

BIRMINGHAM CITY COUNCIL

**FINANCE AND RESOURCES O&S COMMITTEE – PUBLIC
MEETING**

**1400 hours on Wednesday 15 May 2024, Committee Room 3&4, Council
House
Minutes**

Present:

Councillor Alex Aitken (Deputy Chair)

Councillors Raqeeb Aziz, Meirion Jenkins, Rashad Mahmood, Hendrina Quinnen and Ken Wood

Also Present:

Councillor Sir Albert Bore (Online)

Timothy Bell, Financial Advisor (Online)

Richard Fitzjohn, Equal Pay Programme Lead

Katy Fox, Director of People Service

Fiona Greenway, Interim Director of Finance (Section 151 Officer)

Philip Macpherson, Oracle Programme Lead

Ian O'Donnell, Oracle Finance Business Sponsor

Mohammed Sajid, Assistant Director, Financial Strategy (Deputy Section 151 Officer)

Peter Sebastian, Interim Head of Financial Planning (Online)

Fiona Bottrill, Senior Overview and Scrutiny Manager

Jayne Bowles, Scrutiny Officer

1. NOTICE OF RECORDING/WEBCAST

The Chair advised that this meeting would be webcast for live or subsequent broadcast via the Council's Public-I microsite and that members of the press/public may record and take photographs except where there were confidential or exempt items.

2. APOLOGIES

Apologies were received from Councillors Jack Deakin and Paul Tilsley.

3. DECLARATIONS OF INTERESTS

Members were reminded they must declare all relevant pecuniary and other registerable interests arising from any business to be discussed at this meeting.

No interests were declared.

4. EXEMPT INFORMATION – POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC

The Committee agreed to move into private session should any matters be raised on the two exempt appendices under item 10 – Oracle Re-implementation.

RESOLVED:

That, in accordance with Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to information) (Variation order) 2006, the public be excluded from the meeting during consideration of those parts of the agenda designated as exempt on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information.

5. MINUTES

RESOLVED:

That the minutes of the meeting held on 24 January 2024 be confirmed as correct and signed by the Chair.

6. ACTION TRACKER

RESOLVED:

That the action tracker be noted.

7. COMMISSIONER’S REVIEW AND COMMENTS ON THE AGENDA

RESOLVED:

That the Committee noted the Commissioner’s comments on the agenda.

8. JOB EVALUATION AND PAY EQUITY UPDATE

Katy Fox, Director of People Services, and Richard Fitzjohn, Equal Pay Programme Lead, were in attendance for this item.

The Director of People Services highlighted the key points in the report and confirmed that the programme remains largely on track and delays experienced in the job information phase were expected while working with Trade Union partners.

During the discussion, and in response to Members’ questions, the main points included:

- The Committee requested a revised schedule with key milestones so that progress towards meeting the April 2025 deadline could be monitored.
- With regard to the delay in completing the Job Description/Person Specification and Job Description Questionnaire process, the scale of the budget challenge and the resulting service re-design had not become apparent until after the addendum had been signed in October 2023.
- The engagement with strategic directors and senior managers in the programme had accelerated over the last couple of months and as a result the level of contribution and timeliness of responses had increased significantly. There was also now a process in place for escalating any specific instances where people were not actively participating.
- The Council is in the very early stages of the pay and grading model and what will be done ultimately with regard to pay protection will be a matter for collective agreement with the Trade Unions when the model has been completed.
- It had become apparent through joint working groups with the Trade Union partners the extent to which they believe job descriptions were fixed and cannot be changed. The Council's position was that job descriptions are not part of a contract of employment and can be changed by a manager to reflect the job being done. This was a matter that Commissioners have been asked to give a determination on.
- The outcome of the Equal Pay Governance Board meeting on 29 April 2024 was queried and the Committee was informed that the Commissioner had determined that Trade Union colleagues can observe in the moderation panels.
- In response to a question regarding the achievability of the April 2025 deadline, the Director of People Services confirmed that a programme plan was in place to deliver by 1 April 2025. There were a number of significant dependencies in terms of collective consultation and various changes to make to collective agreements, however if everything worked to time and Trade Union partners continued to participate, the deadline would be met.
- There was a discussion regarding the potential for disputes and the Committee specifically queried the reference to equality clauses in contracts. The Director of People Services explained that, by virtue of the fact that there is an equal pay claim against the Council, if that claim was ultimately successful it would be inferred that the predominantly female workers have had equality clauses inserted into their contracts of employment. If that were the case, those clauses would have to be taken out to remove the ongoing liability to the Council in future for the rates of pay they would seek to have as comparators.

In conclusion, the Chair requested that the revised schedule with key milestones be provided to committee members and confirmed that it would be within the remit of the new Corporate and Finance Overview and Scrutiny Committee to monitor the programme going forward.

RESOLVED:

That:

1. The report be noted.
2. A revised schedule with key milestones be provided to the Committee so that progress towards meeting the April 2025 deadline could be monitored.

9. PROVISIONAL FINANCIAL OUTTURN 2022/23

Fiona Greenway, Interim Director of Finance (Section 151 Officer), and Mohammed Sajid, Assistant Director, Financial Strategy (Deputy Section 151 Officer), were in attendance for this item.

The Assistant Director, Financial Strategy highlighted the key messages in the report presented to Cabinet on 14 May 2024. He informed the Committee that finance officers were now working on the 2023/24 outturn position which it was hoped would be reported to Cabinet in July or September.

During the discussion, and in response to Members' questions, the main points included:

- Clarity was sought regarding the steps taken to mitigate overspends. The Assistant Director, Financial Strategy explained that with good monitoring information it was possible to project what the outcome would be towards year-end, allowing managers to take appropriate action. That might be about raising income, or sometimes managing demand.
- Provision had been made in the 2024/25 budget so there would not be overspends every year where it was known there were pressures.
- The financial monitoring reports would provide an opportunity for Overview and Scrutiny to focus on mitigations for potential underspends or overspends.
- The position with regard to reserves and the potential Equal Pay liability was discussed. The Assistant Director, Financial Strategy referred to Appendix 3 of the report which included a summary of reserves and explained that some of those reserves were ring-fenced, which meant there would still be a problem even if the Equal Pay liability was reduced to £350m.
- It was queried whether there was an expected date when there would be a more concrete figure for the Equal Pay liability. The Interim Director of Finance explained that the potential Equal Pay liability had to be accounted for in a certain way and the model was with the external auditors for checking. Once the pay and grading structure was agreed, the situation should be resolved.
- Furthermore, the Equal Pay figure did not impact on the setting of the budget and the gap of over £300m for 2024/25 was there without the Equal Pay pressure.
- There was also a redundancy programme to fund and the Exceptional Financial Support from the Government had allowed for a legal budget to be set.
- As the Dedicated School Grant was still to be finalised, it was queried whether it was feasible some schools had not received money they were entitled to. The Committee was assured that all schools should have had money due to them.
- With regard to the shortfall of £1.5m in parking, it was confirmed that had been looked at and a more realistic figure had been included in the 2024/25 budget.
- The purchase of a new bank reconciliation system was discussed. The Committee was informed that a supplier had been appointed and the plan was to implement that with the existing system. There was currently still a team in place doing manual reconciliation, however with less people than this time last year due to efficiencies.

RESOLVED:

That the report be noted.

10. ORACLE RE-IMPLEMENTATION

Fiona Greenway, Interim Director of Finance (S151 Officer); Philip Macpherson, Oracle Programme Lead; and Ian O'Donnell, Oracle Finance Business Sponsor, were in attendance for this item.

The Chair referred Members to the comments received from the Commissioner on this item.

The Interim Director of Finance and Oracle Programme Lead updated the Committee on the current position. There had been an Oracle Programme Board meeting earlier that day and a team was now assembled to support delivery of the programme over the next two years.

The key point to note was that the programme was not just about IT implementation but also that significant business change was required. It was explained that "stage gates" would be an integral part of the plan to ensure successful implementation.

During the discussion, and in response to Members' questions, the main points included:

- The Committee was assured that there was a tighter governance process in place this time and it was confirmed that regular reports would be brought to Overview and Scrutiny.
- The average daily rate for interim staff on the project was queried. The Interim Director of Finance advised that this information was confidential and would need to be provided outside of the meeting.
- The Committee welcomed the fact that permanent staff were also being recruited and noted the importance of this in terms of building knowledge and retaining expertise in the organisation post-implementation.
- The Committee agreed it was important to ensure staff were paid appropriately in line with market rates to ensure retention of staff.

Members confirmed that there were no matters to be raised on the exempt appendices.

RESOLVED:

That:

1. The report be noted.
2. The proposed approach to scrutinising the ERP Programme going forward as set out in paragraph 3.2 was agreed.
3. A confidential note setting out the average daily rate for interim staff on the project be provided to the Committee.

11. WORK PROGRAMME

The Chair introduced the report which provided an opportunity for the Committee to reflect on the work done this year and identify potential issues for the new committee's 2024/25 work programme.

The Senior Overview and Scrutiny Manager referred to Recommendation 2.3 in the report, that the Committee "considers the recommendation from Commissioners that

Scrutiny should spend time on identifying, managing and mitigating risk in real time throughout project lifecycles". It was agreed this should be considered as part of the work programme discussions in the new municipal year.

The Committee agreed that to a certain extent the work programme is driven by events and it was important to be mindful of the need to be reactive as a committee and to work with the Cabinet Member and officers to identify potential issues. The importance of having milestones included in reports to enable Overview and Scrutiny to monitor progress on finance-related matters was also stressed.

It was agreed that potential items for the June committee meeting would be followed up with officers after the meeting.

RESOLVED:

That:

1. The work programme be noted.
2. Potential items for the June meeting to be followed up with officers.
3. The Committee next year considers the Commissioner's comments as set out in Recommendation 2.3 of the report.

12. REQUEST(S) FOR CALL IN/COUNCILLOR CALL FOR ACTION/PETITIONS RECEIVED (IF ANY)

None.

13. OTHER URGENT BUSINESS

None.

The meeting ended at 15:19 hours.