

BIRMINGHAM CITY COUNCIL

RESOURCES O&S COMMITTEE – PUBLIC MEETING

1400 hours on Thursday 15 November 2018, Committee Room 3&4

Present:

Councillor Sir Albert Bore (Chair)

Councillors: Muhammad Afzal, Josh Jones, Zaheer Khan and Ewan Mackey

Also Present:

Clive Heaphy, Corporate Director, Finance and Governance

Rob James, Acting Corporate Director, Place

Jayne Power, Scrutiny Officer

Emma Williamson, Head of Scrutiny Services

1. NOTICE OF RECORDING/WEBCAST

The Chairman advised the meeting to note that this meeting will be webcast for live and subsequent broadcast via the Council's Internet site (www.civico.net/birmingham) and that members of the press/public may record and take photographs except where there are confidential or exempt items.

2. APOLOGIES

Apologies were received from Councillors Meirion Jenkins and Paul Tilsley.

3. DECLARATIONS OF INTERESTS

None.

4. ACTION NOTES

(See documents No 1 & 2)

The amended action notes of the meeting held on 20 September 2018 and the action notes of the meeting held on 18 October 2018 were agreed.

RESOLVED:-

- The notes were agreed.

5. FINANCIAL MONITORING REPORT QUARTER 2 - MONTH 6 2018/19

(See document No 3)

Clive Heaphy, Corporate Director, Finance and Governance, attended for this item. Cllr Brett O'Reilly, Cabinet Member for Finance and Resources, had been invited but was unable to attend and his apology was noted.

The Chair explained the intention was to take the Committee through the monitoring report in the same way as the previous month, dealing first with the summary of the savings programme, resources allocations and collections fund and then looking at individual directorates.

In discussion, and in response to Members' questions, the following were among the main points raised:

- Due to the discrepancy in reporting, ie quarterly to Cabinet and monthly to Scrutiny, the Chair requested that a consistent format be adopted across all the monthly reports to make it easier for Members to make comparisons and fully appreciate the position month by month;
- With regard to mitigations, in the Month 4 and 5 reports there were two separate tables, one showing mitigations on base budget pressures and the other showing mitigations on non-delivery of savings. In the report to Cabinet one of the tables has been removed, leaving only the table on non-delivery, and Clive Heaphy agreed that the second table would be put back in;
- In discussion with the other O&S Chairs, it has been agreed that each O&S committee will look at mitigations as they relate to their particular service area, however in order to do this more information needs to be provided in the monitoring reports to show not just the relevant figures but also which part of the service they relate to, so that service impact issues can be considered;
- The following issues were raised with regard to Adult Social Care & Health:
 - Packages of care are not under as much pressure as initially thought and so are off-setting additional costs elsewhere;
 - Enablement Service – working closely with the unions on getting an implementation date for the model and moving towards making savings as quickly as possible and maximising those savings as well as providing a good quality service;
 - With regard to mitigations reported on adult packages of care in the Month 5 report, it states the on-going disputes may have a £1m effect on staffing, but this does not appear in Table 2 in the month 6 report, and Clive Heaphy undertook to check why this is;
- The following issues were raised with regard to Children and Young People:
 - Travel Assist – shortfall of £2.2m reported at Month 6. At Month 5 this was £2m, so base budget shortfall has increased. The Committee was given assurances at its July meeting that the required change in policy and new procurement strategy were being put in place, however until this happens there is increased pressure on the service, although it was noted that in the budget consultation extra money is being put in. Committee may wish to bring this item back to a future meeting once the Month 7 report has been considered;
 - Day Nurseries – another area where there is a dispute - with regard to the budget overspend figure of £0.5m, it was pointed out that at Month 5 it was reported that the overspend would be £1m if the

report to Cabinet was not agreed. Clarity was requested regarding the impact of the delayed report and Clive Heaphy advised Members that discussions are on-going with the GMB to bring the report forward to mitigate some of the pressures but said he would check the wording in the Month 5 report and confirm the position;

- Moving on to Place Directorate, it was agreed that item 6 on the agenda – Waste Services – would be picked up under this item.

The Chair welcomed Rob James, Acting Corporate Director, Place, to the meeting and an apology was noted from Cllr Majid Mahmood, Cabinet Director for Clean Streets, Waste and Recycling, who had been invited but was unable to attend.

The following issues were raised:

- Concerns were raised again regarding the difference in the picture comparing Month 6 with Month 3 and then comparing Month 6 with Month 5 and Clive Heaphy suggested some trend analysis needs to be included to show the clear position from month to month;
- It was pointed out that the Housing and Neighbourhoods O&S Committee at their meeting earlier in the week had picked up service-related issues and the focus of this committee would be on budget matters;
- It was acknowledged that operational issues and poor performance do impact on the budget; poor performance results in increased costs;
- The new model for waste collection services has been implemented and one of the key factors of the new model is to change from a reactive service dealing with complaints to using key performance data to inform the service moving forward;
- Achieving around 98% of collections overall; currently around 74 missed collections out of 100,000 (national average is 83) and the aim is to bring this down to 52;
- There is a lot to do in terms of fleet review and renewal and increasing recycling rates to reduce the cost of disposal and landfill tax and the whole waste strategy needs to be in place to take the service forward;
- In response to questions about the in-year pressures relating to this service and the impact of the last few weeks on what has been reported at Month 6, Members were advised that resources for the extra crews have been factored into the new model for a temporary period of 4 months to deal with missed collections as a result of the re-rationalisation of routes;
- The Memorandum of Understanding relates to the court direction in November 2017 and the detail of some of the assumptions built into the new operating model and budget were included in the Cabinet report;
- Assumptions were made in that report relating to the budget, which included a number of previously agreed savings moving forward, some additional savings targets and assumptions of round numbers

assessed at that time or earlier in that year. The budget set in February 2018 was insufficient to continue with the 4 day working week and previous operating model. The £1.8m overspend is an overspend on the current budget. If the new model had not been implemented, the overspend on this year's budget would have been £3.6m;

- This year's budget is insufficient for the service going forward and there is a proposal in next year's budget to invest a further £2.5m into this service, which represents a saving if the previous model had continued;
- The Memorandum of Understanding has been kept within the parameters of what was agreed at Cabinet and the structural adjustment will enable the service to deliver within budget next year;
- Concerns were raised that the Housing Revenue Account (HRA) had been used to pay contractors to deal with refuse collection issues during the latter part of last year. It was pointed out that contractors were used in and around tower blocks and the safety of tenants is an HRA responsibility, however this matter is being looked into and Clive Heaphy, as Section 151 officer, undertook to report back to Committee;
- In response to a question around capital finance and capital expenditure in the HRA and the discrepancy between forecast spend for 2018/19 and what the indicators are saying are saying we are going to be spending, Clive Heaphy told Members his understanding is that this is a timing issue of spending pushback between the years and the overall spending forecast remains the same, but will provide a specific response;
- The Chair referred to Annex 2 and Annex 4 which sit alongside the directorate narrative and pointed out that the narrative does not always reflect the figures indicating they have not been properly proofed and Clive undertook to pick that up in the next report;
- With regard to the use of reserves, Members were advised that the proposals in the budget consultation for next year are on the basis that reserves will not be used to fund pressures and savings not being made.

RESOLVED:-

- That a consistent format would be adopted across all the monthly reports;
- The table showing mitigations on base budget pressures to be put back in for future monitoring reports;
- Details to be provided of all mitigations so that these can be shared with the relevant O&S committees to enable them to look at service impact issues;
- With regard to mitigations reported on adult packages of care, Clive Heaphy to check why the statement that on-going disputes may have a £1m effect on staffing is made in Month 5 but does not appear in Month 6;
- With regard to Day Nurseries, Clive Heaphy to confirm the position with regard to the impact of the delayed report to Cabinet;

- Clive Heaphy, as Section 151 officer, to report back to Committee on the outcome of investigations into whether the HRA had been used to pay contractors to deal with refuse collection issues;
- Response to be provided to the question around capital finance and capital expenditure in the HRA and the discrepancy between forecast spend for 2018/19 and what the indicators say is going to be spent;
- The report was noted.

6. WASTE SERVICES

This item was dealt with as part of the consideration of the financial monitoring report under item 5.

7. WORK PROGRAMME

(See document No 4)

Members discussed the work programme and the following points were raised:

- Councillor Mackey referred to the question he had asked at City Council regarding a possible piece of work for the Committee around Paradise Circus and lessons to be learned. Members were advised that this is being considered by Audit Committee at their next meeting and a fuller report will go back to Cabinet in December. It was agreed that Members would await the outcome of the Audit Committee discussion and then make a decision about whether there is anything for O&S to pick up;
- Acivico is on the work programme for after the Cabinet report. Members were advised that Group Company Governance is also doing some work on this and it was suggested that the Deputy Leader could be invited to Committee for this item;
- Adult Social Care & Health - Transition Project. The Cabinet Member and Corporate Director had been invited to this meeting but had been unable to attend and it was agreed that they would be invited to the December meeting;
- Long Term Financial Planning – Clive Heaphy to provide suggestions of other Local Authorities to visit to look at best practice.

RESOLVED:-

- The Work Programme was noted.

8. DATE OF NEXT MEETING

The next meeting on 13th December was noted.

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

None.

10. OTHER URGENT BUSINESS

None.

11. AUTHORITY TO CHAIRMAN AND OFFICERS

Agreed.

The meeting ended at 1550 hours.