

**Minutes Extract - Performance, Budget Monitoring and MTFS
Resources and Equalities
19 December 2022**

The Chair invited Claire Nye, Director of Finance, to present the report.

The Director of Finance advised the panel that Alison Shannon, Chief Accountant, and James Amphlett, Head of Data and Analytics, would be present the detailed report.

The Director of Finance gave an overview of the report and advised the panel that it gives an update on performance and the financial risks associated with services that fall within the remit of the panel and details of the Medium-Term Financial Strategy (MTFS).

The aim of the presentation to allow the panel to scrutinise the information and to consider the Council's budget position next year. The Director of Finance advised the panel that comments on the budget report would be included in a report to Scrutiny Board before a final report is presented to Council in March 2023 for approval.

The Director of Finance invited the Head of Data and Analytics, to present the performance and budget monitoring report (2022 – 2023) for Q2 to the panel.

The Head of Data and Analytics gave a summary of the overall Council performance against 56 KPIs in the Our City: Our Plan performance framework.

The Head of Data Analytics advised the panel that 17 of the performance indicators have not yet been updated as awaiting publication of national data sets.

The Head of Data Analytics advised the panel that the following indicators showed a decrease in performance, the percentage of 16- and 17-year-olds in education, employment or training, the percentage of working age adults claiming unemployment benefits, the percentage of young adults aged 18 to 24 claiming unemployment benefits, the percentage change in activity in the City and retail.

The Head of Data Analytics added that overall, about 85 per cent of KPI's have seen either sustained or improved performance and 15 per cent have seen a decrease compared to the year-to-date position.

The Head of Data Analytics commented on the decreased performance of the employee turnover rate indicator and how it compares to the national figure.

The Head of Data Analytics commented on the work being done within the HR (Human Resources) team to recruit and retain employees and detailed other changes introduced to improve performance; while acknowledging the benefits of staff turnover, for example, the introduction of people with fresh ideas.

The Head of Data Analytics commented on improvements in customer service call waiting times and other changes made to reduce call abandonment rates. A report on the customer services strategy will be presented to the panel in early 2023 after the consultation ends.

The Director of Finance commented on the summary of the Forecast Budget Position that was previously reported to Cabinet.

The Director of Finance commented on the key areas to note from the report in respect of the predicted overspend and underspend areas and the factors that have contributed to it.

The Director of Finance gave an overview of the key areas from the 2023- 2024 Draft Budget and MTFS 2023-2024 to 2025 – 2026 that was approved by Council on 2 March 2022. The Director advised the panel that a budget deficit of £7,142 million was predicted as at the financial position in October 2022.

The Director of Finance commented on significant budget uncertainties and their impact on the Council budget position. The details of the Government's budget settlement are expected to be published shortly which will give a better understanding of the future financial position of the Council.

The Director of Finance commented on the budget savings proposals that are within the remit of the panel for information and advised that all are subject to final approval by Council in March 2023.

The Director of Finance commented on the key risks and budget pressures to those service areas within the remit of the panel and the position as regards the earmarked reserves.

The panel were invited to comment on the report and presentation.

The panel queried the occupancy levels and fees charged for renting office for the Civic Centre, details of current employee vacancy rates, and the number of posts filled by agency workers.

Julia Nock, Deputy Director of Assets, commented that in terms of occupancy of Civic Centre there are two external tenants already using the ground floor area of the building. The Black Country Health Care Foundation Trust will also be moving to the ground floor area shortly.

The Deputy Director added that there are also plans to bring together customer services and registrars to the ground floor area to create a more vibrant welcome space when the public enter the main entrance of the building.

The Deputy Director commented on plans to maximise the use of the Civic Centre, which could be achieved through the rationalisation of assets or improved collaboration with external partners.

David Pattison, Chief Operating Officer, offered to provide the information requested on employee data following the meeting. The Chief Operating Officer, commented on the recruitment challenges facing local authorities and the private sector and outlined the work being done to reduce employee turnover rates.

The panel commented on the recent announcement by the Secretary of State which detailed an increase in the local government finance settlement and the positive impact on the Council's budget position.

The Director of Finance confirmed the increase in the budget settlement announced by the Government and explained that the core spending power figures published assumed that Council Tax would be increased by 4.99%.

The Council has not made a decision on the level of Council Tax for next year and there is work ongoing to assess the impact of other recently announced Government grant awards on the Council's financial position.

The Director of Finance added that following this work it will be possible to determine the extent to which the settlement figure will cover all the financial pressures detailed in the report.

A further update on the Council's financial situation will be presented to Councillors in January and February 2023.

The panel queried the appropriateness of maintaining the budget for policy and strategy at the level stated into 2023 - 2024 in view of the reported underspend in the current year and suggested that the funds could instead be spent in other areas.

The Director of Finance commented that the underspend on the budget primarily relate to vacancies and the budget set for policy and strategy is considered to be appropriate to deliver the priorities of the Council.

The panel commented on the issues listed to the Strategic Risk Register reported to Cabinet on 16 November 2022 and queried if the impact of business closures and the reduction in business rates is considered a strategic risk in terms of its impact on the Council's finances.

The Director of Finance noted the impact of business closures on the Council's budget and commented on the work being done with colleagues across the Council to inform the business rates forecasts when making assumptions about the level of business rates to be paid. In addition, work is being done to make accurate assumptions about the estimated number of successful appeals against the value of business rates.

The Director of Finance commented on the other factors that may impact on the level of business rates levels, for example, the regeneration of the city centre, property revaluation, which are all considered when making the assessment.

The panel queried the process for updating the potential violent register list as there were concerns that Councillors were not always aware of changes to the list when visiting residents. The Chief Operating Officer reassured the panel about the importance of the register and the effort being made to ensure that Council employees and Councillors have access to it and that it is fit for purpose. This work is also supported by safety guidance issued to Councillors.

The Chief Operating Officer advised that the Council is looking at developing a new system to replace the current register that will provide quicker notifications of any changes. The new system should be operational in 2023. The Chief Operating Officer encouraged Councillors to sign up to receive notifications from the current violent persons register.

The panel queried the support available for older Council employees and specifically how issues such as menopause and arthritis are considered when reviewing factors behind the increase in sickness rates. The panel commented on the importance of supporting older employees.

The Chief Operating Officer commented that the Council introduced a menopause pledge and policy in October 2020 in recognition of the need to support employees. The Chief Operating Officer highlighted the importance of talking openly and respectfully about the menopause and the benefits of the policy to the individuals concerned and the delivery of Council services.

The panel discussed the benefits of having a dedicated contact number and resources to deal with taxi licensing enquiries to reduce the pressure on customer services.

The Chief Operating Officer commented that there is a risk of confusion in having a dedicated number and outlined the benefits of the current arrangements. A report on the customer services strategy will be presented to the panel in early 2023. The strategy will include an update on progress in plans to introduce a new telephone system that will provide a more efficient service to deal with customer calls and to address the concerns of the panel.

The panel thanked the presenters for the report.

Resolved:

The panel comments on the presentation to noted and included in the report to Scrutiny Board