

## BIRMINGHAM CITY COUNCIL

# RESOURCES O&S COMMITTEE – PUBLIC MEETING

**1200 hours on Tuesday 4 September 2018, Committee Rooms 3 & 4**

---

**Present:**

Councillor Sir Albert Bore (Chair)

Councillors: Muhammad Afzal, Zaheer Khan, Narinder Kaur Kooner and Meirion Jenkins

**Also Present:**

Cllr Brett O'Reilly, Cabinet Member for Finance and Resources  
Kate Charlton, 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](http://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**

Apologies were received from Councillors Josh Jones, Ewan Mackey and Paul Tilsley. Also, an apology for lateness was received from Cllr Zaheer Khan.

**3. DECLARATIONS OF INTERESTS**

None.

**4. RESOURCES O&S ACTION NOTES - 19 JULY 2018**

(See document No 1)

The Chair updated Members on matters arising from the action notes:

- There had been nothing so far on the alternative timescales and whether it would be possible to produce financial monitoring reports which could be considered by Scrutiny on a monthly basis. The Corporate Director, Finance and Governance clarified that he was working with the governance team and it is likely that the reports will go for Cabinet Member sign off then to scrutiny on a monthly basis.

- With regards to overspends the Committee indicated that Acivico and the Waste Service were areas of concern. These will be flagged up in the work programme later on the agenda.
- The Chair is meeting with the Director of HR tomorrow, to ascertain whether the committee might want to look at the HR function at a future meeting.
- Cllr Afzal had asked how many cases in the last 5 years contracts had been terminated or penalties imposed. Information had been circulated, however, concerns and questions were raised with the response received:
  - It has taken six weeks to receive an answer and this should have been provided quicker.
  - Why is this information being treated as private rather than public?
  - Insufficient information was provided as it does not provide answers on the amounts of the contract, periods for the contract, at which stages they were cancelled or what penalties were imposed and dates.

Kate Charlton, City Solicitor and Monitoring Officer considered the request to be reasonable and will take this up and secure a more informative set of answers.

- The Committee's work around the financial planning process has received agreement from the Co-ordinating O&S Committee. This work should take 3-4 months, with sign off of the report happening towards the end of the year or beginning of 2019. The draft Terms of Reference is currently being drafted.

#### **RESOLVED:-**

The notes were agreed.

### **5. ANNUAL AUDIT FINDINGS REPORT**

(See documents No 2 and 3)

Cllr Brett O'Reilly, Cabinet Member for Finance and Resources, Clive Heaphy, Corporate Director, Finance and Governance and Kate Charlton, City Solicitor and Monitoring Officer attended for this item.

The following were among the main points raised:

- The City Council's Stocktake Report 2018 to the Birmingham Independent Improvement Panel mentions the lack of transparency and openness and this is repeated in the Audit Findings Report and in a generalised way, in the report that is going to City Council. Given the seriousness, it was felt that every Member of the Council should have by now been alerted to, or provided with, a copy of the Audit Findings. It was noted there were no formal requirements to notify, as this is not a section 114 notice. However, the Cabinet Member will look as to whether more should have been done.
- It was stated that the key pressure point for most metropolitan authorities is the social care budget, which is overwhelmingly demand driven and it is relatively unusual for the key financial challenges to relate to place-based services. However, the key pressure here is the waste service in the Place

Directorate. The report to Council does not address this and there is a concern that this shows complacency.

- Another particular concern is the subsidiaries that the Council has to concern itself with and it was questioned whether the Council was best placed to have these. The Cabinet Member confirmed he is looking at these.
- The Committee were assured that a lot of work has been done with the Improvement Panel to improve transparency and there is a complete focus on the financial position of the Council.
- The Cabinet Member does not think that it is a coincidence that the big increases in overspend coincided with the removal of the star chamber, where the lead Cabinet Member and officer were held to account. They are now asking for detailed implementation plans to hold Cabinet Members and / or officers to account.
- There appears to be a reduction in the overspend in month 4. There was acknowledgment of this trend and it was commended. However, there is no detail on the measures that were taken. The Committee needs access to this detail to undertake its remit.
- There is a statement that the Council are not going to use reserves in 2019/2020. However, £30.5m has been applied as reserves, so extra savings need to be found. Therefore, the scenario is worse than that being presented to Council and this highlights the lack of openness again.
- It was concerning that the Audit report states that 'the Month three report notes that there are no firm plans identified to mitigate the base pressures and non-delivery of savings. It is clear that budget accountability has not been operating effectively within the Place Directorate, which indicates a lack of leadership'. The Committee were informed that they have been working with the Acting Director and proposals for savings have been found. However, they are facing pressures, such as the price for the sale of paper recycling has been halved. With regards to the new waste employee structure, they are working closely with the unions to get this in place as soon as possible.
- The Cabinet Member would welcome the Committee inviting senior officers with their detailed plans to attend this committee to assist him with additional scrutiny.
- It was reiterated that this committee needs to operate in the public domain so there is full openness and transparency. Officers need to come up with the process and paperwork for this to happen.
- The Audit report states 'whilst we have not qualified our VfM conclusion in relation to the Commonwealth Games, we do recognise that a significant level of funding has not yet been received by the Council and there is a risk that hosting the games will impact upon the Council's future financial sustainability if it is not adequately managed.' The report to Council mentions having a contingency reserve of £14m over the next four years. It was clarified that it is prudent to do this, as the Council needs to demonstrate that it meets the various criteria for the funding from different partners, before it is released. The Committee can be provided with updates on this when it is available.
- The Chair will pick up the matter of transparency and Members having access to information at the Co-ordinating O&S Committee on Friday, as this is the

committee that will be addressing the governance issues within the Audit Findings report. The City Solicitor and Monitoring Officer will report back to the Resources O&S Committee or the Co-ordinating O&S Committee on how information can be shared.

**RESOLVED:-**

- The reports were noted.

**6. RESOURCES O&S COMMITTEE WORK PROGRAMME 2018/19**

(See document No 4)

It had been agreed at the previous meeting that the Committee would look at Acivico and the waste service. It is anticipated that discussion regarding the waste service will come out of addressing the budget issues. As for Acivico, there will be a report to Cabinet and therefore it is better to defer this slightly. It was felt that due to Acivico receiving a state-backed guarantee, then the Council is more than a shareholder and this discussion should be in public. The Chair would receive advice on this.

The Chair is meeting with the Director of HR and Councillor Afzal requested that a full report including equalities issues (i.e. BME breakdown), staffing structure, sickness, workforce and agency staff needs to be presented to the Committee. Councillor Kooner questioned whether HR recognises Sikhs as an ethnicity when capturing data. The Chair stated he would ask for this information and will get a note to Councillor Kooner if this is not the case.

Councillor Kooner would be interested to follow up a scrutiny inquiry she did on commissioning, as she is concerned that big organisations are getting all the contracts in the City. The Chair commented that a report will be going to Cabinet on a new Commissioning Strategy. Therefore, the scrutiny office will need to look at the new strategy and the previous scrutiny inquiry to ascertain whether there is further work to be done.

**RESOLVED:-**

- The Work Programme was noted and the Chair will firm up the 20<sup>th</sup> September 2018 agenda in the next day or two.

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

None.

**8. OTHER URGENT BUSINESS**

None.

**9. AUTHORITY TO CHAIRMAN AND OFFICERS**

Agreed.

---

The meeting ended at 13.25 hours.