

BIRMINGHAM CITY COUNCIL

RESOURCES O&S COMMITTEE – PUBLIC MEETING

1400 hours on Thursday 13th December 2018, Committee Room 2

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 Brigid Jones, Deputy Leader

Kate Charlton, Solicitor & Chartered MCIPD, City Solicitor and Monitoring Officer

Clive Heaphy, Corporate Director, Finance and Governance

Amanda Simcox, 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) and that members of the press/public may record and take photographs except where there are confidential or exempt items.

2. APOLOGIES

None.

3. DECLARATIONS OF INTERESTS

The Deputy Leader declared that her partner is an employee of Birmingham City Council.

4. REQUEST FOR CALL IN - EQUAL PAY STRATEGY 2018

The Committee agreed for the agenda to be varied and for the item to be brought forward.

Cllr Jenkins stated that he would be making a complaint due to matters being in the private report that should be in the public report.

The Chair formally moved that in view of the nature of the business to be transacted which includes exempt information indicated the public be now excluded from the meeting:

Exempt Paragraph 3 and 4.

This was agreed by the Committee and the Committee went into private session.

RESOLVED:-

- The Committee decided not to call in the Executive decision (5 votes to 2) and the Committee came out of private session and continued with the agenda in public.

5. ACTION NOTES

(See document 1)

The action notes of the meeting held on 15th November 2018 were agreed and the Chair had the following matters he wanted to pursue and update Members on:

- On page 2 of the notes, the fourth bullet point refers to adult packages of care and Clive Heaphy had undertook to check the differences. The Chair stated that in month 7 under paragraph 8.1.3 of the report, it is now £1.1m so that addresses which figure the Committee should use.
- Day nurseries: on the bottom of page 2 it was reported that there would be an overspend of £1m in month 5 if the report to Cabinet was not agreed. At month 7 this is listed at £0.5m so that issue is now also clarified.
- On page 3 Clive Heaphy had suggested some trend analysis needed to be included on the waste issues and he confirmed his Team are working on it. The Chair welcomed this and thanked him for bringing about changes to the report format that has already happened in month 7.
- On page 4, third open bullet point on HRA it referred to Clive Heaphy acting as a S151 officer. Clive Heaphy stated that initial feedback on the matter had been received and he is awaiting the full report he has requested. The Chair stated that he would keenly look at this report, as he has concerns regarding £818,000 expenditure and his belief that this was used to hire contractors, who sub-contracted over a period of time. It is his contention is that this is not legal and he is taking this matter quite seriously. Clive Heaphy confirmed that he takes this equally as seriously and there will be a full audit report.
- The fourth open bullet point contained a question around capital finance and capital expenditure in the HRA and the discrepancy between forecast spend for 2018/19 and a response was to be provided. Clive Heaphy apologised as this was still outstanding and he would respond to this.
- Under the work programme item it refers to Acivico and this is on today's agenda. However, a decision will need to be taken when the Committee get to this item due it being so late in the afternoon.
- In relation to Adult Social Care & Health - Transition Project, there has been an agreement from the Cabinet Member and Corporate Director to attend the January 2019 meeting.
- Under the final bullet point regarding Long Term Financial Planning the Chair expressed some disappointment that the work has not progressed, as it was the Cabinet Member for Finance and Resources and Clive Heaphy that wanted this done. However, the Scrutiny Office has not had the assistance they needed to be able to undertake the work and the Chair is disappointed as the Committee could have added value.

- Councillor Tilsley informed Members that at the Audit Committee meeting it was apparent that there had been a clear breakdown of communication with all partners regarding Paradise and poor financial control, with all of phase 1 and phase 2 monies having been spent. Clive Heaphy informed Members that a report to Cabinet is due in January or February 2019 and Scrutiny may want to be involved after this. Members were keen to be involved if this added value.

RESOLVED:-

- The notes were agreed, with various matters to be followed up.

6. FINANCIAL MONITORING 2018/19 MONTH 7

(See document 2)

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

Summary of Key Issues:

- There are continuing problems in the Place Directorate and the base budget pressures are increasing and not decreasing.
- The Chair thanked the Corporate Director for the risk and mitigations information that he had provided and this had been passed on to the other Overview and Scrutiny Chairs. In reference to table 4 – Summary of Delivery in 18/19 and Future Years, the table needs to translate into the narrative as some of the figures are relatively hard to understand without this.
- S31 grants by CLG were incorrect and the Council has reclaimed this money.
- The Corporate Director will report back on the success of the spending freeze initiative.
- Adult Social Care and Health: paragraph 8.1.6 refers to mitigations and the pressures are being resolved so this does not show in table 4.
- Children and Young People: Travel Assist to be added to the work programme for January or February 2019.
- Place: There is a rise of £1.4m base budget pressures (£4.8m reported in month 6 and this is now £6.2m).
 - With regards to the second bullet point in paragraph 8.3.2 and a virement in year from Policy Contingency to acknowledge the cost of the service – the Chair requested that for the purposes of openness and transparency the pressure should still be shown, but with an acknowledgement that there would be an end of year virement.
 - Other services are working towards a balanced budget or an underspend to offset the Travel Assist budget in Children and Young People Directorate and Waste Services budget pressures in Place Directorate.

- Less use of agency staff would offset the costs of the MOU in the Waste Service.
- Economy: the Council are not maximising the sale of land and properties in a timely manner.
- Corporate: paragraph 8.9.1 refers to the target of £1.2m from Commercialism savings not being met and £0.1m is now being expected to be achieved instead. Members were informed there was a lack of precision on how the target was to be reached.
- There are concerns regarding Centenary Square being over budget (£3.8m) and where this was shown in the report. Members were informed this falls within the enterprise zone budget line.
- Commonwealth Games: £527.88m is the cost of the village. The timetable for finalising the budget for the Games has been deferred by the Government and it was suggested that the Executive of the Council may wish to enlist external support, for instance MPs could ask when the figures will become available. The Corporate Director to take this back.

RESOLVED:-

- The report was discussed and Travel Assist is to be added to the work programme for either January or February 2019.

7. 2019/20 BUDGET

(See document 3).

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

- Under paragraph 3 Summary of Key Issues the 3rd bullet point states that, in future years, there were forecast savings that were not fully deliverable of £8.9m in 2019/20 but the 2019/20 budget consultation states £4m. Therefore, there is a £4.9m gap in 2019/20. The Corporate Director stated that the budget consultation figure is an amalgam of over and under achieved and he undertook to break this down and undertake a reconciliation of the two figures.
- The monitoring report refers to the mitigation to the Enablement Service savings and this is not sustainable in the long term. If this remains unresolved Members were informed that there will be an impact on the 2018/19 and 2019/20 budgets.
- Travel Assist – there is a £2.2m (no movement since Month 6) base budget pressure and £1.3m (no movement since Month 6) non-achievement of savings and the Council are currently consulting on £1.718m saving for 2019/20. Members agreed that detailed questions are to be put to the relevant officers when Travel Assist is discussed in January or February 2019.
- The day nurseries budget pressure in the monitoring report should not have an impact next year.
- The Early Years budget pressure is not reflected in the 2019/20 budget consultation.

- SENAR service has a funding shortfall of £1.1m due to grant funding running out. If £0.626 contribution from other partners does not come in then the consultation is looking at other partner incomes as part of the consultation.

RESOLVED:-

- The Corporate Director is to provide a breakdown and reconciliation between the two figures mentioned in the first bullet point.

8. ACIVICO UPDATE

(See document 4).

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

The Chair advised that this went to Cabinet on Tuesday and the argument was well presented. However, there will be different perspectives from different Members and some may doubt the conclusions.

The Chair was concerned as it could be perceived that the Cabinet Members were almost being misled and he will draw this to the attention of the Chair of Co-ordinating O&S Committee.

9. WORK PROGRAMME

(See document 5).

RESOLVED:-

- The Work Programme was noted and Travel Assist to be added as an item for the January or February 2019 committee meeting.

10. DATE OF NEXT MEETING

The next meeting on Thursday, 17th January 2019 at 1400 hours was noted.

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

None.

12. OTHER URGENT BUSINESS

None.

13. AUTHORITY TO CHAIRMAN AND OFFICERS

Agreed.

The meeting ended at 1725 hours.