

Minutes of Budget and Corporate Scrutiny Management Board

**Thursday 12 September 2024 at 6.00pm
In the Council Chamber - Sandwell Council House, Oldbury**

Present: Councillor Fenton (Chair);
Councillors Dhatt, E M Giles, Hinchliff, Lewis, Rahman and
Williams.

In attendance: West Midlands Combined Authority
Sandeep Shingadia (Director of Strategic Partnerships and
Integration) and James Hughes (Member Relationship
Manager).

Sandwell Metropolitan Borough Council
Alan Lunt (Executive Director of Place), Alex Thompson
(Executive Director of Finance and Transformation), Mike
Jones (Monitoring Officer and Assistant Director – Legal and
Assurance), Claire Spencer (Acting Assistant Director -
Finance), Sue Moore (Assistant Director – Education Support
Services) and Alexander Goddard (Scrutiny Lead Officer).

43/24 **Apologies for Absence**

Apologies for absence were received from Councillors Davies and
Gill.

44/24 **Declarations of Interest**

Councillor Dhatt declared that, in the event of Oracle Fusion
arising during any discussions he would retire from proceedings as
he was employed by Oracle.

45/24 **Minutes**

Resolved that the minutes of the meeting held on 31 July 2024 are approved as a correct record.

46/24 **Additional Items of Business**

There were no additional items of business.

47/24 **West Midlands Combined Authority Corporate Update**

Representatives of the West Midlands Combined Authority (WMCA) attended the meeting to present a corporate update on the WMCA, including the Mayor's Office, the WMCA Executive Leadership Team, the annual business plan, finances and key achievements for 2023/24 and the annual business plan and finances for 2024/25 together with an overview of key areas of work for this year.

It was reported that the WMCA's #BetterConnected initiative was launched in 2022 to foster an environment within the Authority of integrated working. This included six principals:-

- People;
- Places;
- Processes;
- Partners;
- Information;
- Hybrid.

#BetterConnected was underpinned by the WMCA's People & Culture Strategy which had three aims:-

- To create an agile, curious and learning organisation;
- To provide the environment to help everyone bring their best energy and drive;
- To think and act as 'One Team WMCA' aligned to its overall purpose, values and strategy.

The Board noted that a successful Mayoral election had been delivered in May 2024, with a new mayor, Richard Parker, taking up office following a smooth transition.

Members noted that the Single Statement presented the single biggest change to how the WMCA worked since it was formed in 2016. The Single Statement required a different approach and mindset around how to deliver the change needed in the West Midlands. The Settlement would also allow the WMCA greater control over how funds were spent to address that need.

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

- The WMCA had used drones innovatively to support transport network resilience, with a regional traffic control centre now operational from the WMCA Offices. This helped to make coordinated and well-informed decisions with partners around incidents impacting the network. This had also operated during the Commonwealth Games to help manage the increased demand on transportation within the region.
- There was a 2m underspend in 2023/24 – this was due to £3.5m underspend on transport, partially offset by overspend on other portfolio areas of the WMCA.
- The levy and government grants did not meet all costs of project delivery by the WMCA so it was important to maintain a prudent level of reserves.
- The Mayor's Office included a Chief of Staff that was the main point of contact between the Mayor and the Executive Leadership Team of the WMCA. This role was operational, not political.
- The Mayor had changed the approach to portfolios within the Board, and now retained oversight of all portfolios with support of the regional council leaders. The Deputy Mayor had a focus on Employment and Skills.
- The transition to the new Mayor had been smooth, in part because of early work by WMCA officers with all candidates prior to election to understand their expectations if they were elected.
- The Mayor had undertaken to carry out an Independent Transport Review. This was currently being commissioned and was expected to take place later in the autumn.
- Hyper-inflation had impacted capital projects, this had resulted in some projects being deferred to future financial years. None of these were reported to be in Sandwell.

- It was noted that the Executive Leadership Team of the WMCA could be more representative of the diverse communities that made up the West Midlands.
- It was reported that there was a WMCA Race Equalities Task Force with an independent chair.
- It was recognised that Sandwell had low rates of adult literacy, but members felt that the approach by some larger suppliers of adult education did not effectively engage with local communities. It was confirmed that in 2023/24 10% of relevant WMCA funds had been allocated to Sandwell for adult education.
- The Single Settlement would be in place from the 2025/26 financial year.

Resolved that the West Midlands Combined Authority provide further information to the Budget and Scrutiny Management Board on:-

- (1) the list of deferred projects;
- (2) the work of the West Midlands Combined Authority Race Equalities Task Force;
- (3) how adult education contracts were awarded by the West Midlands Combined Authority;
- (4) how the allocation of adult education funds to Sandwell compared to other council areas in the West Midlands.

Councillor Williams left the meeting during consideration of this item and did not return.

48/24

Quarter 1 Budget Monitoring 2024/25

The Board received an overview of the Quarter 1 Budget Monitoring 2024/25 report which had been considered by Cabinet on 11 September 2024 and had been referred to the Board for consideration and comment.

It was reported that the overall projected outturn position for the General Fund was an overspend of £1.734m. This was an overspend of 0.5% when compared with the Council's net budget of £333.008m. This forecast outturn position excluded variations from budget for the Housing Revenue Account (HRA) and Dedicated Schools Grant (DSG), as these were ringfenced budgets where expenditure should match income without impacting on the General Fund.

The Board noted that to balance the budget for 2024/25, it was agreed at the Council meeting on 20th February 2024 that £7m one-off vacancy management efficiencies would be included within directorate budgets. To date, £6.331m was forecast to be delivered against this target across the Council, leaving a balance of £0.669m still to be identified.

Members noted the areas of predicted overspend, or unachieved income/efficiencies across the directorates. This included:-

- An unachieved income target for Green Services, Green Spaces and Visitor Services which was the main contributor to a £1.668m budget pressure in Environment;
- A gross forecast overspend in the Special Educational Need and Disabilities (SEND) Transport Service of £2.448m. This had been partially offset through the use of reserves;
- Unachieved vacancy savings in Adult Social Care;
- Unachieved income targets for Bereavement Services due to lower death rates;
- Unachieved income targets for Planning due to the impact of the economic slowdown on planning applications and build regulation fee income.

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

- There had been good engagements across all directorates with the vacancy management savings, demonstrating a One Council, One Team approach.
- There was a Vacancy Management Panel that continued to scrutinise all proposals to recruit to posts across the Council. This provided robust challenge, but where there was an evidenced need to fill a post, this was approved.
- Staff turnover throughout the year would mean the £7m efficiency target for the vacancy management approach would be met.
- The Council had a high sickness rate, and members were concerned about the potential impact of staff on carrying vacancies for extended periods of time. It was reported that a refreshed, consistent management approach to supporting people would help address the high sickness rates associated with stress and poor mental health. The Assistant Chief Executive confirmed that he would

- encourage managers to speak up where there were issues caused through the vacancy management process.
- There had been significant changes to the management of Green Spaces and Visitor Services. It was important to mitigate the impact of the unachievable income targets for that area as it should not become a structural pressure in future years.
 - Members had concerns about the affordability to the Council's visitor sites and suggested this could impact on income due to people being priced out. Further concerns around accessibility and marketing were also raised. It was confirmed that Visitor Services would be scrutinised further by the Safer Neighbourhoods and Active Communities Scrutiny Board.
 - Further details on options to manage overspends as part of the Medium-Term Financial Strategy would be the subject of wide consultation and scrutiny by the Board.
 - Sandwell was not in the position of needing to issue a 114 notice, unlike other councils across the country.
 - It was confirmed that Sandwell did not carry risk around equal pay claims.

Members thanked officers for their responses and for providing assurances in relation to the financial position of the Council. The Board undertook to discuss further lines of enquiry or where further information may be required to formulate recommendations to Cabinet.

49/24

Scrutiny Annual Report 2023-2024

The Chair of the Board outlined the draft Scrutiny Annual Report for the municipal year 2023-2024. Members agreed that the report, subject to any final typographical fixes or design work should be submitted to Council in October 2024.

Resolved that the Annual Scrutiny Report 2023-2024 be approved for submission to Council in October 2024.

50/24 **Tracking and Monitoring of Scrutiny Recommendations**

The Board noted the status of actions and recommendations it had made. Further updates would be reported to future meetings of the Board.

51/24 **Cabinet Forward Plan and Budget and Corporate Scrutiny Management Board Work Programme 2024/25**

The Board received and noted the Cabinet Forward Plan and the Board's work programme. Members agreed to hold a review scoping workshop after the next scheduled meeting of the Board.

Meeting ended at 7.46pm.
(following an adjournment between 6.57pm-7pm)

Contact: democratic_services@sandwell.gov.uk