

BIRMINGHAM CITY COUNCIL

RESOURCES O&S COMMITTEE – PUBLIC MEETING

**1400 hours on Thursday 24 March 2022, Committee Room C, Council House
Extension, Margaret Street**

Action Notes

Present:

Councillor Mohammed Aikhlaq (Chair)

Councillors: Meirion Jenkins, Majid Mahmood, Shafique Shah and Paul Tilsley

Also Present:

Councillor Tristan Chatfield, Cabinet Member, Finance and Resources

James Couper, ERP Programme Director (on-line)

Jim Parkinson, Acting Category Head of Policy & Governance, Corporate
Procurement Service (CPS) (on-line)

Richard Peirce, Finance Manager, Financial Strategy (on-line)

Sara Pitt, Director of Finance (Deputy Section 151 Officer)

Mohammed Sajid, Interim Head of Financial Strategy

Steve Sandercock, Interim AD, Procurement (on-line)

Lisa Taylor, Interim Head of Financial Planning (on-line)

Christian Scade, Interim Head of Scrutiny and Committee Services

Amanda Simcox, Scrutiny Officer (on-line)

1. NOTICE OF RECORDING/WEBCAST

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

2. APOLOGIES

Apologies were received from Councillor David Barrie.

3. DECLARATIONS OF INTERESTS

None.

4. ACTION NOTES

(See document No 1)

RESOLVED:-

The action notes of the meeting held on 10 February 2022 were agreed.

5. FINANCIAL MONITORING 2021/22 – MONTH 10

(See document No 2)

Councillor Tristan Chatfield, Cabinet Member, Finance and Resources, was in attendance for this item, together with Sara Pitt, Director of Finance (Deputy Section 151 Officer), Mohammed Sajid, Interim Head of Financial Strategy, Lisa Taylor, Interim Head of Financial Planning, and Richard Peirce, Finance Manager – Financial Strategy.

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

- At the end of Month 10 they are now forecasting an underspend on the Council's General Fund of £600,000.
- They have met 91% of their total savings target which represents an increase of £1.9m in savings that are delivered or on track since Month 9. This is one of the first times they have successfully exceeded large scale corporate savings target in year.
- The national pay agreement of 1.75% was agreed and has been factored in.

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

- The 9% savings have been identified as part of the budget for this financial year and the £2.855 million, in table 10, paragraph 3.47 shows a mix high risk and undeliverable. However, 91% of savings is a significant improvement on what we have seen previously.
- Reassurance was given regarding the £600,000 underspend on the General Fund not being achieved by allocating to the £36m Covid spend, as they have been as accurate as they can be.
- Paragraph 2.14 refers to expected capital receipts with a potential shortfall of £18.5m. A few projects have slipped into the new financial year and there are ongoing negotiations, and these should be achieved early in the new year.
- The costs for the termination of the contract with North Birmingham Travel is set out in paragraph 3.7 and £3.3m is projected as the worst case scenario.
- In terms of an increase in energy costs the Council recently entered into a new contract, which went to Cabinet, so the Council is protected for the foreseeable future.

- Paragraph 3.41 refers to an overspend of £2m, made up of £1.7m pressure on commercial rent and a further £1.1m rent pressure reported within the Covid position. This would be £2.8m overall and the figures along with the mitigations in place were queried.

RESOLVED:-

The report was noted, and the Cabinet Member will seek clarification from the service area regarding paragraph 3.41 of the report and request details of the mitigations in place be provided.

6. ERP (IB PROGRAMME) UPDATE

(See document No 3)

James Couper, ERP Programme Director attended on-line for this item and provided the update. The main points included:

- They are very close to their go live date of 11th April 2022.
- The information provided in the presentation is about three weeks old so some of the RAG ratings have changed.
- They had a steering committee meeting this week and they have now confirmed that the Oracle solution in the majority of areas they are delivering are now through their testing cycle, and they have just completed their payroll comparison testing, with 8 out of the 11 payrolls having passed their 98% accuracy rating.
- They have a clear list of issues that they are working through to close out the majority of those issues and the members of the steering committee are updated.
- They have now gone through the process as to how they make decisions and slide 8 provides details of the decision making process.
- The final decision is on the 1st April 2022 at which point they will be asking to freeze the data and stop using SAP. On the 7th April 2022 they will start to look at access for people who need to process the payroll, and on the 10th April 2022, they have a final decision period to allow access to all end users on the 11th April 2022.
- They are looking at whether they need to put in additional resource to support any defect resolution they will have and help to correct any issues that they take across to Oracle.
- They remain within budget and they still have a contingency of c.£780,000 which they are not expecting to have to draw down on to any great extent.
- They are currently predicting to be on track for the 11th April 2022, subject to ratification of their steering committee, and by putting in mitigations for the three payrolls that have not met the 98% accuracy rating, and for the payrolls that have but still have corrections that need to be made.

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

- It is the decision for steering committee whether they go live, and they have been open and frank regarding the remaining issues.

- There is a clear process for closing down the SAP system and there will be access to the SAP for the close down team. However, from 1st April 2022 there will be no more operational transactions in SAP.

RESOLVED:-

The update was noted.

7. COMMERCIAL GOVERNANCE TASK AND FINISH GROUP

(See document No 4)

Steve Sandercock, Interim AD, Procurement was in attendance on-line for this item. He highlighted the research that had been undertaken and went through each of the 22 recommendations. Recommendations 3 and 4 were queried and it was confirmed that two of the three quotes had to be from local businesses where possible.

The Chair commented that the Committee had spent a lot of time on this since November 2021 and there had been a lot of discussion. He highlighted that pages 67 to 73 provided details of who has and has not agreed the recommendations, all the points have been detailed and it has been noted that Councillor Meirion Jenkins has not agreed with all the recommendations.

Councillor Tristan Chatfield, Cabinet Member, Finance and Resources thanked the Committee for this very important work which has added value, and he particularly welcomed recommendations 12, 13, 20, and 21.

Recommendation 20 was queried, and it was agreed this can be reviewed and picked up when monitoring the recommendations.

The Cabinet Member advised that the recommendations have gone to him to be implemented as policy and he will pursue their implementation. If any constitutional changes are needed, these will be done after May 2022 at City Council.

Councillor Meirion Jenkins highlighted that the points he made in his letter were discussed in his group who could not agree all the recommendations.

RESOLVED:-

The report was agreed subject to changes being made to recommendations 3 and 4 by the Committee, apart from Councillor Meirion Jenkins who did not agree with all the recommendations.

8. BIRMINGHAM'S BUSINESS CHARTER FOR SOCIAL RESPONSIBILITY

(See document No 5)

Steve Sandercock, Interim AD, Procurement and Jim Parkinson, Acting Category Head of Policy & Governance, Corporate Procurement Service (CPS) attended on-line for this item.

Jim Parkinson took Members through the report which provided a formal response to the request from Councillor Majid Mahmood, who had asked the Chair of the

Resources O&S Committee to instruct the relevant officer to bring a detailed report to the next Committee meeting so that it can be discussed.

Councillor Majid Mahmood highlighted that if a member of the public was looking on the website all they would be able to see is live or expired, which could be confusing due to not having access to all the information. He suggested that it could be reworded as “no longer contracted with the council” so members of the public can better understand this. Also, it may be beneficial if members of the public could see the action plans that have been delivered where possible. In addition, it would be good to see some joined up working with some large organisations.

The Cabinet Member would support publishing the action plans, but this may not be possible. In relation to the wording he suggested “in contract or not in contract” would be a helpful clarification.

The Chair thanked Cllr Majid Mahmood for raising this issue.

RESOLVED:-

The report was noted and officers to look at the wording on the website.

9. PLANNED PROCUREMENT ACTIVITIES REPORT

(See document No 6)

The Cabinet Member advised this report had recently been to Cabinet.

RESOLVED:-

The report was noted.

10. WORK PROGRAMME

(See document No 7)

Christian Scade, Interim Head of Scrutiny and Committee Services commented that this is the last meeting of the municipal year for this Committee. Collectively the Chairs at the Co-ordinating O&S Committee are looking at the work Members may wish to roll forward and requested that suggestions are provided by this afternoon.

Members thanked the Cabinet Member and Chair for their work and the Cabinet Member thanked the Committee. The Chair thanked everyone, including officers, and specifically Jayne Bowles, Scrutiny Officer who has done tremendous work and provided excellent support to him as Chair throughout the year and Christian Scade for his support.

The Chair highlighted that the items programmed for the April committee meeting had been brought forward to this meeting.

Councillor Majid Mahmood asked whether the long term debt strategy could be pencilled in for the next municipal year.

RESOLVED:-

The work programme was noted.

11. DATE OF NEXT MEETING

This is the last meeting of the committee for this municipal year.

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

None.

13. OTHER URGENT BUSINESS

None.

14. AUTHORITY TO CHAIR AND OFFICERS

RESOLVED:

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

The meeting ended at 15.07 hours.