

BEST VALUE COMMISSIONERS

Finance Board

6th November 2024 14:00hrs – 16:00hrs

Council House, Room 125

Board Members

Chris Tambini, Commissioner and Chair
Pam Parkes, Commissioner
John Coughlan, Commissioner
Councillor John Cotton, Leader
Councillor Karen McCarthy, Cabinet Member for Finance
Councillor Meirion Jenkins, Shadow Cabinet Member for Finance
Councillor Paul Tilsley, Liberal Democrats Finance Lead
Fiona Greenway, Director of Finance and S151 Officer
Chris Tate, Strategic Advisor for Finance
Mohammed Sajid, Assistant Director, Finance
Tom Smith, MHCLG Chief of Staff

Apologies

None recorded.

1 Welcome & Introductions

- 1.1 Chris Tambini welcomed everybody to the meeting and introductions were completed.

2 Previous Minutes & Actions

- 2.1 The minutes of the previous meeting were reviewed and the meeting agreed these minutes were a true and accurate record of the previous meeting. The action tracker was also reviewed and updated.

3 Finance Update

Autumn Statement

- 3.1 The finance report is due to go to the November Cabinet. This is a late report due to the autumn statement and the need for this to be reflected in the report.
- 3.2 The Autumn statement provided information on local government core spending power and funding. Council Tax flexibilities and retained business rates will go up by an average of 3.2% for 2025/6, including £600m for Social Care, £233m for Homelessness, £1bn for SEND and the Household Support Fund is being extended.
- 3.3 For the 25/6 budget, BCC must demonstrate where money will be spent based on the council's priorities.
- 3.4 Employers National Insurance has been increased by 1.2% and the earnings threshold on which this is paid is to fall from £9100 to £5000.
- 3.5 National Living Wage will be increased by 6.7%. Finance is asking for mitigations from directorates to be able to cover these increases.

The Commissioners:

Max Caller CBE, John Coughlan CBE, Chris Tambini, Pam Parkes FCIPD, Jackie Belton, Myron Hrycyk, John Biggs.

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- 3.6 Housing Revenue Account – The board agreed that the HRA should be reported upon at this board.

Action: Finance Sub Board to be sighted on the HRA in future meetings.

- 3.7 Cllr Tilsley raised the point that with the increase in National Insurance, BCC will need to make provisions for the impact on suppliers, particularly in Adult Social Care and Children's Services. Fiona Greenway advised that the numbers are still being worked through, but BCC will negotiate with providers as required.

2025/6 and later years budget position

- 3.8 Chris Tambini advised that Birmingham would move to a balanced budget position – but the longer this takes the more this it will cost as deficits will need to be funded.
- 3.9 All savings proposals are to go through due diligence to provide complete assurance to Commissioners.
- 3.10 Commissioner-led budget sessions are being scheduled with each directorate. Cllr McCarthy and Cllr Pocock have also scrutinised savings. It was agreed it is best to fix any issues in year rather than carry this over to next year.
- 3.11 Budget challenge sessions were also taking place by the Managing Director.
- 3.12 The budget timeline for the upcoming few months was presented to the board. It is envisaged that in the January Cabinet report there will be as much detail as possible about the budget proposals and MTFP.
- 3.13 Interdependencies between savings proposals are being explored. It is also being ensured that savings are not being double counted by directorates.
- 3.14 A query around legal challenges was raised – relating to the closure of services. Julia Lynch – AD for Legal (Litigation) sits within the due diligence teams to assess any complexities of potential challenges.

2024/5 budget position

- 3.15 The current in-year position for 24/5 was presented to the board
- 3.16 It was raised that there is an £800k contract expiring in 2027 called 'Oracle Archive' – Fiona Greenway agreed to double-check this as an action and provide feedback.
- 3.17 Fiona Greenway reported increased pressures around Temporary Accommodation – mitigations for this are being explored by the service area.
- 3.18 Chris Tambini asked for a future meeting for a paper to be brought back around the costs and approach to managing the reduction in workforce.

4 AOB:

- 4.1 None.

5 Actions:

- 5.1 Housing Revenue Account to be reported upon at next finance board meeting.
- 5.2 Fiona Greenway to check £800k contract expiring in 2027 named 'Oracle Archive'.
- 5.3 Paper to be brought back around the costs and approach to managing the reduction in workforce.

6 Date of Next Meeting:

- 6.1 8th January 2025. 2pm-4pm.

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