

# Minutes of Budget and Corporate Scrutiny Management Board

**Tuesday 21 January 2025 at 10am**  
**In the Council Chamber at Sandwell Council House, Oldbury**

**Present:** Councillor Fenton (Chair);  
Councillors Davies, EM Giles, Lewis and Rahman.

**In attendance:** Councillor Carmichael (Leader);  
Councillor Moore (Statutory Deputy Leader and Cabinet Member for Finance and Resources),  
Councillor S Gill (Cabinet Member for Business and Skills),  
Councillor Hughes (Cabinet Member for Regeneration and Infrastructure) and Councillor Smith (Cabinet Member for Housing and Sustainable Development).

Shokat Lal (Chief Executive), Alex Thompson (Section 151 Officer and Executive Director - Finance and Transformation), James McLaughlin (Assistant Chief Executive), Alan Lunt (Executive Director - Place), Liann Brookes-Smith (Interim Director – Public Health), Mike Jones (Monitoring Officer and Assistant Director – Legal and Assurance), Claire Spencer (Acting Assistant Director of Finance), Craig Pugh (Financial Strategy Manager), Joanne Russell (Business Partner- Corporate Services), Matthew More (Communications and Corporate Affairs Manager), Tammy Stokes (Growth & Spatial Planning Service Manager), Luke Dove (Assistant Director - Assets and Land), Nigel Collumbell (Assistant Director Housing Management), Sarah Ager (Assistant Director - Asset Management and Improvement), Asif Patel (Work Experience), Suky Suthi-Nagra (Statutory Scrutiny Officers and Democratic and Member Services Manager), Stephnie Hancock (Deputy Democratic Services Manager) and Ghulam Ditta (Digital Transformation and Engagement Officer).

## 1/25 **Apologies for Absence**

Apologies for absence were received from Councillors Dhatt and Hinchcliff.

## 2/25 **Declarations of Interest**

No declarations of interest were made.

## 3/25 **Medium Term Financial Strategy 2025/26**

In February 2024, the Cabinet approved its Medium-Term Financial Strategy (MTFS) which included a balanced budget for 2024/25 and identified an estimated budget shortfall for the 2025/26 financial year. Indicative efficiency proposals and financial estimates for 2025/26 were included in the report but there was still an underlying deficit.

Since February, the MTFS had been regularly reviewed and the deficit figure had changed during the current financial year reflecting ongoing refinement and testing of initial planning assumptions.

As at Autumn 2024, there remained a forecast deficit position for 2025/26, and therefore a suite of additional efficiency proposals were developed in order to address the forecast budget shortfall. Those efficiency proposals had been subject to public consultation.

The Draft Budget was due to be considered by the Cabinet at its meeting on 5 February 2025 and was being reported to the Scrutiny Management Board to provide an opportunity to scrutinise the proposals, seek assurances and identify any recommendations the Board wished to make to the Cabinet.

The Leader, Deputy Leaders, Cabinet Members, the Chief Executive, Executive Directors, Assistant Directors and other senior supporting officers attended the meeting to present the budget proposals for their respective areas of responsibility. Arising from the presentations and questions and comments that arose, the following items were of particular note:-

It was reported that that the financial situation had been challenging with a budget gap of £20m and a number of difficult financial decisions were having to be made in order to set a balanced budget. Whilst facing financial pressures, Sandwell was in an overall better financial position relative to many of its local government peers having low levels of debt and good reserves due to prudent financial controls and management, implementing financial controls. The Council was continuing with its transformation programme to be more modern and efficient, and residents would continue to see an improved customer journey. Deprivation would also be addressed in the borough as the current levels were too high.

## **Corporate**

The Acting Assistant Director of Finance gave an overview of the process followed in setting the budget and consultation with residents and members. The proposals for the Budget aimed to deliver required savings whilst keeping service delivery up to date and continuing a programme of investment. They had been through a range of processes, including member involvement, to ensure they were acceptable and appropriate.

The Budget had been prepared based on the assumption of a 4.99% increase in Council Tax and efficiency savings across council directorates.

The Board placed on record their gratitude to the Statutory Deputy Leader and council officers on the comprehensive report presented to the Scrutiny Board and the work that went into producing it.

In response to queries regarding the impact of efficiency savings on the provision of services, the Statutory Deputy Leader and Chief Executive confirmed that the focus was on income generation and transformation as well as efficiency savings with assurance provided that efficiencies would not erode the provision of services. Vacancy management panels continued to be utilised to provide scrutiny and challenge on whether vacant roles were needed.

## **Assistant Chief Executive**

The service efficiencies totalled £0.419m which were being met through a review of the Equality, Diversity and Inclusion service, reduction in the member development budget and the deletion of vacant posts within the Leader's Office.

The service would continue to identify smarter ways of working that would generate savings, for e.g. e-learning.

It was acknowledged that digital activity would increase and the way we interacted with customers would also change to ensure Sandwell became a well-performing council.

## **Finance and Transformation**

Work was ongoing to ensure ICT was utilised efficiently, enhancing how we store data and exploring automated systems. Contract specifications were also being reviewed in order to achieve a reduction in price and best value and a rationalisation exercise was being undertaken to avoid duplicate licences being purchased.

Five additional officers were being recruited in order to collect outstanding debt owed to the authority. It was anticipated that these officers would collect five times the cost of their salary.

Queries were raised in relation to ICT transformation, Covid reserves, achievability of Adult Social Care savings targets, asset management and the review of the voluntary sector grants.

## **Regeneration and Growth**

The service efficiencies identified totalled £ 1.1m which would be achieved through a combination of increased fees and asset rationalisation.

Sandwell had adopted a Corporate Landlord model approach to managing property and assets and by April 2026, this model would be fully embedded.

Sandwell needed a more data driven approach to asset management and as a result, a new Asset Management System was being developed. The Council would continue to explore all options including retaining and asset and make it viable.

The process for Community Asset Transfers had been streamlined.

The Community Asset Transfer Strategy approved by Cabinet contained an evaluation framework focused on the financial sustainability of community organisations taking over council owned buildings.

Utility costs increases had caused cost pressures on leisure facilities.

The Board raised queries on lessons learnt by past asset rationalisation, the Asset Rationalisation Strategy, community asset transfers, how to reduce costs associated with the Sandwell Aquatic Centre and the SLT contract management fee.

## **Finance & Resources**

Total adjustments identified were £1.8m. Total service pressures identified equated to £1.1m. The service efficiencies identified totalled £1.5m which would be achieved through a combination of service delivery reviews, termination of contracts for legacy systems made obsolete by Oracle Fusion, enhanced cost and debt recovery, changes to payment systems, cash handling and bank charges and introduction of charging.

There has been a year-on-year fall in telephone contact from customers to the council. A new telephony system would achieve efficiencies, by better reflecting customer contact behaviours. Improved customer services was a priority for the Council and the new telephony system would be introduced to reduce wait times.

A review of the Investigation Service had found that responsibilities could be carried out by other service areas of the council such as the Counter-Fraud Team.

The Board raised queries on the merger of contact centres, potential redundancies and staff redeployment, telephony system cost pressure, security arrangements and costs at the One-Stop Shop, Oracle Fusion licenses and debt recovery.

In relation to debt collection, concern was raised that as the 13<sup>th</sup> most deprived borough in the country, scrutiny should examine how debt was recouped.

## **Housing and Housing Revenue Account**

Particular areas of pressure for Housing was homelessness support with 18,000 residents on waiting list for affordable housing in Sandwell and a 60% increase in temporary accommodation over the last twelve months. A number of incoming demands, more people and longer periods in temporary accommodation was having an impact, however, it was envisaged that this could be managed in 2025/26 due to increased government grant. It was also recognised that this was a national housing crisis and whilst mitigations could be put in place, it could not be eliminated completely.

The Board raised queries in relation to risks to reduction of the homelessness government grant, clarity on homelessness support, council house building repairs and maintenance costs, private sector evictions, repair contracts, clarity on supervision and repairs figures and council housing stock.

Meeting adjourned at 3.17pm following adjournments between 11.15am - 11.30am, 12.30pm - 12.35pm and 1.45pm - 2.30pm

### **Meeting reconvened at 9.56am on Thursday 23 January 2025 in the Council Chamber at Sandwell Council House, Oldbury**

**Present:** Councillor Fenton (Chair);  
Councillors Davies, EM Giles, Lewis and Rahman.

**In attendance:** Councillor Carmichael (Leader); Councillor Moore (Statutory Deputy Leader and Cabinet Member for Finance and Resources), Councillor Allcock (Cabinet Member for Environment and Highways), Councillor Hartwell (Deputy Leader and Cabinet Member for Neighbourhoods and Communities), Councillor Taylor (Cabinet Member for Adult Services, Health and Wellbeing), Councillor Uddin (Cabinet Member for Children's Services), Councillor Hemingway and Councillor J Singh.

**Officers:**

Alex Thompson (Section 151 Officer and Executive Director - Finance and Transformation), Alan Lunt (Executive Director - Place), James McLaughlin (Assistant Chief Executive), Sally Giles (Director Children's Services), Liann Brookes-Smith (Interim Director – Public Health), Mike Jones (Monitoring Officer and Assistant Director – Legal and Assurance), Rashpal Bishop (Director of Adult Social Care), Luke Dove (Assistant Director - Assets and Land), Claire Spencer (Acting Assistant Director of Finance), Craig Pugh (Financial Strategy Manager), Joanne Russell (Business Partner-Corporate Services), Matthew More (Communications and Corporate Affairs Manager), Nicola Plant (Assistant Director Public Protection and Community Safety), Ben Percival (Assistant Director- Contracts, Projects, Strategy & Policy), Mervyn Bartlett (Interim Assistant Director - Highways Services), Mark Satchwell (Assistant Director - Finance and Transformation), Sue Moore (Assistant Director for Education Support Services), Mandip Chahal (Interim Assistant Director for Commissioning and Partnerships), Heidi Marsh Geyton (Waste Consultant), Nigel Harris (Waste Contract and Operations Manager), Christine Anne Guest (Assistant Director – Commissioning), Colin Marsh (Assistant Director - Direct Services), Suky Suthi-Nagra (Statutory Scrutiny Officers and Democratic and Member Services Manager), Stephnie Hancock (Deputy Democratic Services Manager) and Ghulam Ditta (Digital Transformation and Engagement Officer).

**Environment and Highways**

It was reported that total service pressures equated to £0.6m with service efficiencies identified of £3m through alternate waste collection generating efficiencies of £2m. The Council was also required to improve significantly its residual waste and to meet targets set by Government to avoid being fined. A comprehensive communication plan had been drawn up to advise and support residents on what could and could not be recycled and what receptacle to place items in.

In relation to the one-off fee relating to garden waste collection, it was reported that the price had been increased marginally after three years but was still a subsidised service. The Board were keen to ensure that the service remained affordable for residents

but acknowledged that breaking the fee of the service into three or more payments would present administration costs and other practical issues that would outweigh the cost of the service. A one-off subscription cost was the easiest way to administer the service.

The largest element of the Environmental and Highways budget was contracts with the biggest contract awarded to SERCO for waste collection.

A sum of £0.3m had been identified as a cost pressure in Highways energy prices which had been lower due to the use of LED street lighting. LED street lighting had resulted in £0.1m savings.

Income generation targets from parks may have been overambitious in the past and therefore more realistic targets would be factored in future budgets as it was recognised that income generation targets must be challenging but achievable.

The introduction of fees for Pest Control by Council had now resulted in a fall in demand for services from the council's Pest Control Service.

The Board raised queries on income targets, green waste costs, fee increase and administration, the Pest Control review timeline, recycling, breakdown of alternate waste collection efficiency savings, communications on green waste and recycling and sought clarity on the government's ERP grant.

## **Neighbourhoods and Community**

It was reported that there was a total service pressure identified equating to £ 3.4m with service efficiencies identified totalling £1m through an increase in fees and charges, the inclusion of additional Midland Metropolitan Hospital services, the deletion of vacant post from within Bereavement Services, a review of Leisure Facilities and emergency duty rotas in the Resilience Team and an extension of the Library+ model.

A review of voluntary sector support was also currently being undertaken, however, there were no changes proposed for the 2025/26 budget.



In relation to the Sandwell Valley masterplan, it was reported that implementation was currently being paused as the previous strategy had included income assumptions that were not accurate. Scrutiny members sought to review the Masterplan and consider any lessons learnt.

Work was ongoing to ensure that income targets were realistic where the Council could maximise the use of its existing assets but also enable the Events Team to look at income generating activities as a significant amount of existing activity was on non-income related work. An annual event plan was being produced to support better marketing of and promotion of events in Sandwell.

In relation to Bereavement Services, it was reported that mortality rates in Sandwell had fallen which had an impact on burial income targets. The surcharge on out of borough burials had also increased. The service was proactively reviewing income targets against demands for the burial and registration service and making adjustments were necessary.

In relation to leisure services, the Board sought clarity on the measures in place to challenge SLT where leisure facilities were in decline and how the facilities were being sustained and maintained.

Members requested further information on the Sandwell Valley masterplan, marketing and promotion strategy for events in Sandwell and the demand and provision of athletic track facilities in Sandwell.

## **Adult Social Care**

It was reported that there was total service pressures identified equating to £7.4m, with service efficiencies identified totalling £3.6m which would be achieved through a decrease in expenditure linked to the transfer of Free Nursing Care to Integrated Care Board, the reintroduction of day care charging, a Transformation project, the review of in-house day services, funding for inflationary uplifts from the Better Care Fund, an increase in Meals on Wheels income and the development of Shared Lives Service.

Work was undertaken to develop a workforce strategy to ensure staff retention with learning and development incorporated into it.

The Assistant Director-Commissioning provided an overview of the external placements market and provision. Internal provision could be more expensive than external provision, however, there was a commitment to support in-house services. Sandwell had the lowest rate of self-funders amongst local peers. Only 12% of Sandwell users were self-funding. With the best outcomes achieved through a focus on prevention and reablement.

The focus of the Transformation Project across Adult Social Care was to better use digital technologies to improve services and achieve efficiencies by looking at how we worked with a view to improving it.

The Board members raised queries on the impact of the Midland Metropolitan Hospital, hospital discharge service and pressures from the opening of the hospital, the reintroduction on day care charges, the impact of efficiencies on services, and new regulations covering health and care technologies.

Members requested further information on the overview of the funding structure and costing proposals of day care services.

## **Public Health**

It was reported that total service pressures identified equated to £1.6m and service pressures matched additional grant funding £1.6m.

There were a number of pressures on public health spend and it was difficult to predict the size of the public health grant year on year.

The Board raised queries on data sharing and intelligence and ringfencing of budgets.

## **Children and Education**

It was reported that total adjudgments identified equated to £1.6m with service pressures identified equating to £4m. Service efficiencies identified totalled £2.9m which would be achieved through: -

- SEND transport;

- the restructure of the ILS service to utilise funding from the Dedicated Schools Grant (DSG);
- a reduction in legal fees (Human Rights);
- additional income from schools (Long Service Awards);
- removal of the Early Years Sustainability Fund;
- additional Workplace Nursery income;
- a review of agency staff budgets;
- The development of a traded service model for Education Psychology Service;
- the deletion of vacant posts within Planning Performance & Business Services;
- additional Income from DSG;
- a reduction of Sessional Staff Budget Sandwell Adult Family Learning;
- a reduction in the contract for the provision of Children's Centres/Family Hubs;
- a review of the Youth Service;
- targeted price reductions in commissioned services Sandwell Childrens Trust contract.

There was cost pressures associated with the Sandwell Childrens Trust contract due to the significant increase in demand and the market cost of children's placements. It was acknowledged that nationally, there was pressure on children's service with Sandwell's position being more favourable than other authorities. Work was also ongoing with the Children's Trust to introduce additional control measures on spending with work underway to reduce the demand on children's social care.

The National Youth Services Agency had also commissioned to conduct a review of Youth Services in Sandwell to ensure the offer was fit for purpose and met the needs of young people. It was not envisaged that the review would identify a reduction in the offer to young people, but the delivery of the offer would be looked at to provide value for money.

In relation to SEND, it was reported that following the move to a new framework this had created a competitive market.

The Board members raised queries on cost pressures in Sandwell Childrens Trust contract, cost of placements for children's centres, the review of youth services and the need to engage stakeholders.

The Chair put on record her thanks to all officers and Cabinet Members for attending and for their hard work to organise the meeting and provide assurances to the Board. The Chair also thanked the Cabinet for taking a transparent approach to the budget process.

**Resolved: -**

- (1) that the Budget and Corporate Scrutiny Management Board is assured that there is a clear plan, underpinned by data, for the Council's Medium Term Financial Strategy 2025/26;
- (2) that the Medium-Term Financial Strategy for 2025-26 be endorsed as a robust framework that will form part of the Council's General Fund and Housing Revenue Account (HRA) Budget and Capital Programme & Council Tax proposals for 2025/26;
- (3) that the Safer Neighbourhoods and Active Communities Scrutiny Board consider including the following reports onto the work programme: -
  - (a) Sandwell Valley Masterplan – reviewing the commercial performance and ensure assumptions are still valid;
  - (b) a marketing and promotion strategy for events within the Borough to ensure targeted awareness is undertaken;
  - (c) information on demand and provision of athletic track facilities within Sandwell;
- (4) that the Health and Adult Social Care Scrutiny Board consider including a report on the overview of the funding structure and costing proposals of day care services;
- (5) that the following topics be included on the work programme of the Budget and Corporate Scrutiny Management Board: -
  - (a) Asset rationalisation strategy;

- (b) Sandwell Leisure Trust contract;
  - (c) Debt collection of council tax and business rates within the borough;
- (6) that the Director of Children's Services be requested to ensure members, young people and other stakeholder engagement is undertaken as part of the Youth Service provision review.

Meeting ended at 4.39pm following adjournments between 10.52am and 11.18am, 12.25pm - 12.45pm, 1.36pm - 2.23pm and 3.44pm - 4.36pm

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