

# BIRMINGHAM CITY COUNCIL

<b>AUDIT COMMITTEE</b> <b>31 JANUARY 2023</b>
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**MINUTES OF A MEETING OF THE AUDIT COMMITTEE HELD ON  
TUESDAY, 31 JANUARY 2023 AT 1400 HOURS IN COMMITTEE  
ROOM 6, COUNCIL HOUSE, VICTORIA SQUARE, BIRMINGHAM, B1 1BB**

**PRESENT:-**

Councillor Fred Grindrod in the Chair;

Councillors Meirion Jenkins, Amar Khan, Miranda Perks, and Paul Tilsley

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**NOTICE OF RECORDING/WEBCAST**

- 538 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](http://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.**

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**APOLOGIES**

- 539 Apologies were submitted on behalf of Councillors Shabrana Hussain, Bruce Lines and Shafique Shah for their inability to attend the meeting.

Councillor Tilsley notified the Chair he had to leave at 1500 hours.

The Chair noted the partial attendance at the meeting.

At this juncture, the City Solicitor and Monitoring Officer confirmed that the partial attendance would still be noted as a full attendance at the meeting.

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**DECLARATIONS OF INTEREST**

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

If a disclosable pecuniary interest is declared a Member must not participate in any discussion or vote on the matter and must not remain in the room unless they have been granted a dispensation.

If other registerable interests are declared a Member may speak on the matter only if members of the public are allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless they have been granted a dispensation.

If it is a 'sensitive interest', Members do not have to disclose the nature of the interest, just that they have an interest.

At this juncture, Councillor Tilsley declared a non-pecuniary interest as the non-executive director for Birmingham Airport.

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**EXEMPT INFORMATION – POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC**

The Chair informed he had not been informed of any items under this section.

Upon consideration, it was:

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**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.

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**MINUTES – AUDIT COMMITTEE – 22 NOVEMBER AND MATTERS ARISING**

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That the public minutes of the last meeting 22 November 2022 having been circulated, were agreed by the Committee.

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At this juncture, the Chair informed members the portfolio sessions would be swapped due to Cabinet Members prior engagements. On this basis, the discussion on Health & Social Care was discussed first.

**ASSURANCE SESSION - CABINET MEMBER HEALTH & SOCIAL CARE PORTFOLIO**

The Cabinet Member for Health & Social Care attended the meeting accompanied by Graeme Betts, Director of Adult Social Care.

The Cabinet Member for Health & Social Care shared a presentation via the screen.

(See document No.1)

The presentation gave an overview on various areas of the portfolio, consisting of Adults Social Care, Public Health, Healthy Communities and Birmingham & Solihull Integrated Care System.

Risks indicated on the Strategic Risk Register were highlighted, with a particular focus on;

- SR5.4 - Inability to fully meet social care requirements to include Safeguarding Adults,
- SR5.5 View of BCC by Regulator: ASC CQC Regulated Services; and
- SR7.2 Rising demand for services negatively impacts on the Council's priority outcomes

In response to the risks, mitigations and actions set out by the service areas were shared.

No concerns were raised for the portfolio/ service area in the 2020/21 Audit Findings Report, External Auditors Report and Improvement Recommendations.

Similarly, there were no Adult Social Care issues included on the Annual Governance Statement however, the Cabinet Member Health & Social Care highlighted issues that were of a priority on the Directorate Assurance Statement for 2021/2022 which the Directorate were currently working upon.

Two examples were referred to. These were;

- 1) **Day Opportunities**
- 2) **Transition - Preparation to Adulthood**

The Cabinet Member offered to provide Members with further details on any other issues on the Directorate Assurance Statement or any areas within Adult Social Care should this be required.

An outline of three other key areas that would be of interest to the Committee were highlighted. These were around;

- 1) Difficulties on Recruitment
- 2) Cost of Living Crisis
- 3) Winter Pressures

Adult Social Care continue to work with health providers and NHS to ensure services can function against the rising costs and pressures around the workforce. The unprecedented demand on the NHS was adding pressure to Adult Social Care Discharge Teams. Elected Members were informed of the demand and the current position on the winter pressures had been shared. Social Care have been provided with a one-off short-term additional grant to support discharges.

At 1430 hours, the Chair thanked the Cabinet Member Health & Social Care for her attendance and noted that she had to leave the meeting due to prior commitments.

Members of the Committee commented and asked questions which the Director of Adult Social Care responded to.

Key points made:

- **Kenrick Centre** – Members noted this required improvements and questioned what steps were in place to address issues raised by the Care Quality Commission (CQC). In response, it was noted an action plan was in place. Management were aware improvement was required therefore this was being monitored very closely. Homes would improve their performance and then dip down thus this was not usual across the board.
- **Assurance Sessions and the role of the Audit Committee** - Councillor Jenkins raised concerns around the Assurance Sessions and the role of the Audit Committee i.e., it was felt receiving presentations from the Cabinet Members about their portfolio was not the remit. In response, the Chair shared the Audit Committee had been reviewed by two external organisations who had confirmed this activity was in accordance with the Committee's remit.

The Director of Council Management added presentations for Assurance Sessions were shared with the Committee to ensure Members had confidence that risks were being managed and governance was in place.

The Assistant Director, Audit and Risk Management reminded members these sessions were developed 2 ½ years ago which outlined what principles should be covered i.e., Assurances Statements, External Auditors recommendations. Further discussions took place to decide who was accountable for this, and it was noted Cabinet Members jointly with the Chief Officers should be providing assurances to the committee.

The Chair reiterated that any specific issues the members had linked to the portfolio discussions, this was welcomed for discussion

providing it was linked to the risks associated with the portfolio so that members were confident the risk was being managed appropriately.

The Assistant Director, Audit and Risk Management commended the Adult Social Care Service area as the way risk was managed was praiseworthy as actions and mitigations were clearly identified.

It was noted, Councillor Jenkins was not satisfied with the setup of the Assurance Sessions and the presentations delivered. Councillor Tilsley referred to reports of individual Cabinet Members which was historically shared at City Council, this had since ceased. As a result, the Assurance Sessions was another way of holding Cabinet Members to account.

Jon Roberts, Grant Thornton (External Auditors) added the Assurance sessions were a very important part of the agenda especially due to the size and complexity of the Council. It was important to understand the governance challenges therefore supported the Assurance sessions. It was an area to keep under review to ensure the right level and analysis of assurance was obtained. The External Auditors encouraged and supported the continuation, approach of the Assurance Session.

Members of the Committee continued to comment and asked questions which the Director of Adult Social Care responded to.

Additional points made:

- **How to reflect good standards joint working across the Council, as risks within Adult Social Care was being managed well** – The Directorate had built a culture to respond to citizens needs quickly and resolve issues within a good timeframe. It was important to look at the best way the citizen and family achieve the best outcome and what support needs to be put into place to achieve this. This was a responsibility of the Council as a whole and less working in silo.
- **Safeguarding and how fully aware were employees across the Directorate** - Safeguarding was high across the Council's agenda therefore appropriate levels of training would take place for all, especially for new starters. It was important to embed the culture across the organisation i.e., place the citizens first to achieve better outcomes.

At 1447 hours, Councillor Khan left the meeting.

The Chair thanked the Director for Adult Social Care for his attendance and asked the Committee to note the updates given.

Upon consideration, it was:

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**RESOLVED:-**

That the Audit Committee noted the presentation and updates received on the Cabinet Member for Health & Social Care Portfolio.

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**ASSURANCE SESSION - CABINET MEMBER SOCIAL JUSTICE, COMMUNITY, SAFETY & EQUALITIES PORTFOLIO (PART 2)**

The Cabinet Member for Social Justice, Community Safety & Equalities attended the meeting accompanied by Darren Hockaday, Director of HR & Organisation Development and Waqar Ahmed, Assistant Director Community Safety & Resilience.

(See document No.2)

A presentation was shared via the screen which gave an overview on Community Safety (including Governance, Community Triggers, Domestic Homicide reviews and serious violence); Birmingham Community Safety Partnership Governance 22/23; areas of Domestic Abuse (including Governance, Domestic Abuse Prevention Strategy, Domestic Abuse Act (Part 4 duty, and Commissioning) and Domestic Abuse Governance.

An outline to the Local Partnership Delivery Partnership Map and the strategic thematic groups set out by the Birmingham Community Safety Partnership was summarised for members.

At 1449 hours, Councillor Jenkins left the meeting.

At this juncture, members of the Committee commented and asked questions which the Cabinet Member Social Justice, Community, Safety & Equalities and Officers responded to.

Key points made:

- **Birmingham Community Safety Partnership and local authorities' duties. How is this monitored?** – All partners including the local authorities had to consider tackling serious crimes. This would involve better local governance structures and an effective strategy that looked across the system. Services areas such as housing would be looked at (e.g. urgent accommodations when serious issues occurred) and specified roles for certain agencies. The Local Authority had the responsibility to ensure governance structures were in place (statutory duty to the local authority to work with partners and reduce crime to protect citizens from harm).

- **Birmingham Community Safety Partnership Executive Board** – Chaired by the Cabinet Member Social Justice, Community, Safety & Equalities and composed of a range of statutory partners such as the Police, Probation, Social Housing, Fire & Rescue, Birmingham Children's Trust and many more. The thematic groups were responsible for different areas of the operational work. Further details of the citywide and local work across the partnership were shared.
- **The meaning of Community Triggers** – This was when residents were not content with their antisocial behaviour issues therefore, they were able to alert the authorities to review the process. Residents were able to challenge responses around antisocial behaviour. This was a legal right in accordance with the 2014 Act.
- **Role of the elected members and confidence that the Local Partnership Delivery Partnership Map was understood** – This was a large geographical footprint and resource was an issue. More work to be undertaken to ensure all elected members were fully advised on processes they could use when encountering issues within their wards.
- **Facilitating better working between the partnership of West Midlands Police (WMP) and Birmingham City Council (inc. role of the elected member) and challenges** - The reduction in Command Units within WMP, boundaries within areas had changed and this caused tension for members as the boundaries between the two areas were not the same. At times, Councillors had to at times deal with two policing teams for an issues rather than one. As a result, the local authority would need to review how to work locally and WMP to look at their Neighbourhood offer. A co-ordinated approach was being piloted to oversee work across partners and wards.

WMP had a new Chief Constable who would be reviewing the two Command Units. The Police & Crime Commissioner had provided reassurance that more police officers would be available across the board. Members would receive information to the various groups and utilise this in Ward Forums and plans. The Neighbourhood Action Co-ordinators would be the link between the different service areas.

At 1452 hours, Councillor Jenkins returned to the meeting.

At 1458 hours, Councillor Tilsley left the meeting.

At 1500 hours, Councillor Khan returned to the meeting.

At 1502 hours, the Independent Technical Advisor entered the meeting.

Furthermore, Members were provided an update from People Services which had recently moved into the portfolio area. People Service was a new structure consisting of 150 employees (originally 80 employees). Two out of three

Assistant Director posts had now been secured and there was a lot more stability within the service area.

Three main priorities for the service were shared. In addition, an overview on Everyone's Battle, Everyone's Business (EBEB) Action plan, Workforce Transition and Job Evaluation Programme details was outlined. Extensive detail was shared on the EBEB plan and the deliverables was discussed. The Workforce Transition – Overview of Programme Workstreams and the review of interims and consultants was being undertaken. A more flexible approach had been applied for recruitment i.e., via website, social media platforms and various communication paths to attract the right employees to the organisation.

Most of the agency staff originally recruited to BCC were now permanent staff as there was more of an attractive salary and remuneration.

Members of the Committee commented and asked questions which the Cabinet Member Social Justice, Community, Safety & Equalities and Officers responded to.

Key points made:

- **Number of employees in HR department and is this sufficient?** – 150 employees within the area – the ratios those on the payroll and within the service areas had been factored in including Schools HR. 80% of the employee relations had gone as there was a reduced number of employee and trade unions cases. There were only 12 cases were outstanding.
- **Reduce the timeframe for Job Evaluation as there were concerns risks of potential further equal pay** – Regular updates of Job Evaluation should be shared with the Committee.
- **Figures around Flexible Working, Policy and standards of hybrid homeworking (new ways of working)** – Details around flexibility working and data around this to be shared with members. It was noted, in relation to hybrid remotely working from, this was not monitored by the service area as this was part of the Councils New ways of Working and the expectation was all employees had to take onus and responsibility. Improvements to productivity should also be at the forefront.

At this juncture, the Chair informed Councillor Jenkins that the Committee were not confirmed to look at the employees' terms and conditions of a contract but to ensure the delivery of the programme was undertaken and holding the portfolio holders to account.

The City Solicitor and Monitoring Officer referred to comments made by Councillor Jenkins. The Audit Committee look at the value for money aspects however, it would question if the performance level of delivery of services had decreased and was not in accordance with the delivery framework. The Audit



Committee could not mandate or give a view on the working arrangement of staff in BCC.

The Chair encouraged Councillor Jenkins to discuss this matter further outside of the meeting with the City Solicitor and Monitoring Officer and the Director of Council Management.

The City Solicitor and Monitoring Officer agreed with earlier comments made by the External Auditors around holding Cabinet Members to account via the Assurance Sessions and asking key questions and give directions to any concerns.

- **Performance** – BCC was outcome based and employees join the organisation based on the competitiveness. Evidence indicates that when employees are offered flexibility, productivity increases.
- **Barriers on recruitment and morale of staff** – Ongoing work taking place on job adverts and how they are written i.e. not to just apply a standard job description. The language used in the adverts to be look at carefully and to ensure these were attractive to the market. Managers across the organisation to be educated managers on writing job adverts to ensure a diverse recruitment takes place. Any recruitment should be progressed fast and effectively to avoid loss of interest.
- **Management Training** – Within the next 18 months, a new leadership framework behaviours would be shared which would manage employee's performance and via assessments through recruitment process.

At 1551 hours, Councillor Jenkins left the meeting.

- **Assurance around the understanding of Everyone's Battle, Everyone's Business** – The Cabinet Member indicated there was still more work to be undertaken. The awareness for this was there and ongoing work was taking place. The constant message would encourage employees to remain within the organisation and provide them with confidence. Key work was taking place with Trade Unions to reinforce trust and confidence.

An independent organisation had been commissioned to review the HR function with a specific reference to equality issues.

The Director of Council Management agreed updates around the developments in People Services should be shared with Members. Disability was an areas that was having a key focus.

The Chair thanked the Cabinet Member Social Justice, Community, Safety & Equalities and Officers for their attendance and asked the Committee to note the updates given.

Upon consideration, it was:

544 **RESOLVED:-**

That the Audit Committee:

- (i) Noted the presentation and updates received on the Cabinet Member for Social Justice, Community, Safety & Equalities Portfolio.
  - (ii) Requested for regular updates on the progress and developments around Job Evaluation to be shared with the Committee.
  - (iii) Further details around flexible working, policy, performance of hybrid homeworking (new ways of working) data to be shared with the Committee.
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545 At 1600 hours, the Audit Committee paused for a comfort break.

At 1607 hours, the Audit Committee recovered.

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Due to time constraints, the Chair decided item 9 – Risk Management update would be deferred to the 14 February 2023 meeting.

**EXTERNAL AUDITORS – AUDIT UPDATE 2020-2021 & 2021-2022**

A verbal update was provided by the External Auditors. Jon Roberts, Grant Thornton informed the Committee Nicola Coombe, Grant Thornton, had been undertaking the work around the Housing Benefits grant claim which had now been concluded.

Progress had been made on the audit of financial statements for both outstanding years. The nationwide Highways Infrastructure issue was delaying the audits for both years. The revised CIPFA code of practice had taken away the requirement for disclosure of gross cost and gross cumulative depreciation.

CIPFA had engaged with one of UK's highly Technical Specialist representative bodies to review the economic lives of the assets. Guidance had been provided which the External Auditors were working through with BCC Finance officers. Progress was being made on 2020- 2021 accounts as well as the previous year's accounts had not yet been signed.

The External Auditors were made aware of a potential issue around the Birmingham Children's Trust accounts consolidation into the BCC group accounts. This has been prioritised and reviewed.

No comments were raised by Members of the Committee.

Upon consideration, it was:

546      **RESOLVED:-**

That the Audit Committee noted the verbal update from the External Auditors

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**PUBLIC SECTOR INTERNAL AUDIT STANDARDS – EXTERNAL QUALITY ASSESSMENT**

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

(See document No.3)

The Assistant Director, Audit & Risk Management, made introductory comments relating to the report. Members were informed every 5 years an external assessment (independent inspection) of the BCC Internal Audit function had to be undertaken. An outline to the criteria applied for the external assessment was shared.

The assessment was conducted by Manchester City Council Internal Audit Team, and they concluded that Birmingham Audit conforms and exceeds some the standards. The full report had been shared with members as part of the document pack.

The Assistant Director Audit and Risk Management was very pleased with the outcomes and thanked Manchester City Council as well as the other contributors for conducting the review.

The Chair echoed comments made and thanked Manchester City Council and the work undertaken. It was requested for the additional recommendations and implementation to be tracked and for this to be incorporated in the regular updates provided to the Committee.

On behalf of the Audit Committee, the Chair congratulated the Assistant Director Audit and Risk Management and her team for being assessed with a positive outcome and maintaining the standard for the Council.

Upon consideration, it was:

547      **RESOLVED:-**

That the Audit Committee noted the results of the external quality review completed by Manchester City Council on behalf of the Council together with the agreed improvement actions.

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**OMBUDSMAN PUBLIC INTEREST REPORT CONCERNING A COMPLAINT  
ABOUT ASSISTED WASTE COLLECTION COMPLAINTS**

The following report of the Director of the City Operations Directorate was submitted: -

(See document No.4)

The Chair read an introductory statement regarding the Ombudsman public interest report.

The following points were made by the Director of Street Scene:-

- Several actions had been undertaken since the complaint. All information regarding collections had been transferred to an electronic system where a list of the collections automatically is indicated. There were no more issues regarding paper records as this was all electronic.
- The crews have electronic devices in the vehicles, and this had been in place since December 2022. This was being monitored daily as the driver had to check that the collection had been completed.
- Hire vehicles had a temporary solution (electronic device) and all residual and recycling vehicles/crew had hardwired tablets fitted in the vehicles.
- The driver of the vehicle is responsible for the performance, which was fed into the tablet device, The Assisted Service Managers in the depot (x3 per depot) were responsible for an area and take the reports and physically monitor against performance.
- Missed collections would be recorded via the contact centre (through My Brum account) and this information would be sent to the depot to correct.
- There were trackers fitted on the vehicles too.
- The accountability lied with the driver, depot teams and then to the Director of Street Scene.
- Several performance recommendations were identified. Some were recorded through the Deputy Leader's Performance Teams, and some was reported directly to the Chief Executive and the Leader.
- A Corporate Performance Framework was in place consisting of three different levels. All the key performance indicators go to the Corporate Performance Team which then report to Cabinet on a regular basis.
- In addition, this area is reported upon to the Leader on a weekly basis.
- 540,000 collections made per week and communications with members had to be more effective.
- Missed collections were regularly reported to Cabinet as well as Housing & Neighbourhoods Overview & Scrutiny.
- A series of depot visits were being arranged for elected members.

Upon consideration, it was:

548

**RESOLVED:-**

That the Audit Committee noted the Director of City Operation's response to the Local Government and Social Care Ombudsman's recommendations.

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**OMBUDSMAN PUBLIC INTEREST REPORT CONCERNING A COMPLAINT ABOUT TEMPORARY ACCOMMODATION (HOMELESSNESS)**

The following report of the Director of City Housing Directorate was submitted:-

(See document No.5)

The Chair read an introductory statement regarding the Ombudsman public interest report.

The following points were made by the Acting Head of Service Housing Solutions & Support Service:-

- This case had taken place over a significantly long time and the household need for the resident changed over the period.
- The actions recommended had been implemented however, negotiations were still taking place with the individual and representatives. Also, the suitability of the accommodation was also being explored hence the case was still live. The Chair requested for updates to be provided on the implementation of the recommendations.
- The Acting Head of Service Housing Solutions & Support Service was confident that the workforce had implemented the recommendations. A wide range of intervention and teamwork (Business Intelligence Reporting) was taking place.

Upon consideration, it was:

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**RESOLVED:-**

That the Audit Committee notes the Director of City Housing's response to the Local Government and Social Care Ombudsman's recommendations.

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**SCHEDULE OF OUTSTANDING MINUTES**

The following Schedule of Outstanding Minutes was submitted:-

(See document No.6)

The Chair deferred updates to this item to the next meeting, 14 February 2023.

550

**RESOLVED:-**

That the Schedule of Outstanding minutes be deferred to the next meeting.

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**DATE OF THE NEXT MEETING**

- 551 The next meeting is scheduled to take place on Tuesday, 14 February 2023 at 1400 hours in the Committee Room 6, Council House, Birmingham.

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**OTHER URGENT BUSINESS**

- 552 The Chair noted that the Committee's Annual Report to City Council would be discussed at the February 2023, City Council meeting and requested for members of the committee to contribute to the debate.

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**AUTHORITY TO CHAIRMAN AND OFFICERS**

- 553 **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 1636 hours.

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CHAIR