

BIRMINGHAM CITY COUNCIL

RESOURCES O&S COMMITTEE – PUBLIC MEETING

1200 hours on Thursday 23 July 2020 (On-line Meeting)

Present:

Councillor Sir Albert Bore (Chair)

Councillors: Muhammed Afzal, David Barrie, and Paul Tilsley.

Also Present:

Councillor Tristan Chatfield, Cabinet Member, Finance and Resources

Rebecca Hellard, Interim Chief Finance Officer

Sara Pitt, Assistant Director, Service Finance

Jayne Bowles, Scrutiny Officer

Emma Williamson, Head of Scrutiny

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 Lisa Trickett.

3. DECLARATIONS OF INTERESTS

None.

4. ACTION NOTES – 18 JUNE 2020

(See document 1)

RESOLVED:-

The action notes of the meeting held on 18 June 2020 were agreed.

5. QUARTER 1 FINANCIAL OUTTURN 2020/21

(See documents 2 and 3)

Councillor Tristan Chatfield, Cabinet Member for Finance and Resources, Rebecca Hellard, Interim Chief Finance Officer and Sara Pitt, Assistant Director, Service Finance attended for this item.

The Chair thanked officers for producing the new exception report which provides a very good summary and clearly sets out the major financial issues, however, he asked finance officers to ensure the different reports are ordered in the same way for uniformity and consistency.

The Chair referred to the recent Cabinet Meeting where reference had been made to the additional money from Government following an announcement on 2nd July and invited the Cabinet Member and Interim Chief Finance Officer to comment. In doing so, the following points were made:

- A £500m national pot was announced on 2nd July, with Birmingham's share being £13.9m;
- A figure is still awaited for the Income Compensation Scheme;
- Each Local Authority has been invited to speak to DHCLG regarding freedoms and flexibilities;
- Collection rates on Business Rates are down this year and that will not hit until the next financial year;
- Growth assumptions on the tax base are always included in the budget but that needs to be reversed now for future years;
- One offer is the spread of collection fund deficit over 3 years, and other things like capitalisation of budget gaps will be discussed;
- We are a long way off knowing what the final impact will be and none of this Government funding is about economic recovery.

In the course of the discussion, and in response to questions from Members, the following were amongst the main points raised:

- **Covid-related spend** - Councillor Tilsley referred to paragraph 2.21 of the report which sets out where the Council is as far as Covid is concerned and which identifies an additional £75m plus financial risk of £39m, suggesting a total of £114m total spent over and above the money received from Government;
- The Cabinet Member confirmed that this was broadly right, however the risks are not quantified, but are potential risks going forward;
- In response to a question about the Bellwin formula and where the Council stands on claiming the extra money spent, Members were told that the Government announced early on that the Bellwin formula would not be used;

At this point, the Chair advised that as the Acting Director for Neighbourhoods and the AD for Street Scene were unable to attend today, agenda item 6 would be deferred to the next meeting and any questions relating to the Neighbourhoods Directorate would be taken under the Quarter 1 report;

- It was noted that the Quarter 1 report clearly sets out what the Covid and non-Covid related items are, which allows Members to understand the underlying issues not related to Covid;
- **Birmingham Children's Trust** - Concern was expressed that the non-Covid overspend in the Birmingham Children's Trust is as serious as commented on at the last meeting, meaning that the current financial model does not meet current circumstances;
- Members were assured that the Trust is working with the Council on mitigations in the context of rising demand pressures and future exception reports will show that the figures are changing, which will formalise the baseline for the budget;
- **Schools Budget Deficit** – There is a worry that with academisation the council is left with school deficits and whilst it was accepted that it is difficult to do anything about this, Members asked whether there had been any representation on this nationally, for example by the LGA;
- The Cabinet Member said he believed there may have been some representation a while ago and agreed that it would be worth raising this again with the LGA;
- **InReach** – The report refers to a significant scheme relating to the Brasshouse development not being taken forward and, as Members had previously agreed to look at InReach for more understanding of the budgetary issues at a future meeting, the Chair suggested that this be programmed for the September meeting;
- The Cabinet Member stated that InReach has value in terms of its goal but is operating in a complex market and he would welcome this committee's involvement.

The Chair thanked the Cabinet Member and officers for their attendance for this item.

RESOLVED:-

That the report be noted.

6. NEIGHBOURHOODS DIRECTORATE

(See document 4)

As previously referred to, the Chair confirmed that this item would be deferred.

RESOLVED:-

That the report be deferred to the next meeting.

7. PLANNED PROCUREMENT ACTIVITY REPORT

(See document 5)

The Chair referred to paragraph 3.5 of the report, which states:

“Individual procurements may be referred to Cabinet for an executive decision at the request of Cabinet, a Cabinet Member or the Chair of Resources Overview & Scrutiny Committee where there are sensitivities or requirements that necessitate a decision being made by Cabinet.”

The Chair stated his view that it should be the whole committee, not just the Chair, considering these reports and taking a decision to refer matters to Cabinet and it was therefore agreed that this would be a standing item on all future agendas.

It was suggested that a discussion should take place offline regarding timing to avoid any potential problems.

There were no specific questions or comments on this report and the above course of action was agreed.

RESOLVED:-

- That a programme of regular reports to Committee be agreed;
- That the report be noted.

8. DATE AND TIME OF NEXT MEETING

The date and time of the next meeting on Thursday 10th September at 1400 hours was noted and the Chair confirmed that the following items would be included on the agenda:

- Month 4 Financial Exception Report;
- Neighbourhoods Directorate;
- InReach – Budgetary issues; and
- Planned Procurement Activity Report.

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

RESOLVED:

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

The meeting ended at 1242 hours.