

BIRMINGHAM CITY COUNCIL

RESOURCES O&S COMMITTEE – PUBLIC MEETING

**1400 hours on Thursday 27 April 2023, Committee Room 6, Council House,
Victoria Square, B1 1BB**

Minutes

Present:

Councillor Akhlaq Ahmed (Chair)

Councillors: Meirion Jenkins, Hendrina Quinnen, Paul Tilsley and Ken Wood

Also Present:

Janie Berry, City Solicitor and Monitoring Officer

Fiona Greenway, Interim Director of Finance and Acting S151 Officer

Mohammed Sajid, Interim Head of Financial Strategy

Steve Sandercock, Assistant Director, Procurement (Online)

Peter Sebastian, Interim Head of Financial Planning (Online)

Jayne Bowles, Scrutiny Officer

Fiona Bottrill, Senior Overview and Scrutiny Manager

1. NOTICE OF RECORDING/WEBCAST

The Chair advised the meeting to note that this meeting will be webcast for live and subsequent broadcast via the Council's Public-I microsite (birmingham.public-i.tv/core/portal/home) 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 Councillors Bushra Bi and Rashad Mahmood.

3. DECLARATIONS OF INTERESTS

None.

4. ACTION NOTES AND ACTION TRACKER

(See documents 1 and 2)

The following points were raised:

- Clarification was requested as to the current position with regard to the S151 Officer and Janie Berry, City Solicitor and Monitoring Officer, provided the following response:

The Head of Paid Service, following consultation with the Leader, has re-designated the S151 Officer function to Fiona Greenway in her capacity as Interim Director of Finance and this position will be reviewed at a future meeting of the JNC Panel.

- The Chair referred Members to the Action Tracker and confirmed that the report on the level of S106 refunds had now been emailed to Members. Councillor Wood commented that the information in the report highlighted the fact that input from local members on what goes into the S106 agreements would be valuable.

RESOLVED:-

- That the action notes of the meeting held on 30 March 2023 were agreed.
- That the action tracker was noted.

5. FINANCIAL RESERVES

(See document 3)

Fiona Greenway, Interim Director of Finance, and Mohammed Sajid, Interim Head of Financial Strategy, were in attendance for this item. Peter Sebastian, Interim Head of Financial Planning was in attendance online.

Peter Sebastian introduced the report and highlighted the following key points:

- Regular reviews of reserves are carried out and updates are provided as part of the financial monitoring reports and also the Medium Term Financial Plan refresh in the summer.
- When carrying out reviews of reserves, general fund balances are looked at as a percentage of the net budget and they try and maintain around 4.5% of net budget.
- A detailed risk assessment is done across the Council covering potential risks and impact and this will be done as part of the closing process for the 2022-23 financial year.

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

- Reference was made to the approval of the 2022-23 budget which had been signed off by the S151 Officer as a balanced budget and at that time there had been no mention of drawing down £80m of reserves to balance the budget in the budget statement.
- Problems had been exposed through the year, and the Children's Trust in particular was highlighted, which raises questions about how accurate the budget just passed will be in 12 months' time.

- Members were told that pressures are reviewed on a regular basis throughout the year and will come through in the monitoring reports.
- The issue with the Children's Trust had not been foreseen in the budget setting process.
- There is a need to continually review savings delivery.
- Table 2 in paragraph 3.9.1 of the report shows the levels of reserves we are holding. Reserves are only used once but there is a plan in place to build those reserves back up.
- The budget set is based on a series of assumptions, particularly around inflation, demographic pressures and delivery of savings and will continue to be reviewed, with a refresh in the summer.
- Last year, the mid-year refresh was a few months later than it should have been and this year will be done in July.
- All budgets are based on assumptions of what is likely to happen and reserves come in if there is volatility.
- An analysis will be done of whether there are things that should have been foreseen and to learn if there are lessons going forward.
- Given the current situation with the Oracle system, reassurance was sought that the balances on the nominal ledger could be relied upon and it was queried how much of the reserves would be needed to fix the system.
- Members were told that internal business knowledge and other systems have been heavily relied upon to work out what the outturn would be (eg the care system has records of how much packages of care would cost).
- In terms of reserves, they keep a number of spreadsheets with transactions in and out reconciled manually as well as in the system, so have not relied on Oracle to look at the reserves position.
- Every year, budget monitoring is based on business intelligence and that takes precedence over the ledger. There is a piece of work being carried out to verify the balance on the ledger.
- They are also doing a piece of work to determine how much it will cost to stabilise the Oracle system.
- Officers were asked whether there was anything else the Committee should be aware of which is likely to have a serious impact on reserves and Members were told that there is nothing they are aware of at this time but they are keeping a constant watching brief on the Council's position and if there are any issues they would be brought to the attention of the Executive, Scrutiny and Audit.
- They do try and identify risks in two places – the risk register for reserves and the statement of accounts audited by Gant Thornton – and monitor liabilities and issues that may arise, for example Equal Pay.

RESOLVED:-

That the report was noted.

6. PLANNED PROCUREMENT ACTIVITIES REPORT

(See document 4)

Steve Sandercock, Assistant Director, Procurement, was in attendance online for this item.

The following key points were highlighted:

- This is the standard report which had been discussed and agreed at Cabinet on 25 April.
- In response to a request from Cllr Alden, the Cabinet Member had agreed to provide a written response providing further detail on the reports relating to meter and billing services, cash collection and cash in transit services, and merchant acquirer, equipment and gateway payment services and why those arrangements are on a rolling contract as opposed to being transitioned in relation to those contracts expiring.

There were no questions from Members.

RESOLVED:-

That the report was noted.

7. WORK PROGRAMME

(See document 5)

The following item was suggested to be taken forward for next year's work programme:

- Working from Home – Impact on Productivity and Workforce Costs.

RESOLVED:-

That the work programme was agreed.

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

None.

9. OTHER URGENT BUSINESS

None.

10. AUTHORITY TO CHAIR AND OFFICERS

RESOLVED:

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

11. EXCLUSION OF THE PUBLIC

N/A

PRIVATE AGENDA

12. PLANNED PROCUREMENT ACTIVITIES EXEMPT APPENDIX 3

N/A

The meeting ended at 1441 hours.