairs felt that effective working relationships were not yet in place and the Executive did not value their efforts.

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It was proposed to set up a Scrutiny Review Steering Group made up of three members of the Scrutiny Management Board and three members of the Cabinet as a vehicle to help drive the Scrutiny Review. This would help to promote effective relationships with Scrutiny and create space to have meaningful conversations.

The Steering Group would meet as often as required and would prepare a report to Scrutiny Management Board on recommendations it identified during the review.

The Steering Group may decide that workshops should be undertaken with the Local Government Association or the Centre for Public Scrutiny to identify and share good practice (including the examination of case studies on successful overview and scrutiny arrangements) on a local, regional and national level and to take account of good practice.

Other mechanisms for gathering evidence for the review include speaking to peers, looking at examples where Scrutiny has made a difference and where Scrutiny could add most value.

Resolved that Councillors E M Giles, Rollins and Singh be appointed to the Scrutiny Review Steering Group.

12/9

Financial Outturn 2018-2019

At its meeting on 26th June, 2019 the Cabinet referred the proposals arising from the 2018/19 directorate outturn reports for each service area to the Budget and Corporate Scrutiny Management Board for consideration.

It was reported that the General Fund balance at the end of 2018/19 was £66.5m. This included £22.2m of target carry forwards and £32.2m of earmarked central items, leaving a free balance of £12.1m which equated to 5% of net General Fund expenditure.

At a directorate level, excluding Public Health and the Housing Revenue Account, the outturn for 2018/19 was a surplus of £10.496m. Including, Public Health and Central Items, the outturn for 2018/19 was a surplus of £14.282m.

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However, Sandwell had experienced an unprecedented increase in demand for children's social care services that had resulted in a year-end deficit of £6.567m for Sandwell Children's Trust. The Cabinet had therefore approved to cover £5m of this deficit from revenue balances, some of which were earmarked for this specific purpose at the start of the year.

At the end of 2017/18, a total of £24.560m was held in earmarked reserves. £1.838m was added to these reserves during 2018/19 leaving a remaining balance of £26.938m at the end of the financial year.

The Cabinet had previously approved the allocation of up to £2.82m of Council Capital as a local contribution towards the proposed improvement works at A4123 Birchley Island/M5 Junction 2 and in June 2019 it was approved to bring forward £1.1m to fund preparatory works.

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

- the Carbon Reduction funding was time limited over the last two financial years. Going forward, £50k had been earmarked for energy efficiency proposals.
- the Key Performance Indicators would be reviewed to ensure that direction of performance was accurately reflected.
- the Sandwell contribution to the Business Rates growth of the West Midlands Combined Authority (WMCA) was based on a pro-rata arrangement between the seven local authorities in the WMCA area. Long-term, the growth element of Business Rates would form the basis of the WMCA's budget.
- Discretionary Housing Payments were awarded on a case by case basis and demand was difficult to predict.
- during 2018/19 the Council had experienced a reduction of housing rent debt levels.

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- funding arrangements for Public Health had not yet been finalised by the government and as yet there had been no indication when the issue would be resolved.

The Scrutiny Management Board commended the officers involved with the production of the report as it was a thorough, clear document.

(Meeting ended at 6.23 pm)

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