

**BIRMINGHAM CITY COUNCIL**

**RESOURCES O&S COMMITTEE – PUBLIC MEETING**

**1400 hours on Thursday 14<sup>th</sup> February, Committee Room 6**

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**Present:**

Councillor Sir Albert Bore (Chair)

Councillors: Muhammad Afzal, Meirion Jenkins, Josh Jones, Zaheer Khan, Narinder Kaur Kooner, Ewan Mackey and Paul Tilsley

**Also Present:**

Councillor Kate Booth, Cabinet Member for Children's Wellbeing

Anne Ainsworth, AD, Skills and Employability

Clive Heaphy, Director, Finance and Governance

Jennifer Langan, Travel Assist Lead

Guy Olivant, Major Developments Lead, Development and Commercial Team

Dr Tim O'Neill, Director, Education and Skills

Paul Stevenson, Finance Business Partner

Jayne Bowles, Scrutiny Officer

Emma Williamson, Head of Scrutiny Services

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**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](http://www.civico.net/birmingham)) and that members of the press/public may record and take photographs except where there are confidential or exempt items.

It was agreed that the agenda would be re-ordered to take the Travel Assist item after the report on the Funding for the Commonwealth Games.

**2. APOLOGIES**

None.

**3. DECLARATIONS OF INTERESTS**

None.

**4. ACTION NOTES**

(See document 1)

**RESOLVED:-**

The notes were agreed.

## 5. FUNDING FOR THE COMMONWEALTH GAMES

(See document 2)

Clive Heaphy, Chief Finance Officer, and Guy Olivant, Major Developments Lead, Development and Commercial Team, attended for this item.

The Chair welcomed the note which had been provided but made the comment that there was a fundamental problem in that members of the Council had been told that the Commonwealth Games (CWG) would not impact on the revenue budget and this was clearly not now the case.

In the course of the discussion, the following were among the main points raised:

- The paper provided the costs to BCC based on the overall costs of the CWG in line with what had been set out in the host city contract and approved bid;
- The formal position with central government is that they have not as yet given formal sign-off of the overall games cost envelope. There is a review scheduled for May and it is hoped that there will then be more certainty and clarity to enable things to be firmed up;
- There are effectively three elements to the costs – the delivery of the games themselves, the athletes village (which is 100% the council's responsibility) and a range of measures to support the delivery of the games;
- Of the overall cost of the BCC contribution of £184.7m, about £140m will be covered off by capital resources and partner contributions;
- The approach to the local contribution is in the first instance to look to fund capital elements of the overall games costs through partner contributions;
- The biggest partner contribution of £45m is from West Midlands Combined Authority and the GBSLEP and dialogue is on-going with other potential funders (including other LEPs) to provide a further £30m – although there is a substantial risk of a shortfall;
- Concern was expressed regarding the capacity and end user potential of the Alexander Stadium that would put at risk repayment of the service funded element of the prudential borrowing being put in place;
- With regard to the Sandwell aquatics centre, talks are taking place with DCMS about a separate funding agreement between DCMS and Sandwell;
- Members asked about the repayment period and interest rate of the corporate funded element of the prudential borrowing to be put in place and were told that this would be no different to any other borrowing. The debt element will be paid back over a 40 year period with interest payments around £2m per year;
- The revenue budget implications of this borrowing are built into the overall cost of managing the debt portfolio and that is included in the long term financial plan;
- There is a risk the possible mitigations suggested to cover any shortfall in partner contributions would not deliver short term, especially where primary legislation might be necessary;
- The Chair referred to the Corporate Capital Resources funding identified from previously funded capital projects no longer proceeding and requested a list of what these were;
- With regard to the CWG village, there were questions about the funding for the conversion of the properties after the games to get them ready for

families to move into or to be let. Clive undertook to provide Committee with a written response;

- Members reiterated their concerns in relation to the impact on the BCC revenue budget of various elements of the proposed BCC contribution.

**RESOLVED:-**

- Members to be provided with (i) a list of the capital projects no longer proceeding which are referred to in the table in 5.3 of the report and (ii) a written response in relation to the funding for the conversion of properties in the CWG village;
- The report was noted.

## **6. TRAVEL ASSIST**

Councillor Kate Booth, Cabinet Member for Children's Wellbeing, Dr Tim O'Neill, Director, Education and Skills, Anne Ainsworth, AD, Skills and Employability, Jennifer Langan, Travel Assist Lead, and Clive Heaphy, Chief Finance Officer, attended for this item.

The following were among the main points raised:

- The Quarter 3 (Month 9) financial monitoring report referred to a base budget pressure of £1.8m and £1.3m savings not delivered, therefore £3.1m in total, however the figure in the financial plan was £3.5m. Members were told that this was due to the Month 8 figure being used in the financial plan and the pressure has reduced since then;
- There are concerns that the service will go into the 2019/20 financial year with undeliverable savings and further base budget pressure;
- The service is doing everything it can to bring the budget into line and longer term there is a need to look at different ways of delivering the service;
- Part of the deliverability is tied into policy review, which will be a council decision moving forward;
- The consultation on the proposed 0-25 policy was due to launch that night and the intention is to take a report back to Cabinet in April;
- Commissioning is on track and moves forward with a view to ending the cycle of extending contracts and also as part of project planning looking at what can be done now within the current policy, not just relying on the new policy and do not want to pre-empt results of the consultation and the decision which will follow;
- Clive Heaphy told Members that currently we are planning from one year to the next and once this budget is in place a review is needed to look at budgets across the council to identify those areas which consistently overspend or underspend to see trends and pressures and see which budgets need to be re-balanced;
- The Chair concluded this item by saying that the Committee had illustrated the budget difficulties at this moment in time which could be more difficult in 2019/20 and suggested that a further update be brought back to Committee

– probably around Month 3 of the 2019/20 financial year – to see whether the service is on track to address the budget issues that may arise in the next financial year.

**RESOLVED:-**

- Further update on the Travel Assist budget position to be programmed;
- The update was noted.

**7. WORK PROGRAMME**

(See document 3)

**RESOLVED:-**

- The Work Programme was noted.

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

None.

**9. OTHER URGENT BUSINESS**

None.

**10. DATE OF NEXT MEETING**

The next meeting on Thursday 14<sup>th</sup> March 2019 at 1400 hours was noted, however the Chair proposed moving the meeting due to difficulties with this date. It was subsequently agreed to move the meeting to Thursday 21<sup>st</sup> March.

**11. AUTHORITY TO CHAIRMAN AND OFFICERS**

Agreed.

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The meeting ended at 1610 hours.