

BIRMINGHAM CITY COUNCIL

RESOURCES O&S COMMITTEE – PUBLIC MEETING

1400 hours on Thursday 13 February 2020, Committee Room 6

Present:

Councillor Sir Albert Bore (Chair)

Councillors: Muhammed Afzal, David Barrie, Meirion Jenkins, Paul Tilsley and Lisa Trickett

Also Present:

Councillor Tristan Chatfield, Cabinet Member for Finance and Resources

Michael Furness, Head of City Finance – Corporate Finance (Revenue)

Rebecca Hellard, Interim Chief Finance Officer

Joanne Knight, Assistant Director, Service Finance

Sara Pitt, Assistant Director, Service Finance

Jayne Bowles, Scrutiny Officer

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

Apologies were received from Councillor Yvonne Mosquito.

3. DECLARATIONS OF INTERESTS

None.

4. ACTION NOTES – 16 JANUARY 2020

(See document 1)

The Chair advised Committee of his intention to include the Commonwealth Games - Athletes Village Revised Full Business Case on the agenda for the March meeting.

RESOLVED:-

The action notes were agreed.

5. FINANCIAL MONITORING 2019/20 – QUARTER 3 (MONTH 9)

(See documents 2 and 3)

The Chair advised that the intention was to take the financial monitoring report alongside the Financial Plan and to then consider any further specific questions under the Financial Plan item.

The following points were raised:

- With regard to savings, the process for the Star Chamber over the next couple of weeks will be about getting clarity around the amber, red and purple non-deliverables and moving everything into the correct column so that there is absolute certainty moving forward into the next year what the position is and to start early work on getting the savings ahead of schedule;
- Challenge sessions have been held with directorates to work out whether existing and proposed savings are deliverable and undeliverable savings have been removed from 2020/21 onwards using a contingency which had been held in 2019/20 against a risk of non-delivery of savings;
- Some of these savings were identified three years ago and circumstances have since changed meaning the savings are no longer relevant;
- Reference was made to the overspend in Travel Assist and Members raised concerns that the rebasing of the budget (£3.9m additional funding and reductions in assumed savings of £0.8m) is not sufficient to meet all the budget pressures identified in the monitoring report, which amount to £6.1m;
- Members were told that the £3.9m figure was agreed with the directorate, who gave assurances that that figure was sufficient to meet the needs of the present model;
- This committee will continue to monitor the position with Travel Assist going forward into the new financial year;
- With regard to Housing Options, the financial monitoring report refers to an overspend of £3.863m and the Financial Plan states that in recognition of the service pressures, the Council has invested a further £4.4m in the Homelessness Service;
- It was queried why the two figures were different and Members were told that it is difficult to make projections as there cannot be certainty about demand pressures going forward;
- There is on-going work looking at the best and most cost-effective way of managing the service and there are two Invest to Save bids coming forward in relation to Temporary Accommodation and this was flagged as an issue for Committee to monitor next year;
- In response to a question about the cost and income from Temporary Accommodation, Members were told that a report had just gone through Cabinet which contained a freeze on the rate of rental income on Temporary Accommodation properties, pending a review;
- The budget monitoring report states that the largest movement in non-delivery of savings relates to Bereavement Services (£1.2m) as a consequence of fewer burials and cremations but there does not seem to be any reference to this in the Financial Plan;

- Members were told that there was originally a step-up, with a sweeping 5% across all income targets which helped to close the gap with the budget setting for 2019/20;
- All of that has now been challenged, with not just Bereavement Services finding they have been priced out of the market, hence the reduction in demand;
- That step-up element which makes the service uncompetitive has now been written out in the MTFP;
- With regard to Street Scene, the budget monitoring report states there is an overspend of £8.312m in Waste Management and the Chair asked for some reconciliation of that figure with what is contained in the Financial Plan;
- Members' attention was drawn to the MTFP which shows a total investment into Waste of £11.7m, of which £4.6m is a continuation of the rebasing of the budget, taking into account all the service issues;
- There should, therefore, be no repeat in the 2020/21 reports of the large overspend previously flagged up;
- Reference was made to the £5.7m unspent apprenticeship levy money whilst we are spending money on agency staff and there should be an ongoing apprenticeship scheme to support services such as refuse collection;
- It was pointed out that the Cabinet Member for Education, Skills and Culture had recently launched the Council's apprenticeship pledge;
- The need to look beyond silo thinking and how we achieve our outcomes was stressed and the Interim Chief Finance Officer told Members that there is a move towards strategic resource allocation for 2021/22;
- Members raised concerns around the savings in Adult Social Care, especially in view of the fact that the annual report of the Birmingham Safeguarding Adults Board, presented to the Health and Social Care O&S Committee recently, referred to 11,000 adults being at risk;
- Members were told that there is a need to understand the detail underneath the underspend and that the Free Conversations model is national good practice and leads to savings, as well as the impact of changing legislation;
- Some of the terminology used in the financial reports was queried, in particular 'rebasings', which is actually changing the budget, and 'pressures' which it was felt should be referred to as overspends, and the Cabinet Member and Interim Chief Finance Officer took those comments on board;
- The Chair concluded this item by saying that over the course of the budget year to date it has been easier for this committee to focus on issues due to the consistency in the presentation of reports;
- However, this month compares Month 9 with Month 6 (as it is the Cabinet quarterly report), which is not helpful – it would be more helpful to be able to compare Month 9 with Month 8;
- One final point was made in relation to picking up issues arising in the monitoring report and trying to ensure they have been reflected in the Financial Plan. For example, Appendix F lists the rebasing issues and whilst some can be seen in a way that relates to the monitoring report, others are not easy to pick up, making it difficult for O&S to hold the Executive to account;
- The Chair thanked officers for the improvement, but requested that these issues be addressed for 2020/21 and going forwards;

- The Cabinet Member placed on record his thanks to officers for their work in the run up to the publication of the Financial Plan.

RESOLVED:-

The report was noted.

6. FINANCIAL PLAN 2020-2024

(See documents 4 and 5)

The Chair referred to the comment that “Birmingham’s Business Rates growth appears to be at the lower end of metropolitan districts” and asked why that is.

The Cabinet Member explained that the figure comes from the CIPFA Resilience Index and is not something reported directly by us.

The Interim Chief Finance Officer added that Birmingham has more Enterprise Zones and this has a distorting effect in our comparisons. Another factor is the success of appeals and those are done by the Valuations Office.

RESOLVED:-

The report was noted.

7. WORK PROGRAMME

(See document 6)

RESOLVED:-

The work programme was noted.

8. DATE AND TIME OF NEXT MEETING

Noted.

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

None.

10. OTHER URGENT BUSINESS

Councillor Trickett raised an item of urgent business relating to an OJEU notice which had been published in respect of the contract for waste treatment services and questioned whether this was in line with council policy. It was pointed out that in June last year the council had declared a climate emergency and the OJEU notice makes no reference to that.

Although assurance had been given that the necessary approvals were in place, the authority had been signed off in 2018, before the IPCC report on the urgent need to move on climate.

Councillor Trickett expressed the view that the context of the original decision does not stand. The approval was made on the basis that the Veolia contract would be extended for one year, however a subsequent report extending the contract for five years contained a clear statement that in that period there would be a review and a structured and thought through procurement process.

The Interim Chief Finance Officer told Members there are many routes in public procurement and from a Finance point of view she would want to know we are satisfying our overall duty on best value, economy, efficiency and effectiveness and that it is in line with council policy.

The Chair suggested that from a procurement process standpoint, this should come back to committee in March and there may be issues identified then which need to be passed on to the Sustainability and Transport O&S Committee.

This was agreed, however Councillor Trickett stressed the importance of flagging the concern now.

RESOLVED:

That this issue will be considered at the March meeting.

11. AUTHORITY TO CHAIRMAN AND OFFICERS

RESOLVED:

That in an urgent situation between meetings, the Chairman jointly with the relevant Chief Officer has authority to act on behalf of the Committee.

The meeting ended at 1522 hours.