**Birmingham City Council (BCC): Section 114 and the VCFSE Sector - 23 January 2024**

**Background**

* On 5 September ‘23, Birmingham City Council Section 151 Officer issued a section 114 (s.114) notice
* The Council cannot balance its budget for the next financial year (2024- 2025). Councils are required by law to have balanced budgets. If a council cannot finance its budget then a s.114 notice must be issued
* The issuing of a s.114 notice bans all spending, with the exception of essential spending, protecting: vulnerable people; statutory services; pre-existing commitments
* Birmingham has a 1.1m diverse population. BCC need to find savings of around £300m over two years
* Council Tax is set in the annual budget, which is to be finalised, so not clear yet whether/ how this will rise.
* On 6 September Councillor Sharon Thompson (and other BCC Cabinet Members) issued partner letter. Those with concerns were advised to contact their relevant lead commissioner/ Cabinet portfolio holder
* On 19 September Secretary of State for DLUHC (Department of Levelling Up, Housing and Communities) announced proposals on the issues. Political advisors and commissioners (started 9 October) appointed - responsible for governance, scrutiny of strategic decision making, finance and senior appointments. Max Caller CBE appointed as Lead Commissioner. Local inquiry to investigate the causes of the issues set up.
* On 25 September and 12 October BCC held extraordinary general meetings to discuss and vote on s114
* A financial recovery plan was endorsed and Councillors voted to receive a further report and emergency budget. A second s114 notice was triggered by a s5 report (21 September) as BCC had not been able to agree on a new process for job evaluations
* On 17 October Birmingham City Partnership Board issued a statement reaffirming its commitment to work together for the future of Birmingham: [**https://www.bvsc.org/news/joint-statement-from-birmingham-city-partnership-board**](https://www.bvsc.org/news/joint-statement-from-birmingham-city-partnership-board)
* Further information is available on the Council’s FAQs:

[**https://www.birmingham.gov.uk/info/50306/commissioners\_intervention\_and\_improvement/2757/frequently\_asked\_questions\_faqs\_about\_section\_114**](https://www.birmingham.gov.uk/info/50306/commissioners_intervention_and_improvement/2757/frequently_asked_questions_faqs_about_section_114)

**Non-Statutory Budget Consultation**

* BCC since issued a non-statutory budget consultation on 13 December – closed on 17 January:

[**https://www.birminghambeheard.org.uk/economy/bccbudgetconsultation2024/**](https://www.birminghambeheard.org.uk/economy/bccbudgetconsultation2024/)

* The consultation asked for views on:
* Prioritisation of different BCC services
* Whether services should be prioritised to: benefit the majority or those with greatest need; meet the needs of today or over the long-term
* How high priority services should be delivered in future
* Organisational & Individual Background of consultee (including on protected characteristics)

**VCFSE Impact**

* BVSC is monitoring the situation as regards to the effect this will have on the VCFSE sector in Birmingham
* **Grants & Funding** - All existing grant agreements and contracts to be honoured. Funding given to the Council to distribute by other bodies and ring-fenced grants expected to be unaffected. Future grant agreements to be reviewed using essential spend criteria. Those with specific concerns advised to contact their relevant Council commissioner.
* **Services** –BCC services to be reviewed further to consultation with changes to particularly non-statutory services. Potential greater demand on VCFSE sector to meet service user needs, dependant on decisions.
* **Community Assets** – Save Birmingham Campaign protecting community spaces and services and supporting community ownership / management/ support of these: [**https://savebirmingham.org/**](https://savebirmingham.org/)
* **Equality, Diversity & Inclusion** –Concerns expressed by some of potential EDI impacts (e.g. Race, Faith)
* **BVSC Support**
* CEO Brian Carr issued a statement on 6 September: [**https://www.bvsc.org/news/bvsc-statement-on-birmingham-city-councils-section-114-notice**](https://www.bvsc.org/news/bvsc-statement-on-birmingham-city-councils-section-114-notice)
* Senior VCFSE Leaders Forum to Discuss Section 114 held online on 11 October
* Ongoing liaison with BCC and with partners through Birmingham City Partnership Board
* Asks for City Partners in Cost of Living Week on 6 November to involve the Sector in future plans
* Promoted the non-statutory budget consultation through networks and in our e-bulletin
* BVSC CEO attending BCC Corporate Leadership Team Meeting on 17 January to speak to paper setting out protocol for BVSC/ VCFSE partnership engagement in coming months
* BVSC Director of Programmes liaising with senior BCC Directorate leads around messaging to VCFSE sector and any necessary joint planning/ remodelling exercises
* BVSC Director of Research exploring research project on impact of Section 114 locally and nationally in partnership with Third Sector Research Centre (TSRC) and National Association of Voluntary and Community Action (NAVCA)
* A Sector meeting Thursday 8th February 1pm with Cllr John Cotton and Prof. Graeme Betts, Adult Social Care: [**https://www.bvsc.org/Event/birmingham-city-council-section-114-voluntary-community-faith-social-enterprise-vcfse-sector-briefing-meeting**](https://www.bvsc.org/Event/birmingham-city-council-section-114-voluntary-community-faith-social-enterprise-vcfse-sector-briefing-meeting)
* Regular updates: [**https://www.bvsc.org/birminghams-city-council-section-114-notice**](https://www.bvsc.org/birminghams-city-council-section-114-notice)