

**BIRMINGHAM CITY COUNCIL**

**RESOURCES O&S COMMITTEE – PUBLIC MEETING**

**1000 hours on Thursday 12 November 2020 (On-line Meeting)**

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**Present:**

Councillor Sir Albert Bore (Chair)

Councillors: Muhammed Afzal, Meirion Jenkins 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

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**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](http://www.civico.net/birmingham)) and that members of the press/public may record and take photographs except where there are confidential or exempt items.

**2. APOLOGIES**

Apologies were received from Councillor David Barrie.

At this point in proceedings the Chair asked that Committee note the sad news of the death of Honorary Alderman Theresa Stewart and that condolences should go through the Lord Mayor to the family.

**3. DECLARATIONS OF INTERESTS**

None.

#### 4. ACTION NOTES – 15 OCTOBER 2020

(See document 1)

The following updates were given:

- Update on implementation of the ERP system – timing to be advised;
- Neighbourhoods Directorate – CIPFA “deep dive” – timing to be advised (draft report currently with the Finance Team);
- Update on Athletes Village Revised FBC – this is now due to go to Cabinet in February.

#### **RESOLVED:-**

The action notes of 15 October 2020 were agreed.

#### 5. FINANCIAL MONITORING 2020/21 – QUARTER 2/MONTH 6

(See documents 2 and 3)

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

The Chair pointed out that the Month 6 Exceptions report gives a summarised version of the Quarter 2 report and a great deal of the 2020/21 budget issues are set out nicely in the Medium Term Financial Plan Refresh.

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

- **Government funding of £100m for Sport & Leisure Centres** – A lot of LAs with external arrangements could not claim for loss of income when leisure centres closed and this is the DCMS approach to provide compensation. There is a bidding process, with all bids assessed on their own merits, and a request was made for this committee to be provided with confirmation of the bid once it has been put forward;
- **Neighbourhoods Directorate – Housing General Fund** – With regard to managing the £1.5m savings pressure, and in particular the holding of vacant posts, it was agreed that a note would be sent to the Cabinet Member for Homes and Neighbourhoods to ask what the service impact would be if this was taken forward into 2021/22;
- **Inclusion & SEND overspend** – Concern was expressed that there was further overspend on Travel Assist, notwithstanding the additional money put into the 2020/21 budget, and the committee will monitor this over the coming months. It was agreed that a note would be sent to the Cabinet Member for Children’s Wellbeing noting members’ concerns and also requesting a breakdown of the £0.3m one-off costs relating to additional costs of interim staff to support transformation and systems implementation costs in 2020/21;
- **Overspend on bad debt provision for HRA** – It was requested that the committee be provided with confirmation of the actions that can be taken in circumstances where there is an overspend on the bad debt provision for HRA;

- **Purchase of Acivico shares** – Members queried this and were told that this was a new share issue following restructuring of the company and it was agreed that full details would be provided to committee;
- **School Deficits** – Concerns were raised in relation to the increase in the total deficit amount and it was requested that a report be brought to the December meeting setting out how this is dealt with;
- **Commercial property** – Following members’ questions with regard to Phase 2 of the Paradise Circus development and commercial property values, it was agreed that a report on risk issues around commercial property would be requested for the December meeting;
- It was noted that the General Fund overspend is down from £79.9m at the end of Quarter 1 to £10.8m at the end of Quarter 2, broadly due to Government funding and also other minor fluctuations;
- There is still a great deal of uncertainty and the expectation is that there will be significant costs over the winter period but at the moment it is not known what they will be;
- Covid and non-Covid spend is separated out as far as possible and the underlying revenue budget is in a reasonable position.

**RESOLVED:-**

- The following written responses to be provided:
  - Confirmation of the bid for share of Government funding for Sport & Leisure Centres;
  - Actions to be taken to deal with the overspend on bad debt provision in HRA;
  - Explanation on the purchase of Acivico shares.
- The following reports to be provided for the December committee meeting:
  - School Deficits;
  - Risk issues around commercial property.
- Chair to write to the Cabinet Member for Children’s Wellbeing requesting a breakdown of the overspend on Travel Assist.
- Chair to write to the Cabinet Member for Homes and Neighbourhoods regarding the Housing General Fund and the impact of holding vacant posts into 2021/22.
- The report was noted.

**6. MEDIUM TERM FINANCIAL PLAN REFRESH**

(See document 4)

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

- The Chair requested that a reconciliation of the figures in paragraphs 4.12-4.14 be provided;
- More detail was also requested in relation to service pressures, in particular the rebasing of budgets for historic shortfalls referred to in paragraph 4.37 and the new pressures in Table 10 in paragraph 4.38;
- It was acknowledged that the numbers will fluctuate but members need to understand where the pressures are;

- With regard to historic shortfalls, the Cabinet Member advised that a comprehensive exercise had been undertaken last year and a large number of these, including one in Leisure and one in Neighbourhoods, were dealt with. There is a need to recognise that occasionally issues will surface but reassurance was given that there is a robust mechanism of challenge internally and it is expected that these will be smaller and fewer in number now.

**RESOLVED:-**

- The following written responses to be provided:
  - Reconciliation of budget figures in paragraphs 4.12-4.14;
  - Details of the rebasing of budgets for historic shortfalls in paragraph 4.37 and new budget pressures in Table 10, paragraph 4.38.
- The report was noted.

**7. PLANNED PROCUREMENT ACTIVITY REPORT**

(See document 5)

The Chair confirmed that no issues had been raised with regard to this month's report.

**RESOLVED:-**

The report was noted.

**8. WORK PROGRAMME**

(See document 6)

The Chair confirmed that the reports referred to under the Action Notes item, and the additional items flagged during consideration of the financial monitoring report, would be programmed for the December and January meetings.

The Chair then shared with Members a note he had received from Cllr Chatfield outlining proposals for developing a policy and guidance on the engagement of agency workers, consultants and interims and how O&S might contribute to this. It was agreed that scrutiny would be engaged once draft policy terms have been prepared.

**RESOLVED:-**

The report was noted.

**9. DATE OF NEXT MEETING**

Noted.

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

None.

**11. OTHER URGENT BUSINESS**

None

**12. 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.

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The meeting ended at 1101 hours.