

**BIRMINGHAM CITY COUNCIL**

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

**1400 hours on Thursday 17<sup>th</sup> January, Committee Room 6**

---

**Present:**

Councillor Sir Albert Bore (Chair)

Councillors: Muhammad Afzal, Meirion Jenkins, Josh Jones and Paul Tilsley

**Also Present:**

Councillor Paulette Hamilton, Cabinet Member for Health and Social Care

Graeme Betts, Director, Adult Social Care

Clive Heaphy, Director, Finance and Governance

John Hickson, Interim Business Partner, Adult Social Care

Jayne Bowles, Scrutiny Officer

Emma Williamson, Head of Scrutiny Services

---

**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.

**2. APOLOGIES**

Apologies were received from Councillors Zaheer Khan and Ewan Mackey.

**3. DECLARATIONS OF INTERESTS**

None.

**4. ACTION NOTES**

(See document 1)

The Chair referred to the expenditure out of the HRA which had been queried at the November committee meeting and which Clive Heaphy had undertaken to investigate. An audit response has now been received and the Chair confirmed that he was happy for a report to be taken to Audit Committee but requested that Resources O&S Committee also has sight of this report.

The Chair also wanted to put on record that at the Cabinet meeting on 15<sup>th</sup> January, the Acting Director for Place stated that the money to deal with the current dispute in relation to clearing tower block refuse is not coming from the HRA.

With regard to Travel Assist, given the comments in the budget report, the Chair will suggest under the work programme item that this be brought back to Committee in February, as the assurances Members were given at the July meeting do not seem to have had an impact on the budget position.

**RESOLVED:-**

- Report to Audit Committee on the investigation into the HRA expenditure to also be provided to this Committee;
- Travel Assist to be added to the work programme for February;
- The notes were agreed.

**5. TRANSITION PROJECT: PREPARATION FOR ADULthood**

(See document 2)

Councillor Paulette Hamilton, Cabinet Member for Health and Social Care, Graeme Betts, Director, Adult Social Care, and John Hickson, Interim Business Partner, Adult Social Care, attended for this item.

The Chair provided a short introduction to this item. The budget monitoring reports to EMT of 4<sup>th</sup> September and 2<sup>nd</sup> October indicated that some financial issues were being reported to the effect that some £19m of savings might need to be made in the years through to 2021/22. When the Committee considered those reports it was suggested that the issue of the Transition Project might need to be brought to Committee and that was why this item had been placed on the agenda for today's meeting.

It was pointed out that it was not the role of the Resources O&S Committee to look at service issues but so that Members can be satisfied that the work required needed to deal with the requirement for that £19m of savings is being brought forward.

The Cabinet report of 26<sup>th</sup> June 2018 included as appendix 4 a Delivery Plan, however there is no financial targets delivery plan and Members wished to explore more about the budget implications for future years.

In the ensuing discussion, the following were among the main points raised:

- John Hickson advised Members that in terms of the £19m, this was a specific additional piece of work to confirm the growth figures already in the long term financial plan, so it has already been allowed for in the growth figure of £8.5m per annum, stepping up each year. The main area of transitions is learning disabilities and of the £8.5m, £5.26m has been allowed for this;
- In terms of the target to save on transitions, this was not included in the Cabinet report as part of the work on transitions was to drill down into the data and get systems up and running between Adult Social Care and the Children's Trust in order to estimate what part of the savings on packages of care transitions could deliver;
- Work is also being done on further savings programmes as part of the care packages and that will be looked at overall in terms of forward planning in terms of the precise saving on transitions;
- The Chair requested that Committee sees this on paper so that Members can be assured that the budget pressures have been accounted for on a year-by-

year basis and questioned whether this has gone to the Cabinet Member or is something that will go to Cabinet in due course;

- Graeme Betts confirmed that work will need to be on-going as forecasts are made and these do vary, but the general picture in terms of packages of care is an improving position. However, there are a number of factors to look at to determine the true picture;
- What is needed as part of the overall savings programme is to reduce year on year the use of packages of care and that is being worked on;
- In response to Members' concerns that there is a growing demand on services, it was acknowledged that although demand is growing it is not growing but not at the level which had been forecast;
- Members were also reassured that the intention is to have a single service through the transitions period with one budget holder and not different people holding the budget;
- With regard to packages of care, measures have been put in place so that residential care is only provided when needed and otherwise try to keep people at home;
- Prudent forecasts have been put in going forward and better numbers are coming through to establish a good baseline;
- Demographic forecasts and savings programmes will be re-reviewed and this can be brought back O&S at a later date;
- The Chair requested that a further report be brought to the March meeting and that this focusses on numbers and demographics and to assure Members that there is a timeline showing the various things being done to ensure budget pressures and savings are not out of kilter;
- Councillor Afzal expressed concern that the equality impact assessment (appendix 3 in the Cabinet report) made no mention of culture, religion or ethnicity of people with disabilities. The Chair suggested this is a matter which the O&S committee dealing with the service should look at and agreed to pass this on to the Chair of the Health and Social Care O&S Committee.

**RESOLVED:-**

- Further report focussing on numbers and demographics to be brought back to Committee in March.
- The report was noted.

**6. FINANCIAL MONITORING 2018/19 MONTH 8**

(See document 3)

Clive Heaphy, Director, Finance and Governance, attended for this item.

The Month 8 financial monitoring report had been included with the agenda papers, however the Chair stated that he would also be referring to the published Quarter 3 (Month 9) report going to Cabinet on 22<sup>nd</sup> January.

Summary of Key Issues:

- The Chair commented that there is still a lack of consistency in terms of the monthly reports to EMT and the quarterly reports to Cabinet, making it difficult to compare Month 9 with Month 8. For example, and this has been

raised previously, in the monthly reports there is a table showing base budget pressure mitigations but that table does not appear in the quarterly reports to Cabinet.

- It was accepted that there is probably no way of correcting this in the current financial year but the Chair requested that when we go into the 2019/20 financial year there is consistency with the formatting and content of the monthly and quarterly reports so that Scrutiny can more easily consider the reports from one month to the next;
- Clive Heaphy suggested meeting outside of committee to discuss a way forward but pointed out that he has to manage Members' expectations with the resources available and the format and information contained within the quarterly reports means they do take longer to produce;
- There is a trend which goes through the base budget pressures in Month 8 with a number of directorates under-spending as against those that are over-spending; that trend continues into Month 9. In overall terms, there is also non-delivery of savings with the trend carrying on from Month 8 to 9;
- The over-spend across the Council is coming down month by month and getting into a position where the under-spends are balancing off the non-delivery of savings and over-spends in other areas, eg Place, so overall the trend is looking good;
- The one-off mitigations set out in the Month 8 report in Tables 4 and 6 total £8.448m for non-delivery of savings and £25.6m for base budget pressures, therefore added together are in excess of £30m; this raises concerns about the implications going forward into 2019/20;
- Members were told that looking back there has been a tendency to put in savings programmes without implementation plans attached to them and therefore delivery of savings has been a problem. Going forward, every savings plan will have an implementation plan attached to it;
- There is also an issue around the setting of base budgets, with some being set too high, but business partners are now looking at numbers and trends throughout the year to address this;
- In order to be able to pass on full details of mitigations to other O&S committees to look at possible service implications, the Chair asked for an updated list of base budget mitigations;
- It was confirmed that the projected overspend has reduced from just under £13m in Month 6 to around £2m in Month 9 and that the intention is to drive that down to zero or below;
- However, in terms of base budget there are under-spends in Adult Social Care, Economy and Strategic Services and over-spends in Children & Young People and Place (with Place making slow improvements). This means that under-spending directorates are, in effect, bailing out over-spending directorates;
- Long term, the aim is to make sure the base budget, savings and efficiency savings are delivered directorate by directorate, line by line, but the focus at the moment is to balance the budget;

- The Chair pointed out that if O&S can get those consistent reports every month, as mentioned previously, it will allow time for Members to focus in on specific areas of concern;
- The Chair questioned why Dedicated Schools Grant (DSG) had not previously been included reports to EMT and Clive Heaphy explained that historically the Council has not tended to report on its DSG numbers but it is worth doing and the view is that councillors ought to be looking at overall schools management as there are linkages back into the council;
- The Chair suggested that scrutiny officers liaise with Clive Heaphy to identify any specific issues with regard to the DSG over-spend which should be looked at by the relevant scrutiny committee;
- With regard to Children & Young People Directorate, the Travel Assist budget position continues to be a cause for concern and a range of options are being looked at to deliver a good service and also achieve the savings and it was agreed that this should be brought back to Committee, as previously referred to;
- In the Place Directorate, with regard to Waste Services, there is a reference to a transfer of budget from policy contingency, and the Chair referred to the previous comment he had made that his view was that this should not be used in-year as it masks the problem. Clive Heaphy agreed to take this away and look at it;
- In terms of the Waste Service, both Clive Heaphy and the Director are of the view that the base budget set going forward is realistic for the service that needs to be delivered;
- The Chair asked for clarification around the possible pressure of £3.2m related to Housing Options and Members were told that work is being done with Place Directorate to address this and to look at ways of providing accommodation as an alternative to costly and inappropriate bed and breakfast;
- With regard to the Corporate Position and the target of £0.6m from the planned review of senior structures which has not yet been achieved, Members were advised that this is a timing issue and those savings will be built in, and at a higher level in fact, in 2019/20;
- Moving on to the Housing Revenue Account, the Chair referred to a statement in the Month 9 report that “it appears unlikely that any government support will be forthcoming to contribute to the costs of the installation of sprinklers and other fire prevention works”. In view of the capital implications, this is something he would want to see picked up in the Month 10 report if possible;
- The Chair confirmed there would be no need to bring the Month 9 report in February as it had been referred to at this meeting, and the Month 10 report will be considered next, when it becomes available;
- Members were told that the planned use of corporate reserves had been £30m but at the moment the estimate is that it will be £26m;

- Following questions regarding the funding for the Commonwealth Games, and reference to the financial risks around cost overrun, capital projects and partner funding, it was agreed that a report would be requested for the February meeting;

**RESOLVED:-**

- Up-to-date list of base budget mitigations to be provided;
- The report was noted.

**7. WORK PROGRAMME**

(See document 4)

It was confirmed that Month 9 would not be taken at the February meeting as this had been covered today.

There might be an issue with timing for the Month 10 report but this will be checked with finance officers.

It was agreed that the February agenda would be Travel Assist and Funding for the Commonwealth Games.

**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> February 2019 at 1400 hours was noted

**11. AUTHORITY TO CHAIRMAN AND OFFICERS**

Agreed.

---

The meeting ended at 1620 hours.