

BIRMINGHAM CITY COUNCIL

AUDIT COMMITTEE

TUESDAY, 20 OCTOBER 2020 AT 14:00 HOURS
IN ON-LINE MEETING, MICROSOFT TEAMS

A G E N D A

1 NOTICE OF RECORDING/WEBCAST

The Chairman to advise/meeting to note that this meeting will be webcast for live or 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 DECLARATIONS OF INTERESTS

Members are reminded that they must declare all relevant pecuniary and non pecuniary interests arising from any business to be discussed at this meeting. If a disclosable pecuniary interest is declared a Member must not speak or take part in that agenda item. Any declarations will be recorded in the minutes of the meeting.

3 APOLOGIES

To receive any apologies.

4 EXEMPT INFORMATION – POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC

a. To consider whether any matter on the agenda contains exempt information within the meaning of Section 100I of the Local Government Act 1972, and where it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons outlined in the report.

b. If so, to formally pass the following resolution:-

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.

- 5 - 20**
- 5 **MINUTES - AUDIT COMMITTEE - 29 SEPTEMBER 2020**
- To confirm and sign the minutes of the last meeting of the Committee held 29 September 2020.
- 21 - 38**
- 6 **ASSURANCE SESSION - DEPUTY LEADER'S PORTFOLIO**
- (75 minutes allocated) (1405 – 1520)
- The Deputy Leader
- i. Q&A around Portfolio and Risk Managements (the Director of Digital & Customer Services support) – verbal (20 minutes)
 - ii. Governance on the Delivery Plan (Chief Executive) – verbal (20 minutes)
 - iii. Implications of leaving the EU – BCC Brexit Readiness Programme (Interim Brexit Co-Ordinator) (20 minutes)
- 39 - 42**
- 7 **RETROSPECTIVE PURCHASE ORDERS**
- (10 minutes allocated) (1520 - 1530)
- Report of the Interim Chief Finance Officer
- 43 - 48**
- 8 **FINANCIAL STATEMENTS - SENIOR OFFICER NOTE**
- (10 minutes allocated) (1530 - 1540)
- Report of the Interim Chief Finance Officer
- 49 - 50**
- 9 **SCHEDULE OF OUTSTANDING MINUTES**
- Information for noting.
- 10 **DATE AND TIME OF NEXT MEETING**
- The next meeting is scheduled to take place on Wednesday, 25 November 2020 at 1400 hours via MS Teams (on-line).

11 **OTHER URGENT BUSINESS**

To consider any items of business by reason of special circumstances (to be specified) that in the opinion of the Chairman are matters of urgency.

12 **AUTHORITY TO CHAIRMAN AND OFFICERS**

Chairman to move:-

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

BIRMINGHAM CITY COUNCIL

AUDIT COMMITTEE 29 SEPTEMBER 2020
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MINUTES OF A MEETING OF THE AUDIT COMMITTEE HELD ON TUESDAY, 29 SEPTEMBER 2020 AT 1300 HOURS - ONLINE MEETING

PRESENT:-

Councillor Grindrod in the Chair;

Councillors Tilsley, Jenkins, Bridle, Morrall, Akhtar and Quinnen

NOTICE OF RECORDING/WEBCAST

- 229 The Chair advised and the meeting noted that this meeting would be webcast for live or subsequent broadcast via the Council's Internet site (www.civico.net/birmingham) and members of the press/public could record and take photographs except where there were 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.

DECLARATIONS OF INTEREST

- 230 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.

- Councillor Grindrod - Non-Executive Directors for Acivico Ltd – (non-pecuniary)
 - Councillor Tilsley – Director of Birmingham Airport (referred to on pages 180, 226 & 227 of the document pack)
Also, a beneficiary of West Midlands Pensions Fund
Councillor Tilsley' s Wife - Beneficiary of the Teacher's Pension Fund (referred to on page 57 of the document pack)
 - Councillor Bridle – Beneficiary of West Midlands Pensions Fund
 - Councillor Jenkins – Beneficiary of West Midlands Pensions Fund (Legacy Pension)
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APOLOGIES

- 231 No apologies by Members however, it was noted Jon Roberts External Auditor was unable to attend.
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EXEMPT INFORMATION – POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC

- 232 **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 – 28 JULY 2020

- 233 **RESOLVED:-**

That the public minutes of the last meeting were agreed.

ASSURANCE SESSION - LEADER'S PORTFOLIO

The Chair introduced the session by reminding the Members during previous Audit Committees, the Committee had been developing new ways of working. The new format would enable Members to gain better assurance of the way the Council was managed. The Assurance Sessions would allow Members to raise issues around the risks and seek a response on how these were dealt.

Cabinet Members (portfolio holders) and Directors would appear before the Committee on a rotating basis to give assurance on their area. This was the first meeting of the Committee in its new format.

The Chair referred to the Chartered Institute for Public Finance and Accountancy (CIPFA) Position Statement related to Audit Committees in Local Authorities (published 2018) and read this to the Committee.

The Chair welcomed the Leader to the first Assurance Session of the Committee.

At this juncture, the Leader declared two interests. He was a future beneficiary of the West Midlands Pensions Fund and his partner worked for Birmingham City

Council. Following advice from the Interim City Solicitor, neither of the declarations prevented the Leader from speaking at this Committee.

The Leader informed Members they had received a background paper on the portfolio highlighting some risks and issues. It was highlighted since the External Auditors Report, the pandemic had taken place over the last 6 months therefore there were ongoing issues around Covid-19 impact on the operations going forward.

An overview of the background paper was given, and additional points noted:

Council resilience and financial sustainability

Due to the impact of Cov-19, the Finance Department were working hard to recast the medium to long-term Financial Plan. There was continued awareness around the levels of reserves that were in place in order to mitigate risks around PFI contracts; Commonwealth Games (CWG), Equal Pay liabilities and Paradise Circus.

Though there were concerns around the regular changes in the senior leadership team, reassurance was given as a solution to gain security amongst the senior leadership team across the Council was being worked upon.

Waste service continuity and industrial relations

There had been two strikes in the service over the recent years. BCC was working hard to build industrial relations in this area and to ensure there were better relations going forward. However, it was highlighted during the last 6 months of Covid-19, the Waste Service had worked well through the period. Members of the public had thanked the service for continuing to operate throughout the shutdown which was initially April, May and June. The service had continued to operate more than satisfactory over the recent months.

The Leader informed the Committee he had been speaking to Core Cities, where they had been compiling issues around the Waste Collection Service in their Cities as a result of the lockdown. It was noted, Birmingham had been the reverse and the service performed exceptionally well.

There was a decision to be made as to the future of the service, once there was clarity how the introduction of food waste collection would happen. An Independent Review on the Waste Service had been completed and recommendations were being compiled. However, a decision from Government was awaited on the food and waste collection before any changes were made to the service going forward.

Contractual arrangements relating to the highways PFI Scheme

Kier had been appointed as the interim service provider for the highways PFI Scheme. In order to meet the Council's statutory obligations, Kier would provide continuity with operational highway. In addition, delivering investment works on roads and footways would address some of the issues on the highway networks. The current arrangements with Kier was between 1st April

2020 – June 2021 and the Council were ensuring the procurement of a long-term subcontractor to be in place. This contract had been precured over 10 years and as the market for services was now different, initial discussions had taken place with potential bidders to understand their views on a potential contract. Issues that arose with the original contractor Amey were to be avoided. Discussions were taking place to inform and guide the procurement process for June 2021. It was noted due to the impact of Covid-19, tenderers may be less willing to take a single risk laden PFI contract and these issues are discussed with potential bidders. The Department of Transport for fully informed on the progress.

Contract monitoring and management

Birmingham Audit had issued two separate reports which highlighted substantial issues and weaknesses relating to the management and monitoring of significant contracts. The first being Early Years, which was presented to Audit Committee in March 2019 and a further update provided in January 2020. Early Years had demonstrated significant progress in the service area. The second report was around Travel Assist. Members were aware there was an enquiry taking place to this service and would be reported upon end October, beginning November 2020. As a result, the Leader had no further comments until the outcome of the enquiry was made available.

Financial impact of the Commonwealth Games

The Council had secured £50 million of the £75 million that was outlined in the bid document. Discussions were taking place with Coventry & Warwickshire LEP, Midlands Engine and the Universities on securing remainder of the funds. Covid-19 had impacted on the universities however, there was confidence that some of the remaining £25 million would be secured.

In response to Members questions, the following points were noted:

- Work was taking place across the organisation on creating a culture of good risk management. In addition, there was ongoing work on the medium-term financial plan for the Council. This would look at how the risk register was being managed with appropriate supervision by senior officers and appropriate Cabinet Members. The Committee were informed, Cabinet Members had reviewed the risk register and identified risks that were relevant to their portfolio's. Discussions with the appropriate Director's had taken place to explore how these risks could be mitigated.
- The Audit Committee had been instrumental to the new approach of risk. A proactive group of risk champions were in place. As this was a new approach time, it was noted it would take time to adopt to the change. Quarterly risk related reports were routinely shared with Audit Committee and the Chief Executive with the Corporate Leadership Team (CLT) met once a month to discuss assurance issues around risk, Audit, Annual Governance Statement etc. Therefore, this would ensure there was

dedicated focus to the areas concerned which then would be cascaded down throughout the organisation.

- Monthly Cabinet Member's briefings had Strategic Risk highlighted therefore portfolio holders were fully sighted on these.
- The focus was now on 'operational risks' which had been enhanced however required the same level of scrutiny as the Strategic Risks.
- The delivery plan on behalf of the Leader and the Cabinet had performance indicators and risk focus. All deliverables (strategic or operational) would be monitored through this.
- The Covid-19 Risk Register was referred to as an example. The culture of the organisation was moving in accordance to the situation. As this had not been reported upon via the Audit Committee, it was suggested this could be considered as an option. This would allow the Committee to see how assurances are embedded across the organisation.
- Commonwealth Games Contingency plan – Currently working on the assumption the CWG will take place. The movement of the Olympic Games to summer of 2021 affected other sporting events. This had caused the Organising Committee to look at the timing of the CWG 2022. The opening ceremony had been moved by a day so there was no clash with another event. The view of the Organising Committee was that the CWG would take place summer 2022.
- The Council interest was to deliver the Village in Perry Barr however, due to Covid-19, this would not be ready for the games. The rest of the funding had been secured from the Government and the Combined Authority to ensure the 1400-1500 homes were built on that site.
- The work on the Stadium for the CWG as well the Aquatics Centre (Sandwell) were on schedule. The Aquatic Centre had received some contingency funding to speed the completion.
- Capital Projects were important to the legacy of hosting the Commonwealth Games. The legacy of the village would be attached to this although it would not be ready in time of the event.
- Housing Capital Expenditure – The fire safety measures had caused a delay to the improvements to kitchens and bathrooms modernisation. The HRA were working to a business case that was approved by Cabinet. This would be reviewed when the business case came up for renewal.
- Economy – Local working and devolution. The Council were bringing forward some work on localisation via the Localisation Policy.
- Representations were made to the Government's Consultation on devolution and the Comprehensive Spending Review, however this would not happen due to Covid-19.
- A case had been put forward for a devolution for this not to just the Metro-Mayor level but to the Metropolitan level. Metropolitan level must ensure the decisions made were close to the public needs. This would be seen through the work of localisation.

- Devolution – The Mayors and Leaders of UK had far less powers than USA. The Leader wrote to the Government before the pandemic around European Funding requesting for this could be repurposed from creating new jobs and to preserving existing jobs. It was noted the European Commission had relaxed the rules around ERDF and ESF funding to allow greater flexibility at local level. To date, the UK Government had not indicated if and when European Funding would be relaxed. Representations had been made by BCC, other Metropolitan Authorities across West Midlands and the West Midlands Combined Authority through the Spending Review and Consultation on Devolution to Government about having greater funding and powers devolved to local level.
- Transparency on accessing documents (Audit Committee) – A motion had been passed through City Council and drafted into the Constitution. Further wording had gone into the motion to allow for ‘appropriate’ documentation to be shared with Audit Committee and Overview & Scrutiny Committees. These changes would be shared with the Group Leaders and the Council’s Business Management Committee.
- The commitment to be open and transparent was in place and reference was made to Cabinet as no decisions were taken in the private session. However, commercially sensitive information or legal advice given under legal privilege details would remain private.

At this juncture, the Chief Executive joined the Committee. The Chief Executive indicated that due to his late arrival he would welcome coming back to another Committee to contribute to a fuller discussion.

- Medium Communication Strategy – The Leader would seek an update from Councillor Francis onto this work and feedback to Councillor Morrall.
- Reference was made back to the previous skills questions. One of the issues was around devolution of the funding. It was highlighted the West Midlands Combined Authority had control of the spend.
- A question around procurement was raised at City Council in July 2020 to which a response was not received. A response would be forwarded to Councillor Morrall.
- Acivico was a City Council Company and set up to undertake maintenance and capital repairs. This would be primarily City Council buildings however, Acivico operated as a Teckal company. Details of where the contract currently was would be shared with Members.
- Paradise Circus – An issue occurred during phase 1 of the developments which resulted in some changes to the oversight and governance to the way this was operated. The oversight was executed by the City Council and the Local Enterprise Partnership therefore, a robust process was now in place. Phase 1 - 1 Chamberlain Square (fully let to PWC) and 2 Chamberlain Square (part let to DLA Piper). Both sites were now completed.

Phase 2 – This was now moving forward (notwithstanding covid-19 pandemic challenges).

Phase 3 – The proposals were now being completed and brought forward.

- A report on the Smithfield site would go to the Local Enterprise Partnership and once agreed this would release funding to move the scheme forward to enter into a contract. An arrangement had been entered with the Organising Committee for the Smithfield site to be used for the CWG. This would be an activation site for the CWG with a screen for people to attend. It would also host the beach volleyball, basketball, start and finish of the CWG marathon. Discussions were currently taking place with Birmingham Pride to use part of the site for pride in May 2021. This was an important regeneration site.
- Commonwealth Games logistics had been highlighted and the work with Transport for West Midlands and Langley (contractor) was in place with a logistics plan and risk register. These were constantly reviewed, and all stages of movement had been planned and thought out.
Capping off the Birchfield roundabout was currently taking place in order to take down the A34 flyover. The designs for Perry Barr Station had been featured in the media and it the Committee were assured the logistics were being delivered in a measured but planned way.
- Travel Assist Independent Review – A report of the enquiry would be made public once received.

The Chair thanked the Leader and the Chief Executive for their attendance, and it was a positive way to start the new format. The new ways of working would involve their attendance at least on an annual basis. The Audit Committee was keen to have the Cabinet Members and Directors in attendance in order to challenge portfolio holders to assist the Council with delivering its governance well.

Upon consideration, it was:

234

RESOLVED:-

That the Committee noted the updates received on the Leader's Portfolio.

At this juncture, the Leader, the Chief Executive and Councillor Bridle left the Committee. Councillor Bridle's apologies were noted for the second half of the meeting.

STATEMENT OF ACCOUNTS 2019/20

The following report of the Interim Chief Finance Officer was submitted:

(See document No. 1)

The Head of City Finance Accounts made introductory comments. The Council produced the draft Financial Statement on 28th August (3 days in advance of the statutory deadline). This was revised due to Covid-19. The public inspection of the accounts began 1st September and would last for 30 working days. The Council's Financial Statement also included the Group Accounts, Consolidated Subsidiary, Social Companies and Joint Venture.

He highlighted key areas in the financial statement with a detailed update on the Comprehensive Income and Expenditure Statement (CIES). It was noted the total cost of services had a net reduction of £152 million pounds by comparing 2018/19 to 2019/20. This was a significant movement, possibly as a result of the provision of £110 million set aside 2018/19 in respect of equal pay which was not replicated in 19/20.

The superannuation adjustments as in 2018/19, there was a transfer of staff to the Birmingham Children's Trust and it was slightly offset by the McCloud judgement. As a result, this had turned into a deficit in 19/20 partly as a result of the transfer of staff into the Council.

Other Operating Expenditure had increased by £81 million mainly due to technical accounting for the loss of disposal assets. Transfer of school assets to academies were an example of this. This would be considered as 'net nil consideration.'

Taxation and Non-Specific Grant Income had increased by £135 million due to a number of reasons. It was noted increase of grants related to capital activities and the money Government provided cost faced as a result of Covid-19.

The Balance Sheet indicated the net worth of the Council where the Council had now moved from 'net liabilities' to 'net assets' therefore the values of asset had increased.

He reminded the Committee the accounts were subject to Audit. The Audit Plan would be signed off by the Audit Committee at the November Committee, subject to the findings of any further Audit investigations.

In response to Members questions, the following points were noted:

- Pension Fund – BCC provided 3 years upfront contributions and a significant discount was received. In April, this was £369 million pounds with the gross benefit of £25.8 million pounds over 3 years. The net benefit to the Council was £17.5 million pounds. Councillor Tilsley supported this as a good investment.
- Officers' Remuneration – The Accounts and Audit Regulations state that only the names of senior officers who are paid based on a salary £150,000 per year or more (statutory requirement). A number of names of Senior officers were not indicated in this section due to GDPR. Permission would have to be sought to declare their details.

- The names of certain Senior Officers were not listed in the document for accounting purposes. Those who understood the structure of the Council could identify who was in the posts therefore transparency was in place.
- There were concerns around compensation for loss of office and this would be added to the discussion list for when the Director of Human Resources would come to the Committee.
- Officers would confirm to Councillor Jenkins if the £420,902 was signed by the JNC Panel.

The Chair requested further clarifications to be set out on the Officers' Remuneration table in order for Members to be assured funds were justified. In addition, he requested for any entries on the compensation for loss of office and expense allowance columns to be made clear.

Upon consideration, it was:

235

RESOLVED:-

That the Committee;

- Received the draft Statement of Accounts for 2019/20.
- Noted the arrangements for the audit of the accounts and for public inspection.
- A revised version of the Officers' Remuneration table to be presented at the next committee with clear references indicated.

BIRMINGHAM AUDIT ANNUAL FRAUD REPORT 2019/20

The following report of the Assistant Director, Audit & Risk Management was submitted:

(See document No. 2)

The Assistant Director for Audit and Risk Management introduced the report by informing Members the Birmingham Audit report was reported to Committee on an annual basis.

The Group Auditor informed the Committee the report summarised the counter fraud activity undertaken within Birmingham Audit for the 2019/20 financial year. Birmingham Audit contributed to two central Government reviews; Local Government Fraud Strategy – Fighting Fraud Locally, and the Government review into the Risks of Fraud and Corruption in Local Government Procurement.

Birmingham Audit was approached by the Senior Management Team to run a series of workshops for Adult Social Care around fraud awareness. Training

was delivered to 150 Adult Social Care Managers and as a result, Birmingham Audit had received a number of referrals.

Birmingham Audit were featured in the Birmingham Mail on their work around Social Housing Fraud.

He highlighted there was a decrease in the levels of fraud investigations from £235,000 Corporate Fraud which varied year on year.

There were 105 referrals made last year and 109 referrals the year before therefore this remained constant.

Last year, there was a decrease of £100,000 in salary overpayments which was investigated by the Auditing Team.

Last year, the main investigations that took place were around Direct Payments within Adult Social Care. In addition, a couple of investigations took place in schools as well as employees misusing blue badges which were detailed in 5.7 - 5.9 of the report.

Reference was made to Social Housing fraud and Council Tax Fraud. It was noted 59 Social Housing properties were recovered last year.

The largest improvement was around the False Housing Applications in which last year 667 applications were deemed to be fraudulent. The 'All City Risking' process had been put in place to tackle this issue which allowed instant data match.

Council Tax debit had been increased by £429,000 and Housing benefit anomalies were identified at £474,000.

Birmingham Audit were involved with the National Fraud Initiative which was coming to an end (2018/19). Preparations were taking place for 2020/21.

There were 40,000 matches to review and there were £500,000 in terms of fraud and error identified mainly due to housing benefit.

The report did not cover the whole of the Covid-19 timeframe however, the end of the 19/20 financial year issues of Covid-19 were in place. A number of Fraud Bulletins had been communicated around the scams that were taking place. In addition, work around the Business Support Grants to prevent fraudulent applications had taken place.

The Social Housing Fraud Investigators were unable to visit tenants and this would impact next year's results.

The Chair thanked the Group Auditor for the presentation of the report. He indicated the report would be useful for the engagement session with the Cabinet Member of Finance and Resources and the Director for Human Resources due to the internal fraud issues. The Committee would want to raise questions around issues such as blue badges.

It was suggested key areas were drawn out of this report and provided as a brief to when the Cabinet Member of Finance and Resources would be in attendance.

In response to Members questions, the following points were noted:

- There were a number of ways for the public to report fraudulent activity. The options indicated by officers were; write to the Council, there was a mailbox, Council's website indicates hotline, contact referral forms, confidential disclosure.
- Whistleblowing – This was a separate process and dealt with Legal Services. The public could make confidential report to the whistleblowing hotline into Legal Services. Any fraud related matters would be investigated through Birmingham Audit.
- Due to stress and anxiety around Covid-19, there may be people who forget to update their details around housing benefit and officers assured Members a pragmatic approach would be taken. It was clarified Housing Benefit Fraud was no longer investigated by Birmingham Audit. The Department of Working Pensions executed this function approximately 5 years ago. The Local Authority only administered housing benefit however, they did not have the authority to investigate the area. The only investigations Birmingham Audit undertook were around Social Housing, Council Tax issues. Issues around Housing Benefit could be identified and corrected through Revenues and Benefits. This could be referred to the Department of Working Pensions and a decision would be made to investigate.
- Council Tax Reduction would be dealt through relevant Birmingham Audit Team. Most of the changes were made on a corrective basis for single persons discount where a person had claimed a discount.
- The 'All City Risking' initiative enabled Birmingham Audit to identify fraud sooner.
- There were more investigations outstanding at the end of this year than last year due to Covid-19 impact. A number of the investigations were due to be concluded by the end of the year however, these were unable to closed due to the lockdown. Several investigations had been stalled due to not being able to hold face to face interviews.

Upon consideration, it was:

236

RESOLVED:-

That the Committee noted the work undertaken during the year and draw assurance from the policies and procedures that are in place to prevent and detect fraud and error.

ANNUAL PROGRESS REPORT AND SECTOR UPDATE

The following report of the External Auditor was submitted:

(See document No. 3)

The Engagement Manager, Grant Thornton updated Members on the progress from the External Audit for 2019/20. Due to change in the timetable there would be a substantial amount of time between the Audit Plan and Audit Findings report.

The report set out the risks identified in the Audit Plan and Addendum which was issued in April 2020 and what had been done to address them. The External Auditors were working on an opinion by the end of November (inline with the revised timelines for 2019/20). Fortnightly meetings were taking place with the Finance Team to mitigate any issues.

The Value for Money had progressed however, this was slower than normal due delays in arranging meetings as Covid-19 issues took precedence. The aim would be to complete this work during October. It was noted if anything was to arise before signing the opinion, this would have to be taken into account before formal conclusions were made.

Reference was made to the Redmond Review where the outcomes would be published early September 2020. This may have an impact to local government reporting, auditing going forward.

The Chair thanked for the External Auditors update. He looked forward to the presentation on the Redmond Review and future updates. It was recognised there were challenges and delays could be caused due to the current circumstance of Covid-19.

Upon consideration, it was:

237

RESOLVED:-

That the Committee noted the content of the annual progress report and the sector update.

SCHEDULE OF OUTSTANDING MINUTES

Information for noting.

- Minute 193 28/01/2020 – Travel Assist – Independent Review taking place and the report would be shared once publicly available.
 - Minute 223 28/07/2020 – The report on retrospective purchase orders and Directorates not complying with procedures – to be shared at 20 October meeting.
 - Minute 226 28/07/2020 – Process of the exit of Senior Officers – The Chair of the Audit Committee wrote to the Chair of the JNC Panel recommending a standing item to be placed onto the JNC Panel agenda around regular updates of senior officers' cases. An Annual report on senior officers' claims would be shared with both the JNC Panel and Audit Committee.
Note: The Chair of the JNC Panel had confirmed this action and the response would be distributed to Members.
 - Minute 227 28/07/2020 – Other Urgent Business – Travel Assist - A written response to be provided by Officers to the Committee related to the avoidance of deed poll changes via DBS checks. The Interim City Solicitor would chase response to this item.
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DATE AND TIME OF NEXT MEETING

The next meeting is scheduled to take place on Tuesday, 20 October 2020 at 1400 hours via MS Teams (on-line).

OTHER URGENT BUSINESS

RESOLVED: -

238 No other urgent business was raised.

AUTHORITY TO CHAIRMAN AND OFFICERS

RESOLVED:-

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

EXCLUSION OF THE PUBLIC

That in view of the nature of the business to be transacted which includes exempt information of the category exempt Paragraph 1,2,3 & 7, the public be now excluded from the meeting.

MINUTES – AUDIT COMMITTEE – 28 JULY 2020 - PRIVATE

240

RESOLVED:-

That the private minutes of the last meeting were agreed and no matters arising.

The meeting ended at 14:54 hours.

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CHAIR

BCC Brexit Readiness Programme

ACHIEVEMENTS & NEXT STEPS

**Audit Committee Meeting
20 October 2020**



Brexit Readiness Programme Update

Audit Committee Meeting

20 October 2020

This presentation provides an overview on:

- **Brexit risk & impact assessment**
- **Council's Brexit response: Moving from risk to readiness**
- **BCC Brexit Readiness Programme and its governance structure**
- **Planned actions for the Transition Period and beyond**
- **Next steps and recommendations**



Brexit Readiness Programme Update

Audit Committee Meeting

RISKS AND IMPACT EVALUATION FOR BIRMINGHAM

Birmingham City Council conducted a **risk & impact assessment** to develop a Brexit Readiness Strategy and to prepare for the end of the Transition Period. The identified key areas are:

- **Citizens**, especially European citizens, who now need to apply for the **EU Settlement Scheme to keep their right to live and work in the UK and have access to public services**
- **Businesses** who trade with the EU need to prepare for the end of the Transition Period and the **new Trading Agreement** between the EU and the UK
- **EU funded Council services** and their continuity after the Transition Period
- **Financial and operational consequences of the COVID-19 crisis** and Brexit impact on economic recovery, especially the impact on Council's revenue and demand for services
- Adaptation of the relevant Council services due to the new trading standards and EU requirements for exports & imports, regulatory changes due to the transfer of powers from the EU law to the national law (e.g. GDPR, regional development), new structures and IT systems due to loss of access to the EU ones (e.g. public procurement, trading standards)
- Preparation for the potential increase of the demand for the Council Services related to employment, youth, career, housing, trading standards and environmental health

No-deal Brexit

If no agreement between the European Union and the UK is decided before the 31st of December.

BCC BREXIT READINESS PROGRAMME (BRP)

Corporate Leadership Team including Brexit Lead Officer: Jonathan Tew

Head of European & International Affairs: Lloyd Broad

Brexit Programme Manager: Özge Iskit

Brexit Contingency Working Group chaired by Jonathan Tew

Reporting

BCC BRP Work Streams

Reporting

Trading Stand.	Environ. Health	EU Funding	EU Settlement Scheme	Supply Chain & Procurement	Impact of the economic shock on BCC's Revenue & Services	Comms	Regulat. Change
Lead: Tony Quigley	Lead: Mark Croxford	Lead: Lloyd Broad Action owner/Liaison: <u>Education:</u> Anne Ainsworth	Lead: Bethany Finch Action owner/Liaison: <u>HR:</u> Tim Normanton <u>Adult Social Care:</u> Richard Doidge <u>Children's Trust:</u> Darren Shaw <u>Housing:</u> Guy Chaundy <u>Comms:</u> Sarah Kirby <u>Benefits:</u> Tim Savill <u>Community groups:</u> Chris Jordan <u>Trading standards:</u> Tony Quigley	Lead: Haydn Brown Action owner/Liaison: <u>Adult Social Care:</u> Richard Doidge <u>Business continuity:</u> Georgie Collett <u>CityServe:</u> Sarah Williams <u>Education:</u> Anne Ainsworth <u>Digital & Customer Service:</u> Simon Field <u>IT:</u> Emma Coles <u>Housing:</u> Guy Chaundy <u>Page 24 of 50</u> <u>CWG:</u> Andrew Slattery	Lead: Tim Savill Action owner/Liaison: <u>Finance:</u> Alison Jarrett <u>CityServe:</u> Sarah Williams <u>Adult Social Care:</u> Richard Doidge <u>Benefits:</u> Tim Savill <u>CWG:</u> Andrew Slattery <u>Community Tension:</u> Waqar Ahmed <u>WMCA:</u> Tony Smith <u>BID:</u> Wayne Pell <u>Health & Wellbeing:</u> Justin Varney <u>Housing:</u> Guy Chaundy <u>Education:</u> Anne Ainsworth	Lead: Sarah Kirby Action owner/Liaison: <u>Adult Social Care:</u> Richard Doidge <u>EUSS:</u> Bethany Finch <u>Children's Trust:</u> Lawrence Vos <u>Education:</u> Anne Ainsworth <u>HR:</u> Tim Normanton	Lead: Connie Price Action owner/Liaison: <u>GDPR:</u> Malkiat Thiarai <u>Trading standards:</u> Tony Quigley

Brexit Readiness Programme Update

Audit Committee Meeting

Workstream I - Trading Standards

This Workstream aims at planning and execution of the necessary actions to mitigate the identified risks and prepare for the regulatory changes and Brexit impact on imports, exports, product safety, surveillance, fraud, regulatory regimes, such as:

Importers: UK distributors of EU goods in the UK market will become importers and will need to comply with the labelling requirements. Business advice to these “new importers” will be required.

Exporters: UK businesses that place products on the EU market will need business advice in relation to compliance including labelling.

Product Safety: If tariffs are applied to EU goods then it is probable that importers increase imports from third party countries in the rest of the world. Products from these countries are far more unlikely to meet UK product safety requirements. Trading Standards will have to significantly increase market surveillance to ensure product safety.

Intelligence database: Local authorities’ Trading Standards teams will not have full access to the EU intelligence databases through where information is shared about unsafe consumer products (e.g. RAPEX or ICSMS). The Office of Product Standards and Safety has developed a new UK wide system. Trading Standards teams will need to be trained to use this new database.

Misleading claims/fraud: Disruption in normal trading conditions provides opportunities for rogue traders to exploit consumers and in particular vulnerable adults using Brexit as a pretext for entering into unwanted/fraudulent contracts

Brexit Readiness Programme Update

Audit Committee Meeting

Workstream II - Environmental Health

This Workstream focuses on the new role of the local authorities and supporting businesses for exports to the EU in relation to Export Health Certificates and EU establishment listings.

[UK's Border Plan with the EU](#) outlines the new responsibilities of the local authorities. While some of these will have direct impact on the demand for BCC's services, the Council also has a role to play to support businesses and prevent high fees that might be privately charged for the different steps of the certification processes to export animal products to the EU.

Brexit Readiness Programme Update

Audit Committee Meeting

Workstream III – EU Funding

This Workstream aims to understand the impact of the loss of EU funding, identify the risks and mitigation actions for Council's EU funded services and their continuity. One of the objectives is to develop a road map for the transition period of the programmes moving from EU funding to UK funding, initiating budget conversations with the government & understanding of the terms and conditions of the UK Shared Prosperity Fund (EU funding replacement), developing alternative strategies and works of working for fund raising and continuity of services (e.g. transforming the services into less funding dependent ways of working, looking into new fund raising opportunities)

EU Funding Impact Assessment for Birmingham City Council

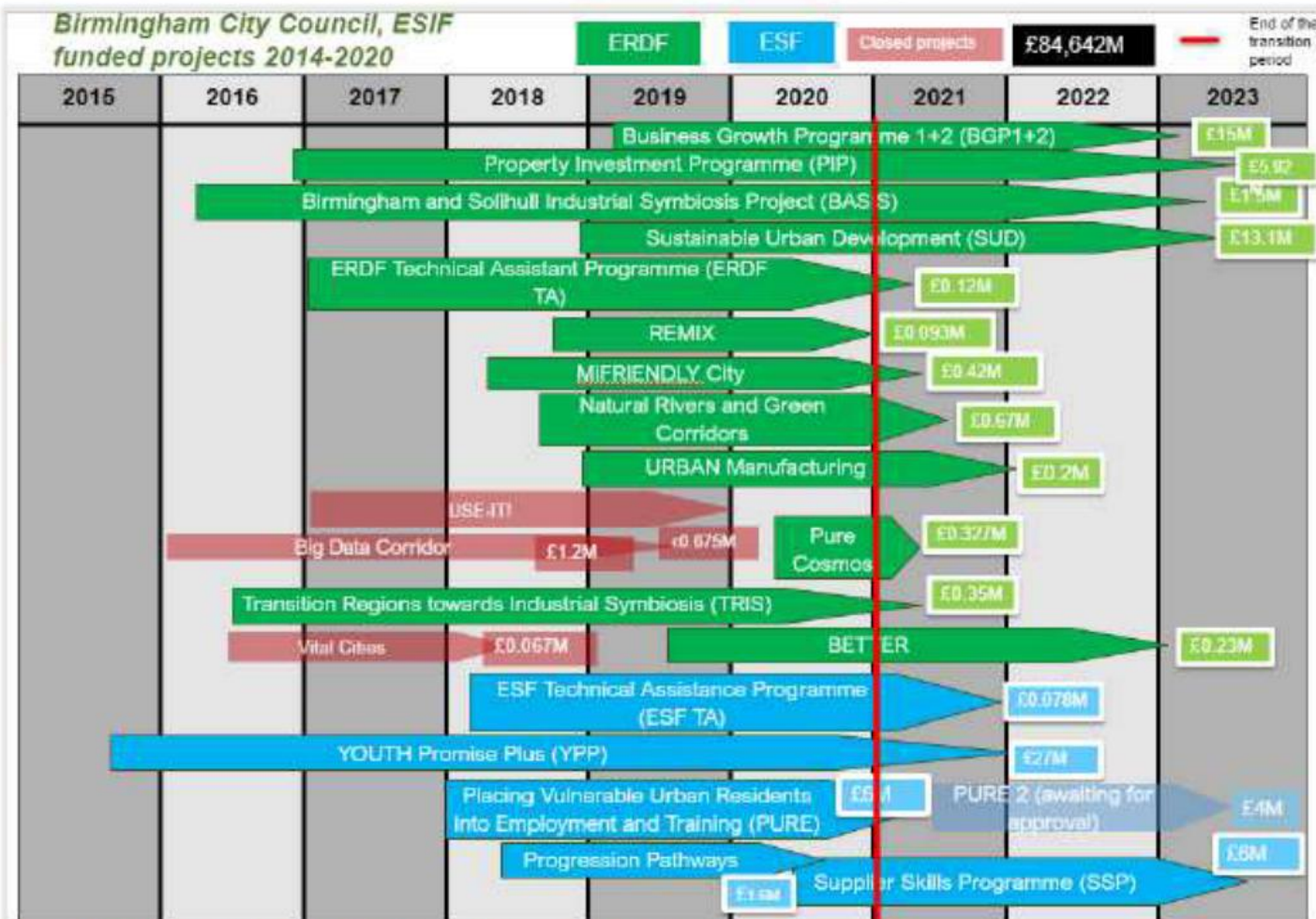
BREXIT & LOSS OF EU STRUCTURAL & INVESTMENT FUNDS (ESIF)

JULY 2020

EU FUNDED KEY BCC SERVICES

The amount of European Structural & Investment Fund that BCC received between 2014 and 2020 is £85 mio. The EU funded services provided by BCC are also key areas for post-Covid-19 economic resilience. These are:

- SME support
- Employment and skills
- Youth and career services
- Capacity building
- Innovation
- Urban planning and regeneration
- Transport
- Environment - Zero carbon
- Sustainable urban mobility
- E-government
- Big/open data



Most organisations agree that Replacement Fund should remain at around the same level and be planned over long periods, in consultation with local authorities.

EU Funding Impact Assessment for Birmingham City Council

BREXIT & LOSS OF EU STRUCTURAL & INVESTMENT FUNDS (ESIF)

JULY 2020

THE REPLACEMENT FUND

- The Fund's budget should be no less in real terms than the funding streams that it replaces;
- It should be administered in multi-year financial allocations "of the longest practicable duration";
- The shares of funding received by the four nations of the UK should be maintained and funding allocations within those nations should be a devolved matter;
- Funding within England should be almost entirely allocated based on a needs-based formula that uses up-to-date statistics;
- Narrowing the differences in prosperity across the UK should be the Fund's main objective;
- The Fund should engage closely with local authorities and local partners.

STAFF IMPACT & REDUNDANCY COST FOR BCC AND BIRMINGHAM

78

Estimated number of full time equivalent BCC staff funded by ESIF

£ 1,5M

Estimated redundancy cost for BCC for the full time equivalent staff funded by ESIF if no replacement fund is available

24

Estimated number of the ongoing fixed term BCC contracts

177

Estimated number of external jobs created for ESIF projects within 2015-2023 (delivery partners, suppliers, service providers, consultants, experts, etc.)

FURTHER IMPACT OF THE LOSS OF EU FUNDING

- Increase of precarity, especially with the COVID crisis for the most vulnerable people
- Skills training gap
- No job creation
- 40% of SMEs in Birmingham will stay innovation inactive.
- Impact on supply chain
- Loss of expertise coming from collaboration with european partners
- Impact on Birmingham's network
- Some services not provided anymore as they were fully funded by EU funds following austerity and budget cuts
- High risk of not meeting the low carbon objectives



£85M

European Structural & Investment Fund received by BCC in 2014-2020*

ACHIEVEMENTS OF THE EU PROJECTS

3,282	27,957	2,352
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SMEs in GBSLEP supported for competitiveness, waste management, skills development between 2015 and 2023.**

Participants of the ESF/YEI programmes supported into employment, training or education between 2015 and 2023**

Jobs created by the BGP and PIP projects between 2015 and 2023**

Numbers from July 2020 - BCC is eligible to apply for further EU funding until the end of the financial period December 2020. BCC also manages projects funded by the European transnational Research & Innovation Fund Horizon 2020, for which it received £10M for the last EU budget period of 2014-2020.

** EU budget period analysed in this report is 2014-2020, however the project implementation period is 2015-2023.

Brexit Readiness Programme Update

Audit Committee Meeting

Workstream IV – EU Settlement Scheme

There are 94,000 European citizens estimated in Birmingham.

They now need to apply for the EU Settlement Scheme (EUSS) to keep their right to live and work in the UK and have access to public services. The deadline for applications is 30 June 2021.

According to the June 2020 statistics there are still 20,000 EU citizens in Birmingham, who need to apply to the EUSS. A big part of this group is estimated to be vulnerable citizens who need guidance and support for their applications. There is an important role to play for the Council to help the EU citizens in Birmingham to keep their rights to live and work in the UK and have access to public services.

Local authorities and health and social care trusts supporting looked after children and care leavers have mandatory obligations to identify and register eligible children to the EUSS. The government guidance documents [*EU Settlement Scheme: local authorities toolkit*](#) and [*EU Settlement Scheme: looked-after children and care leavers guidance*](#) outline the LAs' tasks and responsibilities.

Brexit Readiness Programme Update

Audit Committee Meeting

Workstream IV – EU Settlement Scheme

EU Citizens in Birmingham

THE EU SETTLEMENT SCHEME

**EU CITIZENS
LIVING IN THE UK
PROTECT YOUR RIGHTS
BY APPLYING TO THE EU
SETTLEMENT SCHEME**



The EU Settlement Scheme protects the rights you currently have in the UK including access to healthcare, benefits and pensions.

Find out more and apply at:
[gov.uk/eusettlementscheme](https://www.gov.uk/eusettlementscheme)

Irish citizens or those with valid indefinite leave don't need to apply.

 HM Government

There are 94,000 European citizens estimated in Birmingham, and they represent a valuable part of our community. The Birmingham City Council encourages the EU citizens and their families to apply to the EU Settlement Scheme (EUSS) to keep their rights to live and work in the UK and have access to the public services, such as healthcare and education, public funds and pensions and British citizenship (which can be applied for at a later date).

The Council has a dedicated EUSS page available at:
https://www.birmingham.gov.uk/info/20057/about_birmingham/2011/city_of_sanctuary/4

Our Deputy Leader wrote a digital letter to the Birmingham citizens to support European citizens apply to the EUSS:
https://www.birmingham.gov.uk/downloads/file/15406/euss_-_letter_to_all_residents

Brexit Readiness Programme Update

Audit Committee Meeting

Workstream V – Supply Chain & Procurement

This Workstream focuses on the potential challenges with the Council's supply chain due to the changes in exchange rate, import costs, as well as the potential legal and operational issues with the existing supplier contracts.

This Workstream is very important for the Council's business continuity and provision of services. It is an area heavily affected by the COVID-19 crisis. The potential no-deal Brexit in 2021 will increase the risk of financial instability of the suppliers and work force shortages, as well as increased cost of services, potential delays in delivery, and potential contractual issues due to potential regulatory changes (e.g. GDPR, import/export regulations and standards, etc)

From 1 January 2021 a new e-notification service called "*Find a Tender*" will be used to post and view public sector procurement notices. It will replace the requirement to publish notices in the Official Journal of the European Union. The government guidance [*Public-sector procurement from 1 January 2021*](#) outlines the new structure and the service.

Brexit Readiness Programme Update

Audit Committee Meeting

Workstream VI – Economic Impact on BCC Revenue & Services

This Workstream aims to understand and prepare for the impact of the economic shock on Council's revenue and demand for services. As a strategic forecast, it is planned to develop an econometric model based on the data collected from the Council's relevant services to estimate the impact of the economic shock in relation to revenue, demand for services and their costs.

The current economic situation due to COVID-19 and the enhanced role of the local authorities to provide financial support to businesses emphasise the importance of this Workstream. The economic shock that was expected in 2021 due to Brexit is happening now, and the post-Brexit circumstances after the Transition Period will increase the challenges for Local Authorities. Therefore, the possibility to join forces with NHS Birmingham & Solihull Clinical Commissioning Group will help to have a better understanding of the impact taking Brexit and the COVID-19 crisis into account.

As a part of this Workstream there is also a study is being conducted on “Response in Health & Wellbeing during an economic shock”, which addresses the impact of COVID-19 and Brexit together. It aims to:

- Identify and describing what is known about unemployment/financial insecurity, caused by economic shock, and its implications for health and wellbeing.
- Produce a tool kit that helps plan services in context of economic shock

Brexit Readiness Programme Update

Audit Committee Meeting

Workstream VII – Communications

This Workstream focuses on developing and implementing a Communication Plan to inform and raise awareness internally and externally on all Brexit related risks and necessary actions for citizens and BCC services, including collaboration with WM LAs to reach out to all stakeholders in relation to EU Settlement Scheme and business readiness.

As a part of the Brexit Readiness Programme a dedicated EUSS page was developed and published on the Councils website. It is available at:

https://www.birmingham.gov.uk/info/20057/about_birmingham/2011/city_of_sanctuary/4

Another outcome of this Workstream was the Deputy Leader's digital letter to the Birmingham citizens to support European citizens apply to the EUSS:

https://www.birmingham.gov.uk/downloads/file/15406/euss_letter_to_all_residents

The BCC EUSS Social Media Campaign was launched with the videos of the EU citizens working for BCC sharing their own experiences with the EUSS. The first video can be found at:

<https://twitter.com/bhamcitycouncil/status/1232660323376738306?s=21>

Brexit Readiness Programme Update

Audit Committee Meeting

Workstream VIII – Regulatory Change

This Workstream supports other workstreams and the Council's relevant services for monitoring the regulatory changes due to Brexit to have a good understanding of their impact on local authorities and their services.

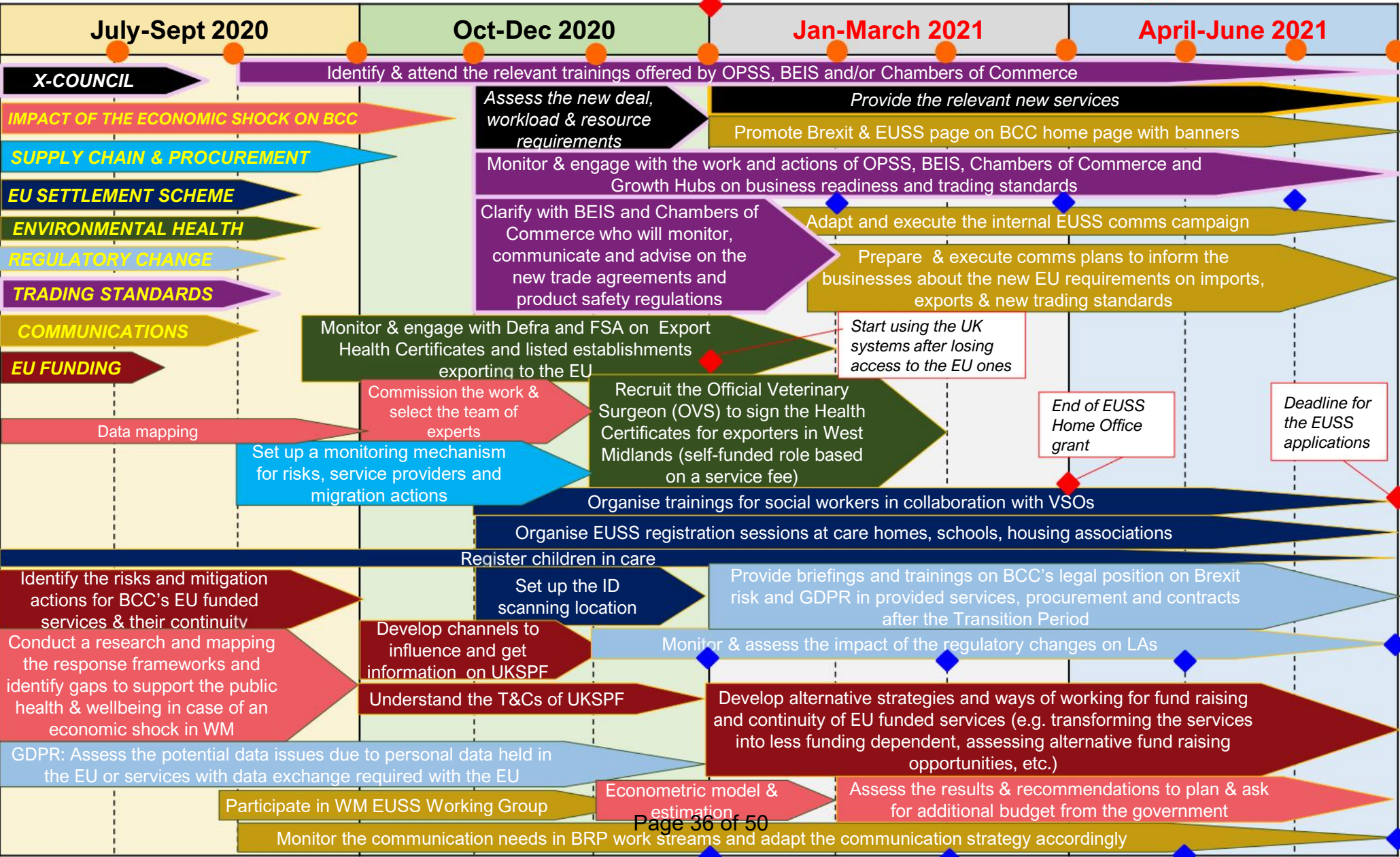
The continuous monitoring will be the key to early to ensure quick response and mitigating risks related to the upcoming regulatory changes. All services will be impacted by the government's decisions and new policies in 2021 and beyond.

BCC Brexit Readiness Programme

Timeline for the Transition Period & beyond

END OF THE
TRANSITION PERIOD

- Milestone
- Decision point
- Updates to BCWG



BCC Brexit Readiness Programme

Cabinet Recommendations for the Post-Transition Period

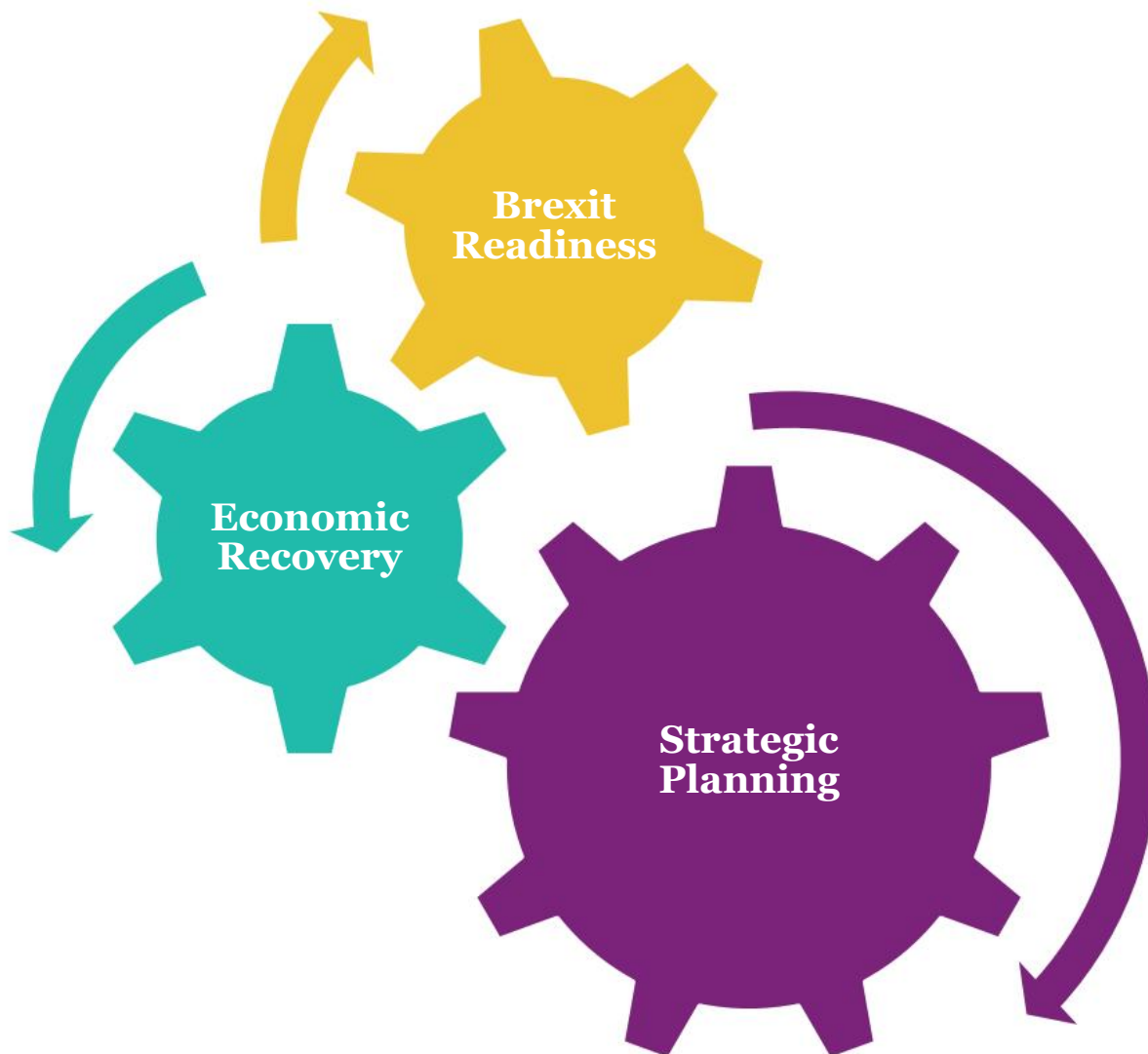
Acknowledgement of the unresolved risks and challenges of Brexit and prioritisation of the planned actions to ensure readiness and risk mitigation.

Brexit Readiness Programme to continue in 2021

Integration of the Brexit Readiness Actions in Council's Strategic Delivery Plan and Economic Recovery arrangements to ensure alignment with the Council's plans and priorities

Acknowledgement of the close links between the planned Brexit Readiness Actions and COVID-19 recovery

Brexit Readiness Programme to be embedded in the existing Emergency Cell Structure to have a holistic approach for the common risks



Brexit Readiness Programme Update

Audit Committee Meeting

Thank you very much for your attention.

Questions?

BIRMINGHAM CITY COUNCIL

PUBLIC REPORT

Report to:	AUDIT COMMITTEE
Report of:	Interim Chief Finance Officer
Date of Decision:	20 October 2020
Subject:	RETROSPECTIVE PURCHASE ORDERS
Wards affected: All	
1	Purpose
1.1	Members have asked for a report setting out details in respect of retrospective purchase orders.
2	Decisions recommended:
2.1	Members are asked to note the information provided and the actions being taken to reduce the use of retrospective purchase orders.

Contact Officer: Rebecca Hellard
Telephone No: 0121 303 2950
E-mail address: rebecca.hellard@birmingham.gov.uk

Contact Officer: Martin Stevens
Telephone No: 0121 303 4667
E-mail address: martin.stevens@birmingham.gov.uk

3 Compliance Issues:

- 3.1 Are Decisions consistent with relevant Council Policies, Plans or Strategies?:
The Council has set out the procedures to be followed in the procurement of and paying for goods and services to ensure compliance with statutory requirements.
- 3.2 Relevant Ward and other Members/Officers etc. consulted on this matter:
The Chair of the Committee has been consulted.
- 3.3 Relevant legal powers, personnel, equalities and other relevant implications (if any):
Under Section 151 of the Local Government Act 1972, the Council is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has responsibility for the administration of those affairs. Within the Council the appointed Section 151 Officer is the Chief Finance Officer.
- 3.4 Will decisions be carried out within existing finances and resources?
Yes
- 3.5 Main Risk Management and Equality Impact Assessment Issues (if any):
The failure to follow the Council's procedures in the procurement of goods and services may lead to additional costs or to legal challenge.

4 Relevant background/chronology of key events:

- 4.1 In the audit of the Council's Financial Statements 2018/19, the external auditor identified, in their testing for the completeness of expenditure, activity that was recorded in the 2019/20 financial statements which should have been accrued in 2018/19. The auditors made a recommendation in their Audit Findings Report that:
- 'The Council should investigate why these invoices were not appropriately accrued and implement additional controls to reduce the risk of such omissions in the future'
- 4.2 In following up the external audit recommendation it was noted that:
- 'The current audit and follow up investigation has identified a number of areas where the Council process for procurement and receipting of goods and services and payment of invoices are not being followed appropriately.'
- 4.3 The process for procurement requires that purchase orders for goods or services, unless they fall in an exempt category, should be raised before delivery. Once the goods or services have been delivered they should be goods receipted and the invoice forwarded by the supplier directly to the Accounts Payable team. Once the items are matched in Voyager then

payment is released to the supplier

- 4.4 Reports are provided to Directorates on a monthly basis on a number of matters regarding procurement processes, which include details on the volume of purchase orders raised retrospectively.
- 4.5 Overall, purchase order compliance for August 2020 was 97%. Within this total there was some 4% of purchase orders, based on total value, that were retrospectively raised. Details of the volume of retrospective orders, by Directorate, are set out in the table below.

Directorate	Number Raised	Value Raised £000
Adult Social Care	13	23.2
Digital & Customer Services	13	206.2
Education & Skills	28	62.0
Finance & Governance	38	160.8
Human Resources	2	50.5
Inclusive Growth	27	212.5
Neighbourhoods	236	1,620.1
Partnerships, Insight & Prevention	1	30.5

- 4.6 The table has been based on those purchase orders raised at least one day after the date of the invoice. Orders raised with the same date as the invoice have been excluded as a number of orders are in respect of same day delivery.
- 4.7 Within the figures for Neighbourhoods some 73%, by value of the retrospective purchase orders, relate to purchase of services for homelessness through a number of different suppliers.
- 4.8 Details on the level of retrospective orders are discussed each month at the Purchasing & Information, Communication and Technology Operation Group (PICTOG). Support and advice is given to service areas to try and reduce the level of retrospective purchase orders.

Signature:

Interim Chief Finance Officer:

Dated:

BIRMINGHAM CITY COUNCIL

PUBLIC REPORT

Report to:	AUDIT COMMITTEE
Report of:	Interim Chief Finance Officer
Date of Decision:	20 October 2020
Subject:	FINANCIAL STATEMENTS – SENIOR OFFICERS NOTE
Wards affected: All	
1	Purpose
1.1	Following consideration of the Council's draft Financial Statements at its meeting on 29 September 2020, Members have asked for Note 46, Officers' Remuneration, in respect of the table referencing remuneration for senior officers, to be updated.
2	Decisions recommended:
	Members are asked to;
2.1	Approve the revised table to be included in the Officers' Remuneration note for the Financial Statements.

Contact Officer: Rebecca Hellard
Telephone No: 0121 303 2950
E-mail address: rebecca.hellard@birmingham.gov.uk

Contact Officer: Martin Stevens
Telephone No: 0121 303 4667
E-mail address: martin.stevens@birmingham.gov.uk

3 Compliance Issues:

- 3.1 Are Decisions consistent with relevant Council Policies, Plans or Strategies?:
The Council is required to publish information on Senior Officers' remuneration as part of its Financial Statements.
- 3.2 Relevant Ward and other Members/Officers etc. consulted on this matter:
The Chair of the Committee has been consulted.
- 3.3 Relevant legal powers, personnel, equalities and other relevant implications (if any):
The Local Audit and Accountability Act 2014 confers powers on the Secretary of State to make relevant Regulations. The Secretary of State has issued The Accounts and Audit Regulations 2015, of which section 7(3) requires the Council to publish details of remuneration for Senior Officers.
- 3.4 Will decisions be carried out within existing finances and resources?
Yes
- 3.5 Main Risk Management and Equality Impact Assessment Issues (if any):
The Council is required to follow relevant regulations.

4 Relevant background/chronology of key events:

- 4.1 The Council is required, under section 7(3) of the Accounts and Audit Regulations to publish:
- A note of the remuneration of senior employees and the associated Council contribution to the person's pension. The items required in the statement are to include:
 - (a) The total amount of salary, fees or allowances paid to or receivable by the person
 - (b) The total of bonuses paid or receivable
 - (c) The total amount of sums paid by way of expenses allowances that are chargeable to United Kingdom income tax
 - (d) The total amount of any compensation for loss of employment paid to or receivable by the person
 - (e) The total estimate value of any benefits received by the person otherwise than in cash that do not fall within paragraphs (a) to (d) above.
- 4.2 The regulations also state that the senior officers are to be listed individually and must be identified by way of job title only except for persons whose salary is £150,000 or more per year who must also be identified by name.
- 4.3 Unless the Council has consent from an individual, it should not publish the names of individuals with details of their remuneration unless required to by the regulations. Whilst consent may be gained from senior officers still

working for the Council it may be more difficult to get permission from senior officers who have left.

- 4.4 The revised note to the accounts includes additional detail on the items within the statement.

Signature:

Interim Chief Finance Officer:

Dated:

Appendix 1

Note 46 Officers' Remuneration

The remuneration paid to or receivable by the Council's senior employees is detailed in the table below.

		Salary, fees and allowances	Compensation for loss of office	Expense allowances	Pension contributions	Total
		£	£	£	£	£
Professor Graeme Betts, Chief Executive (Acting) & Head of Paid Service, and Director Adult Social Care ⁽¹⁾	2018/19	162,548	-	8,000	-	170,548
	2019/20	166,167	-	-	-	166,167
Clive Heaphy, Chief Executive (Acting) and Head of Paid Service, and Chief Finance Officer (& S151 Officer) ⁽²⁾	2018/19	172,548	-	429	-	172,977
	2019/20	194,229	35,206	6,229	-	235,664
Dawn Baxendale, Chief Executive (& Head of Paid Service) ⁽³⁾	2018/19	214,200	-	4,388	35,986	254,574
	2019/20	114,528	-	-	20,959	135,487
Assistant Chief Executive	2018/19	114,368	-	-	19,214	133,582
	2019/20	116,451	-	-	21,311	137,762
Interim Chief Finance Officer (& S151 Officer) ⁽⁴⁾	2018/19	N/A	N/A	N/A	N/A	N/A
	2019/20	N/A	N/A	N/A	N/A	N/A
Acting Director Inclusive Growth ⁽⁵⁾	2018/19	N/A	N/A	N/A	N/A	N/A
	2019/20	55,266	-	315	10,114	65,695
Director Inclusive Growth ⁽⁶⁾	2018/19	143,730	-	-	24,147	167,877
	2019/20	98,131	-	-	17,958	116,089
Director Education and Skills ⁽⁷⁾	2018/19	32,742	-	-	5,501	38,243
	2019/20	142,800	-	-	26,132	168,932
Jacqui Kennedy, Director Place	2018/19	149,054	-	-	25,041	174,095
	2019/20	152,035	-	-	27,822	179,857
Acting Director Neighbourhoods ⁽⁸⁾	2018/19	105,416	-	-	17,710	123,126
	2019/20	135,346	-	-	24,768	160,114
Director Public Health ⁽⁹⁾	2018/19	11,515	-	940	1,935	14,390
	2019/20	101,192	-	17,434	18,518	137,144

		Salary, fees and allowances	Compensation for loss of office	Expense allowances	Pension contributions	Total
		£	£	£	£	£
Director Human Resources ⁽¹⁰⁾	2018/19	73,253	-	-	12,307	85,560
	2019/20	105,222	-	-	19,256	124,478
Director Digital and Customer Services ⁽¹¹⁾	2018/19	N/A	-	-	N/A	N/A
	2019/20	77,250	-	-	14,137	91,387
Acting Strategic Director Strategic Services ⁽¹²⁾	2018/19	88,818	-	-	14,921	103,739
	2019/20	28,179	87,031	-	305,692	420,902

Notes:

- (1) Professor Graeme Betts, Director Adult Social Care took responsibility for the post of Chief Executive (Acting) (& Head of Paid Service) on 23 March 2020 until 17 May 2020.
- (2) Clive Heaphy took up the role as Chief Executive (Acting) (& Head of Paid Service) on 11 September 2019 until he left the Council on 31 March 2020. The compensation for loss of office relates to payment for the remainder of the contract notice period on leaving the Council. The expenses and allowances relate to reimbursement of expenditure incurred.
- (3) Dawn Baxendale took up the role of Chief Executive (& Head of Paid Service) on 1 April 2018 until 9 October 2019. The expense allowance in 2018/19 relates to relocation expenses incurred.
- (4) The Interim Chief Finance Officer (& Section 151 Officer) took up the role on 2 October 2019 and was employed through a third party, the costs of which were £155,841 in 2019/20.
- (5) The Acting Director Inclusive Growth took up the role on 4 November 2019. The expenses incurred relate to reimbursement of expenditure incurred.
- (6) The Director Inclusive Growth left the Council on 1 December 2019.
- (7) The Director Education and Skills took up the role on 7 January 2019.
- (8) The Acting Director Neighbourhoods took up the role on 15 June 2018.
- (9) The Director Public Health took up the role on 18 February 2019. The expense allowances relate to a one-off payment for relocation expenses incurred.
- (10) The Director Human Resources became a Senior Officer on 18 July 2018.
- (11) The Director Digital and Customer Services took up the role on 1 July 2019.
- (12) The Acting Strategic Director Strategic Services held the post from 31 July 2018 until 30 June 2019. The compensation for loss of office relate to redundancy payments in line with the Council's standard policy. The pension contributions include an element to meet the cost of pension fund strain, payable to the West Midlands Pension Fund, where employees who are 55 or over and can access their pension benefits on being made redundant in line with pension regulations.

Coverage of statutory posts during periods of annual leave or sickness absence was by officers within the relevant teams under delegated responsibilities.

BIRMINGHAM CITY COUNCIL**AUDIT COMMITTEE****20 OCTOBER 2020****SCHEDULE OF OUTSTANDING MINUTES**

MINUTE NO./DATE	SUBJECT MATTER	COMMENTS
193 28/01/2020	<u>Travel Assist</u> The Director of Education & Skills to provide an update report to Members of the Committee following outcomes of investigations including DBS checks queries.	Report due in 26 Jan 2021.
223 28/07/2020	<u>Audit Findings Report Recommendations – Progress Report</u> Additional recommendation added following discussions. iii) A report to be provided to the Committee on retrospective purchase orders and Directorates not complying with procedures.	Completed & discharged.
226 28/07/2020	<u>Process for the exit of Senior Officers</u> Additional recommendation added following discussions. ii) Agreed that the Chair of the Audit Committee write to the Chair of the JNC Panel recommending a standing item to be placed onto the JNC Panel agenda around regular updates of senior officers' cases. An Annual report on senior officers claims to be shared with both the JNC Panel and Audit Committee.	Completed & discharged.
227 28/07/2020	<u>Other urgent business - (Travel Assist)</u> A written response to be provided by Officers to the Committee related to the avoidance of deed poll changes via DBS checks.	Ongoing update. Interim City Solicitor & Director of Human Resources.

235 29/09/2020	<p><u>Statement of Accounts 2019/20</u></p> <p>Additional recommendation added following discussions.</p> <p>iii) A revised version of the Officers' Remuneration table to be presented at the next committee with clear references indicated.</p>	<p>Report due in 20 October 2020.</p>
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