

BIRMINGHAM CITY COUNCIL

AUDIT COMMITTEE 22 NOVEMBER 2022

**MINUTES OF A MEETING OF THE AUDIT COMMITTEE HELD ON
TUESDAY, 22 NOVEMBER 2022 AT 1400 HOURS IN COMMITTEE
ROOM 6, COUNCIL HOUSE, VICTORIA SQUARE, BIRMINGHAM, B1 1BB**

PRESENT:-

Councillor Fred Grindrod in the Chair;

Councillors Shabrana Hussain, Meirion Jenkins, Amar Khan, Miranda Perks,
Shafique Shah and Paul Tilsley

NOTICE OF RECORDING/WEBCAST

- 523 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.

APOLOGIES

- 524 Apologies were submitted on behalf of Councillor Bruce Lines for his inability to attend the meeting.
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DECLARATIONS OF INTEREST

- 525 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.

EXEMPT INFORMATION – POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC

The Chair informed he had been notified of only one item under this section.

- Item 5 - Private minutes - Audit Committee 18 October 2022 - (exempt paragraph 3)

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.

MINUTES – AUDIT COMMITTEE – 18 OCTOBER AND MATTERS ARISING

The Chair checked with the Committee if there were any matters that Members would like to raise on the private minutes of 18 October 2022 that may affect the decision to be made or to ask for clarification on a point on the exempt minutes. If there were no issues, then the public and private minutes would be agreed as a full set.

The Committee raised no issues on the private set of minutes therefore agreed both the public and private minutes as a full set.

527

RESOLVED

That the public and private minutes of the last meeting, 18 October having been circulated, were agreed by the Committee.

ASSURANCE SESSION - CABINET MEMBER HOUSING & HOMELESSNESS PORTFOLIO

The Cabinet Member for Housing & Homelessness attended the meeting accompanied by Paul Langford, Interim Director of Housing Management, Sajeela Naseer, Director of Regulation & Enforcement, Steve Wilson, Project Director - Asset Management (remotely) and Gary Messenger, Assistant Director of City Housing Service and Support (remotely).

The Cabinet Member for Housing & Homelessness gave an overview to the housing challenges Birmingham City Council were experiencing. These challenges had been addressed in the recent meetings of the Council and Overview and Scrutiny Committees.

The following challenges were noted:

- Lack of housing therefore there was an increase in the number of homelessness
- Increase number of families in temporary accommodation
- A need to invest in Birmingham's housing stock
- Improve the private rented sector
- Impact of cost of living
- Fire safety Investment had previously taken place in Birmingham's tower blocks therefore it was challenging to address some of the other issues within the portfolio.

Updates were provided on the Capital Investment and Repairs; Housing Management; Assessment of Applications; Temporary Accommodation; Housing Strategy and Modernisation; Exempt Pilot; Whole House Retrofit Business Case to fund pilot; Private Rented Sector (PRS) and non-compliance with statutory duties; HMO Audit; Proposed Selective Licensing Scheme and No PRS Strategy or Service Plan.

Members of the Committee commented and asked questions which the Cabinet Member Housing and Homelessness and Officers responded to.

Key points made:

- The Wates contract ended on 31 March 2022 due to underperformance. The demobilisation of a contract this size normally takes six months; however, this was achieved within three months.
- The Repairs, Maintenance re-procurement contract was due to take place in March 2024. The contract notification will be shared the first week in January, with the aim to conclude this in the summer/ autumn 2023.
- **Voids** – There were some empty properties performance challenges in the south of the city and work was taking place to improve this.

- **Supervision of the handover and Demobilisation of Wates** – A huge exercise took place in December to April to demobilise contract with 350 employees: transferring from Wates to Equans. Equans recruited another 35 employees to ensure supervision structures were in place. The performance had since improved on the repair's indicators. A letter was sent to customers and appointments were made to inform customers of the transfer of contracts.
- **Impact of the change of contract is minimised (to avoid delays and backlog)** – The period of transition from one contractor to the other took 3 months. The repairs service take approximately 250,000 repairs per year (approx. 1000 repairs per working day). The transition was very successful as the delivery of the works went to normal within 3 months. The performance indicators had moved from 'red' to 'green'. This resulted in a significant reduction in customer complaints. The Cabinet Member assured the Committee regular conversations around performance were taking place.
- Tenants would be provided with information via various forms around cost of living (energy efficiency), heating, portable heaters, safety etc. Letters were being sent to Housing Associations reminding them of their responsibilities. Communicating information to tenants was important.

At this juncture, the Chair reminded the members who joined the meeting that any declaration of interests around private rented sector in Birmingham should be made at the meeting. No further declarations were made by the Committee Members.

- **Selective Licensing Scheme (SLS)** - The proposed SLS had been submitted which had been agreed by the Department of Levelling Up, Housing and Communities. The SLS would commence on 5 June 2023. The service was in the process of recruiting staff and procuring a new licensing software system to assist in administration of the predicted 40-50,000 licences. Birmingham was not the only Local Authority to be given the Selective Licensing Scheme. 126 people would be recruited to support this scheme as this was a national initiative.
- **Housing Associations and Private Sector Leasing** – Communications would be channelled through avenues to ensure information was cascaded to all areas of housing. As there was less contact with Private Sector Leased properties, more consideration would be required for this area. Engagement was taking place with Tenants and third sector.
- **Staffing & recruitment for SLS** – Close work had started to take place with HR, Finance etc to ensure 126 staff were in place for 05 June 2023. Training would also be provided prior to the start date. Discussions were taking place around a Housing Recruitment Session.
- **Annual Home Visits** – Home visits would be taking place, with the view of increasing this over time.

The Chair thanked the Cabinet Member Housing and Homelessness and Officers for their attendance and asked the Committee to note the updates given.

Upon consideration, it was:

528

RESOLVED:-

That the Audit Committee:

- (i) Noted the presentation and updates received on the Cabinet Member for Housing and Homelessness Portfolio.

ASSURANCE SESSION - CABINET MEMBER SOCIAL JUSTICE, COMMUNITY, SAFETY & EQUALITIES PORTFOLIO

The Cabinet Member for Social Justice, Community Safety & Equalities attended the meeting accompanied by Richard Brooks, Director of Strategy, Equality & Partnerships, Sajeela Naseer, Director of Regulation & Enforcement, Rebecca Hemsley, Assistant Director of People Operations (HR & Organisation Development) and Waqar Ahmed, Assistant Director Community Safety & Resilience.

(See document No.1)

A presentation was shared via the screen which gave an overview on Cost of Living Resource (CoL); CoL Commissioning Third Sector to provide Information, Advice and Guidance; Ukraine Response; External Partner Engagement - Tackling Inequality - The All Party Parliamentary Group for Levelling Up Birmingham; External Partner Engagement - Tackling Inequality - Levelling Up Strategy on a page; Bereavement Services Assurance; Registration Services Assurance; Mortuary Services Assurance; Coronial Service Assurance; Equalities within the Community; Community Cohesion and Birmingham Community Safety Partnership Governance 22/23.

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

Key points made:

- **School Meals during the holidays** - Questions were raised around meals that would be provided children during the holidays and if this was for children who were entitled to free school meals. Further clarification would be provided by officers and shared with the Committee.

- **Ukraine Response Programme** – Questions were raised around the Ukraine guest having a license to occupy a room rather than a tenancy agreement. Also, Members requested for details around when a Ukrainian guest had to leave UK (due to certain circumstances), what would happen. i.e. would they automatically leave the country or require a court order? Further clarification would be provided by officers and shared with the Committee.

At this juncture, the Chair suggested HR (staff, training and recruitment) part of the portfolio discussion should be allowed sole focus and this had been a recurrent issue at the Committee. On this basis, the Chair invited the Cabinet Member Social Justice, Community, Safety & Equalities to attend the January meeting with the Director of HR to allow for an in-depth discussion. In addition, it was suggested Domestic Violence should also be covered at the second session to this portfolio.

- **Backlog of birth registrations** – 3000 birth registrations, with a 100 births per day. It was recognised there were issues registering births and deaths. Birmingham was the biggest registrar in UK with a very diverse community. This has its own challenges; however, focus would be given to recruiting more staff within this area.
- **Registration of urgent deaths - Funerals and burials during holiday period** – Muslims require burials to be undertaken quickly and had been allowed to bury within the same day or the next day. Burials could only happen if a green form was issued. Evening burials were now being introduced (until 6pm). In addition, weekend burials were taking place.

The Chair requested for officers to provide regular communications to elected Members to ensure they can share this information with residents.

The Chair invited the Cabinet Member Social Justice, Community, Safety & Equalities to the next meeting in January to cover the remainder of the portfolio.

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:

529

RESOLVED:-

That the Audit Committee:

- (i) Noted the presentation and updates received on the Cabinet Member for Social Justice, Community, Safety & Equalities Portfolio.
- (ii) Invited the Cabinet Member for Social Justice, Community, Safety & Equalities to the next meeting of the Committee in January.

- (iii) Agreed for officers to provide further details on the eligibility for the School meals during the holidays, details on the Ukraine Response Programme and the outstanding queries raised at the meeting.

BIRMINGHAM AUDIT – HALF YEAR UPDATE REPORT 2022/23

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

(See document No.2)

The Assistant Director, Audit & Risk Management, made introductory comments relating to the report.

Members of the Committee commented and asked questions which Assistant Director, Audit & Risk Management, responded to.

Upon consideration, it was:

530 **RESOLVED:-**

That the Audit Committee noted the level of audit work undertaken and assurances provided.

EXTERNAL AUDITORS PROGRESS REPORT

The following report of the External Auditors was submitted: -

Jon Roberts, Grant Thornton provided a verbal update. The Committee were reminded that the 2021 accounts had been delayed pending a resolution on a national issue around infrastructure assets. The statutory instrument would be in place by 25 December 2022.

There was one element which was not under the statutory instrument or the CIPFA code amendment around 'useful economic lives.' The External Auditors felt there was still the need for work to take place, they were awaiting guidance from CIPFA.

The infrastructure resolution would cover the 2020-2021 and 2021- 2022 financial audit statement. Good progress was being made on the 2021-2022 Audit. The difficult technical issues encountered in the 2020-2021 audit had been resolved therefore the 2021-2022 accounts were now in a better position (property, plant and equipment evaluations). There were still some outstanding queries around PPE.

Other outstanding queries for Birmingham City Council were around the operating expenses testing and the creditors and completeness work.

The External Auditors would be keeping a close eye on Equal Pay and to see if this would need to be revisited.

Jon Roberts noted that the VFM audit work was now being led by the Interim Head of Financial Strategy in addition to other parts of the audit and highlighted the risk around capacity to support this work

The value for money work for Birmingham was taking place positively.

Upon consideration, it was:

531 **RESOLVED:-**

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

TREASURY RISK MANAGEMENT ARRANGEMENTS

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

(See document No.3)

The Director of Council Management made introductory comments.

At 1558, Councillor Jenkins left the meeting.

The Interim Head of Financial Strategy provided a summary of the Treasury Risk Management Arrangements via a presentation.

Members of the Committee commented and asked questions which Interim Head of Financial Strategy responded to.

Upon consideration, it was:

532 **RESOLVED:-**

That the Audit Committee noted and considered the Council's treasury risk management arrangements as set out in the attached draft 2023/23 Treasury Management Policy, Strategy and Treasury Management Practices.

LGSCO ADULTS SOCIAL CARE – OMBUDSMAN PUBLIC INTEREST REPORT CONCERNING A COMPLAINT ABOUT THE TOP UP FEE ARRANGEMENT

The following report of the Report of the Director of Adults and Social Care Directorate was submitted: -

(See document No.4)

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

Councillor Tilsley queried if the issue within Adult Social Care was now closed.

The Assistant Director for Adult Social Care confirmed the issue was closed off in 2019 when there was an Ombudsman ruling around the top up fees. Following this, the guidance and work with staff had been refreshed. The issue with the case preceded this date and went back to 2007. This was when records were kept in a paper format and were being destroyed. The electronic records came in place in 2011 and this issue had now been resolved.

The Chair noted there were recommendations listed within the report around the training of staff which would also be addressed in the Assurance Session with the Cabinet Member for Health & Social Care (Councillor Khan).

Upon consideration, it was:

533

RESOLVED:-

That the Audit Committee noted the Director of Adults and Social Care's response to the Local Government and Social Care Ombudsman's Recommendations.

SCHEDULE OF OUTSTANDING MINUTES

The following Schedule of Outstanding Minutes was submitted:-

(See document No.5)

Updates were shared with the Committee and the discharged actions would be removed.

534

RESOLVED:-

That the Schedule of Outstanding minutes be noted.

DATE OF THE NEXT MEETING

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The next meeting is scheduled to take place on Tuesday, 31 January 2023 at 1400 hours in the Committee Room 6, Council House, Birmingham.

OTHER URGENT BUSINESS

- 536 The Chair noted that the Committee's Annual Report to City Council was to be presented to the Council Meeting in February 2023 (non-budget meeting). He intended that the report be emailed to all Members for comment, and he encouraged Members to engage with the process.
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AUTHORITY TO CHAIRMAN AND OFFICERS

- 537 **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 1607 hours.

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CHAIR