

Minutes of Budget and Corporate Scrutiny Management Board

**Thursday, 8 May 2025 at 6.00 pm
at Council Chamber - Sandwell Council House, Oldbury**

Present: Councillor Fenton (Chair)
Councillors Davies, Dhatt, W Gill, Lewis and Rahman

Also present: Councillor Richard Jeffcoat (Observer), Kate Ashley (Strategic Lead-Service Improvement), Mike Jones (Assistant Director Legal and Assurance and Monitoring Officer), James McLaughlin (Assistant Chief Executive), Alex Thompson (Executive Director Finance and Transformation), Suky Suthi-Nagra (Democratic and Members Services Manager) and Rhys Atwell (Interim Democratic Services Officer).

28/25 Apologies for Absence

Apologies were received from Councillors E M Giles (Vice-Chair), Hinchliff, Trumpeter and Williams.

29/25 Declarations of Interest

Councillor Dhatt declared that, in connection with his previously declared employment at Oracle Corporation UK Limited, he would leave the room during the consideration of the matter referred to at Minute No. 32/25 (Procurement Board Update) should any detailed discussion on Oracle Fusion commence.

Councillor Rahman declared a pecuniary interest in the matter referred to at Minute No. 31/25 (Voluntary Sector Support and Grant Funding) and left the meeting during consideration of the matter.

30/25 Urgent Additional Items of Business

There were no urgent additional items of business to consider.

Procurement Board Update

The Board received an overview of the scope of responsibilities of the Procurement Board and an update on a range of matters relating to procurement strategy, practice and procedure.

The Procurement Board, established in October 2024, played a key role in improving oversight, governance, and strategic planning of procurement activities, ensuring best value and efficiency. The Board was informed of significant developments, including the impact of the Procurement Act 2023, enhanced compliance procedures, and the implementation of Oracle Fusion for contract management.

The following was highlighted during the presentation:-

- The Board had developed a structured corporate procurement pipeline to improve efficiency and best value.
- Efforts were made to reduce transactional procurements, focusing instead on strategic procurement to maximize savings.
- Regular reviews were conducted on contract management, procurement pipeline, exemption reports, and purchasing card usage.
- The Procurement Act 2023 introduced new regulations, including enhanced transparency, a competitive flexible procedure, and a central digital platform for supplier registration.
- Legal Services and Corporate Procurement collaborated to ensure compliance with the 2023 Act by developing new contract templates and procedures.
- Training programs were initiated for contract managers and procurement officers to embed best practices.
- Oracle Fusion was integrated to streamline procurement processes and maintain a comprehensive digital record.
- The Procurement Board's role continued to evolve, with ongoing monitoring and reviews to ensure best practice and compliance.

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

- There could be specific services, systems, or support mechanisms where a single specialized provider was selected due to market limitations.

- The Procurement Review Unit (PRU) monitored compliance with the Act and investigate patterns of non-compliance, but was subject to monitoring by the Audit and Risk Assurance Committee, which included independent representation.
- In terms of securing the most advantageous tender, as opposed to the most economically advantageous, the process was defined within the procurement specification and an appropriate scoring matrix that measured the specific elements selected for evaluation, which may include thresholds for compliance.
- No organisation or provider had been identified to date under the new Exclusion and Debarment Regime.
- It was too early to evaluate the effectiveness of the new Central Digital Platform and how arrangements could be adjusted to maximise effectiveness.
- It was anticipated that the Central Digital Platform, along with careful specifications could open up opportunities for both smaller providers from both the local area and further afield.
- The training approach encompassed multiple levels, including national competences and knowledge and internal training designed in collaboration with procurement and legal teams. Members would also receive briefings and training to ensure a broader understanding of procurement and its overall impact.

Resolved that a further report be submitted on the effectiveness of the Central Digital Platform in six months.

1/25 Voluntary Sector Support and Grant Funding

The Board received a report detailing work undertaken in the previous six months to review and reform the Council's approach to grant funding, following the decision to undertake an independent review as part of the Council's 2025-26 budget development process.

The review, conducted by Trueman Change, had examined grant allocations, funding sources, and governance processes. It captured feedback from over 130 stakeholders and concluded in December 2024. The review had highlighted areas that required improvement, with streamlining application and monitoring processes to ensure transparency; strengthening governance for better alignment with strategic priorities; reducing administrative costs by utilizing the newly implemented Grant Management System and reviewing long-term funding recipients to redirect resources toward emerging community needs.

In response to the review's recommendations, the Council had established a Voluntary Sector Grants Board to oversee funding decisions; implemented new grant principles, ensuring alignment with strategic priorities and started a review of advice services to improve efficiency; enhancing digital grant management to streamline processes.

The key points highlighted to the Board were:

- The total grants administered was 269 grants totalling £11.37 million (2023/24).
- The main funding sources was Public Health Grant (£2.9m), General Fund (£2.2m), and DfE Holiday Activity Fund (£1.9m).
- The grant allocation trends were identified as the following: 55% were through open applications, 20% were direct awards, and 25% were recurring grants (over 10 years).
- It was noted that 50% of grant funding went to ten organizations.
- The Value of grants varied significantly, with a range of £490 to £510,000 a year. It was noted that majority of grants were under £20,000.

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

- The online Grant Management System was currently in testing phase with internal commissioners, with an inspection taking place on June and rolling out starting in Autumn. Should any insurmountable issues be identified, the current process would continue to allow issues to be resolved.
- Leadership Team would receive quarterly reports on the effectiveness of the new system.
- Recurring grants would be reviewed to ensure challenge and transparency to ensure value for money.
- Strengthened governance arrangements would ensure that the Council focused on value for money and meeting the outcomes aligned to the Council Plan and that new organisations had more opportunity to receive seed funding.
- Internal Audit would be commissioned to review outcomes of grants given to larger organisations.
- The new system would have an auditing process and streamline process that would allow people to upload directly into the system.
- More would be done to remove barriers in the application process and support the growth of new organisations.
- Criteria for grant funding were regularly updated and published on the Councils website. Future information would include any direct awards.

- Rationale for any direct awards would be challenged by the Voluntary Sector Grants Board.
- There was a piece of work taking place in relation to those grants where there was an administration and management fee to ensure that the Council continued to receive value for money, which would ultimately be determined by the Voluntary Sector Grants Board. Social value would also be a part of that assessment.
- If a grant programme had not achieved its objectives, there would be an equality impact assessment and discussions with commissioners to determine the implications of ceasing that grant.
- Only £1.6m of grant funding came from the Council's general fund. Direct awards could occur when central government designated a particular priority.
- Savings beyond the £250k target could be achieved, though these would not come from the general fund but rather from other sources such as reviewing processes and scrutinising longstanding arrangements to secure better value for money.
- Grants would likely be awarded on a three-year basis, but some would require longer periods, on a case-by-case basis.
- The Council's Voluntary Sector Funding Procedures set out that contracts required specific outcomes and oversight in service delivery. Grants focused on broader outcomes, involved less direct control, and were more collaborative in nature.

Resolved: - that in relation to the Council's funding of the local Voluntary and Community Sector: -

- (1) the Assistant Chief Executive provide a briefing note (via email) in six months' time detailing any progress made on the implementation of new Online Grant Management System and that further update be provided to the Budget and Corporate Scrutiny Management Board on a bi-annual basis on the work of this new system;
- (2) the Assistant Chief Executive provide the Budget and Corporate Scrutiny Management Board a briefing note (via email) on the proposal to conduct a community outreach and engagement strategy with communities that are emerging and/or potentially underrepresented to ensure that they have equal and equitable access to grant funding;
- (3) the Assistant Chief Executive provide a further report to the Budget and Corporate Scrutiny Management Board in February 2026 on the seed and/or start-up funding that

will be made available to new and emerging groups, including details of how it would be ring fenced;

- (4) following the completion of the value-for-money and cost-saving exercise, the Assistant Chief Executive submit a further report to the Budget and Corporate Scrutiny Management Board detailing the feasibility of bringing the grant funding service in-house;
- (5) the Assistant Chief Executive provide the Budget and Corporate Scrutiny Management Board with details of the application process for grant funding, including details of appropriate advice provided to enable all organisations to apply including new, emerging and underrepresented groups;
- (6) the Assistant Chief Executive provides a briefing note to the Budget and Corporate Scrutiny Management Board (via email) providing detail on which of the 10 organisations, that currently receive 50% of the overall grant funding, receive direct awards and/or receive recurring awards.
- (7) the Assistant Chief Executive provides the Budget and Corporate Scrutiny Management Board with annual updates on the grant award that are below the financial threshold of £150,000 made to organisations through the Council's Procurement and Contract Procedure Rules rather than as a grant award, including the reasons for this.

Meeting ended at 7:36pm
following an adjournment between 7.08pm and 7.33pm.

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