

BIRMINGHAM CITY COUNCIL

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

**1400 hours on Thursday 14 December 2023, Committee Room 6, Council
House
Minutes**

Present:

Councillor Jack Deakin (Chair)

Councillors: Paul Tilsley and Ken Wood

Also Present:

Timothy Bell, Advisor, Finance (Online)

Fiona Bottrill, Senior Overview and Scrutiny Manager

Jayne Bowles, Scrutiny Officer

Fiona Greenway, Interim Director of Finance (S151 Officer)

Julia Lynch, Assistant Director, Legal Services & Deputy Monitoring Officer

Colin Newell, Strategic Procurement Negotiator

Mohammed Sajid, Interim Head of Financial Strategy

1. NOTICE OF RECORDING/WEBCAST

The Chair advised that this meeting would be webcast for live or subsequent broadcast via the Council's Public-I microsite and that members of the press/public may record and take photographs except where there were confidential or exempt items.

2. APOLOGIES

Apologies were received from Councillors Alex Aitken, Raqeeb Aziz, Meirion Jenkins, Hendrina Quinnen and Rashad Mahmood.

3. DECLARATIONS OF INTERESTS

Members were reminded they must declare all relevant pecuniary and other registerable interests arising from any business to be discussed at this meeting.

Councillor Paul Tilsley referred to his standing declaration as a Non-Executive Director of Birmingham Airport.

4. MINUTES

There were no matters arising from the minutes.

RESOLVED:

That the minutes of the meeting held on 16 November 2023 be confirmed as correct and signed by the Chair.

5. ACTION TRACKER

The Chair informed Members that, as agreed at the last meeting, the action tracker had been reviewed and updated.

RESOLVED:

That the action tracker be noted.

6. COMMISSIONER'S REVIEW AND COMMENTS ON THE AGENDA

The Committee noted that the papers for this meeting had been cleared by the Commissioner and the Chair drew the Committee's attention to the comments on the Cabinet report under Item 7.

7. SECTION 151 OFFICER UPDATE ON THE FINANCIAL POSITION OF THE COUNCIL – DECEMBER 2023

Fiona Greenway, Interim Director of Finance (S151 Officer) and Mohammed Sajid, Interim Head of Financial Strategy, were in attendance for this item. Also in attendance were Julia Lynch, Assistant Director, Legal Services and Deputy Monitoring Officer, and Colin Newell, Strategic Procurement Negotiator.

The Interim Director of Finance (S151 Officer) introduced the report which had been agreed at Cabinet. The Committee noted that the Council continued to face a challenging situation with insufficient resources to meet expenditure and the Section 151 Officer was unable to write a Supporting Going Concern Statement for the prior year draft accounts 2021/22 and was also unable to make a Section 25 statement under the Local Government Act 2003 in relation to the robustness and estimates of adequacy of reserves.

It was noted that the position on non-delivery of savings in the current financial year had been reported through Overview and Scrutiny and the two-year savings target in the region of £300m was being worked through by the Budget Scrutiny Task and Finish Group. To date, just under £150m had been identified.

The biggest concern, and one for the Committee to watch carefully, was that historically the savings programme had under-delivered and savings had been written

off. It was important to note that if savings could not be delivered, an alternative proposal had to be put forward as soon as possible.

The Committee was informed that discussions were taken place with the Department for Levelling Up, Housing and Communities to set a deficit budget for next year but balanced over a two-year period.

It was also noted that the savings proposals would have a profound effect on the size and shape of the organisation going forward.

During the discussion, and in response to Members' questions, the main points included:

Cabinet Committee – Property: It was queried what role Scrutiny might have. The Interim Director of Finance (S151 Officer) referred to the added value in terms of the revenue budget work being undertaken by the Budget Scrutiny Task and Finish Group and stated there was no reason why the capital aspect could not be dealt with in a similar way, either through Committee or Task and Finish.

Members raised concerns that assets might be undervalued in view of the Council's financial position and asked what mechanisms were in place to ensure that did not happen. It was suggested a response on the asset strategy be requested from the Strategic Director for Place, Prosperity and Sustainability.

Members were reassured that the meetings would be attended by the Interim Director of Finance (S151 Officer) and the Monitoring Officer, so decisions could be challenged from those respective roles. There would be a need to demonstrate Best Value, with each asset taken on its own merit, noting that some assets might lose an income stream.

Staffing Implications: The Committee noted that one of the recommendations in the Cabinet report was to "note that the Chief Executive as Head of Paid Service would be issuing necessary statutory and non-statutory employment consultation". The policy in relation to redundancies was queried, however Members were informed that as consultation had not yet started those questions would have to be answered at a later date.

Budget Recovery: With regard to the request to Government for permission to balance the budget over two years, the Committee noted that Slough Borough Council had been given permission to balance their budget over three years but that the Commissioners believed it would be achievable for Birmingham in two years. To support that approach, a plan showing how the budget would be balanced over two years would need to be submitted by 7 January.

Permission to increase Council tax would also be requested, as well as the formal application for a Capitalisation Direction to cover the costs of the Equal Pay accounting liability, a redundancy scheme and support to balance the budget for 2024/25.

It was noted that if Council Tax was increased above the referendum level, the Government would expect there to be an enhanced Council Tax Support Scheme. The parameters set for Slough Borough Council and Croydon Council with regard to Council Tax increases was queried and the Interim Director of Finance (S151 Officer) undertook to obtain the details and forward on to the Committee and also offered to provide the analysis which had been done a little while ago of all Councils that had issued notices.

The criteria applied for setting the level of Council Tax Support was queried and the Interim Director of Finance (S151 Officer) said that she would request a written response from the Assistant Director of Revenues, Benefits and Rents.

Budget Scrutiny Task and Finish Group: The Chair informed Members that the recommendations of the Task and Finish Group would be reported back to Finance and Resources OSC as the parent committee and that Cabinet would be expected to respond directly to those recommendations. It was noted that the January committee meeting might need to be rescheduled to fit the budget process timescales.

Written-off Savings: At the request of the Chair, the Interim Director of Finance (S151 Officer) agreed to send details of written-off savings to each of the Overview and Scrutiny Committees so they were aware of those relevant to their remit.

RESOLVED:

- That a written response (or discussion) be requested from the Strategic Director for Place, Prosperity and Sustainability in relation to the asset strategy.
- The Interim Director of Finance (S151 Officer) to provide:
 - Details of the parameters set for Slough Borough Council and Croydon Council with regard to Council Tax increases and the analysis done of all councils that had issued notices;
 - A written response from the Assistant Director, Revenues, Benefits and Rents, on the criteria applied for setting the level of Council Tax Support.
- The Interim Director of Finance (S151 Officer) to send details of written-off savings to each of the Overview and Scrutiny Committees.
- That the report be noted.

8. WORK PROGRAMME

The following items were agreed for January and February:

January

- Budget Scrutiny Task and Finish Group Recommendations
- Oracle Update (to include the impact of Oracle issues on debt collection)
- Job Evaluation and Pay Equity Update
- Planned Procurement Activities (standing item)

February

- 2024/25 Budget
- End of Year Outturn
- Quarter 2 Financial Monitoring
- Planned Procurement Activities (standing item)

RESOLVED:

That the work programme be agreed.

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

None.

10. OTHER URGENT BUSINESS

None.

11. DATE OF THE NEXT MEETING

The Committee noted that the next meeting was currently scheduled for Thursday 18 January 2024 at 1400 hours but that this might need to be rescheduled.

12. AUTHORITY TO CHAIR AND OFFICERS

RESOLVED:

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

The meeting ended at 1505 hours.