

BIRMINGHAM CITY COUNCIL

RESOURCES O&S COMMITTEE – PUBLIC MEETING

1400 hours on Thursday 14 January 2021 (On-line Meeting)

Present:

Councillor Sir Albert Bore (Chair)

Councillors: David Barrie, Meirion Jenkins, Paul Tilsley and Lisa Trickett

Also Present:

Councillor Tristan Chatfield, Cabinet Member, Finance and Resources

Rebecca Hellard, Interim Chief Finance Officer

Julie Griffin, Acting Assistant Director, Housing

Rob James, Acting Director, Neighbourhoods

Chris Jordan, Assistant Director, Neighbourhoods

Paul Lankester, Interim Assistant Director, Regulation and Enforcement

Darren Share, Assistant Director, Street Scene

Jayne Bowles, Scrutiny Officer

Emma Williamson, Head of Scrutiny

1. NOTICE OF RECORDING/WEBCAST

The Chairman advised the meeting to note that this meeting will be webcast for live and subsequent broadcast via the Council's Internet site (www.civico.net/birmingham) and that members of the press/public may record and take photographs except where there are confidential or exempt items.

2. APOLOGIES

Apologies were received from Councillor Muhammad Afzal.

3. DECLARATIONS OF INTERESTS

None.

4. ACTION NOTES – 10 DECEMBER 2020

(See document 1)

The Chair gave the following updates:

- A note had been circulated to Members in response to Cllr Tilsley's question regarding the Brussels Office;
- A letter had now been received from the Cabinet Member for Children's Wellbeing in response to the Committee's query regarding Inclusion & SEND overspend in relation to Travel Assist and this has been circulated to Members;
- The Update on the Perry Barr Regeneration Scheme Full Business Case is now due to go to Cabinet in April.

RESOLVED:-

- The action notes of 10 December 2020 were agreed.

5. FINANCIAL MONITORING 2020/21 – MONTH 8

(See document 2)

Councillor Tristan Chatfield, Cabinet Member for Finance and Resources, and Rebecca Hellard, Interim Chief Finance Officer, attended for this item.

The following points were highlighted:

- The Month 8 report forecasts a net underspend of £3.5m;
- Directorates are reporting that £20.1m of the £27.1m savings targets are either delivered or on track, which represents around 75% of the total target;
- The graph in section 1.12 of the report shows Covid related and other variations, which helps with analysis;
- The High Level Summary in Table 1 shows no significant movement but Members were asked to note that this was before the latest lockdown;
- Table 3 gives an analysis of non-Covid variations and begins to delve into how savings have been mitigated;
- With regard to capital spend, there has been slippage of £146.8m and £4.5m forecast net savings;
- Covid is having a significant impact on the delivery of the capital programme.

In the course of the discussion, and in response to Members' questions, the following were among the main points raised:

- Members noted there are some real positives in the report;
- Bidding guidance has now been released in respect of the Government funding for leisure centres and a bid is being prepared – a briefing note will be provided to Committee;
- The report referred to risks identified in relation to Brexit and a note was requested on whether the impact of EU citizens losing access to certain benefits and services had been quantified in any way;
- In response to a question about compensation for leisure centres being closed down during Covid, it was pointed out that the council could not take

up that offer as our facilities are outsourced and the funding we are bidding for is intended to provide that supplier relief;

- Concern was expressed in relation to the potential pipeline of need and requirement in Adult Social Care and Members were told that there is a need to ensure there are resources available for additional demand. The Three Conversations model has delivered savings and there is provision in place for potential pressures;
- The forecast for the projected shortfall in Council Tax and Business Rates has improved;
- With regard to Covid monies, clarification was sought on the figures in Table 2 of the report and it was agreed a note would be provided;
- In response to a question in relation to the capital programme, Members were told that the impact of Covid on the supply chain and contractors' ability to keep sites open has had an effect on the costs of some programmes;
- In conclusion, it was noted that there are a lot of positives in the report and we are better placed in 2021 than we have been in previous years.

RESOLVED:-

- The following information to be provided to Members:
 - Briefing note on the bid for Government funding for leisure centres;
 - Response to query relating to impact of EU citizens losing access to certain benefits and services and whether this has been quantified;
 - Clarification of Table 2 in the report.
- The report was noted.

6. CIPFA REVIEW OF NEIGHBOURHOODS DIRECTORATE

(See document 3)

Rob James, Acting Director, Neighbourhoods, Julie Griffin, Acting AD, Housing, Chris Jordan, AD, Neighbourhoods, Paul Lankester, Interim AD, Regulation and Enforcement, and Darren Share, AD, Street Scene, attended for this item.

The following points were made:

- The purpose of the review was to give the Executive reassurance around the level of funding required;
- This is an exercise they will be looking to do in other directorates and Neighbourhoods came up first partly due to its size and scale and partly due to wanting to ensure the additional £23m put into the budget for this financial year was sufficient;
- The outcome of the review was as expected and provides reassurance that the budget gives base sufficiency to provide services;
- Thanks were expressed to CIPFA for the work undertaken, which was not just about the budget but also about performance and, where possible, some comparison work with other local authorities;
- It was pointed out, however, that it is not always possible to compare like for like as other authorities might not provide the same type or extent of service;

- Essentially, the conclusions of the report were that the Housing Service as funded by the General Fund is insufficient at present but the proposed investment in that service will ensure it is sufficient in future years;
- The Neighbourhoods Division has a sufficient budget but there are risks associated with buildings repair and maintenance, eg community leisure and retained leisure centres;
- Regulation & Enforcement, again a sufficient budget but there is a need to keep a watchful eye on income shortfall, particularly around Bereavement Services and Markets in respect of the Smithfield Development;
- Street Scene has an insufficient budget at present and a number of areas need to be reviewed, particularly income around trade waste, the purchase of new vehicles and the delays with this, recycling, and in future years legislative requirements, for example the collection of food waste for which it is hoped there will be Government funding;
- In terms of an Executive response to the report, there are a couple of issues to be clarified, one of which is the overall summary in the first table compares the original budget to outturn and does not take account of the rebasing done last year;
- There is a need to keep an eye on Covid related spending and external funding, and some work to do on income and investment, however the directorate is on target to deliver a small underspend this financial year;

In the course of the discussion, and in response to Members' questions, the following were among the main points raised:

- The Chair felt that the comment in the Executive response relating to the base budget rebalance was a little defensive and pointed out that two or three years ago the external auditor made a point regarding mid-year changes masking the impact of budget failure;
- Members were told that changes are only made mid-year where there is an error and on this occasion there had been a double-counting error which CIPFA thought was a rebalancing of the budget;
- They were further advised that no value for money issues were coming forward from the auditor for this year;
- A number of issues were raised by Members in relation to Street Scene and Housing Options and these were responded to in turn;
- **Street Scene** – it was acknowledged that there are issues which are not new and do need to be tackled and work has been undertaken to identify these and move things forward;
- Reference was made to a previous report to Committee addressing the issue of income and expenditure for Trade Waste and that showed that the service was profitable but the difficulty was hitting the increased income target;
- This is what CIPFA have picked up and they have asked for more work to be done around how the budget is apportioned and also to look at the market to identify what resources are needed to increase income;
- There is a similar scenario with garages, which were set up with a very internal market and as the council has changed, the income has changed;
- Additional income is being brought in with MOTs for taxis;

- The Montague Street garage has now been sold and a massive review is being undertaken regarding the new site and what that will look like. That should be up and running in the next 2-3 years;
- This gives the opportunity to review the offer and develop a scheme;
- With regard to the increase in staffing, they have now fully recruited to all posts in Refuse Collection and have moved from an agency base to a permanent workforce;
- The increase in Grounds Maintenance employee costs relates to that service being brought in-house and they will have apprentices starting in September this year, with taster sessions being held between May and September;
- In terms of Recycling, the increase to hit the target is significant;
- The problem at the moment is the increase in overall household waste, with residual waste going up, Trade Waste going down and a significant change in segregation of waste;
- Dry recyclate has gone up and at HRCs there is more recyclate going in than waste going to landfill or the incinerator, with recyclate figures being up around 14% on this time last year;
- All of Birmingham's waste and recycling is dealt with in the UK and discussions are taking place with Government about whether there are enough plants to deal with food waste if that is introduced;
- Members also raised concerns about the loading of corporate costs on trading arms, eg Trade Waste;
- The Finance Team are looking at corporate costs and there is an integrated transport system model being looked at;
- The whole process of how overheads and management costs are apportioned is being looked into;
- **Housing Options** – Work is being done on demand and capacity and a root and branch review has been done to identify what is needed for prevention, to slow down the rate of demand and eradicate the use of bed and breakfast;
- There is a robust business plan which takes a bottom-up approach, to understand what tools are needed, how many officers are needed and their capacity in terms of the number of cases they can hold, and what is needed in terms of upstream early intervention;
- A report went to Cabinet in October on Temporary Accommodation Procurement and additional investment has been requested to acquire TA units at a lower cost than what bed and breakfast is currently costing;
- Our costs are four times the metropolitan average and this is due to the use of bed and breakfast accommodation;
- Built into the new operating model is the ability to work with the private rented sector and provide suitable and sustainable accommodation, and also looking with Development colleagues at how to increase social housing;
- The new model is not just about restructure, it is also looking at processes to improve the customer journey and how we collaborate with partners to reduce homelessness.

RESOLVED:-

The report was noted.

7. PLANNED PROCUREMENT ACTIVITY REPORT

(See document 4)

The Chair raised an issue to be referred to Cabinet in relation to the planned procurement for provision of an Enforcement Officer Service for issuing Fixed Penalty Notices on behalf of the Council for a contract period of 4 years.

The following specific concerns were raised:

- This proposal is contrary to Council policy not to outsource services;
- Members are aware there have been discussions about providing a more integrated enforcement service and putting this out to market for a 4 year period means less flexibility in how we can respond in future;
- It is unclear how this proposal supports the Chief Executive's re-design of how service activity is being delivered to provide a greater level of accountability;
- The Housing and Neighbourhoods O&S Committee's report on fly-tipping, which makes a recommendation in relation to enforcement, should be taken into account.

It was agreed that the Chair would write to the Leader and Cabinet Members setting out these concerns and the Committee's view that this proposal should be brought back to Cabinet for re-consideration before pursuing delegated authority.

RESOLVED:-

- Letter to be sent to the Leader and Cabinet Members setting out the Committee's concerns in relation to the planned procurement for the provision of an Enforcement Officer Service;
- The report was noted.

8. WORK PROGRAMME

(See document 5)

There was a discussion about the implementation of the ERP system which is currently listed under items to be programmed. It was confirmed that a report will be going to Cabinet in the near future and an update will be brought to this Committee at the appropriate time.

RESOLVED:-

The report was noted.

9. DATE OF NEXT MEETING

Noted.

10. REQUEST(S) FOR CALL IN/COUNCILLOR CALL FOR ACTION/PETITIONS RECEIVED (IF ANY)

None.

11. OTHER URGENT BUSINESS

None

12. AUTHORITY TO CHAIRMAN AND OFFICERS

RESOLVED:

That in an urgent situation between meetings, the Chairman jointly with the relevant Chief Officer has authority to act on behalf of the Committee.

The meeting ended at 1539 hours.