

Minutes of the meeting of the City Council (Extraordinary)

held at the Council Chamber, Council House

on 18 December 2023 from 6.00 pm - 7.58 pm

Attendances:

✓ Councillor Carole McCulloch (Lord Mayor)	
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✓ Councillor Saj Ahmad	✓ Councillor Sam Lux
✓ Councillor Liaqat Ali	Councillor Farzanna Mahmood
✓ Councillor Leslie Ayoola	✓ Councillor Sulcan Mahmood
✓ Councillor Cheryl Barnard	✓ Councillor AJ Matsiko
✓ Councillor Steve Battlemuch	✓ Councillor David Mellen
✓ Councillor Graham Chapman	✓ Councillor Sajid Mohammed
✓ Councillor Kevin Clarke	✓ Councillor Fozia Mubashar
✓ Councillor Audrey Dinnall	✓ Councillor Salma Mumtaz
✓ Councillor Michael Edwards	✓ Councillor Sana Nasir
✓ Councillor Nadia Farhat	✓ Councillor Devontay Okure
✓ Councillor Faith Gakanje-Ajala	Councillor Nayab Patel
✓ Councillor Samuel Gardiner	Councillor Georgia Power
Councillor Sam Harris	✓ Councillor Shuguftah Quddoos
✓ Councillor Jay Hayes	✓ Councillor Ethan Radford
✓ Councillor Patience Uloma Ifediora	✓ Councillor Nick Raine
✓ Councillor Imran Jalil	✓ Councillor Eunice Regan
✓ Councillor Corall Jenkins	Councillor Sarita-Marie Rehman-Wall
✓ Councillor Maria Joannou	Councillor Samina Riaz
✓ Councillor Kirsty L Jones	✓ Councillor Andrew Rule
✓ Councillor Kirsty M Jones	Councillor Naim Salim
Councillor Helen Kalsi	✓ Councillor Michael Savage
✓ Councillor Angela Kandola	✓ Councillor Matt Shannon
✓ Councillor Anwar Khan	✓ Councillor Hayley Spain
Councillor Gul Khan	✓ Councillor Maria Watson
✓ Councillor Neghat Khan	✓ Councillor Adele Williams
✓ Councillor Zafran Nawaz Khan	✓ Councillor Linda Woodings
✓ Councillor Pavlos Kotsonis	✓ Councillor Audra Wynter

✓ Indicates present at meeting

7 Apologies for Absence

Councillor Sam Harris – personal

Councillor Gul Khan – leave

Councillor Farzanna Mahmood - unwell

Councillor Nayab Patel – personal

Councillor Georgia Power – personal

Councillor Sarita-Marie Rehman-Wall – personal

Councillor Samina Riaz – personal

Councillor Naim Salim - unwell
Councillor Hayley Spain - personal

8 Declarations of Interests

None

9 Response to Section 114 Notice - Financial Recovery Plan

Councillor David Mellen, Leader of the Council, moved the report which, as required by the Local Government Finance Act 1988, asked Council to determine whether it agrees or disagrees with the views contained in the report issued by the Section 151 Officer on 28 November 2023 under section 114(3) of the Local Government Finance Act notifying the Council that in his opinion the Council is unable to meet its statutory requirement to deliver a balanced budget in 2023/24. The report set out that as a consequence of the issuing of the Section 114(3) Report it is proposed to implement a Financial Recovery Plan, including continuation of the Spend Control Policy introduced during the spend prohibition period; continuation of the Finance Improvement Plan in relation to systems improvement, improved forecasting and income maximisation; and a review of the capital programme. The report was seconded by Councillor Audra Wynter.

Councillor Michael Edwards asked the following question for clarification: whether a risk assessment had been carried out in relation to the issuing of the Section 114(3) Report.

The meeting was adjourned at 6:20pm to seek legal advice.

The meeting resumed at 6:36pm.

The Lord Mayor stated that, based on advice from the Monitoring Officer, she had determined that the question asked by Councillor Edwards was not seeking clarification and therefore a response was not required.

Councillors debated the response to the Section 114(3) Report. During the debate councillors commented on the significant demand pressures facing the Council, particularly in the areas of adult social care, children's social care and homelessness and the impact that this is having on the in-year financial position. Councillors cited examples of other local authorities experiencing similar demand pressures and consequent pressures on their budgets. Councillors also commented on local government funding, both from central government and that raised through council tax and business rate collection, with suggestions that the current framework is not fit for purpose and insufficient to meet the growing levels of need in local communities. This means that local authorities must make very difficult decisions about what they are able to do. Councillors noted that their role is to set the policy direction and budget for the organisation, and a balanced Medium Term Financial Strategy and Budget for 2023/24 was agreed by Council in March 2023; and that the Section 114(3) Report reflected that it had not been possible for officers to deliver this budget in year.

Councillors raised concerns that, while necessary in order to deliver a balanced budget for 2023/24 and set a balanced budget for 2024/25 as the Council is legally required to do, both the proposed Financial Improvement Plan and proposed savings for 2024/25, which are due to be considered for consultation by Executive Board on 19 December, will have a significant impact on local communities. During the debate, councillors suggested that the only real solution to these issues is a fundamental change in how local government is funded.

Resolved to:

- (1) accept the Section 114(3) report issued by the Section 151 Officer on 29 November 2023, as set out at Appendix 1 to the report;**
- (2) take immediate steps to mitigate the forecast 2023/24 overspend through the implementation of the Financial Recovery Plan, as set out in paragraphs 6.5 to 6.12 of the report including:**
 - a. continuation of the Spend Control Policy introduced by the Section 151 Officer until 31 March 2025, subject to review after the 2023/24 budget outturn, and after Period 2 and Period 6 budget monitoring in 2024/25. The practical arrangements of operating the Spend Control Policy over an extended period will be kept under review by the Section 151 Officer, in consultation with the Head of Paid Service and Monitoring Officer;**
 - b. continuation of actions under the existing Finance Improvement Plan, monitored by the Improvement and Assurance Board, in relation to systems improvement, improved forecasting and income maximisation;**
 - c. a review of the capital programme to assess the extent to which borrowing can be stopped or delayed and where borrowing costs can be reduced including through the sale of assets currently owned by the Council. The review will include:**
 - i. all spend from capital will be reviewed including committed programmes to identify what can be paused or stopped without significant additional cost;**
 - ii. finance will undertake a review of borrowing to determine whether there are any options to refinance and reduce interest costs;**
 - iii. review all assets to identify further assets that can be sold and add them to the current planned asset disposals;**
 - iv. the reviews will be led by Finance but will require collective ownership by all members of the Corporate Leadership Team as well as input from Executive Councillors.**
- (3) endorse the Section 151 Officer's intention to seek to secure Exceptional Financial Support from the Department for Levelling Up, Housing and Communities (DLUHC) for 2023/24; and**
- (4) note that the setting of a balanced budget for 2024/25 and Medium-Term Financial Plan for 2024/25 to 2027/28, in the context that very significant savings will be required, forms a key part of the Financial Improvement Plan.**

The Meeting concluded at 7.58 pm