

## **BIRMINGHAM CITY COUNCIL**

**ECONOMY, SKILLS AND  
SUSTAINABILITY OVERVIEW  
AND SCRUTINY COMMITTEE  
29 MAY 2015**

**MINUTES OF A MEETING OF THE ECONOMY, SKILLS AND  
SUSTAINABILITY OVERVIEW AND SCRUTINY COMMITTEE  
HELD ON FRIDAY 29 MAY 2015 AT 1030 HOURS IN COMMITTEE ROOMS  
3 AND 4, COUNCIL HOUSE, BIRMINGHAM**

**PRESENT:-** Councillor Victoria Quinn in the Chair, Councillors David Barrie, Jerry Evans, Des Hughes, Timothy Huxtable, Ziaul Islam, Meirion Jenkins, Josh Jones, John O'Shea, Habib Rehman and Christine Spencer.

**ALSO PRESENT:-**

Councillor Tahir Ali, Cabinet Member for Development, Jobs and Skills  
Baseema Begum, Scrutiny Research and Policy Officer  
Mark Olley, General Manager, Broad Street Partnership Limited  
David Smith, Committee Services Team Leader  
Julie Ward, Head of City Centre Management  
Benita Wishart, Overview and Scrutiny Manager  
Councillor Robert Alden (Observer)  
Councillor Randal Brew (Observer)

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**NOTICE OF RECORDING**

The Chairman advised and it was noted that this meeting would be webcast for live or subsequent broadcast via the Council's Internet site ([www.birminghamnewsroom.com](http://www.birminghamnewsroom.com)) and that members of the press/public may record and take photographs.

The whole of the meeting would be filmed except where there were confidential or exempt items.

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**REQUEST FOR CALL IN: WESTSIDE BID**

The Committee considered the 'request for call-in' made in respect of a decision by the Cabinet on 18 May 2015 regarding the Westside BID.

The following documents were submitted:-

- (A) The Executive decision record.
- (B) The relevant 'Request for Call-in Form' showing that this "Request for Call-In" was lodged by Councillors Timothy Huxtable and Meirion Jenkins.

- (C) The report considered by the Cabinet in reaching its decision.
- (D) The criteria for “Call-In” against which the Council expects an Overview and Scrutiny Committee to judge any “Request for Call-In”.

(See document No 1)

Councillor Tahir Ali, Cabinet Member for Development, Jobs and Skills, attended the meeting accompanied by Julie Ward, Head of City Centre Management.

Non-pecuniary interests were declared by Councillor David Barrie as a member of the Sutton Coldfield Business Improvement District (BID) and Councillor John O’Shea as a member of the Acocks Green BID.

It was noted that Members believed that this ‘Request for Call In’ could be considered in public, without the need to exclude the public and consider matters on the private report.

Councillor Timothy Huxtable outlined the grounds for the request for call-in with reference to the criteria submitted:-

- 2. the decision appears to be inconsistent with any other form of policy approved by the full Council, the Executive or the Regulatory Committees;
- 6. the decision has already generated particular controversy amongst those likely to be affected by it or, in the opinion of the O&S Committee, it is likely so to do;
- 7. the decision appears to be particularly “novel” and therefore likely to set an important precedent;
- 8. there is a substantial lack of clarity, material inaccuracy or insufficient information provided in the report to allow the Overview and Scrutiny Committee to hold the Executive to account and/or add value to the work of the Council;
- 9. the decision appears to give rise to significant legal, financial or propriety issues.

He advised that, regarding ‘2.’, it seemed strange to him that a grant was to be given of £10,000 for a ballot, but previous requests for a grant had been denied, e.g. for Lifford BID. With regard to ‘6.’, there had been significant press coverage, high public interest and letters submitted by 6 existing BIDs. With reference to ‘7.’, the City Council appeared to have gifted funding for a ballot and to be ‘bailing out’ the former BID as a result of a delay in taking appropriate action. The Broad Street BID had ended on 31 March 2015 and he believed that this was the first time that no action had been taken before the end date. He referred to section 4.2 of the public report to explain his concern in relation to ‘9.’ and commented in relation to ‘8.’ that significant correspondence had not been made available prior to the Cabinet meeting to provide greater clarity. However, as he had received a copy of that correspondence now, he would withdraw the grounds for the request under ‘8.’ only.

Councillor Meirion Jenkins supported the concerns raised and highlighted his concern that the City Council did not appear to be treating the BIDs equally.

Councillor Tahir Ali and Julie Ward responded to the concerns raised and to questions from Members, with the following being among the points they made:-

- 1) The Cabinet Member advised that it had been previous practice to give a grant and that it was not a new practice. The grant of £10,000 was a maximum figure based on an estimate of the cost, but the actual cost could be lower.
- 2) Julie Ward explained that the contribution was made from the former City Centre Partnership Board accounts and that funds remaining after the ballot had been applied for all BIDs to their campaign.
- 3) The Cabinet Member emphasised that Westside BID would be a new BID and not a continuation of the Broad Street BID. Consultation would take place on the collection costs model. An inequity in treatment of the BIDs had arisen from decisions of previous administrations.
- 4) There would be 'status quo' until consultation had taken place. He understood that a report of the former The Birmingham Economy and Transport Overview and Scrutiny Committee on its Inquiry in relation to BIDs would be submitted to the City Council in September 2015 and he would be responding to its recommendations.
- 5) Commitments made by the former Broad Street BID to activities would need to be continued at present and funding was being provided to ensure that was achieved.
- 6) He denied that there had been maladministration. Issues relating to the boundaries had needed to be resolved and, following that work, it was necessary to respect the pre-election period. He could not pre-empt what would happen in the future.
- 7) With regard to the funding provided, this was in the form of 25% grant and 75% loan, with a payback period of 5 years. The report had not specified whether the funding would be in the form of a grant or a loan, as discussions had been ongoing at that time.
- 8) It was not possible to delay the report until the discussions had been completed and he had approved the split of the funding following the Cabinet meeting.

At this point, Councillor Timothy Huxtable expressed concern that the grounds under point '8.' Of the call-in criteria seemed to be relevant, as the Cabinet Member seemed to be admitting that there was a lack of clarity. He understood that the intention to consider the continuation of the Broad Street BID had been initiated in April 2014 and that a report on that matter had been delayed on 3 occasions up to 16 March 2015, which was before the pre-election period. Therefore, the administration had known for some time what the finish date was for the Broad Street BID. The boundaries for the Westside BID covered 90% of the Broad Street BID area and, therefore, he believed that it was a continuation. Also, funding was being provided for the continuation of services. He understood that the Revenue and Benefits Service had continued invoicing for the former BID. He was concerned that existing BIDs had begun their feasibility study for renewal in 2016 and that there needed to be clarity now for those BIDs. Furthermore, he believed that the decision to split the funding as 25% grant/75% loan was novel.

Councillor Tahir Ali and Julie Ward responded to these further concerns raised and to further questions from Members, with the following being among the points they made:-

- 9) The Cabinet Member denied that the decision to split the funding had been novel and assured the Committee that it followed the normal process. He accepted that the expiry date was known well in advance and advised that he would discuss the invoicing with the Revenue and Benefits Service.
- 10) While he confirmed that a split in funding had not been done before, he reiterated that it was not novel. The situation was that no BIDs had been in that position before and the position of each BID had to be considered separately.
- 11) He could give a commitment that the level of support needed for each BID in future would be considered, but he could not commit to giving the same level of support. Each BID would be considered on a case by case basis.
- 12) He noted concern regarding an interrelationship between the 2 BIDs and drew attention to Appendices 4 and 5 to the report. A new BID was to be formed with expanded boundaries, which had led to a delay. The Broad Street BID had ceased to exist. Grant aid was arranged to cover the period while a report was submitted.
- 13) He advised that he would provide further information to Members after the meeting on the payment of the loan, but informed them that no interest would be charged. He confirmed that the ballot was scheduled for July 2015, but advised that an extra month had been allowed for the BID to be established.
- 14) .The Broad Street BID ceased to exist on 31 March 2015 and a loan to cover its activities had been made to the Broad Street Partnership. Payments to the Partnership would be called upon on a month by month basis.
- 15) The amendment agreed at Cabinet had been put forward to ensure that the payment arrangements were legal and reasonable. He agreed to ask officers to provide a written answer to Members regarding whether there would be a 'ceiling' on monthly payments.
- 16) While the Cabinet Member accepted that there was room for improvement in the handling of the BID arrangements, he suggested to the Committee tht there was not sufficient justification for the decision to be "called in".

At the request of the Chairman, the Cabinet Member and accompanying officer withdrew from the meeting to allow the Committee to reach a decision on the request for call-in.

Member concern was expressed that there had been a lack of clarity when the report was submitted, that work had continued and not all of the information had been available to Cabinet. In particular, it was not known that a split of 25% grant and 75% loan would be proposed. The actions taken were new and were felt by Members to be novel. There was concern at the delay and that significant controversy had been caused.

However, it was pointed out that the arrangements were not novel in a situation where the policy was being implemented for the first time. It was highlighted also that other BIDs were not affected by the decision and that there were no concerns regarding controversy being expressed among the businesses affected. It was noted that progress with a ballot would not be affected by the Committee's determination of the "request for call in" as the Electoral Reform Services had been authorised to proceed with the ballot. The only other involvement by the City Council would be in relation to the collection arrangements.

It was proposed that the "request for call in" should be withdrawn and that the Committee should write to the Cabinet Member to express its concerns raised during this meeting. Councillor Timothy Huxtable and Councillor Meirion Jenkins agreed to withdraw the "request for call in" in relation to Westside BID subject to the Committee writing to the Cabinet Member to highlight the concerns raised and urging that a timely and considered decision be made as soon as possible to provide clarity on BIDs due for renewal in the future.

The Chairman advised that a report from the former The Birmingham Economy and Transport Overview and Scrutiny Committee in relation to BIDs was to be submitted to the City Council at a forthcoming meeting and that it would be possible to raise some of these issues when that submission was made.

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**RESOLVED:-**

- a) That the decision taken by the Cabinet on 18 May 2015 regarding the Westside BID be not 'called in';
- b) That this Committee writes to the Cabinet Member to highlight the concerns raised and urging that a timely and considered decision be made as soon as possible to provide clarity on BIDs due for renewal in the future.

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**AUTHORITY TO ACT BETWEEN MEETINGS**

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**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.

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The meeting ended at 1200 hours.

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CHAIRMAN