

# MOSELEY FORUM

**NOTES      OPEN MEETING – BCC FINANCES      19:30 – 21:00 30 JANUARY 2024**

PREP'D BY:		TR	
PRESENT:	David Isgrove	Chair	(DI)
	Radley Russell	Vice	(RR)
	Tom Russell	Secretary	(TR)
	Jane Harvey	Committee Member	(JH)
	Sarah Jeffery	Committee Member	(SJ)
	John Gorman	Committee Member	(JG)
	Steve Halliday	Social Media Officer	(SH)
	Adam Styler	Social Media, Website & Marketing	(AS)
	Jill Adams	Safeguarding lead	(JA)
	Becky Greenhill	Minutes Secretary	(BG)
	Izzy Knowles	Councillor	(IK)
	Brigid Jones	Councillor (Cabinet Member – Finance & Resources)	(BJ)
APOLOGIES	Huw Davies	Committee Member	(HD)
	Barbara Norden	Committee Member	(BN)
	Kerry Jenkins	Councillor	
	Plus 22 as per the sign in sheet. (34 total)		

ITEM	ACTION
<b>1</b>	<p><b>WELCOME</b></p> <p><b>REGISTER OF ATTENDANCE, APOLOGIES &amp; CONFLICTS OF INTERESTS</b></p> <p>Those present were noted and apologies received by the Secretary as noted above. No one registered a conflict of interest.</p>
<b>2</b>	<p><b>PRIVACY STATEMENT</b></p> <p>“By virtue of signing in all those present give their permission for their contributions to be recorded either by means of film, video or audio recording or by the taking of notes any of which will be made public by means of the Forum’s website and other social media channels. Should anyone not wish to be recorded then they should make this known now. Should anyone wish to record the meeting themselves, in part or whole, in any manner they decide, then they too should seek permission now. Any such recordings shall be made available to the Forum.</p> <p>Those that have provided details such as an email address by virtue of signing in are agreeing to Moseley Forum recording these details for purposes compatible with its work”</p>
<b>3</b>	<p><b>RECORDING</b></p> <p>RR noted that he may record certain sections of the meeting. No objections were raised.</p>
<b>4</b>	<p><b>MINUTES OF PREVIOUS MEETINGS</b></p> <p>DI noted that meetings had been held on 22 November 2023 and on 15 January 2024 and the minutes were circulated and on the Moseley Forum website. There were no matters arising and the minutes were approved.</p>
<b>5</b>	<p><b>INTRODUCTION TO GUESTS</b></p> <p>DI noted that Fiona Greenway, the councils S151 Officer and finance director had been unable to attend but introduced Brigid Jones, the councillor responsible for Finance and Resources.</p>

ITEM	ACTION
<p><b>6.00</b></p> <p><b>6.01</b></p>	<p><b>PRESENTATION</b></p> <p><b>What is a Section 114 notice and what does it mean?</b></p> <p>Birmingham City Council issued a Section 114 notice on 5 September 2023.</p> <p>As a local authority cannot actually go ‘bankrupt’, a Section 114 notice is issued by the Section 151 Officer to report that the council is unable to balance its budget for the next financial year.</p> <p>A Section 114 notice bans all new spending with the exception of spending money on:</p> <ul style="list-style-type: none"> <li>• existing staff and payroll costs</li> <li>• goods and services which have already been received</li> <li>• delivering our statutory services at the minimum possible level</li> <li>• safeguarding our vulnerable residents</li> <li>• contractual commitments</li> <li>• ring-fenced grants</li> <li>• improving our services to reduce overall costs</li> </ul> <p>All spending by Birmingham City Council is now under scrutiny.</p> <p>On 19 September 2023, the Secretary of State for the Department of Levelling Up, Housing and Communities announced the government’s proposals to handle the city council’s financial and governance problems including:</p> <ul style="list-style-type: none"> <li>• The appointment of commissioners responsible for governance, scrutiny of strategic decision making, finance, and senior appointments</li> <li>• A local inquiry to investigate the cause of the issues faced by the council</li> </ul> <p>You can read about the government’s intention to intervene at Birmingham City Council Government intention to intervene at Birmingham City Council - GOV.UK (<a href="http://www.gov.uk">www.gov.uk</a>) and the Secretary of State’s proposed intervention package</p> <p><a href="https://www.gov.uk/government/publications/birmingham-city-council-letter-to-the-chief-executive-19-september-2023">https://www.gov.uk/government/publications/birmingham-city-council-letter-to-the-chief-executive-19-september-2023</a> (publishing.service.gov.uk)</p> <p>A supplementary notice under Section 114 was triggered by a Section 5 report on 21 September 2023. These notices were issued because Birmingham City Council was unable to agree a new process for job evaluations.</p> <p>The government announced the intervention and the commissioners on 5 October 2023, six commissioners started on 9 October 2023 led by Max Caller with the remit to cover:</p> <ul style="list-style-type: none"> <li>• Housing services</li> <li>• Oracle, IT and commercial insight</li> <li>• Finance and recovery of the council</li> <li>• Special educational needs and disability services in Birmingham</li> <li>• Human resources and organisational design capacity</li> </ul>

ITEM	ACTION
6.02	<p><b>What is the financial position of the council?</b></p> <p>The current funding budget gap is estimated at £326million, the deficit will be confirmed as part of the budget setting process for the coming financial year in February.</p> <p>There are tough decisions to make, to date £149 million of savings have been identified for 2024/25 financial year.</p> <p>A formal request has been made to the government to explore Exceptional Financial Support to enable the setting of a balanced budget for 2024/25 – with permission to increase council tax above the referendum limit up to 9.9% for 2 years and for Capitalisation Direction to allow the sale of council owned property to raise revenue. Birmingham City Council is the biggest land owner in the city.</p> <p>Raising council tax rates won't have a huge impact on raising revenue, only 8% of properties in Birmingham are Band C or above. 25% of households get support on council tax. 19% of households pay nothing.</p>
6.03	<p><b>What has caused the budget gap?</b></p> <p>The council's financial pressures have various causes.</p> <p>Three unique to Birmingham:</p> <ul style="list-style-type: none"> <li>• equal pay of claims of up to £760 million</li> <li>• the prospect of spending £100 million to fix the council's own implementation issues with its Oracle IT system.</li> <li>• poor accounting</li> </ul> <p>Common with other local authorities it is also facing:</p> <ul style="list-style-type: none"> <li>• demand for adult and children social care rising and already being the budgetary spend</li> <li>• rising homelessness</li> <li>• interest rate rises</li> <li>• austerity cuts over 12 years</li> </ul>
6.04	<p>Whereas other local authorities might have made cuts over a number of years; for Birmingham the situation is exacerbated by the scale of cuts required in one go</p> <p><b>Why isn't the council shouting about the years of austerity that it has faced. Why blame itself rather than government?</b></p> <p>Austerity has hit all authorities and is indeed a significant factor in arriving at the budget situation the council finds itself in today.</p>
6.05	<p>[Moseley Forum heard during the meeting that the council's grant funding for neighbourhood forums has been withdrawn].</p> <p><b>How will the Birmingham Council ensure it gets the best value for money for any assets it's sells and ensure the procedure is transparent and accountable?</b></p> <p>The process of disposal of assets is scrutinised. Information about these meetings, papers and recordings can be found on Birmingham City Council's CMIS system.</p> <p>The first tranche of land/freeholds/buildings identified for sale are to be auctioned by Bond Wolfe. A reserve value has been set to avoid disposal and an uneconomic cost.</p>

ITEM	ACTION
<p><b>6.05</b> <b>Cont'd</b></p>	<p>Historic assets / heritage buildings gifted to Birmingham City Council are likely to have covenants relating to use and disposal. Councillors have asked officers to review covenants as part of the review of assets. Covenants can make properties more difficult to sell and impact value.</p>
<p><b>6.06</b></p>	<p><b>Why are Birmingham City Council selling a former children’s homes when demand for children’s services and private sector costs are so high?</b></p> <p>The way in which children in care are looked after has changed, away from an institutional approach to smaller more tailored settings.</p> <p>There are difficult decisions ahead and we heard from one audience member how the budgetary cuts are already impacting youth services provision in Sparkbrook. There will be no decisions on youth services provision without consultation.</p> <p>Birmingham City Council’s consultation hub is called Birmingham Be Heard  <a href="https://www.birminghambeheard.org.uk/">https://www.birminghambeheard.org.uk/</a></p>
<p><b>6.07</b></p>	<p>[It was noted that not all residents have access to online resources].</p> <p><b>Where you are disposing of freehold on assets is Birmingham City Council offering the leaseholder the first opportunity to buy before going to auction?</b></p> <p>It is understood that leaseholders are made aware of the intention to dispose of a freehold, it was not known if the leaseholders were offered the opportunity to purchase the freehold pre-auction. [MF have sought clarification from BCC on this]</p>
<p><b>6.08</b></p>	<p><b>I am concerned that budget cuts will have a negative impact on SEN provision. How protected are the vulnerable?</b></p> <p><b>How will already stretched yet vital SEND services for children, young people and families be safeguarded given the Council's poor track record prior to the latest budget crisis?</b></p> <p>Birmingham City Council does not want to have to make cuts, but there are challenging budgetary time ahead. The services it offers are currently rated ‘good’ by Ofsted and CGC.</p> <p>The Section 114 bans all new spending, with some exceptions including delivering statutory services at the minimum possible level and safeguarding our vulnerable residents.</p> <p>One of the six Commissioners appointed by the government has the remit of special educational needs and disability services in Birmingham. All spend is now scrutinised. Changes to service provision will be the subject of a public consultation. What this means in practice is likely to be fewer staff, a greater focus on crisis management rather than preventative measures.</p> <p>See above about Birmingham Be Heard</p> <p>Is there anything to add about Refuge? [MF have sought clarification from BCC on this]</p>

ITEM		ACTION
6.09	<p><b>Given the apparently dire state of civic finances, why are the Council repeatedly missing the revenue raising opportunities of proactive penalty fine enforcement against the current endemic and brazen flouting of parking restrictions along the length of Alcester Road from Wake Green Road to Cromer Road and beyond? Certainly, based on what I witnessed in this respect last Friday afternoon, a couple of well-placed traffic wardens could have raised a very considerable fines revenue bonanza to benefit our sadly depleted municipal coffers in one fell swoop.</b></p> <p>The council is unable to set revenue targets.</p> <p>Cllr Knowles is a member of the Sustainability and Transport Scrutiny committee; part of its remit will be to look at fine enforcement. It is noted that some offences are enforceable by the police and some by the council.</p>	
6.10	<p><b>Can ringfenced money be re-allocated to 'essential' services (for example the LTN2 funding allocated by Birmingham City Council (c. 80% of the £2.6 million cost). Would it be possible to ask government for special dispensation with regards to re-allocation of ringfenced monies.</b></p> <p>Local authorities meet the costs of their services provision through a combination of revenue and capital expenditure. Revenue spending covers day-to-day costs such as wages. Capital expenditure relates to investments in assets such as buildings.</p> <p>The money allocated for the LTN2 is for the specific purpose met by its implementation, most grants and funding has strict legally binding parameters.</p> <p>It is not currently possible for Birmingham City Council to use capital receipts to fund revenue expenditure and vice versa. Birmingham City Council have asked the government to allow them to use capital receipts (from sale of assets) to fund revenue costs.</p>	
6.11	<p><b>If this was a business, there would be accountability for mistakes, why doesn't there appear to be this same accountability at the council?</b></p> <p><b>Why are the Birmingham City Council residents being punished with increase in council tax etc? It was the Birmingham City Council office bears who mismanaged the finances and covered it up, ie £100 million failed IT project, on-going equal pay etc How will they be held to account for their mismanagement of public funds?</b></p> <p>Councillor Brigid Jones is here today to listen to you.</p> <p>There was disappointment that the Section 151 Officer was not in attendance.</p> <p>There will be a public inquiry, it is anticipated that this will have to be funded by the council, as is the cost of the Commissioners. It is not known when the public inquiry will happen.</p> <p>The remit of the public inquiry has not been set but is anticipated that to cover those areas where a Commissioner has responsibility. It needs to ask the challenging questions that the residents and businesses in Birmingham want answers to.</p>	
6.12	<p><b>Councillors have a duty to agree a budget and to the city's residents – what happens if this causes a conflict for some councillors?</b></p> <p>If a budget cannot be agreed by councillors, the government appointed commissioners will make these decisions.</p>	

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6.13	<p><b>If the council is making cuts now, what do the 2, 5, 10 years budget projections look like?</b></p> <p>Councillors at Birmingham City Council have asked for this information.</p>																																	
6.14	<p><b>How far away is Birmingham City Council from setting a balanced budget?</b></p> <p>The council held a non-statutory budget consultation, although this had no legal status the council was keen to hear what mattered most to its residents and businesses.</p> <p>The last update on the financial position by the Section 151 Officer was dated 16 January 2024.</p> <p>INSERT LINK</p> <p>Birmingham City Council - Report to Cabinet - 16 January 2024  <a href="https://birmingham.cmis.uk.com/birmingham">https://birmingham.cmis.uk.com/birmingham</a></p> <p>As at 16 January it states that the 'council is currently in a position where it is unable to set a lawfully balanced budget, and as such a formal request is now required with the Department of Levelling Up, Housing and Communities to explore Exceptional Financial Support (EFS) to enable the settling of a balanced budget for 2024/25. This will be in the form of two requests, one for the permission to increase Council Tax above the referendum limit and one for a Capitalisation Direction.'</p> <p>Work to deliver a budget for 2024/25 has been undertaken at pace and is subject to a high degree of scrutiny.</p> <p>A draft budget is anticipated in mid-February 2024.</p> <p>Could we have a timeline? [MF have sought clarification from BCC on this]</p>																																	
7	<p><b>THANKS</b></p> <p>DI thanked BJ for attending and answering the questions.</p>																																	
8	<p><b>AOB</b></p> <p>DI noted that there was a new application for the hotel at the Village Inn (planning reference no. 2023/08636/PA) but that this would be dealt with at a future meeting.</p>																																	
9	<p><b>MEETING SCHEDULE</b></p> <p>CURRENT SCHEDULE</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">DATE</th> <th style="text-align: left;">VENUE</th> <th style="text-align: left;">O/C</th> <th style="text-align: left;">TOPIC</th> </tr> </thead> <tbody> <tr> <td>Tuesday-27-Feb-24</td> <td>Shires</td> <td>COMM</td> <td>MF – Vision for the Future</td> </tr> <tr> <td>Tuesday-26-Mar-24</td> <td>Zoom</td> <td>COMM</td> <td>Prep for 02/04/24</td> </tr> <tr> <td>Tuesday-09-Apr-24</td> <td>Queensbridge</td> <td>Ticketed</td> <td>Mayoral Hustings</td> </tr> <tr> <td>Tuesday-30-Apr-24</td> <td>Exchange</td> <td>COMM</td> <td>MF Engaging with Businesses</td> </tr> <tr> <td>Tuesday-28-May-24</td> <td>Shires</td> <td>COMM</td> <td>Police &amp; Crime Update</td> </tr> <tr> <td>Tuesday-25-June-24</td> <td>Exchange</td> <td>OPEN</td> <td>AGM – Open consultation &amp; Business feedback</td> </tr> <tr> <td>Tuesday-30-July-24</td> <td>Shires</td> <td>OPEN</td> <td>Station &amp; LTN's Update</td> </tr> </tbody> </table> <p><b>SUBJECT TO AVAILABILITY</b></p>	DATE	VENUE	O/C	TOPIC	Tuesday-27-Feb-24	Shires	COMM	MF – Vision for the Future	Tuesday-26-Mar-24	Zoom	COMM	Prep for 02/04/24	Tuesday-09-Apr-24	Queensbridge	Ticketed	Mayoral Hustings	Tuesday-30-Apr-24	Exchange	COMM	MF Engaging with Businesses	Tuesday-28-May-24	Shires	COMM	Police & Crime Update	Tuesday-25-June-24	Exchange	OPEN	AGM – Open consultation & Business feedback	Tuesday-30-July-24	Shires	OPEN	Station & LTN's Update	
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**MOSELEY FORUM**

ITEM		ACTION
10	<b>DATE OF NEXT MEETING</b> Tuesday 27 FEBRUARY 2024	
11	<b>MEETING CLOSE</b>	



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