

# **BIRMINGHAM CITY COUNCIL**

## **RESOURCES OVERVIEW AND SCRUTINY COMMITTEE**

**THURSDAY, 07 OCTOBER 2021 AT 14:00 HOURS**  
**IN BMI MAIN HALL, 9 MARGARET STREET, BIRMINGHAM, B3 3BS**

### **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 meeting You Tube site ([www.youtube.com/channel/UCT2kT7ZRPFCXq6\\_5dnVnYlw](http://www.youtube.com/channel/UCT2kT7ZRPFCXq6_5dnVnYlw)) and that members of the press/public may record and take photographs except where there are confidential or exempt items.

**2     APOLOGIES**

To receive any apologies.

**3     DECLARATIONS OF INTERESTS**

Members are reminded that they must declare all relevant pecuniary and non pecuniary interests arising from any business to be discussed at this meeting. If a disclosable pecuniary interest is declared a Member must not speak or take part in that agenda item. Any declarations will be recorded in the minutes of the meeting.

**1 - 14**

**4     ACTION NOTES**

To agree the action notes of the meeting held on 22 July 2021 and note the action notes of the informal meeting held on 9 September 2021.

**15 - 26**

**5     FINANCIAL MONITORING 2021/22 - MONTH 5**

To consider the Month 5 Corporate Exception Report.

**27 - 42**

**6     HR UPDATE**

- (A) People Services Transformation Programme;
- (B) Update on Interims and Consultants - *to follow*

7 **PLANNED PROCUREMENT ACTIVITIES REPORT**

To consider the Cabinet report (to be considered on 12 October) on planned procurement activity.

8 **WORK PROGRAMME**

For discussion.

9 **DATE OF MEETINGS 2021/2022**

(i) The Chair proposes that meetings be held at 1400 hours on the following Thursday in the Birmingham & Midlands Institute (BMI), Main Hall:-

| 2021        | 2022        |
|-------------|-------------|
| 22 July     | 20 January  |
| 9 September | 10 February |
| 7 October   | 24 March    |
| 25 November | 28 April    |

(ii) The Committee is requested to approve Thursdays at 1400 hours as a suitable day and time each week for any additional meetings required to consider 'requests for call in' which may be lodged in respect of Executive decisions.

10 **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).

11 **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.

12 **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'.

13 **EXCLUSION OF THE PUBLIC**

That in view of the nature of the business to be transacted which includes exempt information of the category indicated the public be now excluded

from the meeting:-

Exempt Paragraph 3

## **P R I V A T E   A G E N D A**

### **14   PLANNED PROCUREMENT ACTIVITIES REPORT APPENDIX**

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



**BIRMINGHAM CITY COUNCIL**

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

**1400 hours on Thursday 22 July 2021, BMI Main Hall, Margaret Street,  
Birmingham**

**Action Notes**

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**Present:**

Councillor Mohammed Aikhlaq (Chair)

Councillors: David Barrie, Meirion Jenkins and Majid Mahmood

**Also Present:**

Councillor Tristan Chatfield, Cabinet Member, Finance and Resources

Peter Bishop, Director of Digital and Customer Services

Rebecca Hellard, Director of Council Management (Interim)

Alan Layton, Interim Head of Financial Planning

Jayne Bowles, Scrutiny Officer

Emma Williamson, Head of Scrutiny

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**1. NOTICE OF RECORDING/WEBCAST**

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**2. APOLOGIES**

Apologies were received from Councillors Barbara Dring, Shafique Shah, Paul Tilsley and Lisa Trickett.

### **3. APPOINTMENT OF RESOURCES OVERVIEW AND SCRUTINY COMMITTEE CHAIR, DEPUTY CHAIR AND MEMBERS**

#### **RESOLVED:**

- (i) To note the resolution of the City Council appointing the Committee, Chair and members to serve on the Committee for the period ending with the Annual Meeting of the City Council in 2022:

Labour (5): Cllrs Mohammed Aikhlaq (Chair), Barbara Dring, Majid Mahmood, Shafique Shah and Lisa Trickett

Conservative (2): Cllrs David Barrie and Meirion Jenkins

Liberal Democrat (1): Cllr Paul Tilsley

- (ii) To elect Cllr Barbara Dring as 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 2022.

### **4. DECLARATIONS OF INTERESTS**

None.

### **5. RESOURCES OVERVIEW AND SCRUTINY COMMITTEE TERMS OF REFERENCE**

(See document 1)

The Terms of Reference were noted.

### **6. ACTION NOTES**

(See documents 2, 3 and 4)

#### **RESOLVED:-**

The action notes of the meetings held on 8 April 2021 and 1 June 2021 were agreed and the action notes of the informal meeting held on 24 June 2021 were noted.

### **7. FINANCIAL MONITORING 2021/22 – QUARTER 1**

(See document 5)

The Chair invited Councillor Tristan Chatfield, Cabinet Member for Finance and Resources, to introduce this item and Rebecca Hellard, Director of Council Management (Interim) took Members through the presentation. In doing so, the following points were highlighted:

- This is the first quarterly report of the year and monthly exception reports will follow;
- There is a forecast overspend, however that is not unusual this early in the year;

- The process has changed - they are now doing a rolling budget for 4 years and the Medium Term Financial Plan is automatically refreshed on a quarterly basis;
- The role of the Star Chamber was emphasised in terms of Cabinet Members engaging in responsibility;
- The importance of the Programme Management Office and Chief Executive's Delivery Unit cannot be understated in terms of delivering what is in the Delivery Plan to close the gaps and deliver the change that is needed.

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

- Disposal of Lancaster Circus - Clarification was sought on the plans to dispose of Lancaster Circus into a property company owned by BCC (PropCo) and Members were told that this delivers better value to the taxpayer than disposing of the building on the open market;
- PropCo - A request was made for a report on the PropCo to be presented to a future meeting and Councillor Chatfield referred to a report which had gone to Cabinet Committee Group Company Governance which could be brought to this committee;
- Sundry Debt – Members were told that sundry debt is everything outside of council tax and business rates and given the circumstances it is not surprising that sundry debt has increased;
- The £5m Workforce Savings classed as “Red” – these have been more difficult to deliver than anticipated and more work needs to be done to find mitigations;
- Reserves – we have the strongest reserve position compared to other core cities as we have quantified all our risks and set reserves accordingly. There are a couple of other core cities finding it difficult to balance their financial position but we are nowhere near that situation and are confident of being able to balance the budget this year;
- SEND – There are challenges around SEND and the plans to address these may have financial implications;
- Housing Developments – it would be useful to have a report around the building programme to see increases in costs and what can be re-couped;
- Empty business properties – what is being done to encourage businesses into empty properties;
- Losses on car parking and impact of Clean Air Zone – the policy is to encourage people to use other forms of transport and that obviously has an effect on income from car parks. Members were told that there is Government funding for a percentage of the losses for the first quarter but it is not yet known whether that will continue and also Inclusive Growth are already doing a strategic review looking at car parks in and around the city;
- Home to School Transport – this continues to be a significant issue in terms of increased demand and costs and is something that has previously been brought to this committee which Members might want to take a look at again;
- Commonwealth Games costs – a query was raised regarding the £160m estimated gap in the Medium Term Financial Plan and whether this included

the worst case scenario in relation to the CWG. Members were told the understanding is that the council's CWG contribution is capped;

- Homelessness – Concern was expressed regarding recent news reports about exempt accommodation possibly resulting in an increase in homelessness and it was acknowledged that homelessness is a serious pressure;
- Public consultation on the budget and what that will look like – the Cabinet Member is keen to have a consultation that asks bigger questions regarding priorities for citizens. Some other councils have done web-based exercises and it would be good to do that to engage more with the electorate, however there is a need to ensure there is comms and officer availability to do that and do the analysis.

#### **RESOLVED:-**

- The report was noted.

### **8. ERP UPDATE**

(See document 6)

Rebecca Hellard, Director of Council Management (Interim) took Members through the presentation and together with Peter Bishop, Director of Digital and Customer Services, the following points were highlighted;

- They are 58% complete, with a go-live date as previously stated of April 2022;
- There are still some ambers, although some have converted to green;
- Integrations were red last month, so showing some improvement;
- There is a downward trend in open risks (down by 44) and open issues (down by 19);
- There are delays in areas of configuration sign-off with services themselves wanting to ensure sign-off is correct;
- There is also the impact of an additional cycle of data migration;
- They are working through integration issues;
- More work is being done to see if there are more benefits that can be achieved out of implementation of the system;
- There is clearly a need to focus on configuration items, making sure change is not added to the process and they are trying to limit down the number of changes;
- Payroll is key – they need to get that right and it goes through a number of phases of testing;
- Data migration remains a risk as they have to use real data to do testing, otherwise it is not an effective test, but there are mitigations to protect security;
- User acceptance starts in August;
- They are working hard on invoice scanning – as there is such a high volume this has to be effective;
- There are a number of mitigations in place to manage the impact of Covid on the integration partner, Evosys;



- The overall position is that there are some risks and issues but they are managing within the overall envelope and the financial position remains positive.

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

- There are about 370 integrations of various types, sizes and risks;
- They are working hard to reduce the impact if risks do materialise;
- Officers to provide a response to the questions raised around the licence fee – did we negotiate a discount, is it a one-off cost or an annual fee and what is the cost?
- It was noted there is a danger if requirements emerge which we are not currently aware of and the effect they might have on the system we have built. Members were told that a review of every requirement was undertaken in the autumn period and they are pushing down on any further minor changes coming through as complexities could result in further costs;
- They have had to bring in extra people to help with the project and this is a mix of agency and permanent staff;
- A request was made for a section on lessons learnt to be included in future monthly reports.

**RESOLVED:-**

- The report was noted.

## **9. NEW WAYS OF WORKING**

(See document 7)

Petr Bishop, Director of Digital and Customer Services, took Members through the presentation and highlighted the following points:

- Over the last year or so there have been some important lessons for many organisations about how they can work;
- An outline business case was taken to Cabinet in January, with a further report in March relating to Lancaster Circus and Margaret Street and an enhanced business case will be going to the next Cabinet meeting;
- There will be significant organisational benefits and personal benefits.

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

- There was a general view expressed that this way of working is an obvious step forward and allows flexibility, however it was pointed out that staff can feel isolated working from home and there is a loss of inexperienced staff being able to talk to experienced staff, as well as the social aspect of working in an office environment;
- There was some concern around the PropCo proposal and the request for a report on this was welcomed;
- A request was made for further information regarding the cost in terms of new laptops and whether Covid funding had been secured for that;

- There were concerns around health and safety and a query as to whether there are any stats in relation to injuries sustained at home – for example, eye strain, carpal tunnel syndrome, etc – and are we providing items that mitigate any illnesses and injuries;
- Members were told that health and well-being surveys had been undertaken and that there have been some mental health issues, with some people feeling remote, and actions have been taken to improve contact with managers and colleagues;
- A request was made for the health and well-being surveys and stats in terms of injuries sustained since the first lockdown to be provided;
- There have been no significant injuries, equipment is being provided where possible and staff wanting to be permanent home workers would need to go through risk assessments;
- There was a view that legal advice should be taken on these issues and Members were told that a legal opinion has not been taken but certainly from data and work around health and well-being, mental health first aiders and online resources, there are no significant worries;
- They are working closely with Trade Union colleagues to prepare for 2<sup>nd</sup> August, to help shape how it will work, and a joint statement has been issued;
- A live on-line event had been held, with over 250 questions being asked, and there are people who want to be in an office environment, and staff are able to make a choice in line with their role;
- They are investing in officers whose role will be to help people adapt and change and signpost help with different ways of working and this is helped by being able to start physically opening buildings now;

**RESOLVED:-**

- The report was noted.

## **10. PLANNED PROCUREMENT ACTIVITIES REPORT**

(See document 8)

Councillor Chatfield introduced the report, stating that this is an opportunity for Members to flag any issues before the report goes to Cabinet.

The following matters were raised:

- The Organisation and Delivery of the Great Birmingham 10k Run and the Great Birmingham Half Marathon – Members were concerned that there was no reason why this should be a Single Contractor Negotiation and were of the view that there were other suppliers who could deliver this contract.

Councillor Chatfield told Members that he had asked the same question and had been reassured that, given the scale of the event, this is the only provider who can deliver the required level of support.

Reference was also made to the statement that there had been a contract in place prior to 2020 and it was queried whether this was the same company and if so had they signed up to the BBC4SR.

- Concrete Liners for Burials – Members raised concerns about the costs and it was suggested that it might be worth talking to neighbouring authorities to see if working together could bring the costs down.
- Estate Agency Service for BMHT – it was queried why we cannot have an in-house property service to include an estate agency and whether this was something which we should be doing going forward.

Councillor Chatfield undertook to take another look at these matters and provide responses.

**RESOLVED:-**

- The report was noted.

**11. WORK PROGRAMME**

(See document 9)

The work programme was noted.

**12. DATES OF MEETINGS 2021/22**

The dates of meetings for the 2021/22 municipal year were noted, however following a suggestion from the Chair it was agreed that the November meeting would be moved to later in the month and the December meeting would be cancelled.

It was agreed the revised schedule of dates would be circulated and invites sent out.

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

None.

**14. OTHER URGENT BUSINESS**

None.

## 15. AUTHORITY TO CHAIRMAN AND OFFICERS

### **RESOLVED:**

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

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The meeting ended at 1600 hours.

## BIRMINGHAM CITY COUNCIL

**RESOURCES O&S COMMITTEE – INFORMAL MEETING****1400 hours on Thursday 9 September 2021 (On-line Meeting)****Action Notes**

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**Present:**

Councillor Mohammed Aikhlaq (Chair)

Councillors: David Barrie, Barbara Dring, Majid Mahmood, Shafique Shah and Paul Tilsley

**Also Present:**

Councillor Tristan Chatfield, Cabinet Member, Finance and Resources

James Couper, ERP Programme Director

Sara Pitt, Assistant Director, Finance

Mohammed Sajid, Interim Head of Financial Strategy

Jayne Bowles, Scrutiny Officer

Emma Williamson, Head of Scrutiny

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**2. APOLOGIES**

Apologies were received from Councillors Meirion Jenkins and Lisa Trickett.

**3. DECLARATIONS OF INTERESTS**

None.

#### **4. ACTION NOTES – 22 JULY 2021**

(See document 1)

The action notes of the meeting held on 22 July 2021 were noted and will be agreed at the next formal meeting.

#### **5. FINANCIAL MONITORING 2021/22 – MONTH 4**

(See document 2)

Councillor Tristan Chatfield, Cabinet Member for Finance and Resources, Sara Pitt, Assistant Director, Finance, and Mohammed Sajid, Interim Head of Financial Strategy, attended for this item.

Cllr Chatfield introduced the report and highlighted the following key points:

- The position at Month 4 is not entirely dissimilar to the last report, with a slight deterioration of £5.6m on the forecast net overspend since Quarter 1 ;
- They are continuing to monitor the budget through the Star Chamber and action by the senior leadership team to ensure work is being done to mitigate budget pressures and to push on savings, the majority of which this year are workforce/establishment savings;
- Most directorates are near enough on budget, with the exception of Housing and Education and Skills due to issues in relation to homelessness, the Children's Trust and Travel Assist;
- Outside of those areas, the revenue position is steady and stable;
- The lack of compensation for loss of council tax and business rates income was noted.

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

- Travel Assist – there are costs associated with the changeover of provider, however there are other pressures within the service and there are always issues that emerge when the school term starts. It was noted there are substantial risks with regard to the service;
- Children's Trust overspend – there is a breakdown of the £4.8m overspend within the report and this will be explored in Star Chamber;
- Pay award – if negotiations result in an increase above the 1.75% offer this will have a further effect on the budget. There is a very strong argument for staff to receive a substantial pay increase and it was noted that Government has in the past on occasions covered the cost of pay awards or additional pressures on frontline services;
- Loss of Council Tax and Business Rates income – as part of Covid recovery, the understanding from Government was that all losses would be recoverable, however that subsequently changed and so the council is out of pocket for bad debts and appears, which won't be covered, and that is where the gap arises;
- The challenge is that the Government expects us to continue to absorb what remains of the Covid pressures going forward, as well as the pay award and demographic pressures around social care;

- The precept is limited to adult social care and there was a view that this should be opened up to children's social care as well given the growing pressure in this area as evidenced by the position with the Children's Trust and Travel Assist;
- When asked what was being done to put pressure on Government to help support these costs, Cllr Chatfield told Members that there had been some lobbying but the problem had not been recognised to the extent it should have been. He agreed to put this to the Leader and raise the issue at the Core Cities Finance Group;
- Cost from redeployment of staff – where staff have been redeployed to support the Covid effort, information has been gathered to understand time and effort and the estimated £38m is consistent with last year;
- The £5.4m shortfall in collection fund – in response to a question about whether we are more adversely impacted than others, Cllr Chatfield responded that he hadn't seen any comparative figures recently, however these would be obtained and circulated;
- Capital Expenditure overspend of £11.3m due mainly to increased works identified for the HRA Improvement Programme – this is a specific overspend due to housing repairs and improvement. The budget had to be revised for extra works this year, eg fire safety;
- There have been rises in general material costs which they are trying to manage through de-scoping and de-risking, but the effect is slowly coming through on projects;
- Travel Assist bid for £1.7m for transformation costs funded through the Flexible Use of Capital Receipts – this bid is internal to us as a result of the Government allowing the use of capital receipts and should be successful as long as the criteria is met. They should be able to provide an update before the next meeting;
- Housing General Fund – clarification was sought in relation to the business case for the use of additional hostel units and potential street purchases and Members were told that this is effectively the same kind of scheme as the Barry Jackson Tower and Oscott Gardens but on an individual property basis;
- They will look to buy properties across the city, not concentrating in one area, and won't buy all in one go. This is an alternative to putting people into expensive B&Bs;
- Officers are currently working on the details of implementing this following Cabinet approval of the report in July;
- Street Scene – more details were requested with regard to the borrowing costs for the new fleet and waste vehicles;
- Neighbourhoods Service Leisure and Community Centres – our directly managed centres are not yet back to normal in terms of activity and service users coming back;
- Pay award – There is a national pay negotiation process, with representatives from the West Midlands and greater WM region taking part in negotiations and lobbying Government to step in and provide some support is absolutely something to be done through the LGA;
- With regard to the direction of travel in relation to car parks, it was noted that whilst we are encouraging different modes of travel, car parking is also a useful form of income and it is difficult to balance that, however the land that

car parks sit on could be used for other things, for example given housing pressures;

- In terms of the installation of parking meters or pay and display in car parks at parks, eg as with Cannon Hill Park, this is a rolling scheme with two progressed more fully – Northfield and Sutton Park – and others progressing more slowly;
- Commonwealth Games – they are looking at another £300m to bring the Perry Barr Regeneration Scheme to completion and another £180m on the Commonwealth Games. They have been assured both are on track and so should spend to budget this year.

The report was noted and:

- Children's social care pressures – to be flagged with Core Cities Group with a view to lobbying Government to help support these costs;
- Travel Assist – bid for £1.7m for transformation costs funded through the flexible use of capital receipts – update to be provided before next meeting;
- £5.4m shortfall in collection fund – are we more adversely impacted than others – comparative figures to be circulated;
- Street Scene – procurement of new F&W vehicles – total amount of borrowing costs and over how many years to be provided;

## 6. ERP UPDATE

(See document 3)

James Couper, ERP Programme Director, attended for this item, and highlighted the following key points in the presentation:

- The programme generally remains on track for the April 2022 deadline;
- They are still continuing to report amber as a programme and there are still a number of challenges to bring it in on time, most notably a need to focus on the second data migration cycle;
- Targets have been set of over 95% accuracy of master data and 80% accuracy of transaction date and they are currently at 98% and 94% respectively so the targets are being met;
- The timeline is still challenging and they need to get there before 21<sup>st</sup> September to enable testing to start on 27<sup>th</sup> September;
- Integrations – more detail has been provided around numbers. These are split into inbound and outbound, those that come in and those that go out to other systems; they are almost complete on inbound and 30% complete on outbound, so currently on track for the testing cycle at the end of the month;
- Key user training has been running for 2 weeks, with a further 3.5 weeks to run. Feedback has been positive and this has enabled staff to help with the testing that needs to be done;
- Good progress has been made on outbound integrations, which was red last time and now amber;
- Inbound integrations are more healthy and on track;
- There are still a number of challenges, notably procure to pay, and that is being looked at with the supplier;



- There has been good progress with rationalising down codes used across the council, aligned across Finance and HR;
- There are a number of testing cycles due to commence shortly. Between now and the end of the year will be all about testing the solution and ensuring they are able to support process and functions across the council;
- In terms of milestones, the next data migration cycle has been flagged as amber. There is a need to look at planning for that to ensure it is still on track;
- Looking at the risk dashboard, there is a slight downward trend in the number of risks;
- In terms of the budget position, they are currently forecasting a £3.3m underspend and are continuing to manage the costs of individual suppliers

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

- Members asked how they are intending to tackle the risks and were told that those with the high ratings are reviewed every two weeks to ensure mitigations are built into overall plans;
- The risks below that are reviewed on a monthly basis;
- They have started to embed the concept of specific activity to manage down exposure of these risks and some will be driven out through the testing cycle;
- With regard to invoice scanning, there are two options: to continue to work with Oracle to get their product up to requirement or to go out to the market and procure another solution. The most sensible option is to work with Oracle as going out to the market would have cost and timescale implications;
- They are figuring out what the impact is going to be on schools; they are not obliged to work with schools to change software;
- The Change Advisory Board is internal to the programme and is a means for validating requests for change;
- In response to a question about why the outbound interface was not properly assessed at the outset, Members were told that integrations as part of this programme have had a torrid past;
- They have been through a number of iterations as to how the technology can support what we do as a council.

The report was noted.

## **7. WORK PROGRAMME**

(See document 4)

The work programme was discussed and the following items were suggested for future meetings:

- ERP updates to be programmed every two months from now on, with any changes/issues in between to be flagged with the Chair;
- HR – People Services Transformation Programme and update on current position with interim posts;
- Long Term Debt Strategy;

- Commonwealth Games – finance update/impact on budget;
- Capital Programme – recent update provided to Co-ordinating O&S members to be circulated and possible future work programme item;
- It might also be useful to have a look at the Property Strategy at a future meeting.

The work programme was noted.

#### **8. DATE OF NEXT MEETING**

Noted.

#### **9. OTHER URGENT BUSINESS**

None.

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The meeting ended at 1504 hours.

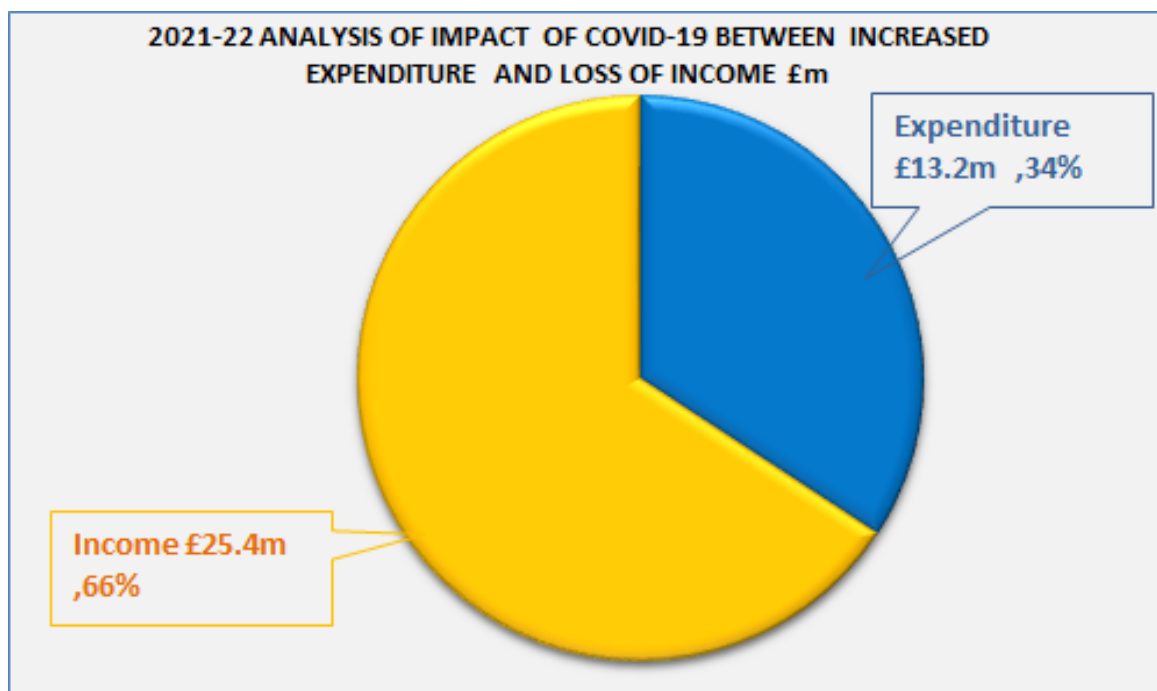
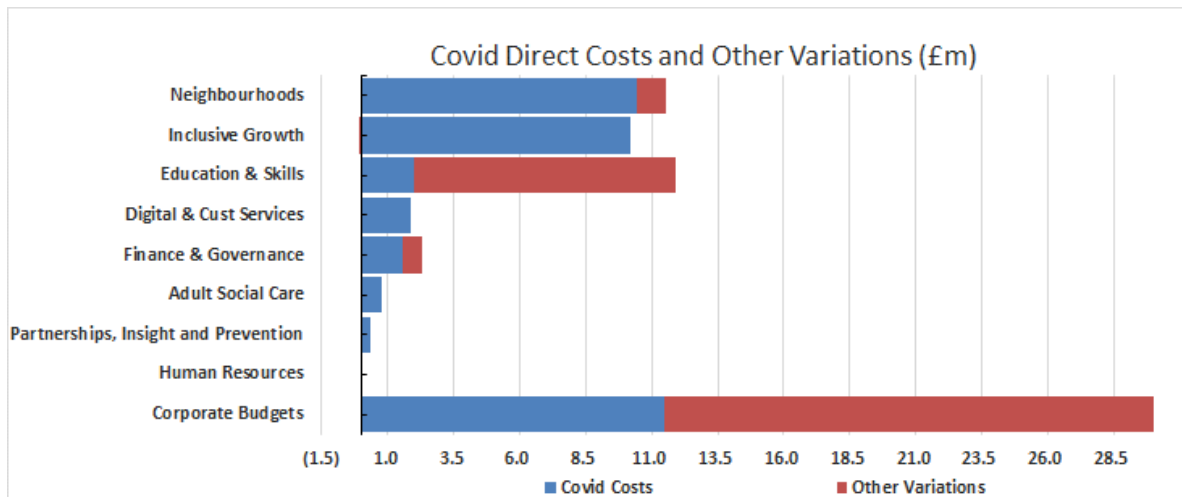
## Month 5 Financial Monitoring Report 2021-22

### 1. High Level Summary Financial Position

- 1.1. At Month 5, there is a forecast net revenue overspend on the Council's General Fund of **£34.2m** (Column E in table1) which represents 4.1% of the £828.7m budget and a £1.2m increase on the Month 4 position. There is a non-Covid issues underspend of **£7.2m** (Column D in table1) and a **£41.4m** (Column C in table1) overspend related to Covid-19.
- 1.2. The net covid-19 overspend of **£41.4m** (Column C in table1) is after applying funding; **£17.5m** of un-ringfenced Covid-19 related grant funding from the government received in 2020/21 carried forward into 2021/22, an estimate of government funding for income losses of **£3.3m**, release of **£2.0m** from specific grant funding and **£12.5m** pressures funded in the 2021/22 budget from the application of Tranche 5 government funding. It is also after applying an estimated **£38.0m** cost from the redeployment of staff on a similar basis to that reported in the 2020-21 outturn. We will continue to look to maximise the use of other specific covid funding to reduce this estimated cost. The net Covid overspend has increased by £0.6m since Month 4.

|   | Covid Variation | Non-Covid Variation | Total Variation |
|---|-----------------|---------------------|-----------------|
|   | £m              | £m                  | £m              |
| Directorate Sub Total                           | 27.2            | 11.7                | 38.9            |
| Corporate Budgets                               | 11.5            | 19.1                | 30.5            |
| Application of Tranche 5 Funding Budget 2021/22 | (12.5)          | 0.0                 | (12.5)          |
| Covid Funding                                   | (17.5)          | 0.0                 | (17.5)          |
| Specific Grant Funding                          | (2.0)           | 0.0                 | (2.0)           |
| Income Loss Scheme Funding                      | (3.3)           | 0.0                 | (3.3)           |
| City Council General Fund Sub Total             | 3.4             | 30.8                | 34.2            |
| Transfer of Indirect Covid Costs                | 38.0            | (38.0)              | 0.0             |
| General Fund after transferring indirect costs  | 41.4            | (7.2)               | 34.2            |

- 1.3. In terms of savings, **£17.2m** of the **£36.8m** savings targets are either delivered or on track which represents 47% (46% Month 4) of the total savings target. The £20.1m establishment saving, now shows £11.1m achieved following a further £0.5m contribution from DCS, leaving £4.1m at risk, and £5.0m considered unachievable.
- 1.4. The non-Covid position is a net underspend of **£7.2m** (Column D in table1). This includes following Directorate overspends; **£1.1m** relating to Neighbourhoods (Housing) and **£9.9m** for Education & Skills (Children's Trust). This represents a deterioration of **£0.6m** from Month 4. This includes the increase in corporate overspend of **£0.4m** due to the non-delivery of transportation saving.
- 1.5. The forecast corporate overspend is **£18.7m**. **£5.4m** of this is due to a shortfall in collection fund deficit support from the government expected to be received compared to the forecast when the budget was set. **£8.3m** is forecast for the cost of the latest pay offer and **£5.0m** reflects the forecast underachievement of the establishment savings target and there is **£0.4m** increase due to non-delivery of transport saving.



The Pie chart shows the total Covid overspend split between income and expenditure across the directorates and including the corporate overspend.

Income loss forecast due to covid has decreased by £3.2m from Month 4, the improvement is mainly made of; Inclusive Growth (IG) of £1.3m and Digital Customer Service (DCS) of £2.3m however there is an increase of £2.2m in covid expenditure giving a net decrease of £1.0m.

Table 1

| Table 1:High Level Summary                            | A                | B                | C                                  | D                                  | E                          | F                      |
|---|------------------|------------------|------------------------------------|------------------------------------|----------------------------|------------------------|
| Directorate *   | Current Budget   | Forecast Outturn | Covid 19 Financial Impact Included | Over/(Under) spend Non Covid costs | Total Over/(Under) Spend * | Movement since Month 4 |
|   | £m               | £m               | £m                                 | £m                                 | £m                         | £m                     |
| Education & Skills                                    | 297.724          | 309.625          | 2.005                              | 9.896                              | 11.901                     | 0.190                  |
| Neighbourhoods  | 144.381          | 155.932          | 10.421                             | 1.130                              | 11.551                     | 1.113                  |
| Inclusive Growth                                      | 113.022          | 123.139          | 10.170                             | (0.053)                            | 10.117                     | (1.113)                |
| Finance & Governance                                  | 22.788           | 25.120           | 1.569                              | 0.763                              | 2.332                      | 0.295                  |
| Digital & Cust Services                               | 33.654           | 35.499           | 1.845                              | 0.000                              | 1.845                      | (1.475)                |
| Adult Social Care                                     | 337.238          | 338.031          | 0.793                              | 0.000                              | 0.793                      | 0.120                  |
| Partnerships, Insight and Prevention                  | 8.947            | 9.302            | 0.355                              | 0.000                              | 0.355                      | 0.020                  |
| Human Resources                                       | 7.054            | 7.075            | 0.021                              | 0.000                              | 0.021                      | 0.000                  |
| <b>Directorate Sub Total</b>                          | <b>964.808</b>   | <b>1,003.723</b> | <b>27.179</b>                      | <b>11.736</b>                      | <b>38.915</b>              | <b>(0.850)</b>         |
| Corporate Budgets                                     | (136.138)        | (105.599)        | 11.470                             | 19.069                             | 30.539                     | 0.400                  |
| Application of Tranche 5 Funding Budget 2021/22       | 0.000            | (12.515)         | (12.515)                           | 0.000                              | (12.515)                   | 0.000                  |
| Covid Funding   | 0.000            | (17.471)         | (17.471)                           | 0.000                              | (17.471)                   | 0.000                  |
| Specific Grant Funding                                | 0.000            | (2.000)          | (2.000)                            | 0.000                              | (2.000)                    | 0.000                  |
| Income Loss Scheme Funding                            | 0.000            | (3.289)          | (3.289)                            | 0.000                              | (3.289)                    | 1.606                  |
| <b>Corporate Subtotal</b>                             | <b>(136.138)</b> | <b>(140.874)</b> | <b>(23.805)</b>                    | <b>19.069</b>                      | <b>(4.736)</b>             | <b>2.006</b>           |
|   |                  |                  |                                    |                                    |                            |                        |
| <b>City Council General Fund</b>                      | <b>828.671</b>   | <b>862.849</b>   | <b>3.374</b>                       | <b>30.805</b>                      | <b>34.179</b>              | <b>1.156</b>           |
|   |                  |                  |                                    |                                    |                            |                        |
| Indirect Covid Costs                                  |                  |                  | 37.998                             | (37.998)                           | 0.000                      | 0.000                  |
| <b>General Fund after transferring indirect costs</b> | <b>828.671</b>   | <b>862.849</b>   | <b>41.372</b>                      | <b>(7.193)</b>                     | <b>34.179</b>              | <b>1.156</b>           |
|   |                  |                  |                                    |                                    |                            |                        |
|   |                  |                  |                                    |                                    |                            |                        |
| Financial Position as at M4                           | 828.671          | 861.693          | 40.787                             | (7.764)                            | 33.023                     |                        |
|   |                  |                  |                                    |                                    |                            |                        |
| <b>Movement from M4</b>                               | <b>0.000</b>     | <b>1.156</b>     | <b>0.585</b>                       | <b>0.571</b>                       | <b>1.156</b>               |                        |
|   |                  |                  |                                    |                                    |                            |                        |
| <b>Movement from M4 %</b>                             | <b>0.00%</b>     | <b>0.13%</b>     | <b>1.43%</b>                       | <b>(7.35)%</b>                     | <b>3.50%</b>               |                        |

\* The above table has been sorted according to the total over/under spend (largest to smallest)

\*\* As shown at the end of Covid -19 incident impact below

**Table 2: Analysis of Non covid pressure faced by Directorates**

| Directorate                  | non delivery of savings<br>£m | expenditure variations<br>£m | income variations<br>£m | one-off mitigations<br>£m | Non Covid 19 Financial Impact Included<br>£m |
|------------------------------|-------------------------------|------------------------------|-------------------------|---------------------------|--|
| Education & Skills           | 0.000                         | 9.896                        | 0.000                   | 0.000                     | 9.896  |
| Finance & Governance         | 0.000                         | (0.278)                      | 1.055                   | (0.014)                   | 0.763  |
| Digital & Cust Services      | 0.000                         | 0.000                        | 0.000                   | 0.000                     | 0.000  |
| Human Resources              | 0.000                         | (0.578)                      | 1.152                   | (0.574)                   | 0.000  |
| Partnerships, Insight and    | 0.000                         | 4.055                        | (4.055)                 | 0.000                     | 0.000  |
| Adult Social Care            | 0.000                         | 0.121                        | (0.121)                 | 0.000                     | 0.000  |
| Inclusive Growth             | 0.329                         | (0.999)                      | 0.617                   | 0.000                     | (0.053)                                      |
| Neighbourhoods               | 0.000                         | 4.985                        | 0.595                   | (4.450)                   | 1.130  |
| <b>Directorate Sub Total</b> | <b>0.329</b>                  | <b>17.202</b>                | <b>(0.757)</b>          | <b>(5.038)</b>            | <b>11.736</b>                                |
| Corporate *                  | 5.400                         | 8.300                        | 5.369                   | 0.000                     | 19.069                                       |
| <b>Total</b>                 | <b>5.729</b>                  | <b>25.502</b>                | <b>4.612</b>            | <b>(5.038)</b>            | <b>30.805</b>                                |

1.6 **One off mitigation:** actions taken by Directorates to deliver a balanced budget for 2021-22, which also includes mitigation for non-delivery of savings target (over £0.5m):

- **Neighbourhoods:** The main mitigation is an underspend of £3.0m on borrowing costs due to delays in procurement of the new fleet. Out of a total of 74 new vehicles that have been ordered 31 vehicles were delivered and in use by the end of March 2021 with the remaining 43 received in June. In addition, further Garden and Bulky Waste income of £0.4m is anticipated.
- **Human Resources:** The one-off mitigations actions are the use of reserves carried forward from previous year that will be considered as part of Outturn.

## 2. Capital Expenditure

- 2.1. Capital expenditure for the year 2021/22 is forecast at £750.2m against the revised capital budget of £744.7m, representing a variation of £5.5m.
- 2.2. This is a decrease in projected overspend of £5.8m since Month 4. This is mainly due to slippage in relation to the A45 Cycle Route scheme.
- 2.3. Expenditure to date is £185.9m which is 25% of the year-end total forecast. In comparison spend to date at Period 5 in 2019/20 (prior to Covid-19) was 19%. Historically capital spend is low in the first few months of the financial year increasing over the summer months for example when school's are closed and construction works can be carried out. There are also a number of large projects e.g. the Commonwealth Games and the Perry Barr Residential Scheme where spend is now starting to increase in line with the forecast outturn.
- 2.4. Capital Receipts so far amount to £14.8m against the £65m Asset Review programme and £23m against the £35m Business As Usual programme.

Table 3: Summary 2021/22 Capital Programme Financial Position

|              | Spend to date | Quarter 1 Budget | Budget Changes Period 4-5 | Revised Period 5 Budget | Forecast net overspend/ (slippage) | Forecast Outturn |
|--------------|---------------|------------------|---------------------------|-------------------------|------------------------------------|------------------|
|              | £m            | £m               | £m                        | £m                      | £m                                 | £m               |
| General Fund | 143.8         | 623.6            | 10.7                      | 634.3                   | (6.6)                              | 627.7            |
| HRA          | 42.1          | 110.4            | 0.00                      | 110.4                   | 12.1                               | 122.5            |
| <b>TOTAL</b> | <b>185.9</b>  | <b>734.0</b>     | <b>10.7</b>               | <b>744.7</b>            | <b>5.5</b>                         | <b>750.2</b>     |

### 3. Key Issues

#### Non Covid-19 Related Issues

- 3.1. **Afghan Refugees;** Three funding schemes are available for Local Authorities to support Afghan citizen resettlement. ARAP (Afghan Resettlement and Assistance Policy), under which BCC has already committed to welcoming 80 individuals, ACRS (Afghan Citizens Resettlement Scheme), and grant funding to top up housing costs. BCC has already started welcoming people under ARAP, ACRS is not yet open, and the latter has not yet had sufficient details provided to comment on.
- 3.2. The resettlement schemes include funding of £20,520 per individual for welcome, integration and support, £4,500 per child for education provision for one year, and £850 per adult for English language provision. Housing is funded through the introduction amount, benefits, and additional grant funding to meet any gap between cost and benefits. Based on existing resettlement schemes, which attract the same funding offer, this is considered sufficient for the costs of administering and providing services required. The risk in this scheme is if families cannot fund their housing once the top up is removed, and present as homeless at that stage. The impact on wider BCC services over the longer term cannot be estimated without knowledge of the individuals and families and what skills and needs they bring, but without doubt are minimised by the successful implementation of resettlement.

#### Education and Skills

- 3.3. There is a forecast **overspend of £9.9m** relating to non Covid-19 expenditure for the Directorate, **an improvement of £0.1m from Month 4;**
- 3.4. There is a forecast overspend for **Inclusion and SEND** of £5.3m. The forecast overspend is on Travel Assist made up of £3.9m transport costs and £1.4m on guides. The basis for projection is 2021/22 actual expenditure to date extrapolated for the remainder of the year. Management information on activity and costs is required for this projection to be more accurately refined. The forecast on Travel Assist assumes a successful bid of £1.7m for transformation costs funded through the Flexible Use of Capital Receipts.

- 3.5. The council have terminated a contract with North Birmingham Travel, the additional cost of the alternative provider (procured at short notice and including set up costs) is estimated to be up to £3.290m (worst case). This additional cost of contract will be taken from the Financial Resilience Reserve. As costings become more certain they will be reported through the routine financial reporting updates to Cabinet.
- 3.6. In May 2021 Birmingham hosted Ofsted and CQC to conduct their Local Area SEND Revisit in order to establish if the partnership has made sufficient progress against the 13 areas of significant weakness identified in the 2018 inspection. The outcome of this revisit has now been published, with Birmingham making sufficient progress in 1 of the 13 areas of significant weakness. As a result of the revisit, there is a need for a SEND Improvement Programme for the city which will require significant one-off investment from the general fund, alongside ongoing investment from the HNB and General Fund to address capacity issues within the system. Cabinet has approved in July 2021 extra funds to address the capacity issues. A bid for one-off transformation costs has also been submitted to the S151 Officer.
- 3.7. There is a forecast overspend for **Birmingham Children's Trust** of £4.8m as follows:

The outturn position for 2020/21 highlighted a cost pressure of £3m against placements which would carry forward into 2021/22. The Month 4 position for the Trust is now forecast to overspend £4.8m and this entirely relates to placement costs, and can be broken down as follows:

£2.4m supported accommodation  
£1.3m disabled children  
£1.1m shortfall in contributions from partners

Whilst some of this can be attributed to an increase in the care population, the rate of increase in the number of children in care has actually reduced from around 6% to less than 3%. A key reason for the increase in placement costs is that children's needs are increasing in complexity, including mental health and trauma caused by domestic abuse and exploitation. The shortfall in income contributions is also a cause for concern, particularly health given the complexity of need.

The Trust continues to promote better outcomes for children and its Stronger Families initiative is intended to place more children with their families which in turn is expected to reduce costs by £2m this year. This benefit has already been factored into the forecast for the year.

- 3.8. The Interim Director of Council Management and the Interim Director of Education and Skills have commissioned CIPFA to carry out a budget sufficiency review of the Education and Skills budget.

## Neighbourhoods

- 3.9. There is a forecast **overspend of £1.1m** relating to non Covid-19 expenditure for the Directorate, **an improvement of £0.3m from Month 4;**
- 3.10. **Housing General Fund (projected year end £1.5m overspend):**
- The Housing Options service, the forecast overspend is due to projected temporary accommodation demand levels over the course of the year reflecting significant



increase following the lifting of the eviction ban. We have seen an increase at the end of July which is earlier than anticipated – this is being monitored to understand if short term or the beginning of the expected increase trend. The position includes mitigation of £1.0m through the use of additional Hostel accommodation at Oscott Gardens towards the end of financial year.

- The projected overspend includes a mitigation of £1.0m from the use of additional Hostel accommodation at Oscott Gardens with a planned phased introduction of 200 units commencing December 2021. There are a number of risks associated with the delivery of this project which may delay the implementation date beyond December, but the intention is to still have 200 units fully operational in this financial year. Delays will have a detrimental impact the forecast position
- Implementation of the new operating model with an early intervention and prevention focus continues. Initial modelling of the temporary accommodation position and impact of early intervention and prevention model was undertaken in October 2020, this indicated potential pressure in 2021/22 of £7.4m. The increase anticipated at the time of doing the initial modelling has not fully materialised partly due to the extension of the eviction ban – placements in April were lower by 219 resulting in a lower potential pressure this year. Modelling continues as part of the monthly monitoring process

3.11. There is a forecast overspend of £0.2m for the **Street Scene service**, comprising pressures totalling £4.7m offset by mitigations of £4.5m. Details of major variances are below:

- This is an improvement of £0.4m, mainly due to further Garden and Bulky Waste income of £0.4m being anticipated.

3.12. **Neighbourhoods Service (projected year end £0.7m underspend):** This has not changed since Month 4.

## **Adult Social Care.**

3.13. There is a forecast **balanced position for the Directorate on non Covid-19 expenditure.**

3.14. **Packages of Care – £1.9m overspend** – Month 5 forecast is reporting a forecast overspend of £1.2m for Older Adults driven by increased activity within the Sevacare budget offset by increased income; and a forecast overspend of £0.8m for Younger Adults driven by decreased income offset by reduced Day Care expenditure, predominantly in Learning Disabilities. The Sevacare contract is funded by Better Care funding and discussions are needed as to whether this overspend can be too.

3.15. **Community & Social Work Ops – £1.0m underspend** - The Service is currently reporting an underspend at Month 5 against employees and this is a movement of £0.1m from Month 4. This is linked to held vacancies and is partially offset with the use of agency, and there is a recruitment campaign to fill these vacancies. Underspends in general non-pay budgets are offsetting the staffing overspend and are linked to the phased reopening of Day Centres.

- 3.16. **Commissioning – £0.6m underspend** – The Service is reporting an underspend against employees of £0.3m linked to vacancies across the team and recharge income against base budget funded posts. Recruitment plans are being discussed with relevant Head of Service and assumptions are currently that these will be filled within the next few months. There are also underspends of £0.3m against the overall third sector grant budget linked to lower than anticipated activity in this area, and this is an increase of £0.2m from Month 4.

## **Finance & Governance**

- 3.17. There is a forecast **overspend of £0.8m** relating to non Covid-19 expenditure for the Directorate, a deterioration of £0.5m from the Month 4 forecast.
- 3.18. Following negotiations re 2020-21 income, Ocean provided the latest forecast at July 2021 which forecast a £0.4m shortfall in digital advertising income. This is a new variation at Month 5 and will be reviewed as the ongoing impact of the economic recovery from Covid for the advertising sector becomes known. Potential mitigations will be explored, although planning permission will be required to add new sites to the portfolio to increase net yield.
- 3.19. £0.3m overspend Civic Catering. The full impact, for Civic Catering, of Covid and the temporary closure of the Council House, for renovations, is under review. Possible mitigations are also being investigated.
- 3.20. £0.1m overspend other minor variations, this is a new variation at Month 5. Potential mitigations include recruitment to procurement vacancies to reduce spend on interim and agency staff.

## **Emerging Risks not included in Forecast**

- 3.21. There are a number of risks that are not included in the forecast outturn.
- 3.22. The Trade Unions have been offered a pay award of 1.75% by the Employer's side, although this has not been accepted. The estimated cost of a pay award of 1.75% of £8.3m has been built into the forecast. There is a risk that a higher pay award is agreed. Each extra 0.5% increase would cost £2.3m per annum.
- 3.23. There is a risk that savings that are rated as amber are not achieved in full. The largest single element of the saving target is the £20.1m of the establishment savings. £11.1m has been achieved, £5.0m has been rated red and reflected in the outturn while further £4.1m is currently rated as amber and been assumed to be delivered by the end of the year, if this is not achieved it would add a further £4.1m to the outturn.

## **Other Risks that cannot be quantified**

- 3.24. There are a number of risks that can not be quantified. These include the following:
- Recovery from Covid
  - Economic impact of Covid
  - Brexit
  - Housing and homelessness
  - Highways Re-procurement
  - Clean Air Zone impact on Parking Income

## **Savings Programme**

3.25. The savings programme for 2021/22 totals **£36.8m**. **£19.6m** of savings is either at risk or undeliverable. **£17.2m** of the saving is either achieved or on target, which is **46.7%** of the target.

Table 4

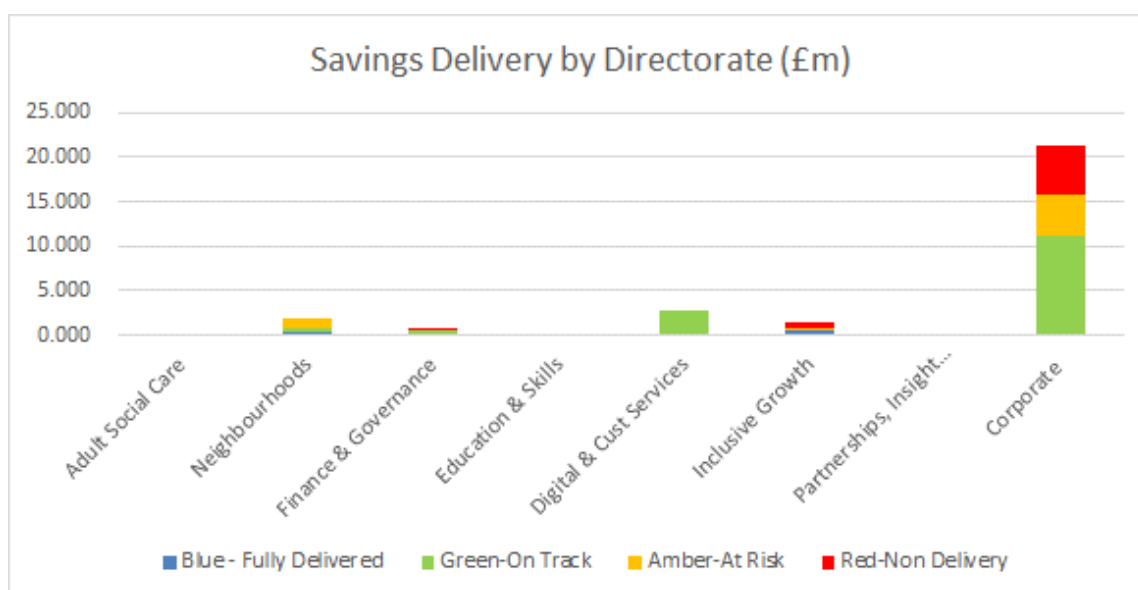
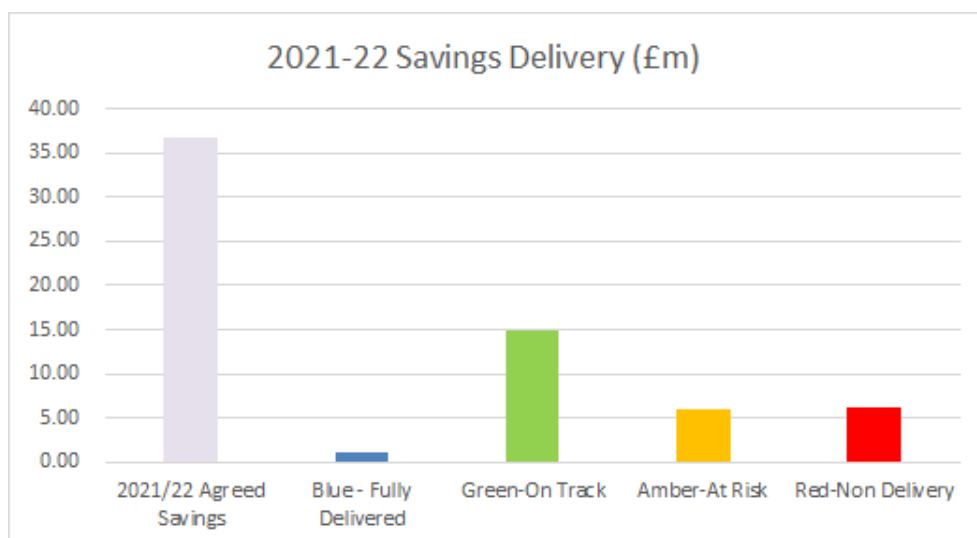
| Directorate                          | Non-Delivery of Saving      |                           | Saving at Risk  | Saving Delivered and on Track | Total Saving    |
|--------------------------------------|-----------------------------|---------------------------|-----------------|-------------------------------|-----------------|
|                                      | Delayed Because of Covid-19 | High Risk & Undeliverable |                 |                               |                 |
|                                      | £m                          | £m                        | £m              | £m                            | £m              |
| Neighbourhoods                       | 0.000                       | 0.000                     | (1.008)         | (0.850)                       | (1.858)         |
| Adult Social Care                    | 0.000                       | 0.000                     | (7.500)         | (1.293)                       | (8.793)         |
| Inclusive Growth                     | (0.322)                     | (0.329)                   | (0.156)         | (0.547)                       | (1.354)         |
| Education & Skills                   | 0.000                       | 0.000                     | 0.000           | (0.050)                       | (0.050)         |
| Finance & Governance                 | (0.116)                     | 0.000                     | 0.000           | (0.544)                       | (0.660)         |
| Digital & Cust Services              | 0.000                       | 0.000                     | 0.000           | (2.825)                       | (2.825)         |
| Partnerships, Insight and Prevention | 0.000                       | 0.000                     | 0.000           | (0.014)                       | (0.014)         |
| Human Resources                      |                             |                           |                 |                               |                 |
| Corporate                            | 0.000                       | (5.400)                   | (4.809)         | (11.070)                      | (21.279)        |
| <b>Directorate Sub Total</b>         | <b>(0.438)</b>              | <b>(5.729)</b>            | <b>(13.473)</b> | <b>(17.193)</b>               | <b>(36.833)</b> |

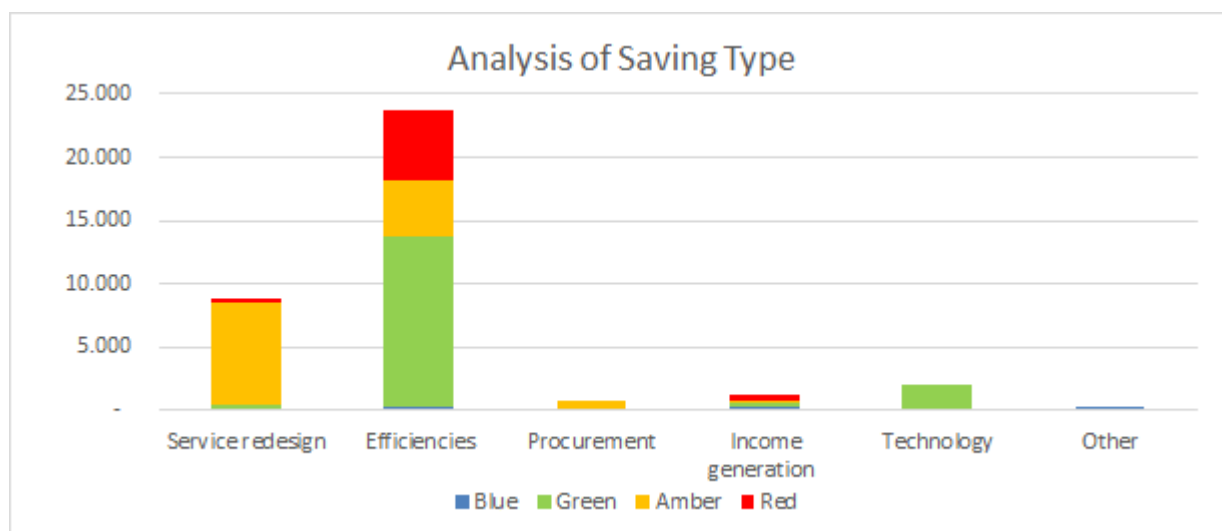
3.26. The key highlights are:

- **Corporate** has the largest saving target of £21.2m, of which 52% has been achieved, £11.1m achieved is from the £20.1m establishment saving. The reminder of the saving has currently been assessed as at risk or unachievable in the current financial year. Further details of how much of the establishment savings have been achieved are shown below. DCS has delivered a saving of £0.5m and ASC has reduced it establishment saving by £0.2m.
- **Adult Social Care** has a saving target of £8.8m of which 15% of the saving has been achieved. The £7.5m of saving is currently been assessed as being at risk due to uncertainty around demand in community and hospital settings. The increased demand from hospital discharges is currently being analysed.
- **Inclusive Growth** has £1.3m savings target of which £0.5m has been achieved and the rest has been assessed as at risk or undeliverable. £0.2m Capital receipts from disposals of ring-fenced commercial portfolio properties to mitigate future CAB savings are being monitored for deliverability. Due to Covid, £0.3m rental growth assumptions proposed under the Property Strategy have been delayed and £0.3m savings related to the Public Hub Programme have been delayed until the full programme of New Ways of Working can be implemented for non-Central Admin Buildings properties.
- **Neighbourhoods** has £1.9m savings target. The current assessment is that £1.0m of savings are at risk due to delay in implementation of various programmes, street service redesign, car parks commercialisation. However, there are no savings that are unlikely to be achieved.

**Table 5: Achievement of Establishment Savings**

|  | Savings<br>achieved<br>at M3 | Further<br>Savings<br>estimated at<br>P5 | Total         |
|--|------------------------------|--|---------------|
| Directorate                            | £m                           | £m                                       | £m            |
| Adult Social Care                      | 2.353                        | 0.555                                    | 2.908         |
| Education & Skills                     | 0.455                        |  | 0.455         |
| Inclusive Growth                       | 1.252                        |  | 1.252         |
| Neighbourhoods                         | 1.302                        |  | 1.302         |
| Digital & Customer Services            | 0.000                        | 0.451                                    | 0.451         |
| Finance & Governance                   | 1.100                        | 0.100                                    | 1.200         |
| Partnerships, Insight & Prevention     | 0.503                        |  | 0.503         |
| <b>Total Directorates</b>              | <b>6.965</b>                 | <b>1.106</b>                             | <b>8.071</b>  |
| Unallocated Increment Budget remaining | 2.999                        |  | 2.999         |
| <b>Total</b>                           | <b>9.964</b>                 | <b>2.212</b>                             | <b>11.070</b> |





### Covid-19 Major Incident Financial Impact

- 3.27. In terms of Covid resources, the Council carried forward £17.5m of un-ringfenced government Covid-19 grant funding from 2020/21. There is an estimated £4.9m of income that can be reclaimed from the government Income loss scheme through to the scheme end on the 30th June. The Council also funded £12.5m of Covid pressures in the 2021/22 budget through the use of tranche 5 of the governments un-ringfenced grant funding.
- 3.28. The government has also announced several ring-fenced grants for additional reliefs and support schemes which are being spent on the additional measures set out in government guidance.
- 3.29. The summary below sets out the forecast Covid-19 financial position at Month 5.

**Table 6: Forecast Covid Position**

| <b>Forecast Covid-19 financial position</b>  | <b>Covid cost<br/>£m</b> |
|--|--------------------------|
| Directorate covid overspend                  | 27.179                   |
| Corporate budgets overspend                  | 11.470                   |
| Indirect Covid costs                         | 37.998                   |
| <b>Total Covid-19 overspend</b>              | <b>76.647</b>            |
| Application of Tranche 5 Funding Budget 2021 | (12.515)                 |
| Covid grants carried forwards                | (17.471)                 |
| Specific Grant Funding                       | (2.000)                  |
| Income compensation                          | (3.289)                  |
| <b>Total Covid income</b>                    | <b>(35.275)</b>          |
|  |                          |
| <b>Net deficit</b>                           | <b>41.372</b>            |

3.30. There are further Covid-19 financial risks which have been quantified at £5.0m which relate to Adult Social Care.

### **Balance Sheet Section**

#### **Total Sundry debt**

3.31. The Council's total sundry debt position at end of July 21 stood at £72.7m. This was a decrease of £6.7m compared to end of July 20 when total debt was £79.4m.

3.32. This is a positive position and the efforts to continue to drive down the city's sundry debt are ongoing. The position with the older (+ 90 days) debts remains "static" so the concerted effort and focus adopted will continue on these items.

3.33. The targeted approach to debt adopted includes continually looking at recovering current debt sooner, considering payment at point of order and improving our understanding of the Council's top 50 debtors.

#### **Top 50 Debtors Profile**

3.34. As at July 21 the value of the top 50 aged debtors (+ 90 days) was £7.8m which is 10.7% of total sundry debt. Analysis of this debt shows that £2.4m is highly likely to be or has been recovered, £4.1m is in the balance and £1.3m is high risk and unlikely to be or will not be recovered. Example being insolvent companies with no assets.

3.35. Directorate reports detailing their top debtors and recovery actions to progress these items are being produced and reviewed on a monthly basis.

# People Services Transformation Programme

Update to Resources O&S Committee

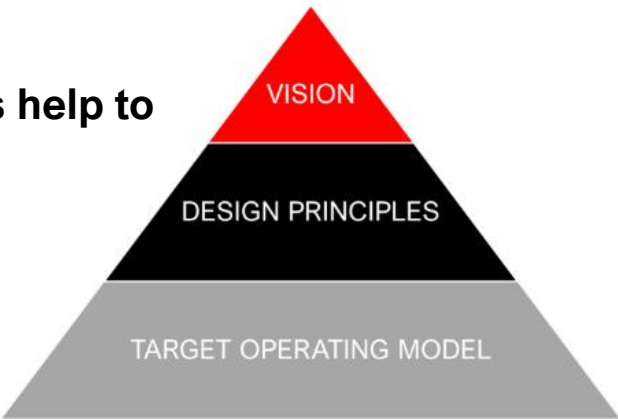
7 October 2021





# Building the People Services Target Operating Model

The vision for People Services sets the direction of travel for the team and design principles help to frame the Target Operating Model.



## Our vision for a best in class service:

- We **empower** our people by proactively providing the insight they need
- We are a **trusted** partner, enabling the Council to deliver its priorities
- We are **committed** to enabling all of our diverse talent to flourish

## Design Principles:

### Performance insights & data



We **proactively provide insight** and enable our customers to **make decisions** based on accurate and timely data

### Culture and values



We are **collaborative** and **inclusive**; we value and support all team members and **recognise their contribution**

### Skills and development



We enable our colleagues to achieve their aspirations through **promoting a learning culture** and establishing **clear career pathways**

### Customer experience



We provide a **consistent professional and efficient customer experience**, working as a **trusted partner** to the business

### Processes and controls



Our processes are **simple, consistent, adaptable** and **compliant** using **automation** wherever appropriate

### Service delivery model



We are part of an **integrated support services offer**, working **flexibly and proactively** in order to **anticipate** and **shape** the demands of our customers

### Innovation & continuous improvement



We **empower** our people to be **innovative** and strive for leading practice through **continuous improvement**

### Technology



We use **technology** and systems to automate where appropriate and drive an **integrated and intuitive** customer experience



# Case for Change – Key Drivers



## For our people

It is the right thing to now invest in our people and our systems to improve what we do and how we do it. Personal development benefits the council, our customers and our people.



## For our employees

We are a customer orientated function and want to reshape and align ourselves to ensure our customers receive a best in class and best value service.



## For 'best in class'






We need to move toward best practice, such as being an embedded strategic partner to the business.







## For value for money

We need to modernise ourselves for the challenges of tomorrow and meet the people challenges of today.

# The challenge today, and what will change

|   | HR&OD today   | People Services target state  |
|---|---|---|
| <br>Lucy:<br>HR<br>Business<br>Manager                 | "I am frustrated by the lack of insight available from the HR system, and we don't always fully understand the needs of the business so we may prefer to answer their request quickly rather than spending the time to understand their needs and provide insight." | Access to fully integrated data and insight will mean that Lucy can access and utilise live data. Data will be translated into something meaningful, using tools and dashboards to add value to Lucy's work with her customers.   |
| <br>Reena:<br>HR<br>Services<br>Officer                | "We need streamlined HR policies and procedures that are sufficiently detailed and not so many roles / steps required."   | Reena will have easy access to revised simplified clear policies, systems, and processes, with employees are at the heart, to improve their experience and engagement with the Council.   |
| <br>Sam:<br>Social Worker                              | "When I want to contact someone in HR, I'm not sure of the correct process or who to contact. The point of contact is inconsistent which is not helpful. The systems are archaic, bureaucratic and inefficient."  | A customer focussed 'My HR' tool for Sam to seek simple clear information at any time will help him, as well as a clear route to the HR Helpdesk, with a resolution team to support answering more tricky questions. Saving time, driving policy compliance and supporting our employees. |
| <br>Kris:<br>Finance<br>Business<br>Partner            | "I cannot get a consolidated view across budget and the establishment in HR. There are so many systems to 'patch' together for the monthly reporting and forecasting as we cannot get a single version of the truth"  | Fully integrated Oracle reporting will give Kris the visibility he needs to run ad hoc and consolidated reports. Consistent Workforce Planning, across each directorate, will enable accurate forecasting and support talent management, including clear resourcing plans.                |
| <br>Carla:<br>Neighbourhood<br>Operations<br>Manager | "I need a more strategic service that appreciates the context and has time to understand and provide a long term solution. They are too distanced from my day to day operations"  | Carla's directorate will have a dedicated trusted People Partner to support her with people plans and mitigation of people risks and issues to enable her directorate to deliver its priorities.  |

# The programme will deliver incremental benefits across HR&OD Metrics

| Metric   | How to target improvements   | BCC Today          | BCC Target | Leading Practice* |
|--|--|--------------------|------------|-------------------|
| <b>For our employees</b><br>Internal customer perception of HR&OD Service<br> | A selection of key internal customers were asked how they would rate the quality of service HR provides to the business (on a 5 point rating in Feb 2021). Implementation of the Service Delivery Model (Service Centre, Centres of Excellence and People Partners) together with an increase of core staffing on permanent contracts will provide a resilient optimum service and lead to enhanced customer satisfaction. | 2.3                | 4.0        | 5.0               |
| <b>For best in class</b><br>HR&OD Service Maturity<br>                        | The KPMG HR Maturity Assessment Tool is designed around the six target operating model elements, and provides a framework to understand the current position, as well as an aspirational position on the impact of the HR &OD function. KPMG rate World Class as 5 and current self assessment rating is 2.4 with an aspiration to achieve 4.3 across the 6 elements.  | 2.4                | 4.3        | 5.0               |
| <b>For our people</b><br>HR&OD development and career pathways<br>            | Implementation of a People Services competency framework with career pathways and development interventions identified – including apprenticeships at Level 3 to Level 7. All staff to have a Personal Development Plan in place.  | 20%                | 100%       | 100%              |
| <b>For value for money</b><br>Workforce Strategy<br>                        | Revise the Workforce Strategy 2022+ to support the delivery of the council's priorities. The overarching council strategy to be underpinned by directorate workforce strategies and plans.   | Council level only | 100%       | 100%              |

## Notes:

- The ambition is to achieve leading practice for all metrics once the TOM and Oracle are fully embedded c.5 years- BCC targets are shown as stepping-stones to monitor progress
- As-is figures for maturity and customer perception have been calculated using KPMG data

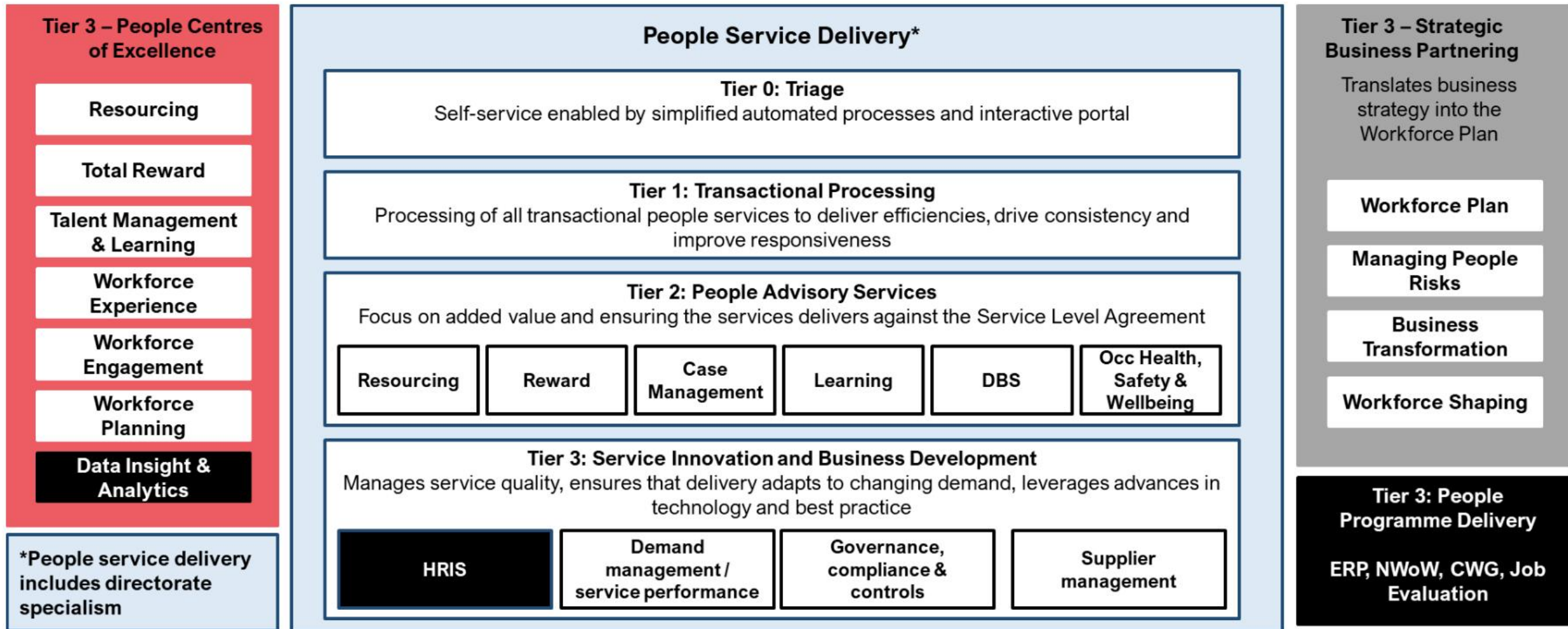
# Key outcomes

- Assistant Director roles to provide leadership, direction and influence
- Greater accountability and control in one unified People Services team
- Increased focus and investment in Business Partnering, creating an improved strategic relationship with customers
- Reduction in process duplication by creating centralised Centres of Excellence and a Service Delivery Centre, driving standardisation, consistency and efficiency
- Increased oversight of strategic workforce strategy and workforce planning
- Best in class people strategies – reward, recruitment, learning and development, employee experience
- Clearer career pathways, helping to attract and retain talent
- Develop new capabilities in analytics and strategic value add services
- Embrace modern technologies to drive process efficiency, hybrid working and automation
- Achieving external accreditation - CIPD's 'People Development Partner' status
- Ultimately increasing productivity and capability in the workforce to deliver a great service to our citizens and setting an example of a great place to work for the city of Birmingham



# Proposed future state – Service Delivery Model

Tiers of service delivery, as set out below, illustrate where transactional versus more strategic activities will take place across People Services. Triage (tier 0), transactional processing (tier 1) and advisory (tier 2) all take place within the People Services Delivery Team. The other 3 groups deliver at tier 3 only.

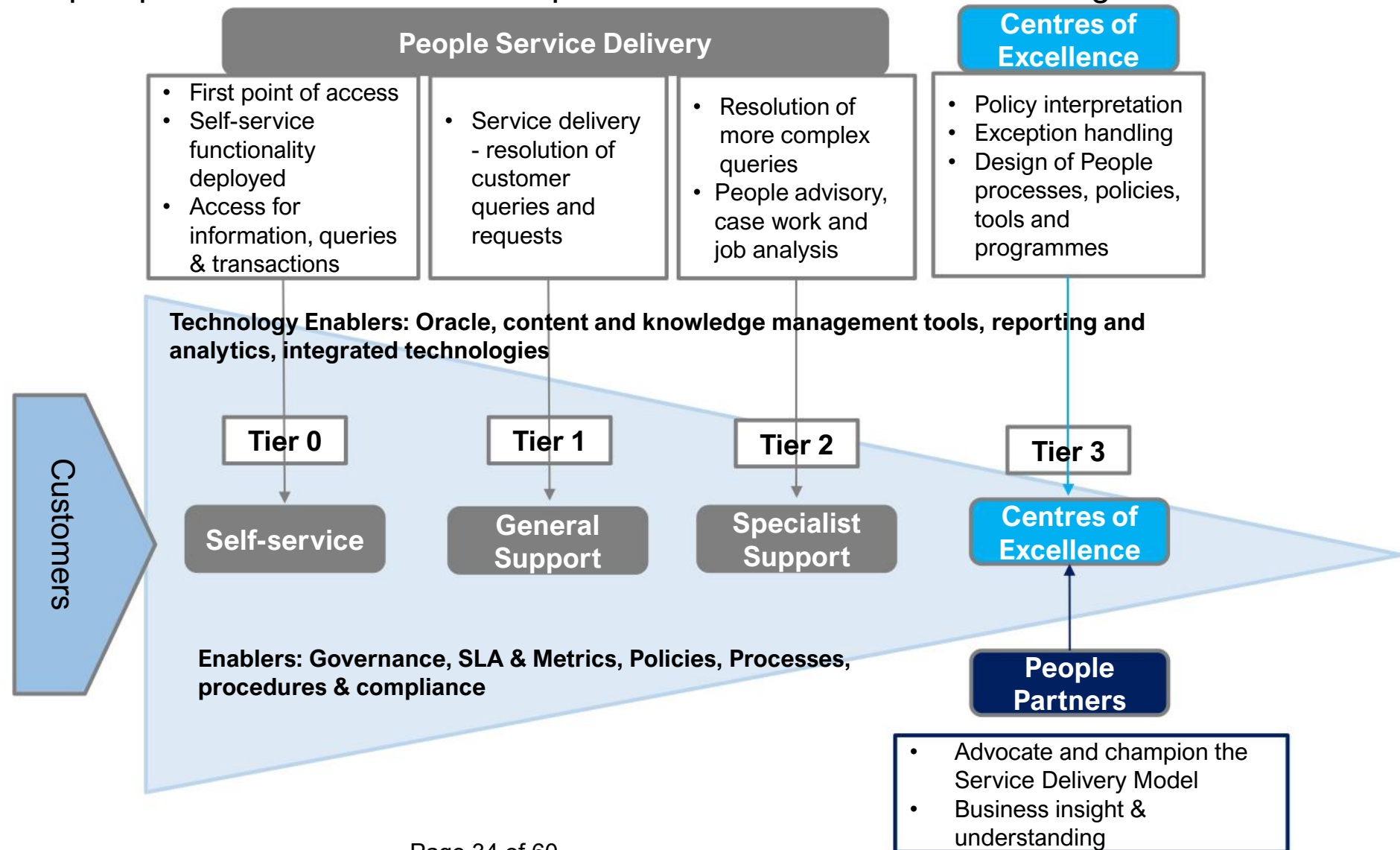


# A tiered approach

The Service Delivery Model (SDM) outlines the way in which people services will be provided to the council, from an end to end customer perspective. The illustration depicts how work is distributed through the different tiers within the model.

The SDM visually depicts the major building blocks and interactions to provide the guiding structure for how services are delivered to the different customer segments. The SDM focuses on:

- Simplicity, consistency and connected services with clear ownership
- Utilising a tiered approach to managing enquiries
- Considering everyone who receives people services to providing clear structures and roles for service delivery



# High-level timeline

- **Phase One: Establish People Services, to March 2022**
  - Moving to the new organisation design, including establishing Centres of Excellence, the service delivery centre and new People Partner roles
- **Phase Two: Transitioning to Oracle ERP, April 2022 – March 2023**
  - The transition to the Oracle ERP implementation enables us to deliver more automated and efficient processes configured to enhance customer experience
- **Phase Three: High Value Services, April 2023 – ongoing**
  - We ensure we are getting the best out of our model and the Oracle system. Service standards will be published, and leading practice service management will be established. With our operating model in place we will prioritise building and maintaining a culture of innovation and continuous improvement.

# ANY QUESTIONS?





# Interim and Consultant Expenditure and Usage 2021/22

## Hays Agency Usage 12 months to Aug 2021

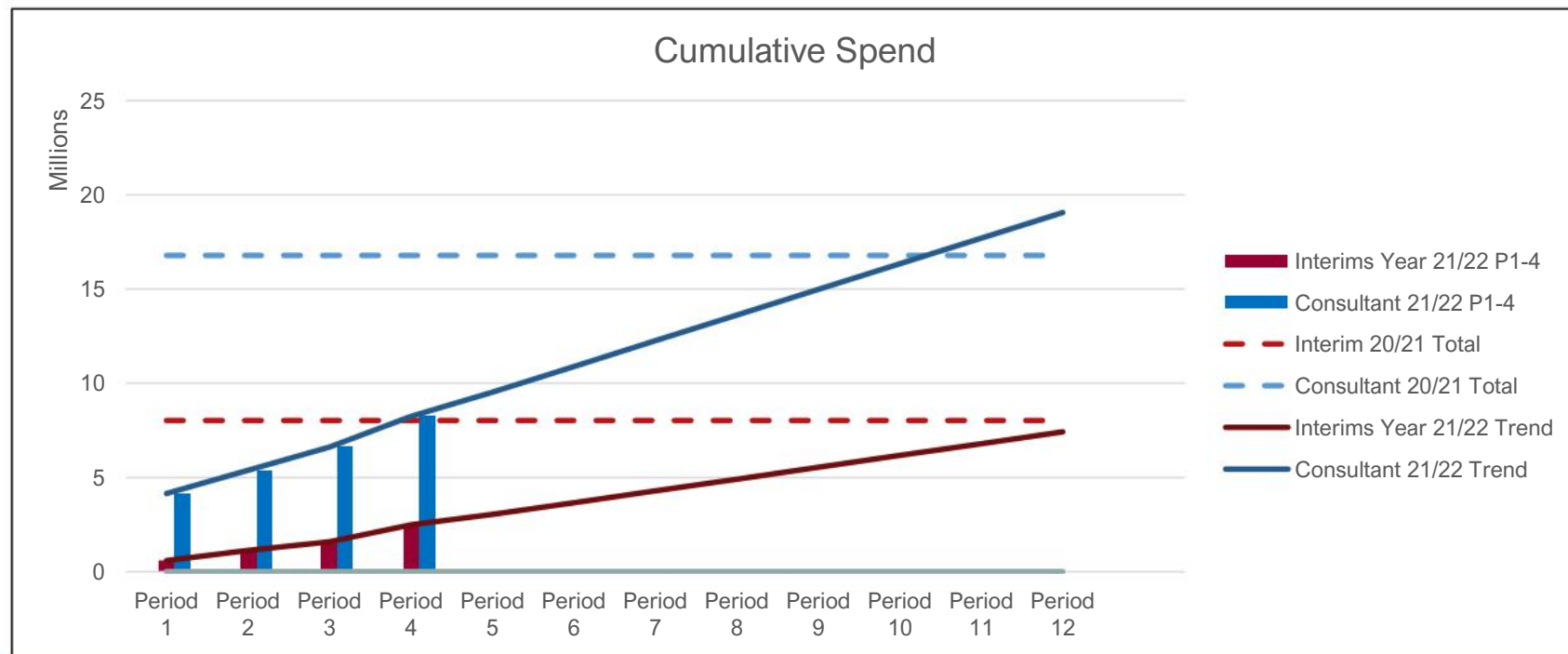
August 2021



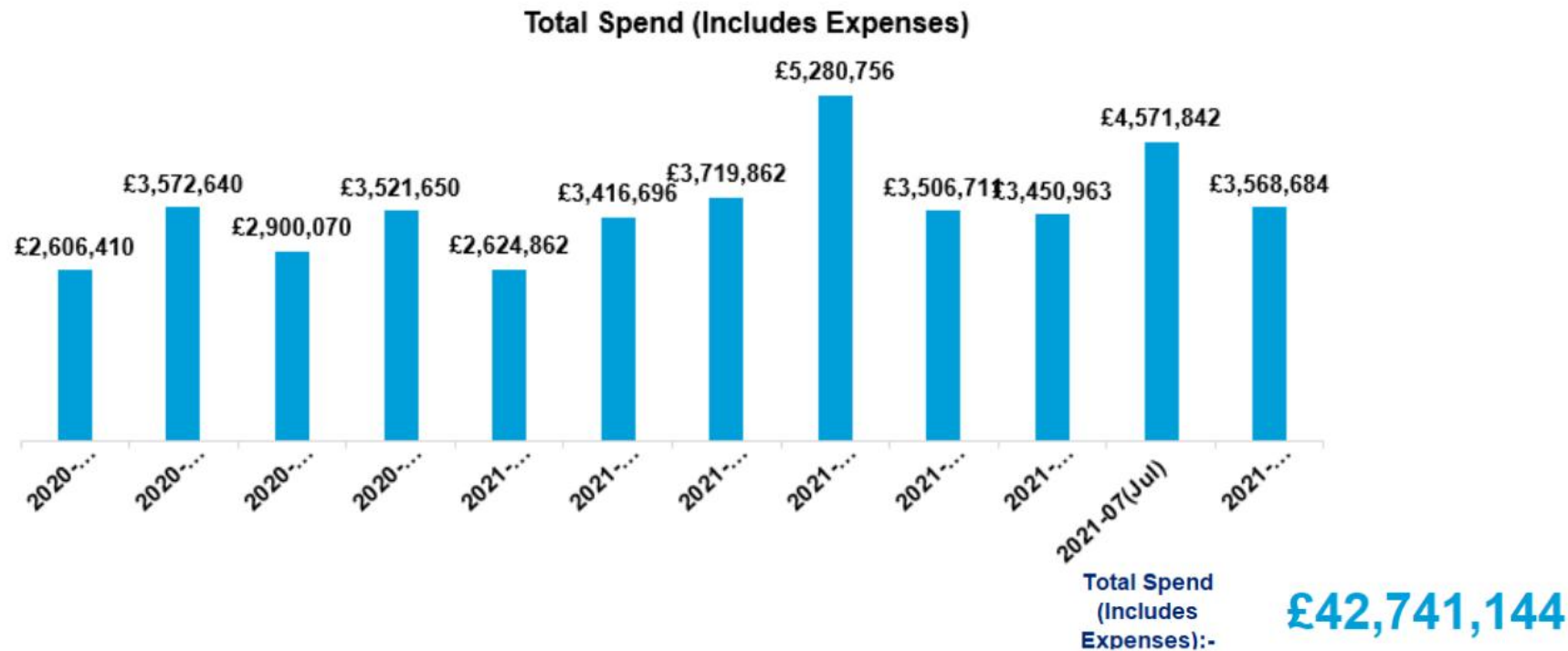
# Expenditure as at July 2021 (period 4)

| Directorate                        | Interims                     |                              |                              |                        |                                       |                              | Consultants                  |                              |                              |                        |   |                              |
|------------------------------------|------------------------------|------------------------------|------------------------------|------------------------|---------------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------|---|------------------------------|
|                                    | Year 19/20 Total Expenditure | Year 20/21 Total Expenditure | Year 21/22 Total Expenditure | Last Period / % Change | Total no. of interim workers in place | Change +/- since last period | Year 19/20 Total Expenditure | Year 20/21 Total Expenditure | Year 21/22 Total Expenditure | Last Period / % Change | Total no. of consultants/Companies in place | Change +/- since last period |
| Neighbourhoods                     | £581,823                     | £305,670                     | £82,261                      | -19%                   | 1                                     | 0                            | £549,835                     | £319,691                     | £86,219                      | 160%                   | 2   | 1                            |
| Adults Social Care                 | £503,194                     | £384,901                     | £6,603                       | -28%                   | 1                                     | 0                            | £4,673,096                   | £2,752,131                   | £0                           | -99%                   | 0   | 0                            |
| Education & Skills                 | £405,501                     | £741,789                     | £253,572                     | 32%                    | 9                                     | 8                            | £438,565                     | £400,407                     | £1,475,150                   | 84%                    | 15  | 4                            |
| Finance & Governance               | £2,093,942                   | £3,006,728                   | £781,696                     | -41%                   | 22                                    | 7                            | £266,554                     | £1,584,789                   | £816,116                     | 39%                    | 14  | -3                           |
| Inclusive Growth                   | £15,525                      | £516,239                     | £129,379                     | 8%                     | 2                                     | 0                            | £2,595,405                   | £3,142,105                   | £930,558                     | 25%                    | 3   | -11                          |
| Digital & Customer Services        | £138,123                     | £2,658,518                   | £1,191,540                   | -66%                   | 26                                    | 6                            | £2,212,280                   | £7,654,882                   | £4,071,523                   | -55%                   | 36  | -6                           |
| Partnerships, Insight & Prevention | £109,768                     | £410,358                     | £49,053                      | -61%                   | 2                                     | 0                            | £0                           | £928,987                     | £868,595                     | 3%                     | 1   | -6                           |
| HR & Organisation Development      | £0                           | £0                           | £0                           |                        | 0                                     | 0                            |                              |                              | £23,863                      |                        | 1   | 0                            |
| <b>Total</b>                       | <b>£3,446,153</b>            | <b>£8,024,203</b>            | <b>£2,494,104</b>            | <b>-32%</b>            | <b>63</b>                             | <b>21</b>                    | <b>£15,198,511</b>           | <b>£16,782,992</b>           | <b>£8,272,024</b>            | <b>-62%</b>            | <b>£72</b>                                  | <b>-£21</b>                  |

# Interims and Consultants Expenditure Year 2021/22 vs Year 2020/21

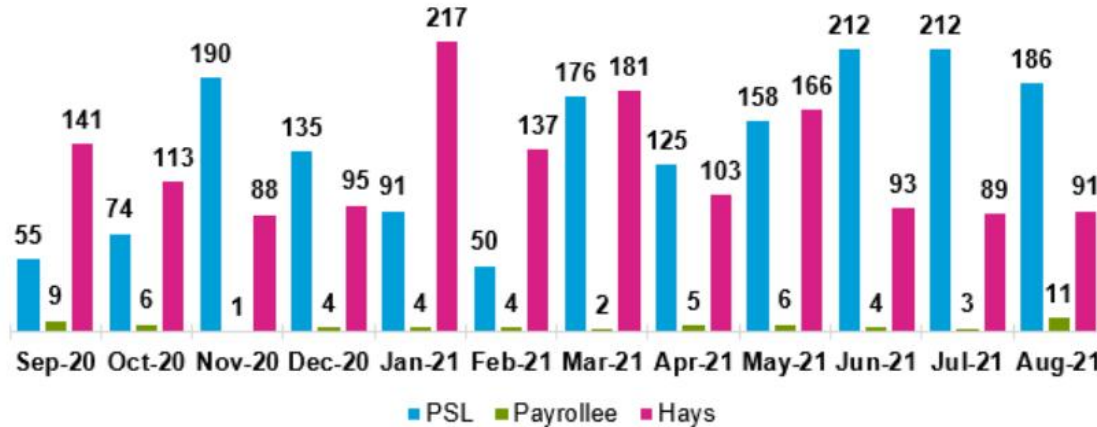


- **Total Hays Spend - 12 month period 01/09/2020 - 31/08/2021**



# Hays Agency Worker Data – New Starters

Starters

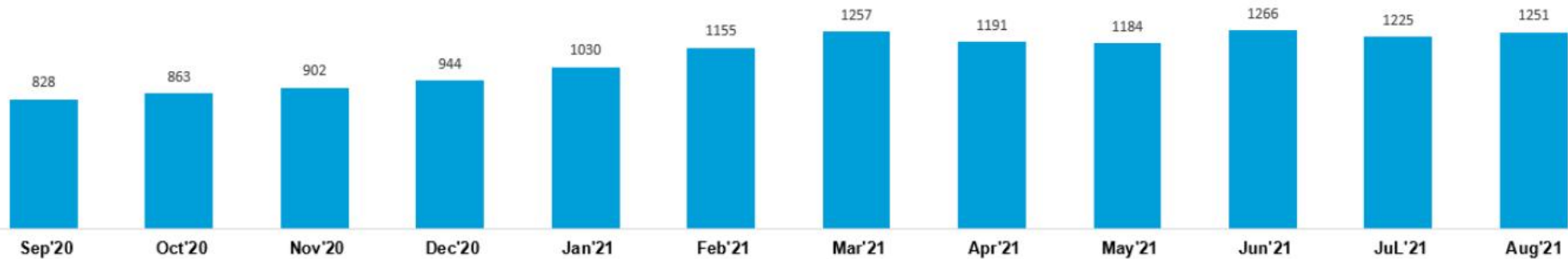


Top 10 Suppliers Until August 2021

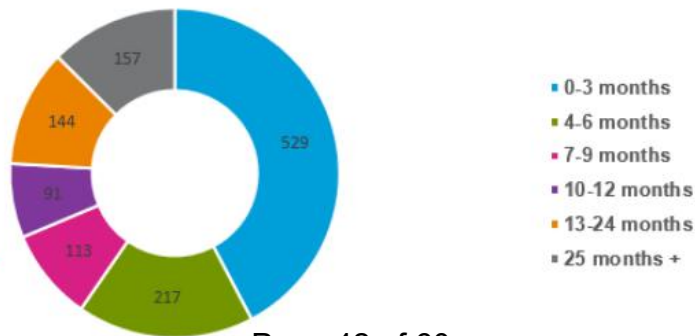
| Suppliers                          | Placements |
|------------------------------------|------------|
| Hays plc                           | 1573       |
| Pertemps (Contracts) Ltd           | 729        |
| Extra Personnel Ltd                | 326        |
| Verve Personnel Ltd                | 197        |
| Berry Recruitment Ltd              | 45         |
| Eden Brown Ltd                     | 44         |
| Red Snapper Recruitment Ltd        | 41         |
| Berkeley Scott Ltd                 | 30         |
| Connaught Resourcing Ltd           | 26         |
| Evolve Hospitality Recruitment Ltd | 25         |

# Hays Agency Worker Data – Population

Active Population at end of the Month



Population Tenure for Aug 21



# Birmingham City Council

## Report to Cabinet

Date: 12<sup>th</sup> October 2021



**Subject:** **PLANNED PROCUREMENT ACTIVITIES (NOVEMBER 2021 – JANUARY 2022)**

**Report of:** **ASSISTANT DIRECTOR – PROCUREMENT (INTERIM)**

**Relevant Cabinet Member:** **Councillor Tristan Chatfield, Finance and Resources**

**Relevant O &S Chair(s):** **Councillor Mohammed Aikhlaq, Resources**

**Report author:** Steve Sandercock, Assistant Director, Procurement (Interim)  
Email Address: [steve.sandercock@birmingham.gov.uk](mailto: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 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 November 2021 – January 2022. 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 Notes the planned procurement activities under chief officer delegations set out in the Constitution for the period November 2021 – January 2022 as detailed in Appendix 1.

## **3 Background**

- 3.1 At the 1 March 2016 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 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.
- 3.2 In line with the Procurement Governance Arrangements 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.
- 3.3 This report sets out the planned procurement activity over the next few months where the contract value is between the procurement threshold (£189,330) and £10m. 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.
- 3.4 It should be noted that the procurement threshold has changed from £164,176 to £189,330 and will apply from 1<sup>st</sup> January 2020 for a period of 2 years.
- 3.5 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.
- 3.6 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.
- 3.7 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 report approved by Council Business Management Committee on 16 February 2016 set out the case for introducing this process. The options considered are:

- To refer the procurement strategy and contract award of individual procurements to Cabinet for decision.
- To continue with the existing process – this is the recommended option

## **5 Consultation / Engagement**

5.1 This report to Cabinet is copied to 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 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 Details of all relevant implications will be included in individual reports.

### **7.3 Financial Implications**

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

### **7.4 Procurement Implications (if required)**

7.4.1 This is a procurement report and the implications are 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.

## **8 Background Documents**

8.1 List of Appendices accompanying this Report (if any):

- 1. Appendix 1 - Planned Procurement Activity November 2021 – January 2022
- 2. Appendix 2 – Background Briefing Paper
- 3. Appendix 3 – Exempt Information
- 4. Appendix 4 – Notification of Minor Amendments

## APPENDIX 1 – PLANNED PROCUREMENT ACTIVITIES (NOVEMBER 2021 – JANUARY 2022)

| 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 |
|------------------------------|---|-------|--|-------------------|-------------------------------|--------------------------------------|--------------------------|------------------------------------|--------------------------|
| Strategy / Award             | Cash Collection Service   | P0734 | To collect, transit and deliver cash and cheques from and to various sites across the Council servicing educational establishments, leisure centres, adult education centres, office buildings, homeless centres and other locations where customers use cash, coins and cheques as forms of payment for services rendered.  | 4 years           | Finance and Governance        | Finance and Resources                | Lee Bickerton            | Andrea Webster                     | 04/01/2022               |
| Approval to Tender Strategy  | City Dressing to Support the Hosting of the Commonwealth Games 2022             | TBC   | To support the hosting of the Commonwealth Games 2022 and improve the visitor experience, there is a requirement for spectaculars and enhancements to dress the city. These will be situated across the city; in the centre, in the proximity to games venues and on main arterial routes and would typically include:<br>•Banners and flags<br>•Art installations and sculptures<br>•Pavement graphics and building wraps<br>•Building lighting and lighting shows  | Various           | Commonwealth Games            | Leader                               | Guy Olivant              | Joanne Martin / Charlie Short      | 22/11/2021               |
| Strategy / Award             | Professional Services for the Birmingham Transport Plan Delivery Plan           | TBC   | There is a requirement for technical professional services to support the creation of the Birmingham Transport Plan Delivery Plan.<br><br>The services required include:<br>•Review of work previously undertaken.<br>•Assessment and sifting of proposed schemes.<br>•Assessment of carbon reduction potential of implementing the proposed schemes.<br>•Scheme development guidance.<br>•Creation of implementation plan.<br>•Financial modelling for scheme development and delivery.<br>•Review of societal impacts of rapid transport decarbonisation in Birmingham<br>•Stakeholder pre-consultation engagement.<br>•Full public consultation.<br>•Creation of monitoring and evaluation framework. | 1 year            | Inclusive Growth              | Transport and Roads                  | Carl Tomlinson           | Ioanna Moscholidou / Charlie Short | 22/11/2021               |
| Strategy / Award             | Birmingham Smithfield Development Economic Adviser                              | TBC   | Economic Adviser services are required to support the production of the Business Cases through the provision of strategic economic advice, economic modelling, economic appraisal and associated transportation appraisal.   | 5 years           | Leader                        | Transport and Roads                  | Ian Harris / Guy Olivant | Marlene Slater / Charlie Short     | 22/11/2021               |
| Strategy / Award             | SAP Netweaver Upgrade   | TBC   | The has a portfolio of SAP applications to support business functions in Human Resources, Payroll, Finance, Procurement and reporting.   | 1 year            | Digital and Customer Services | Deputy Leader                        | Lee Bickerton            | Claire Penny                       | 22/11/2021               |
| Approval to Tender Strategy  | Professional Services to Support the Residential Property Acquisition Programme | TBC   | There is a requirement for professional services to support the buying of these properties. The services to ensure the completion of the purchase include:<br><br>•Sourcing of properties<br>•Valuation of properties<br>•Undertaking condition surveys<br>•Negotiation of price<br>•Manage conveyancing process   | 1 year            | City Housing                  | Homes and Neighbourhoods             | Carl Tomlinson           | Bill Pickbourn / Charlie Short     | 22/11/2021               |
| Amendment - Strategy / Award | Water Supply and Waste Water Services   | TBC   | Following the deregulation of the water supply market in April 2017, it has been permissible to purchase water and billing services from other licenced water retailers authorised to provide the services. The services provided are provision of metered and unmetered water supplies, waste water and surface drainage services.  | 2 years           | Finance and Governance        | Finance and Resources                | Lee Bickerton            | Adele Rawlins                      | 22/11/2021               |

## **APPENDIX 2**

### **BRIEFING NOTE ON PLANNED PROCUREMENT ACTIVITIES** **CABINET – 12<sup>th</sup> October 2021**

|   |   |
|---|---|
| <b>Title of Contract</b>  | <b>Cash Collection Service (P0734)</b>  |
| Director / Assistant Director   | Assistant Director, Service Finance   |
| Briefly describe the service required   | To collect, transit and deliver cash and cheques from and to various sites across the Council servicing educational establishments, leisure centres, adult education centres, office buildings, homeless centres and other locations where customers use cash, coins and cheques as forms of payment for services rendered.                           |
| What is the proposed procurement route?   | A further competition exercise or a direct award will be undertaken using the Eastern Shires Purchasing Organisation's Cash Collection and Cash and Valuables in Transit Services Framework Agreement. An option appraisal will be carried out to determine the most cost-effective route   |
| What are the existing arrangements? Is there an existing contract? If so when does that expire?   | The Council has a mixed economy of provision comprising: <ul style="list-style-type: none"> <li>i. A contract with G4S Cash Solutions (UK) LTD that expires on 30<sup>th</sup> September 2022 and</li> <li>ii. An "in house" team manages the collection, processing and banking of income collected from pay and display parking machines</li> </ul> |
| If single /multiple contractor negotiations is proposed, what is the reason for not tendering the requirement, how do we ensure value for money and compliance with the Birmingham Business Charter for Social Responsibility (BBC4SR)? | Not applicable.   |
| 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 is not the capacity within the Council to deliver all the cash collection requirements.   |
| How will this service assist with the Council's commitments to Route to Zero?   | The specification will require the services to be delivery in way that reduces or minimises both direct and indirect carbon emissions. Reporting to the Council of "contract related" CO2 emission reductions will also be a requirement.   |
| Is the Council under a statutory duty to provide this service? If not, what is the justification for providing it?  | The Council does not have a statutory duty to provide this service. However, this service is required to collect and deliver cash and cheques safely and securely.  |
| What budget is the funding from for this service?   | This contract will be funded within existing Directorate's approved budgets and Schools devolved budgets.   |
| Proposed start date and duration of the new contract  | The proposed start date is 1 October 2022 for a period of 4 years.  |

|   |  |
|---|--|
| <b>Title of Contract</b>  | <b>City Dressing to Support the Hosting of the Commonwealth Games 2022</b>   |
| Director / Assistant Director   | Programme Director, Commonwealth Games 2022  |
| Briefly describe the service required   | <p>To support the hosting of the Commonwealth Games 2022 and improve the visitor experience, there is a requirement for spectacles and enhancements to dress the city. These will be situated across the city; in the centre, in the proximity to games venues and on main arterial routes and would typically include:</p> <ul style="list-style-type: none"> <li>• Banners and flags</li> <li>• Art installations and sculptures</li> <li>• Pavement graphics and building wraps</li> <li>• Building lighting and lighting shows</li> </ul> <p>The Organising Committee's (OC) contract has recently been awarded with the rates reflecting current market conditions. Synergies with both the Council and the OC's requirement will ensure value for money. CSM Sport &amp; Entertainment LLP will be required to be certified to the BBC4SR and provide actions relevant to the value of the contract.</p> |
| What is the proposed procurement route?   | To use the OC's Look, Signage and Wayfinding Contract with CSM Sport & Entertainment LLP, in accordance with its terms. Where requirements are not suitable to be procured via this contract, an open procurement process will be undertaken advertised on <a href="http://www.finditinbirmingham.gov.uk">www.finditinbirmingham.gov.uk</a> . Find a Tender and Contracts Finder.  |
| What are the existing arrangements? Is there an existing contract? If so when does that expire?   | These is a new requirement.  |
| If single /multiple contractor negotiations is proposed, what is the reason for not tendering the requirement, how do we ensure value for money and compliance with the Birmingham Business Charter for Social Responsibility (BBC4SR)? | Not applicable.  |
| 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 these are one-off projects to enhance the city and must be in line with the Organising Committee's Look and branding.  |
| How will this service assist with the Council's commitments to Route to Zero?   | The specification will require the equipment to be delivered in such a way that reduces or minimises carbon emissions. A commitment has been made that the Commonwealth Games will be net carbon neutral overall.  |
| Is the Council under a statutory duty to provide this service? If not, what is the justification for providing it?  | The Council does not have a statutory duty to provide this service. The enhancements will support the look and feel of the city in the run up to and during the Commonwealth Games 2022 and its legacy. Some elements of the service to be provided are required to fulfil the Council's obligations under the terms of the Host City Contract.  |
| What budget is the funding from for this service?   | This contract will be funded from the approved overall budget for the Council's contribution to the costs of hosting the Birmingham 2022 Commonwealth Games.   |
| Proposed start date and duration of the new contract  | Various start dates and durations prior to the start of the Commonwealth Games.  |

|  |  |
|--|--|
| <b>Title of Contract</b>   | <b>Professional Services for the Birmingham Transport Plan Delivery Plan</b>   |
| <b>Director / Assistant Director</b>   | Phil Edwards, Assistant Director, Transport and Connectivity   |
| Briefly describe the service required  | <p>There is a requirement for technical professional services to support the creation of the Birmingham Transport Plan Delivery Plan.</p> <p>The services required include:</p> <ul style="list-style-type: none"> <li>• Review of work previously undertaken.</li> <li>• Assessment and sifting of proposed schemes.</li> <li>• Assessment of carbon reduction potential of implementing the proposed schemes.</li> <li>• Scheme development guidance.</li> <li>• Creation of implementation plan.</li> <li>• Financial modelling for scheme development and delivery.</li> <li>• Review of societal impacts of rapid transport decarbonisation in Birmingham</li> <li>• Stakeholder pre-consultation engagement.</li> <li>• Full public consultation.</li> <li>• Creation of monitoring and evaluation framework.</li> </ul> |
| What is the proposed procurement route?  | A further competition exercise will be undertaken using the Council's Transportation and Development Professional Services Framework Agreement.  |
| What are the existing arrangements? Is there an existing contract? If so when does that expire?  | This is a new requirement.   |
| If single /multiple contractor negotiations are proposed, what is the reason for not tendering the requirement, how do we ensure value for money and compliance with the Birmingham Business Charter for Social Responsibility (BBC4SR)? | Not applicable.  |
| Has the In-House Preferred Test been carried out?  | Yes, and as this is a one-off contract for technical professional services and the test demonstrated this is not suitable to be carried out in-house as there are not the skills and capacity to deliver internally.   |
| How will this service assist with the Council's commitments to Route to Zero?  | The service will provide a delivery plan for the Birmingham Transport Plan, which will identify viable and sustainable transport schemes and interventions required to rapidly decarbonise transport in Birmingham. These will increase active travel and the use of public transport and reduce car usage. The Birmingham Transport Plan delivery plan will be compliant with the Council's Birmingham Connected Transport Strategy, Birmingham Development Plan, and Our Future City Plan.   |
| Is the Council under a statutory duty to provide this service? If not, what is the justification for providing it?   | The development and subsequent delivery of the Birmingham Transport Plan contributes to the Council's Statutory responsibilities under the Network Management Duty set out in the Traffic Management Act 2004 concerning the expeditious movement of traffic. Similarly, the Transport Plan supports the requirement under the Road Traffic Act 1988 with regard to road safety.   |
| What budget is the funding from for this service?  | The costs for the service will be funded from the Birmingham Transport Plan Infrastructure budget which is within the Infrastructure Development sub-programme of the Transport & Highway Capital Programme approved by Cabinet in February 2021.  |
| Proposed start date and duration of the new contract   | The proposed start date is January 2022 for a duration of 12 months.   |

|  |   |
|--|---|
| <b>Title of Contract</b>   | <b>Birmingham Smithfield Development Economic Adviser</b>   |
| Director / Assistant Director  | Ian Macleod – Director, Inclusive Growth  |
| Briefly describe the service required  | <p>Cabinet approved the Birmingham Smithfield Development Partner Contract Award report dated 15 December 2020 for the Council to enter into a Joint Venture Agreement with Lendlease Europe for the development of Birmingham Smithfield.</p> <p>There are obligations on the Council to produce Business Cases to secure development funding and economic advisory services are required to support the production through the provision of strategic economic appraisal with supporting transportation appraisal for the scheme.</p> |
| What is the proposed procurement route?  | It is proposed to carry out a further competition exercise using the Homes England Research and Economic Analysis Professional Services Framework Agreement.  |
| What are the existing arrangements? Is there an existing contract? If so when does that expire?  | This is a new requirement.  |
| If single /multiple contractor negotiations are proposed, what is the reason for not tendering the requirement, how do we ensure value for money and compliance with the Birmingham Business Charter for Social Responsibility (BBC4SR)? | Not applicable.   |
| 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 is not the skills or ability within the Council to provide these services.  |
| How will this service assist with the Council's commitments to Route to Zero?  | The service will identify, appraise and seek to maximise measure within the Smithfield Development that will support the Council's journey to net zero by 2030.   |
| 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 these works to be delivered. However, the Council has a legal obligation to produce Business Cases to secure development funding under the Birmingham Smithfield Development Joint Venture Contract 28 June 2021.   |
| What budget is the funding from for this service?  | The services are funded from the Birmingham Smithfield Development budget with funding from the GBSLEP Enterprise Zone Fund.  |
| Proposed start date and duration of the new contract   | The proposed start date is December 2021 for a period of 5 years.   |

|   |   |
|---|---|
| <b>Title of Contract</b>  | <b>SAP Netweaver Upgrade</b>  |
| Director / Assistant Director   | Peter Bishop, Director, Digital and Customer Services   |
| Briefly describe the service required   | The Council has a portfolio of SAP applications to support business functions in Human Resources, Payroll, Finance and Procurement. Whilst the transition from SAP to Oracle Fusion Cloud takes place via the 1B ERP Programme, there is a requirement for support for SAP Netweaver for a further period. Since the expiry of the existing contract the support has been delivered under its terms and conditions. |
| What is the proposed procurement route?   | A further competition exercise will be undertaken using the Crown Commercial Services Software Design and Implementation Services Framework.  |
| What are the existing arrangements? Is there an existing contract? If so when does that expire?   | The existing contract expired on 31 <sup>st</sup> December 2020.  |
| If single /multiple contractor negotiations is proposed, what is the reason for not tendering the requirement, how do we ensure value for money and compliance with the Birmingham Business Charter for Social Responsibility (BBC4SR)? | Not applicable.   |
| Has the In-House Preferred Test been carried out?   | Yes, and there is not the relevant skills and capabilities within the Council to support SAP Netweaver  |
| How will this service assist with the Council's commitments to Route to Zero?   | The specification will require the service to be delivered in a way that reduces or eliminates their carbon footprint as appropriate.   |
| 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, without support in place for the SAP Netweaver would severely impact on several key/critical services currently utilised in the provision of statutory services to the Citizens of Birmingham.  |
| What budget is the funding from for this service?   | This is funded from the IT&D base budget RBF24 L9Y0 A00.  |
| Proposed start date and duration of the new contract  | The proposed start date is 1 <sup>st</sup> December 2021 for a duration of up to 12 months.   |



|   |  |
|---|--|
| <b>Title of Contract</b>  | <b>Professional Services to Support the Residential Property Acquisition Programme</b>   |
| Director / Assistant Director   | Julie Griffin, Managing Director, City Housing   |
| Briefly describe the service required   | <p>Cabinet approved the Acceleration of City Housing Transformation to enable reduction in Temporary Accommodation report on 27<sup>th</sup> July 2021 that authorised acquiring up to 230 residential properties.</p> <p>There is a requirement for professional services to support the buying of these properties. The services to ensure the completion of the purchase include:</p> <ul style="list-style-type: none"> <li>• Sourcing of properties</li> <li>• Valuation of properties</li> <li>• Undertaking condition surveys</li> <li>• Negotiation of price</li> <li>• Manage conveyancing process</li> </ul> |
| What is the proposed procurement route?   | An open procurement process advertised on Find-a-Tender, <a href="http://www.finditinbirmingham.gov.uk">www.finditinbirmingham.gov.uk</a> , and Contracts Finder.  |
| What are the existing arrangements? Is there an existing contract? If so when does that expire?   | This is a new contract.  |
| If single /multiple contractor negotiations is proposed, what is the reason for not tendering the requirement, how do we ensure value for money and compliance with the Birmingham Business Charter for Social Responsibility (BBC4SR)? | Not applicable.  |
| 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 or capacity for a project of this size.   |
| How will this service assist with the Council's commitments to Route to Zero?   | The specification will require the construction to be delivered in a manner that reduces or minimises both direct and indirect carbon emissions through the reduced transport  |
| Is the Council under a statutory duty to provide this service? If not, what is the justification for providing it?  | The Council does not have a statutory duty to provide this service. However, these services will provide the Council's policy to reduce bed and breakfast temporary accommodation.   |
| What budget is the funding from for this service?   | This contract will be funded from the approved Corporate Transformation Programme budget.  |
| Proposed start date and duration of the new contract  | The proposed start date is 1 <sup>st</sup> February 2022 for a period of 12 months.  |

## **APPENDIX 4**

### Notification of Minor Amendments

This appendix provides the rationale for minor amendments to PPAR previously agreed by Cabinet in May 2020 which highlights the changes made to the original and revised PPAR items below for reference.

| <b>Title of Contract</b>  | <b>Water Supply and Waste Water Services</b>  |
|---|---|
| Briefly describe the service required   | Following the deregulation of the water supply market in April 2017, it has been permissible to purchase water and billing services from other licenced water retailers authorised to provide the services. The services provided are provision of metered and unmetered water supplies, waste water and surface drainage services.                     |
| What is the proposed procurement route?   | Further competition under CCS Framework – RM3790 Water, Wastewater and Ancillary Services.  |
| What are the existing arrangements? Is there an existing contract? If so when does that expire?   | There is not a current contract in place for the services. However, the services have been provided by Water Plus Ltd, a joint venture company set up by Severn Trent (the Council's previous supplier) and United Utilities since April 2017 on this organisation's terms of business. It will expire on the commencement of the replacement contract. |
| If single /multiple contractor negotiations is proposed, what is the reason for not tendering the requirement, how do we ensure value for money and compliance with the Birmingham Business Charter for Social Responsibility (BBC4SR)? | Not applicable.   |
| Is the Council under a statutory duty to provide this service? If not what is the justification for providing it?   | There is no statutory duty for this contract. However, the Council requires the contract to support the delivery of services under a wide range of primary legislation including the Health and Safety at Work Act 1974.  |
| Has the In-House Preferred Test been carried out?   | We do not have the skills or resources in-house to deliver this through a self-supply license.  |
| How will this service assist with the Council's commitments to Route to Zero?   | Social value represented 20% of the Framework award criteria. Wave are committed to delivering OFWATs decarbonisation targets for the water industry along with the wholesaler, Severn Trent.   |
| What budget is the funding from for this service?   | Funding is from existing approved directorate and school budgets.   |
| Proposed start date and duration of the new contract  | The proposed start is November 2020 for a period of 2 years with option to extend for 1 year.   |
| What is the estimated annual value and what is the basis for this amount?   | Based on a 2% saving on the deemed rates currently charged by Water Plus - £2.76m annually.   |

**REVISED AMENDMENTS BELOW HIGHLIGHTED IN YELLOW:**

| <b>Title of Contract</b>  | <b>Water Supply and Waste Water Services</b>   |
|---|--|
| Briefly describe the service required   | Following the deregulation of the water supply market in April 2017, it has been permissible to purchase water and billing services from other licenced water retailers authorised to provide the services. The services provided are provision of metered and unmetered water supplies, waste water and surface drainage services.  |
| Is the Council under a statutory duty to provide this service? If not what is the justification for providing it?   | There is no statutory duty for this contract. However, the Council requires the contract to support the delivery of services under a wide range of primary legislation including the Health and Safety at Work Act 1974.   |
| What are the existing arrangements? Is there an existing contract? If so when does that expire?   | There is not a current contract in place for the services. However, the services have been provided by Water Plus Ltd, a joint venture company set up by Severn Trent (the Council's previous supplier) and United Utilities since April 2017 on this organisation's terms of business. It will expire on the commencement of the replacement contract.  |
| What budget is the funding from for this service?   | Funding is from existing approved directorate and school budgets.  |
| What is the proposed procurement route?   | It was originally proposed to run a further competition under CCS Framework – RM3790 Water, Wastewater and Ancillary Services as this was the only framework available at the time. However, there is now an alternative 3 <sup>rd</sup> party framework agreement available provided by West Mercia Energy and Yorkshire Purchasing Organisation (YPO) which is single supplier (Wave Utilities) and offers more robust contract management, multiple billing options to accommodate both Corporate supplies and schools and includes a 20% social value element. The CCS framework did not offer this. |
| If single /multiple contractor negotiations is proposed, what is the reason for not tendering the requirement, how do we ensure value for money and compliance with the Birmingham Business Charter for Social Responsibility (BBC4SR)? | Not applicable.  |
| Proposed start date and duration of the new contract  | The proposed start is January 2022 for a period of 2 years with option to extend for 1 year. Work is currently being undertaken on clearing any historic debt with Water Plus that would lead to supply transfer objections and resolving outstanding billing queries.   |





## Resources O&S Committee: Work Programme 2021/22

|                           |  |
|---------------------------|--|
| <b>Chair</b>              | Councillor Mohammed Aikhlaq  |
| <b>Deputy Chair</b>       | Councillor Barbara Dring   |
| <b>Committee Members:</b> | Councillors David Barrie, Meirion Jenkins, Majid Mahmood, Shafique Shah, Paul Tilsley and Lisa Trickett                |
| <b>Committee Support:</b> | Scrutiny Team: Emma Williamson (464 6870) and Jayne Bowles (303 4810)<br>Committee Manager: Mandeep Marwaha (303 5950) |

## 1 Terms of Reference

To fulfil the functions of an Overview and Scrutiny Committee as they relate to any policies, services and activities concerning finance (including strategic finance, budget setting and financial monitoring); revenues and benefits; treasury management; council land use and property assets; human resources; contracting, commissioning and commercialisation.

## 2 Meeting Schedule

| Date   | Item   | Officer contact  |
|--|--|--|
| <b>24 June 2021</b><br><b>1400 hours</b><br><b>Informal Online Meeting</b><br>Deadline for reports: 15 June 2021 | Financial Outturn 2020/21  | Rebecca Hellard, Interim Director of Council Management  |
|  | Implementation of the Council's Finance and HR Enterprise Resource Planning (ERP) System | Rebecca Hellard, Interim Director of Council Management/Peter Bishop, Director of Digital and Customer Services/James Couper, ERP Programme Director |
|  | CityServe Update   | Alison Jarrett, AD, Development and Commercial   |
| <b>22 July 2021</b><br><b>1400 hours</b><br>Deadline for reports: 13 July 2021                                   | Financial Monitoring 2021/22 - Quarter 1 / Month 3                                       | Rebecca Hellard, Interim Director of Council Management  |
|  | ERP Update   | Rebecca Hellard, Interim Director of Council Management/Peter Bishop, Director of Digital and Customer Services/James Couper, ERP Programme Director |
|  | New Ways of Working  | Peter Bishop, Director of Digital and Customer Services/Robin Burton, Programme Manager – New Ways of Working  |



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|--|---|--|
| <b>9 September 2021</b><br><b>1400 hours</b><br><b>Informal Online Meeting</b><br>Deadline for reports: 31 August 2021 | Financial Monitoring 2021/22 – Month 4  | Rebecca Hellard, Interim Director of Council Management  |
|  | ERP Update  | Rebecca Hellard, Interim Director of Council Management/Peter Bishop, Director of Digital and Customer Services/James Couper, ERP Programme Director |
| <b>7 October 2021</b><br><b>1400 hours</b><br>Deadline for reports: 28 September 2021                                  | Financial Monitoring 2021/22 – Month 5  | Rebecca Hellard, Interim Director of Council Management  |
|  | HR Update: <ul style="list-style-type: none"> <li>• People Services Transformation Programme</li> <li>• Update on Interims &amp; Consultants</li> </ul> | Tim Normanton, Acting AD, HR   |
| <b>25 November 2021</b><br><b>1400 hours</b><br>Deadline for reports: 16 November 2021                                 | Financial Monitoring 2021/22 – Quarter 2/Month 6  | Rebecca Hellard, Interim Director of Council Management  |
|  | ERP Update  | James Couper, ERP Programme Director   |
| <b>20 January 2022</b><br><b>1400 hours</b><br>Deadline for reports: 11 January 2022                                   | Financial Monitoring 2021/22 – Month 8  | Rebecca Hellard, Interim Director of Council Management  |
|  | ERP Update  | James Couper, ERP Programme Director   |
| <b>10 February 2022</b><br><b>1400 hours</b><br>Deadline for reports: 1 February 2022                                  | Financial Monitoring 2021/22 – Quarter 3/Month 9  | Rebecca Hellard, Interim Director of Council Management  |
| <b>24 March 2022</b><br><b>1400 hours</b><br>Deadline for reports: 15 March 2022                                       | Financial Monitoring 2021/22 – Month 10   | Rebecca Hellard, Interim Director of Council Management  |
|  | ERP Update  | James Couper, ERP Programme Director   |
| <b>28 April 2022</b><br><b>1400 hours</b><br>Deadline for reports: 19 April 2022                                       |   |  |



## 4 Items to be programmed

- 4.1 Planned Procurement Activities Report to be a standing item on all meeting agendas
- 4.2 Long Term Debt Strategy
- 4.3 Capital Programme
- 4.4 Commonwealth Games – finance update

## 5 Other Meetings

### **Inquiry: Procurement and Contract Management**

9 September 2021      Informal Session

#### **Call-in**

#### **Petitions**

*None scheduled*

#### **Councillor Call for Action requests**

*None scheduled*

## 6 Forward Plan for Cabinet Decisions

| 009010/2021 | MTFP Refresh   | 12 Oct 21 |
|-------------|--|-----------|
| 009031/2022 | Draft Financial Plan 2022-2026   | 08 Feb 22 |
| Leader      |  |           |
| 008303/2021 | Asset Review – Multi-storey car park, Brunel Street, Birmingham  | 12 Oct 21 |
| 008894/2021 | Sale of land at Lawson Street, Birmingham B4 7AT   | 12 Oct 21 |
| 007884/2020 | Proposed Compulsory Purchase Order – Digbeth & Allison Street, Birmingham for the Beorma Quarter Development | 09 Nov 21 |
| 008971/2021 | Sale of 1 Lancaster Circus, City Centre  | 09 Nov 21 |
| 009034/2021 | Financial Monitoring Report Quarter 2 2021/22  | 09 Nov 21 |
| 009239/2021 | Disposal of Murdoch and Pitman, 153-161 Corporation St, Birmingham   | 09 Nov 21 |
| 009030/2022 | Business Rates Income 2022/23  | 18 Jan 22 |
| 009035/2022 | Financial Monitoring Report Quarter 3 2021/22  | 08 Feb 22 |

**Cabinet Member for Finance and Resources**

|             |   |           |
|-------------|---|-----------|
| 009141/2021 | New build depot for the relocation of Montague Street and Redfern Road Depots (Atlas Works) | 12 Oct 21 |
| 009320/2021 | Social Value and Birmingham Business Charter for Social Responsibility Review               | 12 Oct 21 |
| 008907/2021 | Gas and Power Procurement Strategy  | 09 Nov 21 |

**Cabinet Member for Street Scene and Parks**

|             |                                     |           |
|-------------|-------------------------------------|-----------|
| 007349/2020 | Waste Vehicle Replacement Programme | 14 Dec 21 |
|-------------|-------------------------------------|-----------|

**Cabinet Member for Transport and Environment**

|             |   |           |
|-------------|---|-----------|
| 009037/2021 | Highway Maintenance and Management PFI Contract | 14 Dec 21 |
|-------------|---|-----------|