

Public Document Pack

SOLIHULL METROPOLITAN BOROUGH COUNCIL

CPH Communities and Leisure Decision Session

Wednesday 28th September 2022, 6pm

Remote meeting

ARRANGEMENTS FOR PUBLIC ACCESS TO REMOTE MEETINGS

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Members of the press and public may tweet, blog etc. during the live broadcast, as they would be able to during a regular Committee meeting in the Council Offices. It is important, however, that Councillors can discuss and take decisions without disruption, so the only participants in this virtual meeting will be the Councillors concerned and the officers advising the Committee.

Disclosing Pecuniary Interests - What Must You Do?

- (a) You must complete a declaration of your disclosable pecuniary interests, including those of your spouse/civil partner (or someone with whom you are living as such) and send it to the Monitoring Officer within 28 days of your election or appointment to the Council.
- (b) When you attend a meeting of the Council, Cabinet, Scrutiny Board, Committee, Sub-Committee or Joint Committee etc, and a matter arises in which you have a disclosable pecuniary interest, unless you have been granted a dispensation, **you must:**

- Declare the interest if you have not already registered it
- Not participate in any discussion or vote
- Leave the meeting room until the matter has been dealt with
- Give written notice of any unregistered interest to the Monitoring Officer within 28 days of the meeting

- (c) If you are the Leader or a Cabinet Portfolio Holder you may not exercise any of your delegated powers as a single member in relation to a matter in which you have a disclosable pecuniary interest or take any other step except to give written notice of any unregistered interest to the Monitoring Officer within 28 days of your becoming aware of the interest, or arrange for another person or body to deal with the matter.

Disclosable Interest	Description
Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain by you or your partner.
Sponsorship	Any payment or provision of any other financial benefit (other than from the Council) made or provided within 12 months of your declaration of interests in respect of any expenses incurred by you in carrying out duties as a member, or towards your election expenses.
Contracts	Any contract between you or your partner (or a firm or body corporate in which you or your partner is a partner or a director, or in the securities of which you or your partner has a beneficial interest) and the Council (a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged.
Land	Any beneficial interest in land which is within the area of the Council and which gives you or your partner a right to occupy the land or receive income.
Licences	Any licence held by you or your partner (alone or jointly with others) to occupy land in the area of the Council for a month or longer.
Corporate tenancies	Any tenancy where (to your knowledge)— (a) the landlord is the Council; and (b) the tenant is a body in which you or your partner has a beneficial interest i.e. a firm or body corporate in which you or your partner is a partner or a director, or in the securities of which you or your partner has a beneficial interest.
Securities	Any beneficial interest held by you or your partner in securities of a body where— (a) that body (to your knowledge) has a place of business or land in the area of the Council; and (b) either— (i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which you or your partner has a beneficial interest exceeds one hundredth of the total issued share capital of that class. “securities” means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

□

To:
Councillors D Howell, A Adeyemo and J
Hamilton

NICK PAGE
CHIEF EXECUTIVE

Council House, Manor Square
Solihull, West Midlands. B91 3QB

Joseph Bright
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Date Tuesday 20th September 2022

**CPH Communities and Leisure Decision Session – Wednesday 28th
September 2022**

AGENDA

1. APOLOGIES AND SUBSTITUTIONS

2. DECLARATIONS OF INTERESTS

To receive notification of any declarations of pecuniary and /or conflict of interests from Members.

3. QUESTIONS AND DEPUTATIONS

To answer questions and hear depositions, if any, asked by any resident of the Borough pursuant to Standing Orders.

4. DOMESTIC ABUSE UPDATE (Pages 5 - 10)

To provide a summary position of the management of domestic abuse and commissioning intentions for a specialist community support service.

**5. VOLUNTARY, COMMUNITY AND SOCIAL ENTERPRISE (VCSE) SECTOR
DEVELOPMENT RESERVE (Pages 11 - 18)**

To request approval for the deployment of the remainder of the VCS Development Reserve to support the financial resilience of local voluntary, social enterprise and community sector groups and organisations with the impact of the rising cost of living. Additionally to help ensure that local groups and organisations have the capacity to deliver help and support to households during this period..

**6. REVENUE AND CAPITAL MONITORING 2022/23 AS AT 31ST JULY 2022
(Pages 19 - 26)**

To inform the Cabinet Member of the Portfolio's latest forecast financial position as at the 31st July 2022 against Revenue and Capital budgets as summarised below and detailed in the attached Appendix A.

To inform the Cabinet Member of the Portfolio's progress against the latest 3 year savings targets in the Medium Term Financial Strategy (MTFS) summarised below and detailed in Appendix A.



Meeting date: 28th September 2022

Report to: CPH communities and Leisure

Subject/report title: Domestic abuse position update

Report from: Caroline Murray

Report author/lead contact officer: Caroline Murray

Wards affected:

- All Wards | Bickenhill | Blythe | Castle Bromwich | Chelmsley Wood | Dorridge/Hockley Heath | Elmdon | Kingshurst/Fordbridge | Knowle | Lyndon | Meriden | Olton | Shirley East | Shirley South | Shirley West | Silhill | Smith's Wood | St Alphege
-

Public/private report: Public

1. Purpose of Report

- 1.1 To provide a summary position of the management of domestic abuse and commissioning intentions for a specialist community support service.

2. Decision(s) recommended

- 2.1 To note the proposed intentions for the future provision of specialist community support for those aged 16 plus who are subjected to domestic abuse.

3. Matters for Consideration

- 3.1 Public Health is seeking to commission a community-based specialist domestic abuse service for those aged 16 plus, who reside in Solihull and are or have been subjected to domestic abuse. This supports the delivery of the DVA Strategy which has previously been shared with the Health and Well-being Board and Scrutiny.
- 3.2 An open competitive tender opportunity is scheduled to be released at the end of September 2022, with a new service ready for implementation 1st April 2023.

4. What options have been considered and what is the evidence telling us about them?

- 4.1 The National Statement of Expectation¹ sets out how local areas should commission effective services to ensure a whole system response, allowing victim and survivors to get the help they need. This is reinforced in Domestic Abuse statutory guidance released summer 2022. The Serious Violence Duty² also places a responsibility on Local Authorities to work with Partners on a response to serious violence, this includes domestic abuse. Strengthening protection of survivors/victims of Domestic abuse is a shared national and local objective.
- 4.2 This is currently not a mandated requirement, although the Domestic Abuse Commissioner is leading discussions at a national level to formalise the approach.
- 4.3 A comprehensive needs assessment undertaken in 2021 and subsequent consultation process have provided evidence of a continued need to commission specialist support.
- 4.4 SMBC has commissioned a community service for a number of years. The current service model has evolved over time, with changes being largely reactive. This has led to multiple contracts, different providers and contract timelines.
- 4.5 Re-procurement provides an opportunity to strategically plan the requirements of a new effective and efficient service model that reflects local need, best practice and emerging trends.
- 4.6 The intention is to use an Outcomes focused approach, to promote innovation and allow interested parties the opportunity to help shape how the Service is operationally delivered. This will be supplemented by functional requirements, which will articulate the key principles. These include:
- Single point of access for all clients
 - Provision of information, advice and support to all victim/survivors through a range of formats to include telephone, webchat, group work and face-to-face.
 - Safety prioritised
 - A Service that is equitable and accessible to all victim/survivors
 - Evidence based interventions
 - Service that is co-ordinated, flexible and responsive to individual clients need and risk
 - Dedicated advocacy for those in those in temporary accommodation and accessing Sanctuary

¹ March 2022, Violence against Women and Girls, National Statement of Expectations, Home Office

² Serious Violence duty: Police, Crime, Sentencing and Courts Act 2022

- Highly visible and widely promoted
- Delivered by a competent staffing team

4.7 The financial value of the service has been increased to allow for the Service capacity to be expanded.

4.8 Appendix 1 provides a visual of the proposed model.

5. Reasons for recommending preferred option

5.1 The Service will be part of a wider local offer of specialist services. Refuge, Childrens Domestic Abuse Community Support are commissioned by SMBC. In addition, IRIS is commissioned by the Integrated Care Partnership (formerly Birmingham& Solihull Clinical Commissioning Group), and MARAC IDVA's, Court IDVA's and LGBT IDVA's are commissioned by the West Midlands Office of the Police & Crime Commissioner. The provider will link with the above and other relevant organisations to improve pathways, and work as a whole.

5.2 The inputs, outputs and expectations requirements of the proposed Service are based on learning which has emerged from assessments, consultation, homicide reviews and national guidance. The Service is anticipated too:

- Positively address gaps identified in the DA Needs Assessment 2021 and the focused consultation in July 2022
- Strengthen access to training for frontline practitioners
- Support delivery of objectives and commitments set out in the DA Strategy 2022 and the Domestic Abuse Delivery Plan 2022-2025
- Comply with Home Office Domestic Abuse Statutory guidance
- Respond to recommendations from domestic homicide reviews, including but not limited to recognition of male victims, cultural competency, maintenance of specialist support, improving professionals identification and response to coercive control and stalking and harassment.

6. Implications and Considerations

6.1 State how the proposals in this report contribute to the priorities in the [Council Plan](#):

Priority:	Contribution:
People and Communities: 1. Improving outcomes for children and young people in Solihull.	Domestic abuse has a devastating physical, emotional and financial impact on adults and children who are subjected to it.

Priority:	Contribution:
2. Good quality, responsive, and dignified care and support for Adults in Solihull when they need it. 3. Take action to improve life chances and health outcomes in our most disadvantaged communities. 4. Enable communities to thrive.	
Economy: 5. Develop and promote the borough's economy, with a focus on revitalising our town and local centres. 6. Maximising the opportunities of UK Central and HS2. 7. Increase the supply of affordable and social housing that is environmentally sustainable.	Enter text.
Environment: 8. Enhance our natural environment, improve air quality and reduce net carbon emissions.	Enter text.
9. Promote employee wellbeing	Enter text.

6.2 Consultation and Scrutiny:

6.2.1 The Domestic Abuse Partnership Board have a statutory responsibility for commissioning decisions in relation to the assessment and provision of DA Safe Accommodation and are accountable for leading the local approach to responding to domestic abuse.

6.3 Financial implications:

6.3.1. The service will be funded through the domestic abuse budget which is held by the Public Health directorate.

6.4 Legal implications:

6.4.1 Provision of the Service is not currently mandatory, but absence of a service would likely be critiqued as part of any subsequent adult or child review where domestic abuse was a contributory factor.

6.5 Risk implications, including Risk Appetite:

6.5.1 Any person being subjected to domestic abuse is at potential risk of serious harm. Specialist support is recognised as a key factor in safeguarding.

6.5.2 There are no significant risks identified in relation to commissioning of a new service.

6.6 Equality implications:

6.6.1 While domestic abuse can affect anyone, regardless of their characteristics or circumstances, there are known risk factors associated with a greater likelihood of experiencing or perpetrating it. Research shows that it is a gendered crime, with mental ill health, substance misuse, poverty, sexuality, disability, age and ethnicity as factors which increase risk and impact. The proposed model includes a requirement to ensure equitable access that is capable of meeting all need and seeks to reduce barriers to engagement.

6.6.2 This work stream will be delivered as part of our compliance with the National Violence against Women and Girls expectations and recognises the associated inequalities.

6.7 Linkages to our work with the West Midlands Combined Authority (WMCA), Local Enterprise Partnership or the Birmingham & Solihull Integrated Care System (ICS):

7. List of appendices referred to

Proposed Service Model

8. Background papers used to compile this report

8.1 DA Strategy 2022 – 2025

8.2 DA Needs Assessment 2021

8.3 DA Delivery plan 2022- 2025

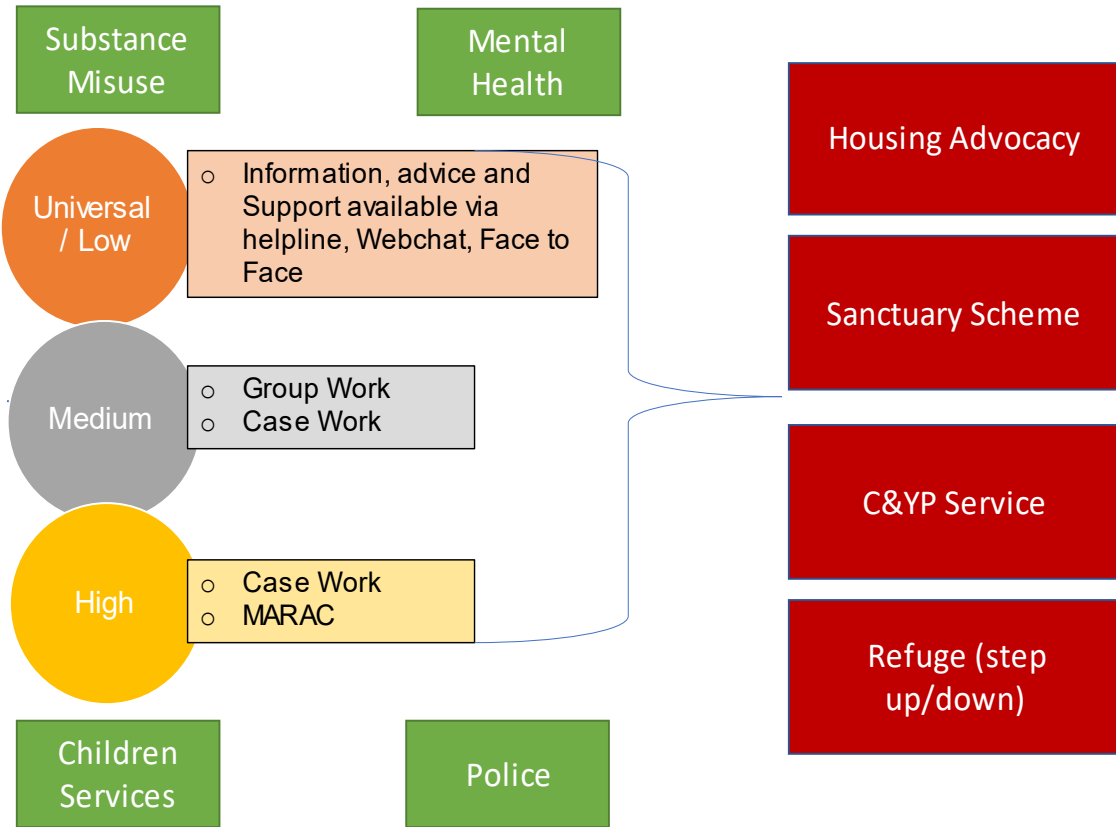
8.4 Home Office Domestic Abuse Statutory Guidance

9. List of other relevant documents

Proposed Service Model

The new service will need to be able to support any person Male & Female in Solihull aged over 16, who is suffering violence and/or abuse regardless of gender or ethnicity

Any person who requires support suffering violence and/or abuse after the point of referral should be able to access any of the of the services as and when needed





Meeting date: 28 September 2022

Report to: Cabinet Member for Communities and Leisure

Subject/report title: Voluntary, Community and Social Enterprise (VCSE) Sector Development Reserve

Report from: Alison McGrory, Assistant Director, Communities and Partnerships

Report author/lead contact officer: Sara Rooney, VCSE Development Lead, srooney@solihull.gov.uk

Wards affected:

- All Wards | Bickenhill | Blythe | Castle Bromwich | Chelmsley Wood | Dorridge/Hockley Heath | Elmdon | Kingshurst/Fordbridge | Knowle | Lyndon | Meriden | Olton | Shirley East | Shirley South | Shirley West | Silhill | Smith's Wood | St Alphege
-

Public/private report: Public

Exempt by virtue of paragraph:

1. Purpose of Report

- 1.1 To request approval for the deployment of the remainder of the VCS Development Reserve to support the financial resilience of local voluntary, social enterprise and community sector groups and organisations with the impact of the rising cost of living. Additionally to help ensure that local groups and organisations have the capacity to deliver help and support to households during this period..

2. Decision(s) recommended

The Cabinet Member is asked to approve the following recommendations:

- 2.1 Approve in principle the use of the remainder of the Councils VCS Development Reserve between now and Spring 2024, to invest in the VCSE sectors to address the resilience and capacity of community groups and organisations. This includes investing in the delivery of help and support to households experiencing hardship as a result of the increases in the cost of living.
- 2.2 To approve the use of £29,850 from the VCS Development Reserve previously set aside for the Commonwealth Games Schools Community Programme to fund the

current VCS priorities as outlined in the report.

- 2.3 To approve, subject also to approval from Cabinet in accordance with the Financial Regulations to re-designate £23,760 from the Commonwealth Games volunteers reserve to fund the VCS priorities as outlined in this report
- 2.4 To allocate £120,000 from the VCSE Development Reserve to establish a Solihull Community Grant as an extension to the successful Wellbeing and Recovery Grant established to support voluntary and community groups during the pandemic.
- 2.5 To delegate approval to the Assistant Director for Communities and Partnerships, in consultation with the Cabinet Member, to allocate up to £58,590 to enable community groups and organisations to utilise and deliver government grant funded activity such as the Household Support Fund and Holiday Activity & Food Programme. This would be until March 2024.

3. Matters for Consideration

- 3.1 The Council has a VCS Development Reserve for the purpose of supporting voluntary, social enterprise and community sector projects and initiatives, in addition to what the Council already commissions. This was with an emphasis on supporting and developing the provision of community-based solutions with a focus on prevention and early intervention. In July 2019, the Cabinet Member for Resources delegated decisions concerning the spending of the VCS Development Reserve to the Cabinet Member for Safer Stronger Communities.
- 3.2 In October 2021 the Cabinet Member approved a request to use the VCS Development Reserve exclusively for directed Council investment in the local voluntary, social enterprise and community sectors. At the same time up to £210,000 of the funding was allocated to a series of projects and initiatives concerned with the Commonwealth Games and the development of the VCSE sectors. The actual cost of the Commonwealth Games projects and initiatives was less than originally estimated.
- 3.3 The following have been implemented with positive outcomes or remain in progress:
 - A **Celebrating Communities Fund** administered in partnership with Heart of England Community Foundation to make small amounts of funding available to community groups and organisations. As of August 2022 £86,055 has been awarded to 20 community groups and organisations.
 - To procure licences and access to **Grantfinder** a digital platform that provides current information about international, national, regional and local funding opportunities available to VCSE groups and organisations as well as the council.
 - **VCSE Strategic assessment** to provide additional support with strategic profiling and assessment of the strengths and development needs of the local VCSE sector. This work will be delivered during 2022/23.
 - Investment in training, equipment, visibility and an emergency reserve for **Solihull Foodbank Network** to enable members to develop their offer and

deliver work on financial inclusion, healthy eating and nutrition as well as respond to crisis across the year.

- **Commonwealth Games: School and community games.** Opportunities to develop joint activities and events between schools and community groups, clubs and organisations.

3.4

4. **What options have been considered and what is the evidence telling us about them?**

- 4.1 The significant increases in the cost of living, created by the rising cost of fuel, food and other essentials is impacting significantly on many households in Solihull already experiencing disadvantage and vulnerability, putting them at greater risk of hardship and reduced opportunity and wellbeing. We are seeing an increase in demand for support and services as a consequence.
- 4.2 The Council works closely with the VCSE sectors and has had success at directing government funding schemes to local groups and organisations. 9 of the 10 organisations delivering support for food and energy through the Household Support Fund are from the VCSE sectors. Of the 37 organisations who delivered the Holiday Activity and Food programme this summer, 15 were from the VCSE sectors. Much of the funding has been short term and based on providing an immediate response and supporting residents experiencing crisis. Very little if any funding through grants is made available to fund core costs.
- 4.3 Organisations and groups in the VCSE sectors are facing a triple squeeze due to the rising costs of living: Increasing demand as more people seek support; rising inflation is resulting in fewer and lower donations and eroding the value of donations, grants and contracts. The third area is the increasing costs of delivery, due to rises in inflation and energy bills. Financial sustainability remains the main concern for many groups and organisations, which are still recovering from the financials pressure arising from the COVID pandemic.
- 4.4 Through the deployment of the remaining VCSE Development Reserve over the next 12 – 24 months the Council will specifically look to
- Support VCSE organisations and groups with increases in core costs during this period
 - Support VCSE resilience, business planning and income generation
 - Add and sustain VCSE capacity to provide cost of living orientated support to households.
- 4.5 By continuing to make small amounts of funding available to community groups and organisations through a Solihull Community Grant scheme the Council will be able to work alongside the sector to address the 3 points in 4.4 above ensuring the longer-term growth and sustainability of the sector. The criteria for allocation of the funding will address the direct or indirect benefit related to addressing Council priorities and will be developed in consultation with Solihull CAVA, commissioners from across the council and VCSE sectors. The criteria will consider; evidence of the contribution to

Council priorities; evidence of increased core costs and risks to the sustainability of the group/organisations; evidence of depleted reserves and; risk to the delivery of activity and services that are delivered on behalf of the Council.

- 4.6 In response to the cost of living and other crisis, the Government has made additional funding available to direct help to some of the most vulnerable. Examples of this include the Household Support Fund, Sustainable Warmth Programme and Holiday Activity and Food Programme. The VCSE sectors in Solihull have been critical in connecting this help to low income and vulnerable households, who might otherwise be out of reach of statutory organisations. The availability of match funding through the Reserve will enable more groups and organisations to participate in delivering activity funded through programmes, like the Household Support Fund.

5. Reasons for recommending preferred option

- 5.1 The Council has significantly relied on and benefited from the resilience and innovation of its communities to support the COVID pandemic, the Afghan and Homes for Ukraine response and more recently to address the increases in the cost of living. This is at a time when financial sustainability remains the main concern in the sector.
- 5.2 The State of the Sector Report published by Warwickshire and Solihull Community and Voluntary Action (CAVA), referenced funding as the most frequently reported challenge and concern for VCS groups and organisations. This related to securing sufficient income including funding from grants, contracts and donations. One in 5 organisations faced challenges related to buildings including funding to manage buildings, maintenance and running costs. Other challenges included the growing demand for services, which has been complicated by the difficulty recruiting both paid staff and volunteers.
- 5.3 More recently CAVA reported:
- 5.3.1 The cost of living for VCSE groups remains a constant challenge raised in conversations with them and through support engagements - Core costs seem to be the main preoccupation. VCSE/Charity sector are raising risks to organisations folding due to financial hardship in the coming months when they are increasingly needed to support a range of areas, from ICS to communities' and individuals' needs on the ground.
- 5.3.2 There is an estimated £1.2bn reduction in donations nationally which could be as high as £3bn, compounded by inflation reducing the relative purchasing power of donations. Disproportionate drop from communities with socio-economic challenges is anticipated, so communities most in need would see even less general public donations realised.
- 5.4 The Council has an opportunity through the deployment of this funding to recognise the contribution of the sector and continue to invest in the longer-term sustainability of local groups and organisations that are critical to the cost of living response.
- 5.5 The investment would continue to strengthen the council's partnership with the VCSE sectors, with the investment increasing activity and capacity, which could ultimately

prevent current, growing and future demands on statutory services. The funding also has the potential to increase access to additional resources such as grants from independent funders, community action and volunteering, as well as access to community-based land and property assets.

6. Implications and Considerations

6.1 State how the proposals in this report contribute to the priorities in the [Council Plan](#):

Priority:	Contribution:
<p>People and Communities:</p> <ol style="list-style-type: none"> 1. Improving outcomes for children and young people in Solihull. 2. Good quality, responsive, and dignified care and support for Adults in Solihull when they need it. 3. Take action to improve life chances and health outcomes in our most disadvantaged communities. 4. Enable communities to thrive. 	<p>The investment supported through this report would directly contribute to developing capacity within local communities, including those where there is the potential for the greatest impact on local residents</p>
<p>Economy:</p> <ol style="list-style-type: none"> 5. Develop and promote the borough's economy, with a focus on revitalising our town and local centres. 6. Maximising the opportunities of UK Central and HS2. 7. Increase the supply of affordable and social housing that is environmentally sustainable. 	<p>Enter text.</p>
<p>Environment:</p> <ol style="list-style-type: none"> 8. Enhance our natural environment, improve air quality and reduce net carbon emissions. 	<p>Enter text.</p>
<ol style="list-style-type: none"> 9. Promote employee wellbeing 	<p>Enter text.</p>

6.2 Consultation and Scrutiny:

6.2.1 The VCSE Strategic Assessment is underway has included input from a number of key stakeholders to recognise the role and profile of the VCSE sectors in the borough and to help direct future support and investment.

6.2.2 Continuing involvement and consultation with Solihull community groups and organisations takes place through the VCSE Engagement Group. The group consists of key VCSE groups and organisations as well as community leaders and provides a forum for dialogue between the Council and these groups to understand the priorities,

opportunities and challenges being faced along with opportunities to work together to respond to the needs of communities in Solihull.

6.2.3 Through the contract held with CAVA they are required to engage with the VCSE Sectors in the borough and provide regular reports and updates to commissioners on the 'State of the Sectors'.

6.3 Financial implications:

6.3.1 There is currently £178,590 in the VCS Development Reserve. The intention is to allocate this over the next 24 months through this report. £120,000 will be allocated to a Solihull Communities Grant which will be administered by a grant making organisation on the Councils behalf. The remaining £58,590 will be made available to allocate to community organisations to provide additional capacity to deliver government funded programmes that will benefit low income and vulnerable households.

6.4 Legal implications:

6.4.1 The spending of funding through this report and delegated to officers for future approval will be done in accordance with the Councils financial management and procurement policies and procedures. This will include the procurement of an organisation to administer the Solihull Community Grant and future grant awarding schemes in partnership with Solihull Council.

6.5 Risk implications, including risk appetite:

6.5.1 Any risks concerning the effective allocation and spending of grants awarded through the grant administration organisation to be procured by the Council will be managed through a robust process to be agreed as part of the tender and procurement process. This will be complemented by direct input and support by council officers in the development and delivery of proposals. Risk registers for community programmes including government grants are in place and regularly reviewed. This includes quality assurance processes and procedures designed and delivered as part of the Holiday Activity and Food Programme.

6.5.2 Removing the ability of local VCS groups and organisations to access funding through the VCS Development Reserve is likely to impact negatively on the relationship and joint working between the Council and VCS Sector in the borough. Continuing to allocate the fund through a grant scheme and enabling more groups and organisations to access this and additional grant funding will contribute to the sustainability and independence of these groups and organisations.

6.6 Equality implications:

6.6.1 Fair Treatment Assessments are in place or in progress to guide and inform the work concerning VCSE investment and partnerships. Working with the Equality and Diversity Advisors this new funding will be included.

Linkages to our work with the West Midlands Combined Authority (WMCA), Local Enterprise Partnership or the Birmingham & Solihull Integrated Care System

(ICS)Through the Triple Devolution Deal, the WMCA has recognised the importance of “social capital” within the region. The VCSE sectors are a key driver and creator of social capital within communities of place and communities of interest. Ensuring the sustainability of the sectors in Solihull will help to maintain and sustain social capital in the borough.

7. List of appendices referred to

7.1 Enter text.

8. Background papers used to compile this report

8.1 State of The Voluntary, Community and Social Enterprise Sector in Warwickshire and Solihull 2021/22, Warwickshire and Solihull Community and Voluntary Action, May 2022 <https://www.wcava.org.uk/state-of-the-sector>

9. List of other relevant documents

9.1 Enter text.

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Meeting date: 28th September 2022

Report to: Communities and Leisure

Subject/report title: **REVENUE AND CAPITAL MONITORING 2022/23 AS AT 31st July 2022**

Report from: Director of Economy and Infrastructure and Director of Resources and Deputy Chief Executive

Report author/lead contact officer: Sean Castree – Senior Accountant
sean.castree@solihull.gov.uk

Wards affected:

- All Wards | Bickenhill | Blythe | Castle Bromwich | Chelmsley Wood | Dorridge/Hockley Heath | Elmdon | Kingshurst/Fordbridge | Knowle | Lyndon | Meriden | Olton | Shirley East | Shirley South | Shirley West | Silhill | Smith's Wood | St Alphege
-

Public/private report: Public

Exempt by virtue of paragraph: N/A

1. Purpose of Report

- 1.1 To inform the Cabinet Member of the Portfolio's latest forecast financial position as at the 31st July 2022 against Revenue and Capital budgets as summarised below and detailed in the attached Appendix A.
- 1.2 To inform the Cabinet Member of the Portfolio's progress against the latest 3 year savings targets in the Medium Term Financial Strategy (MTFS) summarised below and detailed in Appendix A.

2. Decision(s) recommended

The cabinet member is asked to:

- 2.1 Consider and endorse the 2022/23 revenue and capital financial monitoring forecast as at 31st July 2022.
- 2.2 Consider the Portfolio's progress against the latest 3 year savings targets in the Medium

Term Financial Strategy (MTFS) as at 31st July 2022.

3. Matters for Consideration

- 3.1 Throughout the financial year, information will be provided on a quarterly basis to the Cabinet Portfolio Holder and Full Cabinet.
- 3.2 Full Council agreed a balanced budget in February 2022 for the three years from 2022/23 to 2024/25. Officers have now begun working on the new MTFS for 2023/24 to 2025/26. We will be following the established process of taking updates through the Member led Budget Strategy Group and an all-Members' Seminar, before presenting budget proposals to Scrutiny Boards, Cabinet and finally Full Council.
- 3.3 As reported to Full Cabinet in June 2022, the overall position at the end of 2021/22 was that, with the exception of Children's services for which further funding has now been agreed, all portfolios are in an equivalent or better financial position as at 31 March 2022 than that assumed in the budget approved by Full Council in February 2022.
- 3.4 However, the outlook for local government finance remains difficult with a combination of existing and emerging challenges:
- The lasting effects of Covid-19, including the gradual recovery to pre-pandemic activity levels for some services and the transition to a "new normal", with potentially permanent changes to activity levels, for others
 - the ongoing delay to local government finance reform and associated uncertainty over future funding
 - Cost of living impacts on pay awards, energy and other contractual costs
 - Children's services – further pressures forecast in the current year
 - The reform of Adult Social Care
- 3.5 It is clear from the above that the budget process for 2023/24 will be very challenging as the impact of inflationary pressures and demand for adults and children's social care feed through into the budget process. The Council may also need to accept more risk in the budget assumptions.

Revenue Budget 2022/23

- 3.6 The latest approved revenue budget for the portfolio is £7.201million. The forecast outturn expenditure for this year is giving an overall favourable variance of £377,000. This includes an adverse variance in respect of Covid-19 of £163,000 of which £3,000 is being met from the remaining Covid-19 Emergency Grant. Covid-19 Funding has now all been committed and any further pressures are being managed within individual Portfolios. Explanations can be found in Appendix A
- 3.7 The forecast variance for this portfolio should be considered in the context of the overall position for the Economy and Infrastructure Directorate and for the Leisure Division of Public Health Directorate.
- 3.8 In February 2022 as part of the MTFS update report at Period 9, Cabinet approved the creation of a general Economy and Infrastructure Directorate General Contingency reserve to manage future year adverse variances where specific reserves are not

held. This was in recognition of the risks and pressures which can arise within these portfolios due to factors outside the Council's control.

- 3.9 The Economy and Infrastructure directorate is currently forecasting a balanced position after the use of £1.661million Covid Emergency Grant and £474,000 from the Economy and Infrastructure General Contingency reserve. This would leave a remaining balance of £1.073million in the reserve to mitigate risks in future years.
- 3.10 The Leisure Division budget within the Public Health Directorate, included provision for loss of the concession fee receivable in relation to the leisure centre contract (£571,000), with mitigation through use of Leisure reserves £471,000 and unallocated revenue budget £100,000. Due to the increase in utility costs and other inflationary pressures, there is a forecast additional pressure of £269,000 which will be offset by the use of additional Leisure reserves.

Capital Budget 2022/23

- 3.11 The latest approved capital programme for this portfolio is £717,000. The forecast outturn expenditure for the year is an adverse variance of £136,000 where the budget for a scheme has not yet been added to the capital programme.

Budget Strategy Savings 2022/23 to 2024/25

- 3.12 For 2022/23 the total savings target is £447,000 of which £30,000 is rated red with the remainder rated green.
- 3.13 For 2023/24 the total savings target is £165,000 which is all rated amber. There are £154,000 savings being reversed from the prior year as these were agreed on a one off basis.
- 3.14 For 2024/25 the total savings target is £145,000 which is all rated amber. There are £195,000 savings being reversed from the prior year as these were agreed on a one off basis.

Emerging pressures to be managed

- 3.14 Utility price rises are impacting the financial operating position of the leisure centres. With further increases for electricity from October 2022 and gas from April 2023, the utility cost pressure is forecast at £716,000 for 2023/24 above the forecast cost provided in the MTFS. The Public Health Directorate have commenced formal negotiations with the leisure centre provider to agree a new financial operating model, as permitted under the deed of variation to the contract and are working towards implementation of a new operating model from April 2023. However, utility prices are expected to have a significant impact on the outcome of renegotiation, with the current operating position already impacted by the on-going impact of Covid on concession fee income. The impact of Covid and now utility prices on the operation of leisure centres is a nationally reported pressure.

4. What options have been considered and what is the evidence telling us about them?

- 4.1 N/A

5. Reasons for recommending preferred option

5.1 N/A

6. Implications and Considerations

6.1 State how the proposals in this report contribute to the priorities in the [Council Plan](#):

Priority:	Contribution:
<p>People and Communities:</p> <ol style="list-style-type: none"> 1. Improving outcomes for children and young people in Solihull. 2. Good quality, responsive, and dignified care and support for Adults in Solihull when they need it. 3. Take action to improve life chances and health outcomes in our most disadvantaged communities. 4. Enable communities to thrive. 	<p>People and communities are an important area of consideration for the services within this portfolio, with all possible efforts being made to ensure that services are delivered and policies are determined in a manner that is equitable to all, allowing communities to thrive and enhancing the life chances of disadvantaged communities. There are no new implications from this report.</p>
<p>Economy:</p> <ol style="list-style-type: none"> 5. Develop and promote the borough's economy, with a focus on revitalising our town and local centres. 6. Maximising the opportunities of UK Central and HS2. Increase the supply of affordable and social housing that is environmentally sustainable. 	<p>The economy is a key area of consideration for the services within this portfolio with increasing the supply of housing especially affordable and social housing being one of the key objectives. There are no new implications from this report.</p>
<p>Environment:</p> <ol style="list-style-type: none"> 7. Enhance our natural environment, improve air quality and reduce net carbon emissions. 	<p>The environment is a key area of consideration for the services within this portfolio with enhancing the natural environment, improving air quality and reducing carbon emissions all being key objectives. There are no new implications from this report.</p>
<ol style="list-style-type: none"> 8. Promote employee wellbeing 	<p>No new contribution to this priority.</p>

6.2 Consultation and Scrutiny:

None

6.3 Financial implications:

Financial monitoring is undertaken throughout the year by individual budget managers. Key income and expenditure risk areas are also monitored monthly by the Finance Team. Any significant risks identified are reported to both DLT (Directorate

Leadership Team) and CLT (Corporate Leadership Team) to ensure that net expenditure is managed within approved budgets. ARTOP (Aligning Resources To Our Priorities Board) meet quarterly to oversee the delivery of the MTFS.

6.4 Legal implications:

None

6.5 Risk implications, including Risk Appetite:

6.5.1 The budget monitoring report takes account of known forecast variances. In addition, there may be pressures which are currently being monitored and managed by budget managers that could affect the final outturn position for 2022/23.

6.5.2 As mentioned in Section 3 of this report there are a number of substantial financial risks that the authority is facing as a result of external economic conditions which will be included in the Council's Budget Setting Process.

6.5.3 The Corporate risk relating to the delivery of the MTFS is now at a net level 9. The new MTFS that will be presented to Full Council in February 2023 will need to reduce this risk to at least a net level 8.

6.5.4 Covid-19 Funding has now all been committed and any further pressures will need to be managed within individual Portfolios.

6.6 Equality implications:

None

6.7 Linkages to our work with the West Midlands Combined Authority (WMCA), the Local Enterprise Partnership or the Birmingham & Solihull Integrated Care System (ICS):

None

7. List of appendices referred to

Appendix A – Q1 22-23 Rev & Cap Monitoring Report

8. Background papers used to compile this report

8.1 N/A

9. List of other relevant documents

9.1 N/A

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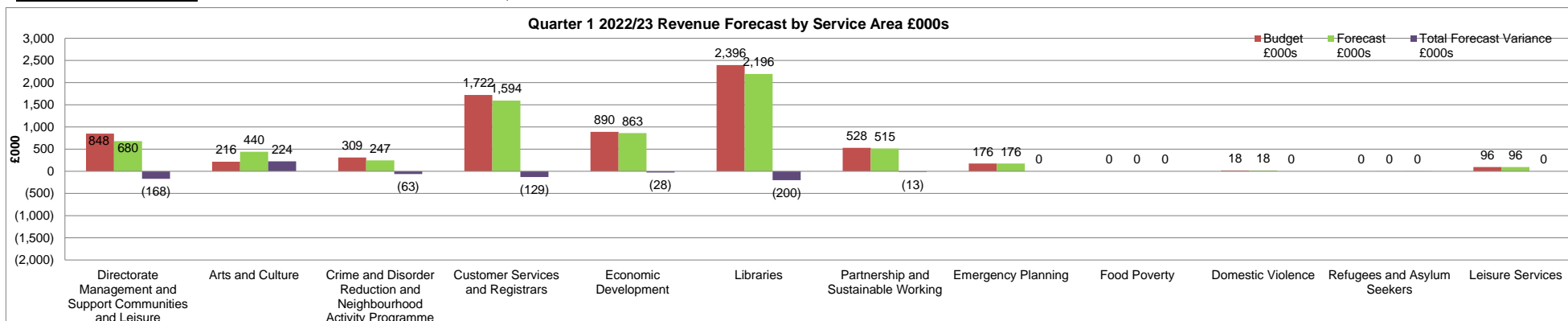
Communities and Leisure Quarter 1 2022/23 Financial Position

Economy and Infrastructure Directorate Position

The context of this Cabinet portfolio position is taken into account with the whole of the Economy and Infrastructure Directorate which is currently forecasting a balanced position after the use of £1.667million Covid Emergency Grant and £474,000 from the Economy and Infrastructure General Contingency reserve.

1. 2022/23 Revenue Position

Current Forecast - £377,000 Favourable Variance



2. Explanations for significant Revenue Variances

Service Area	Budget £000s	Forecast £000s	Total Forecast Variance £000s	Comments
Directorate Management and Support Communities and Leisure	848	680	(168)	Portion of Economy and Infrastructure Directorate Management variance relating to this portfolio. The favourable variance is mainly due to contribution from reserves to balance the overall directorate position, and a saving on salary costs due to a secondment.
Arts and Culture	216	440	224	Adverse variance due to the continued effects of the Covid-19 pandemic on income from the Core theatre and café with reduced visitor numbers. The service is also experiencing a significant impact from rising costs in relation to food and beverage supplies.
Crime and Disorder Reduction and Neighbourhood Activity Programme	309	247	(63)	Favourable variance mainly due to additional income from additional grant income to be allocated fund an additional post.
Customer Services and Registrars	1,722	1,594	(129)	Favourable variance due to additional income for new areas of work including energy rebate scheme and registration work for Birmingham City Council, and vacancies in the process of being filled.
Economic Development	890	863	(28)	Favourable salary variance due to vacancies in the process of being filled following a restructure of the Sustainable Growth service.
Libraries	2,396	2,196	(200)	Favourable salary variance mainly due to a high level of vacancies following the re-opening of the service after the Covid-19 pandemic.
Partnership and Sustainable Working	528	515	(13)	Favourable variance from additional income from staff time chargeable to grant programmes with a timing delay to recruit additional staff to deliver this activity.
Emergency Planning	176	176	0	Grant funded expenditure.
Food Poverty	0	0	0	This includes the Holiday Activity and Food Programme and the Household Support Fund which are both fully grant funded.
Domestic Violence	18	18	0	Nil variance to report.
Refugees and Asylum Seekers	0	0	0	This includes support to refugees from Syria, Afghanistan, Hong Kong and Ukraine which are all fully grant funded.
Leisure Services	96	96	0	There is a forecast pressure of £269,000 in relation to leisure Centres, mainly due to utility price increases, which will be offset in year by use of additional leisure reserves. In July 2022, the Council's Leisure Service exercised its option under the Deed of Variation to the contract to request a new financial model be provided by Everyone Active. The new financial model must be agreed within 12 months. However, subject to agreement of the model, both parties are working towards implementation from April 2023.
Total	7,201	6,825	(377)	

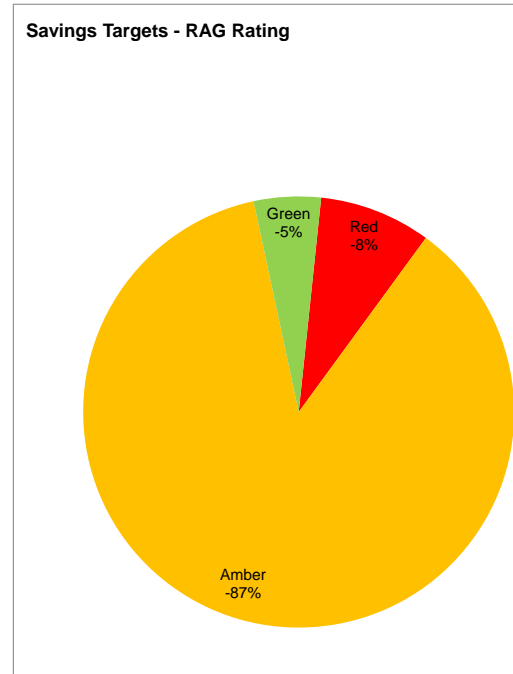
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3. 2022/23 Capital Position

Schemes	Budget £000s	Forecast £000s	Variance £000s	Comments
LIBRARY MANAGEMENT SYSTEM IMPLEMENTATION	7	7	0	Remaining costs of LMS implementation (CIVICA, SPYDUS and an estimate for the integration of the CARM system).
RENOVATION GRANTS	100	100	0	£100,000 is to be used for Green Homes related work in 22/23.
MINOR WORKS ASSISTANCE	0	136	136	Funding of £216,000 is available from a residual housing grant, and will be used to increase this budget
REGIONAL HOUSING GRANT	15	15	0	Remainder of grant funding from a larger programme.
TG PITCH REPLACEMENT	595	595	0	Forecast in line with budget
Total	717	853	136	

4. 3 Year Savings Targets £000s

Description of Target	2022/23 £000s	2023/24 £000s	2024/25 £000s	Comments
Review of back office functions across the directorate	(18)			2022/23 funding is built in to permanently offset this saving.
Chelmunds Cross Enterprise Centre	(50)			Chelmunds Cross Enterprise Centre is forecasting a balanced position in the current financial year.
Impact of business plan for Core theatre and café	(30)	(45)	(45)	This service is still recovering from Covid and forecasting reduced income in 2022/23 as a result of this.
Customer Services - consider collaborative working options with SCH to streamline services, further development of digital channels and a wider review of first point of contact		(100)	(100)	Work is in progress to understand opportunities for digital innovation to deliver these savings.
Digitisation of Registry office archive		(20)		Work is in progress on this business case.
Domestic Abuse grant maximisation	(249)	54	195	New grant funding has been received for Domestic Abuse additional duties from 2021/22. As a significant amount of the new burden activity was already being delivered by the authority from Public Health grant, this enabled a reduction in the use of Public Health grant.
Covid-19 - mitigation from Leisure core budget	(100)	100		The Budget Strategy update of the MTFS included the forecast loss of the leisure centre concession fee of £571,000 for 2022/23. (£471,000) of the loss was agreed to be funded from reserves, with the balance of (£100,000) been met from unallocated revenue budget.
Total	(447)	(11)	50	



5. Reserves

	Balance as at 31st March 2022 £000's	Planned / Forecast (contribution)/use			Forecast Balance at the end of 2024/25 £000's	Forecast (contribution) /use beyond 2024/25 £000's	Proposed as part of 2025/26 MTFS £000's	Forecast Remaining Balance £000's
		2022/23 £000's	2023/24 £000's	2024/25 £000's				
Reserve Balance	(4,795)	1,702	1,118	159	(1,817)	769	0	(1,048)