

BIRMINGHAM CITY COUNCIL

FINANCE AND RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

THURSDAY, 27 JULY 2023 AT 14:00 HOURS
IN COMMITTEE ROOM 6, COUNCIL HOUSE, VICTORIA SQUARE,
BIRMINGHAM, B1 1BB

A G E N D A

1 NOTICE OF RECORDING/WEBCAST

The Chair to advise/meeting to note that this meeting will be webcast for live or subsequent broadcast via the Council's Public-I microsite ([please click this link](#)) and that members of the press/public may record and take photographs except where there are confidential or exempt items.

2 APOLOGIES

To receive any apologies.

3 DECLARATIONS OF INTERESTS

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

If a disclosable pecuniary interest is declared a Member must not participate in any discussion or vote on the matter and must not remain in the room unless they have been granted a dispensation.

If other registerable interests are declared a Member may speak on the matter only if members of the public are allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless they have been granted a dispensation.

If it is a 'sensitive interest', Members do not have to disclose the nature of the interest, just that they have an interest.

Information on the Local Government Association's Model Councillor Code of Conduct is set out via <http://bit.ly/3WtGQnN>. This includes, at Appendix 1, an interests flowchart which provides a simple guide to declaring interests at meetings.

4 **ELECTION OF DEPUTY CHAIR**

To elect a Deputy Chair, for the purposes of substitution for the Chair, if absent, for the period ending with the Annual Meeting of the City Council in 2024.

5 - 10

5 **MINUTES**

To confirm the minutes of the meeting held on 29 June 2023.

11 - 12

6 **ACTION TRACKER**

To note the action tracker.

13 - 32

7 **PLANNED PROCUREMENT ACTIVITIES REPORTS**

To consider the reports on Planned Procurement Activities (considered at Cabinet on 25 July 2023).

Steve Sandercock, Assistant Director, Procurement, in attendance.

33 - 52

8 **MEDIUM TERM FINANCIAL PLAN UPDATE AND IMPLICATIONS OF EQUAL PAY**

Fiona Greenway, Interim Director of Finance (S151 Officer), in attendance.
Report to follow.

53 - 76

9 **ORACLE STABILISATION UPDATE**

Meena Kishinani, Director of Transformation, in attendance.

77 - 86

10 **WORK PROGRAMME**

To agree the work programme.

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

To consider any request for call in/councillor call for action/petitions (if received).

12 **OTHER URGENT BUSINESS**

To consider any items of business by reason of special circumstances (to be specified) that in the opinion of the Chair are matters of urgency.

13 **DATE OF THE NEXT MEETING**

To note the date of the next meeting on 7 September 2023 at 1400 hours in Committee Room 6.

14 **AUTHORITY TO CHAIR AND OFFICERS**

Chair to move:-

'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**

If members wish to consider information under agenda item 17 it is recommended that members of the press and public be excluded from the meeting under Section 100A(4) of the Local Government Act 1972 on the grounds that:

It involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act.

P R I V A T E A G E N D A

16 **PLANNED PROCUREMENT ACTIVITIES EXEMPT APPENDIX 3**

- Information relating to the financial or business affairs of any particular person (including the authority holding that information);

BIRMINGHAM CITY COUNCIL

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

1400 hours on Thursday 29 June 2023, Committee Room 6, Council House
Minutes

Present:

Councillor Jack Deakin (Chair)

Councillors: Alex Aitken and Paul Tilsley

Also Present:

Timothy Bell, Consultant, Corporate Finance

Janie Berry, City Solicitor and Monitoring Officer

Paul Clarke, AD, Programmes, Performance and Improvement Division (PPI), Strategy, Equality and Partnerships Directorate

Fiona Greenway, Interim Director of Finance (S151 Officer)

Richard Lloyd-Bithell, Assistant Director, Financial Strategy (Online)

Steve Sandercock, Assistant Director, Procurement

Christian Scade, Head of Scrutiny and Committee Services

Naomi Todd, Improvement and Change Partner

Jonathan Woodward, Head of Revenues (Online)

Jayne Bowles, Scrutiny Officer

Fiona Bottrill, Senior Overview and Scrutiny Manager

1. NOTICE OF RECORDING/WEBCAST

The Chair advised that this meeting will 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 are confidential or exempt items.

2. APOLOGIES

Apologies were received from Councillors Raqeeb Aziz, Rashad Mahmood, Meirion Jenkins, Hendrina Quinnen and Ken Wood.

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.

Councillor Alex Aitken declared he was a member of the GMB trade union.

Councillor Paul Tilsley declared he was a Director of Birmingham Airport.

4. MEMBERSHIP OF THE FINANCE AND RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

Noted the resolution of the City Council meeting appointing the Committee, Chair and Members to serve on the Committee for the period ending with the Annual General Meeting of the City Council 2024.

5. ELECTION OF DEPUTY CHAIR

The Chair proposed, and it was agreed by the Committee, that this item be deferred to the next meeting.

RESOLVED:

That this item be deferred to the next meeting.

6. FINANCE AND RESOURCES OVERVIEW AND SCRUTINY COMMITTEE'S TERMS OF REFERENCE

(See document No. 1)

The Terms of Reference for the Finance and Resources Overview and Scrutiny Committee were noted.

7. MINUTES

(See document No. 2)

RESOLVED:

That the minutes of the Resources Overview and Scrutiny Committee meeting held on 27 April 2023 were agreed.

8. ACTION TRACKER

(See document No. 3)

There were two outstanding actions and it was agreed that these would be followed up.

RESOLVED:

- That the outstanding actions would be followed up.

- That the action tracker was noted.

9. DELIVERING EFFECTIVE AND FLEXIBLE SCRUTINY

(See document No. 4)

The Chair informed Members that this was about how scrutiny is delivered and valued in the Council.

There was a discussion about how scrutiny can be more flexible and it was suggested that perhaps members of the Committee could go out and see some of the things the Council is doing well or not so well, for example joining staff to see how they use the Oracle system.

RESOLVED:

That the Committee noted the development of a flexible and effective work programme for 2023/24 as developed by members of the Co-ordinating Overview and Scrutiny Committee in the last municipal year 2022/23.

10. DEVELOPING THE FINANCE AND RESOURCES OVERVIEW AND SCRUTINY COMMITTEE'S WORK PROGRAMME 2023/24

(See document No. 5)

Timothy Bell, Consultant, Corporate Finance, Janie Berry, City Solicitor and Monitoring Officer, Paul Clarke, AD, Programmes, Performance and Improvement Division (PPI), Strategy, Equality and Partnerships Directorate, Fiona Greenway, Interim Director of Finance (S151 Officer), Steve Sandercock, Assistant Director, Procurement, Christian Scade, Head of Scrutiny and Committee Services, and Naomi Todd, Improvement and Change Partner, were in attendance for this item.

Richard Lloyd-Bithell, Assistant Director, Financial Strategy, and Jonathan Woodward, Head of Revenues, were in attendance online.

During the discussion, and in response to queries raised by Members, the main points included:

- At the informal meeting, Members had discussed the items on the draft work programme and had agreed to remove a few items to prioritise others.
- Priorities at that time had included the establishment of a Task & Finish group on Oracle, however the Chair pointed out that the Committee might need to reconsider its priorities following the announcement on Equal Pay and the impact that will have on the budget.
- It was suggested that the Committee keeps the work programme flexible so that anything flagged red on the Risk Register can be picked up – both Oracle and Equal Pay are flagged as red risks.
- The Council's Corporate Risk Register to be provided to Members.

Equal Pay

- Members were told that all the political groups were in the process of being briefed. The figures are significant and there is a need to make sure the authority is seen to be responding positively in terms of resolution.

- In response to a question regarding income streams and the restrictions on the use of capital receipts, it was confirmed that this was primary legislation and it would require primary legislation for the Council to be exempted from that or for specific legislation to support Birmingham.
- The use of reserves was also raised, however access to reserves is quite restricted, with a lot of it ring-fenced, and the amounts left are not enough to support the current position.
- Reference was made to the report on Reserves presented to the Resources O&S Committee in April, which could be shared with Members.
- There will be extra governance put in place and the Committee will have a key role in monitoring mandatory spending controls. Work is currently being done on what those controls will look like and they are pulling together what they have seen other authorities do and will tailor that to Birmingham.
- The Leader has also spoken publicly about the Values Framework which is being developed and the Committee would welcome being involved in developing those values.
- A Budget Recovery Plan will be included as part of the Medium Term Financial Plan Update going to Cabinet in July.
- It was noted that the Council is not in a position where a Section 114 Notice needs to be issued, which would effectively freeze spending with the exception of funding statutory services. However, Members said it would be helpful to know what those statutory responsibilities would be and it was agreed a summary would be provided.
- It was queried on what basis the announcement had been made on 28 June and also whether in light of the announcement the decisions made at Cabinet on 27 June would need to be reviewed. It was agreed that responses would be provided to Members on both points.

Oracle

- The Chair proposed that instead of establishing a Task & Finish group on Oracle, a report should be requested for the July meeting to provide an update on the current position, challenges and deadlines.
- Further regular updates to be programmed.
- Oracle to be one of the two main issues for the Committee to focus on, along with Equal Pay.

Financial Monitoring

- Financial Monitoring reports to continue to be a standing item.

Planned Procurement Activities Reports

- These reports to also continue to be a standing item.

Council-owned Assets Tracking

- Outstanding recommendations to be tracked and list of assets to be provided as soon as possible. This is pertinent in relation to the discussion on Equal Pay.

Progress Report on Procurement Governance Arrangements

- Potential longer term review in view of link with Oracle in terms of delegations to officers and spending controls.

Working from Home

- It was suggested this should be taken off the work programme and included on the menu of items for the future.

Diversity and Inclusion Dashboard

- It was suggested that this be picked up later in the municipal year.

Early Intervention

- Not to be considered as a priority.

Management of Council's Budget Deficit

- This will link into everything already discussed.

Delivering Best in Class Services

- As the focus needs to be on Finance at the moment this would not be an item for consideration at this stage.

Working with Trade Unions

- To be considered at a later stage.

Implementation of Digital Strategy

- To be considered at a later stage.

Use of Consultants

- Although there are links to Oracle and wider, it was suggested that this be pushed back to the end of the municipal year or beyond.

RESOLVED:

- That the following information would be provided to Members:
 - The Council's Corporate Risk Register.
 - List of the Council's statutory functions/responsibilities.
 - Response from the Leader to the Committee's request to be consulted on the work on the Values Framework.
 - Response to the question about what triggered the Equal Pay announcement on 28 June.
 - Response to the question about decisions made at Cabinet on 27 June.
- That the following items would be included on the agenda for the July meeting:
 - Update on Oracle
 - Equal Pay
 - Financial Monitoring
 - Planned Procurement Activities.

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

None.

12. OTHER URGENT BUSINESS

None.

13. SCHEDULE OF MEETING DATES FOR COMMITTEE MEETING AND SCRUTINY WORK

The Chair informed Members that the timing of the meetings - ie two days after Cabinet - would mean an extra meeting being arranged if there was a call-in.

RESOLVED:

That the proposed schedule of dates was noted.

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.

The meeting ended at 1523 hours.

FINANCE AND RESOURCES O&S COMMITTEE
ACTION TRACKER 2023/24

Date	Agenda Item	Action	Update
29-Jun-23	Developing the Finance and Resources Overview and Scrutiny Committee's Work Programme 2023/24	<p>Discussion on Equal Pay - the following information to be provided to Members:</p> <ul style="list-style-type: none"> • List of the Council's Statutory functions / responsibilities. • The Council's Corporate Risk Register. • Response from the Leader to the Committee's request to be consulted on the work on Values Framework. • Response to the question about what triggered the Equal Pay announcement on 28 June. • Response to the question about decisions made at Cabinet on 27 June. 	
Outstanding Actions from Resources O&S Committee 2022/23			
30-Mar-23	Planned Procurement Activities Reports	Provisional of vehicles' (large fleet – recycling and refuse vehicles) maintenance, associated services and spare parts – Cllr Wood's question as to why maintenance had not been built in with the supply of the vehicles to be clarified with the Director, Street Scene.	<p>Followed up – awaiting response.</p> <p>Followed up after Committee meeting on 29 June.</p>
09-Feb-23	Financial Monitoring 2022/23 Quarter 3/Month 9	A list of property assets and planned disposals to be provided to Committee.	<p>Followed up – awaiting response.</p> <p>Followed up after Committee meeting on 29 June.</p>

Birmingham City Council

Finance and Resources Overview and Scrutiny Committee

Date 27th July 2023



Subject: KEY DECISION PLANNED PROCUREMENT ACTIVITIES (AUGUST 2023 – OCTOBER 2023)

Report of: STEVE SANDERCOCK - ASSISTANT DIRECTOR – PROCUREMENT

Report author: Steve Sandercock - Assistant Director – Procurement

1 Purpose

- 1.1 This report provides details of the planned procurement activity for the period August 2023 – October 2023 which are key decisions. Planned procurement activities reported previously are not repeated in this report.

2 Recommendations

- 2.1 To note the reports and any findings from Cabinet.

3 Any Finance Implications

- 3.1 Specific details of how decisions will be carried out within existing finances and resources will be set out in the individual reports.
- 3.2 Any cashable savings generated as a result of the procurement exercises are detailed in Appendix 2 to the delivery of procurement related savings and be removed from Directorate where identified in addition to the existing service area savings target as set out in the Medium-Term Financial Plan (MTFP) in line with the principles to treatment of identified savings against third party contracts as agreed by CLT on 24th January 2022.

4 Any Legal Implications

- 4.1 Members are reminded that as a Local Authority the Council has specific duties under public sector procurement, specifically the Public Contract Regulations 2015.
- 4.2 Specific details of any implications related to public sector procurement Regulations are set out- in the individual reports appended to this report.

5 Any Equalities Implications

- 5.1 Details of Risk Management, Community Cohesion and Equality Act requirements will be set out in the individual reports which should also give consideration to application of Equality Impact Assessments in line with Council Policy

6 Appendices

- 6.1 Appendix 3 – Exempt Information

Birmingham City Council

Report to Cabinet

Date: 25th July 2023



Subject: KEY DECISION PLANNED PROCUREMENT ACTIVITIES (AUGUST 2023 – OCTOBER 2023)
Report of: ASSISTANT DIRECTOR – PROCUREMENT
Relevant Cabinet Member: Councillor Brigid Jones, Cabinet Member for Finance and Resources
Relevant O &S Chair(s): Councillor Jack Deakin, Chair of Finance and Resources OSC
Report author: Steve Sandercock, Assistant Director, Procurement
Email Address: steve.sandercock@birmingham.gov.uk

Are specific wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s):		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 011448/2023		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential : 3. Information relating to the financial or business affairs of any particular person (including the council)		

1 Executive Summary

- 1.1 This report provides details of the planned procurement activity for the period August 2023 – October 2023 which are key decisions. Planned procurement activities reported previously are not repeated in this report.
- 1.2 The report enables Cabinet to identify whether any reports for procurement activities should be brought to this meeting for specific executive decision,

otherwise they will be dealt with under Chief Officer delegations up to the value of £10m, unless TUPE applies to current Council staff.

2 Recommendations

- 2.1 To approve the planned procurement activities as set out in Appendix 1 and approve Chief Officer delegations, set out in the Constitution, for the subsequent decisions around procurement strategy and contract awards.

3 Background

- 3.1 The report approved by Council Business Management Committee on 16 February 2016 set out the case for introducing this process.
- 3.2 At the 12th July 2022 meeting of Council changes to procurement governance were agreed which gives Chief Officers the delegated authority to approve procurement contracts up to the value of £10m for key decisions over the life of the contract. Where it is likely that the award of a contract will result in staff employed by the Council transferring to the successful contract under TUPE, the contract award decision has to be made by Cabinet.
- 3.3 In line with the Procurement and Contract Governance Rules that form part of the Council's Constitution, this report acts as the process to consult with and take soundings from Cabinet Members and the Resources Overview & Scrutiny Committee.
- 3.4 This report sets out the planned procurement activity over the next few months where the contract value is between the procurement threshold £177,897.50 (excluding VAT) and £10m (excluding VAT) for key decisions. This will give members visibility of all procurement activity within these thresholds and the opportunity to identify whether any procurement reports should be brought to Cabinet for approval even though they are below the £10m delegation threshold.
- 3.5 It should be noted that the procurement threshold has changed from £189,330 to £177,897.50 (excluding VAT) and applies from 1st January 2022 for a period of 2 years.
- 3.6 Individual procurements may be referred to Cabinet for an executive decision at the request of Cabinet, a Cabinet Member or the Chair of Resources Overview & Scrutiny Committee where there are sensitivities or requirements that necessitate a decision being made by Cabinet.
- 3.7 Procurements below £10m contract value that are not listed on this or subsequent monthly reports can only be delegated to Chief Officers if specific approval is sought from Cabinet. Procurements above £10m contract value will still require an individual report to Cabinet in order for the award decision to be delegated to Chief Officers if appropriate.
- 3.8 A briefing note with details for each item to be procured is listed in Appendix 2. The financial information for each item is detailed in Appendix 3 – Exempt Information.

4 Options considered and Recommended Proposal

4.1 The options considered are:

- To identify specific individual procurements as listed in appendix 1 for further consideration, along with clear reason(s) for such additional consideration, to Cabinet around the procurement strategy and contract award.
- To approve the planned procurement activities for all the projects listed in appendix 1 and approve Chief Officer delegations as set out in the Constitution, for the subsequent decisions around procurement strategy and contract awards.– this is the recommended option.

5 Consultation / Engagement

- 5.1 This report to Cabinet is copied to Cabinet Members, Cabinet Support Officers and to Resources Overview & Scrutiny Committee and therefore is the process for consulting with relevant cabinet and scrutiny members. At the point of submitting this report Cabinet Members/ Resources Overview & Scrutiny Committee Chair have not indicated that any of the planned procurement activity needs to be brought back to Cabinet for executive decision.

6 Risk Management

- 6.1 Members should note that in respect of any procurement projects which are sought to be referred back to Cabinet for further considerations these may impact on timescales around the delivery of those projects.
- 6.2 Details of Risk Management, Community Cohesion and Equality Act requirements will be set out in the individual reports.

7 Compliance Issues:

7.1 How are the recommended decisions consistent with the City Council's priorities, plans and strategies?

- 7.1.1 Details of how the contracts listed in Appendix 1 and Appendix 2 support relevant Council policies, plans or strategies, will be set out in the individual reports.

7.2 Legal Implications

- 7.2.1 Members are reminded that as a Local Authority the Council has specific duties under public sector procurement, specifically the Public Contract Regulations 2015.
- 7.2.2 Specific details of any implications related to public sector procurement Regulations are set out- in the individual reports appended to this report.

7.3 Financial Implications

- 7.3.1 Specific details of how decisions will be carried out within existing finances and resources will be set out in the individual reports.

- 7.3.2 Any cashable savings generated as a result of the procurement exercises are detailed in Appendix 2 to the delivery of procurement related savings and be removed from Directorate where identified in addition to the existing service area savings target as set out in the Medium-Term Financial Plan (MTFP) in line with the principles to treatment of identified savings against third party contracts as agreed by CLT on 24th January 2022.

7.4 Procurement Implications (if required)

- 7.4.1 As noted under the Legal Implications the Council has a duty to ensure that public sector procurement activity is in line with public sector legislation, specifically the Public Contracts Regulations 2015.
- 7.4.2 For each of the individual projects the specific procurement implications associated to the legislation are set out and detailed in the appendices.

7.5 Human Resources Implications (if required)

- 7.5.1 None.

7.6 Public Sector Equality Duty

- 7.6.1 Details of Risk Management, Community Cohesion and Equality Act requirements will be set out in the individual reports which should also give consideration to application of Equality Impact Assessments in line with Council Policy

8 Background Documents

- 8.1 List of Appendices accompanying this Report (if any):
- 1. Appendix 1 - Planned Procurement Activity August 2023 – October 2023
 - 2. Appendix 2 – Background Briefing Paper
 - 3. Appendix 3 – Exempt Information
 - 4. Appendix 4 – Notification of Minor Amendments

APPENDIX 1 – PLANNED PROCUREMENT ACTIVITIES (AUGUST 2023 – OCTOBER 2023)

No.	Type of Report	Title of Procurement	Ref	Brief Description	Contract Duration	Directorate	Portfolio Finance and Resources Plus	Finance Officer	Contact Name	Planned CO Decision Date
1	Strategy / Award	IT Service Management Solution	TBC	Provision of a cloud hosted IT Service Management (ITSM) platform with Software Asset Management (SAM) and workflow capability in order to support the delivery of: - IT Operations Management - Incident Problem & Change Management - Release management - Wider IT Business processes such as starters, leavers and movers (SLAM)	3 years with an option to extend for a further 2 plus 1 year	Digital and Customer Services	Digital, Culture, Heritage and Tourism	Lee Bickerton	Phil Giann / Jake Smith	21/08/2023
2	Strategy / Award	SAP Hosted Live Archive	TBC	Provision of a hosted platform/ service to live archive SAP Finance and HR (along with associated satellite components) to allow the decommissioning of the final elements of the council's legacy data centre server estate, while still allowing minor historic updates to the existing data.	3 years with an option to extend for a further 2 plus 1 year	Digital and Customer Services	Digital, Culture, Heritage and Tourism	Lee Bickerton	Chris Holt / Jake Smith	21/08/2023
3	Amendment - Approval to Tender Strategy	Framework Agreement for Valuation Advice for the Right to Buy Scheme	TBC	To provide advice on the value of housing properties to support the Right to Buy scheme to enable tenants of the Council to be able to buy their home and produce the Housing Stock Valuation to inform the Councils accounts on an annual basis.	4 years	Place, Prosperity & Sustainability	Housing and Homelessness	Azhar Rafiq	Allyson Marke-Wilson / Charlie Short	21/08/2023
4	Strategy / Award	Block Repository - IT Solution	TBC	Following the 2017 Grenfell tower fire, Central Government identified the need for better accessibility of fire safety information for larger residential buildings. Following consultation, they are implementing a new set of requirements for major landlords to keep certain set of information on all buildings they manage. This information, or parts thereof, need to be accessible to various groups including the fire department, residents, and BCC teams. To facilitate this requirement, a functional IT solution must be in full operation by the end of October 2023.	3 years with the option to extend for a further two 12 months extensions	City Housing	Digital, Culture, Heritage & Tourism	Andrew Healey	Jamie Harrison / Jake Smith	21/08/2023

APPENDIX 2

BRIEFING NOTE ON PLANNED PROCUREMENT ACTIVITIES **CABINET – 25th July 2023**

Title of Contract	IT Service Management Solution
Contact Officers	Director / Assistant Director: Cheryl Doran, Assistant Director & CIO Digital and Technology Services Client Officers: Phil Giann, Head of Technology Practice - Customer Experience Procurement Officer : Jake Smith, IT Category Manager
Relevant Portfolio	Councillor Saima Suleman - Digital, Culture, Heritage and Tourism
Briefly describe the service required	Provision of a cloud hosted IT Service Management (ITSM) platform with Software Asset Management (SAM) and workflow capability in order to support the delivery of: <ul style="list-style-type: none"> - IT Operations Management - Incident Problem & Change Management - Release management - Wider IT Business processes such as starters, leavers and movers (SLAM)
What is the proposed procurement route?	The route to market a further competition via a compliant regional or national framework agreement.
What are the existing arrangements? Is there an existing contract? If so, when does that expire?	The council currently utilise Service Now as the platform for ITSM functionality and are entering into the final year of the existing contract, which is due to expire in June 2024.
Will any savings be generated?	Yes – savings are forecast
Has the In-House Preferred Test been carried out?	Yes – this service cannot be delivered in-house as this is a third-party technology / software solution that the Council cannot deliver.
How will this service assist the council's commitments to Route to Zero?	None identified.
How do these activities assist the Council with Everybody's Battle; Everybody's Business (EBEB)?	There are no direct Everybody's Battle; Everybody's Business implications.
Is the council under a statutory duty to provide this service? If not, what is the justification for providing it?	There is not a statutory duty to provide this service. However, the infrastructure that this service provides supports wider operational delivery of statutory service and their underpinning IT infrastructure.
What budget is the funding from for this service?	The funding for this service comes from two sources. <ol style="list-style-type: none"> 1) The ongoing revenue for the services forms part of the DTS 3rd Party budget with the new contract / system forecast to fall within the current cost profile 2) Implementation costs will be subject to a further cabinet paper and capital bid prior to contract award
Proposed start date and duration of the new contract	The proposed start date is 1 st October 2023 for a period of 3 years with the option to extend for a further 2 + 1 year extensions.

Title of Contract	SAP Hosted Live Archive
Contact Officers	Director / Assistant Director: Cheryl Doran, Assistant Director & CIO Digital and Technology Services Client Officers: Chris Holt, Technical Operations Manager Procurement Officer : Jake Smith, IT Category Manager
Relevant Portfolio	Councillor Saima Suleman - Digital, Culture, Heritage and Tourism
Briefly describe the service required	Provision of a hosted platform/ service to live archive SAP Finance and HR (along with associated satellite components) to allow the decommissioning of the final elements of the council's legacy data centre server estate, while still allowing minor historic updates to the existing data.
What is the proposed procurement route?	The route to market a further competition via a compliant regional or national framework agreement.
What are the existing arrangements? Is there an existing contract? If so, when does that expire?	There is currently a hardware support contract for the on premise servers that expires in October 2023. The servers also form part of the Council's two main data centres. The contract for the overall data centres runs to July 2025 with the option for two +1 extension, however the opportunity exists to reduce the current costs of these two contracts through this work.
Will any savings be generated?	Yes – savings already forecast for the cessation of the support contract and reduction in data centre hosting and power charges.
Has the In-House Preferred Test been carried out?	Yes – this service cannot be delivered in-house as the Council does not have the technical capability nor infrastructure to develop the required platform.
How will this service assist the council's commitments to Route to Zero?	In line with the work conducted to date under the Application Platform Modernisation platform moving from over 72 racks of old, power inefficient server equipment in 3 data centres to 8 racks of modern, power efficient hardware in 2 data centres, substantial CO2 reductions have already been made. This work will further reduce CO2 emissions through the decommissioning of the councils last power inefficient legacy data centre servers.
How do these activities assist the Council with Everybody's Battle; Everybody's Business (EBEB)?	Not applicable as this relates to underlying technical infrastructure.
Is the council under a statutory duty to provide this service? If not, what is the justification for providing it?	There is not a statutory duty to provide this service. However, the infrastructure that this service provides supports wider operational delivery of statutory services.
What budget is the funding from for this service?	The funding for this service comes from two sources. 1) The implementation costs of the new service are funded from the Oracle Programme 2) The ongoing revenue for the services will be from the DTS 3 rd Party budget and funded through savings from the existing hardware support and data centre contracts.
Proposed start date and duration of the new contract	The proposed start date is August 2023 for a period of 3 years with the option to extend for a further 2 + 1-year extensions.

APPENDIX 4 - Notification of Minor Amendments

This PPAR item has no changes from previously agreed by Cabinet in April 2023. The highlighted changes made to the original are referenced to the exempt report.

Title of Contract	Framework Agreement for Valuation Advice for the Right to Buy Scheme and Housing Stock Valuation for Accounting Purposes
Contact Officers	Director / Assistant Director: Kathryn James, Assistant Director, Investment and Valuation Client Officer: Allyson Marke-Wilson, Valuations and Acquisitions Manager Procurement Officer: To be allocated
Relevant Portfolio	Councillor Jayne Francis - Cabinet Member for Housing and Homelessness
Briefly describe the service required	To provide advice on the value of housing properties to support the Right to Buy scheme to enable tenants of the Council to be able to buy their home and produce the Housing Stock Valuation to inform the Councils accounts on an annual basis.
What is the proposed procurement route?	A procurement process will be undertaken and advertised in Find a Tender, Contracts Finder and www.finditinbirmingham.com .
What are the existing arrangements? Is there an existing contract? If so when does that expire?	There is a current contract in place with Sure Property Group Limited that expires on 26 th April 2024 for the Right to Buy Valuations and a separate contract again with Sure Property Group Limited that expires in December 2025.
Will any savings be generated?	There may be potential savings achieved by amalgamating the 2 contracts from the 1 st April 2024 as a result of this commission.
Has the In-House Preferred Test been carried out?	Yes, and the test demonstrated this is not suitable to be carried out in-house as there are not the skills, capability or resources within the Council for this service.
How will this service assist with the Council's commitments to Route to Zero?	Any specification will require the Council's commitments to Route to Zero to be considered, in particular to a reduction in zero emissions for transport.
How do these activities assist the Council with Everybody's Battle; Everybody's Business?	Both the Property Strategy and the Investment Strategy are designed to be fully inclusive towards the community that the City serve and with the aim of improving people's lives and the fabric of their local area.
Is the Council under a statutory duty to provide this service? If not, what is the justification for providing it?	There is a statutory duty on the Council to produce its accounts on an annual basis that the Housing Stock Valuation will support. The service supports the statutory duty of the Housing Act 1985 and subsequent amendments that allows the Council to sell its housing to its tenants.
What budget is the funding from for this service?	The service is funded from the Property Services, Revenue Budget that is then recharged back to the Housing Revenue Account.
Proposed start date and duration of the new contract	The proposed start is 1 st April 2024 for a duration of 4 years.

This appendix provides the rationale for minor amendments to PPAR previously agreed by Cabinet on 27th June 2023 which highlights the changes made to the original and revised PPAR items below for reference.

Title of Contract	Block Repository - IT Solution
Contact Officers	Director / Assistant Director: Paul Langford, Interim Strategic Director City Housing Client Officer: Jamie Harrison, Senior Service Manager Procurement Officer: Jake Smith, Interim IT Category Manager
Relevant Portfolio	Councillor Jayne Francis - Cabinet Member for Housing & Homelessness Councillor Saima Suleman - Cabinet Member for Digital, Culture, Heritage & Tourism
Briefly describe the service required	Following the 2017 Grenfell tower fire, Central Government identified the need for better accessibility of fire safety information for larger residential buildings. Following consultation, they are implementing a new set of requirements for major landlords to keep certain set of information on all buildings they manage. This information, or parts thereof, need to be accessible to various groups including the fire department, residents, and BCC teams. To facilitate this requirement, a functional IT solution must be in full operation by the end of October 2023.
What is the proposed procurement route?	The proposed route to market will be undertaken by a further competition via a compliant, collaborative framework agreement. Following a further competition exercise, the award will be placed with the preferred bidder via the Eastern Shires Purchasing Organisation; ESPO Document Management Solutions (390_22) Lot 3 – Total Document Management Solutions framework agreement.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	This is a new requirement to deliver on actions required by major landlords, following the Grenfell Tower Inquiry.
Will any savings be generated?	No cashable savings will be generated by this project.
Has the In-House Preferred Test been carried out?	BCC technical teams have investigated solutions by incumbent suppliers with a view to adapting existing services. The conclusion was that without significant development investment, it would not be possible to do so. DTS Technical Design Authority is fully aware of this project and Mark Brazier has been appointed to represent the TDA.
How will this service assist with the Council's commitments to Route to Zero?	The contract renewals will be actioned in accordance with BCCs commitments to Route to Zero. A key specification requirement is the ability to scan, transfer and store physical documents as digital assets.
How do these activities assist the Council with Everybody's Battle; Everybody's Business?	The required activities support tackling inequalities as per BCCs Equality Strategy and Action Plan documented here. The activities as a result of the system's implementation will ensure that residents of Birmingham's tower blocks have access to the information they need.
Is the Council under a statutory duty to provide this service? If not, what is the justification for providing it?	There is not a statutory duty to provide this service. However, the service is required to satisfy recommended actions from the Grenfell Tower Inquiry Phase 1. A link is provided here: Progress against the Grenfell Tower Inquiry Phase 1 Recommendations, September 2021 (accessible version) - GOV.UK (www.gov.uk) A majority of these relate to access to information about the construction of and materials used within existing buildings. This information is to be accessed by various parties including BCC, the Fire Service and the public. Access will be required by law, and the control, versioning and maintenance of these digital assets requires a sophisticated IT solution.
What budget is the funding from for this service?	The product is to be funded by the Directorate for Housing Strategy & Enabling.
Proposed start date and duration of the new contract	The proposed start date is 1 st October 2023 for a period of 3 years with the option to extend for a further two 12 months extensions.

Title of Contract	Block Repository - IT Solution
Contact Officers	Director / Assistant Director: Paul Langford, Interim Strategic Director City Housing Client Officer: Jamie Harrison, Senior Service Manager Procurement Officer: Jake Smith, Interim IT Category Manager
Relevant Portfolio	Councillor Jayne Francis - Cabinet Member for Housing & Homelessness Councillor Saima Suleman - Cabinet Member for Digital, Culture, Heritage & Tourism
Briefly describe the service required	Following the 2017 Grenfell tower fire, Central Government identified the need for better accessibility of fire safety information for larger residential buildings. Following consultation, they are implementing a new set of requirements for major landlords to keep certain set of information on all buildings they manage. This information, or parts thereof, need to be accessible to various groups including the fire department, residents, and BCC teams. To facilitate this requirement, a functional IT solution must be in full operation by the end of October 2023.
What is the proposed procurement route?	The proposed route to market will be undertaken by a further competition via a compliant regional or national framework agreement.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	This is a new requirement to deliver on actions required by major landlords, following the Grenfell Tower Inquiry.
Will any savings be generated?	No cashable savings will be generated by this project.
Has the In-House Preferred Test been carried out?	BCC technical teams have investigated solutions by incumbent suppliers with a view to adapting existing services. The conclusion was that without significant development investment, it would not be possible to do so. DTS Technical Design Authority(DTA) is fully aware of this project and Mark Brazier has been appointed to represent the TDA.
How will this service assist with the Council's commitments to Route to Zero?	The contract renewals will be actioned in accordance with BCCs commitments to Route to Zero. A key specification requirement is the ability to scan, transfer and store physical documents as digital assets.
How do these activities assist the Council with Everybody's Battle; Everybody's Business?	The required activities support tackling inequalities as per BCCs Equality Strategy and Action Plan documented here. The activities as a result of the system's implementation will ensure that residents of Birmingham's tower blocks have access to the information they need.
Is the Council under a statutory duty to provide this service? If not, what is the justification for providing it?	There is not a statutory duty to provide this service. However, the service is required to satisfy recommended actions from the Grenfell Tower Inquiry Phase 1. A link is provided here: Progress against the Grenfell Tower Inquiry Phase 1 Recommendations, September 2021 (accessible version) - GOV.UK (www.gov.uk) A majority of these relate to access to information about the construction of and materials used within existing buildings. This information is to be accessed by various parties including BCC, the Fire Service and the public. Access will be required by law, and the control, versioning and maintenance of these digital assets requires a sophisticated IT solution.
What budget is the funding from for this service?	The product is to be funded by the Directorate for Housing Strategy & Enabling.
Proposed start date and duration of the new contract	The proposed start date is 1 st October 2023 for a period of 3 years with the option to extend for a further two 12 months extensions.

Birmingham City Council

Finance and Resources Overview and Scrutiny Committee

Date 27th July 2023



Subject: NON-KEY DECISION PLANNED PROCUREMENT ACTIVITIES (AUGUST 2023 – OCTOBER 2023)

Report of: STEVE SANDERCOCK - ASSISTANT DIRECTOR – PROCUREMENT

Report author: Steve Sandercock - Assistant Director – Procurement

1 Purpose

- 1.1 This report provides details of the planned procurement activity for the period August 2023 – October 2023 which are not key decisions made under Chief Officer's delegation. Planned procurement activities reported previously are not repeated in this report.

2 Recommendations

- 2.1 To note the reports and any findings from Cabinet.

3 Any Finance Implications

- 3.1 Specific details of how decisions will be carried out within existing finances and resources will be set out in the individual reports.
- 3.2 Any cashable savings generated as a result of the procurement exercises are detailed in Appendix 2 to the delivery of procurement related savings and be removed from Directorate where identified in addition to the existing service area savings target as set out in the Medium-Term Financial Plan (MTFP) in line with the principles to treatment of identified savings against third party contracts as agreed by CLT on 24th January 2022.

4 Any Legal Implications

- 4.1 Members are reminded that as a Local Authority the Council has specific duties under public sector procurement, specifically the Public Contract Regulations 2015.

- 4.2 Specific details of any implications related to public sector procurement Regulations are set out- in the individual reports appended to this report.

5 Any Equalities Implications

- 5.1 Details of Risk Management, Community Cohesion and Equality Act requirements will be set out in the individual reports which should also give consideration to application of Equality Impact Assessments in line with Council Policy.

6 Appendices

- 6.1 Appendix 3 – Exempt Information

Birmingham City Council

Report to Cabinet

Date: 25th July 2023



Subject: NON-KEY DECISION PLANNED PROCUREMENT ACTIVITIES (AUGUST 2023 – OCTOBER 2023)
Report of: ASSISTANT DIRECTOR – PROCUREMENT
Relevant Cabinet Member: Councillor Brigid Jones, Cabinet Member for Finance and Resources
Relevant O &S Chair(s): Councillor Jack Deakin, Chair of Finance and Resources OSC
Report author: Steve Sandercock, Assistant Director, Procurement
Email Address: steve.sandercock@birmingham.gov.uk

Are specific wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s):		
Is this a key decision?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, add Forward Plan Reference:		
Is the decision eligible for call-in?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential : 3. Information relating to the financial or business affairs of any particular person (including the council)		

1 Executive Summary

- 1.1 This report provides details of the planned procurement activity for the period August 2023 – October 2023 which are not key decisions. Planned procurement activities reported previously are not repeated in this report.
- 1.2 The report enables Cabinet to identify whether any reports for procurement activities should be brought to this meeting for specific executive decision,

otherwise they will be dealt with under Chief Officer delegations up to the value of £500,000, unless TUPE applies to current Council staff.

2 Recommendations

- 2.1 To note the planned procurement activities as set out in Appendix 1 and Chief Officer delegations, set out in the Constitution, for the subsequent decisions around procurement strategy and contract awards.

3 Background

- 3.1 The report approved by Council Business Management Committee on 16 February 2016 set out the case for introducing this process.
- 3.2 At the 12th July 2022 meeting of Council changes to procurement governance were agreed which gives Chief Officers the delegated authority to approve procurement contracts up to the value of £500,000 for non-key decisions over the life of the contract. Where it is likely that the award of a contract will result in staff employed by the Council transferring to the successful contract under TUPE, the contract award decision has to be made by Cabinet.
- 3.3 In line with the Procurement and Contract Governance Rules that form part of the Council's Constitution, this report acts as the process to consult with and take soundings from Cabinet Members and the Resources Overview & Scrutiny Committee.
- 3.4 This report sets out the planned procurement activity over the next few months where the contract value is between the procurement threshold £177,897.50 (excluding VAT) and £500,000 (excluding VAT) for non-key decisions. This will give members visibility of all procurement activity within these thresholds and the opportunity to identify whether any procurement reports should be brought to Cabinet for approval even though they are below the £10m delegation threshold.
- 3.5 It should be noted that the procurement threshold has changed from £189,330 to £177,897.50 (excluding VAT) and applies from 1st January 2022 for a period of 2 years.
- 3.6 Individual procurements may be referred to Cabinet for an executive decision at the request of Cabinet, a Cabinet Member or the Chair of Resources Overview & Scrutiny Committee where there are sensitivities or requirements that necessitate a decision being made by Cabinet.
- 3.7 Procurements below £500,000 contract value that are not listed on this or subsequent monthly reports can only be delegated to Chief Officers if specific approval is sought from Cabinet. Procurements above £10m contract value will still require an individual report to Cabinet in order for the award decision to be delegated to Chief Officers if appropriate.
- 3.8 A briefing note with details for each item to be procured is listed in Appendix 2. The financial information for each item is detailed in Appendix 3 – Exempt Information.

4 Options considered and Recommended Proposal

4.1 The options considered are:

- To identify specific individual procurements as listed in appendix 1 for further consideration, along with clear reason(s) for such additional consideration, to Cabinet around the procurement strategy and contract award.
- To note the planned procurement activities for all the projects listed in appendix 1 and the Chief Officer delegations as set out in the Constitution, for the subsequent decisions around procurement strategy and contract awards.– this is the recommended option.

5 Consultation / Engagement

- 5.1 This report to Cabinet is copied to Cabinet Members, Cabinet Support Officers and to Resources Overview & Scrutiny Committee and therefore is the process for consulting with relevant cabinet and scrutiny members. At the point of submitting this report Cabinet Members/ Resources Overview & Scrutiny Committee Chair have not indicated that any of the planned procurement activity needs to be brought back to Cabinet for executive decision.

6 Risk Management

- 6.1 Members should note that in respect of any procurement projects which are sought to be referred back to Cabinet for further considerations these may impact on timescales around the delivery of those projects.
- 6.2 Details of Risk Management, Community Cohesion and Equality Act requirements will be set out in the individual reports.

7 Compliance Issues:

7.1 How are the recommended decisions consistent with the City Council's priorities, plans and strategies?

- 7.1.1 Details of how the contracts listed in Appendix 1 and Appendix 2 support relevant Council policies, plans or strategies, will be set out in the individual reports.

7.2 Legal Implications

- 7.2.1 Members are reminded that as a Local Authority the Council has specific duties under public sector procurement, specifically the Public Contract Regulations 2015.
- 7.2.2 Specific details of any implications related to public sector procurement Regulations are set out- in the individual reports appended to this report.

7.3 Financial Implications

- 7.3.1 Specific details of how decisions will be carried out within existing finances and resources will be set out in the individual reports.
- 7.3.2 Any cashable savings generated as a result of the procurement exercises are detailed in Appendix 2 to the delivery of procurement related savings and be removed from Directorate where identified in addition to the existing service area savings target as set out in the Medium Term Financial Plan (MTFP) in line with the principles to treatment of identified savings against third party contracts as agreed by CLT on 24th January 2022.

7.4 Procurement Implications (if required)

- 7.4.1 As noted under the Legal Implications the Council has a duty to ensure that public sector procurement activity is in line with public sector legislation, specifically the Public Contracts Regulations 2015.
- 7.4.2 For each of the individual projects the specific procurement implications associated to the legislation are set out and detailed in the appendices

7.5 Human Resources Implications (if required)

- 7.5.1 None.

7.6 Public Sector Equality Duty

- 7.6.1 Details of Risk Management, Community Cohesion and Equality Act requirements will be set out in the individual reports which should also give consideration to application of Equality Impact Assessments in line with Council Policy

8 Background Documents

- 8.1 List of Appendices accompanying this Report (if any):
- 1. Appendix 1 - Planned Procurement Activity August 2023 – October 2023
 - 2. Appendix 2 – Background Briefing Paper
 - 3. Appendix 3 – Exempt Information

APPENDIX 1 – PLANNED PROCUREMENT ACTIVITIES (AUGUST 2023 – OCTOBER 2023)

No.	Type of Report	Title of Procurement	Ref	Brief Description	Contract Duration	Directorate	Portfolio Finance and Resources Plus	Finance Officer	Contact Name	Planned CO Decision Date
1	Approval to Tender Strategy	Demolition of the Former Oscott Manor School	TBC	To demolish the former Oscott Manor School which consists of various buildings of traditional construction and prefabricated buildings down to concrete slab level only, with the removal of all materials from site including the termination of utility services to the site.	4 months	Children and Families	Children Young People and Families	Clare Sandland	Emma Bourne / Charlie Short	21/08/2023

APPENDIX 2

BRIEFING NOTE ON PLANNED PROCUREMENT ACTIVITIES **CABINET – 25th July 2023**

Title of Contract	Demolition of the Former Oscott Manor School
Contact Officers	Strategic Director: Sue Harrison, Children & Families Client Officer: Emma Bourne, Acting Property Manager Procurement Officer: Charlie Short, Procurement Manager
Relevant Portfolio	Councillor Karen McCarthy - Children Young People and Families
Briefly describe the service required	To demolish the former Oscott Manor School which consists of various buildings of traditional construction and prefabricated buildings down to concrete slab level only, with the removal of all materials from site including the termination of utility services to the site.
What is the proposed procurement route?	An open procurement process will be advertised Contracts Finder and www.finditinbirmingham.com
What are the existing arrangements? Is there an existing contract? If so when does that expire?	This is a one-off requirement.
Will any savings be generated?	No savings will be generated from this procurement process for a one-off works project.
Has the In-House Preferred Test been carried out?	Yes, and the test demonstrated this is not suitable to be carried out in-house for works the Council does not have the capability to undertake.
How will this service assist with the Council's commitments to Route to Zero?	The works will be undertaken using the most up-to-date sustainable materials including using online platforms and minimising paper usage. Completion of the service will also assist in reducing CO2 emissions by stopping the arson attacks which are regularly taking place.
How do these activities assist the Council with Everybody's Battle; Everybody's Business?	There is no direct impact on Everybody's Battle, Everybody's Business from the award of this contract.
Is the Council under a statutory duty to provide this service? If not, what is the justification for providing it?	There is not a statutory duty for this service. However, the demolition supports the statutory duty, by virtue of section 542(2) of the Education Act 1996, in respect of schools that it maintains, to secure that the school premises conform to the prescribed standards. This includes a duty to ensure that maintained school buildings are maintained to a standard such that, so far as is reasonably practicable, the health, safety and welfare of pupils are ensured. Unless the building is demolished, there is a risk of litigation under the Occupiers Liability Act 1984 as the legislation imposes a duty on occupiers to take reasonable care for the safety of trespassers in respect of any risk of their suffering injury by reason of any danger due to the state of the premises or to things done or omitted to be done on them.
What budget is the funding from for this service?	The works will be funded from the from the Schools Condition Allocation.
Proposed start date and duration of the new contract	The proposed start date is September 2023 for a duration of 4 months.

Birmingham City Council

Finance and Resources Overview and Scrutiny Committee

Date 27th July 2023



Subject: Medium Term Financial Plan (MTFP) Refresh – update to Cabinet at Quarter 1 of the 2023/24 Financial Year

Report of: Fiona Greenway, Interim Director of Finance & Section 151 Officer

Report author: Peter Sebastian, Head of Financial Planning (interim)

1 Purpose

- 1.1 To update Finance and Resources Overview and Scrutiny Committee on 27th July on forecast budget pressures and inflation forecasts over the current financial year (2023/24) and the next four financial years that make up the Medium-Term Financial Plan (MTFP) period.

2 Recommendations

- 2.1 Note the MTFP budget pressures (inflation, savings, directorate pressures, Collection Fund update), as well as the Quarter One 2023/24 position (which provides a high-level assessment of a budget gap for this financial year) (**Section 5 of the attached report**);
- 2.2 Note the wider financial position of the Council, in terms of capital expenditure and available corporate resources, which demonstrate that the additional Equal Pay liability, alongside MTFP budget pressures, cannot be found within existing BCC resources (**Section 5**);
- 2.3 Note the work carried out to date to assess the potential scale of additional Equal Pay liabilities (**Section 4**);
- 2.4 Consider and note the mandatory spending controls which came into effect from 5 July 2023 (**Section 6**);
- 2.5 Consider and note the robust Budget Savings & Recovery Plan – to close the forecast budget gaps in the current financial year and future financial years– as per the timetable included in this report (**Section 6**); and
- 2.6 Note the 2024/25 budget-setting timetable, including the dates for the implementation of the recommendations in this report (**Section 7**)

3 Any Finance Implications

- 3.1 The report (Appendix A) shows forecast budget pressures and inflation forecasts over the current financial year (2023/24) and the remaining financial years that make up the MTFP. It is projected that there is in-year budget shortfall of £87.4m in 2023/24, rising to £164.8m in 2024/25, reflecting the extent to which the costs of current service provision exceed the funding levels. These projected budget shortfalls do not reflect any additional costs relating to Equal Pay, including potential future liabilities as well as the cost of implementing any scheme of job evaluation.
- 3.2 The significant and additional forecast liability for Equal Pay claims are estimated to be between £650m and £760m. The Council has engaged with its External Auditors and is having ongoing discussions with the Department of Levelling-Up, Housing and Communities (DLUHC).
- 3.3 It is for this reason that this report supports the implementation of mandatory spending controls to give the Council time to further review financial pressures (including finalising the details of the Equal Pay liability) and mitigations.
- 3.4 In addition, this report recommends the implementation of a Robust Budget Savings & Recovery Plan to tackle existing budget pressures and the financial implications of the additional Equal Pay liability. This Plan sets out a series of activities that need to be delivered over the next five years to achieve financial stability within the Council, reviewing all aspects of BCC's financial management systems, processes and capability. This Plan will also seek to tackle financial pressures and rebuild corporate reserves over the medium term.

4 Any Legal Implications

- 4.1 These are included in Appendix A.

5 Any Equalities Implications

- 5.1 These are included in Appendix A.

6 Appendices

- 6.1 A – Report to Cabinet on Medium Term Financial Plan (MTFP) Refresh – update to Cabinet at Quarter 1 of the 2023/24 Financial Year

Birmingham City Council

Report to Cabinet

25th July 2023



Subject: Medium Term Financial Plan (MTFP) Refresh – update to Cabinet at Quarter 1 of the 2023/24 Financial Year

Report of: Fiona Greenway, Interim Director of Finance & Section 151 Officer

Relevant Cabinet Member: Councillor John Cotton, Leader
Councillor Sharon Thompson, Deputy Leader
Councillor Brigid Jones, Cabinet Member for Finance and Resources

Relevant O &S Chair(s): Councillor Jack Deakin, Finance and Resources Overview & Scrutiny Committee

Report author: Peter Sebastian
Head of Financial Planning (interim)
Email Address: peter.sebastian@birmingham.gov.uk

Are specific wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s):		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 011384/2023		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

1 Executive Summary

- 1.1 As part of the Council's approach to financial management, the Council provides updated forecasts across the Medium Term Financial Plan (MTFP) period to Cabinet three times a year – at Quarter One (this report); Quarter Two (in October) and at

Quarter Three (December/January, in the run up to formal budget-setting for the next financial year).

- 1.2 This report shows forecast budget pressures and inflation forecasts over the current financial year (2023/24) and the remaining financial years that make up the MTFP. It is projected that there is in-year budget shortfall of £87.4m in 2023/24, rising to £164.8m in 2024/25, reflecting the extent to which the costs of current service provision exceed the funding levels. These projected budget shortfalls do not reflect any additional costs relating to Equal Pay, including potential future liabilities as well as the cost of implementing any scheme of job evaluation.
- 1.3 Across the country, many councils are facing significant and similar budget pressures – mainly due to increased demand for services from residents, higher than forecast inflation and difficulty with delivering existing savings programmes in this current economic climate. Therefore, the current MTFP forecasts for Birmingham City Council (BCC), while serious and requiring immediate attention, are not unique.
- 1.4 What is unique, in the BCC context, is the significant and additional forecast liability for Equal Pay claims of between £650m and £760m. The Council has engaged with its External Auditors and is having ongoing discussions with the Department of Levelling-Up, Housing and Communities (DLUHC).
- 1.5 It is for this reason that this report supports the implementation of mandatory spending controls to give the Council time to further review financial pressures (including finalising the details of the Equal Pay liability) and mitigations.
- 1.6 In addition, this report recommends the implementation of a Robust Budget Savings & Recovery Plan to tackle existing budget pressures and the financial implications of the additional Equal Pay liability. This Plan sets out a series of activities that need to be delivered over the next five years to achieve financial stability within the Council, reviewing all aspects of BCC's financial management systems, processes and capability. This Plan will also seek to tackle financial pressures and rebuild corporate reserves over the medium term.

2 Recommendations

Cabinet is recommended to:

- 2.1 Note the MTFP budget pressures (inflation, savings, directorate pressures, Collection Fund update), as well as the Quarter One 2023/24 position (which provides a high-level assessment of a budget gap for this financial year) (**Section 5 of this report**);
- 2.2 Note the wider financial position of the Council, in terms of capital expenditure and available corporate resources, which demonstrate that the additional Equal Pay liability, alongside MTFP budget pressures, cannot be found within existing BCC resources (**Section 5**);

- 2.3 Note the work carried out to date to assess the potential scale of additional Equal Pay liabilities **(Section 4)**;
- 2.4 Endorse the mandatory spending controls which came into effect from 5 July 2023 **(Section 6)**;
- 2.5 Endorse the robust Budget Savings & Recovery Plan – to close the forecast budget gaps in the current financial year and future financial years– as per the timetable included in this report **(Section 6)**; and
- 2.6 Agree the 2024/25 budget-setting timetable, including the dates for the implementation of the recommendations in this report **(Section 7)**

3 Background

- 3.1 Birmingham City Council (BCC) approved its 2023/24 annual budget and Medium Term Financial Plan (MTFP) on 28 February 2023 as part of the annual budget setting cycle. Budgets were balanced up to 2023/24 (and across the MTFP period) on the assumption that:
 - a. £97.1m of savings were to be delivered over the next four years to 2026/27 (assuming no savings are brought forward undelivered from 2022/23);
 - b. Budget managers and budget holders are diligent in working within budgetary envelopes; and
 - c. Council tax was increased by 4.99% (including 2% for social care) with income levels largely returning to pre-Covid levels.
- 3.2 This paper:
 - a. Updates the assumptions (particularly inflation) that were used to set budgets for the 2023/24 financial year and provide an initial high-level

forecast (as at Period 3; Quarter One, April – June 2023) for the 2023/24 financial year;

- b. Updates the budget assessments over the MTFP period (from 2024/25 to 2027/28) based on the most recent forecasts (particularly with regard to inflation);
- c. Provides an update on Directorate spending to identify recent spending pressures, as well as progress against the agreed savings programme within the 2023/24 Financial Plan;
- d. Provides an outline of the Robust Budget Savings & Recovery Plan, including proposals for spending controls and key workstreams;
- e. Outlines the timetable and next steps required for the budget-setting process for the 2024/25 financial year, including budget consultation and engagement;
- f. Outlines the scale of the Council's existing capital programme – including a summary of existing borrowing (a full Capital and Treasury Management will come to Cabinet later this year); and
- g. Provides an initial assessment of potentially available corporate reserves that could be used to cover potential upcoming financial liabilities. It should be noted that these reserves are currently an estimate; a full review of reserves will be completed as part of the 2022/23 outturn report that will come to Cabinet in Autumn 2023.

3.3 This paper does not cover ringfenced revenue funding in the Housing Revenue Account (HRA) or the Dedicated Schools Grant (DSG) – it solely focuses on General Fund revenue budgets. The HRA Business Plan is expected to come to Cabinet in September 2023 for review; the DSG budget position is covered as part of the usual cycle of quarterly reporting to Cabinet.

4 National & Local Financial Context

4.1 Cabinet should note that there are a significant range of challenges that this Authority, and all public bodies, are currently facing. Research by the Special Interest Group of Municipal Authorities (SIGOMA) which represents 47 urban authorities, published on 19 June 2023, found that 55% of respondents were unsure whether they would be able to meet the budgets that were approved in March 2023 for the 2023/24 financial year. Based on the updated MTFP forecasts in Section Four of this report, without immediate and urgent action, BCC is in a similar position. The macroeconomic factors that are causing financial pressures include:

- a. **The impact of inflation** – compared to February 2023 when the budget for the 2023/24 financial year was agreed, inflation looks set to be higher than forecast. This manifests itself in a number of ways, from increased pay and materials budgets to rising energy costs; for example, the 2023/24 Financial Plan included an increased budget allocation of £18 million for the Council's energy bills and a £6 million increase for our schools. Further details on the impact of inflation are detailed in Section Five of this report;
- b. **Impact of Covid** – this continues to impact in a number of ways, from increased support needs for our residents (resulting in additional pressures on public services) to the income collection, as can be seen in the movement in the Collection Fund (most notably for business rates) that is described in Section Five;
- c. **Uncertain central government funding** – the Council's net revenue budget is funded from four main sources: Business Rates, Council Tax, government grants and fees & charges. (Where necessary, corporate reserves may also be used to cover specific expenditure or cover budget shortfalls.) Fees & charges are dependent on activity levels and residents' ability to pay. While Council Tax and Business Rates are also dependent on ratepayers' ability to pay, there are a number of uncertainties over these funding streams in future. Central Government has provided some clarity for the 2024/25 financial year only – namely that current Council Tax threshold levels (i.e., the amount that rates can be increased without the need for a referendum) will remain at 3% for Council tax and 2% for the Adult Social Care precept. Future reforms to the Business Rates system are currently delayed until 2025/26 at the earliest but may have a significant impact on BCC.

4.2 At present, there are also a number of challenges that are specific to BCC:

- a. Oracle finance system implementation – as approved by Cabinet on 27 June, this MTFP refresh includes £33.7m of costs from 2023/24 onwards to fix urgent issues, and to develop a plan that will deliver the Council's vision for an optimised Oracle. The total cost is £46.5m, including £12.8m of costs that had related to the 2022/23 financial year. In addition, the time taken to fix this Oracle system has delayed the completion of the 2022/23 outturn report and final reserves position, which means that this report cannot fully consider the impact on reserves of future cost pressures. This will be done at the Quarter Two MTFP refresh report due to come to Cabinet in October.
- b. Equal Pay challenges – the additional forecast Equal Pay liability is a key driver for the recommendations in this report. As noted above, initial estimates of the potential additional Equal Pay liability are between £650m and £760m.

4.3 Before the financial implications of this Equal Pay liability can be fully quantified for the MTFP, a more detailed calculation, using individual time-series data, to assess the full extent of the Equal Pay liability is being carried out. The results of this work are expected in August.

- 4.4 The overall scale of the liability needs to be quantified to assess total costs and enable BCC to explore all options for payment. A provision for Equal Pay liability will also need to be made within all accounts that are not currently signed off by auditors – this includes the 2020/21, 2021/22 and 2022/23 financial years – to demonstrate the scale of the issue at that point in time. This provision cannot be made until a financial solution is agreed with national government and stakeholders. At that point, the accounts can be reviewed and signed off by auditors.

5 MTFP – updated forecasts

- 5.1 The key movements from the MTFP position since BCC approved the budget for 2023/24 (and forecasts for future years) in February 2023 are shown in the table below. The projections identify a significant in-year budget shortfall of £87.4m in 2023/24, rising to £164.8m in 24/25, reflecting the extent to which the costs of current service provision exceed the funding levels:

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Total Net Expenditure (as per 2023/24 Financial Plan)	925,078	1,018,314	1,035,612	1,049,934	1,083,206
Total Resources (as per 2023/24 Financial Plan)	(925,078)	(1,018,314)	(1,035,612)	(1,049,934)	(1,079,093)
Budget gap as (as per 2023/24 Financial Plan)	-	-	-	-	4,113
Expenditure					
Budget Pressures					
Staffing	3,844	3,973	4,070	4,170	4,273
Demand/Complexity Growth	55,586	37,736	44,027	42,240	39,840
Statutory Requirement	-	-	-	-	-
Borrowing costs, investment etc	-	-	-	-	-
Budget Pressures Subtotal	59,430	41,709	48,097	46,410	44,113
Corporately Managed Budgets	(4,240)	(4,097)	(3,935)	(4,154)	(5,461)
Pay Inflation	-	-	(2,532)	(5,178)	(7,943)
Contract Inflation	1,042	27,346	51,904	55,348	58,666
Other Inflation	19,875	28,352	35,367	42,593	50,063
Fees and Charges Inflation	-	(357)	(365)	(372)	(378)
Inflation Sub-total	20,917	55,341	84,374	92,391	100,408
Savings					
High Risk Savings	35,141	56,274	75,374	75,374	75,374
Savings Subtotal	35,141	56,274	75,374	75,374	75,374
Total Net Expenditure Movements	111,248	149,227	203,910	210,021	214,434
Resources					
Business Rates	-	14,100	(27,677)	(40,165)	(41,052)
Council Tax	-	2,019	-	-	-
Other Grants Excl DSG & ABG	-	-	-	-	-
Top Up Grant	-	-	-	-	-
Other income	5,044	2,589	2,589	2,589	2,589
Net Payment to/(from) Reserves	(28,907)	(3,096)	(1,687)	-	-
Total Resources Movement	(23,863)	15,612	(26,775)	(37,576)	(38,463)
MTFP Budget Gap at July 2023	87,385	164,838	177,135	172,445	180,084

- 5.2 These projected budget shortfalls do not reflect any additional costs relating to Equal Pay, including potential future liabilities as well as the cost of implementing

any scheme of job evaluation. Full detail on these projections is included in paragraphs 5.3 – 5.15 below.

5.3 **Budget Pressures & Policy Choices** – this is made up of two elements:

- a. **Staffing** – this includes the correction of a previous budget issue that relates to the 1.25% planned increase in National Insurance contributions (and therefore pay costs) which was subsequently scrapped in September 2022. This planned increase was removed from base budgets, leaving a shortfall (£3.4m in 2023/24) to cover the forecast pay award.
- b. **Demand / Complexity** – this covers a range of directorate-specific spending pressures. The four largest areas of cost pressures are:
 - i. Oracle costs (assumed £33m from 2023/24 to 2025/26);
 - ii. Temporary Accommodation (assumed pressure of £8.6m in 2023/24, rising to £18.2m in 2024/25; based on the recent proposal to June Cabinet to purchase additional temporary accommodation which was approved);
 - iii. Children & Families pressures (£6.7m in 2023/24 and £3.9m in 2024/25), driven by demographic pressures requiring care (particularly in Unaccompanied Asylum Seeking Children) and home-to-school transport support, as well as an additional liability relating to Birmingham's Children's Trust pension liabilities for 2023/24 only (all of which will be further reviewed at Quarter Two); and
 - iv. Adult Social Care demand pressures (forecast £6.2m in 2023/24 and £8.9m in 2024/25) relating to increased numbers seeking care and increased placement costs (i.e. additional demand for more expensive residential care).

5.4 **Corporately Managed Budgets** – this includes a forecast reduction in borrowing costs of £3.9m in 2023/24 and £2.3m in 2024/25, as delays in the capital programme have led to lower than forecast loan debt (and therefore lower Treasury costs).

Inflation

5.5 **Other inflation** – this line covers General Price inflation on premises, transport, and supplies and services costs. The assumptions used in the 2023/24 Financial Plan have been reviewed in light of the latest Bank of England Consumer Price Index (CPI) forecasts from May 2023. The updated forecasts are based on the following assumptions:

	2023/24	2024/25	2025/26
Apr-Jun	8.2%	3.4%	1.1%
Jul-Sep	7.0%	2.9%	1.0%
Oct-Dec	5.1%	2.3%	1.0%
Jan-Mar	4.4%	1.5%	1.1%
Average CPI Inflation	6.2%	2.5%	1.1%
MTFP refresh assumptions used:	6.2%	2.5%	2.0%
Assumptions used in 2023/24 Financial Plan:	0.0%	0.0%	0.0%

Source for MTFP refresh assumptions: Bank of England CPI forecasts, May 2023

Note: for the 2025/26 financial year and future financial years, MTFP forecasts are assumed to be 2.0% - a slight increase from Bank of England forecasts to ensure the MTFP is calculated on a prudent basis

5.6 As noted above, the increase in forecast inflation is due to the increase compared to the 2023/24 Financial Plan, in which assumptions were made that Directorates would not receive any inflationary uplift for premises, transport and supplies & services costs and would need to manage pressures within existing budgets.

5.7 **Contract inflation** – this relates to areas of spend which are tied to specific contracts, and so require specific inflation assumptions. The largest area of spend – and therefore the largest impact on the MTFP – relates to Adult Social Care (packages of care; estimated £18.6m increase in inflation forecasts in 2024/25) and Children's Social Care (third party payments to the Birmingham Children's Trust for care packages; estimated £7.3m increase in inflation forecasts in 2024/25). This is based on the following assumptions:

	2023/24	2024/25	2025/26
<u>Adult Social Care packages</u>			
Assumptions used in the 2023/24 Financial Plan:	7.5%	0.6%	0.0%
MTFP refresh assumptions used:	8.7%	6.5%	4.9%
<u>Children's Social Care third party payments</u>			
Assumptions used in the 2023/24 Financial Plan:	7.4%	0.6%	0.0%
MTFP refresh assumptions used:	7.4%	6.5%	4.9%

Source for MTFP refresh assumptions: Analysis of future ASC care package costs as at end of May 2023

Note: for Children's third-party payments, it is assumed that they will track ASC inflation movements in 2024/25 and 2025/26. The 2023/24 figures have not yet been updated and will form part of the next MTFP Refresh paper to Cabinet in October

5.8 **Pay inflation** – at present, pay inflation budgets look broadly accurate. The Financial Plan 2023/24 assumed 5.0% increase in 2023/24, 2.5% in 2024/25 and in future years. Based on Bank of England forecasts, this update revises this forecast to 2.0% from 2025/26 onwards.

5.9 **Savings** – progress against the savings agreed in the 2023/24 Financial Plan has been reviewed. Based on the table below, it is estimated that a total of £35.1m of savings are at high risk (i.e., assessed as unlikely to deliver). These are described in paragraphs 5.10-5.11 (£33.2m of savings at risk within the agreed corporate savings programme) and 5.12 (an additional £1.9m of savings that had been incorrectly applied).

- 5.10 From the agreed corporate savings programme, as laid out in the 2023/24 Financial Plan approved by Cabinet in February, the Financial Sustainability Programme Board is currently forecasting that £33.2m of savings are at high risk (i.e., assessed as unlikely to deliver) in 2023/24 with a further £21.1m unlikely to be delivered in 2024/25:

£'000	2023/24	2024/25	2025/26	Total	% of Target
MTFP Target 23/24 to 25/26	(55,165)	(28,137)	(19,544)	(102,846)	92%
Previous Undelivered Savings	(9,454)			(9,454)	8%
Total Target	(64,619)	(28,137)	(19,544)	(112,300)	100%
Delivered					
Low Risk	(2,623)	(1,116)	(84)	(3,823)	3%
Medium Risk	(28,517)	(5,888)	(360)	(34,765)	31%
High Risk	(33,479)	(21,133)	(19,100)	(73,712)	66%
To Be Confirmed					
Potential Write-Off					
Total Forecast	(64,619)	(28,137)	(19,544)	(112,300)	100%

- 5.11 The following points should be noted about this savings forecast:
- This assumes that, in addition to the £55.2m of budgeted savings in the MTFP for 2023/24, there will be £9.5m of undelivered savings in 2022/23 that will need to be rolled forward for a total savings target of £64.9m in 2023/24. This will need to be confirmed as part of the outturn report for 2022/23 (and the number of undelivered savings could rise or fall).
 - The projects that are not expected to deliver target savings in 2022/23 include: Workforce savings (£2m); Traded Services (£1.6m); Council Admin Buildings Premises (£1.3m); Automation (£0.85m); Fieldworker / new ways of working (£0.8m); and Customer Services (£0.4m).
 - An initial high-level review of savings projects by the Financial Sustainability Programme Board, as at mid-May, suggests that approximately £33m (50%) of the total £64.9m required in 2023/24 is currently at risk of slippage/non-delivery. Key projects currently at high risk of slippage/non-delivery include: Children's Trust Savings - £6m; Reducing Bed and Breakfast spend - £5.5m; Commercial Investment/Property - £4.7m; Workforce Savings - £4m; CAB Premises - £3.7m; Traded Services - £3.1m; EIP/Localities Hub - £2.5m; Automation - £1.850m; Centres of Excellence - £1.8m; Customer Services - £0.990m; and Fieldworker - £0.8m
 - Work is currently progressing to review the risk levels and options for mitigation. Further information will be provided in subsequent reports to Cabinet on the 2022/23 outturn and the Quarter Two MTFP Refresh in October.
- 5.12 In addition to the savings above, this MTFP includes an additional £1.95m of vacancy factor savings (i.e., holding staff positions vacant as people leave) that

had been incorrectly applied to Children & Families and City Operations. These had been applied on top of existing 3% savings across all Directorates.

5.13 **Resources** – this paper also considers a range of factors affecting future income. These include:

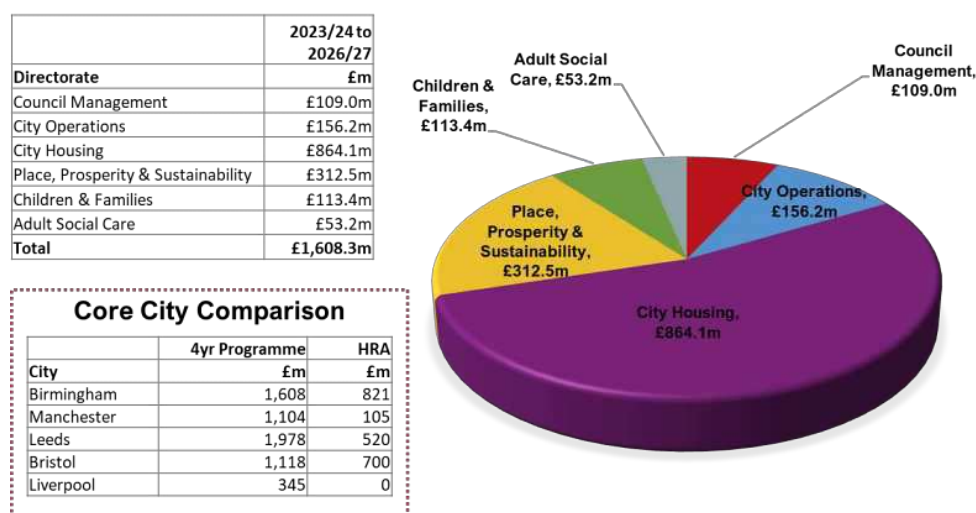
- a. **Business rates** – based on the draft 2022/23 outturn position for the Collection Fund, it is forecast that there is a deficit in business rates income of £27.8m due to a challenging economic environment for businesses (resulting in lower than forecast collection rates), a delay in enforcement activity (due to Oracle implementation issues) and an increase in business rates appeals (as this is the last year of the six year period in which businesses can query the latest set of rateable valuations (i.e. tax due) which were carried out in 2017).
- b. Under statutory guidance, the 2022/23 Collection Fund deficit will be charged to the General Fund for the next financial year (i.e. in 2024/25). However, this is offset by additional forecast income from business rates of £13.8m in 2024/25 and in subsequent years. Business rates are calculated by multiplying the rateable value of the property by the “non-domestic multiplier” which is adjusted to reflect the Consumer Price Index inflation figure for the September prior to the billing year. As Bank of England forecasts for CPI are expected to be higher than the forecasts used in the Financial Plan for 2023/24, this could result in additional income for the Council in future years.
- c. **Council tax** – as with Business Rates, there is projected to be a £2.0m deficit for 2022/23 in Council Tax income due to a reduction in collection rates. This will also be charged to the General Fund for 2024/25. It is worth noting that collection rates across Council Tax and Business rates fell in 2022/23, relative to 2021/22. For Council Tax, in year collection fell from 92.9% to 90.2%; for Business Rates, in year collection fell from 95.8% to 90.1%.
- d. **Grants** – there are two main categories of grant: 1) those used to fund wider Council services (e.g., Top Up Grant, Business-rates related Section 31 grants); and 2) those ringfenced to fund specific services (e.g., the Social Care Grant). At present, there is not sufficient information from central government to update forecasts for grant funding in 2024/25 and beyond. Further information is expected later in the 2023/24 financial year.
- e. **Other income** – this includes a range of pressures including a pressure of £1.5m on parking income (due to reduced demand with the city) and £1.5m on business waste collection income (again likely due to reduced office usage across the city).
- f. **Reserves** – at present, the only use of reserves assumed is to cover the additional expenditure required to support the remediation of the Oracle

finance system. A further review of reserves will be provided to Cabinet as part of the 2022/23 outturn report in the Autumn.

- 5.14 **Additional risks** – there are a range of other possible service pressures that are being reviewed by officers. For the purposes of this paper, only pressures that are 1) viewed as more than 50% likely to take place and 2) can be quantified are included in this report. Others will be reviewed and may be quantified as part of the Quarter Two refresh of the MTFP for Cabinet in October. This could include the potential cost implications relating to the current Private Finance Initiative (PFI) contract between the Council and Birmingham Highways Limited – a procurement exercise for a new sub-contractor is currently ongoing, so it is not possible to quantify any additional costs at this stage.
- 5.15 **Equal Pay** – further to the description in Section Four of this report, and for the purposes of this paper, a high level estimate of the potential financing costs has been made for information purposes. It is not yet included in the MTFP forecasts in this paper, as the work to finalise the figures is ongoing.

Capital Programme

- 5.16 **Size** – a review of the Capital programme is needed in light of the current financial situation with a view to add, reprioritise, accelerate, defer and descope the programme. This will need to be looked at across all Directorates within scope of the Capital Programme.
- 5.17 The current approved capital programme is for £1.6 billion of spending over this MTFP period:



- 5.18 The capital spend by Directorate includes:
- City Housing includes £820m for the Housing Revenue Account: investment in current housing stock as well as new social housing;
 - Council Management includes £54m transformation projects and £30m Corporate Contingency over four years;

- c. The above figures do not include the proposed £400m investment in the Council's Temporary Accommodation strategy, approved by Cabinet on 25 June; and
- d. Place, Prosperity & Sustainability includes £52.9m Enterprise Zone funded by borrowing to be repaid by the retention of future Enterprise Zone business rates.

Corporate Reserves

- 5.19 At present, officers are reviewing corporate reserves to finalise the outturn position for the 2022/23 financial year. These will need to be compared to the MTFP budget gap included in this paper and additional costs as a result of additional Equal Pay claims.
- 5.20 Using corporate reserves will, of course, significantly reduce the financial resilience of the council against future pressures. Once reserves have been used, they need to be rebuilt from existing budgets (i.e., through future savings that can be contributed to reserves). Once reserves have been spent, they are no longer available. That is why it is worth pursuing a savings programme first and retaining reserves to enable the authority to have some protection against future budget pressures. The method for pursuing these savings will be the Robust Budget Savings & Recovery Plan – outlined in the next Section of this report.

6 Robust Budget Savings & Recovery Plan

Background

- 6.1 The financial challenges being faced by the Council are of a sufficient size that they require immediate and sustained action to control. There is no doubting the scale of the financial challenge. There is a significant budgetary challenge arising, which includes:
 - a. The sizeable MTFP budget gaps identified in Section Five of this report; and
 - b. Additional financing costs for any future Equal Pay costs.
- 6.2 The Robust **Budget Savings & Recovery Plan** is made up of:
 - a. **Mandatory spending controls** – to enable the Authority to pause non-essential spending and to enable time to tackle the budget gap; and
 - b. **Detailed workstreams** – including Oracle Remediation, MTFP and Budget, and Workforce.

Mandatory Spending Controls

- 6.3 Based on the rationale in this report, **Mandatory Spending Controls** were implemented on 5 July.

6.4 **Mandatory spending controls mean that:**

- a. ***No new agreements or commitments for expenditure can be made, without engagement with the three statutory officers.***
- b. Temporary measures will be brought in to ensure all **new** non-essential expenditure will stop with immediate effect.

6.5 **The only allowable expenditure permitted under an emergency protocol includes the following categories:**

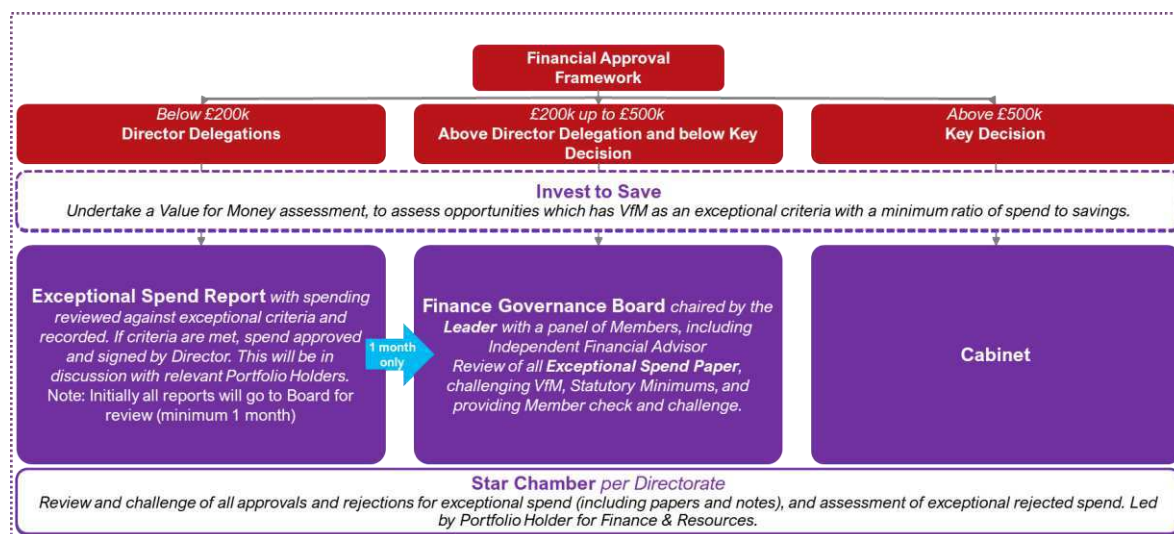
- a. Existing staff **payroll** and **pension** costs
- b. Expenditure required through **existing legal agreements and contracts**
- c. Expenditure on **goods and services** which have **already been received**
- d. Expenditure required to deliver the council's **provision of statutory services**
- e. Urgent expenditure required to **safeguard vulnerable citizens**
- f. Expenditure to address **services** which are **under regulation**
- g. Expenditure funded through **ring-fenced grants**
- h. Expenditure necessary to achieve **value for money** and / or **mitigate additional in year costs**
- i. Expenditure necessary to achieve **value for money** and / or **mitigate additional in year costs**
 - i. *Robust business case with short payback period required, i.e., less than 24 months;*
 - ii. *Value-for-Money Framework to be developed; and*
 - iii. *Business Cases to be reviewed by a group (to be established by Chief Executive)*

Robust Budget Savings & Recovery Plan

6.6 **Governance Arrangements – *three governance forums will be used to challenge spend within the Council:***

- a. **Director Delegations with Exceptional Spend Report** – To review spend against exceptional criteria and take delegated decisions against spend thresholds. In discussion with relevant Portfolio Holder.
- b. **Finance Governance Board** – To review spend above certain thresholds based on exceptional criteria, utilising senior stakeholders to challenge spend, and regularly review Director delegated decisions.
- c. **Star Chamber** – To review and challenge all approved exceptional spend (including papers and notes) and an assessment of exceptional rejected spend.

- 6.7 This will be implemented in line with a temporary scheme of delegation, aligned to the Finance, Procurement and Contract Governance Rules in Part D of the constitution:



*Notes: All forums will occur on a weekly basis to ensure spend is agile and responses to Directorate needs. This will apply to all spend over £500 as a de-minimus level. All spend must adhere to Council Procurement Governance. This includes spend and call-offs from frameworks. This includes **Capital and Ring-Fenced Grant Spend**. Consideration will be given to the volume of reports, needs to split by General Fund and Housing Revenue Account spend, and the timeliness of reporting and governance. This covers increase in spend **and** decrease in income.*

- 6.8 **Work plan** – this plan will inform the roadmap of activities that need to be delivered over the next five years to achieve financial stability within the Council.
- 6.9 There are nine activities which form this plan, split into Strategic and Operational Activities. The Strategic work streams are:
- Organisational Spending Review** – Review all spending for Value for Money and Outcome Focus across all services and budgets, including General Fund, Housing Revenue Account, Capital and external funding, Companies, Traded Services (i.e. Schools);
 - Equal Pay Resolution** – Roadmap of activities to understand and resolve the Equal Pay challenges, including detailing the potential costs over the next 5 years;
 - MTFP and Budget** – Quantification and remediation of the budget gap, revising the MTFP (next four financial years, Long-Term Financial Plan (next ten financial years), and Budget setting process. This will include the identification and delivery of savings, to be owned by the Corporate Leadership Team and Cabinet; and

- d. **Workforce** – Ensuring recruitment and retention is not at risk within the workforce, and developing contingency, creating capacity and flexibility, and exploring staff and people costs, including agency and interim costs.

6.10 The Operational work streams are:

- a. **Mandatory Spend Controls** – Implementation of mandatory spend controls, as outlined above, and the delivery of in-year spending savings through these controls, including Collection/Recovery of Income, balance sheet controls and use of Minimum Revenue Provision;
- b. **Oracle Remediation** – Activities to achieve Safe and Compliant, Stabilisation, and Optimisation of the Oracle Fusion implementation;
- c. **Governance and Controls Framework** – Review and remediation of governance and key financial controls, including but not limited to Internal Audit, Procurement, Value-for-money, Risk Management, Annual Governance Statement;
- d. **Closure of the Accounts** – Activities to deliver accounts for the Council across all financial years that remain open with External Auditors, including any further investigations and assessments; and
- e. **Finance and Governance Capacity and Capability** – Strengthened finance and governance knowledge, capability and capacity to deliver the planned improvements, including development of a Service Improvement Programme.

6.11 Work is already underway against a number of these areas. Each of the nine pillars above has a detailed plan of activities with responsible owners, risks, timelines, and allocated resources against each step.

6.12 The Robust Budget Savings & Recovery Plan will be reported to, and monitored by, the Finance Governance Board.

7 Next Steps

7.1 Significant work is required over the next few weeks to deliver on the proposed Budget Savings & Recovery Plan. A further update will come to Cabinet in October to update the MTFP position and assumptions over the medium term, in advance of the formal budget-setting process for 2024/25.

7.2 The timetable for the 2024/25 budget-setting process is as follows:

Activities	Date
Spending Controls implementation	5 July 2023
Implementation of Budget Savings & Recovery Plan	25 July 2023
Quarter Two Update on MTFP assumptions, budget position to Cabinet	10 October 2023

Budget engagement on resource prioritisation	Mid October – December 2023
Scrutiny of budget development proposals and Scrutiny review of Budget Savings & Recovery Plan for 2024/25 budget	November/December 2023
Provisional Local Government Settlement	Mid December 2023 (TBC)
Cabinet – setting of council tax and business rate tax base	16 January 2024
Final Local Government Settlement	January/February 2024 (TBC)
Cabinet consideration of the 2023/24 budget and Financial Plan	13 February 2024
Full Council approval of 2023/24 budget and setting of Council tax	28 February 2024

8 Next Steps

- 8.1 The Council believes that it is important that it engages with citizens and business when planning activity and the financial implications of those plans. An engagement plan is currently in development, focusing on gathering the views of Council Tax and Business Rates payers to feed into the 2024/25 budget setting process.

9 Risk Management

- 9.1 There remains significant uncertainty in respect of public spending levels and the level of funding for local government and therefore the assumptions outlined in this report will be subject to continual review over the coming months to ensure that the Council's short term and medium term financial stability can be protected and critical services delivered.

10 Compliance Issues:

10.1 How are the recommended decisions consistent with the City Council's priorities, plans and strategies?

- a. The Robust Budget Savings and Recovery Plan is an essential part of the Medium Term financial planning process. This will be informed by the priorities that led to its implementation, namely to provide a stable footing for the future financial position of the Council. In doing so, the Robust Budget Savings and Recovery Plan will seek to support the delivery of the Council's priorities, as laid out in the Council Plan, wherever possible within current and potential financial constraints. The

MTFP must remain focused on social justice, frontline services and the needs of residents and communities of the city.

10.2 Legal Implications

- a. A local authority is required under the Local Government Finance Act 1992 to produce a balanced budget.

10.3 Financial Implications

- a. The detailed financial implications have been covered throughout the report.

10.4 Procurement Implications (if required)

- a. There are no procurement issues arising directly from the contents of this report. Any procurement implications will be identified as specific budgets are developed.

10.5 Human Resources Implications (if required)

- a. There are no specific human resources implications arising from this report. Any Human resource implication will be identified as specific budgets are developed.

10.6 Public Sector Equality Duty

- a. In compliance with the Council's duties on equality, changes in the budget that impact on the provision of services will need to be properly assessed. An Equalities Impact Assessment will be undertaken on proposals as they are developed where this is considered necessary to do so.

Birmingham City Council

Finance and Resources Overview and Scrutiny Committee

Date 27/07/23



Subject: Oracle Stabilisation Update
Report of: Meena Kishinani, Director of Transformation
Report author: Craig Buckley, Oracle Stabilisation Director

1 Purpose

1.1 To provide the Committee with an update on the stabilisation of the Oracle Financial and HR Management system, including:

- Update on the background to the issues with the Oracle system and current challenges. The issues have been categorised across five workstreams - Finance, People Services, Internal Audit, Procurement and Technology, which have impacted a range of services across BCC, Schools and BCT.
- Work to address the challenges including governance, risk and timescales. The programme has set up a clear approach to RAID (risk and issue management), which feeds into programme reporting and decision making through the plans and risk/issue log.
- Work to learn lessons including governance, risk and timescales. These are split into the three areas of governance, planning and delivery.
- Progress on End of Year Accounts including timescales and risks.

2 Recommendations

2.1 There are no recommendations in this report.

3 Any Finance Implications

3.1 There are no financial implications in this report.

4 Any Legal Implications

4.1 There are no legal implications in this report.

5 Any Equalities Implications

5.1 N/A

6 Appendices

6.1 Presentation to follow.

Finance and Resources OSC

27th July 2023

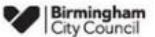
Oracle Update

Craig Buckley – Programme Director



BE BOLD BE BIRMINGHAM

Page 55 of 86



Objectives

This pack is divided into four sections and provides the Committee with the required context to make any recommendations necessary:

Section	Description
1. Progress Update	Update on the background to the issues with the Oracle system and current challenges
2. Responding to challenges	Work to address the challenges including governance, risk and timescales
3. Lessons learned approach	Work to learn lessons including governance, risk and timescales
4. Progress on End of Year Accounts	Progress on End of Year Accounts including timescales and risks

Update on the background to the issues with the Oracle system and current challenges

Background Information

- In April 2022, the Council went live with a new Enterprise Resource Planning (ERP) IT system, **Oracle Cloud**, to improve its internal functions relating to financial management and human resources.
- The switch to Oracle was the first major change in system that the Council had undertaken since 1999. Whilst it is not unusual for the implementation of new ERP systems to encounter difficulties, the transition to Oracle has proved **incredibly challenging**.
- Whilst there have been some successes, for example the Council has made payments to over half a million suppliers since April 2022 with a value of £2.5 billion using the new system, some critical elements of Oracle are **not functioning adequately** and this failure has impacted primarily upon **the day-to-day operations of Finance and HR**. Officers only brought the full extent of these issues to the attention of members in April 2023.
- The Council is currently working at pace and has **developed a plan** which focusses initially upon stabilising the situation and then optimising the implementation of Oracle. However, significant resources will be required to arrive at a position where the **system can be fully implemented**.

Oracle System Summary

Although some aspects of the Oracle system are working, there are a number of areas that are not. They are illustrated below:

01



Finance

Pressure on 23/24 year end processes including clearing backlogs, out-turn preparation and reporting

02



People Services

Key process gaps and underlying technology problems impact key processes such as DBS checks which then may need to be performed manually

03



Schools

Relationships becoming strained as core functional activity and timescales are not being met, including finalising their accounts

04



Systems Issues

Resulting an increase in manual processing, which is putting significant strain on staff in Services, including Finance, People Services, Procurement and Internal Audit

A key challenge is that we have to fix a system that is **already operational**, so we are having to make tactical fixes while we design and develop the long-term solution.

Work to address the Challenges: (Governance, Risk & Timescales)



Programme Approach

The approach to the programme is underpinned by a number of initiatives. This section details progress against each factor:

01 Control

Bring all activities into a single plan, with clear and resourced structures for delivery and governance.

02 Capacity

Rapidly build the capacity required to provide technical support, programme and project management support, and communications and engagement - recognising the impact on existing business as usual resources.

03 Capabilities

Ensure that the right functional representation exists across HR, Finance, IT, Audit and Procurement, and is balanced with the right technical Oracle expertise.

04 Communication

Communication to, and engagement with, key staff and stakeholders must be prioritised and aligned to the delivery of the plan.

01 Control

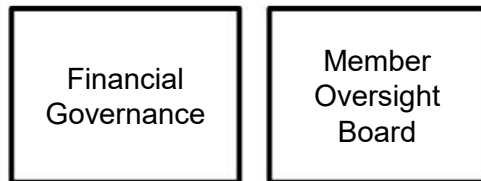
Bring all activities into a single plan, with clear and resourced structures for delivery and governance.

Progress Review:

- Single programme, reporting mechanism and plan established to deliver 'Safe and Compliant' across Finance, People Services, Internal Audit, Procurement and Technology.
- Gold, Silver and Bronze command structure set up on a weekly cycle to allow rapid identification, prioritisation and execution of resolutions
- Two Member Boards, Finance and Governance set up and run on a weekly basis.
- New Design Authority created to enforce 'adopt not adapt' and good practice technical decision making.
- Audit Logging for priority rules turned on in mid July. Risk Management Cloud functionality forecast to be operational by mid September.

Oracle Response Governance Structure

Member Oversight Boards



Member Boards supported by:

- Ian O'Donnell, independent Finance Expert
- Jonathan House, Oracle Technical Expert

Officer Boards



Gold: Sets the strategy for the programme and receives progress updates.

Oracle Programme Governance: This board is parallel to the Gold Board, and takes place after Gold meets to provide Members with an update on progress.

Financial Governance: This board provides Members with oversight of financial governance and council finances.

Silver: Manages the overall programme as a leadership team - overseeing the risks and issues and mitigations whilst monitoring progress.

Bronze: Oversees short term priorities and manages risks, issues and progress chaired by the Programme Director.

Bronze Operational Groups: Workstreams for each functional area to deliver changes required. Overseen by a Project Manager & Workstream Lead.

Phase 1 – safe and compliant criteria

To assess and confirm items as Safe and Compliant, the following assessment criteria was applied:

Criteria	Definition	How applied
Safe and Compliant	<ul style="list-style-type: none">• Places people (staff, customers, suppliers) at risk of harm• Breach of statutory requirement• Breach of regulatory requirement• Risk of reputational damage	Yes/No
Simplicity	Range from simple (L) to (H)	H/M/L
Alignment with Oracle Vision	Impact on future strategy for Oracle (e.g. the move to less customisations)	H/M/L
Effort / Cost	Amount of technical and business effort required to both fix and deploy	H/M/L
Business Case / Cost of other options	Savings or benefits acceptable relating to costs, no lower cost temporary solution identified	True / False
Business Change	Business change required is understood and accepted.	True / False

RAID Management

The **RAID Management Process (risks, assumptions, issues, and dependencies)** provides a structured approach through which all risks, actions, issues and decisions are captured and managed. Any of these items may cause an adjustment **the scope, schedule, or budget** of the programme. The programme has incorporated a 4 step approach:



The programme:

- Maintains a detailed Risk Register that is updated and reviewed regularly.
- Reviews key risks (new and increasing) weekly at Silver, Gold and at the Member Oversight Board.
- Report on key strategic risks from within the RAID log. The intention is that these can be reviewed by the Gold Task Force, the Member Oversight Board and potentially both Audit Committee and Finance & Resources O/S Scrutiny.

02 Capacity

Rapidly build the capacity required to provide technical support, programme and project management support, and communications and engagement - recognising the impact on existing business as usual resources.

Progress Review:

- Interim funding secured and procurement routes determined to provide capacity.
- 12 additional resources added to Finance posting backlog working on clearing the 2022/23 transactions.
- 6 additional resources focussed on reducing immediate risks in People Services.
- Additional resources in DTS (Digital & Technology Services) to support the technical aspects of the programme.
- Additional PMO team members have been appointed to help manage overall programme delivery
- Additional roles will also be required to support the longer term Oracle Optimisation activity
- Cabinet Paper approved at June Cabinet provides longer-term resourcing and funding arrangements.

Update from June Cabinet Report

An update from the June Cabinet Report is outlined below:

- Approved funding (and delegated authority) for 2 elements:
 - Safe and Compliant work
 - Solution Design (first stage of Optimisation)
- Requested delegated authority to put in place additional procurement frameworks as required
- Established reporting to Finance & Resources O&S Committee and Cabinet.

Oracle Support

Oracle are the supplier of the software that BCC has implemented in order to manage our finance and people resources. The support provided to date has been detailed below:



Oracle Led Sessions: Exploring what a “Good out of the box” implementation looks like



Introductions to Customers: Introducing BCC to existing customers who are live with a non-customised version of Oracle



Enterprise Architect: Providing an Enterprise Architect (to support Design Authority), specific functional experts, and three-month period of Technical Account Management (access to priority support).

03 Capabilities

Ensure that the right functional representation exists across HR, Finance, IT, Audit and Procurement, and is balanced with the right technical Oracle expertise.

Progress Review:

- Functional Sponsor and Functional Lead/Project Manager now allocated for every function: Finance, People Services, Internal Audit, Procurement and Technology
- Oracle experience has been prioritised in recruiting posts, this will continue to be seeded within the organisation. The Oracle optimisation work will be internally led but will utilise external subject matter experts to support key decisions and planning about retiring the problematic customisations and reverting as much as possible to 'vanilla' (uncustomised) Oracle.
- Will need to focus on Business Change capacity and capability.
- Additional training and testing capability being built up

04 Communication

Communication to, and engagement with, key staff and stakeholders must be prioritised and aligned to the delivery of the plan.

Progress Review:

- Schools communication is key given the Finance and HR service provided to schools has not been fit for purpose. Regular workshops and communication updates are being provided during the accounts closedown process, supplemented by letters to schools around reassurance, internal audit and service charge discounts.
- Engagement workshop events have been held with both the programme team and the entire Finance function which have proved helpful through increasing understanding and focus on delivering Oracle stabilisation.
- Further staff engagement and communication activities are in the pipeline.
- 2x Schools Relationship Managers appointed to help improve communications with schools.

Timeline

- A single detailed programme plan is in place which outlines all activities
- The high-level design (HLD) phase will be used to finalise the optimisation plan and activities (due September 2023)

Activity	Jun	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Safe and Compliant										
Optimisation: High Level Design										
Optimisation										

Optimisation – High Level Design

The Optimisation (High level design) phase is underway, which is to last 12 weeks in total. This phase, which is the first phase within solution design led by DTS, will involve Oracle and other delivery partners and will be overseen by the Design Authority. This phase intends to:

- Focus on delivering the original vision for Oracle, as mandated by Cabinet, based on vanilla, out-of-the-box Oracle.
- Review and identify the changes needed within the supporting business processes.
- Assess other organisations using vanilla Oracle.
- Hold key stakeholder workshops following the previously completed Oracle 'art of the possible' Workshops
- Create an output which will be a Cabinet Paper on proposed solution & optimisation plan.

Work to Learn Lessons (Governance, Risk & Timescales)



Work to learn lessons including governance, risk, and timescales

- The Management Review was commissioned by the Chief Executive, run independently from the Oracle Programme:
 - The review is being initiated and current timelines suggest that it will conclude by the end of September 2023
 - For more information, contact Paul Clarke (AD for Programmes, Performance and Improvement) who is the Strategic Risk Owner (SRO) for the review.

Progress on End of Year Accounts (Risk & Timescales)



Finance update

General update from Finance workstream on 3 key items:



Out Turn



Accounts
Production



Equal Pay & Impact
on timescales

Questions?



BE BOLD BE BIRMINGHAM

Page 76 of 86



Birmingham City Council

Finance and Resources Overview and Scrutiny Committee

27 July 2023



Subject: Finance and Resources Overview and Scrutiny Committee's Work Programme

Report of: Christian Scade, Head of Scrutiny and Committee Services

Report author: Fiona Bottrill, Senior Overview and Scrutiny Manager
fiona.bottrill@birmingham.gov.uk
 07395 884487

1 Purpose

- 1.1 This report sets out the proposed work programme for the Finance and Resources Overview and Scrutiny Committee for 2023-24, based on the Committee's meeting in June 2023. Appendix 1 outlines the topics identified, aims and objectives and the preferred method of scrutiny to achieve these objectives.
- 1.2 The report also refers to other topics, which the Committee has identified, for future consideration, and this will be continuously updated during the year.

2 Recommendations

- 2.1 That the Committee:
 - Notes the information set out in Appendix 1 and identifies if any further topics need to be added to the menu of topics for the Committee to explore over the coming year.
 - Agrees, subject to further input from the Chair and Deputy Chair, the issues that the Committee will consider during September – October 2023, the proposed aims and objectives and the preferred method of scrutiny.
 - Identifies, subject to further input from the Chair and Deputy Chair, the issues that the Committee will consider in November 2023, the proposed aims and objectives and the preferred method of scrutiny.
 - Notes, subject to further input from the Chair and Deputy Chair outside of the meeting, its proposed work programme will be submitted to Co-

ordinating O&S to enable work to be planned and co-ordinated throughout the year.

3 Background

3.1 The [statutory guidance for local government overview and scrutiny](#) sets out the role it can play in holding an authority's decision makers to account. This makes it fundamentally important to the successful functioning of local democracy.

3.2 Effective Overview and Scrutiny should:

- Provide constructive 'critical friend' challenge.
- Amplify the voices and concerns of the public.
- Be led by independent people who take responsibility for their role.
- Drive improvements in public services.

3.3 The role and functions of Overview and Scrutiny Committees are outlined in [The City Council's Constitution | Birmingham City Council](#) They will:

- Make reports and/or recommendations to the full Council, the Executive and/or other organisations in connection with the discharge of the functions specified in their terms of reference.
- Consider any matter covered in their terms of reference that may affect or be likely to have an effect on the citizens of Birmingham; relevant to the Council's strategic objectives; relevant to major issues faced by officers in managing a function of the Council; and likely to make contribution to moving the Council forward and achieving key performance targets.

3.4 Effective scrutiny needs to add value. A well planned and timely work programme enables Overview and Scrutiny Committees to be involved at the right time and in the right way, and ensure their involvement is meaningful and can influence the outcome.

3.5 Members often have a number of topics suggested to them and are therefore required to **prioritise** matters for consideration. The Scrutiny Framework sets out the following factors to be considered:

- Public interest: concerns of local people should influence the issues chosen.
- Ability to change: priority should be given to issues that the Committee can realistically influence.
- Performance: priority should be given to areas in which the Council and Partners are not performing well.
- Extent: priority should be given to issues that are relevant to all or a large part of the city.
- Replication: work programme must take account of what else is happening to avoid duplication.

Looking Ahead

- 3.6 Overview and Scrutiny Committees will identify a 'menu' of issues (including policy development, policy review, issues of accountability and statutory functions) at the start of the year. Each Committee should then regularly review their 'menu' and decide which issues need to be examined further, and how that work would be undertaken. Scrutiny activities should be thorough and undertaken in a timely manner.

Scrutiny Methods

- 3.7 There are a range of ways to undertake scrutiny. The approach for 2023-24 enables flexible scrutiny and outlines a shift from monthly formal meetings to a combination of approaches. The Committee will choose the most effective scrutiny method to achieve the desired aims and objectives for each topic.
- 3.8 Based on Statutory Guidance published in 2019, different scrutiny methods include (but are not limited to):
- A single item, or items, on a committee agenda – this method fits more closely with the “overview” aspect of the Scrutiny function and provides limited opportunity for effective scrutiny. It is most appropriate for specific issues where the committee wants to maintain a watching brief.
 - A single item meeting, either as the committee or a more limited number of Members. It has the capacity to enhance the previous option by taking evidence from a number of witnesses.
 - A task and finish day - provided that these are properly focused, they ensure Councillors can swiftly reach conclusions and make recommendations and are effective even for complex topics.
 - A task and finish review – this is an enhancement of the previous option being held over four or six meetings spread over a limited number of months.

Finance and Resources Overview and Scrutiny Committee

- 3.9 The Committee's Terms of Reference is to fulfil its functions as they relate to any policies, services and activities concerning:
- Council Business Plan and Medium Term Financial Plan/Budget
 - Oversight of Council-owned land and property facilities, amenities and services including markets
 - Overall financial direction within the Financial Strategy developed by the Leader, including Best Value and appropriate financial accounting and audit controls and procedures
 - Business Charter for Social Responsibility
 - Commercial opportunities available to the Council

- Revenues and Benefits service
- Procurement management
- Contract management policy
- Management of all internal trading operations
- Commissioning approach that supports the Council's wider social objectives
- Collection of rent/recovery of rents from Council tenants/former tenants and overpayments of Housing Benefit from Council tenants
- Organisational development function for shaping the future workforce of the Council
- Change/transformational programmes deployed corporately
- Member development programmes
- Processes and procedures to support good staff performance and equality objectives
- Human resources, staffing structures at JNC level and personnel procedures
- Oversight of the use of consultants with particular focus on their duration, renewal and cost.

3.10 The Committee is chaired by Cllr Jack Deakin, and its membership comprises Cllrs Alex Aitken, Raqeeb Aziz, Meirion Jenkins, Rashad Mahmood, Hendrina Quinnen, Paul Tilsley and Ken Wood.

4 Work Programme 2023-24

- 4.1 Appendix 1 sets out the topics the Committee will consider over the next few months, and also outlines future items for consideration.
- 4.2 The Committee may decide to add further items to the work programme during the course of the year. When considering this, the Committee is advised to consider where it can best add value through scrutiny, and how it can prioritise topics for consideration based on the Scrutiny Framework referred to in 3.5.
- 4.3 The Council's latest [Forward Plan](#) may assist Members in identifying future topics. The following reports are of particular relevance to this Overview and Scrutiny Committee:

ID Number	Title	Proposed Date of Decision
011384/2023	Medium Term Financial Plan (MTFP) Update	25 Jul 23
011347/2023	Acivico Further Contract Extension	25 Jul 23
010856/2023	Job Evaluation	25 Jul 23

011448/2023	Key Decision – Planned Procurement Activities (August 2023 – October 2023)	25 Jul 23
011517/2023	Clearing Bank Services	25 Jul 23
011240/2023	Grant Funding from Government – Standing Item	25 Jul 23
011740/2023	Provisional Financial Outturn 2022/23	05 Sep 23
011633/2023	Cost of Living Emergency Programme – Phase 2	05 Sep 23
010948/2023	Effective Commissioning of Debt	05 Sep 23
011450/2023	Key Decision – Planned Procurement Activities (October 2023 – December 2023) and Quarterly Contract Award Schedule (April 2023 – June 2023)	05 Sep 23
011524/2023	The Supply of Print & Print Management Services	05 Sep 23
009483/2022	Disposal of Surplus Properties	05 Sep 23
011741/2023	Medium Term Financial Plan (MTFP) Refresh Update at Quarter 2 of the 2023/24 Financial Year	10 Oct 23
011734/2023	Financial Monitoring Report 2023/24 Quarter 2	12 Dec 23
009663/2022	Promotion of Council Owned Land within Bromsgrove	12 Dec 23
011738/2024	Council Tax Tax-base for 2024/25	16 Jan 24
011739/2024	Business Rates Income 2024/25	16 Jan 24
011735/2024	Financial Monitoring Report 2023/24 Month 8	13 Feb 24
011742/2024	Draft Financial Plan 2024-2028	13 Feb 24
011743/2024	Financial Plan 2024-2028	27 Feb 24
011736/2024	Financial Monitoring Report 2023/24 Quarter 3	19 Mar 24
011737/2024	Financial Monitoring Report 2023/24 Month 10	23 Apr 24

4.4 Overview and Scrutiny Chairs are advised to maintain regular engagement with Cabinet Members to enable flexibility to be built into the Overview and Scrutiny work programme, so as to respond to the Council's policy priorities in a timely way.

5 Any Finance Implications

- 5.1 There are no financial implications arising from the recommendations set out in this report.

6 Any Legal Implications

- 6.1 There are no legal implications arising from the recommendations set out in this report.

7 Any Equalities Implications

- 7.1 The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:
- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act.
 - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
 - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 7.2 The protected characteristics and groups outlined in the Equality Act are Age; Disability; Gender Reassignment; Marriage and Civil Partnership; Pregnancy and Maternity; Race; Religion and Belief; Sex, and Sexual Orientation.
- 7.3 The Committee should ensure that it addresses these duties by considering them during work programme development, the scoping of work, evidence gathering and making recommendations. This should include considering how policy issues impact on different groups within the community, particularly those that share a relevant protected characteristic; whether the impact on particular groups is fair and proportionate; whether there is equality of access to services and fair representation of all groups within Birmingham; and whether any positive opportunities to advance equality of opportunity and/or good relations between people are being realised.
- 7.4 The Committee should ensure that equalities comments, and any recommendations, are based on evidence. This should include demographic and service level data and evidence of residents/service-users views gathered through consultation.

8 Appendices

- 8.1 Appendix 1: Work Programme 2023-24 – July.

9 Background Papers

- 9.1 [Birmingham City Council Constitution](#)
- 9.2 Birmingham City Council Overview and Scrutiny Framework April 2021

Finance and Resources Overview and Scrutiny Committee Work Programme 2023 / 24

Month	Item/Topic	Aims and Objectives	Scrutiny Method	Cabinet Member/ Lead Officer	Other Witnesses	Additional Information and Outcome*
July 23	Planned Procurement Activities Report	To consider the Planned Procurement Activities report and scrutinise the governance and spend of Council contracts. The Committee to make any recommendations.	Committee meeting - single item 27 July 2023 Council House Committee Room 6 Deadline for reports: 18 July	Steve Sandercock, Assistant Director, Procurement		
July 23	Update on Stabilisation of the Oracle Financial and HR Management system	To provide the Committee with: Update on the background to the issues with the Oracle system and current challenges Work to address the challenges including governance, risk and timescales Work to learn lessons including governance, risk and timescales Progress on End of Year Accounts including timescales and risks.	Committee meeting - single item 27 July 2023 Council House Committee Room 6 Deadline for reports: 18 July	Fiona Greenway, Director of Finance (S151 Officer)	Meena Kishinani, Director of Transformation	

		The Committee to make any recommendations.				
July 23	Implication of Equal Pay	<p>To provide background to the Equal Pay liabilities for the Council</p> <p>To report on the values work that will underpin the budget recovery plan.</p> <p>Update on the Budget Recovery Plan and the Medium Term Financial Plan.</p> <p>Learning from Local Authority Best Value Intervention Reports</p> <p>The Committee to make any recommendations.</p>	<p>Committee meeting - single item</p> <p>27 July 2023</p> <p>Council House Committee Room 6</p> <p>Deadline for reports: 18 July</p>	Fiona Greenway, Director of Finance (S151 Officer)		
	Work Programme	<p>To review the Committee's work programme agree work to be undertaken during August – November and issues for future consideration</p> <p>To consider the Council's Corporate Risk Register to inform the Committee's work programme.</p>	<p>Committee meeting - single item</p> <p>27 July 2023</p> <p>Council House Committee Room 6</p> <p>Deadline for reports: 18 July</p>	Fiona Bottrill, Senior Overview and Scrutiny Manager		

*Outcome: This will be populated once the item/topic has been completed. It will identify the added value and impact.

Menu of Issues for Consideration

The following items had been identified as potential topics for future consideration. This approach enables the Overview and Scrutiny Committee to remain flexible and respond in a timely manner to emerging issues.

This is a live work programme work programme. New items may be added, or items removed during the course of the year. Proposed aims and objectives as well as scrutiny methodology may also be subject to change.

Item/ Topic	Proposed Aims and Objectives	Proposed Scrutiny Method	Additional Information
Monitoring recommendations of the Procurement Governance Scrutiny Report	To receive an update on the new Procurement and Contract Governance rules	Committee meeting - single item	
Progress Report on Implementation: Council-owned Assets	To track progress on implementation of the recommendations R01 and R02.	Committee meeting - single item	Recommendations R03-R06 were signed off as completed in November 2022.
Diversity and Inclusion Dashboard	Role for O&S in looking at specific aspects of the data and monitoring progress including: <ul style="list-style-type: none"> • Work force planning in relation to age profile of staff. • Disability disclosure and. reasonable adjustments • Governance of Everyone's Battle, Everyone's Business (EBEB) and what impact this has made. 	TBC	Possible key questions: How do we acquire new talent? How do we ensure we're attractive to potential new employees? Are we open, accessible, inclusive and do our job descriptions and requirements reflect the needs of the business, but also the reality of life and experience of work for applicants? When is it appropriate to use consultants and how are these decisions made?
Working from Home	To understand the impact on productivity and workforce costs.	TBC	This may be looked at flexibly. Important to note that this item isn't about stopping working from home, but looking at where it is appropriate and whether it works for the needs of the council and its residents.

Visits to inform the work of the Committee			
--	--	--	--

Scrutiny Method Options:

Committee meeting - single item

Committee meeting - single theme

Task and Finish Group (outline number of meetings)

On location

Other - (describe)