

Birmingham City Council

Finance Board Meeting

1 November 2023 1.30-4pm

Attendees:

Chris Tambini, Commissioner & Chair
Jackie Belton, Commissioner
Pam Parks, Commissioner
John Coughlan, Commissioner
Lord John Hutton, Political Advisor
John Biggs, Political Advisor
Fiona Greenway, Director of Finance & S151
Officer
Graeme Betts, Director of ASC & Deputy Chief
Executive

Mohammed Sajid, Assistant Director of Finance
Timothy Bell, Finance Chief of Staff
Cllr John Cotton, Leader
Cllr Brigid Jones, Labour Cabinet Member
Finance
Cllr Merion Jenkins, Conservative Finance Lead
Cllr Paul Tilsley, Lib Dem Finance Lead
Eleanor Smylie, DLUHC Chief of Staff
Lucy Bouncer, Commissioner Support Unit Lead
& notes

Apologies:

Deborah Cadman, Chief Executive
Max Caller, Lead Commissioner

1. Introduction & Purpose

1.1 Chris Tambini welcomed the Board and discussed the purpose.

2. Terms of Reference

2.1 Chris Tambini set out the Terms of Reference. All agreed with the principles of these.

3. Finance Position

3.1 Fiona Greenway gave an update on the current General Fund position covering periods 2022 up to forecasted 2026. This showed an exceptionally challenging overall financial position including a negative general fund position. To mitigate, reserves are being centralised, there is a spend control process, contracts are being reviewed and both in-year and permanent savings targets have been issued/ identified. A paper will go to November Cabinet outlining the current Budget Position.

3.2 Fiona Greenway gave an update on the Reserves position. BCC has depleted its reserves over recent years and is now in a negative reserves position. Using reserves is not a solution.

3.3 Chris Tambini acknowledged the significant financial challenges the Council is facing, that previous savings have not been achieved and the inflation assumptions in the budget for 22/23 were underestimated. He warned that in the coming weeks the figures may worsen.

3.4 Paul Tilsley questioned Equal Pay provisions given the effect of this will not take place until 2025/26. Fiona Greenway advised the auditors have instructed us to make provision for Equal Pay now and we should work towards a worse case scenario though we are trying to mitigate the cost whilst fulfilling our legal obligations. We will have a better idea of the liability once we are some way into the job evaluation process.

4. Financial Recovery

4.1 Fiona Greenway gave an overview of the high level Financial Recovery Plan. A savings target of c.17% for each Directorate is proposed. Figures will flex over time and targets for 2024/25 and 2025/26 will go to November Cabinet to ensure targets are set. It is important that all options are put on the table so that choices can be made.

5. S151 Spend Control Board – effectiveness of process

5.1 Fiona Greenway presented the S151 Board Dashboard demonstrating the number of spend control requests at directorate level and at S151 Board level.

5.2 To enable greater flexibility the S151 Boards will be reconstituted

5.3 S151 Board decisions will continue to be published weekly on CMIS.

5.4 Brigid Jones, and Merion Jenkins raised areas ways that decision making could be improved.

5.5 Mohammed Sajid confirmed that approved grants/ringfenced spend is recharged back to into Capital and HRA/Schools/Transport etc.

6. Budget Timetable

6.1 Fiona Greenway presented the budget timetable spanning 26 October 2023 to 29 February 2024 outlining the key milestones.

Actions:

- Fiona Greenway, obtain stats on how many City households pay council tax.
- Fiona Greenway, budget communication and consultation pack to be presented at next Finance Board meeting.

7. Date of next meeting

15 November 2023, 1.30-4pm