

Birmingham City Council**Finance Board Meeting****15 November 2023 1.30-4pm****Attendees:**

Chris Tambini, Commissioner & Chair	Paul Kitson, Director of PPS
Max Caller, Lead Commissioner	Timothy Bell, Finance Chief of Staff
Jackie Belton, Commissioner	Cllr John Cotton, Leader
Pam Parks, Commissioner	Cllr Brigid Jones, Labour Cabinet Member
John Coughlan, Commissioner	Finance
Lord John Hutton, Political Advisor	Cllr Merion Jenkins, Conservative Finance Lead
John Biggs, Political Advisor	Cllr Roger Harmer, Leader of Lib Dem
Fiona Greenway, Director of Finance & S151 Officer	Eleanor Smylie & Lewis Buck, DLUHC Chief of Staff team
Mohammed Sajid, Assistant Director of Finance	Lucy Bouncer, Commissioner Support Unit Lead & notes
Eleri Roberts, Director Communications	Jennifer Grey, Political Advisor to Cllr Roger Harmer
Sal Naseem, Assistant Director Communications	

Apologies:

Deborah Cadman, Chief Executive
Cllr Paul Tilsley, Lib Dem Finance Lead

1. Welcome

1.1 Chris Tambini welcome and introductions.

2. Minutes of last meeting & actions update

2.1 Max Caller apologies added to previous minutes.
2.2 All agreed accurate record.

3. Savings proposals

3.1 Fiona Greenway set out Birmingham City Council's (BCC's) savings proposals headlines and next steps.

3.2 The savings identified have been to CLT and EMT and due diligence is now underway. However, the budget gap has grown due to additional pressures and has moved beyond the original £200m for 24-25 & 25-26. This has been reported to Cabinet and means further savings must be identified

3.3 Cllr Jenkins questioned the mechanism for checking current savings are being, Fiona Greenway advised monitoring reports are regularly produced and whilst it's recognised the reports are not as robust as they could be, BCC are taking measures to mitigate.

3.4 Fiona Greenway, raised that the Council's capacity to deliver savings targets is currently a risk, which would be reviewed at Corporate Leadership Team.

3.5 Max Caller flagged the low level of savings promoted through procurement. Not enough thought has been given to cross cutting/strategic overview procurement and we are behind in the market. Fiona Greenway agreed that more could be one to identify cross cutting savings and noted that BCC may need external capacity to support with this.

3.6 Max Caller raised that BCC cannot wait until February when the budget is set to start the process of savings as the impact will then be less in the first year and put further pressure on the second. Savings need to be put through Cabinet now and due diligence started. Fiona Greenway confirms delegations have been given to start progress.

3.7 Cllr Jones flagged that some savings proposals have been seen in previous years and rejected or not delivered. She requested that a report is given to Cabinet via CLT with expectation of how the proposals will work and that further work is undertaken to consider the wider transformation element.

3.7 Chris Tambini raised concerns about the progress of constructing a credible savings plan, the current list was unlikely to pass due diligence/was not fully supported by service directors and more savings needed to be identified.

3.8 Commissioners will write to BCC to set out their expectations with a revised deadline to 24 November.

4. Capital Programme

4.1 Mohammed Sajid presented on the Capital Programme which has been reviewed by BCC finance team. The programme is heavily reliant on potential borrowing, government grants and contributions. Discussion focused on two elements that will impact the general fund, reducing borrowing and how to raise Capital Receipts. Mohammed Sajid noted that while work has been undertaken to identify where borrowing could be reduced and a £48m of capital receipts there is more to be done and we will face challenges.

4.2 Cllr Jenkins, questioned why we are still paying 1.6m on SAP? Mohammed Sajid, these costs have been rolled over from last year and include data retention. Mohammed Sajid will investigate if there is a more economical way to store the data.

4.3 Max Caller raised concerns regarding the Capital Programme. He requested that it is re-examined so that it is funded by revenue contributions, with reallocation of assets and identifying essential health and safety work. To borrow would not be practical. Mohammed Sajid to re-examine and report back.

4.4 Jackie Belton, commented that housing team are considering the HRA business plan, and are looking to prioritise and invest to improve on existing stocks. Fiona Greenway notes she had met with DLUHC regarding flexibility with right to buy receipts that would support the HRA and will produce a paper.

4.5 Paul Kitson presented Capital Assets Review. The current target is to raise £500m over the next 3 years and are expected to profile £195m in the next 12 months. Assets have been identified to capitalise and we have a number already in train with offers accepted. BCC will need some external support the activity and can expect to start seeing money land in the next month or two.

4.6 Max Caller asked the Council to deliver £500m in capital over the next 12 months (as it was important to demonstrate to central government that the Council can meet any Capitalisation request) and address implementing a full corporate landlord approach.

4.7 Paul Kitson agrees with this approach and the acceleration of declaring assets. He cautioned that need to mitigate any potential legal challenge to asset sale and this needs to be fundamental in the process.

4.8 Max Caller requested a Leader chaired cabinet sub committee to oversee asset disposals ensuring Cabinet are fully sighted.

from the
BEST VALUE COMMISSIONERS

5. Budget & MTFP Communication Plan

5.1 Eleri Roberts set out the plan with a 3-stage approach, reset to set the context, reshape and restart over the next 6 months. BCC will engage with media, partners, staff and citizens through various channels digitally and are exploring non digital to reach the digitally excluded. BCC are developing a simple clear narrative which is open and transparent addressing accessibility and language barriers.

5.2 Sal Naseem set out the set out the timeline for the non-statutory budget consultation. The consultation will be informed by Government Code of Practice following LGA guidelines. All comms included in the budget consultation will be strictly derived from the Communications strategy for the Budget 2024/25 which will clearly communicate that the Council needs to find over £200 million worth of savings over the next 12 months and there will be considerable change as a result for both staff and residents and will be a cost neutral approach. The consultation will last 6 weeks allowing for 4 weeks post consultation analysis. There will then be supplementary consultations with directorates.

5.3 John Coughlan, the consultation needs to be legally compliant. Jackie Belton confirms monitoring officer is treating this as high priority.

5.4 John Hutton, we must address Budget & MTFP on Intervention website via FAQs and via stakeholder engagement including advocacy groups.

5.5 Chris Tambini would like to see a more detailed plan for the approach to capital project work in the next 2 weeks. Eleri Roberts will work up an action plan.

6. Budget Milestones

Fiona Greenway set out the proposed budget milestone. If BCC request support from ministers this will need to be built into the process with adequate time for the Leader to consult. The timeline will be reprofiled given the actions from today's meeting.

7. AOB

Cllr Jenkins refers to minutes of the last meeting regarding Job Evaluation and how we have factored in levelling up of salaries post evaluation. Fiona Greenway will review Pay Protection Policy and share with Chris Tambini.

Actions:

- Chris Tambini to share Commissioners further expectations of the savings plan.
- Mohammed Sajid to re-examine Capital Programme and report back.
- Fiona Greenway produce a paper regarding flexibility with right to buy receipts following meeting with DLUHC.
- Eleri Roberts will work up a comms action plan on approach to capital project work in the next 2 weeks.
- Asset sales cabinet sub-committee to be established.

8. Date of next meeting

13 December 2023, 1.30-4pm