

**BIRMINGHAM CITY COUNCIL**

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

**1400 hours on Thursday 17 November 2022, Committee Room 6, Council House, Victoria Square, B1 1BB**

**Action Notes**

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**Present:**

Councillor Akhlaq Ahmed (Chair)

Councillors: Bushra Bi, Meirion Jenkins, Paul Tilsley and Ken Wood

**Also Present:**

Councillor Ian Ward, Leader of the Council

Councillor John Cotton, Cabinet Member for Social Justice, Community Safety and Equalities

Darren Hockaday, Interim Director of People Services

Kathryn James, Assistant Director of Investment and Valuation

Sara Pitt, Director of Finance

Mohammed Sajid, Interim Head of Financial Strategy

Steve Sandercock, Assistant Director, Procurement

Jayne Bowles, Scrutiny Officer

Christian Scade, Head of Scrutiny and Committee Services

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**1. NOTICE OF RECORDING/WEBCAST**

The Chair advised the meeting to note that this meeting will be webcast for live and subsequent broadcast via the Council's meeting You Tube site ([www.youtube.com/channel/UCT2kT7ZRPFCXq6\\_5dnVnYlw](http://www.youtube.com/channel/UCT2kT7ZRPFCXq6_5dnVnYlw)) and that members of the press/public may record and take photographs except where there are confidential or exempt items.

**2. APOLOGIES**

Apologies were received from Councillors Rashad Mahmood and Hendrina Quinnen.

### 3. DECLARATIONS OF INTERESTS

Councillor Paul Tilsley declared a non-pecuniary interest as a member of the Birmingham Airport Board.

### 4. ACTION NOTES AND ACTION TRACKER

(See documents 1 and 2)

#### **RESOLVED:-**

That the action notes of the meeting held on 6 October 2022 were agreed and the action tracker was noted.

### 5. PROGRESS REPORT ON IMPLEMENTATION: COUNCIL-OWNED ASSETS

(See document 3)

Councillor Ian Ward, Leader of the Council, and Kathryn James, Assistant Director of Investment and Valuation, were in attendance for this item.

Councillor Ward introduced the report and confirmed the Cabinet Member Assessments for each of the recommendations were:

**R01 – ‘3’** (Not Achieved – Progress Made) with a proposed new completion date of April 2023.

**R02 – ‘3’** (Not Achieved – Progress Made) with a proposed new completion date of April 2023.

**R03 – ‘1’** (Achieved – Fully) – with the second part dealt with through reporting into the Housing and Neighbourhoods O&S Committee.

**R04 – ‘3’** (Not Achieved – Progress Made) with a proposed new completion date of April 2023. However, the Committee was requested to consider changing this to a ‘2’ (Achieved – Late) in view of the fact that the Property Services website was due to go live in December 2022 (it was noted that there was a typographical error in the report).

**R05 – ‘2’** (Achieved – Late)

**R06 – ‘2’** (Achieved – Late)

In the course of the discussion, and in response to Members’ questions, the following were among the main points raised:

- The position with regard to the Birmingham Wheels racetrack was queried and members were told that the council had put in a successful levelling up fund bid to do remedial works on the site; that work is ongoing and the council is still in discussions with a prospective purchaser;
- The key thing with the levelling up money was that it had to be spent on remediation on that site within a certain timeframe and it was known there would need to be a conversation with the government around the remaining money in that fund;

- As there is a degree of economic instability at the moment with property prices falling, the situation has to be dealt with in the current context;
- The work done on the levelling up strategy was welcomed, however it was queried whether this work would be under threat in the months ahead given the economic uncertainty;
- Members were reassured that the council's own levelling up strategy would continue to roll forward;
- It was suggested that there should be training arranged for members to enable them to better engage with residents;
- The community portfolio will sit under the Corporate Landlord;
- The Committee then considered each of the recommendations and all of the Cabinet Member Assessments were agreed, including that R04 be changed from a '3' to a '2';
- It was agreed that a further progress report should be presented to Committee in relation to R01 and R02 after the proposed new completion date of April 2023..

**RESOLVED:-**

- That progress in relation to the outstanding recommendations R01 and R02 would be reported to Committee after April 2023;
- That the report was noted.

**6. CABINET MEMBER FOR SOCIAL JUSTICE, COMMUNITY SAFETY AND EQUALITIES PRIORITIES**

(See document 4)

Councillor John Cotton, Cabinet Member for Social Justice, Community Safety and Equalities attended to present his priorities for 2022/23 as they relate to the remit of this Committee.

Darren Hockaday, Interim Director of People Services, was also in attendance.

Councillor Cotton highlighted the following key points:

- He had taken on responsibility for People Services following the May 2022 AGM and the reason was to ensure the council was fully focussed on building a workforce that reflects at all levels the diversity of the city;
- It is clear there is still much more to do, with race and gender pay gaps still too high and other equality gaps in the organisation as well;
- In terms of People Services deliverables over the next 12 months, there are 6 key workstreams:
  - Workforce Transition
  - Workforce Everyone's Battle, Everyone's Business
  - Job Evaluation Pay and Grading
  - Be Bold
  - People Services Target Operating Model
  - Technology
- The importance of maximum transparency and constructive challenge was acknowledged and the support and oversight of Scrutiny colleagues in providing that constructive challenge was welcomed;

- It is clear the council needs to do all it can to build a greater sense of trust and confidence in the HR function and in addition to the priorities set out in the report, an external independent review of HR is being commissioned;
- This will be in place after Christmas and will take a couple of months, with a robust and transparent baseline, to deliver a vision and action plan and an external learning and support programme;
- Cllr Cotton wanted to put on record his thanks to the thousands of dedicated staff in the organisation and his determination that as an employer the council supports them going forward.

During the discussion, and in response to Members' questions, the following were among the main points raised:

- **Workforce Transition (£4m target savings)** – Members heard that this piece of work is very different from business as usual and would offer people an opportunity to exit on a voluntary basis;
- This could create a number of exits for those who decide they would like to retire early and given that the council has such a bulge in the demographic of those approaching retirement that might be attractive for some;
- Those directorates affected would then be asked how they could potentially organise their priorities and resources differently, for example looking at apprenticeships, graduate intern placements and a sufficient route to market to attract diversity;
- There were concerns around experienced officers leaving and the council losing those skills without adequate back-filling;
- This programme is not voluntary redundancy and there would be a mutually agreed exit, for example in a situation where it wouldn't be possible to instantly replace someone, that person could perhaps leave after 6 months and help to train someone brought into the organisation;
- Members were reassured that the council will still be recruiting on the basis of talent;
- **Everyone's Battle Everyone's Business** – The work to date was welcomed;
- With regard to producing Pay Gap Reports and the need to have more than 85% data recorded to do this, Members were told that the Your Diversity Matters campaign has increased self-declaration but the 85% has not yet been reached;
- There is enough data to enable an estimate but more data is needed to give a comprehensive picture;
- **JE Pay and Grading** – The importance of getting this right to ensure employees are receiving a fair wage, whilst helping to protect the council from future equal pay claims, was stressed;
- At this stage, it can't be determined what the full impact of the grading implications might be and there is some benchmarking activity being undertaken to give a preliminary view on grading;
- **Interims and Consultants** – The position regarding interims and consultants was queried and Members were told that the council is in a far more sustainable position now across CLT and JNC than it has been for some time;
- It was agreed that data would be provided to the Committee showing the current percentage of interims across the permanent JNC structure;

- With regard to consultants, Councillor Cotton told members that he had inherited oversight of consultants as part of his portfolio and is determined that the council is relentless in driving down consultancy usage;
- The Chair referred to questions in relation to the threshold for Cabinet Member sign-off on consultant spend which had been raised by Councillor Alex Yip at a recent meeting of the Co-ordinating O&S Committee;
- In response, Councillor Cotton confirmed that the threshold is spend of more than £100,000 at outset or extension and that having looked around at what happens elsewhere had noted that the Government threshold for ministerial sign, which is probably the comparator, is actually £120,000, so we are probably in the right place;
- Councillor Cotton further confirmed that he was putting in place reporting mechanisms to keep a close grip on what is happening in existing terms and also any new sign-up or requests for extensions;
- **Appeals** – Concerns were raised around the length of time it takes to deal with appeals, which in some cases can take months due to issues around resources, how they are organised and set up and how technology is used;
- The new Oracle system should track and monitor cases;
- The historic pattern of approach has been fairly risk averse and there is now evidence of change with a more risk tolerant approach and HR and Legal working together more effectively.

**RESOLVED:-**

- That data showing the current percentage of interims across the JNC permanent structure would be provided to Committee;
- That the report was noted.

## **7. FINANCIAL MONITORING 2022/23 – QUARTER 2**

(See document 5)

Sara Pitt, Director of Finance, and Mohammed Sajid, Interim Head of Financial Strategy, were in attendance for this item.

Sara Pitt presented the key points in the report and during the discussion, and in response to Members' questions, the following were among the main points raised:

- **Cost of Living Emergency – Use of £5m of Financial Resilience Reserve** – following Cabinet approval in October, the Committee would be interested in seeing a report on how the money is being spent;
- **High Risk Savings of £15,034 (35%)** – There is a programme management approach, with rigorous work around delivery of those savings and they are not saying they are not deliverable;
- **Covid Reserve** – There is £7.8m left and this is being used in full;
- **Capital Programme spend** – Finance are working closely with project managers to get the capital spend better profiled. Part of the issue is contractors' billing and having to chase contractors where capital projects have been started later in the year;
- Cashflow forecast for treasury borrowing assumes 10% slippage;

- **Re-evaluation of Reserves** – The Government has given us some flexibility in recent years and where revenue work leads to a saving, capital receipts can be used, however the downside to this is that money then can't be used for capital works;
- **Budget setting training** – There was training for all members last year on local government finance and understanding the member role in terms of approving the budget and this will be rolled out again this year, as well as something specific for Scrutiny;
- **Treasury Management and Investments training** – an email should be going out to members soon and this training will be carried out by independent treasury advisers.

**RESOLVED:**

- That a report on how the £5m Cost of Living Emergency Fund is being spent would be shared with members;
- That the report was noted.

**8. QUARTERLY ASSURANCE UPDATE – PROCUREMENT AND CONTRACT GOVERNANCE RULES**

(See document 6)

Steve Sandercock, Assistant Director, Procurement, was in attendance for this item and the following key points were highlighted:

- As discussed at the last meeting, one of the agreed actions was for this report to be presented to Resources O&S Committee after Cabinet;
- The report sets out compliance exceptions to the new rules, including where rules have been waived for due reasons and where there have been breaches, and these are highlighted in the appendix to the report.

During the discussion, and in response to Members' questions, the following were among the main points raised:

- During the period covered in the report – June to end of September – there were seven breaches of rules and six occasions, either through efficiency, expediency or time constraints, where there were waivers;
- It was noted that Appendix 2 provided a little more detail and explanation of what actions were taken;
- Online sessions had been arranged for all members on the new procurement governance rules, following the work of the Task & Finish group.

**RESOLVED:**

That the report was noted.

**9. PLANNED PROCUREMENT ACTIVITIES**

(See document 7)

Steve Sandercock, Assistant Director, Procurement, was in attendance for this item.

The Committee noted that there were no non-key decisions and no questions were raised by Members.

**RESOLVED:-**

That the report was noted.

**10. WORK PROGRAMME**

(See document 8)

It was suggested that an informal session be held after the December committee meeting to plan for the budget scrutiny session in January.

**RESOLVED:-**

That the work programme was noted.

**11. DATE OF THE NEXT MEETING**

Noted.

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

None.

**13. OTHER URGENT BUSINESS**

None.

**14. AUTHORITY TO CHAIR AND OFFICERS**

**RESOLVED:**

That in an urgent situation between meetings the Chair, jointly with the relevant Chief Officer, has authority to act on behalf of the Committee.

**15. EXCLUSION OF THE PUBLIC**

N/A

**PRIVATE AGENDA**

## 16. PLANNED PROCUREMENT ACTIVITIES EXEMPT APPENDIX 3

N/A

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The meeting ended at 1538 hours.