

BIRMINGHAM CITY COUNCIL

AUDIT COMMITTEE 28 SEPTEMBER 2022
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**MINUTES OF A MEETING OF THE AUDIT COMMITTEE HELD ON
WEDNESDAY, 28 SEPTEMBER 2022 AT 1400 HOURS IN COMMITTEE
ROOM 6, COUNCIL HOUSE, VICTORIA SQUARE, BIRMINGHAM, B1 1BB**

PRESENT:-

Councillor Paul Tilsley in the Chair;

Councillors Shabrana Hussain, Amir Khan, Miranda Perks and Shafique Shah

NOTICE OF RECORDING/WEBCAST

- 491 The Chair advised and the meeting noted that this meeting would be webcast for live or subsequent broadcast via the Council's You Tube site (www.youtube.com/channel/UCT2kT7ZRPFCXq6_5dnVnYlw) and that members of the press/public may record and take photographs except where there are confidential or exempt items.

The business of the meeting and all discussions in relation to individual reports was available for public inspection via the web-stream.

At 1400 hours, Councillor Shafique Shah left the room.

APOLOGIES

- 492 Apologies were submitted on behalf of Councillor Fred Grindrod and Councillor Paul Tilsley (Deputy Chair) would Chair the meeting.

Apologies were submitted on behalf of Councillor Meirion Jenkins for his inability to attend the meeting.

Councillor Bruce Lines submitted apologies via email but these were not announced at the meeting however, noted in the minutes of the meeting as a record.

DECLARATIONS OF INTEREST

- 493 Members were reminded that they must declare all relevant pecuniary and non-pecuniary interests relating to any items of business to be discussed at this

meeting. If a pecuniary interest was declared a Member must not speak or take part in that agenda item. Any declarations would be recorded in the minutes of the meeting.

At this juncture, Councillor Tilsley referred to the minutes of 30 June. He was noted as the non-executive director and representative of Birmingham Airport and Chairman of the Audit Committee. Councillor Tilsley notified members he had stepped down as the Chairman of the Audit Committee following the completion of 9 statutory years in this position.

EXEMPT INFORMATION – POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC

Members agreed there were no items on the agenda that contained exempt information.

Upon consideration, it was:

494

RESOLVED

That in accordance with Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to information) (Variation order) 2006, the public be excluded from the meeting during consideration of those parts of the agenda designated as exempt on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information.

MINUTES – AUDIT COMMITTEE – 26 APRIL, 30 MAY AND 30 JUNE 2022 AND MATTERS ARISING

495

That the public minutes of the last three meetings, 26 April, 30 May and 30 June having been circulated, were agreed by the Committee.

At 1403 hours, Councillor Shafique Shah entered the room.

BIRMINGHAM CITY COUNCIL'S COMPLAINTS FOLLOW-UP

The Chief Executive attended the meeting accompanied by Peter Bishop, Director of Digital & Customer Services and Paul Clarke, Assistant Director, Programmes, Performance and Improvement.

(See document No.1)

An in-depth presentation was provided to the Committee with the use of slides. This consisted of an overview to operating as one organisation, improvements with regard to joined-up service delivery and corporate working. The presentation consisted of a summary of the new Corporate Plan 2022-2026 for Birmingham City Council; Strengthened Performance management arrangements; A Corporate Leadership Team (CLT); A corporate approach to customer complaints handling; Examples of joined up service improvement and joined up service planning and delivery was shared with the Committee.

At 1411 hours, Councillor Amar Khan entered the room.

In reply to a questions raised members of the committee, the following responses were made by the Chief Executive and officers;

• **Examples of joined up service improvement;**

- (i) **Assisted collections** – There was more focus on where customer experience was wrong on repeated occasions to ensure the cycle was broken and lessons were learnt for continuous improvement.
- (ii) **Housing applications** - In September 2021, there was a significant backlog of applications approaching 15,000. This was impacting people's ability to join the housing register and this was now operating at less than 6000 applications.
- (iii) **Cross Directorate approach in wards** – services were being brought together from across the Council to make a positive impact for the residents of an area.

Employees were being retrained on basic Customer Service via the Customer Service Programme to ensure the quality of service was good and there was improvement across the board. These improvements were being noticed; however, it was recognised there were systemic issues that had to be rectified e.g., the need for more houses in the City.

In response to Councillor Hussain's query around increasing elected members awareness of where services belong (i.e., who is who and where these should be signposted), it was highlighted the process of communication should be easier to channel. Avenues had to be explored of how to get residents to communicate to each other to tackle issues within their area. This was the role of CLT to ensure a solution to the issues were found. CLT undertook visits around the city to see the challenges the residents must respond to. CLT had to understand what the challenges are to ensure the right response was in place.

At 1437 hours, Councillor Shafique Shah left the room.

Councillor Perks queried if there were direct routes of accountability on issues within each Directorate – a clear chain of command. Sue Harrison, Director of

Children Services gave an overview of how complaints were dealt within her Directorate and there was a need for a cohesive system across the board.

Councillor Tilsley referred to the £1.2 million placed to service improvement (which was because of the notice of motion moved by Councillor Tilsley and the late Councillor Neil Eustace) as the system was not fit for purpose. For Complaints, it was suggested there would be one single entry point for complaints however, there were now nine entry points, and a simple solution was required as there were numerous issues. Sensitive issues would be shared with officers directly rather than through a pool of complaints. It was crucial to get complaints dealt with first time to avoid the bureaucratic chain of communications. A decision was made to have nine entry points and all relevant dashboards would be published for members to view.

Upon consideration, it was:

RESOLVED:-

- 496 That the Audit Committee noted the presentation and updates received from the Chief Executive on Birmingham City Council's Complaints follow-up.
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ASSURANCE SESSION - CABINET MEMBER FOR CHILDREN, YOUNG PEOPLE & FAMILIES PORTFOLIO

The Cabinet Member for Children, Young People & Families Portfolio attended the meeting accompanied by Sue Harrison, Director of Children Services and John Elsegood, Head of Finance - Service Innovation.

(See document No.2)

An in-depth presentation was given with the use of slides. An overview was given around the portfolio responsibilities. It was noted Children Services was now placed back into one Portfolio rather than two with the Director of Children Services leading the area. Additional areas on the update on External Auditors' recommendations; Children's Travel – SEND and Extract from Directorate Assurance statement - SEND sufficiency was also shared.

It was noted, the External Auditors report on Children's Travel highlighted the service had not achieved and significant improvement was required. Significant progress had been made this year to mitigate the issues that were identified at the start of the previous two years.

Following the discussion that ensued and in response to questions from Members the following points were made:-

In reply to a questions raised by the Councillor Perks on what the type of complaints were still being raised; plan ahead of the summer term, to avoid complaints the communications need to go out earlier, the Head of Finance -

Service Innovation shared that complaints were mainly raised when changes had occurred i.e. rerouting of journeys and changes for the child (different guides etc); or when a parent has found out late that a route was changed or where there was a breakdown of communication. The aim to keep consistency however at times things changed last minute. This is a door-to-door system not a bus route therefore any change impacts the rest of the children on the journey. Some of the children have one to one travel arrangements and others are in groups.

It is crucial to work with the schools in early June to avoid these issues. A meet and greet was not offered to all the children therefore there were a number of challenges on this.

In reply to questions raised by Councillor Hussain around DBS checks going inhouse; if some of the complaints go straight to the Chief Executive and what was the longest journey for some of the children, it was noted the DBS checks programme had been initiated and would conclude by the end of October. This complaint was channelled via twitter. A programme of monitoring social media was in place to pick issues up earlier. There were some travel journeys which were over an hour as the child's school was out of the patch (geography and distance). The aim was to minimise the time for the child spent in the vehicle.

The Chair referred to External Auditors report which had identified Home to School as one of the primary risks and SEND services. The External Auditors would be looking at the improvements that have been made. The Audit Committee welcomed receiving updates next year.

The Chair sought assurances from the Cabinet Member around the Safeguarding Corporate Parenting aspect of the portfolio and steps in place to ensure this would not happen again and the decisions around Hakeem Hussain's case. The Cabinet Member gave a summary to what was involved i.e. a whole range of agencies were identified at fault in the serious case review. Much of the learning had already taken place because agencies reflect on their practice and see what they are able to change. The partnership working had been exceptional, and every aspect of the case was distressing including the decision made. A wholesale review on asthma protocols had been communicated across the range of organisations. There had been a real commitment to working together to reduce the number of serious instances and to ensure risks and harm were reduced. Ofsted reports indicate the improvements had been made since 2017. A Neglect Strategy was in place across the partnership.

Assurances were provided by both the Cabinet Member and Director for Children Services that learning had been taken seriously. The full report was available which indicated various organisations Hakeem had been in contact with at different stages. The learning had been profound across Education and Birmingham Children's Trust.

The Cabinet Member for Children, Young People and Families thanked Penny Thompson, Chair of the Safeguarding Children's Board Partnership who led on the report – this was a collective responsibility across organisations to ensure incidents such as this do not occur again.

The Cabinet Member gave a summary on the SEND Update. The recommendations made by the Commissioner had been accepted by the Council and the action plan was now in place.

In response to Councillor Perks query around EHC plans and financial risks to deliver the provision, it was noted some children who had complex needs were on long waiting lists, support would be placed in their schools to avoid long wait on waiting lists. Mainstream schools may have additional teaching assistants. A number of parents have taken children out of school, therefore home tuition had been put into place. Pilot work was taking place in Castle Vale for children in nursery schools and a diagnosis was provided without going onto a waiting list. A dedicated placements team was now in place to work earlier with families.

Headteachers were working with the Director of Children's Service to develop better inclusion facilities so that provisions in local schools were made therefore no need to go outside of a special school. This investment would be captured in the Sufficiency Strategy.

In response to Councillor Hussain's query the EHC Plan and the process if a parent does not agree with what was indicated on there, Members were notified there was an appeals process and details around this was shared.

Upon consideration, it was:

497

RESOLVED:-

That the Audit Committee noted the presentation and updates received on the Cabinet Member for Children, Young People and Families.

At this juncture, the Chair rearranged the agenda to allow item 13 – External Auditors update to be discussed. This request had been made by Jon Roberts, Grant Thornton.

At 1550 hours, Councillor Amar Khan left the room.

EXTERNAL AUDITORS UPDATE

The following report of the External Auditors was submitted: -

(See document No.3)

Jon Roberts, Grant Thornton, External Auditors gave his apologies as he had to leave this meeting. An overview of the report to was provided by Nicola Coombe, Grant Thornton.

The External Auditors were specifically required to consider the Council's arrangements in relation to three specified criteria; financial sustainability; governance and how it improves its economy, efficiency, and effectiveness. The External Auditors would follow up on last year's recommendations as a matter of course. There were some topics that were appropriate to keep on the radar for continued deep dives as well as the follow up of prior year recommendations including home to school; highways, PFI contract arrangements etc. There was a potential risk in relation to the legacy of the Commonwealth Games and housing issue.

The Chair noted the Commonwealth Games were very successful and were delivered on time. A review of costings against budget would be looked upon by the External Auditors.

The Chair referred to the letter provided by the External Auditors on 13th September on delays with the Audit and requested for further details on this. In response, Nicola Coombe gave a summary to the deadlines indicated in the Annual Auditors Reports. The Council's financial statements deadline for the publication of the accounts is the end of November. The February date is for the backstops that the National Audit Office gives. This is a three-month window ahead of when the accounts are to be signed.

The 2021 Annual Auditors Report was still open and pending sign off. A finalised version would be issued once the accounts had been signed.

Upon consideration, it was:

498

RESOLVED:-

That the Audit Committee noted the External Auditors Update.

RISK MANAGEMENT UPDATE

The following report of the Assistant Director Audit and Risk Management was submitted: -

(See document No.4)

The Assistant Director, Audit & Risk Management, made introductory comments relating to the report and responded to questions from Members.

Concerns were raised around interest rates and treasury risks. Treasury Management Strategy will be shared at a future meeting.

At 1607 hours, Councillor Amar Khan entered the room.

Upon consideration, it was:

499

RESOLVED:-

The Audit Committee Members:

- (i) Noted the progress in implementing the Risk Management Framework and the assurance and oversight provided by the Council Leadership Team (CLT).
- (ii) Reviewed the strategic risks and assessed whether further explanation / information is required from risk owners in order to satisfy itself that the Risk Management Framework had been consistently applied.

At this juncture, the Chair welcomed Janie Berry to her first Audit Committee. Janie had been appointed as new City Solicitor & Monitoring Officer for BCC. On behalf of the Committee welcome Janie and thanked Satinder Sahota for all his contributions in his interim role to the Committee.

PROGRESS ON NON-COMPLIANCE WITH THE CONSTITUTION

The following report of the City Solicitor & Monitoring Officer was submitted: -

(See document No.5)

The report had been prepared by the predecessor (Satinder Sahota). A summary of the report was shared with Committee Members.

The Assistant Director, Audit & Risk Management referred to the non-conformity as noted by Internal Audit along with specific mitigations. These were all at a point in time. Details around specific non-conformities were shared to Members.

The Assistant Director, Audit & Risk Management assured the Committee internal audit would do a follow up on each area depending on its severity and evidence this.

RESOLVED:-

500

The Audit Committee Members noted the content of the progress on non-compliance with the Constitution report.

CIFPA FINANCIAL MANAGEMENT CODE SELF-ASSESSMENT

The following report of the Director of Council Management was submitted:-

(See document No.6)

Chris Tideswell, CIPFA shared a presentation on the Financial Management Code; Assessing Compliance Self-Assessment; Conclusions on the approach adopted by BCC; Six key principles of good FM; the FM Code Principles and Standards and the five key signals of organisational financial stress.

The Chair referred to the gaps in the savings plan and overspends. There were concerns around general financial environment therefore the planning horizons played a critical part of the immediate and long-term financial plan.

Upon consideration, it was:

501

RESOLVED:-

The Audit Committee Members noted:

- (i) The requirements of the CIPFA Financial Management Code.
- (ii) The results of the self-assessment and action to be taken.
- (iii) That this was the second self-assessment and that the self Assessment would continue to be refreshed annually and reported to Elected Members.

ANNUAL GOVERNANCE STATEMENT 2021/22

The following report of the Director of Council Management was submitted:-

(See document No.7)

The Assistant Director, Audit & Risk Management, made introductory comments relating to the report. The final document would be shared closer to when the accounts were signed off.

At this juncture, the City Solicitor & Monitoring Officer requested the Committee for an opportunity to review the Annual Governance Statement as she was newly appointed. The City Solicitor & Monitoring Officer would like to contribute to the Annual Governance Statement.

Upon consideration, it was:

502

RESOLVED:-

The Audit Committee Members:

- (i) Approved the Annual Governance Statement that would be included in the 2021/22 Statement of Accounts.
- (ii) Agreed that the arrangements for the management of the items included in Section 6 will be reported to the Audit Committee during the year.

DRAFT STATEMENT OF ACCOUNTS 2021/22 PROCESS AND TIMINGS BRIEFING

The following report of the Director of Council Management was submitted:-

(See document No.8)

In addition to the report shared with Committee Members, further details were shared via a presentation. The accounts were published on the website. A summary of key areas for attention were highlighted.

A briefing will be arranged for Members of the Committee to look at the accounts in detail and for an opportunity for Members to query further.

At 1648 hours, Councillor Amar Khan left the room.

Upon consideration, it was:

503

RESOLVED:-

The Audit Committee Members:

- (i) Noted the legislative requirements and proposed review, publication, and approvals timetable for both the draft and audited Statement of Accounts.
- (ii) Noted the proposed briefings offered to the Committee.

SCHEDULE OF OUTSTANDING MINUTES

The following Schedule of Outstanding Minutes was submitted:-

(See document No. 9)

The Committee noted that the following outstanding minutes 377 (iii), 412, 413; 414; 443; 444; (old ref: 3 but renumbered to 478) and (old ref: 4 but renumbered to 484) were completed and discharged:

The outstanding actions related to minutes 377 (ii) and 442 would be highlighted further so that responses could be provided to the Committee at a future date.

504 **RESOLVED:-**

That the Schedule of Outstanding minutes be noted.

DATE OF THE NEXT MEETING

505 The next meeting is scheduled to take place on Tuesday, 18 October 2022 at 1400 hours in the Committee Room 6, Council House, Birmingham.

OTHER URGENT BUSINESS

506 There was no other urgent business.

AUTHORITY TO CHAIRMAN AND OFFICERS

507 **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.

The meeting ended at 1703 hours.

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CHAIR