

Minutes of Budget and Corporate Scrutiny Management Board

Thursday, 11 December 2025 at 6.00 pm at Council Chamber - Sandwell Council House, Oldbury

Present: Councillor Davies (Deputy Chair) – in the Chair

Councillors:

Dhatt
Jeffcoat

Councillors:

Singh
Kordala

Apologies: Councillors Fenton, Ashraf, E A Giles, Hinchliff and Lewis

In attendance: Councillor W. Gill

Officer: Alex Thompson (Executive Director - Finance and Transformation), Claire Spencer (Service Director – Finance), and Stephnie Hancock (Deputy Democratic Services Manager),

72/25 Declarations of Interest

There were no declarations of interest made.

73/25 Minutes

Resolved that the minutes of the meetings held on 5, 6 and 13 November 2025 are approved as a correct record.

74/25 Urgent Additional Items of Business

There were no additional urgent items of business to be considered at the meeting.

75/25 Budget Monitoring - Quarter 2

The Board considered the Quarter 2 Budget Monitoring Report for the 2025/26 financial year and noted:

I. Section 151 of the 1972 Local Government Act requires the Chief Financial Officer to ensure the proper administration of the Council's financial affairs. Budgetary control, which includes the regular monitoring and reporting of budgets is an essential element in discharging this statutory responsibility.

II. budget monitoring reports are produced quarterly for Cabinet, and the budget position was reported monthly to Leadership Team, highlighting the anticipated year end projection.

III. monitoring reports track progress against agreed budget decisions, consider any budget changes (including re-profiling of Capital budgets), forecast any significant variances to the budget, and enable corrective action to be taken as necessary to ensure a balanced budget at year end.

IV. regular financial reporting was part of the governance and risk management approach within the Council, to deliver sustainable and value for money services as required under statute.

V. at its meeting on 10th December 2025, the Cabinet had considered the Quarter 2 Budget Monitoring Report for the 2025/26 financial year and had referred the report to the Budget and Corporate Scrutiny Management Board for consideration and comment.

The Board was informed that it had been asked to consider the report, in the context of paragraphs 1-4 above, providing comment and recommendations to Cabinet as it sees fit.

In response to comments and questions from members the following was highlighted:-

- clarity was still awaited from government on how overspend on the Dedicated Schools Grant would be managed beyond 2028;
- based on data from 2025 the trajectory for placement costs (specifically within social care and high-needs services) remained highly volatile and inflationary, with 2024/25 projected costs that showed a substantial increase when compared to 2026/24;
- expenditure on home to school transport in relation to Special Educational Needs and Disabilities (SEND) was expected to increase in line with increased numbers of children accessing SEND services; however, the current underspend was as a result of a reduced cost per passenger under the new contract;
- there was a shortfall in income from planning and building regulation fees due to a shift nationally in the "mix" of applications that had seen large, high-value developments being replaced by smaller, lower-fee projects;
- lower-fee projects meant that more activity was required by an individual planner to visit small numbers of small properties on a regular basis, as opposed to dealing with major applications;
- this underachievement of income in this area was recognised in the Medium-Term Financial Strategy, and consideration was given to the use of general funding to bridge the shortfall in planning and building regulation fees that ensured the continued operation of this statutory, safety-critical services and facilitated local economic development;
- whilst the Council retained a portion of sales from Right to Buy (RTB) to fund replacement homes it did not always cover the full cost of an equivalent replacement. as while aimed at supporting new supply, the revenue from RTB sales often only covers a percentage of the cost (e.g. when properties have been sold at a RTB discount).
- it was recognised that the Council's Housing Revenue Account (HRA) and wider housing plans were facing significant financial pressure, with recent reports having indicated an overspend on housing projects, which sat within a broader context of a budget

deficit for the 2025/26 financial year, driven by rising costs and high demand for services;

- the HRA needed to be affordable within its own ring fence, and it needed to be affordable over the 30-year business plan therefore at Cabinet in February 2026 would consider a range of efficiency and income generation proposals aimed at offsetting the majority of the overspend;
- the total value of the savings through asset rationalisation was £2.5m across three financial years a significant proportion of which had been achieved, ;
- a proportion of the £3m spent on housing disrepair claims was contractor costs incurred whilst working to reduce the volume of future ;
- the adult social care market in England was under intense pressure from a combination of soaring operating costs, severe workforce shortages, and rising demand from an ageing population with the Council having forecasted an overspend of £262,000 relating to external adult social care placement costs. In the context of the placements budget there was a reserve in relation to social care. However, the Council had not had to use that since before 2023 and therefore was confident that it had forecasted relatively accurately in terms of budget setting for adult social care placements.
- the £5.6million underspend on the Environment and Public Protection budget was as a result of grant funding, which would be spent on communications and activities to support alternate weekly collections, as the cost of the waste service was already fully funded; and the unspent portion of the grant would be put into reserves to progress this work into 2026/27.
- details on the trajectory in Looked after Children placement costs due to increased spending on residential care had been driven by complex needs, a for-profit market, and a severe shortage of suitable placements would be provided to the Board;
- from 1 April 2026, business rates would undergo a major revaluation therefore it had been agreed to ask for information on the impact of business rates changes on 2026/27 budgets;
- the local government financial settlement for 2026-27 to 2028-29 with the provisional figures was to be announced on 17 December 2025.

76/25 Medium Term Financial Strategy Conclusions and Feedback to the Executive

Further to minutes nos. 54/25 (of 23 October 2025), 58/25 (of 28 October 2025), 62/55 (of 5 November 2025) and 71/25 (of 13 November 2025) the Board considered the feedback and recommendations it wished to give to the Cabinet on the proposals set out in the Medium-Term Financial Strategy and draft Budget 2026/27.

The Board welcomed that, despite the continuing challenges faced, Sandwell's proposed budget for 2026/27 demonstrated a strong commitment to preserving and enhancing key community services. Our libraries, museums, and youth services remained protected, while the management of our parks, green spaces, and highways continued to set a high standard. Across these areas,

the Council performed as well as (if not better than) many neighbouring authorities, including those with lower levels of deprivation, as evidenced by official benchmarks.

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 2026/27;
2. that the Medium-Term Financial Strategy for 2026-27 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

77/25 Work Programme 2025/26

The Board noted its work programme for the remainder of 2025/26. It was noted that final draft Medium Term Financial Strategy (MTFS) and 2026/27 budget report would be submitted to meeting on 28 January 2026. Accordingly, this item was added to the Work Programme.

Meeting ended at 7.09 pm