

BIRMINGHAM CITY COUNCIL

FINANCE AND RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

THURSDAY, 16 NOVEMBER 2023 AT 14:00 HOURS
IN COMMITTEE ROOM 6, COUNCIL HOUSE, VICTORIA SQUARE,
BIRMINGHAM, B1 1BB

A G E N D A

1 NOTICE OF RECORDING/WEBCAST

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

2 APOLOGIES

To receive any apologies.

3 DECLARATIONS OF INTERESTS

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

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

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

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

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

- 5 - 22**
- 4 **MINUTES**
- To confirm the minutes of the Finance and Resources Overview and Scrutiny Committee meetings held on 7 September 2023 and 29 September 2023.
- 23 - 28**
- 5 **ACTION TRACKER**
- To note the action tracker.
- 6 **COMMISSIONER'S REVIEW AND COMMENTS ON THE AGENDA**
- The Commissioner has reviewed the reports and has not commented on the reports for this meeting.
- 29 - 74**
- 7 **PLANNED PROCUREMENT ACTIVITIES**
- To consider the Planned Procurement Activities Reports considered at Cabinet on 17 October 2023 and 14 November 2023.
Steve Sandercock, Assistant Director, Procurement, in attendance.
- 75 - 164**
- 8 **SCRUTINY OF DELIVERY OF 2023/24 BUDGET SAVINGS AND UPDATE ON THE COUNCIL'S RESPONSE TO S114 NOTICE AND FINANCIAL RECOVERY PLAN**
- Fiona Greenway, Interim Director of Finance (S151 Officer), and Mohammed Sajid, Interim Head of Financial Strategy, in attendance.
- 165 - 168**
- 9 **JOB EVALUATION AND PAY EQUITY SYSTEM**
- Katy Fox, Director of People Services, in attendance.
- 169 - 188**
- 10 **ORACLE STABILISATION UPDATE**
- Craig Buckley, Oracle Programme Director, in attendance.
- 189 - 208**
- 11 **WORK PROGRAMME**
- To consider the Committee's work programme and agree any updates/amendments.
- 12 **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).

13 **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.

14 **DATE OF THE NEXT MEETING**

To note the date of the next meeting on Thursday 14 December 2023 at 1400 hours in Committee Room 6.

15 **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'.

16 **EXCLUSION OF THE PUBLIC**

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

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

PRIVATE AGENDA

17 **PLANNED PROCUREMENT ACTIVITIES EXEMPT APPENDIX 3**

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

BIRMINGHAM CITY COUNCIL

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

**1400 hours on Thursday 7 September 2023, Committee Room 6, Council
House
Minutes**

Present:

Councillor Jack Deakin (Chair)

Councillors: Alex Aitken, Raqeeb Aziz, Meirion Jenkins, Rashad Mahmood and Paul Tilsley

Also Present:

Councillor Brigid Jones, Cabinet Member for Finance and Resources

Janie Berry, City Solicitor and Monitoring Officer

Fiona Bottrill, Senior Overview and Scrutiny Manager

Jayne Bowles, Scrutiny Officer

Richard Brooks, Director, Strategy, Equality and Partnerships

Craig Buckley, Oracle Programme Director

Cheryl Doran, Assistant Director and CIO, Digital and Customer Services

Sarah Dunlavey, Assistant Director, Audit and Risk Management

Fiona Greenway, Interim Director of Finance (\$151 Officer) (Online)

Darren Hockaday, Acting Director of People and Corporate Services (Online)

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

Mohammed Sajid, Interim Head of Financial Strategy

Steve Sandercock, Assistant Director, Procurement

1. NOTICE OF RECORDING/WEBCAST

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

2. APOLOGIES

Apologies were received from Councillors Hendrina Quinnen and Ken Wood.

3. DECLARATIONS OF INTERESTS

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

The following interests were declared:

Councillor Alex Aitken – member of GMB Union.

Councillor Raqeeb Aziz - member of Unite Union.

Councillor Jack Deakin – a family member works in one of the care homes mentioned in the Planned Procurement Activities Report.

Councillor Rashad Mahmood – member of Unite Union.

Councillor Paul Tilsley - member of the Birmingham Airport Board.

4. MINUTES

There were no matters arising from the minutes.

RESOLVED:

That the minutes of the meeting held on 27 July 2023 be confirmed as correct and signed by the Chair.

5. ACTION TRACKER

The Chair highlighted the following outstanding actions:

List of the Council's statutory responsibilities

Janie Berry, City Solicitor and Monitoring Officer, informed the Committee that statutory functions were difficult to define. In making spending decisions, a number of issues needed to be considered, including information from directorates on what was deemed to be priority based on risk analysis. It was highlighted that more comprehensive guidance was being developed for Directorates and Members and the list would be updated.

List of property assets

Fiona Greenway, Interim Director of Finance (S151 Officer), confirmed that this had been requested from Property Services and suggested that Scrutiny Officers follow this up with the Strategic Director of Place, Prosperity and Sustainability.

Risk assessment methodology for 2023/24 RAG rated savings and definition of risk levels

The Interim Director of Finance (S151 Officer) informed the Committee that risk was assessed by individual services and that additional information would be provided to the Committee.

RESOLVED:

That the action tracker be noted.

6. UPDATE ON BUDGET RECOVERY PLAN AND MTFP AND SCRUTINY CONTRIBUTION TO BUDGET SAVINGS (ITEM 9 ON THE PUBLISHED AGENDA)

Councillor Brigid Jones, Cabinet Member for Finance and Resources, Janie Berry, City Solicitor and Monitoring Officer, and Mohammed Sajid, Interim Head of Financial Strategy, were in attendance for this item.

Fiona Greenway, Interim Director of Finance (S151 Officer), and Richard Lloyd-Bithell, Assistant Director, Financial Strategy, were in attendance online.

The Committee was informed that the City Solicitor and Monitoring Officer and the Interim Director of Finance (S151 Officer) would need to leave the meeting at 3.00pm.

The Interim Director of Finance (S151 Officer) explained the current position and the reasons for issuing a s114 notice on 5th September under s114(3) of the Local Government Act 1988, highlighting the following key points:

- The s114 notice had been issued because her opinion was that the Council had a negative General Fund position, which meant that there were insufficient resources to meet expenditure and the Council was not currently able to agree a solution to allow suitable funding or financing to be obtained to cover the liability of Equal Pay claims.
- The six individual factors leading to the report being issued were outlined.
- Full Council would consider the s114 Notice and an emergency budget or budget recovery plan to explain how the position would be addressed. The notice would remain in place until delivery against that plan could be demonstrated.
- Full Council may request exceptional financial support from the Government.

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

- In response to a query as to whether the £65m budget savings at risk were in addition to or part of the £87m shortfall referred to in the s114 notice, Members were informed that the high risk savings were included, but the medium and low risk savings were not.
- The Committee requested clarity regarding the timeline on communications in relation to the s114 notice prior to publication and the announcement at Cabinet. The Interim Director of Finance (S151 Officer) confirmed that the correspondence from the external auditors had been received late on the afternoon of 1st September, but had not been accessed until 4th September. As required by statute, she had consulted formally with the Head of Paid Service and the Monitoring Officer before issuing the s114 notice at 9am on 5th September.
- The Committee queried when the political Executive had been made aware that the s114 notice was going to be issued and it was agreed that the Chief

Executive would be asked to provide confirmation of the timeline showing at what point the Leader and Cabinet Members had been informed.

- The Chair requested that the correspondence between the external auditors and the S151 Officer prior to the issuing of the s114 notice be shared with the Committee, subject to agreement from the external auditors.
- The City Solicitor and Monitoring Officer informed the Committee that there would be an Extraordinary Meeting of the Audit Committee on 15th September and that the issuing of the s114 notice would be considered.
- In response to a question regarding the estimate of the Equal Pay liability at the time the budget had been passed, Members were informed that the S151 Officer was charged with assessing financial risk, that the risk register figure had been determined on the judgement of the person in that post at the time and that the risk allocated to Equal Pay liability at that time was not accurate.
- There was a more robust risk management control framework around Equal Pay.
- Members highlighted that residents had asked what was defined as non-essential spending and were informed that Appendix 1 of the Spend Control Manual set out what was statutory and non-statutory and that will be reviewed based on feedback from services. The manual has been sent to all Councillors and is available on the website.
- In response to a question about what legal advice had been given to Cabinet regarding the Equal Pay risk, the City Solicitor and Monitoring Officer confirmed that substantial legal advice had been provided to Council Business Management Committee (CBMC) the previous week and the Trade Unions had until 9am on 11th September to sign the addendum to the CBMC report.

The Chair proposed that an additional meeting of the Committee should be arranged to take place before the next scheduled meeting in order to continue the discussion. This was required due to the Interim Director of Finance (S151 Officer) and the City Solicitor and Monitoring Officer needing to leave at 3.00pm.

RESOLVED:

That:

- An additional meeting of the Committee be arranged to take place before the next scheduled meeting.
- The Chief Executive's Office be requested to provide the timeline on communications regarding the S114 notice prior to publication and the announcement at Cabinet.
- The communication with the external auditors, before the S114 notice was issued, be provided (subject to agreement from the external auditors).
- The risk assessment methodology for 2023/24 RAG rated savings and definition of risk levels be provided.
- The report be noted.

7. PLANNED PROCUREMENT ACTIVITIES REPORTS

Steve Sandercock, Assistant Director, Procurement, presented the reports which had been considered at Cabinet on 5th September 2023.

The Committee noted that there were two key decision planned procurements – Integrated Neighbourhood Teams – Programme Support, and Electronic Bill Payment and Prepaid Cards. Following a question at Cabinet in relation to the timescales for on the Electronic Bill Payment and Prepayment Cards decision, a written response had been provided, which had been copied to the Chair of Finance & Resources OSC. This confirmed that procurement officers were confident there would not be a gap in service provision.

There were no questions raised by Members.

RESOLVED:

That the Planned Procurement Activities reports be noted.

8. ORACLE STABILISATION UPDATE

Richard Brooks, Director, Strategy, Equality and Partnerships, Craig Buckley, Oracle Programme Director, Cheryl Doran, Assistant Director and CIO, Digital and Customer Services, and Meena Kishinani, Director of Transformation, were in attendance for this item.

The Committee received a presentation on:

- Summary of progress to date and focus for next period.
- Proposed change to programme governance arrangements.
- Optimisation High Level Design.
- Programme funding and spend approval process.
- Key strategic risks and issues.

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

- There had been significant progress but there was still a lot to resolve. It was highlighted that the majority of what needed to be done was now known, allowing for a focus on the medium to long term.
- Progress in the Finance area, with a focus on the outturn and moving on to look at 2023/24, making sure the backlog stayed under control.
- There had been a lot of fixes and enhancements in People Services, and the Internal Audit risk management cloud had started slightly ahead of plan.
- The gold, silver and bronze governance arrangements had worked well to date, There was a transition to a programme board structure, still maintaining key oversight meetings including Scrutiny and Audit.
- There had been no changes to timescales and they were still working to plan, progressing through safe and compliant and at the same time moving to optimisation and a report would be taken to Cabinet later in the year regarding timescales and costs and funding for implementation.
- Indicative costs would be available during September / October.

- Capacity in Finance had been identified as a key risk which may impact on the timeline.
- The Chair requested that all reports produced relating to Oracle (external auditors' review, CfGS wider governance review and management review) be brought to his attention to determine whether to share with the Committee.
- It was agreed a more detailed breakdown of how the money was being spent would be included in the next report to Committee.
- A review of the programme had been requested in light of the current situation and there will be a close eye kept on this in the build up to the budget.
- In response to a proposal made by the Chair regarding any future recommendations to adapt Oracle should be reported to the Finance and Resources OSC, the Committee was informed that it would be hard to define "adaption" and it was agreed a definition of customisation (what it is and what it looks like) would be included in the next report.

RESOLVED:

That:

- All reports relating to Oracle (external auditors' review, CfGS wider governance review and management review) be shared with the Chair of Finance and Resources OSC.
- The next report to Committee to include a detailed breakdown of what money was being spent and a definition of customisation – what it is and what it looks like.
- The report be noted.

9. MANAGING COUNCIL RISK INCLUDING THE STRATEGIC RISK REGISTER, BUDGET RISK AND SAVINGS RISKS

This report was deferred.

RESOLVED:

That the report be deferred for consideration at the next meeting.

10. JOB EVALUATION – PERMANENT PAY EQUITY

Darren Hockaday, Interim Director of People and Corporate Services, and Richard Lloyd-Bithell, Assistant Director, Financial Strategy, were in attendance online for this item.

The Chair stated that, as already discussed, there were various concerns regarding previous assessment of risk relating to the Equal Pay liability. The status of the private part of the report that had been considered at Council Business Management Committee was also raised and the Committee was informed that the private report contained legally privileged information and any further question should be raised with the Monitoring Officer.

The Interim Director of People and Corporate Services provided the Committee with the background to how the Equal Pay liability had evolved over the last two years. The key points included:

- The work relating to the Memorandum of Understanding (MoU) between the Council and 3 Trade Unions and also the work on COT3 agreements from April 2021 and during 2022.
- Notification from the GMB Union received in summer 2022 of 3,000 Equal Pay claims that were going to be lodged in the Court which materialised August 2022 – April 2023.
- Discussions that took place regarding alleged Task and Finish within some Council services and assurances that had been provided that this practice had been eradicated.
- The work that was undertaken during late 2022 – early 2023 to assess the Equal Pay liability, including that the first estimate of the potential liability was produced in February 2023 and that range was between £300-800m.

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

- In response to a question about how many claimants there would be, Members were informed that GMB had provided 3,000 names initially, which materialised into about 2,100 claims and that Unison wanted to submit between 500-600 claims with additional notification made in the last month. There were no claims from Unite at the current time.
- That the model producing the estimates did not just extend to claims received or potential threats of litigation, it was an assessment of the entire workforce and potentially also people who may have left the organisation, who can make a claim within six months. There were also some historical cohorts that would need to be included in the figure, for example the Jennings cohort who settled in late 2021, those who settled through no win no fee lawyers and the MoU cohort.
- The range of the estimate looks at the legal risk weighted liability based on a number of factors, including task and finish and job evaluation.
- The specific number of potential claimants was queried and it was agreed that the number of people within the scope of the estimate as at 31st March 2023 would be provided to the Committee.
- In response to a question about the history of Equal Pay prior to 2021, the Committee was informed that a document had been put together by Legal Services detailing the chronology of how the Equal Pay issue had manifested itself over a period of years and it was agreed that a request would be made to the Monitoring Officer to share the document with members of the Committee.
- The estimated liability of £300 – 800 million had been shared with key officers and members in early February 2023.
- Members raised concerns that when they had previously asked questions about equal pay that information had not been provide to them.
- The Committee raised concerns that later in that month the Council approved a balanced budget in which not even the lower figure in that estimate had been included as a risk.

- The Chair confirmed the proposal to hold an additional meeting relating to these issues.

RESOLVED:

That:

- The specific number of potential Equal Pay claimants within the scope of the estimate, as at 31st March 2023, be provided.
- A request would be made to the Monitoring Officer to share the document prepared by Legal Services detailing the chronology of how the Equal Pay issue has manifested itself over a period of years.
- The verbal update be noted.

11. WORK PROGRAMME

This report was deferred to the next meeting.

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

None.

13. OTHER URGENT BUSINESS

None.

14. DATE OF THE NEXT MEETING

The date of the next scheduled meeting on Thursday 12 October 2023 at 1400 hours was noted. However, the Chair confirmed his intention to arrange an additional meeting.

15. AUTHORITY TO CHAIR AND OFFICERS

RESOLVED:

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

16. EXCLUSION OF THE PUBLIC

The Committee did not go into private session to consider the exempt appendix on the Planned Procurement Activities report.

PRIVATE AGENDA

17. PLANNED PROCUREMENT ACTIVITIES REPORT EXEMPT APPENDIX 3

Members had raised no questions on the exempt appendix under item 7.

The meeting ended at 17.01 hours.

BIRMINGHAM CITY COUNCIL

FINANCE AND RESOURCES O&S COMMITTEE – PUBLIC

MEETING

0900 hours on Friday 29 September 2023, Committee Rooms 3&4, Council House

Minutes

Present:

Councillor Jack Deakin (Chair)

Councillors: Raqeeb Aziz, Rashad Mahmood, Paul Tilsley and Ken Wood

Also Present:

Councillor Sir Albert Bore (Online)

Timothy Bell, Financial Advisor (S151 Chief of Staff) (Online)

Janie Berry, City Solicitor and Monitoring Officer

Fiona Bottrill, Senior Overview and Scrutiny Manager

Jayne Bowles, Scrutiny Officer

Deborah Cadman, Chief Executive

Fiona Greenway, Interim Director of Finance (S151 Officer)

Mohammed Sajid, Interim Head of Financial Strategy

Peter Sebastian, Head of Financial Planning (Online)

1. NOTICE OF RECORDING/WEBCAST

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

2. APOLOGIES

Apologies were received from Councillors Alex Aitken, Meirion Jenkins and Hendrina Quinnen.

3. DECLARATIONS OF INTERESTS

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

The following non-pecuniary interests were declared:

Councillor Raqeeb Aziz - member of Unite Union.

Councillor Rashad Mahmood – member of Unite Union.

Councillor Paul Tilsley – Non-Executive Director of Birmingham Airport.

Councillor Ken Wood – Non-Executive Director of Acivico.

4. EQUAL PAY LIABILITY AND JOB EVALUATION

Deborah Cadman, Chief Executive, and Janie Berry, City Solicitor and Monitoring Officer, were in attendance for this item. Apologies were received on behalf of Darren Hockaday, Acting Director of People and Corporate Services, who was unable to attend.

The Chair began by acknowledging recent developments and highlighted the following key points:

- Since the last meeting of the Committee, a second Section 114 notice and a Section 5 notice had been issued and City Council has considered the initial Section 114 Notice.
- The details of Government Intervention were still to be announced.

Deborah Cadman, Chief Executive, and Janie Berry, City Solicitor and Monitoring Officer provided a verbal update on Equal Pay and Job Evaluation and in doing so the following points were made:

- The reasons for the Section 5 notice under the Local Government and Housing Act 1989, which triggered the second Section 114 notice issued under Section 114(2) were explained and that there would be an Extraordinary Meeting of Full Council to formally receive and respond to those reports on or before 12 October.
- Until this meeting had taken place decisions in respect of Job Evaluation and Equal Pay would be suspended.
- The Committee was assured that from a legal perspective the Council was still proactively working on defending the claims issued against it between Autumn 2022 and April 2023.
- The Council's approach was to make every attempt to stem the liability and ensure equality across the Council.

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

- It would be for Full Council to make a decision on the Job Evaluation methodology as, under the Responsibilities and Functions Regulations, anything relating to HR and terms and conditions was a Council function, not an Executive function. Ordinarily, that responsibility was delegated to Council

Business Management Committee (CBMC). Full Council could choose to either make the decision or delegate this function.

- The decision being potentially further delayed by the issuing of the Section 5 notice was questioned. The Committee was informed that it could have been debated at the meeting held on 25 September but that would have been short notice.
- Concerns were raised regarding Full Council making the decision as that would be a debate between Members with no opportunity to have a full discussion, ask questions of officers and reach political consensus.
- It was queried whether the delays would jeopardise the target date of April 2025 and the Committee was informed that the methodology that the Council decides on had to allow for that target to be reached.
- In response to a question about the accuracy of the potential Equal Pay liability had been assessed correctly, the Committee was informed that one of the top four modellers in the country had worked on the model and it would be reviewed by External Audit.
- It was confirmed that as at 31 March 2023, all employees and all former employees who had left the Council in the previous six months, were included in the modelling.
- The Chair queried what the current status of Task and Finish was. The Chief Executive advised the Committee that they would need to move into private session to discuss this matter.

At this point, in accordance with Schedule 12A of the Local Government Act 1972, the Chair put forward a motion, and it was agreed by the Committee, to exclude the press and public and move into private session for the subsequent discussion on Item 4, Equal Pay and Job Evaluation.

RESOLVED:

That members of the press and public be excluded from the meeting for the exempt discussion under the Equal Pay and Job Evaluation item under Section 100A(4) of the Local Government Act 1972 on the grounds that: (i) it involved the likely disclosure of exempt information as defined under paragraphs 3, 4 and 5 of Part 1 of Schedule 12A of the Act; and (ii) the public interest in maintaining the exemption outweighed the public interest in disclosing the information

The Committee moved into private session for the subsequent discussion on Equal Pay and Job Evaluation.

RESOLVED:

That the verbal update be noted.

5. COUNCIL RESPONSE TO SECTION 114 NOTICE AND FINANCIAL RECOVERY PLAN

Deborah Cadman, Chief Executive, Fiona Greenway, Interim Director of Finance (S151 Officer), and Mohammed Sajid, Interim Head of Financial Strategy, were in attendance for this item.

Fiona Greenway updated the Committee on the Council Response to the Section 114 Notice and highlighted the following points:

- The Section 114 notice had been accepted by Full Council at its meeting on 25 September.
- The reason the notice had been issued on 5 September was due to the Council potentially moving into a negative General Fund position due to the Equal Pay claims and there were not enough resources to correct that in the 2020/21 and 2021/22 accounts.
- There was an Equal Pay liability of between £650m and £760m, an in-year budget gap for 2023/24 of £87m and a forecast budget gap for 2024/25 of £165m (inclusive of that £87m), increasing slightly in future years.
- Compared to the Council's £925m net expenditure for 2023/24, the scale of that is relatively large.
- The problems with Oracle implementation had made the reporting of the 2022/23 and 2023/24 figures more difficult. However, work was being undertaken to get to a position that can be brought to the Committee.
- A Financial Recovery Plan was being developed at speed and there has been an extended period of rigorous spending controls.
- There was a discussion about the role of Scrutiny and the decisions of the Spend Control Board.
- It was recognised that there would be further budget pressures around Adults and Children's services reflecting national trends, inflation, and the revenue impact of providing for Equal Pay financing costs if permission is obtained from Government.
- The Council would then look at additional income and any potential savings that would mitigate that to get to a 2024/25 balanced budget,

The Chief Executive referred to the Full Council Meeting on 25 September and reiterated her commitment to bringing regular reports to O&S for scrutiny at each meeting to demonstrate delivery on the seven elements in the Financial Recovery Plan:

- Measures to reduce spending and mitigate budget pressures for 2023/24, leading to a revised Emergency Budget for 2023/24.
- Organisational Redesign work to reshape our services around citizens and within our available resources, to inform the 2024/25 Budget and deliver a balanced Medium Term Financial Plan (MTFP).
- A Capital Strategy and Assets Review to identify options to raise funds and minimise borrowing costs.
- A review of council-controlled companies and traded services to identify options to raise funds, reduce costs and reduce risk.
- An Income Review to maximise sustainable income from all sources, including Business Rates, Council Tax, Grants and other income.

- Measures to achieve pay equity and stop the growth of our equal pay liability, including work to reduce the value of the potential liability and fund the actual liability.
- Formal dialogue with Department for Levelling Up, Homes and Communities (DLUHC) to explore options for Exceptional Financial Support, including potential capitalisation of revenue liabilities.

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

- The Chair enquired about timeframes and what the options were for O&S involvement.
- In response to a question about timescales and involvement of Overview and Scrutiny, the Committee was informed the Emergency Budget for 2023/24 would be considered in October and the ability to deliver on the in-year savings was important. The Financial Recovery Plan and assets disposal would take longer than the six months leading up to February.
- Concerns were raised regarding the problems caused by the ongoing issues with Oracle making it difficult to project and produce budgets and also 'savings to be identified' being included in the budget with no plan in place.
- Assurance was given regarding the implementation of the Financial Recovery Plan and progressed would be report to Cabinet and then with O&S for scrutiny.
- It was also confirmed that there was a process in place for scrutiny of the 2024/25 budget.
- The Committee was informed of the aim to report the 2022/23 outturn to Cabinet and O&S in November and that the year end position was coming in close to the Period 10 report in terms of the bottom line.
- The Quarter 2 report (to end September) could also be built into the O&S work programme.
- It was reported that Oracle was safe but not compliant in all places and that was one of the first things that would be reviewed with the Commissioners. Compliance was the main issue for Finance. There were still problems with allocation of cash and journal transfers and there was a backlog of transactions that was being moved manually. The bank reconciliation system could not be fixed and a replacement was being considered.
The whole cash position of the Council will balance but the individual directorate reporting may be incorrect as a result of Oracle. It was explained that this caused difficulties producing the outturn.
- The impact of the Oracle issues on schools was a more complex area and a written response would be provided.
- The Committee's request for an asset list was still outstanding. The work on valuations would take time, however a principal list could be shared with the Committee.
- There was a discussion on the use and adequacy of Reserves and Fiona Greenway undertook to produce a note summarising the current position. It was also suggested that the Reserves Policy and Position should be considered in the Committee's work programme.
- In response to a question as to what would be an adequate amount of reserves at the time of budget-setting, the Committee was informed that each Section

151 officer will have a view on the General Fund balance position. For Birmingham, it was around 4½-5% of the net budget (£38million).

- The risks relating to the unearmarked reserves were set in the budget as percentage likelihood within that budget year. The Committee's detailed scrutiny of the budget would help to determine and support the position on unearmarked reserves.
- The Chair made reference to a previous request for O&S to have an observer role in the Spend Control Boards. The Interim Director of Finance (S151 Officer) agreed to discuss this with the Chair and the Chair of Co-ordinating O&S Committee outside of the meeting.
- It was also agreed the Chair would have further discussions with officers outside of the meeting regarding the Committee's work programme and the potential for flexibility around the date of the next meeting to fit in with timelines.
- It was noted that in terms of the involvement of all the O&S committees, information on the 2023/24 savings would be going to each committee and it has been proposed that a Task & Finish Group would be established to consider additional savings and the budget proposals for 2024/25.

RESOLVED:

That:

- The following information be provided to the Committee:
 - List of assets.
 - Written response on the impact of the Oracle issues on schools.
 - Summary of the current position with Reserves
- The Chair would liaise with officers to agree the date of the next meeting.
- The report be noted.

6. MANAGING COUNCIL RISK INCLUDING STRATEGIC RISK REGISTER, BUDGET RISKS AND SAVINGS RISKS

Fiona Greenway, Interim Director of Finance (S151 Officer), and Mohammed Sajid, Interim Head of Financial Strategy, were in attendance for this item.

The Interim Head of Financial Strategy presented the report on behalf of the Assistant Director of Audit and Risk Management, who was unable to attend the meeting. The Committee was informed that this was a summary paper which highlighted where specific documents relating to risk management could be found.

The Chair referred to Appendix B of the Risk Management Update presented to Audit Committee on 19 July 2023 and raised a number of questions. :

SR2.6 Future Financial Resilience – Inherent risk severe, residual risk tolerable – what does that mean? Should this be updated?

SR3.3 Equality representation – is this representation of different types of people within the organisation and how we enable people from different backgrounds to work in the organisation?

SR3.4a Significant disruption to Council services (Business continuity) and failure to effectively maintain critical services – Inherent risk severe, residual risk material - some context or a description of why that is material.

SR4.4 Failure to address Oracle implementation issues – Inherent risk and residual risk are both severe – a summary of how that residual risk is going to change in the future.

SR6.1 Birmingham City Council to be net zero carbon by 2030 and SR6.2 Council aspiration for the City to be net zero carbon by 2030 – in view of the Cabinet decision to approve an incinerator, was this impossible to achieve and should it be taken off the risk register?

SR6.4 Ability to address air pollution – does this take into account the Government's recent action on climate change? What are the potential cost impacts on our approach to reaching net zero and addressing air pollution?

SR7.1 Service Improvement – Residual risk is material but as the Chief Executive has pointed out we are looking at a leaner organisation and a very different council going forward will we be able to efficiently improve services?

SR7.5 Birmingham 2022 Commonwealth Games Legacy Realisation – how can this be down as material considering any potential costs outside of anything ring-fenced (which might not be considered essential spend)?

SR7.6 Supply Chain Disruption – Residual risk is material, should this be raised to severe given potential problems paying suppliers due to Oracle?

It was agreed that these questions would be referred to the Assistant Director of Audit and Risk Management for response.

It was noted that each relevant O&S committee should be looking at risks that related to their remit but it had been useful for the Committee to consider the information to understand the Council's situation at the current time.

RESOLVED:

That:

- The further information requested in relation to Appendix B of the Risk Management Update to Audit Committee on 19 July 2023 be referred to the Assistant Director of Audit and Risk Management, and that a response be provided to the Committee.
- The report be noted.

7. DATE OF THE NEXT MEETING

The date of the next meeting on Thursday 12 October 2023 at 1400 hours was noted. However, as discussed, it was agreed that date would be reviewed.

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

None.

9. OTHER URGENT BUSINESS

None.

10. AUTHORITY TO CHAIR AND OFFICERS

RESOLVED:

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

The meeting ended at 1101 hours.

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

Date	Agenda Item	Action	Update
29-Sep-23	Council Response to Section 114 Notice and Financial Recovery Plan	List of assets to be provided to the Committee (this links with previous requests made for a list of property assets and planned disposals).	
		Written response to be provided on the impact of the Oracle issues on schools.	
		Summary of the current position on Reserves to be provided.	
	Managing Council Risk including Strategic Risk Register, Budget Risks and Savings Risks	Further information requested in relation to Appendix B of the Risk Management Update to Audit Committee on 19 July 2023 to be referred to Sarah Dunlavey and a response to be provided to the Committee.	
07-Sep-23	Update on Budget Recovery Plan and MTFP and Scrutiny Contribution to Budget Savings	Chief Executive's Office to provide the timeline on communications regarding the S114 notice prior to publication and the announcement at Cabinet.	
		Communication with the external auditors before the S114 notice was issued to be provided (subject to the agreement of the external auditors).	
		Risk assessment methodology for 2023/24 RAG rated savings and definition of risk levels (this links with a request from the July meeting - see below).	

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

Date	Agenda Item	Action	Update
	Oracle Stabilisation Update	All reports relating to Oracle (external auditors' review, CfGS wider governance review and management review) to be shared with Chair of Finance & Resources OSC (this links with the request from the July meeting - see below).	Ongoing.
		Next report to Committee to include a detailed breakdown of what money is being spent and a definition of customisation – what it is and what it looks like.	In Progress.
	Job Evaluation – Permanent Pay Equity	The specific number of potential Equal Pay claimants within the scope of the estimate, as at 31 st March 2023 to be provided.	
		A request was made for the document prepared by Legal detailing the chronology of how the Equal Pay issue has manifested itself over a period of years, to be shared with Committee members. It was agreed this would be picked up with the Monitoring Officer.	
	Managing Council Risk including the Strategic Risk Register, Budget Risk and Savings Risks	Report deferred until the next meeting.	Included on the agenda for the 29 th September meeting.
	Date of Next Meeting	Additional committee meeting to be arranged to consider items not concluded or considered at this meeting.	Meeting arranged for Friday 29 th September.
27-Jul-23	Action Tracker	The following additional requests were made:	

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

Date	Agenda Item	Action	Update
		<ol style="list-style-type: none"> 1. List of the Council's statutory functions/responsibilities (action from 29 June) – the Council's interpretation of those responsibilities to also be provided. 2. The Council's Corporate Risk Register (action from 29 June) to be brought to Committee on a regular basis and to be a standing item on the agenda. 3. Accounting list of assets to be provided. 4. List of regalia and artefacts to be provided. 	<ol style="list-style-type: none"> 1. Discussed at the 7th September meeting – difficult to define and will be an evolving list. 2. Report on Managing Council Risk on the agenda for the 7th September meeting (deferred to 29th September meeting). 3. A follow-up request has been made. 4. A follow-up request has been made.
	Medium Term Financial Plan Update and Implications of Equal Pay	<p>The following information to be provided:</p> <ol style="list-style-type: none"> 1. The definition of what can and cannot be capitalised for IT. 2. Savings identified for all directorates and departments – and each individual scrutiny committee to be provided with the savings identified for the directorates and departments relevant to their remits. 3. The definition of medium risk savings. 4. A breakdown of the updated forecast by service area to show where inflation is applied. 	<ol style="list-style-type: none"> 2. 2023/24 savings summary on September O&S agendas.
		The Internal Audit report on how the process for the Spend Control Boards and Finance Governance Board is working to be shared with Committee when available.	
		The timescales for the whistleblowing investigation, management review, Governance Review and the two pieces of work being done	

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

Date	Agenda Item	Action	Update
		by External Audit around value for money on Oracle and Equal Pay to be provided to the Chair and that when they conclude the reports be brought to Committee.	
	Oracle Stabilisation Update	Key strategic risks to be included in future Oracle reports.	Ongoing.
		Once the management review is concluded, the report to be brought to Committee.	
29-Jun-23	Developing the Finance and Resources Overview and Scrutiny Committee's Work Programme 2023/24	<p>Discussion on Equal Pay - the following information to be provided:</p> <ol style="list-style-type: none"> 1. List of the Council's Statutory functions / responsibilities. 2. The Council's Corporate Risk Register. 3. Response from the Leader to the Committee's request to be consulted on the work on Values Framework. 4. Response to the question about what triggered the Equal Pay announcement on 28 June. 5. Response to the question about decisions made at Cabinet on 27 June. 	<p>1 & 2 – see update under 27 July meeting above.</p> <p>4 & 5 – responses provided at 27 July Committee.</p>
Outstanding Actions from Resources O&S Committee 2022/23			
30-Mar-23	Planned Procurement Activities Reports	Provisional of vehicles' (large fleet – recycling and refuse vehicles) maintenance, associated services and spare parts – Cllr Wood's question as to why maintenance had not been built in with the supply of the vehicles to be clarified with the Director, Street Scene.	COMPLETED - Response emailed to Members on 26 July.

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

Date	Agenda Item	Action	Update
09-Feb-23	Financial Monitoring 2022/23 Quarter 3/Month 9	A list of property assets and planned disposals to be provided to Committee.	See subsequent follow-up requests.

Birmingham City Council

Finance and Resources Overview and Scrutiny Committee

Date: 16th November 2023



Subject: KEY DECISION PLANNED PROCUREMENT ACTIVITIES (NOVEMBER 2023 – JANUARY 2024) AND QUARTERLY AWARDS (JULY 2023– SEPTEMBER 2023)

Report of: STEVE SANDERCOCK - ASSISTANT DIRECTOR – PROCUREMENT

Report author: Steve Sandercock - Assistant Director – Procurement

1 Purpose

- 1.1 This report provides details of the planned procurement activity for the period November 2023 – January 2024 which are key decisions and all contract award decisions made under Chief Officer's delegation during the previous quarter. Planned procurement activities reported previously are not repeated in this report.

2 Recommendations

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

3 Any Finance Implications

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

4 Any Legal Implications

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

5 Any Equalities Implications

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

6 Appendices

- 6.1 Appendix 3 – Exempt Information for PPAR 171023

Birmingham City Council

Report to Cabinet

Date: 17th October 2023



Subject: KEY DECISION PLANNED PROCUREMENT ACTIVITIES (NOVEMBER 2023 – JANUARY 2024)
Report of: ASSISTANT DIRECTOR – PROCUREMENT
Relevant Cabinet Member: Councillor Brigid Jones, Cabinet Member for Finance and Resources
Relevant O &S Chair(s): Councillor Jack Deakin, Chair of Finance and Resources OSC
Report author: Steve Sandercock, Assistant Director, Procurement
Email Address: steve.sandercock@birmingham.gov.uk

Are specific wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s):		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 011844/2023		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential : 3. Information relating to the financial or business affairs of any particular person (including the council)		

1 Executive Summary

- 1.1 This report provides details of the planned procurement activity for the period November 2023 – January 2024 which are key decisions. Planned procurement activities reported previously are not repeated in this report.
- 1.2 The report enables Cabinet to identify whether any reports for procurement activities should be brought to this meeting for specific executive decision,

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

2 Recommendations

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

3 Background

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

4 Options considered and Recommended Proposal

4.1 The options considered are:

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

5 Consultation / Engagement

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

6 Risk Management

6.1 Members should note that in respect of any procurement projects which are sought to be referred back to Cabinet for further considerations these may impact on timescales around the delivery of those projects.

6.2 Details of Risk Management, Community Cohesion and Equality Act requirements will be set out in the individual reports.

7 Compliance Issues:

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

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

7.2 Legal Implications

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

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

7.3 Financial Implications

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

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

7.4 Procurement Implications (if required)

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

7.5 Human Resources Implications (if required)

- 7.5.1 None.

7.6 Public Sector Equality Duty

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

8 Background Documents

- 8.1 List of Appendices accompanying this Report (if any):
- 1. Appendix 1 - Planned Procurement Activity November 2023 – January 2024
 - 2. Appendix 2 – Background Briefing Paper
 - 3. Appendix 3 – Exempt Information

APPENDIX 1 – PLANNED PROCUREMENT ACTIVITIES (NOVEMBER 2023 – JANUARY 2024)

No.	Type of Report	Title of Procurement	Ref	Brief Description	Contract Duration	Directorate	Portfolio Finance and Resources Plus	Finance Officer	Contact Name	Planned CO Decision Date
1	Strategy / Award	Fire Risk Assessments for Medium to High Rise Buildings	TBC	<p>The Council has a statutory obligation to manage Fire Safety, primarily under the Regulatory Reform (Fire Safety) Order 2005. There has been significant secondary legislation and alignment with the Building Safety Act 2022. The requirements apply to all of housing stock, where a communal space is present, thus in-scope.</p> <p>To meet the requirements all properties must have a Fire Risk Assessment (FRA) undertaken, with a frequency based on the height of the property and the risk profile identified in the previous FRA.</p>	3 years	City Housing	Housing and Homelessness	Andrew Healey	Brian Clifton / Lucy Ford	20/11/2023
2	Strategy / Award	Concierge Support Service	TBC	<p>The Council currently contracts with Total Computer & Network Support (TCNS) Ltd for the door access and control systems for over a 100 residential tower blocks across Birmingham.</p> <p>The service includes an In Hours Support Service (1 x Engineer from 9am Monday – 5pm Friday) and an Out of Hours Support Service (1 x Engineer from 5pm Monday – 9am Friday).</p>	2 years with an option to extend for a further 2 years	City Housing	Housing and Homelessness	Andrew Healey	Bipin Parmar / Jake Smith	27/10/2023

APPENDIX 2

BRIEFING NOTE ON PLANNED PROCUREMENT ACTIVITIES **CABINET – 17th October 2023**

Title of Contract	Fire Risk Assessments for Medium to High Rise Buildings
Contact Officers	Director / Assistant Director: Wayne Davies, Director Asset Management Client Officer: Brian Clifton, Compliance Manager Procurement Officer: Lucy Ford, Sub Category Manager
Relevant Portfolio	Councillor Jayne Francis - Cabinet Member for Housing and Homelessness
Briefly describe the service required	<p>The Council has a statutory obligation to manage Fire Safety, primarily under the Regulatory Reform (Fire Safety) Order 2005. There has been significant secondary legislation and alignment with the Building Safety Act 2022. The requirements apply to all of housing stock, where a communal space is present, thus in-scope.</p> <p>To meet the requirements all properties must have a Fire Risk Assessment (FRA) undertaken, with a frequency based on the height of the property and the risk profile identified in the previous FRA.</p> <p><u>High/Medium rise</u> The Council has a total of 206 high and medium rise properties, 185 high rise, being over 18 meters or 7 stories in height, and 21 medium rise, being between 11m and 17.99m in height. The Council's policy is that an FRA is carried out on all high and medium rise buildings on an annual basis. Currently the high/medium rise FRA's are being undertaken by in-house staff on secondment from within the capital works team.</p> <p>Forthcoming changes to legislation will require all FRA assessors to meet a number of training and competence milestones to deem them competent. The current officers do not hold any of the required formal training requirements and upskilling them would take 4 – 6 years.</p> <p>With the FRA's being completed in-house there is also concern over the Council's ability to demonstrate a level of independent scrutiny of 3rd party professional indemnity over the content of the FRA's, leaving the Council solely liable if a fire event was to occur.</p> <p>Based on the information above, the Council currently does not have the required competencies and capacity within its existing resources to undertake, deliver and assure the required high/medium rise FRA programme as required by the forthcoming changes to legislation.</p>
What is the proposed procurement route?	A procurement process will be undertaken by way of a National Framework in accordance with its protocol.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	New requirement to be procured.
Will any savings be generated?	No cashable savings will be generated by this project.
Has the In-House Preferred Test been carried out?	Yes, and the test demonstrated this is not suitable to be carried out in-house as there is not the resources with the technical skills required to perform the services required as highlighted above.
How will this service assist with the Council's commitments to Route to Zero?	The required provision will provide Regulatory compliance and assists with relating information required for Repair and Capital Works Programmes. All work programmes are aligned to the draft Asset Management Strategy and City Housings commitment to Net Zero ambitions.
How do these activities assist the Council with Everybody's Battle; Everybody's Business?	The contractor will be required to respect the householder where the works are installed in accordance with the Council's policy.

Is the Council under a statutory duty to provide this service? If not, what is the justification for providing it?	The Council has a statutory obligation to manage Fire Safety, primarily under the Regulatory Reform (Fire Safety) Order 2005.
Approval via Spend Control Board.	Approval for this requirement was obtained from City Housing Spend Control Board on the 1st September 2023 and approved at Section 151 Board on 14th September 2023.
What budget is the funding from for this service?	This is funded from HRA budget.
Proposed start date and duration of the new contract	The proposed start date is January 2024 for a period of 3 years.

Title of Contract	Concierge Support Service
Contact Officers	Director / Assistant Director: Cheryl Doran, CIO & Assistant Director, Digital and Technology Services Client Officer: Bipin Parmar, Head of Networks Procurement Officer: Jake Smith – IT Category Manager
Relevant Portfolio	Councillor Saima Suleman – Cabinet Member for Digital, Culture, Heritage and Tourism
Briefly describe the service required	<p>The Council currently contracts with Total Computer & Network Support (TCNS) Ltd for the door access and control systems for over a 100 residential tower blocks across Birmingham.</p> <p>The service includes an In Hours Support Service (1 x Engineer from 9am Monday – 5pm Friday) and an Out of Hours Support Service (1 x Engineer from 5pm Monday – 9am Friday).</p> <p>The equipment and support is proprietary to TCNS. Insight via Health Trust Europe, as the ranked and exclusive reseller for TCNS provides the only compliant route to market. Robust due diligence will be undertaken to ensure value for money.</p>
What is the proposed procurement route?	The proposed route to market is via the Health Trust Europe Framework (ICT Solutions). This will be a Direct Award to Insight as the ranked and exclusive reseller of TCNS.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	There is an existing contract with TCNS. This contract commenced on 1 st November 2022, with an expiry of 31 st October 2023.
Will any savings be generated?	Any savings opportunities are still to be confirmed.
Has the In-House Preferred Test been carried out?	The Council does not currently have the resources, capacity nor capability to provide this service in house.
How will this service assist with the Council's commitments to Route to Zero?	Not applicable.
How do these activities assist the Council with Everybody's Battle; Everybody's Business?	The required activities support tackling inequalities as per the Council's Equality Strategy and Action Plan documented here . The activities i.e. providing services to residents in over 100 tower blocks across Birmingham is critical in underpinning 'Equality', 'Diversity', 'Equity', 'Inclusion' and 'Belonging'.
Is the Council under a statutory duty to provide this service? If not, what is the justification for providing it?	The required service is business critical and supports statutory responsibilities in ensuring access to over 100 tower block for the respective residents.
Approval via Spend Control Board	Approved via City Housing Spend Board on 24 th August 2023 and approved at Section 151 Board on 14th September 2023.
What budget is the funding from for this service?	This is revenue funding from the Night Security budget Avon5 TV5E6.
Proposed start date and duration of the new contract	The proposed start date is 1 st November 2023 for an initial period of 2 years with an option to extend for a further 2 years.

Birmingham City Council

Finance and Resources Overview and Scrutiny Committee

Date: 16th November 2023



Subject: NON-KEY DECISION PLANNED PROCUREMENT ACTIVITIES NOVEMBER 2023 – JANUARY 2024) AND QUARTERLY AWARDS (JULY 2023– SEPTEMBER 2023)

Report of: STEVE SANDERCOCK - ASSISTANT DIRECTOR – PROCUREMENT

Report author: Steve Sandercock - Assistant Director – Procurement

1 Purpose

- 1.1 This report provides details of the planned procurement activity for the period November 2023 – January 2024 which are not key decisions and all contract award decisions made under Chief Officer's delegation during the previous quarter. Planned procurement activities reported previously are not repeated in this report.

2 Recommendations

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

3 Any Finance Implications

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

- 6.1 Appendix 3 – Exempt Information

Birmingham City Council

Report to Cabinet

Date: 17th October 2023



Subject: NON-KEY DECISION PLANNED PROCUREMENT ACTIVITIES (NOVEMBER 2023 – JANUARY 2024)
Report of: ASSISTANT DIRECTOR – PROCUREMENT
Relevant Cabinet Member: Councillor Brigid Jones, Cabinet Member for Finance and Resources
Relevant O &S Chair(s): Councillor Jack Deakin, Chair of Finance and Resources OSC
Report author: Steve Sandercock, Assistant Director, Procurement
Email Address: steve.sandercock@birmingham.gov.uk

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

1 Executive Summary

- 1.1 This report provides details of the planned procurement activity for the period November 2023 – January 2024 which are not key decisions. Planned procurement activities reported previously are not repeated in this report.
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7.2 Legal Implications

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

7.3 Financial Implications

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

7.4 Procurement Implications (if required)

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

7.5 Human Resources Implications (if required)

- 7.5.1 None.

7.6 Public Sector Equality Duty

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

8 Background Documents

- 8.1 List of Appendices accompanying this Report (if any):
- 1. Appendix 1 - Planned Procurement Activity November 2023 – January 2024
 - 2. Appendix 2 – Background Briefing Paper
 - 3. Appendix 3 – Exempt Information

APPENDIX 1 – PLANNED PROCUREMENT ACTIVITIES (NOVEMBER 2023 – JANUARY 2024)

No.	Type of Report	Title of Procurement	Ref	Brief Description	Contract Duration	Directorate	Portfolio Finance and Resources Plus	Finance Officer	Contact Name	Planned CO Decision Date
1	Strategy / Award	Asbestos Survey and Management Plan – Additional Programme	TBC	The Council has a statutory obligation to manage Asbestos, under the Control of Asbestos Regulations 2012, within the shared areas of all its housing stock. All properties, built prior to 2000, must have a management survey undertaken. Once completed, and where any materials are proven to contain asbestos an Asbestos Management Plan (AMP) is produced.	8 months	City Housing	Housing and Homelessness	Andrew Healey	Brian Clifton / Lucy Ford	20/11/2023

APPENDIX 2

BRIEFING NOTE ON PLANNED PROCUREMENT ACTIVITIES **CABINET – 17th October 2023**

Title of Contract	Asbestos Survey and Management Plan – Additional Programme
Contact Officers	Director / Assistant Director: Wayne Davies, Director Asset Management Client Officer: Brian Clifton, Compliance Manager Procurement Officer: Lucy Ford, Sub Category Manager
Relevant Portfolio	Councillor Jayne Francis - Cabinet Member for Housing and Homelessness
Briefly describe the service required	<p>The Council has a statutory obligation to manage Asbestos, under the Control of Asbestos Regulations 2012, within the shared areas of all its housing stock. All properties, built prior to 2000, must have a management survey undertaken. Once completed, and where any materials are proven to contain asbestos an Asbestos Management Plan (AMP) is produced.</p> <p>Low Rise: - approximately 2414 low rise require a management survey required to meet the requirements set out above.</p> <p>The Social Housing Regulator has expressed its concerns about the lack of compliance and the potential risk of exposure to ACM's to our residents, and it remains one of the formal areas to be remediated, required before June 24.</p> <p>High Rise: -Current contractors were instructed to undertake surveys to ensure all 210 high and medium properties have a current management survey and associated AMP in place by End July 2023. As of 4th August 2023, 13 inspections have yet to commence, and 65 reports are still awaiting issue to BCC an accelerated provision is required to meet the commitments provided to the Regulator of Social Housing.</p> <p>It is unlikely that the current contractor has the capacity to undertake and deliver the entire low-rise programme along with the completion of the high/medium rise programme and subsequent ongoing reinspection programme and therefore additional contractors are sought to apportion this work.</p>
What is the proposed procurement route?	A procurement process will be undertaken by way of a National Framework in accordance with its protocol.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	Current in-house arrangements through Birmingham City Laboratories (BCL) will not meet the accelerated requirements of the Programme to ensure Regulatory Compliance as a result of Breach Notice. New requirement to be procured.
Will any savings be generated?	No cashable savings will be generated by this project.
Has the In-House Preferred Test been carried out?	Yes, and the test demonstrated this is not suitable to be carried out in-house due to insufficient resources and required technical skills. The current use of BCL, given the time constraints provided to the Regulator of Social Housing will provide insufficient capacity.
How will this service assist with the Council's commitments to Route to Zero?	The Asbestos Management report provides Regulatory compliance and assists with Repair and Capital Works Programme aligned to City Housings commitment to Net Zero ambitions.
How do these activities assist the Council with Everybody's Battle; Everybody's Business?	The contractor will be required to respect the householder where the works are installed in accordance with the Council's policy.
Is the Council under a statutory duty to provide this service? If not, what is the justification for providing it?	The Council have a statutory obligation to manage Asbestos, under the Control of Asbestos Regulations 2012.
Approval via Spend Control Board.	Approval for this requirement was obtained from City Housing Spend Control Board on the 1st September 2023 and approved at Section 151 Board on 14th September 2023.

What budget is the funding from for this service?	This is funded from the HRA budget.
Proposed start date and duration of the new contract	The proposed start date is January 2024 for a period of 8 Months.

Birmingham City Council

Finance and Resources Overview and Scrutiny Committee

Date: 16th November 2023



Subject: KEY DECISION PLANNED PROCUREMENT ACTIVITIES (DECEMBER 2023 – FEBRUARY 2024) AND QUARTERLY AWARD SCHEDULE (JULY – SEPTEMBER 2023)

Report of: STEVE SANDERCOCK - ASSISTANT DIRECTOR – PROCUREMENT

Report author: Steve Sandercock - Assistant Director – Procurement

1 Purpose

- 1.1 This report provides details of the planned procurement activity for the period December 2023 – February 2024 which are key decisions and all contract award decisions made under Chief Officer's delegation during the previous quarter. Planned procurement activities reported previously are not repeated in this report.

2 Recommendations

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

3 Any Finance Implications

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

4 Any Legal Implications

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

5 Any Equalities Implications

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

6 Appendices

- 6.1 Appendix 3 – Exempt Information

Birmingham City Council

Report to Cabinet

Date: 14th November 2023



Subject: KEY DECISION PLANNED PROCUREMENT ACTIVITIES (DECEMBER 2023 – FEBRUARY 2024) AND QUARTERLY CONTRACT AWARDS (JULY – SEPTEMBER 2023)

Report of: ASSISTANT DIRECTOR – PROCUREMENT

Relevant Cabinet Member: Councillor Brigid Jones, Cabinet Member for Finance and Resources

Relevant O &S Chair(s): Councillor Jack Deakin, Chair of Finance and Resources OSC

Report author: Steve Sandercock, Assistant Director, Procurement
Email Address: steve.sandercock@birmingham.gov.uk

Are specific wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s):		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 011978/2023		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential : 3. Information relating to the financial or business affairs of any particular person (including the council)		

1 Executive Summary

- 1.1 This report provides details of the planned procurement activity for the period December 2023 – February 2024 which are key decisions and all contract award decisions made under Chief Officer's delegation during the previous quarter. 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.
- 1.3 Appendix 5 informs Cabinet of the contract award decisions made under Chief Officers delegation during the period July 2023 – September 2023.

2 Recommendations

- 2.1 To approve the planned procurement activities as set out in Appendix 1 and approve Chief Officer delegations, set out in the Constitution, for the subsequent decisions around procurement strategy.
- 2.2 Notes the contract award decisions made under Chief Officers delegation during the period July 2023 – September 2023 as detailed in Appendix 5.

3 Background

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

an individual report to Cabinet in order for the award decision to be delegated to Chief Officers if appropriate.

- 3.8 A briefing note with details for each item to be procured is listed in Appendix 2. The financial information for each item is detailed in Appendix 3 – Exempt Information.

4 Options considered and Recommended Proposal

- 4.1 The options considered are:

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

5 Consultation / Engagement

- 5.1 This report to Cabinet is copied to Cabinet Members, Cabinet Support Officers and to Resources Overview & Scrutiny Committee and therefore is the process for consulting with relevant cabinet and scrutiny members. At the point of submitting this report Cabinet Members/ Resources Overview & Scrutiny Committee Chair have not indicated that any of the planned procurement activity needs to be brought back to Cabinet for executive decision.
- 5.2 Approval has been sought from the relevant Spend Control Board prior to inclusion on the PPAR.

6 Risk Management

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

7 Compliance Issues:

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

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

7.2 Legal Implications

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

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

7.3 Financial Implications

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

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

7.4 Procurement Implications (if required)

7.4.1 As noted under the Legal Implications the Council has a duty to ensure that public sector procurement activity is in line with public sector legislation, specifically the Public Contracts Regulations 2015.

7.4.2 For each of the individual projects the specific procurement implications associated to the legislation are set out and detailed in the appendices.

7.5 Human Resources Implications (if required)

7.5.1 None.

7.6 Public Sector Equality Duty

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

8 Background Documents

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

- 1. Appendix 1 - Planned Procurement Activity December 2023 – February 2024
- 2. Appendix 2 – Background Briefing Paper
- 3. Appendix 3 – Exempt Information
- 4. Appendix 4 – Quarterly Awards Schedule (July 2023 – September 2023)
- 5. Appendix 5 - Successful providers appointed to the Flexible Contracting Agreement (FCA) to deliver NHS Health Checks for Lot 1 and to deliver Smoking Cessation Services for Lot 2

APPENDIX 1 – PLANNED PROCUREMENT ACTIVITIES (DECEMBER 2023 – FEBRUARY 2024)

No.	Type of Report	Title of Procurement	Ref	Brief Description	Contract Duration	Directorate	Portfolio Finance and Resources Plus	Finance Officer	Contact Name	Planned CO Decision Date
1	Strategy / Award	Corporate Mobile Phone Services	TBC	The new contract/ contracts will provide hardware (to replace handsets as they become end of life to address security vulnerabilities) and data/ voice services along with associated Enterprise Support, while providing the ability to deliver a 'Lone Worker' solution to assist with the safeguarding of staff in certain roles.	Up to 5 years with appropriate break points (2+1+1+1)	Digital and Technology Services	Digital, Culture, Heritage and Tourism	Lee Bickerton	Chris Nairn	15/12/2023

APPENDIX 2

BRIEFING NOTE ON PLANNED PROCUREMENT ACTIVITIES **CABINET – 14th November 2023**

Title of Contract	Corporate Mobile Phone Services
Contact Officers	Director / Assistant Director: Cheryl Doran, CIO & Assistant Director, Digital and Technology Services Client Officers: Karen Tay, Networks Operations Manager Procurement Officer: TBC - IT Category Manager
Relevant Portfolio	Councillor Cllr Saima Suleman – Cabinet Member for Digital, Culture, Heritage and Tourism
Briefly describe the service required.	<p>There are currently over 7500 mobile phones across the estate (7000 of which are smart devices) supporting the wider council operations for which the current contract expires on 27th February 2024.</p> <p>A project is being commissioned through the DTS Digital Strategy Cabinet Report to reduce this foot print to a maximum of 5,000 to focus on providing mobile phones to only front line/ support works to reduce wider costs. While this is the upper end of the estimate a greater level of reduction will be targeted to further reduce cost.</p> <p>The new Microsoft Teams Based Telephony solution that has been implemented at the start of this year will be expanded to cater for telephony needs of non-front line/ support workers in conjunction with a Bring Your Own Device (BYOD) model.</p> <p>The new contract/ contracts will provide hardware (to replace handsets as they become end of life to address security vulnerabilities) and data/ voice services along with associated Enterprise Support, while providing the ability to deliver a 'Lone Worker' solution to assist with the safeguarding of staff in certain roles.</p>
What is the proposed procurement route?	The route to market will be via a compliant regional or national framework agreement. The final outcome of soft market testing will drive (if we procure) both the data and hardware contracts separately or a single procurement may cover both areas based on value for money.
What are the existing arrangements? Is there an existing contract? If so, when does that expire?	There is currently a contract with VMO2 for the provision of both hardware and data services that expires in February 2024.
Will any savings be generated?	Yes – savings already forecast for in the Technology Roadmap Critical Investment Cabinet report of £325k per annum against the DTS 3rd Party Budget.
Has the In-House Preferred Test been carried out?	Yes – this service cannot be delivered in-house.
How will this service assist the council's commitments to Route to Zero?	No top line savings would be forecast for this exercise.
How do these activities assist the Council with Everybody's Battle; Everybody's Business (EBEB)?	Not applicable as this relates to underlying technical infrastructure.
Is the council under a statutory duty to provide this service? If not, what is the justification for providing it?	There is not a statutory duty to provide this service. However, the infrastructure that this service provides supports wider operational delivery of statutory services and the use of mobiles by services will be assessed as part of the project.
Approval via Spend Control Board.	Approval for this requirement was obtained from Section 151 Board on 2 nd October 2023.
What budget is the funding from for this service?	The funding for this service comes from two sources.

	<ol style="list-style-type: none"> 1) The capital implementation costs as sought in Technology Roadmap Critical Investment paper to cabinet being presented in October Cabinet. 2) The ongoing revenue for the existing service from the DTS 3rd Party budget.
Proposed start date and duration of the new contract	The proposed start date is December 2023 for up to 5 years with appropriate break points to allow for regular pricing and value-for-money reviews. This is likely to be a 2+1+1+1 and will be assessed as part of the procurement activities to drive best value.

APPENDIX 4 - QUARTERLY CONTRACT AWARD SCHEDULE (JULY 2023 – SEPTEMBER 2023)

Type of Rep	Title of Procurement	Ref	Brief Description	Contract Durati	Directorate	Portfolio Finance and Resources	Finance Offic	Contact Name	Comments - including any request from Cabinet Members for more details	Contractor(s) Awarded to	Value of Contracts - Excluding Extensions	Value of Opti to Extend	Chief Offic	Actual Gc Live date
Delegated Award Report	Household Removals	P0174	For the provision of Removal Services of household goods from one building or dwelling to another. The Removal Services will include Storage Services which comprises of the removal and retrieval of household goods to and from storage facilities (option for short term (six months) storage). This is a complimentary service which is included in the re-housing of tenants. The Provider will be expected to supply boxes and packing of household items including protective covers.	4 years with 1 year option to extend	Place, Prosperity and Sustainability	Leader	Andrew Healey	Jose Vitoria	Presented to Cabinet for info 13/12/2022. Approval to Tender Strategy Report signed 03/02/2023 and delegated the award to CO. Delegated Award Report signed 30/06/2023. Approved by S151 spend control board on 27/09/2023.	Burke Bros Wolverhampton Ltd	£692,000	£865,000	Paul Kitson	01/08/2023
Delegated Award Report	Supply of Bulk Fuels	U63A_2020	For the purchase of bulk fuels via the Eastern Shires Purchasing Organisation (ESPO) Liquid Fuels Framework Agreement (301_22).	4 years	Council Management	Finance and Resources	Carl Tomlinson	Jose Vitoria	Cabinet approved the Tender Strategy for the Supply of Bulk Fuel on 8th September 2020 and delegated the award to CO. This was a 2 times 2 year call off contracts. Delegated Award Report for the 1st call off signed 29/10/2020. Delegated Award Report for the 2nd call off signed 12/07/2023.	Certas Energy UK Ltd	£7,800,000		Steve Sandcock	17/07/2023
Strategy / Award	Supply of Furniture, White Goods and Flooring	P1091	The supply and installation of Furniture, white goods, floor and window coverings in temporary accommodation properties (part of the Housing Options service) and for emergency assistance to vulnerable citizens via community support grants (part of Revenue and Benefits service).	4 years	City Housing	Housing and Homelessness	Andrew Healey	Jayne Baylis / Jose Vitoria	Presented to Cabinet for info 06/09/2022. Strategy / Award Report signed 18/07/2023. Approval was sought from City Housing Directorate Spend Control Board on 11/08/2023.	Furniture Resource Centre Ltd	£8,100,000		Paul Langford	01/08/2023
Delegated Award Report	Lead Consultant and Employer's Agent Services for the Druids Heath Estate Regeneration Scheme	P865	For the provision of Lead Consultant and Employer's Agent services for the Druids Heath Estate Regeneration scheme.	8 years	Place, Prosperity and Sustainability	Leader	Andrew Healey	Deborah Greenhill / Charlie Short	Cabinet approved the amended strategy report 'Druids Heath Regeneration' dated 13/12/2022 and delegated the award to CO. Delegated Award Report signed 26/07/2023.	Arcadis LLP	£1,949,320		Paul Kitson	31/07/2023
Strategy / Award	Refurbishment Works for the Relocation of the Control Centre	P1212	To facilitate the move for the Control Centre which contains the Close Circuit Television, Emergency Planning and Urban Traffic Control equipment and offices from Lancaster Circus to Priestley Wharf, there is a requirement for the refurbishment of the facilities and moving of the equipment and re-installation.	1 year	Digital and Technology Services	Deputy Leader	Lee Bickerton	Juliana Clark / Charlie Short	Cabinet approved the report 'New Location for CCTV and Traffic Control' dated 25/07/2023. Strategy / Award Report signed 04/08/2023. Approved via Directorate DTS Spend board 03/08/2023.	Constellia Public Ltd	£1,745,661		Darren Hockaday	07/08/2023
Delegated Award Report	Public Health NHS Health Check and Smoking Cessation Enhanced Services	P1121	NHS Health Checks (Mandated Service): Currently provided by GPs. Health check-up for adults in England aged 40 to 74, designed to spot early signs of stroke, kidney disease, heart disease, type 2 diabetes, or dementia Smoking Cessation: The current Smoking Cessation services provided on behalf of Birmingham City Council are delivered by 112 GPs and 121 pharmacies. To access the services the service user must be over the age of 12 years, work, live, study, or have a GP practice located in Birmingham.	2 years with an option to extend for a further 2 years.	Public Health	Health and Social Care	Lee Bickerton	Sandra Asiedu / Juliet Grainger	Presented to Cabinet for info 27/07/2022. Approval to Tender Strategy Report signed 23/02/2023 and delegated the award to CO. Delegated Award Report signed 04/08/2023. Approved by S151 Spend Control Board on 08/09/2023.	Please refer to Appendix 5.	£4,582,592	£4,582,592	Justin Varney	09/10/2023
Delegated Extension Award	Framework Agreement for the provision of Minor Adaptations for Disabled People		For the provision of Minor Adaptations for Disabled People.	5.5 months	Adult Social Care	Health and Social Care	Samantha Bloomfield	Timsey Deb	Approval to Tender Strategy Report signed 22/03/2021 and delegated the award to CO. Delegated Award Report signed 28/06/2022 and delegated the 1 + 1 extensions to CO. Delegated Extension Report signed 11/08/2023. Approval for the expenditure has been granted by the Adult Social Care Spend Control Board as it is a Statutory Service and funded from a ring-fenced grant.	1) Able Access UK Limited 2) John Gillespie Contractors Ltd 3) Bickford Construction 4) Hardymen & Co Ltd	£500,000		Graeme Betts	15/08/2023
Delegated Award Report	Support to Return Home from Hospital Service	P1007	The service will play a pivotal role in ensuring citizens can leave hospital at the right time, to the right place with the right support. The service will provide practical and emotional support to citizens to ensure they return home safely following a discharge from hospital or an enablement bed. This could include support around access to food and shopping, benefit maximisation, home safety and befriending.	1 year with 1 year option to extend	Adult Social Care	Health and Social Care	Samantha Bloomfield	Sarah Feeley / Marie Kennedy	Presented to Cabinet for info 25/04/2023. Approval to Tender Strategy Report signed 07/06/2023 and delegated the award to CO. Delegated Award Report signed 15/08/2023. This is permitted spend under the Mandatory Spend Controls as it is exempt expenditure as is funded from the Better Care Fund grant. Authorisation has been obtained from the Adult Social Care Spend Control Board on 02/08/2023	Claremont Living	£489,300	£350,700.00	Graeme Betts	16/10/2023
Strategy / Award	Birmingham Municipal Housing Trust Development of Housing at Long Nuke Road & Sports Facilities at Senneleys Park, Birmingham	P0762	For the construction and development of 65 new homes at Long Nuke Road, Bartley Green and the provision of sports facilities at Senneleys Park.	25 months	Place, Prosperity and Sustainability	Housing and Homelessness	Andrew Healey	Emmanuel Igenozu / Katharyn Jones	Cabinet Reports 'Birmingham Municipal Housing Trust (BMHT) 10 year Delivery Plan 2019-2029' approved on 14/05/2019 and the Full Business Case (FBC) and Procurement Strategy approved on 11/10/2022 detailed the procurement strategy for this scheme. Strategy / Award Report signed 18/08/2023. This is permitted spend under the Mandatory Spend Controls category 'expenditure funded through ring fenced grants' spending restrictions and authorisation has been received from the Place, Prosperity and Sustainability Spend Control Board on 31/07/2023, the City Operations Spend Control Board on 04/08/2023 and the City Housing Spend Control Board on 04/08/2023	Keon Homes Ltd	£13,194,762		Philip Neil	01/08/2023

Type of Report	Title of Procurement	Ref	Brief Description	Contract Duration	Directorate	Portfolio Finance and Resources	Finance Officer	Contact Name	Comments - including any request from Cabinet Members for more details	Contractor(s) Awarded to	Value of Contracts - Excluding Extensions	Value of Option to Extend	Chief Officer	Actual Go Live date
Delegated Award Report	Children and Young Peoples Travel Service: Framework Agreement for Agency Passenger Assists	P1217	To support over 4,500 children and young people with Special Educational Needs and Disabilities ("SEND").	4 years	Children and Families	Children Young People & Families	Clare Sandland	Edward Harper / Henrietta Jacobs	Cabinet approved the Children's Travel Service Casual / Agency Transport Guides Procurement Strategy on 13/12/2022 and delegated the Strategy to CO. Approval to Tender Strategy Report signed on 04/04/2023 and delegated the award to CO. Delegated Award Report signed on 18/08/2023. Approved by S151 Spend Control Board on 20th September 2023.	1) CERT Solutions Ltd 2) Green Destinations Ltd 3) Balfour Recruitment 4) AFJ Ltd 5) Olympic (South) Ltd t/a HATS Group 6) Delight essentials UK Ltd t/a Dolphin Healthcare Services 7) TeacherActive Ltd 8) Humby Midlands Ltd 9) Ueducate Ltd 10) Aspire People Ltd 11) Taxie Ltd	The value of the overall framework agreement is £7,680,094.52. As a framework agreement there is no commitment to spend. The spend commitment will be made via direct awards and further competitions.		Sue Harrison	04/09/2023
Strategy / Award	Electronic Bill Payment and Prepaid Cards	P1134	The following payment methods for Council Customers: - •Electronic bill payment allows citizens and businesses to make payments to the Council for Housing Rent, Council Tax and Sundry Debts at either the Post Office or retail outlets who offer the PayPoint network. •Direct Payment (DP) Prepaid Cards to enable citizens who receive care packages to pay providers for the services they choose. (This is for the Council and also Birmingham Children's Trust) •A pre-paid non-personalised card used for one-off payments including discretionary payments, emergency payments, crisis loans and social fund payments.	4 years	Council Management	Finance and Resources	Lee Bickerton	Fitzroy Pencil / Stuart Follows	Presented to Cabinet for info 27/06/2023. Strategy / Award Report signed 21/09/2023. Approved by S151 Spend Control Board on 08/09/2023.	Allpay Ltd	£1,750,000		Fiona Greenway	24/09/2023

Appendix 5

Successful providers appointed to the Flexible Contracting Agreement (FCA) to deliver NHS Health Checks for Lot 1

Provider
ACE Medical Partnership - Druids Heath Surgery
Al-Shafa Medical Centre
Alum Rock Medical Centre
Apollo surgery
Baldwins Lane Surgery
Bartley Green Medical Practice
Bordesley Green Surgery (Bid submitted for 2 GP practises)
Bournbrook Varsity Medical Centre
Bournville Surgery
Cavendish Medical Practice
Church Road Surgery - Aston
City Road Medical Centre
Cofton Medical Centre
Cotterills Lane Surgery
Cranes Park Road Surgery
Downsfield Medical Centre
Dr Bhalla & Partners
Dr Khuroo's Practice
Dr Saini & Saini - Soho Health Centre
Dr Walji & Colleagues
Fernley Medical Centre
Firs Surgery
Firstcare Practice
Frankley Health Centre
Garretts Green Lane Surgery
Gate Medical Centre
Greenridge Healthcare Ltd
Greenridge Surgery
Greet Medical Practice
Halcyon Medical
Hall Green Health
Hamd Medical Practice
Handsworth Medical Prctice
Harborne Medical Practice
Heathford Group Practice-Coventry Road Medical Centre
Hockley Medical Practice
Hollymoor Medical Centre
Holyhead Primary Healthcare Centre
Iridium Medical Practice
Jiggins Lane Medical Centre
Karis Medical Centre
Keynell Covert Surgery
Khattak Memorial Surgery
Kings Norton Surgery

Kingstanding Circle Surgery
Kirpal Medical Practice
Ley Hill Health Centre
Maypole Health Centre
Mirfield Surgery - Modality Partnership
Modality Partnership
Moseley Medical Centre
Naseby Medical Centre
Newtown Medical Centre
Northwood Medical Centre
Omnia Practice
Our Health Partnership Central (Bid submitted for 18 GP practises)
Pak Health Centre
Poolway Medical Centre
Poplars Surgery
River Brook Medical Centre
Rotton Park MC
Rowlands Road Surgery
Sandwell & West Birmingham NHS Trust - Heath Street Health Centre
Schoolacre Surgery
Shah Zaman Surgery
Shenley Green Surgery
Soho Road Primary Care Centre
Springfield Surgery
St Clements Surgery
St Heliers Medical Practice
Strensham Road Surgery
Summerfield Group Practice
Sutton Coldfield Group Practice
Swan Medical Centre
Swanswell Medical Centre
The Dove Medical Practice
The Hawthorns Surgery
The Hill GP
The Slieve Surgery
The Wand Medical Centre
Tower Hill Partnership Medical Practice
Tudor Practice Stockland Green
University Medical Practice
Wake Green Surgery
Weatheroak Medical Practice
Weoley Park Surgery
West Heath Surgery
Woodland Road Surgery
Yardley Medical Centre
Yardley Wood Health Centre

**Successful providers appointed to the Flexible Contracting Agreement (FCA)
to deliver Smoking Cessation Services for Lot 2**

Provider
17th Century Health Food Limited (Bid submitted for 3 partners)
ACE Medical Partnership - Druids Heath Surgery
Alfa Chemists Ltd
Alhuda Healthcare Limited
AllCare Pharmacy
Apollo surgery
Asda Stores Ltd (Bid submitted for 4 partners)
Aspire Pharm Ltd t/a Evergreen Pharmacy
Aubrey Road Medical Practice
Baldwins Lane Surgery
Bartley Green Medical Practice
Buckingham and Blackwood (uk) Ltd t/a Buckingham Pharmacy
Cavendish Medical Practice
Chemicare Moseley Limited
Chemicare Stechford Ltd
Church Road Surgery - Aston
City Road Medical Centre
Dispharma Retail Ltd
Downsfield Medical Centre
Dr Khuroo's Practice
Dr Walji & Colleagues
Fakir Pharmacy Cannon Hill
Fernley Medical Centre
Firs Surgery
Frankley Health Centre
Garretts Green Lane Surgery
Gate Medical Centre
Gosrani Services Ltd
Great Wood Pharmacy Ltd
Greet Medical Practice
Greet Pharmacy
Hall Green Health
Hamd Medical Practice
Healthcare Republic Ltd t/a Hall Green Pharmacy
Heathford Group Practice-Coventry Road Medical Centre
HG Ltd Gill Pharmacy
Highfield Pharmacy
Hollymoor Medical Centre
Holyhead Primary Healthcare Centre
Iridium Medical Practice
JPB Medical Ltd
KD Kataria Ltd
Keynell Covert Surgery
Khattak Memorial Surgery
Kingstanding Circle Surgery
Laser pharmacy Ltd

Masters (UK) Limited
Masters UK Limited t/a Masters Pharmacy
Medihealth Limited t/a Medicare Chemist
Medipharma UK Limited
Mirfield Surgery - Modality Partnership
Moseley Medical Centre
Moseleycare Limited - Fakir Chemist
Naseby Medical Centre
Newtown Medical Centre
Noor Pharmacy Ltd
Northwood Medical Centre
Omnia Practice
Our Health Partnership Central (Bid submitted for 12 Partners)
P Chand Limited t/a Five Ways Pharmacy
Pak Health Centre
Pan Healthcare Limited - Church Road
Pan Healthcare Limited T/A Pan Pharmacy CL
Pan Healthcare Limited T/A Pan Pharmacy Cov Road
Pan Healthcare Limited T/A Pan Pharmacy GGL
Pan Healthcare Limited T/A Pan Pharmacy PR
Pharmacy2Home Limited
PharmaStrat Ltd
Poolway Medical Centre
Poplars Surgery
Rahanu Limited - T/A Lodge Pharmacy
Rahanu Ltd T/A Marks Chemist
Richmond Healthcare (Stechford) Ltd
River Brook Medical Centre
RX Healthcare Limited
Sandwell & West Birmingham NHS Trust - Heath Street Health Centre
Schoolacre Surgery
Shah Zaman Surgery
Shelleys Pharmacy Ltd (used to be Khanpharma Ltd)
Sixways Birmingham Ltd T/A Zenith Pharmacy
Soho Enterprises (UK) Ltd
Sparkbrook Enterprise Ltd - Sparkbrook Pharmacy
SPL Corporation Limited T/A Shah Pharmacy
Springfield Surgery
St Clements Surgery
Stag Chemist Birmingham Limited
Stag Chemist Small Heath
Strensham Road Surgery
Swan Medical Centre
Swanswell Medical Centre
The Dove Medical Practice
The Hawthorns Surgery
The Hill GP
The Slieve Surgery
The Wand Medical Centre

Tudor Practice Stockland Green
University Medical Practice
Walkers Pharmacy Ltd
Walmley Healthcare Ltd
Walsall road partnership limited T/A Towerhill Pharmacy
Weatheroak Medical Practice
Weoley Park Surgery
West Heath Surgery
Whites Pharmacy Ltd
Yardley Medical Centre
Yardley Wood Health Centre

Birmingham City Council

Finance and Resources Overview and Scrutiny Committee

Date: 16th November 2023



Subject: NON-KEY DECISION PLANNED PROCUREMENT ACTIVITIES (DECEMBER 2023 – FEBRUARY 2024) AND QUARTERLY AWARD SCHEDULE (JULY – SEPTEMBER 2023)

Report of: STEVE SANDERCOCK - ASSISTANT DIRECTOR – PROCUREMENT

Report author: Steve Sandercock - Assistant Director – Procurement

1 Purpose

- 1.1 This report provides details of the planned procurement activity for the period November 2023 – February 2024 which are not key decisions and all contract award decisions made under Chief Officer's delegation during the previous quarter. Planned procurement activities reported previously are not repeated in this report.

2 Recommendations

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

3 Any Finance Implications

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

4 Any Legal Implications

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

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

5 Any Equalities Implications

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

6 Appendices

Birmingham City Council

Report to Cabinet

Date: 14th November 2023



Subject: NON-KEY DECISION PLANNED PROCUREMENT ACTIVITIES (DECEMBER 2023 – FEBRUARY 2024) AND QUARTERLY CONTRACT AWARDS (JULY 2023– SEPTEMBER 2023)

Report of: ASSISTANT DIRECTOR – PROCUREMENT

Relevant Cabinet Member: Councillor Brigid Jones, Cabinet Member for Finance and Resources

Relevant O &S Chair(s): Councillor Jack Deakin, Chair of Finance and Resources OSC

Report author: Steve Sandercock, Assistant Director, Procurement
Email Address: steve.sandercock@birmingham.gov.uk

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

1 Executive Summary

- 1.1 This report provides details of the planned procurement activity for the period December 2023 – February 2024 which are not key decisions and all contract award decisions made under Chief Officer's delegation during the previous quarter. Planned procurement activities reported previously are not repeated in this report.

- 1.2 The report enables Cabinet to identify whether any reports for procurement activities should be brought to this meeting for specific executive decision, otherwise they will be dealt with under Chief Officer delegations up to the value of £500,000, unless TUPE applies to current Council staff.

- 1.3 Appendix 3 informs Cabinet of the contract award decisions made under Chief Officers delegation during the period July 2023 – September 2023.

2 Recommendations

- 2.1 To approve the planned procurement activities as set out in Appendix 1 and 2 and approve Chief Officer delegations, set out in the Constitution for the subsequent decisions around procurement strategy.
- 2.2 Notes the contract award decisions made under Chief Officers delegation during the period July 2023 – September 2023 as detailed in Appendix 3.

3 Background

- 3.1 The report approved by Council Business Management Committee on 16 February 2016 set out the case for introducing this process.
- 3.2 At the 12th July 2022 meeting of Council changes to procurement governance were agreed which gives Chief Officers the delegated authority to approve procurement contracts up to the value of £500,000 for non-key decisions over the life of the contract. Where it is likely that the award of a contract will result in staff employed by the Council transferring to the successful contract under TUPE, the contract award decision has to be made by Cabinet.
- 3.3 In line with the Procurement and Contract Governance Rules that form part of the Council's Constitution, this report acts as the process to consult with and take soundings from Cabinet Members and the Resources Overview & Scrutiny Committee.
- 3.4 This report sets out the planned procurement activity over the next few months where the contract value is between the procurement threshold £177,897.50 (excluding VAT) and £500,000 (excluding VAT) for non-key decisions. This will give members visibility of all procurement activity within these thresholds and the opportunity to identify whether any procurement reports should be brought to Cabinet for approval even though they are below the £10m delegation threshold.
- 3.5 It should be noted that the procurement threshold has changed from £189,330 to £177,897.50 (excluding VAT) and applies from 1st January 2022 for a period of 2 years.
- 3.6 Individual procurements may be referred to Cabinet for an executive decision at the request of Cabinet, a Cabinet Member or the Chair of Resources Overview & Scrutiny Committee where there are sensitivities or requirements that necessitate a decision being made by Cabinet.

- 3.7 Procurements below £500,000 contract value that are not listed on this or subsequent monthly reports can only be delegated to Chief Officers if specific approval is sought from Cabinet. Procurements above £10m contract value will still require an individual report to Cabinet in order for the award decision to be delegated to Chief Officers if appropriate.

4 Options considered and Recommended Proposal

- 4.1 The options considered are:

- To note the planned procurement activities for all the projects listed in Appendix 1 and the Chief Officer delegations as set out in the Constitution, for the subsequent decisions around procurement strategy and contract awards.– this is the recommended option.

5 Consultation / Engagement

- 5.1 This report to Cabinet is copied to Cabinet Members, Cabinet Support Officers and to Resources Overview & Scrutiny Committee and therefore is the process for consulting with relevant cabinet and scrutiny members. At the point of submitting this report Cabinet Members/ Resources Overview & Scrutiny Committee Chair have not indicated that any of the planned procurement activity needs to be brought back to Cabinet for executive decision.
- 5.2 Approval has been sought from the relevant Spend Control Board prior to inclusion on the PPAR.

6 Risk Management

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

7 Compliance Issues:

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

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

7.2 Legal Implications

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

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

7.3 Financial Implications

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

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

7.4 Procurement Implications (if required)

7.4.1 As noted under the Legal Implications the Council has a duty to ensure that public sector procurement activity is in line with public sector legislation, specifically the Public Contracts Regulations 2015.

7.4.2 For each of the individual projects the specific procurement implications associated to the legislation are set out and detailed in the appendices.

7.5 Human Resources Implications (if required)

7.5.1 None.

7.6 Public Sector Equality Duty

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

8 Background Documents

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

- 1. Appendix 1 - Planned Procurement Activity (December 2023 – February 2024)
- 2. Appendix 2 – Background Briefing Paper
- 3. Appendix 3 – Quarterly Awards Schedule (July 2023 – September 2023)

APPENDIX 1 – PLANNED PROCUREMENT ACTIVITIES (DECEMBER 2023 – FEBRUARY 2024)

There are no items for this month.

APPENDIX 2

BRIEFING NOTE ON PLANNED PROCUREMENT ACTIVITIES **CABINET – 14TH NOVEMBER 2023**

There are no non-key decision items for this month.

APPENDIX 3 - QUARTERLY CONTRACT AWARD SCHEDULE (JULY 2023 – SEPTEMBER 2023)

Type of Report	Title of Procurement	Ref	Brief Description	Contract Duration	Directorate	Portfolio Finance and Resources	Finance Officer	Contact Name	Comments - including any request from Cabinet Members for more details	Contractor(s) Awarded to	Value of Contracts Excluding Extensions	Chief Officer	Actual Go Live date
Delegated Award Report	Civic Cleaning Electric Equipment Lease Agreement	P1196	For the provision of cleaning services to the Council Non-Educational Buildings and some external companies. These buildings range in size from large administrative hubs within excess of 2000 occupants to small local libraries. The service also operates a range of other cleaning disciplines including a mobile cleaning team, home cleans and a specialist retail markets team. The portfolio may expand or contract over the duration of the contract, this may also impact our equipment needs.	4 years	Council Management	Finance and Resources	Lee Bickerton	Cheryl Rudge / Nicholas Cammack	Presented to Cabinet for info 21/03/2023. Approval to Tender Strategy Report signed 06/04/2023 and delegated the award to CO. Delegated Award Report signed 01/08/2023. This spend was spend board approved on the 24/08/2023.	Numatic International Limited	£236,671.29	Alison Jarrett	01/09/2023
Strategy / Award	Fire Risk Assessments (South Quadrant)		For the provision of Fire Risk Assessments to Council Housing Stock in the South quadrant of the City.	6 months	City Housing	Housing and Homelessness	Andrew Healey	David Stevers / Lucy Ford	Presented to Cabinet for info 27/06/2023. Strategy / Award Report signed 08/08/2023. Authorisation has been received from the City Housing Spend Control Board on 20/07/2023 for regulatory compliance.	Pennington Choices	£258,465	Paul Langford	01/09/2023
Strategy / Award	Estate agency services for Plot 9 of the Perry Barr Regeneration Scheme (PBRs)	P1244	The services include the services for the sale of 166 units within Plot 9: • Production of a market strategy • Production of all marketing materials • Production of 'My Home' pack with detail of the apartments • Undertaking a marketing campaign • Arranging home viewings • Liaison with the buyer's and seller's conveyancing solicitors • Progress reporting to the Council	2 years	Place, Prosperity and Sustainability	Leader	Carl Tomlinson	Gloria Ighodaro / Charlie Short	Presented to Cabinet for info 27/06/2023. Strategy / Award Report signed on 21/08/2023. This is permitted spend under the Mandatory Spend Controls category (I) "expenditure necessary to achieve value for money and / or mitigate additional in year costs". Authorisation has been obtained from the Place, Prosperity and Sustainability panel on 31/07/2023.	Connells Estate Agent	£400,000	Paul Kitson	25/08/2023
Strategy/Award	Capital Programme Delivery - Programme Delivery Support	P2144	Control and manage the programme to deliver at the increased rate and volume. Working with the existing internal and contractor teams to deliver the agreed expanded investment programme.	10 months	City Housing	Housing and Homelessness	Andrew Healey	Wayne Davies / Lucy Ford	Presented to Cabinet for info 27/06/2023. Strategy / Award Report signed 04/09/2023. Authorisation has been received from the City Housing Spend Control Board on 10/08/2023 on the basis that the expenditure is funded from the ringfenced HRA account and is being spent on a statutory service which is already under regulator intervention.	Ark Consultancy Ltd	£422,631	Paul Langford	01/09/2023

Birmingham City Council

Finance and Resources Overview and Scrutiny Committee

Date 16 November 2023



Subject: Scrutiny of Delivery of 2023/24 Budget Savings and Update on Council's Response to Section 114 Notice and Financial Recovery Plan

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

Report author: Fiona Bottrill, Senior Overview and Scrutiny Manager,
fiona.bottrill@birmingham.gov.uk.
07395884487

1 Purpose

- 1.1 It was agreed at Co-ordinating Overview and Scrutiny Committee on 15 September 2023 that all O&S Committees will continue to scrutinise the delivery of existing 2023/24 savings. Appendix 1 sets out the red, amber, green (RAG) rated savings for 2023/24 by Committee and Directorate at the end of Quarter 1. Appendix 2 sets out the progress on delivery of savings during Quarter 2 for the services within the remit of the following Overview and Scrutiny Committees:
- Finance and Resources OSC
 - Co-ordinating OSC
 - Economy and Skills OSC
 - Education and Children and Young People OSC
 - Health and Adult Social Care OSC
 - Homes OSC
 - Neighbourhoods OSC
- 1.2 The Quarter 2 savings are not provided for the Sustainability and Transport OSC as the 100k savings reported within the remit for this Committee for Q1 were rated as Green.
- 1.3 This agenda item also provides an opportunity for the Committee to consider the following and implications for the Committee's work programme:
- The reports considered at City Council on 12 October regarding the Section 5 Notice and supplementary Section 114 Notice (Appendix 3)

- The Directions issued by the Secretary of State for the Department of Levelling Up, Housing and Communities in the House of Commons on 5 October and Explanatory Memorandum. (Appendix 4)

1.3 To assist with the task above the Scrutiny Team are in the process of contacting other authorities with similar experiences. Feedback on themes identified will be provided at the meeting.

2 Recommendations

The Committee:

2.1 Receives and notes the Quarter 1 2023/24 savings set out in Appendix 1.

2.2 Receives the update for Q2 2023/24 savings attached as Appendix 2 and examines progress on delivery of the 2023/24 savings and agrees any comments.

2.3 Considers the implications of recent events (highlighted in Section 1) on the scrutiny work programme.

3 Any Finance Implications

3.1 Financial implications are set out in the relevant appendices.

4 Any Legal Implications

4.1 Legal implications are set out in the relevant appendices.

5 Any Equalities Implications

5.1 The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

5.2 The protected characteristics and groups outlined in the Equality Act are: Age; Disability; Gender Reassignment; Marriage and Civil Partnership; Pregnancy and Maternity; Race; Religion and Belief; Sex, and Sexual Orientation.

5.3 The Committee should ensure that it addresses these duties by considering them during work programme development, the scoping of work, evidence gathering and making recommendations. This should include considering: How policy issues impact on different groups within the community, particularly those that share a relevant protected characteristic; Whether the impact on particular

groups is fair and proportionate; Whether there is equality of access to services and fair representation of all groups within Birmingham; Whether any positive opportunities to advance equality of opportunity and/or good relations between people are being realised.

- 5.4 The Committee should ensure that equalities comments, and any recommendations, are based on evidence. This should include demographic and service level data and evidence of residents/service-users views gathered through consultation.

6 Appendices

- 6.1 Appendix 1: 2023/24 Savings Q1 Position by O&S Committee
- 6.2 Appendix 2: Update on Delivery of 2023/24 Savings During Q2 by O&S Committee
- 6.3 Appendix 3: Report to all Elected Members by Janie Berry Monitoring Officer, under Section 5 Local Government and Housing Act 1989 and Report to all Elected Members by Fiona Greenway, Section 151 Officer, under Section 114(2) Local Government Finance Act 1988
- 6.4 Appendix 4: Birmingham City Council, Directions made under local Government Act and Explanatory Memorandum

23/24 Savings Q1 Position by O&S Committee**Summary**

Savings by OSC Portfolio	Delivered	Low Risk	Medium Risk	High Risk	TOTAL
Co-ordinating OSC				(14,851)	(14,851)
Economy and Skills OSC		(133)	(816)	(9,595)	(10,544)
Education, Children and Young People OSC			(4,465)	(6,000)	(10,465)
Finance and Resources OSC		(1,269)	(8,799)	1,457	(8,611)
Health and Adult Social Care OSC		(700)	(9,008)	2,000	(7,708)
Homes OSC		(502)	(592)	(5,500)	(6,594)
Neighbourhoods OSC		(19)	(4,837)	(990)	(5,846)
Sustainability and Transport OSC					
TOTAL		(2,623)	(28,517)	(33,479)	(64,619)

List of Savings Projects

Directorate	O&S Committee	Savings Description	2023/24 (Saving) £'000
Adult Social Care	Health and Adult Social Care OSC	Adults Transformation Programme.	(3,700)
Adult Social Care	Health and Adult Social Care OSC	Adult Packages of Care (Reversal of previous year one-off savings)	1,000
Adult Social Care	Health and Adult Social Care OSC	Income Collection (Reversal of previous year one-off savings)	1,000
Adult Social Care	Health and Adult Social Care OSC	3% Turnover factor (Vacancy management)	(2,850)
Adult Social Care	Health and Adult Social Care OSC	Special Impact team (SIT) complex case review accelerated and expanded to cover high cost packages	(500)
Adult Social Care	Health and Adult Social Care OSC	Case load packages Review	(200)
Adult Social Care	Health and Adult Social Care OSC	Looking at ways to enhance ICS/CCG partnership to harness pooled resources more efficiently eg BCF Inflation	(1,000)
BCT	Education, Children and Young People	Children's Trust - Family and Friends Cars	(2,000)
BCT	Education, Children and Young People	Children's Trust - Stronger Families Programme	(3,000)
BCT	Education, Children and Young People	Children's Trust - Tackling Domestic Abuse to Support Families	(1,000)
Children & Families	Education, Children and Young People	Schools Balances	(328)
Children & Families	Education, Children and Young People	Education and Skill Early Retirement	(210)

Children & Families	Education, Children and Young People	3% Turnover factor (Vacancy management)	(1,921)
City Housing	Homes OSC	Reducing / Eradicating B&B Accommodation	(5,500)
City Housing	Homes OSC	3% Turnover factor (Vacancy management)	(502)
City Ops	Sustainability and Transport OSC	Street Work Permits	(100)
City Ops	Neighbourhoods OSC	Removal of Universal Superloos	(19)
City Ops	Co-ordinating OSC	Capitalise Salaries of Alexander Stadium Build (Reversal of previous year one-off savings)	40
City Ops	Co-ordinating OSC	Revenue Benefit from Capitalising the Cost of Indoor Track at Arena (Reversal of previous year one-off savings)	150
City Ops	Neighbourhoods OSC	3% Turnover factor (Vacancy management)	(3,307)
Corporate Items	Co-ordinating OSC	Localities / Public Hub (Savings from implementation of EIP Model)	(2,500)
Corporate Items	Co-ordinating OSC	BCC Target Operating Model Design Principles - Voluntary Workforce Savings Programme	(2,000)
Corporate Items	Co-ordinating OSC	B/F_BCC Target Operating Model Design Principles - Voluntary Workforce Savings Programme	(2,000)
Corporate Items	Finance and Resources OSC	Maximise the Use of Grant Funding – Identifying opportunities to use grant funding to fund existing GF spend releasing GF budgets for savings.	(1,000)
Corporate Items	Finance and Resources OSC	B/F_Maximise the Use of Grant Funding - Identifying opportunities to use grant funding to fund existing GF spend releasing GF budgets for savings.	(1,000)
Corporate Items	Finance and Resources OSC	Improvements in Debt Management – Review Debt Management Process with a view to improving collection and reducing bad debt.	(900)
Corporate Items	Finance and Resources OSC	B/F_Improvements in Debt Management – Review Debt Management Process with a view to improving collection and reducing bad debt.	(1,000)
Corporate Items	Co-ordinating OSC	Traded Services – Review of traded services with a view to greater commercialisation and reduced GF subsidy)	(1,500)
Corporate Items	Co-ordinating OSC	B/F_Traded Services - Review of traded services with a view to greater commercialisation and reduced GF subsidy)	(1,600)
Corporate Items	Finance and Resources OSC	Repayment of Borrowing Following Asset Disposal Resulting in Reduced Debt Management Costs (Reversal of one-off savings from previous years)	4,500
Corporate Items	Finance and Resources OSC	Release Highways policy contingency for one year – Accounting Adjustment (Reversal of one-off savings from previous years)	800
Corporate Items	Economy and Skills OSC	B/F_Corporate Landlord (Efficiencies in Asset Management through Consolidation and Rationalisation of Council Assets/ Buildings)	(500)
Corporate Items	Co-ordinating OSC	Automation – Use of Robotic Process Automation Technology to automate manual processes and reduce manual handling, leading to efficiencies in process and savings on time/resource required to deliver services.	(1,000)
Corporate Items	Co-ordinating OSC	B/F_Automation - Use of Robotic Process Automation Technology to automate manual processes and reduce manual handling, leading to efficiencies in process and savings on time/resource required to deliver services.	(850)
Corporate Items	Co-ordinating OSC	Reducing Workforce (Centres of Excellence) – Consolidation of similar roles and teams to reduce duplication of effort and achieve efficiency in resource/process	(1,791)

Corporate Items	Co-ordinating OSC	Automation (Voice Automation) – Use of voice automation technology to reduce volume of manual call handling, leading efficiencies and better customer services.	(1,000)
Corporate Items	Finance and Resources OSC	Automation (Oracle Optimisation) – Use of new oracle system to generate process efficiencies	(500)
Council Management	Finance and Resources OSC	Digital advertising on key assets to generate additional income	(200)
Council Management	Finance and Resources OSC	Operational Hub Programme – rationalisation of assets.	(161)
Council Management	Finance and Resources OSC	Application platform modernisation.	(11)
Council Management	Finance and Resources OSC	3% Turnover factor (Vacancy management)	(4,265)
Council Management	Finance and Resources OSC	Review all BCC leased properties and reduce cost of lease payments for assets	(460)
Council Management	Finance and Resources OSC	System Efficiencies	(600)
Council Management	Neighbourhoods OSC	Customer Services – Bereavement. Improvements in service design to deliver efficiencies	(460)
Council Management	Neighbourhoods OSC	B/F_Customer Services - Bereavement. Improvements in service design to deliver efficiencies	(250)
Council Management	Neighbourhoods OSC	Customer Services - Garden Waste. Introduce autorenewal and other process improvements to maximise levels of annual subscriptions.	(40)
Council Management	Neighbourhoods OSC	B/F_Customer Services - Garden Waste. Introduce autorenewal and other process improvements to maximise levels of annual subscriptions.	(40)
Council Management	Neighbourhoods OSC	Customer Services - Markets	(50)
Council Management	Neighbourhoods OSC	B/F_Customer Services - Markets	(50)
Council Management	Neighbourhoods OSC	Customer Services - Pest Control	(50)
Council Management	Neighbourhoods OSC	B/F_Customer Services - Pest Control	(50)
Council Management	Finance and Resources OSC	Development & Commercial - Digital advertising income and offer up of growth	(60)
Council Management	Finance and Resources OSC	Procurement - 2020/21 Expenditure Budget covered by funding	(106)
Council Management	Finance and Resources OSC	Audit - increase trading opportunities with Police, Housing Associations and Acivico	(60)
Council Management	Finance and Resources OSC	Finance - refinancing legacy systems	(700)
Council Management	Finance and Resources OSC	Personal Assistant Allocation - review use of Personal Assistant Support	(200)
Council Management	Finance and Resources OSC	Business Support Efficiencies	(50)

Council Management	Finance and Resources OSC	Customer Services Efficiencies	(50)
Council Management	Finance and Resources OSC	Review Human Resources Target Operating Model - reduce posts that are vacant	(170)
Council Management	Finance and Resources OSC	Human Resources reduce growth request in Medium Term Financial Plan (MTFP)	(113)
Place, Prosperity & Sustainability	Economy and Skills OSC	B/F_CAB Premises - excluding Council House. Reduced costs associated with Council Admin Buildings	(1,314)
Place, Prosperity & Sustainability	Economy and Skills OSC	CAB Premises - excluding Council House. Reduced costs associated with Council Admin Buildings	(2,431)
Place, Prosperity & Sustainability	Economy and Skills OSC	CAB Premises - Council House Commercialisation Income generation through improved commercial offer including banqueting and events.	(50)
Place, Prosperity & Sustainability	Economy and Skills OSC	Commercial Property - Lease Event Opportunities Review of commercial property leases – includes rent reviews and extension options	(600)
Place, Prosperity & Sustainability	Economy and Skills OSC	Commercial Property - Active Investment Additional income through investment in Public Works Loan Board (PWLb) compliant commercial property	(2,250)
Place, Prosperity & Sustainability	Economy and Skills OSC	Commercial Property - Blended Approach Investment and Lease Events Additional income generated through a combination of lease reviews and investment	(2,500)
Place, Prosperity & Sustainability	Sustainability and Transport OSC	Street Work Permits - moved directorate	100
Place, Prosperity & Sustainability	Economy and Skills OSC	3% Turnover factor (Vacancy management)	(666)
Place, Prosperity & Sustainability	Economy and Skills OSC	Review all £5-10k leases – with a view to optimising lease income.	(150)
Strategic Equals & Partnership	Finance and Resources OSC	3% Turnover factor (Vacancy management)	(116)
Strategic Equals & Partnership	Finance and Resources OSC	Efficiencies amongst non-staffing budgets	(116)
Corporate Items	Co-ordinating OSC	B/F_New Ways of Working_Fieldworker. Rolling out field worker module to allow staff working in the field to update host systems directly rather than returning to office to update	(800)
Adult Social Care	Health and Adult Social Care OSC	Fees & Charges 5%	(1,458)
Children & Families	Education, Children and Young People	Fees & Charges 5%	(2,006)
Council Management	Finance and Resources OSC	Fees & Charges 5%	(2,073)
City Ops	Neighbourhoods OSC	Fees & Charges 5%	(1,530)
City Housing	Homes OSC	Fees & Charges 5%	(592)
Place, Prosperity & Sustainability	Economy and Skills OSC	Fees & Charges 5%	(83)
		Total	(64,619)

Caveats:

- Many targets fit into multiple O&S portfolio, such as Fees & Charges, vacancy factor, thus for simplicity we have allocated to the O&S Committee where most of the target is more likely to fall.
- Some services also fall into more than one O&S portfolio – we have allocated the full target for these to the committee of higher alignment rather than split amounts.
- The total savings that need to be delivered in the 23/24 financial year may increase. Finance is currently working to close the 22/23 financial year accounts – this includes final assessment of savings delivery for the last financial year. Any further undelivered savings in 22/23 will need to be brought forward and found in 23/24 thereby increasing the overall target for 23/24.

Criteria for determining the RAG status of savings

Assessment Criteria	Delivered	Low Risk	Medium Risk	High Risk
Savings RAG	Saving or income realised and evidence provided that costs have been reduced or income increased.	Saving or income detail documented and robust plan in place to deliver agreed targets, showing when and who is responsible. - and / or - Saving / income will be delivered within agreed timeframes.	Saving or income lacks some clarity and / or not detailed at an adequately granular level, or at risk, but agreed plan in place to resolve and being actively managed. - and / or - Some risk of not delivering saving within agreed timeframe, leading to cost of slippage.	Limited confidence in agreed saving / income being delivered - and / or - Saving / income unclear and / or not specified at adequate granular level. - and / or - Inadequate plan / no plan agreed. - and / or - <i>Saving not yet agreed by Directorate / Service Manager</i> - and / or - Major risk of not delivering saving / income within agreed timeframe, leading to cost of slippage.
Headcount Example	Officer has departed, budget has been reduced and posts have been deleted from the approved establishment.	Timescales and the specific posts to be vacated / deleted have been agreed.	Budget Manager has confirmed that posts (to agreed value and timing) will be vacated and deleted from budget.	Headcount saving proposed, but no clarity RE timescales/ posts.

Appendix 2: Co-ordinating Committee - 23/24 Savings Position as at Q2

Summary

This report updates Co-ordinating OSC on the progress in delivering the 23/24 savings agreed in the MTFS 2023/26 that fall under this committee portfolio.

An extensive review process has been undertaken between Q1 and Q2 and the position reported below is as at Q2 (End of September 23).

Background

There are a number of savings proposals in 23/24 totalling £17.441m that fall under the committee portfolio and these are listed below on page 2 & 3.

Each area has been risk rated to indicate the current level of confidence in achieving each savings target either in-year during 23/24 or over the longer term MTFS period 2023/26. Page 4 of this appendix explains the risk rating criteria.

Quarter 2 Position

Of the £17.441m, £2.400m is currently classified as Red and at high risk of non-delivery and the remaining £15.041m is Black indicating that the majority of these savings are highly unlikely to be delivered during 23/24.

The £2.400m at high risk is a 22/23 target associated with savings from IT&D service resign. The restructure/redesign of the service is currently underway but delays in concluding the restructure mean there is a risk that savings will not be realised in 23/24. Furthermore, some of the £2.400m was intended to be delivered through contract efficiencies which is also at risk due to higher than expected contract inflation.

The majority of the corporate cross cutting savings totalling £15.051m are within this committee portfolio and are assessed as unlikely to be realised in year during 23/24. A brief explanation of the reasons for why the savings cannot be realised in 23/24 are included in page 3 & 4 below. Work is underway to identify alternative in-year savings as part of the wider budget recovery work to mitigate the resulting budget gap and further updates on that work will be provided in due course.

Decisions will also need to be made around the longer term deliverability of these savings and where this is no longer possible they will need to be written off and longer term alternatives developed.

List of 23/24 Savings Projects & RAG status as at Q2

Directorate	OSC Portfolio	Summary Description	Delivery Risk In-Year 2023/24 (Saving) £'000	Delivery Risk Over MTFS (Saving) £'000
Council Management	Co-ordinating OSC	B/F_IT&D Service Redesign Information Technology and Digital Service Redesign Changing from the existing process-heavy operating model, to a leaner, more efficient way of working that is centred on users and focusses on the transformation needs of the Council. We will also be reviewing how we manage third party contracts and IT suppliers to reduce our ongoing costs and gain maximum value from those engagements, this will include a full review of business managed IT spend across the Council to maximise opportunities to standardise and decommission obsolete technologies.	(2,400)	(2,400)
		TOTAL	(2,400)	(2,400)
Corporate Items	Co-ordinating OSC	Localities / Public Hub (Savings from implementation of EIP Model)	(2,500)	(2,500)
Corporate Items	Co-ordinating OSC	BCC Target Operating Model Design Principles - Voluntary Workforce Savings Programme	(2,000)	(2,000)
Corporate Items	Co-ordinating OSC	B/F_BCC Target Operating Model Design Principles - Voluntary Workforce Savings Programme	(2,000)	(2,000)
Corporate Items	Co-ordinating OSC	Traded Services – Review of traded services with a view to greater commercialisation and reduced GF subsidy)	(1,500)	(1,500)
Corporate Items	Co-ordinating OSC	B/F_Traded Services - Review of traded services with a view to greater commercialisation and reduced GF subsidy)	(1,600)	(1,600)
Corporate Items	Co-ordinating OSC	Automation – Use of Robotic Process Automation Technology to automate manual processes and reduce manual handling, leading to efficiencies in process and savings on time/resource required to deliver services.	(1,000)	(1,000)
Corporate Items	Co-ordinating OSC	B/F_Automation - Use of Robotic Process Automation Technology to automate manual processes and reduce manual handling, leading to efficiencies in process and savings on time/resource required to deliver services.	(850)	(850)
Corporate Items	Co-ordinating OSC	Reducing Workforce (Centres of Excellence) – Consolidation of similar roles and teams to reduce duplication of effort and achieve efficiency in resource/process	(1,791)	(1,791)
Corporate Items	Co-ordinating OSC	Automation (Voice Automation) – Use of voice automation technology to reduce volume of manual call handling, leading to efficiencies and better customer services.	(1,000)	(1,000)

Corporate Items	Co-ordinating OSC	B/F_New Ways of Working_Fieldworker. Rolling out field worker module to allow staff working in the field to update host systems directly rather than returning to office to update	(800)	(800)
		TOTAL	(15,041)	(15,041)

Narrative for 23/24 in-year Non-Delivery

Co-ordinating OSC

Dir	Summary Description	2023/24 (Saving) £'000	Explanation
Corporate	Localities / Public Hub (Savings from implementation of EIP Model)	(2,500)	A strategic partner is in place and the project is progressing however savings will take much longer to realise than anticipated. Much of the savings rely on disposal of existing assets or redesign of services which will not be in place by the end of this financial year.
Corporate	BCC Target Operating Model Design Principles - Voluntary Workforce Savings Programme (MARS)	(4,000)	MARS is live and at decision making stage. Potential savings in year (23/24) will be known mid October as well as ongoing savings. There is potential to improve on the savings target, pending decision making and financial approval of costs of exits.
Corporate	Traded Services – Review of traded services with a view to greater commercialisation and reduced GF subsidy)	(3,100)	An initial review identified the need to put in place a commercial team that would progress the review of traded services and implement a commercial strategy. Due to decisions around resourcing and funding the programme was paused.
Corporate	Automation – Use of Robotic Process Automation Technology to automate manual processes and reduce manual handling, leading to efficiencies in process and savings on time/resource required to deliver services.	(1,850)	The programme to deliver savings started in July 2023 and the first tranche of automations are forecast to be delivered by the end of December 2023. This will potentially provide one quarter of the annual savings from that tranche in Q4 (est. £200k - 300k). Going forward, work needs to be accelerated to identify and deliver higher value automations sooner. In addition, savings targets must also be applied to Directorate budgets in order to facilitate better engagement with the programme.
Corporate	Reducing Workforce (Centres of Excellence) – Consolidation of similar roles and teams to reduce duplication of effort and achieve efficiency in resource/process	(1,791)	Handed across from Adults on 1st August 2023, no discovery work has been completed to confirm the savings identified in MTFP. A paper will need to be taken to the next governance board to request funding to complete discovery work to confirm if savings are achievable or not

Corporate	Automation (Voice Automation) – Use of voice automation technology to reduce volume of manual call handling, leading efficiencies and better customer services.	(1,000)	Discovery work has been completed to validate the savings available which identified £250k in Yr 1 23/24. This requires proof of concept funding to be available which is currently going through the S151 spend control process to enable the tech purchase and installation to release the savings identified which are scalable upto £2m by year 3 25/56
Corporate	New Ways of Working_Fieldworker. Rolling out field worker module to allow staff working in the field to update host systems directly rather than returning to office to update	(800)	The functionality was initially piloted and then rolled out into a number of HRA services which has led to improved and efficient ways of working in those services. However, the savings need to come from general fund services and implementation of the IT functionality into general fund services has been delayed, partly due to the initial rollout into HRA services taking longer than anticipated.

Caveats:

- Many targets fit into multiple O&S portfolio, such as Fees & Charges, vacancy factor, thus for simplicity we have allocated to the O&S Committee where most of the target is more likely to fall.
- Some services also fall into more than one O&S portfolio – we have allocated the full target for these to the committee of higher alignment rather than split amounts.
- The total savings that need to be delivered in the 23/24 financial year may increase. Finance is currently working to close the 22/23 financial year accounts – this includes final assessment of savings delivery for the last financial year. Any further undelivered savings in 22/23 will need to be brought forward and found in 23/24 thereby increasing the overall target for 23/24.

Criteria for determining the RAG status of savings

Assessment Criteria	Delivered	Low Risk	Medium Risk	High Risk	Potential Write-Off
Savings RAG	Saving or income realised and evidence provided that costs have been reduced or income increased.	Saving or income detail documented and robust plan in place to deliver agreed targets, showing when and who is responsible. - and / or - Saving / income will be delivered within agreed timeframes.	Saving or income lacks some clarity and / or not detailed at an adequately granular level, or at risk, but agreed plan in place to resolve and being actively managed. - and / or - Some risk of not delivering saving within agreed timeframe, leading to cost of slippage.	Limited confidence in agreed saving / income being delivered - and / or - Saving / income unclear and / or not specified at adequate granular level. - and / or - Inadequate plan / no plan agreed. - and / or - Saving not yet agreed by Directorate / Service Manager - and / or - Major risk of not delivering saving / income within agreed timeframe, leading to cost of slippage.	Agreed saving cannot be delivered. - and / or - Alternative saving options to be identified. - and / or - CLT should consider writing off the agreed saving.
Headcount Example	Officer has departed, budget has been reduced and posts have been deleted from the approved establishment.	Timescales and the specific posts to be vacated / deleted have been agreed.	Budget Manager has confirmed that posts (to agreed value and timing) will be vacated and deleted from budget.	Headcount saving proposed, but no clarity RE timescales/ posts.	Headcount reduction is considered unachievable.

Appendix 2: Economy & Skills Committee - 23/24 Savings Position as at Q2

Summary

This report updates Economy & Skills OSC on the progress in delivering the 23/24 savings agreed in the MTFS 2023/26 that fall under this committee portfolio.

An extensive review process has been undertaken between Q1 and Q2 and the position reported below is as at Q2 (End of September 23).

Background

There are ten specific areas of savings in 23/24 totalling £10.544m that fall under the committee portfolio and these are listed below on page 2.

Each area has been risk rated to indicate the current level of confidence in achieving each savings target either in-year during 23/24 or over the longer term MTFS period 2023/26. Page 4 of this appendix explains the risk rating criteria.

Quarter 2 Position

Of the Total £10.544m savings in this portfolio, £0.733m is green with low risk to delivery, £0.816m is Amber with medium risk to delivery and £8.995m is Black indicating that these savings are highly unlikely to be realised in 23/24 and alternative mitigation will need to be developed at least to balance the 23/24 budget.

The Amber items relate to vacancy management and review of £5k-£10k leases. Currently these savings are rated Amber denoting Medium Risk due to the lack of monitoring information available through Oracle. Work to deliver these savings is progressing but will need to be managed and monitored carefully throughout the year to ensure the full savings targets are achieved.

The £8.995m savings that will not be realised this year relate to Corporate Landlord (£0.500m), Disposal of Council Admin Buildings (£3.745) and Investment new Commercial Properties (£4.750m). A brief explanation of the reasons for why the savings cannot be realised in 23/24 are included in page 3 below. Work is underway to identify alternative in-year savings as part of the wider budget recovery work to mitigate the resulting budget gap and further updates on that work will be provided in due course.

Decisions will also need to be made around the longer term deliverability of these savings and where this is no longer possible they will need to be written off and longer term alternatives developed.

List of 23/24 Savings Projects & RAG status as at Q2

Directorate	OSC Portfolio	Summary Description	Delivery Risk In-Year 2023/24 (Saving) £'000	Delivery Risk Over MTFS (Saving) £'000
Place, Prosperity & Sustainability	Economy and Skills OSC	Fees & Charges 5%	(83)	(83)
Place, Prosperity & Sustainability	Economy and Skills OSC	CAB Premises - Council House Commercialisation Income generation through improved commercial offer including banqueting and events.	(50)	(50)
Place, Prosperity & Sustainability	Economy and Skills OSC	Commercial Property - Lease Event Opportunities Review of commercial property leases – includes rent reviews and extension options	(600)	(600)
		TOTAL	(733)	(733)
Place, Prosperity & Sustainability	Economy and Skills OSC	3% Turnover factor (Vacancy management)	(666)	(666)
Place, Prosperity & Sustainability	Economy and Skills OSC	Review all £5-10k leases – with a view to optimising lease income.	(150)	(150)
		TOTAL	(816)	(816)
Corporate Items	Economy and Skills OSC	B/F_Corporate Landlord (Efficiencies in Asset Management through Consolidation and Rationalisation of Council Assets/ Buildings)	(500)	(500)
Place, Prosperity & Sustainability	Economy and Skills OSC	B/F_CAB Premises - excluding Council House. Reduced costs associated with Council Admin Buildings	(1,314)	(1,314)
Place, Prosperity & Sustainability	Economy and Skills OSC	CAB Premises - excluding Council House. Reduced costs associated with Council Admin Buildings	(2,431)	(2,431)
Place, Prosperity & Sustainability	Economy and Skills OSC	Commercial Property - Active Investment Additional income through investment in Public Works Loan Board (PWLb) compliant commercial property	(2,250)	(2,250)
Place, Prosperity & Sustainability	Economy and Skills OSC	Commercial Property - Blended Approach Investment and Lease Events Additional income generated through a combination of lease reviews and investment	(2,500)	(2,500)
		TOTAL	(8,995)	(8,995)

Narrative for 23/24 in-year Non-Delivery

Economy & Skills OSC

Dir	Summary Description	2023/24 (Saving) £'000	Explanation
PPS	Corporate Landlord (Efficiencies in Asset Management through Consolidation and Rationalisation of Council Assets/ Buildings)	(500)	Work is progressing through a strategic partner however the consolidation of asset related budgets, implementation of a new corporate landlord structure and the asset rationalisation necessary to deliver savings is taking much longer than anticipated.
PPS	CAB Premises - excluding Council House. Reduced costs associated with Council Admin Buildings	(3,745)	Not deliverable in this year savings. Future occupational needs of the office premises of the Council's workforce was not fully determined. Therefore the savings assuming the disposal of the Council owned buildings has not been made. The detailed rationale and reason for this is explained in the supporting paper presented to CLT in August 23.
PPS	Commercial Property - Active Investment Additional income through investment in Public Works Loan Board (PWLB) compliant commercial property	(2,250)	These values were predicated on acquisitions and generating income over 6 months the shift in borrowing costs versus income generation means this no longer stacks up. This has been a consistent picture across the year and therefore this is commercially unachievable. In addition, PWB rules have also tightened across the past 12 months meaning acquisitions for purely investment returns is no longer compliant.
PPS	Commercial Property - Blended Approach Investment and Lease Events Additional income generated through a combination of lease reviews and investment	(2,500)	These values were predicated on acquisitions and generating income over 6 months the shift in borrowing costs versus income generation means this no longer stacks up. This has been a consistent picture across the year and therefore this is commercially unachievable. In addition, PWB rules have also tightened across the past 12 months meaning acquisitions for purely investment returns is no longer compliant.

Caveats:

- Many targets fit into multiple O&S portfolio, such as Fees & Charges, vacancy factor, thus for simplicity we have allocated to the O&S Committee where most of the target is more likely to fall.
- Some services also fall into more than one O&S portfolio – we have allocated the full target for these to the committee of higher alignment rather than split amounts.
- The total savings that need to be delivered in the 23/24 financial year may increase. Finance is currently working to close the 22/23 financial year accounts – this includes final assessment of savings delivery for the last financial year. Any further undelivered savings in 22/23 will need to be brought forward and found in 23/24 thereby increasing the overall target for 23/24.

Criteria for determining the RAG status of savings

Assessment Criteria	Delivered	Low Risk	Medium Risk	High Risk	Potential Write-Off
Savings RAG	Saving or income realised and evidence provided that costs have been reduced or income increased.	Saving or income detail documented and robust plan in place to deliver agreed targets, showing when and who is responsible. - and / or - Saving / income will be delivered within agreed timeframes.	Saving or income lacks some clarity and / or not detailed at an adequately granular level, or at risk, but agreed plan in place to resolve and being actively managed. - and / or - Some risk of not delivering saving within agreed timeframe, leading to cost of slippage.	Limited confidence in agreed saving / income being delivered - and / or - Saving / income unclear and / or not specified at adequate granular level. - and / or - Inadequate plan / no plan agreed. - and / or - <i>Saving not yet agreed by Directorate / Service Manager</i> - and / or - Major risk of not delivering saving / income within agreed timeframe, leading to cost of slippage.	Agreed saving cannot be delivered. - and / or - Alternative saving options to be identified. - and / or - CLT should consider writing off the agreed saving.
Headcount Example	Officer has departed, budget has been reduced and posts have been deleted from the approved establishment.	Timescales and the specific posts to be vacated / deleted have been agreed.	Budget Manager has confirmed that posts (to agreed value and timing) will be vacated and deleted from budget.	Headcount saving proposed, but no clarity RE timescales/ posts.	Headcount reduction is considered unachievable.

Appendix 2: Education, Children & Young People Committee - 23/24 Savings Position as at Q2

Summary

This report updates Education, Children & Young People OSC on the progress in delivering the 23/24 savings agreed in the MTFS 2023/26 that fall under this committee portfolio.

An extensive review process has been undertaken between Q1 and Q2 and the position reported below is as at Q2 (End of September 23).

Background

There are eight specific areas of savings in 23/24 totalling £10.465m that fall under the committee portfolio and these are listed below on page 2.

Each area has been risk rated to indicate the current level of confidence in achieving each savings target either in-year during 23/24 or over the longer term MTFS period 2023/26. Page 4 of this appendix explains the risk rating criteria.

Quarter 2 Position

Of the Total £10.465m savings in this portfolio, £0.328m has been delivered (blue), £0.210m is green with low risk to delivery, £2.282m is Amber with medium risk to delivery and £7.645m is Black indicating that these savings are highly unlikely to be realised in 23/24 and alternative mitigation will need to be developed at least to balance the 23/24 budget.

The Amber items totalling £2.282m relate to vacancy management and additional income through increased fees & charges. Currently these savings are rated Amber denoting medium risk due to the lack of monitoring information available through Oracle. Work to deliver these savings is progressing but will need to be managed and monitored carefully throughout the year to ensure the full savings targets are achieved.

The £7.645m savings that will not be realised this year relate to three proposals totalling £6m from the BCT and £1.645m in relation to additional vacancy factor targets allocated to the Children's & Families directorate in error. A brief explanation of the reasons for why the savings cannot be realised in 23/24 are included in page 3 below. Work is underway to identify alternative in-year savings as part of the wider budget recovery work to mitigate the resulting budget gap and further updates on that work will be provided in due course.

Decisions will also need to be made around the longer term deliverability of these savings and where this is no longer possible they will need to be written off and longer term alternatives developed.

List of 23/24 Savings Projects & RAG status as at Q2

Directorate	OSC Portfolio	Summary Description	Delivery Risk In-Year 2023/24 (Saving) £'000	Delivery Risk Over MTFS (Saving) £'000
Children & Families	Education, Children and Young People OSC	Schools Balances Saving associated with the repayment of borrowing from schools reserves to fund the historic Children, Young People and Families business Transformation Programme. This repayment period is coming to an end and will generate savings of £272k in 2022/23.	(328)	(328)
		TOTAL	(328)	(328)
Children & Families	Education, Children and Young People OSC	Education and Skill Early Retirement Saving resulting from the reducing cost of pensions	(210)	(210)
		TOTAL	(210)	(210)
Children & Families	Education, Children and Young People OSC	3% Turnover factor (Vacancy management)	(276)	(276)
Children & Families	Education, Children and Young People OSC	Fees & Charges 5%	(2,006)	(2,006)
		TOTAL	(2,282)	(2,282)
BCT	Education, Children and Young People OSC	Children's Trust - Family and Friends Cars This opportunity focuses on Family & Friends placement finding for every child at risk of need for a care placement. The default position should be to implement an assessment based on legal premise that every child should be able to live with a family member if they cannot live with their parents (Children Act 1989). Placing children with family and friends' carers is believed to provide better outcome for children in care and also represents a cost effective option.	(2,000)	(2,000)
BCT	Education, Children and Young People OSC	Children's Trust - Stronger Families Programme This opportunity focuses on Family & Friends placement finding for every child at risk of need for a care placement. The default position should be to implement an assessment based on legal premise that every child should be able to live with a family member if they cannot live with their parents (Children Act 1989). Placing children with family and friends' carers is believed to provide better outcome for children in care and also represents a cost effective option.	(3,000)	(3,000)

BCT	Education, Children and Young People OSC	<p>Children's Trust - Tackling Domestic Abuse to Support Families</p> <p>Introducing greater multi-disciplinary focus in the social work teams to enable greater risk management and support to children and families in the community. The Children's Trust has invested in deploying a small number of Domestic Abuse specialists to work alongside social workers and this is already showing positive benefit in terms of assessment, risk management and support, diverting families where appropriate from higher-tariff intervention (Child Protection, Care etc). Increased capacity will increase the reach and enable further diversion and prevention and enable the Trust to broaden the specialist advice to include Adult Mental Health and substance misuse.</p>	(1,000)	(1,000)
Children & Families	Education, Children and Young People OSC	3% Turnover factor (Vacancy management)	(1,645)	(1,645)
		TOTAL	(7,645)	(7,645)

Narrative for 23/24 in-year Non-Delivery

Education, Children & Young People OSC

Dir	Summary Description	2023/24 (Saving) £'000	Explanation
BCT	Children's Trust - Family and Friends Cars	(2,000)	Investment to deliver this saving of 2 x £4m was not approved by Invest to Deliver Board.
BCT	Children's Trust - Stronger Families Programme	(3,000)	Investment to deliver this saving of 2 x £4m was not approved by Invest to Deliver Board.
BCT	Children's Trust - Tackling Domestic Abuse to Support Families	(1,000)	Investment to deliver this saving of 2 x £4m was not approved by Invest to Deliver Board.
C&F	3% Turnover factor (Vacancy management)	(1,645)	There was an error in the calculation whereby C&F already had a budgeted staff turnover percentage which was not accounted for when the original allocation was applied. This has been reported as part of the £87m gap.

Caveats:

- Many targets fit into multiple O&S portfolio, such as Fees & Charges, vacancy factor, thus for simplicity we have allocated to the O&S Committee where most of the target is more likely to fall.
- Some services also fall into more than one O&S portfolio – we have allocated the full target for these to the committee of higher alignment rather than split amounts.
- The total savings that need to be delivered in the 23/24 financial year may increase. Finance is currently working to close the 22/23 financial year accounts – this includes final assessment of savings delivery for the last financial year. Any further undelivered savings in 22/23 will need to be brought forward and found in 23/24 thereby increasing the overall target for 23/24.

Criteria for determining the RAG status of savings

Assessment Criteria	Delivered	Low Risk	Medium Risk	High Risk	Potential Write-Off
Savings RAG	Saving or income realised and evidence provided that costs have been reduced or income increased.	Saving or income detail documented and robust plan in place to deliver agreed targets, showing when and who is responsible. - and / or - Saving / income will be delivered within agreed timeframes.	Saving or income lacks some clarity and / or not detailed at an adequately granular level, or at risk, but agreed plan in place to resolve and being actively managed. - and / or - Some risk of not delivering saving within agreed timeframe, leading to cost of slippage.	Limited confidence in agreed saving / income being delivered - and / or - Saving / income unclear and / or not specified at adequate granular level. - and / or - Inadequate plan / no plan agreed. - and / or - <i>Saving not yet agreed by Directorate / Service Manager</i> - and / or - Major risk of not delivering saving / income within agreed timeframe, leading to cost of slippage.	Agreed saving cannot be delivered. - and / or - Alternative saving options to be identified. - and / or - CLT should consider writing off the agreed saving.
Headcount Example	Officer has departed, budget has been reduced and posts have been deleted from the approved establishment.	Timescales and the specific posts to be vacated / deleted have been agreed.	Budget Manager has confirmed that posts (to agreed value and timing) will be vacated and deleted from budget.	Headcount saving proposed, but no clarity RE timescales/ posts.	Headcount reduction is considered unachievable.

Appendix 2: Finance & Resources Committee - 23/24 Savings Position as at Q2

Summary

This report updates Finance & Skills OSC on the progress in delivering the 23/24 savings agreed in the MTFS 2023/26 that fall under this committee portfolio.

An extensive review process has been undertaken between Q1 and Q2 and the position reported below is as at Q2 (End of September 23).

Background

There are £13.845m worth of savings proposals that fall under the committee's portfolio during 23/24 and these are listed below on pages 2 and 3.

Each area has been risk rated to indicate the current level of confidence in achieving each savings target either in-year during 23/24 or over the longer term MTFS period 2023/26. Page 5 of this appendix explains the risk rating criteria.

Quarter 2 Position

Of the Total £13.845m savings in this portfolio, £1.486m is green with low risk to delivery, £7.899m is Amber with medium risk to delivery, £1m is Red with higher risk to delivery and £3.460m is Black indicating that these savings are highly unlikely to be realised in 23/24 and alternative mitigation options will need to be developed at least during 23/24 to balance the in-year budget.

There are a number of Amber items but that largest two areas totalling £6.338m of the total £7.899m relate to vacancy management and additional fees & charges income. Currently these savings are rated Amber denoting Medium Risk due to the lack of monitoring information available through Oracle. However, work to deliver these savings is progressing and there is some confidence that most if not all of the target will be achieved in year. These Amber areas will need to be managed and monitored carefully throughout the year to ensure the full savings targets are achieved.

There is £1m that is currently flagged at higher risk and this is associated with maximising use of grant funding. The total target for this area is £2m, options for covering £1m of this has been identified so far with work progressing to find the remaining £1m. The low confidence around finding the additional £1m is due to the wider financial challenges across Council budgets and our confidence level of finding additional grant funding to support existing expenditure.

There is also £3.460m savings that will not be realised this year and a brief explanation of the reasons for why the savings cannot be realised in 23/24 are included in page 3 below. Work is underway to identify alternative in-year savings as part of the wider budget recovery work to mitigate the resulting budget gap and further updates on that work will be provided in due course. Decisions will also need to be made around the longer term deliverability of these savings and where this is no longer possible they will need to be written off and longer term alternatives developed.

List of 23/24 Savings Projects & RAG status as at Q2

Directorate	OSC Portfolio	Summary Description	Delivery Risk In-Year 2023/24 (Saving) £'000	Delivery Risk Over MTFS (Saving) £'000
Council Management	Finance and Resources OSC	Application platform modernisation – step up saving from prior year.	(11)	(11)
Council Management	Finance and Resources OSC	Development & Commercial - Digital advertising income and offer up of growth	(60)	(60)
Council Management	Finance and Resources OSC	Procurement - 2020/21 Expenditure Budget covered by funding	(106)	(106)
Council Management	Finance and Resources OSC	Audit - increase trading opportunities with Police, Housing Associations and Acivico	(60)	(60)
Council Management	Finance and Resources OSC	Finance - refinancing legacy systems	(700)	(700)
Council Management	Finance and Resources OSC	Business Support Efficiencies – Deletion of vacant post	(50)	(50)
Council Management	Finance and Resources OSC	Customer Services Efficiencies – Deletion of vacant post	(50)	(50)
Council Management	Finance and Resources OSC	Review Human Resources Target Operating Model - reduce posts that are vacant	(170)	(170)
Council Management	Finance and Resources OSC	Human Resources reduce growth request in Medium Term Financial Plan (MTFP)	(113)	(113)
Strategic Equals & Ptnrship	Finance and Resources OSC	3% Turnover factor (Vacancy management)	(116)	(116)
Strategic Equals & Ptnrship	Finance and Resources OSC	Efficiencies amongst non-staffing budgets	(50)	(50)
		TOTAL	(1,486)	(1,486)
Corporate Items	Finance and Resources OSC	Maximise the Use of Grant Funding – Identifying opportunities to use grant funding to fund existing GF spend releasing GF budgets for savings.	(1,000)	(1,000)
Council Management	Finance and Resources OSC	Digital advertising on key assets to generate additional income	(200)	(200)
Council Management	Finance and Resources OSC	Operational Hub Programme – rationalisation of assets.	(161)	(161)
Council Management	Finance and Resources OSC	3% Turnover factor (Vacancy management)	(4,265)	(4,265)
Council Management	Finance and Resources OSC	Personal Assistant Allocation - review use of Personal Assistant Support	(200)	(200)
Council Management	Finance and Resources OSC	Fees & Charges 5%	(2,073)	(2,073)
		TOTAL	(7,899)	(7,899)
Corporate Items	Finance and Resources OSC	B/F Maximise the Use of Grant Funding - Identifying opportunities to use grant funding to fund existing GF spend releasing GF budgets for savings.	(1,000)	(1,000)
		TOTAL	(1,000)	(1,000)

Corporate Items	Finance and Resources OSC	Improvements in Debt Management – Review Debt Management Process with a view to improving collection and reducing bad debt.	(1,900)	(1,900)
Corporate Items	Finance and Resources OSC	Automation (Oracle Optimisation) – Use of new oracle system to generate process efficiencies	(500)	(500)
Council Management	Finance and Resources OSC	Review all BCC leased properties and reduce cost of lease payments for assets	(460)	(460)
Council Management	Finance and Resources OSC	System Efficiencies	(600)	(600)
		TOTAL	(3,460)	(3,460)

Narrative for 23/24 in-year Non-Delivery

Finance & Resources OSC

Dir	Summary Description	2023/24 (Saving) £'000	Explanation
Corporate	Improvements in Debt Management – Review Debt Management Process with a view to improving collection and reducing bad debt.	(1,900)	The programme has been paused due to resourcing and focus on resolving oracle issues
Corporate	Automation (Oracle Optimisation) – Use of new oracle system to generate process efficiencies	(500)	No savings can be realised until current oracle issues are resolved.
Council Mgt	Review all BCC leased properties and reduce cost of lease payments for assets	(460)	Potential leased assets were reviewed for surrender/cost reduction options, however, none were identified to deliver any savings
Council Mgt	System Efficiencies	(600)	The proposal is a potential duplication of the oracle savings and will need to be written off and alternatives found through the budget recovery process.

Caveats:

- Many targets fit into multiple O&S portfolio, such as Fees & Charges, vacancy factor, thus for simplicity we have allocated to the O&S Committee where most of the target is more likely to fall.
- Some services also fall into more than one O&S portfolio – we have allocated the full target for these to the committee of higher alignment rather than split amounts.
- The total savings that need to be delivered in the 23/24 financial year may increase. Finance is currently working to close the 22/23 financial year accounts – this includes final assessment of savings delivery for the last financial year. Any further undelivered savings in 22/23 will need to be brought forward and found in 23/24 thereby increasing the overall target for 23/24.

Criteria for determining the RAG status of savings

Assessment Criteria	Delivered	Low Risk	Medium Risk	High Risk	Potential Write-Off
Savings RAG	Saving or income realised and evidence provided that costs have been reduced or income increased.	Saving or income detail documented and robust plan in place to deliver agreed targets, showing when and who is responsible. - and / or - Saving / income will be delivered within agreed timeframes.	Saving or income lacks some clarity and / or not detailed at an adequately granular level, or at risk, but agreed plan in place to resolve and being actively managed. - and / or - Some risk of not delivering saving within agreed timeframe, leading to cost of slippage.	Limited confidence in agreed saving / income being delivered - and / or - Saving / income unclear and / or not specified at adequate granular level. - and / or - Inadequate plan / no plan agreed. - and / or - <i>Saving not yet agreed by Directorate / Service Manager</i> - and / or - Major risk of not delivering saving / income within agreed timeframe, leading to cost of slippage.	Agreed saving cannot be delivered. - and / or - Alternative saving options to be identified. - and / or - CLT should consider writing off the agreed saving.
Headcount Example	Officer has departed, budget has been reduced and posts have been deleted from the approved establishment.	Timescales and the specific posts to be vacated / deleted have been agreed.	Budget Manager has confirmed that posts (to agreed value and timing) will be vacated and deleted from budget.	Headcount saving proposed, but no clarity RE timescales/ posts.	Headcount reduction is considered unachievable.

Appendix 2: Health & Adult Social Care Committee - 23/24 Savings Position as at Q2**Summary**

This report updates Health & Adult Social Care OSC on the progress in delivering the 23/24 savings agreed in the MTFS 2023/26 that fall under this committee portfolio.

An extensive review process has been undertaken between Q1 and Q2 and the position reported below is as at Q2 (End of September 23).

Background

There are six specific areas of savings in 23/24 totalling £9.708m that fall under the committee portfolio and these are listed below on page 2.

Each area has been risk rated to indicate the current level of confidence in achieving each savings target either in-year during 23/24 or over the longer term MTFS period 2023/26. Page 3 of this appendix explains the risk rating criteria.

Quarter 2 Position

Of the £9.708m total £1.000m has been delivered (blue), £0.700m is green denoting low risk to delivery and the remaining £8.008m is Amber with medium risk to realising the savings in 23/24.

The Amber items totalling £8.008 relate to vacancy management, additional fees & charges income and savings through the wider Adults Transformation Programme. Currently these savings are rated Amber denoting medium risk partly due to the lack of monitoring information available through Oracle and partly due to the nature of changes being implemented, particularly through the adults transformation programme, which take much longer to realise.

However, work to deliver these savings is progressing and there is some confidence that most if not all of the target will be achieved in year. These Amber areas will need to be managed and monitored carefully throughout the year to ensure the full savings targets are achieved.

List of 23/24 Savings Projects & RAG status as at Q2

Directorate	OSC Portfolio	Summary Description	Delivery Risk In-Year 2023/24 (Saving) £'000	Delivery Risk Over MTFS (Saving) £'000
Adult Social Care	Health and Adult Social Care OSC	Looking at ways to enhance ICS/CCG partnership to harness pooled resources more efficiently eg BCF Inflation	(1,000)	(1,000)
		TOTAL	(1,000)	(1,000)
Adult Social Care	Health and Adult Social Care OSC	Special Impact team (SIT) complex case review accelerated and expanded to cover high cost packages	(500)	(500)
Adult Social Care	Health and Adult Social Care OSC	Case load packages Review	(200)	(200)
		TOTAL	(700)	(700)
Adult Social Care	Health and Adult Social Care OSC	3% Turnover factor (Vacancy management)	(2,850)	(2,850)
Adult Social Care	Health and Adult Social Care OSC	Fees & Charges 5%	(1,458)	(1,458)
Adult Social Care	Health and Adult Social Care OSC	Adults Transformation Programme. Savings from reducing demand for care services through building preventative and community models to provide low level, early interventions to help people live independently with minimal statutory support needed. At the programme's core is a strengths-based approach to adult social care provision, focussing on how individuals can lead fulfilling lives and filling in the gaps with support, rather than providing blanket support which invariably results in loss of independence and fulfilment. There are a range of initiatives included, (eg increased use of home adaptations, reenabling, review of complex care packages focusing on preparation for adulthood etc.), to ensure all levels and types of need, and all age groups, can be supported in this new way.	(3,700)	(3,700)
		TOTAL	(8,008)	(8,008)

Caveats:

- Many targets fit into multiple O&S portfolio, such as Fees & Charges, vacancy factor, thus for simplicity we have allocated to the O&S Committee where most of the target is more likely to fall.
- Some services also fall into more than one O&S portfolio – we have allocated the full target for these to the committee of higher alignment rather than split amounts.
- The total savings that need to be delivered in the 23/24 financial year may increase. Finance is currently working to close the 22/23 financial year accounts – this includes final assessment of savings delivery for the last financial year. Any further undelivered savings in 22/23 will need to be brought forward and found in 23/24 thereby increasing the overall target for 23/24.

Criteria for determining the RAG status of savings

Assessment Criteria	Delivered	Low Risk	Medium Risk	High Risk	Potential Write-Off
Savings RAG	Saving or income realised and evidence provided that costs have been reduced or income increased.	Saving or income detail documented and robust plan in place to deliver agreed targets, showing when and who is responsible. - and / or - Saving / income will be delivered within agreed timeframes.	Saving or income lacks some clarity and / or not detailed at an adequately granular level, or at risk, but agreed plan in place to resolve and being actively managed. - and / or - Some risk of not delivering saving within agreed timeframe, leading to cost of slippage.	Limited confidence in agreed saving / income being delivered - and / or - Saving / income unclear and / or not specified at adequate granular level. - and / or - Inadequate plan / no plan agreed. - and / or - <i>Saving not yet agreed by Directorate / Service Manager</i> - and / or - Major risk of not delivering saving / income within agreed timeframe, leading to cost of slippage.	Agreed saving cannot be delivered. - and / or - Alternative saving options to be identified. - and / or - CLT should consider writing off the agreed saving.
Headcount Example	Officer has departed, budget has been reduced and posts have been deleted from the approved establishment.	Timescales and the specific posts to be vacated / deleted have been agreed.	Budget Manager has confirmed that posts (to agreed value and timing) will be vacated and deleted from budget.	Headcount saving proposed, but no clarity RE timescales/ posts.	Headcount reduction is considered unachievable.

Appendix 2: Homes OS Committee - 23/24 Savings Position as at Q2

Summary

This report updates Homes OSC on the progress in delivering the 23/24 savings agreed in the MTFS 2023/26 that fall under this committee portfolio.

An extensive review process has been undertaken between Q1 and Q2 and the position reported below is as at Q2 (End of September 23).

Background

There are three specific areas of savings in 23/24 totalling £6.594m that fall under the committee portfolio and these are listed below on page 2.

Each area has been risk rated to indicate the current level of confidence in achieving each savings target either in-year during 23/24 or over the longer term MTFS period 2023/26. Page 3 of this appendix explains the risk rating criteria.

Quarter 2 Position

Of the £6.594m total £0.502m is green, £0.592m is Amber and £5.500m is Black for 23/24.

The £0.592m due from additional fees & charges income is currently rated Amber denoting Medium Risk due to the lack of monitoring information available through Oracle. However, increases to fees & charges agreed by full Council have been implemented and there is some confidence that most if not all of the target will be achieved in year. Performance against income targets will be monitored throughout the year to ensure the full savings targets are achieved before the risk rating is changed.

The £5.500m rated Black and will not be realised this year relates to savings from Reducing/ Eradicating expenditure on B&B Accommodation. Reasons for this is included below on page 2.

List of 23/24 Savings Projects & RAG status as at Q2

Directorate	OSC Portfolio	Summary Description	Delivery Risk In-Year 2023/24 (Saving) £'000	Delivery Risk Over MTFS (Saving) £'000
City Housing	Homes OSC	3% Turnover factor (Vacancy management)	(502)	(502)
City Housing	Homes OSC	Fees & Charges 5%	(592)	(592)
City Housing	Homes OSC	Reducing / Eradicating B&B Accommodation	(5,500)	(5,500)

Narrative for 23/24 in-year Non-Delivery**Homes OSC**

Dir	Summary Description	2023/24 (Saving) £'000	Explanation
City Housing	Reducing / Eradicating B&B Accommodation	(5,500)	Deferred to 2024/25, reinstated the £5.4m back in the 23/24 budget. Since target set, following pandemic and 45% increase in homeless assessments over 3 years and increasing evictions from PRS and additional demands from Home Office decisions/placements into Birmingham. Opening of Oscott Gardens and circa 50% prevention outcomes, stabilised but didn't reduce numbers in B&B. Currently met B&B reduction target (agreed with DLUHC for April - August 2023, with target of 0 over 6 weeks with dependents in B&B by July 2024. Costs across TA provision have risen, rent and service charge setting for 2024-25 will seek to reflect some of this.

Caveats:

- Many targets fit into multiple O&S portfolio, such as Fees & Charges, vacancy factor, thus for simplicity we have allocated to the O&S Committee where most of the target is more likely to fall.
- Some services also fall into more than one O&S portfolio – we have allocated the full target for these to the committee of higher alignment rather than split amounts.
- The total savings that need to be delivered in the 23/24 financial year may increase. Finance is currently working to close the 22/23 financial year accounts – this includes final assessment of savings delivery for the last financial year. Any further undelivered savings in 22/23 will need to be brought forward and found in 23/24 thereby increasing the overall target for 23/24.

Criteria for determining the RAG status of savings

Assessment Criteria	Delivered	Low Risk	Medium Risk	High Risk	Potential Write-Off
Savings RAG	Saving or income realised and evidence provided that costs have been reduced or income increased.	Saving or income detail documented and robust plan in place to deliver agreed targets, showing when and who is responsible. - and / or - Saving / income will be delivered within agreed timeframes.	Saving or income lacks some clarity and / or not detailed at an adequately granular level, or at risk, but agreed plan in place to resolve and being actively managed. - and / or - Some risk of not delivering saving within agreed timeframe, leading to cost of slippage.	Limited confidence in agreed saving / income being delivered - and / or - Saving / income unclear and / or not specified at adequate granular level. - and / or - Inadequate plan / no plan agreed. - and / or - <i>Saving not yet agreed by Directorate / Service Manager</i> - and / or - Major risk of not delivering saving / income within agreed timeframe, leading to cost of slippage.	Agreed saving cannot be delivered. - and / or - Alternative saving options to be identified. - and / or - CLT should consider writing off the agreed saving.
Headcount Example	Officer has departed, budget has been reduced and posts have been deleted from the approved establishment.	Timescales and the specific posts to be vacated / deleted have been agreed.	Budget Manager has confirmed that posts (to agreed value and timing) will be vacated and deleted from budget.	Headcount saving proposed, but no clarity RE timescales/ posts.	Headcount reduction is considered unachievable.

Appendix 2: Neighbourhoods Committee - 23/24 Savings Position as at Q2

Summary

This report updates Neighbourhoods OSC on the progress in delivering the 23/24 savings agreed in the MTFS 2023/26 that fall under this committee portfolio.

An extensive review process has been undertaken between Q1 and Q2 and the position reported below is as at Q2 (End of September 23).

Background

There are seven specific areas of savings in 23/24 totalling £5.846m that fall under the committee portfolio and these are listed below.

Each area has been risk rated to indicate the current level of confidence in achieving each savings target either in-year during 23/24 or over the longer term MTFS period 2023/26. Page 3 of this appendix explains the risk rating criteria.

Quarter 2 Position

Of the £5.846m £0.019m is green, £4.837m is Amber and £0.990m is Black for 23/24.

In relation to the £0.990m of savings associated with the customer services programme in bereavement, garden waste, markets and pest control, the programme team have delivered the agreed customer service improvements as scheduled. However this did not materialise in year savings due to savings being duplicated in service areas by other cross cutting proposals i.e. fees and charges/workforce savings etc however this has delivered improved customer service outcomes and an enhanced customer experience.

Decisions will need to be made around the longer term deliverability of these savings and where this is no longer possible they will need to be written off and longer term alternatives developed.

There are also savings targets associated with vacancy management and fees & charge increases. Currently these savings are rated Amber denoting Medium Risk due to the lack of monitoring information available through Oracle. Work to deliver these savings is progressing but will need to be managed and monitored carefully throughout the year to ensure the full savings targets are achieved.

List of Savings Projects & RAG status as at Q2

Directorate	OSC Portfolio	Summary Description	In-Year 2023/24 (Saving) £'000	Over the MTFS (Saving) £'000
City Ops	Neighbourhoods OSC	Removal of Universal Superloos	(19)	(19)
		TOTAL	(19)	(19)
City Ops	Neighbourhoods OSC	3% Turnover factor (Vacancy management)	(3,307)	(3,307)
City Ops	Neighbourhoods OSC	Fees & Charges 5%	(1,530)	(1,530)
		TOTAL	(4,837)	(4,837)
Council Management	Neighbourhoods OSC	Customer Services – Bereavement. Improvements in service design to deliver efficiencies	(710)	(710)
Council Management	Neighbourhoods OSC	Customer Services - Garden Waste. Introduce autorenewal and other process improvements to maximise levels of annual subscriptions.	(80)	(80)
Council Management	Neighbourhoods OSC	Customer Services - Markets	(100)	(100)
Council Management	Neighbourhoods OSC	Customer Services - Pest Control	(100)	(100)
		TOTAL	(990)	(990)

Narrative for 23/24 in-year Non-Delivery

Neighbourhoods OSC

Dir	Summary Description	2023/24 (Saving) £'000	Explanation
Council Mgt	Customer Services – Bereavement. Improvements in service design to deliver efficiencies	(710)	Service improvement in customer services has been achieved but this will not result in in year cashable savings but will deliver improved customer service and customer experience
Council Mgt	Customer Services - Garden Waste. Introduce autorenewal and other process improvements to maximise levels of annual subscriptions.	(80)	Service improvement in customer services has been achieved but this will not materialise in year savings but will deliver improved customer service and customer experience
Council Mgt	Customer Services – Markets	(100)	Service improvement in customer services has been achieved but this will not materialise in year savings but will deliver improved customer service and customer experience
Council Mgt	Customer Services - Pest Control	(100)	Service improvement in customer services has been achieved but this will not materialise in year savings but will deliver improved customer service and customer experience

Caveats:

- Many targets fit into multiple O&S portfolio, such as Fees & Charges, vacancy factor, thus for simplicity we have allocated to the O&S Committee where most of the target is more likely to fall.
- Some services also fall into more than one O&S portfolio – we have allocated the full target for these to the committee of higher alignment rather than split amounts.
- The total savings that need to be delivered in the 23/24 financial year may increase. Finance is currently working to close the 22/23 financial year accounts – this includes final assessment of savings delivery for the last financial year. Any further undelivered savings in 22/23 will need to be brought forward and found in 23/24 thereby increasing the overall target for 23/24.

Criteria for determining the RAG status of savings

Assessment Criteria	Delivered	Low Risk	Medium Risk	High Risk	Potential Write-Off
Savings RAG	Saving or income realised and evidence provided that costs have been reduced or income increased.	Saving or income detail documented and robust plan in place to deliver agreed targets, showing when and who is responsible. - and / or - Saving / income will be delivered within agreed timeframes.	Saving or income lacks some clarity and / or not detailed at an adequately granular level, or at risk, but agreed plan in place to resolve and being actively managed. - and / or - Some risk of not delivering saving within agreed timeframe, leading to cost of slippage.	Limited confidence in agreed saving / income being delivered - and / or - Saving / income unclear and / or not specified at adequate granular level. - and / or - Inadequate plan / no plan agreed. - and / or - <i>Saving not yet agreed by Directorate / Service Manager</i> - and / or - Major risk of not delivering saving / income within agreed timeframe, leading to cost of slippage.	Agreed saving cannot be delivered. - and / or - Alternative saving options to be identified. - and / or - CLT should consider writing off the agreed saving.
Headcount Example	Officer has departed, budget has been reduced and posts have been deleted from the approved establishment.	Timescales and the specific posts to be vacated / deleted have been agreed.	Budget Manager has confirmed that posts (to agreed value and timing) will be vacated and deleted from budget.	Headcount saving proposed, but no clarity RE timescales/ posts.	Headcount reduction is considered unachievable.

Birmingham City Council

City Council

12th October 2023



Subject: Report to all Elected Members by Janie Berry, Monitoring Officer, under Section 5 Local Government and Housing Act 1989 *and*
Report to all Elected Members by Fiona Greenway, Section 151 Officer, under Section 114(2) Local Government Finance Act 1988

Report of: Janie Berry, Monitoring Officer and
Fiona Greenway, Section 151 Officer

Report author: Janie Berry and Fiona Greenway

Does the report contain confidential or exempt information? ☒ Yes ☐ No

If relevant, state which appendix is exempt, and provide exempt information paragraph number or reason if confidential :

The information in this report and its appendices is exempt from public disclosure under paragraphs 3 to 5 of Schedule 12A of the Local Government Act 1972. The exemptions relied on are as follows:

- Schedule 12A, paragraph 3 – ‘Information relating to the financial or business affairs of any particular person (including the authority holding that information)’;
- Schedule 12A, paragraph 4 – ‘Information relating to any consultations or negotiations, or contemplated negotiations, in connection with any labour relations matter arising between the authority or Minister of the Crown and employees of, or office holders under, the authority’; and
- Schedule 12A, paragraph 5 – ‘Information in respect of which legal professional privilege could be maintained in legal proceedings.’

These provisions apply because the information in this report relates to financial affairs pertaining to pay, as well as negotiations in connection with a labour relations matter and trade dispute over equal pay, which has arisen between Birmingham City Council (“the Council”) and its employees. Plus, legal proceedings have been taken by some employees involved in this trade dispute, and information relating to those proceedings is included in this report, as well as legal advice, in respect of which legal professional privilege could be maintained

1 Executive Summary

1.1 All Elected Members of Birmingham City Council are asked to consider and accept the Reports prepared by the Monitoring Officer and the Section 151 Officer issued on 21st September 2023, regarding the Council's failure to secure a decision relating to the implementation of a job evaluation programme (also known as Pay Equity System [PES]).

2 Recommendation(s)

Full Council is recommended to:

- 2.1 Agree to accept the report issued by the Monitoring Officer issued under Section 5 Local Government and Housing Act 1989; and
- 2.2 Agree to accept the report issued by the Section 151 Officer issued under Section 114 (2) Local Government Finance Act 1988.

3 Background

- 3.1 On 21st September 2023, the Monitoring Officer issued a Report under Section 5 Local Government and Housing Act 1989, as a result of the Council failing as at that date to secure a decision relating to the implementation of a job evaluation programme.
- 3.2 The key issues and context which triggered the issuing of the Section 5 Report are detailed in the report which appears as Appendix 1 attached.
- 3.3 Alongside the issuing of the Section 5 Report by the Monitoring Officer, the Section 151 Officer issued a report under Section 114 (2) Local Government Finance Act 1988 to provide her opinion that "omission of a decision by the Council Business Management Committee has resulted in (a) a decision which involves the authority incurring additional expenditure which is unlawful, and (b) the course of action (i.e. inaction) if pursued to conclusion would be unlawful and cause a loss or deficiency on the authority".
- 3.4 The key issues and context which triggered the issuing of the Section 114 (2) report are detailed in Appendix 2 attached.

4 Options considered and Recommended Proposal

- 4.1 In respect of both reports prepared by the Statutory Officers, the Council has the option to disagree with the contents of both reports. Should this occur, the Statutory Officers will need to consider the Council's reasoning and proposed response to address the concerns of omission of decision in respect of securing the implementation of a job evaluation programme. If the response is

deemed unsatisfactory to address the issues detailed within the Reports, the Statutory Officers may issue a further report pursuant to Section 5 Local Government and Housing Act 1989 and Section 114 (2) Local Government Finance Act 1988.

5 Legal Implications

5.1 Prior to issuing the reports, the Monitoring Officer and the Section 151 Officer consulted with each other and the Head of Paid Service.

5.2 Once issued, both Reports must be circulated to all Elected Members of the Council and the Reports must be considered by an Extraordinary Meeting of Full Council.

5.3 Section 5 Local Government and Housing Act 1989 places a duty on the Monitoring Officer to prepare a report is at anytime:

“any proposal, decision or omission by the authority, has given rise to or is likely to or would give rise to a contravention of any enactment or rule of law or of any code of practice made or approved by or under any enactment.

This includes the proposals, decisions or omissions by any committee or subcommittee of the authority, by any person holding any office or employment under the authority or by any joint committee on which the authority is represented.”

5.4 Section 114 (2) Local Government Finance Act 1988 requires that:

5.5 “The chief finance officer of a relevant authority shall make a Report under this section if it appears to him that the authority, a committee or a joint committee on which the authority is represented-:

- a) Has made or is about to make a decision which involves or would involve the authority incurring expenditure which is unlawful;
- b) Has taken or is about to take a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency on the part of the authority, or
- c) Is about to enter an item of account the entry of which would be unlawful”

6 Financial Implications

6.1 The financial implications are as detailed within the Cabinet Report of 25th July 2023, the Council Business Management Committee report of 1st September 2023, and the Section 114 (3) report of 5th September 2023, all of which are appended to the Section 5 Report at Appendix 1.

7 Public Sector Equality Duty

7.1 Whilst there are no equality issues directly arising from this report, there are a number of equality issues and duties to be addressed as part of the implementation of a job evaluation programme for the Council and these are

detailed within the reports appended to the Section 5 Report prepared by the Monitoring Officer.

8 Other Implications

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

The Council must operate within a robust governance framework

9 Background Papers

9.1 Not applicable.

10 Appendices

10.1 Appendix One: Report prepared by the Monitoring Officer under Section 5 Local Government and Housing Act 1989 dated 21st September 2023

- Cabinet Report – 25th July 2023;
- Council Business Management Committee Report (which contains exempt appendices in accordance with Schedule 12A Local Government Act 1972)
- Section 114(3) Report dated 5th September 2023

10.2 Appendix Two: Report prepared by the Section 151 Officer under Section 114(2) Local Government Finance Act 1988 dated 21st September 2023

Report to all Elected Members of Birmingham City Council
Under
Section 5 of the Local Government and Housing Act 1989
By

Janie Berry, City Solicitor and Monitoring Officer, Birmingham City Council

Date of Report: 21st September 2023

Purpose of Report

1. Members of the Council are asked to consider this Report prepared by the Monitoring Officer. This Report is prepared under Section 5 of the Local Government and Housing Act 1989. I am concerned that the Council has, at the date of this Report, failed to secure a decision relating to the implementation of a job evaluation programme (also known as Pay Equity System [PES]).
2. It is my duty as the Monitoring Officer to prepare a Report to the authority, if at any time it appears to them that:
 - a. *“any proposal, decision or omission by the authority, has given rise to or is likely to or would give rise to a contravention of any enactment or rule of law or of any code of practice made or approved by or under any enactment.”*
3. This includes the proposals, decisions or omissions by any committee or subcommittee of the authority, by any person holding any office or employment under the authority or by any joint committee on which the authority is represented.
4. This Report is published following statutory consultation with both the Chief Executive (Head of Paid Service) and the Interim Director of Finance and s151 Officer.
5. The purpose of this Report issued by the Monitoring Officer is to make it clear to Members of the Council that immediate steps must be taken to secure a robust PES which:
 - a. Is objective, robust and can be consistently applied and be Equality Act 2010 compliant so as to remove the risks of job enrichment, sex discrimination and cannot be open to legal challenge and thus incur future potential equal pay liability; and
 - b. Can mitigate the accruing potential equal pay liability published in June 2023, in the region of £650m-£760m with a monthly accruing liability of between £5m-£14m.

Recommendations

6. That Elected Members of Birmingham City Council consider this Report by Janie Berry, City Solicitor and Monitoring Officer issued under Section 5 Local Government and Housing Act 1989.
7. That this Report be considered at a meeting of Full Council, held no later than the end of 21 days (the maximum allowable period set out within the Local Government and Housing Act 1989) from the date of issue of this Report.
8. That Birmingham City Council (by which this means a meeting of Full Council) decide whether it agrees or disagrees with the views documented within this Report and outline what action it proposes to take because of this Report.

Summary of key issues

9. A number of issues have arisen over an extended timeline:

Context

- a. The context to the decision around a PES can be found within the Council Business Management Committee papers, dated 1st September 2023. The decision of this committee was to agree to proceed with Option 2 as outlined within the appendices to this Report.
- b. The decision by the Council Business Management Committee was required in order to limit the ongoing accrual of a potential liability in relation to Equal Pay which is current estimates to be £650m-£760m, and is accruing at a rate of between £5m-£14m per month after the 1st April 2025. Any extension to the timeline to deliver a PES by this date would incur additional liability.
- c. The quantum of this estimated liability was first shared in February 2023. This demonstrates the significant time period over which this issue has been known.

Timeline

- d. Following a Cabinet Meeting on the 25th July 2023 the funding envelope for a PES was agreed, with the delegated decision for a new PES given to Council Business Management Committee to be agreed at the earliest date.
- e. Council Business Management Committee were initially due to meet on the 17th August 2023. This was reconvened due to a delay in the publishing of papers for this committee, which was driven by the involvement of the Local Government Association in delivery of additional negotiations between Officers and Elected Members.
- f. Council Business Management Committee were subsequently due to meet on 29th August 2023 at an extraordinary meeting. This was opened and adjourned due to the receipt of a letter from Minister Rowley informing the Council of the need to ensure Best Value considerations were suitably included within any decision made by the Council.
- g. Council Business Management Committee met on 1st September 2023, and the Report to be considered excluded two of the four options on the grounds of unlawfulness as a conclusion and under the Council's Best Value duty.

Decision

- h. The decision made on 1st September 2023 to proceed with Option 2, as outlined within the appendices of this Report, was conditional on the agreement of the addendum by the three recognised Trade Unions by 09:00 on Monday 11th September 2023.
- i. At the time of writing this Report, two of the recognised Trade Unions have responded confirming that they are unwilling to accept the proposed addendum and the third has not responded in the time allowed or at all.
- j. I have as such notified the Leader of the Council (and Chair of the Council Business Management Committee) of the potential options to progress a subsequent decision by the committee. Notifications had been made on 11th September 2023 and 12th September 2023.
- k. Following consultation with the Leader on Friday 15th September 2023, the Leader agreed that a Council Business Management Committee would be scheduled to propose approval of Option 4 by the Committee.
- l. I have since received a request on Wednesday 20th September 2023 from the Leader of the Council that Council Business Management Committee does not meet at this time.

- m. As a result of this, currently there is an omission to act or make a decision on the part of the Chair of the Committee.

Consequences of a Section 5 Report

10. The effect of a Report issued by the Monitoring Officer is that the decision in question shall be suspended until the end of the first business day following consideration of the Report by an Extraordinary Meeting of Full Council.
11. During the period between issuing of the Report and the Extraordinary Meeting of Full Council no steps can be taken which give effect to any proposal or decision relating to the issue in question.

Legal Framework

12. In preparation of this Report and pursuant to the Local Government and Housing Act 1989, the Monitoring Officer is required to consult with the Head of Paid Service and the S151 Officer and has done so.
13. Section 5 of the Local Government and Housing Act 1989 requires an extraordinary meeting of Full Council to consider and decide on the contents of this Report within 21 days beginning on the day the of the Report being issued.
14. Further legal implications can be found within the Cabinet and Council Business Management Committee papers which are appended to this Report.

Next Steps

15. The requirement of this S5 Report is that an Extraordinary Meeting of the Full Council must happen within 21 days at which the Council must agree a response that addresses the issues outlined within this Report. Full Council must consider whether it agrees or disagrees with the views contained within this Report and determine action it proposes to take as a consequence.
16. As mentioned above, the Council must make a lawful decision such that a process commences to deliver a Pay Equity Scheme that concludes by 1st April 2025.
17. The timeline for activity over the coming months is as follows:
- a. 21st September 2023 – Issue S5 Report
 - b. Extraordinary Full Council Meeting by 12th October 2023 latest
 - c. Statutory deadline for Full Council to agree a response to this Report by 12th October 2023 latest

Appendices

- i. Cabinet Report – 25th July 2023
- ii. Council Business Management Committee Report – 1st September 2023
- iii. S114 Report – 5th September 2023

Janie Berry

City Solicitor and Monitoring Officer, Birmingham City Council

21st September 2023

2023 Addendum to the Job Evaluation Joint Principles Document

Between:

Birmingham City Council (BCC)

And our Trade Unions:

GMB

Unison

Unite the Union (The TUs)

This is an addendum to the Job Evaluations Joint Principles Document, dated December 2020, and should be read in conjunction with it.

Preamble

All parties now recognise that the accrued and ongoing liability for Birmingham City Council arising from its current pay and grading structure gives rise to an unaffordable potential equal pay liability of up to £760m. We acknowledge this potential liability is ongoing and increasing, therefore the long term and sustainable resolution of all potential equal pay claims means that urgent resolution is of the utmost importance to the City Council, its employees, trade unions, and the Citizens of Birmingham.

There has been considerable history relating to the progression of these issues but there is now a desire by all parties to move forward and resolve potential equal pay issues through a jointly agreed process utilising the Gauge system of Job Evaluation.

We acknowledge that any further delay to the completion of this programme will have potentially severe negative consequences for the financial viability of the City Council, security of employment and provision of services to our Citizens.

The purpose of this addendum is to provide a safeguard and certainty that the 2023 job evaluation programme will be completed in a timeframe that best minimises any ongoing potential equal pay liability and provides sustainable equality in our pay and grading system.

Principles

We jointly agree:

- 1 That the job evaluation process set out in this document and any changes to
2025 terms and conditions must be complete and implemented by 1 April
 otherwise potential liability will increase further.
- 2 To doing all within our power to maintain satisfactory progress at all stages.
- 3 To facilitate the provision of accurate information and doing all we
 reasonably can to ensure that all job descriptions, person specifications
and other information accurately reflect the reality of how any role is con-
ducted.

- 4 That only persons who have the skills and knowledge to participate in evaluation programmes will take part in the programme, and that training, including equalities training, must be undertaken in order to do so.
- 6 That working with the West Midlands Local Government Employers Organisation (WME) and with assistance from the Local Government Association (LGA) we will implement the Gauge system of Job Evaluation.
- 7 Ultimately, given the urgency of completing the programme and potential ongoing financial liabilities, both parties acknowledge that without working together in positive partnership, BCC risks a statutory intervention. We give our commitment to working constructively, positively and respectfully to help achieve programme outcomes. If it appears at any stage that timescales and/or deadlines are at risk, the Chief Executive (Head of Paid Service) and senior Representatives (supported by appropriate officers from our TUs) will urgently review the issues.

This could arise if either management or trade unions believe this risk has materialised or is raised by audit committee or external audit or the Finance & Resources Overview and Scrutiny Committee.

Recruitment and Training of Analysts

BCC will proactively and expeditiously recruit and suitably train Analysts by the end of October 2023. This will run concurrently with Stage 1 (Job Information) below.

The Job Evaluation Programme Process

The Job Evaluation Programme is split into several stages. We agree the roles and responsibilities at each stage are as follows.

Stage 1 – Job Information

BCC will ensure that managers promptly and accurately complete Job Descriptions and Person Specifications (JDPS). TUs will encourage their members to accurately and promptly complete Job Context Questionnaires. These documents together comprise the Job Information. Managers will approve the Job Information, and in doing so will use reasonable endeavours to agree the information with the employee.

TU representatives will be invited to join the JDPS training that will be held for managers, and employees will be trained in the completion of the Job Context Questionnaire.

If the Job Information remains as not agreed, the matter will be referred to a panel consisting of a BCC Analyst and a TU Analyst. If consensus cannot be reached the matter will be referred to an independent Analyst appointed by WME. Their decision will be final.

Stage 2 – Evaluation and Moderation

Each evaluation will be conducted by an Analyst appointed by WME.

On a rolling ongoing basis, a joint assurance panel consisting of an Analyst appointed jointly by the TUs, a BCC Central Job Evaluation Team representative and a WME Analyst will be established to verify that the principles of the Gauge evaluation are being consistently applied by reviewing a sample of evaluated job roles.

As the Gauge scheme is supported wholeheartedly by the TUs it is agreed that no more than 10% of roles will be reviewed. In the event there is not unanimity by the job assurance panel that the process has been followed, the job will be re-evaluated once by a senior Analyst and that decision will be final.

Once all evaluation is complete, a joint moderation panel consisting of an Analyst appointed jointly by the TUs, a WME Analyst and a representative from Directorate Management at JNC level will be convened in each Directorate. The purpose of this panel is to review the relativity of ranking within the service.

This will be followed by a cross-Directorate moderation by a TU Analyst, WME Analyst and People Partners from across the City Council.

The Statutory Officers (Monitoring Officer, s.151 Officer and Head of Paid Service) and the People and Corporate Services Director (or their Strategic Director equivalent) will not participate in any moderation panels.

Stage 3 - Model/Structure

Once completed the pay and grading structure will be subject to collective negotiations before implementation across the Council. Both parties will work towards attaining a collective agreement to implement new terms and conditions.

This stage must be completed by April 2025.

Appeals

A joint appeals panel (A BCC representative, WME representative and TU representative) will be established to hear any individual appeals arising following the implementation of the new pay and grading structure. Decisions can be made by majority of panel members and will be final.

Appeals will only be accepted on the following grounds:

- The job evaluation scheme has been misapplied,
- The Job Information provided was in error or is now out of date, or
- The job evaluation process has not been followed.

In all appeals, evidence supporting the grounds of appeal must be provided.

Maintenance of the integrity of the system

A panel consisting of a representative from WME, TUs and the Pay Equity and Equal Pay Legal group will review the list of NJC roles evaluated in the previous six months and audit a sample of those roles. This panel will also review any NJC market supplements enacted during this period.

Governance

The overall governance and progress of the project will be overseen by the finance and resources overview and scrutiny committee and the audit committee as a mandatory item on their respective work programmes. External audit will be invited to undertake regular reviews of the governance and progress of this project and will submit their findings to the City Council's statutory officers and the audit committee.

Signed

Deborah Cadman	Representative	Representative	Representative
Chief Executive Officer	GMB	UNISON	Unite the Union

Date: [xx] July 2023

Public Report

Birmingham City Council

Report to Cabinet

25 July 2023



Subject: Permanent Pay Equity (Short-Form Report)

Report of: Deborah Cadman, Chief Executive and Head of Paid Service;
Janie Berry, City Solicitor and Monitoring Officer; and
Fiona Greenway, Interim Director of Finance and Section 151 Officer

Relevant Cabinet Member: Councillor John Cotton, Leader of the Council; and
Councillor Brigid Jones, Finance and Resources

Relevant O & S Chair(s):

Report authors: Darren Hockaday, Interim Director of People and Corporate Services; and
Robert Harris, Head of Law – Permanent Pay Equity

Are specific wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No – All wards affected
		If yes, name(s) of ward(s):
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 010856/2023		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential: The information in this report and its appendices is exempt from public disclosure under paragraphs 3 to 5 of Schedule 12A of the Local Government Act 1972. The exemptions relied on are as follows: <ul style="list-style-type: none">Schedule 12A, paragraph 3 – ‘Information relating to the financial or business affairs of any particular person (including the authority holding that information)’;Schedule 12A, paragraph 4 – ‘Information relating to any consultations or negotiations, or contemplated negotiations, in connection with any labour relations matter arising between the authority or Minister of the Crown and employees of, or office holders under, the authority’; andSchedule 12A, paragraph 5 – ‘Information in respect of which legal professional privilege could be maintained in legal proceedings.’ These provisions apply because the information in this report relates to financial affairs pertaining to pay, as well as negotiations in connection with a labour relations matter and trade dispute over equal pay, which has arisen between Birmingham City Council (“the Council”) and its employees. Plus, legal proceedings have been taken by some employees involved in this trade dispute, and information relating to those proceedings is included in this report, as well as legal advice, in respect of which legal professional privilege could be maintained.		

Executive Summary

1 Purpose of this paper

- 1.1 The purpose of this paper is to ask Cabinet to approve funding and procurement of the resources required to conduct a job evaluation study and implement a new pay structure that best delivers the objectives set out in this paper (see paragraph 2.8 below). Such resources are a permanent Pay Equity team and Pay Compliance unit, recruitment, training of personnel to carry out the job evaluation and pay and grading programme, and relevant licences as appropriate (detailed areas of financial approval are set out in section 6 below). Please note that options to deliver job evaluation for both NJC and JNC grades can require one or a combination of different methodologies. Internal-led methodologies will require additional resource to ensure the required capacity and capability to deliver within an ambitious timescale. Therefore, a range of funding up to a maximum level will cover different routes.
- 1.2 By Cabinet approving funding and procurement, this will enable the Council Business Management Committee (CBMC), which has delegated authority on HR-related matters, to subsequently approve the methodology that best meets the aims of the job evaluation study as set out below. This paper provides a framework to inform Cabinet of the options under consideration and their merits and risks.
- 1.3 This report should be read in conjunction with Appendix 1 (11.1), which provides background and detail of the context to this report.

2 Background

- 2.1 Given issues raised as a result of the implementation of the Oracle ERP System, the Council's leadership instructed the interim Director of Finance and Section 151 Officer and City Solicitor and Monitoring Officer to undertake a refreshed analysis and further due diligence of the Council's projected liability in relation to equal pay claims.
- 2.2 The estimated potential equal pay liability was made public in a Council statement on 28 June 2023. That statement gave a range of between £650m and £760m and an accrual rate of £5m to £14m per month.
- 2.3 The principal solution to the Council's equal pay issues is the delivery of new terms and conditions of employment following a consistently and objectively applied job evaluation study and a new pay structure that complies with the relevant provisions of the Equality Act 2010.
- 2.4 The estimated range of potential liability assumes that new terms and conditions will be implemented by 1 April 2025. Any delay to this implementation date will add to the potential liability estimate.
- 2.5 The implementation timescale is influenced by a combination of the selection of a methodology that delivers the objectives of the job evaluation study (see

paragraph 2.8 below) and maintaining stable industrial relations whereby the trade unions are engaged in the methodology and fully cooperate in support of its implementation. This is an integral part of the choice of methodology. A strict timescale with delivery gates will need to be adhered to where all parties are held to account on the outcomes required at each stage. BCC recognises three trade unions within collective bargaining, which will be referred to as Trade Unions within this report.

- 2.6 Close monitoring of the milestones and delivery of job evaluation is critical to achieve the implementation deadline of April 2025. To support delivery of the programme, in addition to the support and views of external audit, Finance and Resources Overview and Scrutiny Committee and Audit Committee will be invited to assist with the performance monitoring by the addition of job evaluation to their Committee work plans and therefore as a standing item at each meeting. If it becomes apparent, via this monitoring and oversight, that the deadline cannot be met, the Council may terminate the process and explore alternative routes to achieve the programme outcomes.
- 2.7 At the conclusion of the job evaluation study, it is the preference for the Council to seek a smooth and timely adoption of new terms and conditions through collective bargaining. Furthermore, unstable trade union relationships would lengthen any methodology and potential industrial action would delay any implementation and therefore add to the Council's accruing potential equal pay liability.
- 2.8 Two principal objectives are essential for a new job evaluation study:
- 2.8.1 That it must be **objective, robust, reliable, and Equality Act 2010 compliant**; and
- 2.8.2 That it must be carried out in the **shortest possible timescale** given the size of potential liability referred to above and the estimated accrual rate.
- 2.9
- It is therefore imperative that a job evaluation study is conducted, a new pay structure created, and new terms and conditions are implemented with all speed to achieve the **1 April 2025** date. If the Council's job evaluation and pay and grading programme goes beyond that date, the current figure of £650m to £760m is likely to increase at the rate given at paragraph 2.2 above.
- 2.10 Funding for a job evaluation and pay and grading programme was approved by Cabinet in April 2022 and this programme was developed from that date until the end of 2022. The Programme Team re-evaluated the programme based on the identified need for a quicker delivery time.
- 2.11 A job evaluation programme requires the following elements: recruitment, training, evaluation, moderation, pay modelling, appeals, statutory consultation, and implementation of the new structure and new terms and conditions of

employment. A collective agreement exists with Job Evaluation principles aligned to the Gauge based methodology and agreed and signed in January 2021. If the Council were to step outside of the collective agreement arrangements in implementing a Job Evaluation scheme this could lead to an industrial dispute.

- 2.12 At the end of the job evaluation study, new terms and conditions of employment will need to be introduced. Only at this point will any of the current ongoing potential liability be brought to an end.
- 2.13 To highlight the challenge of changing/introducing terms and conditions of employment, there are several recent examples nationally where councils and trade unions have failed to reach agreement – this is increasingly common and consequently has led to an increase in dismissal and re-engagement processes to secure council-wide implementation. These councils used a Gauge-based methodology to evaluate jobs (as the current programme intends). Similarly, in another example, a council used an alternative outsourced methodology (not Gauge), and this too resulted in a stalemate and agreement with trade unions has so far not been possible to change terms and conditions of employment through a collective agreement, and dismissal and re-engagement is the only remaining option.
- 2.14 To minimise risk, changes to terms and conditions of employment through collective bargaining is better served with cooperative trade union relations in the run up to this part of the process, notwithstanding that there is inherent risk that the consultation process could be protracted based on any or all trade unions not accepting an outcome where roles have been downgraded for example.
- 2.15 When the Council had previously sought to address equal pay risks, it issued redundancy notices to employees in the role giving rise to such risks as the mitigation strategy. At the time, this led to an industrial dispute and strike action by the trade union representing workers in the said role. This serves to highlight the risk of any potential changes to grades and pay and the prospect of resulting industrial action.
- 2.16 The above serves to demonstrate the challenges that may face the Council irrespective of the methodology that is used to carry out its job evaluation study, noting the history of equal pay at the Council is not comparable with the majority of other councils.
- 2.17 Any job evaluation methodology has its risks, and the heightened challenge comes at the phase of changing terms and conditions of employment so as to implement the product of the job evaluation study. Any changes to terms and conditions will be contentious and have proved to be in the recent history of the Council as referred to at 2.15, this remains a significant risk. Decisions on job evaluation methodology, based on current assessments, need to take into account how to reduce the probability of non-acceptance and/or a trade dispute and potential strike action. However, whilst it is recognised that a constructive and stable relationship with the recognised trade unions, aided by their support

in using the current Gauge methodology will aim to mitigate potential issues at the implementation stage; this is not the only consideration. Upon implementation of any scheme, there are likely to be winners and losers. Some of those losers may well be members of the recognised trade unions.

- 2.18 Protecting the pay of those whose salary is downgraded may not always be possible, because of the ongoing equal pay risk that this may represent. In such situations it makes the possibility of a collective agreement being reached with the trade unions difficult, whichever methodology (NJC, GLPC or outsourced) is chosen. For this reason, dismiss and re-engage remains an option, but not preferred (as per 2.6).

3 The Current Programme

- 3.1 This Gauge-based job evaluation programme was based on the establishment of 12 panels, each led by a job evaluation analyst with a trade union evaluation partner and a management evaluation partner to evaluate the circa 3,200 roles that exist within the Council, Birmingham Children's Trust ("BCT"), Acivico, and maintained schools.
- 3.2 The re-evaluation of the programme was based upon concerns that it would not best meet the Council's objectives – particularly of timescale. Once this was understood, officers set about consultation and engagement with the trade unions to explore how the job evaluation programme could meet the two key objectives required (see paragraph 2.8 above).
- 3.3 The process of trade union engagement/consultation commenced in January 2023 and has continued intensively up until the finalisation of this paper. Engagement/consultation with the recognised trade unions looked to address concerns that may have had an influence on timescale to complete the programme. Essentially, the existing approach using the NJC Gauge methodology is resource intensive and open to the risk of an elongation of timescale.

4 Summary of Options Considered

- 4.1 The current programme is a **Gauge-based system** for all NJC (Green Book) grades on using existing assumptions whereby trade union colleagues partake in each evaluation panel is time consuming and assumes that experienced analyst resource could be found.
- 4.2 A **Gauge-based system partnering with West Midlands Employers** (and other sources of resource) for NJC roles where all panels are led by analyst-only panels. The reason this differs from option 1 is the trade union involvement as detailed in the new proposed draft addendum to the Principles Document (see appendix 1), which involves the trade unions in moderation and appeals, but no involvement in the evaluation stage other than potentially sampling (involvement in the benchmarking exercise has yet to be resolved as part of the addendum

document, shown in the appendix of this report). There are two inputs to the time in this particular methodology and approach, one is Trade Union involvement (dealt with within the addendum document), and the other is securing the scarce resource needed to enable this methodology. To ensure the integrity of the system, trade unions will do a sample of parallel evaluations. There is a risk to this option, in that the process would involve bringing in a large pool of resources that would need to be recruited, trained and developed. The best evidence to date indicates there is a national scarcity of suitably trained resource required to deliver the methodology.

In this option, if it appeared at any stage that timescales and/or deadlines are at risk, the Chief Executive (Head of Paid Service) and senior trade union representatives (supported by appropriate officers from our recognised trade unions) would urgently review the issues. This could arise if either management or trade unions believe this risk has materialised or is raised by Audit Committee, external audit or the Finance & Resources Overview and Scrutiny Committee.

In this option, all JNC roles would be evaluated using an outsourced provider.

4.3 A different job evaluation method can be used for NJC and JNC roles via an **outsourced programme** to an external supplier or suppliers. See table in section 5 below.

4.4 The **Greater London Provincial Councils Job Evaluation System (“GLPC”)** is a job evaluation methodology that is used by London councils and in some local authorities outside London. GLPC has similarities to the NJC (Gauge) scheme, but it is not identical. Nevertheless, an analyst-led process using GLPC (following similar processes as for the WME option (see 4.2) is expected to require similar resources. Because of its structure, GLPC has proven to be more effective than the NJC/Gauge route at producing clusters of roles so as to facilitate grade structuring. This can lead to more distinct grade boundaries.

Due to the unfamiliarity of this scheme compared with options at paragraph 4.1 and 4.2, there is increased risk as our employees are not familiar with the approach, and this would result in further training required. This process also does not form any part of a collective agreement, which may elongate the timeline.

5 Summary of options under consideration

5.1 To assist the Cabinet in its decision making, the above options have been considered and collated over an intensive seven-month period involving trade union consultation and engagement. These options are summarised in the table below, with their various risks and merits and to what extent they achieve the objectives identified at 2.8.

	Gauge+ via Panels	Gauge+ via WME	Outsource	GLPC
Estimated costs (inc. central team) based on several assumptions	£15.3m	£10.8m	£16m	£10.8m
Industrial Relations <i>Potential mitigations of industrial disputes are not explored for any the options in this paper</i>	<ul style="list-style-type: none"> Risk of no agreement on implementation Up to implementation this potentially reduces the risk of non cooperation with the Trade Union preferred methodology 	<ul style="list-style-type: none"> Risk of no agreement on implementation Up to implementation this potentially reduces the risk of non cooperation with the Trade Union preferred methodology 	<ul style="list-style-type: none"> Risk of no agreement on implementation 	<ul style="list-style-type: none"> Risk of no agreement on implementation
Principal risks	<ul style="list-style-type: none"> Inability to recruit analysts Availability of Management Partners Length of programme and consequent potential equal pay liability accrual 	<ul style="list-style-type: none"> Inability to recruit analysts Lack of certainty of timescale and consequent risk of increase in potential equal pay liability accrual Length of programme and consequent potential equal pay liability accrual 	<ul style="list-style-type: none"> Lack of Trade Union support (although some authorities have successfully outsourced with a degree of Trade Union cooperation) Length of programme and consequent potential equal pay liability accrual 	<ul style="list-style-type: none"> 'London Councils' only have 2 evaluators Inability to recruit analysts Lack of certainty of timescale and consequent risk of increase in potential equal pay liability accrual Length of programme and consequent potential equal pay liability accrual
All above options Equality Act 2010 compliant				

6 Recommendations

It is recommended that Cabinet:

- 6.1.1 Approves a budget of up to £20m to take account of any risks for an expedited programme to be funded from the Policy Contingency Fund, including the establishment of a Permanent Pay Equity team and adjacent Pay Compliance unit to ensure that the equitable pay position achieved through the permanent pay equity programme is maintained in the future (see appendix 4).
- 6.1.2 Notes that any scheme that is chosen must be implemented by April 2025, to avoid the potential liability increasing beyond the estimated range.
- 6.1.3 Notes that the decision-making body for the methodology will be the Council Business Management Committee, with monitoring and oversight to be provided by the Finance and Resources Overview and Scrutiny Committee and the Audit Committee, as a regular item on their respective work programmes.
- 6.1.4 Following the decision by Council Business Management Committee authorises the running of compliant procurement processes (via either a direct award or a mini competition) under a framework agreement or other compliant route (as more fully described in appendix 1) to appoint a supplier or suppliers that prove(s) to be the most economically advantageous to deliver an expedited programme. This is based on a combination of one or more different methodologies for NJC and JNC. The supplier(s) would be providing a programme of job evaluation, pay equity analysis, and the creation of a new pay model in consultation with the Council and the trade unions.
- 6.1.5 Delegates the award of the contract(s), following the outcome of the compliant procurement process or processes, to the Interim Director of People and Corporate Services in conjunction with the Interim Director of Finance and Section 151 Officer and the City Solicitor and Monitoring Officer.
- 6.1.6 Notes when delivered, these elements will, on the introduction of new terms and conditions of employment, stop the current accrual of potential equal pay liabilities; provide the Council with a statutory defence to any future equal value claims; and maintain a pay equity system within the Council.

7 Background

- 7.1 See appendix 1.

8 Options Considered

- 8.1 See appendix 1.

9 Consultation

9.1 See appendix 1.

10 Risk Management

10.1 The programme team has, as part of the CPMO process, established a full assessment of the risks involved in the programme, together with the proposed mitigations and contingencies where appropriate.

11 Compliance Issues:

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

11.1.1 The recommended decisions are consistent with the Council's overarching equal pay strategy, the primary objective of which is to draw a line under the issue of equal pay in the organisation.

11.2 Legal Implications

11.2.1 See appendix 1.

11.3 Financial Implications

11.3.1 See appendix 1.

11.4 Procurement Implications

11.4.1 See appendix 1.

11.5 Human Resources Implications

11.5.1 See appendices 1 and 4.

11.6 Public Sector Equality Duty

11.6.1 The recommended proposals will limit and address any adverse equality impact on staff at the Council in the quickest possible timeframe and, in the opinion of officers involved in the permanent pay equity programme, in the most reliable way. They will also ensure compliance with the Public Sector Equality Duty and with Part 5, Chapter 3 of the Equality Act 2010.

12 Appendices

12.1 Appendix 1: Permanent Pay Equity: Long-Form Report dated 25 July 2023

12.2 Appendix 2: Addendum to Principles Document

12.3 Appendix 3: Glossary

12.4 Appendix 4: Structures of Permanent Pay Equity Team and Pay Compliance Unit

13 Background Documents

13.1 Cabinet Report on Job Evaluation and Pay and Grading dated 26 April 2022

Glossary

APPENDIX 4

1.	Equality Act 2010
1.1	The Equality Act 2010 was enacted on 8 April 2010 and replaced the Equal Pay Act 1970. It is the primary piece of equal pay legislation in the UK and is concerned with the establishment of equal terms and conditions of employment for employees.
1.2	Section 66(1) of the Equality Act 2010 provides that every person's employment contract includes an <i>equality clause</i> , by which they are entitled to any term that a comparator of the opposite sex who is in the "same employment" enjoys that they do not or that is more favourable.
1.3	For the <i>equality clause</i> to bite, 'equal work' needs to be established. This can be done in three ways: <ul style="list-style-type: none">1) By a worker establishing that they are doing like work with a comparator of the opposite sex (i.e. they are doing the same, or broadly the same, job); or2) By a worker establishing that they are doing work rated as equivalent with that of a comparator of the opposite sex following a job evaluation study (i.e. they are doing different jobs at the same grade); or3) By a worker establishing that they are doing work of equal value to that of a comparator of the opposite sex (i.e. they are doing different jobs, either at different grades or where no job evaluation study has been carried out, but the 'value' of their work is equal).
2.	Equal Value
2.1	An employee can claim work of equal value if they are not employed on like work or work rated as equivalent , and provided they can show their work is equal to that of a comparator of the opposite sex in terms of the demands made on them by reference to factors such as effort, skill, and decision-making . This type of claim is usually brought where an employer has not undertaken a job evaluation study, or where the two jobs in question have different grades under such a study, but there are reasonable grounds for suspecting that the study was based on a system that discriminates because of sex or is otherwise unreliable.
3	Job Evaluation
3.1	A job evaluation study is a systematic procedure for analysing a group of jobs (as opposed to the individuals undertaking them). The results of the analysis are then used to give each job a numerical score in order to rank them, from the most valuable downwards. They will then be grouped into salary bands and all jobs

within a particular band will be "rated as equivalent" for the purposes of the Equality Act 2010.

A good job evaluation study typically possesses several key characteristics. Here are some important aspects to consider:

- **Validity:** The job evaluation study should accurately and reliably measure the factors that determine the value of different jobs. It should reflect the true distinctions between jobs based on factors such as skill, effort, responsibility, and working conditions.
- **Objectivity:** The evaluation process should be objective and unbiased. It should rely on standardised criteria and methods that are consistently applied to all jobs, regardless of personal characteristics or preferences.
- **Job-relatedness:** The study should focus on evaluating jobs based on their content and requirements, rather than the individuals performing them. It should consider the tasks, skills, knowledge, responsibilities, and qualifications necessary for each job.
- **Comprehensive:** A good job evaluation study should cover a wide range of job factors and dimensions. It should capture the full scope of job requirements and reflect the various aspects that contribute to the job's value.
- **Consistency:** The evaluation process should produce consistent results when applied to similar jobs within an organization. It should minimise subjective judgment and ensure that similar jobs receive similar evaluations and compensation.
- **Non-discriminatory and reliable:** The study should not be based on a system that discriminates because of sex, and it should not be otherwise unreliable.
- **Regular review:** A good job evaluation study should be periodically reviewed and updated to reflect changes in job roles, industry standards, and organisational needs. This ensures its ongoing relevance and effectiveness, and it provides assurance in terms of there being an ongoing application and embedding of the study and its methodology in the organisation.

By incorporating these characteristics, a job evaluation study can provide a solid foundation for fair and equitable compensation practices, supporting organisations in making informed decisions regarding job classification, pay structures, and salary administration. It also provides an employer with a statutory defence to **equal value** claims.

Public Report

Birmingham City Council

Council Business Management Committee

1st September 2023



Subject:	Pay Equity System
Report of:	Janie Berry, City Solicitor and Monitoring Officer. Fiona Greenway, Interim Director of Finance and Section 151 Officer; and Deborah Cadman, Chief Executive and Head of Paid Service
Relevant Cabinet Member:	Councillor John Cotton, Leader of the Council
Relevant O &S Chair(s):	Councillor Jack Deakin, Finance and Resources Overview and Scrutiny Committee
Report authors:	Darren Hockaday, Acting Director of People and Corporate Services

Does the report contain confidential or exempt information?

☒ Yes

☐ No

If relevant, provide exempt information paragraph number or reason if confidential:

The information in this report and its appendices is exempt from public disclosure under paragraphs 3 to 5 of Schedule 12A of the Local Government Act 1972. The exemptions relied on are as follows:

- Schedule 12A, paragraph 3 – '*Information relating to the financial or business affairs of any particular person (including the authority holding that information)*';
- Schedule 12A, paragraph 4 – '*Information relating to any consultations or negotiations, or contemplated negotiations, in connection with any labour relations matter arising between the authority or Minister of the Crown and employees of, or office holders under, the authority*'; and
- Schedule 12A, paragraph 5 – '*Information in respect of which legal professional privilege could be maintained in legal proceedings.*'

These provisions apply because the information in this report relates to financial affairs pertaining to pay, as well as negotiations in connection with a labour relations matter and trade dispute over equal pay, which has arisen between Birmingham City Council ("the Council") and its employees. Plus, legal proceedings have been taken by some employees involved in this trade dispute, and information relating to those proceedings is included in this report, as well as legal advice, in respect of which legal professional privilege could be maintained.

1 Purpose

- 1.1 The purpose of this report is to agree a renewed Pay Equity System (PES) consisting of a job evaluation study and new pay structure, to be delivered by no later than 1st April 2025. A renewed PES is critical to ending pay inequity and ensuring all staff are treated fairly.
- 1.2 The options set out in this report are intended to deliver a job evaluation study and a new pay structure for NJC grades within Birmingham City Council (BCC), Birmingham Children's Trust (BCT), Acivico and maintained schools. A further report will be brought to this Committee at a future date that addresses JNC grades.
- 1.3 This is a supplemental report to that published on 25th August 2023, for the meeting of this Committee scheduled for 29th August 2023. This report has been updated to take into account the Council's Best Value Assessment of the job evaluation options detailed at Appendix 7 of the report and referenced at Section 9 of this report. Additional legal advice has been sought in respect of the four options as presented in the report published on 25th August 2023. The independent legal advice now received from two Leading Counsel advise that Option 3 cannot be lawfully supported (as detailed within the Legal Implications) and the proposed recommendation to the Committee is for Option 2 and Option 4 to be considered. Statutory Officers have also advised that Option 1 is incompatible with best value obligations as it exposes the Council to significant ongoing liability (as detailed within the Financial Implications).

2 Recommendations

- 2.1 To note:
 - 2.1.1 That the Committee is required to make a decision based on the two objectives (listed in i. and ii. below) that are essential for a new job evaluation study for BCC (as set out in the report to Cabinet on 25th July) and the assessment against Best Value principles (at Appendix 7):
 - i. That it must be objective, robust, consistently applied, and Equality Act 2010 compliant; and
 - ii. That it must be conducted in the shortest possible timescale given the size of potential liability referred to above and the estimated accrual rate and noting that Cabinet has recommended that implementation should be on or before 1st April 2025.
- 2.2 It is recommended:
 - 2.2.1 That the Council Business Management Committee consider the adoption of either Option 2 (see 2.2.2 below and section 7) or Option 4 (see 2.2.3 below) contained within this report and**

make a decision on the PES methodology to be delivered based on the respective merits and risks.

2.2.2 To note that Option 2 (NJC Gauge delivered in conjunction with West Midlands Employers (WME)) is set out at section 12 of this report and is conditional on:

- i. A signed Addendum to the Principles Collective Agreement between the recognised trade unions and BCC attached at Appendix 3 of this report, including Points of Further Clarification;
- ii. The assurances set out at paragraph 12.7;
- iii. An immediate start to implementation at the point of decision, Friday 1st September 2023; and,
- iv. If the Addendum is not signed by 09:00am Monday 11 September 2023, that then means Option 2 is not practical to implement and the Council reserves the right to choose an alternative PES.

2.2.3 To note that Option 4 (outsource to an external provider) is set out in Section 14 of this report.

2.3 That the committee notes that, if it becomes apparent at any stage of the process that the deadline of April 2025 cannot be met or other concerns become clear, such as a deviation from the methodology agreed and any associated agreements and lack of evaluator resource, the Council may terminate the process and explore alternative methodology routes to achieve the programme outcomes. Should the need for this arise, the recognised Trade Unions will be consulted and engaged appropriately.

3 Background and Context

3.1 The estimated potential equal pay liability was made public in a Council statement on 28 June 2023. That statement gave a range of between £650m and £760m and an accrual rate of £5m to £14m per month. Since publishing this statement, the Council has received correspondence from one of the recognised Trade Unions advising of further potential Equal Pay claims being issued against the Council. This has the capability to further increase the potential financial liability on the Council.

3.2 Given issues raised as a result of the implementation of the Oracle ERP System, the Council's leadership instructed the interim Director of Finance (and S151 Officer) and Monitoring Officer to undertake a refreshed analysis and further due diligence of the Council's projected liability in relation to potential equal pay liabilities.

3.3 The principal solution to the Council's equal pay issues is the delivery of new terms and conditions of employment following a job evaluation study and a new pay structure that complies with the relevant provisions of the Equality Act 2010.

- 3.4 The estimated range of potential liability assumes that new terms and conditions will be implemented by no later than 1st April 2025. Any delay to this implementation date will add to the potential equal pay liability estimate.
- 3.5 Two objectives are essential for a new job evaluation study for BCC:
- 3.5.1 That it must be objective, robust, consistently applied, and Equality Act 2010 compliant; and
 - 3.5.2 That it must be conducted in the shortest possible timescale given the size of potential liability referred to above and the estimated accrual rate and noting that Cabinet has recommended that implementation should be on or before 1st April 2025.
- 3.6 On 25 July 2023, the Cabinet approved a budget of up to £20m for the delivery of a PES and ancillary resources in pursuit of the PES and for the establishment of a permanent Pay Equity Team and Pay Compliance Unit to ensure the maintenance of the PES once completed. The Cabinet further agreed that the delivery date for the PES must be no later than 1st April 2025 in order to limit the further accrual of the potential equal pay liability.
- 3.7 The Council is committed to working with relevant stakeholders (including Trade Unions) to make this happen as soon as possible, so that the focus of the organisation can return to delivering “best in class” services, tackling inequality and making Birmingham a great place to live for all its citizens. For any of the options to be successful it is imperative that there is a positive collaboration between the Trade Unions and the Council.
- 3.8 Unstable Trade Union relationships would lengthen the progression of any methodology and potential industrial action would delay any implementation and therefore add to the Council’s accruing potential equal pay liability. At the conclusion of the job evaluation study, it is the preference for the Council to seek a smooth and timely adoption of new terms and conditions through collective bargaining with its three recognised Trade Unions.

4 Implementation assurance and governance

- 4.1 Close monitoring of the milestones and delivery of job evaluation is critical to achieve the implementation deadline of 1st April 2025. The following will support delivery of the programme:
- Challenge and oversight of External Audit.
 - Regular oversight by the Council’s Statutory Officers and Corporate Leadership Team.
 - Finance and Resources Overview and Scrutiny Committee and Audit Committee will contribute to the performance monitoring by the addition of job evaluation to their respective Committee work plans as a standing item on their agenda.

- 4.2 Monitoring and oversight may be modified or enhanced as the programme progresses.
- 4.3 If it becomes apparent at any stage of the process that the deadline cannot be met or other concerns become clear, such as a deviation from the methodology agreed and any associated agreements and lack of evaluator resource, the Council may terminate the process and explore alternative methodology routes to achieve the programme outcomes. Should the need for this arise, the recognised Trade Unions will be consulted and engaged appropriately.

5 Job evaluation study

- 5.1 A job evaluation study starts with the Recruitment and Training of those who will participate. Once that is complete it comprises the following stages:
- Stage 1: Job Information
 - Stage 2: Evaluation and Moderation
 - Stage 3: Model and Structure
- 5.2 This is followed by a period of negotiation and implementation of a new pay and grading structure.
- 5.3 Any appeals by employees against outcomes will occur after the date of implementation of a new structure and new terms and conditions of employment.
- 5.4 To aid the maintenance of the job evaluation system, there is some advantage for the Council to seek to procure a single evaluation methodology throughout NJC and JNC roles. This would promote equity in the entire pay system and ensure that all roles are evaluated on an equal basis with the boundary between NJC and JNC roles properly defined.
- 5.5 However, it is recognised that to provide a robust job evaluation methodology for JNC graded employees, an alternative option may be required as the NJC Gauge methodology is not applicable. Therefore, references to time stated for the PES options in this paper does not account for JNC grade evaluation and there is no decision being sought from the Committee for this cohort.

6 The Current Job Evaluation Programme

- 6.1 The current programme was approved in the April 2022 Cabinet report on 'Job evaluations and Pay and Grading'. Hereinafter this will be referred to as "the current programme".
- 6.2 The current programme is based on the establishment of 12 panels, each led by a job evaluation analyst with a trade union evaluation partner and a management evaluation partner to evaluate the circa 3,200 roles that exist within the Council, Birmingham Children's Trust ("BCT"), Acivico, and maintained schools.

- 6.3 The approach of this option is set out in a collective agreement called “Joint Principles for Job Evaluation” dated December 2020. Hereinafter called the “Principles Document”.
- 6.4 The current programme is calculated by the project team to take more than 54 months to deliver.

7 Developments since April 2022

- 7.1 Contained within the private report.

8 Alternative options to the current programme

- 8.1 From officers’ assessment of the situation, informed by engagement with external audit and external lawyers, and the recent announcement of the Council’s potential equal pay liability, it is clear that an end-to-end job evaluation process plays a pivotal role in the resolution of the equal pay issues facing the Council.
- 8.2 An approach will be needed that meets the required criteria and provides the Council with a proven, objective, and consistent job evaluation methodology or methodologies that can deliver all original programme objectives, end-to-end, to achieve an implementation date of no later than 1 April 2025.
- 8.3 Given the concerns outlined (at section 7 above) about the current programme and the need to meet the key objectives it has been essential to review a number of methodologies.
- 8.4 The City Council and our recognised Trade Union partners have been engaged in consultation since January 2023 with the aim of reaching agreement on a job evaluation methodology that both meets the April 2025 deadline and provides a robust pay equity solution which protects the Council from future equal pay claims. The Unions have adopted a positive and co-operative approach to discussions over a Gauge WME option and share our commitment to delivering a new and equitable pay and grading system by the crucial April 2025 deadline.
- 8.5 It became apparent early on that application of the current programme (Option 1 below), that is the full NJC Gauge system would not meet the deadline of April 2025. In addition, given our unique and challenging history of equal pay claims and previous unsuccessful equal pay studies, there is a risk of inequity in assessments caused by role enrichment. We also note paragraph 4.3, in which the Council may terminate any process and explore an alternative methodology should it become apparent the deadline cannot be met.
- 8.6 There are four options for a PES to be considered by the Committee:
- 8.6.1 Option 1: Use the current approach of NJC Gauge system in full (the current programme). *(NB: as referenced in para 1.3 this option is further discounted due to the Best Value assessment)*
 - 8.6.2 Option 2: Use an adapted version of NJC Gauge in co-operation with West Midlands Employers (“WME”), Version A (“WME Gauge A”).

8.6.3 Option 3: Use an alternative adapted version of NJC Gauge in co-operation with West Midlands Employers, Version B (“WME Gauge B”). *(NB: as referenced in para 1.3 this option is no longer proposed for the Committee’s consideration)*

8.6.4 Option 4: Outsource job evaluation to a third-party specialist supplier.

9 Option considerations

9.6 Best Value Assessment

9.7 On Tuesday 29th August 2023 the Leader of the Council received a letter from the Department for Levelling Up, Housing & Communities (DLUHC) Minister Lee Rowley MP. This letter asks for assurances that the options presented to the Council Business Management Committee (CBMC) and any decision taken related to equal pay complies with the Council’s Best Value duty under the terms of the Local Government Act 1999.

9.8 The Best Value Duty relates to the statutory requirement for local authorities and other public bodies (defined as best value authorities in the Local Government Act 1999) to “make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness”. In practice, this covers issues such as how authorities exercise their functions to deliver a balanced budget, provide statutory services, and secure value for money in all spending decisions.

9.9 This letter of 29th August states that “Given the size of the unweighted litigation liability as communicated by your officers - £1.15bn – it is prudent that I seek written assurances that decisions taken by the Authority represent value for money and do not adversely impact on the level of support the Government may need to provide”.

9.10 On Tuesday 29th August 2023 the Leader of the Council (and chair of the Committee) proposed adjourning the Council Business Management Committee until Friday 1st September 2023 to enable an assessment of the options in the report against the Best Value Duty to be completed to supplement this report.

9.11 A summary of this assessment is at Appendix 7.

10 Common stages in the process

10.1 Each of the options have common stages. These are:

10.2 Stage 1: Job Information

10.3 The role holder and their line manager define a Job Description and Person Specification (JDPS). Where possible, this should be by agreement. This is supplemented using a questionnaire, of varying length dependent on the solution being used, which should cover areas that remain unclear from the JDPS. The

JDPS and the questionnaire are called the 'Job Information' and it is this critical documentation that is used to evaluate the role.

10.4 Stage 2: Evaluation and Moderation

- 10.5 The evaluation scoring system is applied, using factors and weightings to arrive at a score. Where there is ambiguity, help text is used to provide clarity. For roles where there are many incumbents, for example an administrative assistant, a solution known as 'benchmarking' is used. This works by first agreeing which roles are going to be included as 'benchmark roles' then taking a sample of each role and evaluating that rather than every role individually. Following evaluation, scores are moderated, generally by a local panel followed by a business wide panel, to ensure consistency and fairness.

10.6 Stage 3: Model and Structure

- 10.7 The scored roles are placed into a grading system with cut off points and salary points awarded against each. This is negotiated with Trade Unions with the aim of reaching a collective agreement so that the new pay and grading system applies to all employees. Once individuals are informed of their new pay and grade, there is normally a right of appeal following implementation.
- 10.8 The options identified in paragraph 8.6 are examined in detail in the following sections, along with the advice of Officers. In formulating their advice, the Council has taken legal advice from four leading KCs with specialist knowledge in employment law and equal pay, including knowledge and understanding of the Council's Equal Pay litigation with one KC having consistently represented the Council in previous Equal Pay litigation, as well as considering the views of external auditors, input from the Local Government Association (LGA), and the experience of other Local Authorities.

11 Option 1 - Use the unadapted NJC Gauge system in full (the current programme)

- 11.1 A detailed analysis of each of the options is presented in the private report.

12 Option 2 - Use an adapted version of NJC Gauge in co-operation with West Midlands Employers ("WME"), Version A ("WME Gauge A")

- 12.1 A detailed analysis of each of the options is presented in the private report.

13 Option 3 - Use an alternative adapted version of NJC Gauge in co-operation with West Midlands Employers, Version B ("WME Gauge B").

- 13.1 A detailed analysis of each of the options is presented in the private report.

14 Option 4 - Outsource job evaluation to a third-party specialist supplier

- 14.1 A detailed analysis of each of the options is presented in the private report.

15 Option parameters and risks

15.1 Contained within the private report.

16 Consultation

16.1 Throughout 2023, BCC has been in consultation with the recognised Trade Unions, seeking a way to accelerate a job evaluation study while maintaining robust and defensible outcomes.

17 Risks

Industrial relations

17.2 BCC is clear in the objectives it must deliver to stem its potential equal pay liabilities and any delay to that delivery is likely to see the estimated potential liability grow. Therefore, any decision taken will need to balance speed, certainty, and the effect on industrial relations.

17.3 For simplicity, the risk of an industrial dispute in relation to PES is categorised in 2 phases.

- The first is based upon the decision on the PES methodology and any subsequent impact this may have on the delivery/performance of the PES and consequently delay the target date of April 2025 incorporation.
- The second risk is at the end of the process where trade unions and employees know the financial impact the PES and where BCC will seek a collective agreement to incorporate new terms and conditions.

18 Compliance Issues:

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

18.1.1 The recommended decisions are consistent with the Council's overarching equal pay strategy, the primary objective of which is to draw a line under the issue of equal pay in the organisation.

18.2 Procurement Implications

18.2.1 See Appendix 1.

18.3 Public Sector Equality Duty

18.3.1 The recommended proposals will limit and address any adverse equality impact on staff at the Council in the quickest possible time and, in the opinion of officers involved in the permanent pay equity programme, in the most reliable way. They will also ensure

compliance with the Public Sector Equality Duty and with Part 5, Chapter 3 of the Equality Act 2010.

19 Financial Implications

19.1 Contained within the private report.

20 Legal Implications

20.1 Contained within the private report.

21 Background documents

21.1 Cabinet Report – 26th April 2022 – ‘Job Evaluation/Pay & Grading’

21.2 Cabinet Report – 25th July 2023 – ‘Job Evaluation’

22 Appendices

22.1 Appendix 1: Procurement advice (Exempt)

22.2 Appendix 2: Consultation Process (Exempt)

22.3 Appendix 3: Addendum to Principles Document Option A (Exempt)

22.4 Appendix 4: ~~Addendum to Principles Document Option B~~ (REMOVED)

22.5 Appendix 5: ~~WME Letter regarding Benchmark Role Analysis options 24082023~~ (REMOVED)

22.6 Appendix 6: Glossary

22.7 Appendix 7: Best Value Assessment of Options (Exempt)

Report to all Elected Members of Birmingham City Council
Under
Section 114 (3) of the Local Government Finance Act 1988
By
Fiona Greenway CPFA
Interim Director of Finance (Section 151 Officer), Birmingham City Council
Date of Report: 5th September 2023

Purpose of Report

1. Members of the Council are asked to consider this report by the Section 151 Officer (the Chief Finance Officer). The report is made under section 114 (3) of the Local Government Act 1988 because the Section 151 Officer is of the opinion that:
 - a. The Council is currently in a negative General Fund position. That is because of the cost of providing for Equal Pay claims, that the Council is now legally obligated to recognise, will result in exceeding the financial resources available to the Council. This means that spend due within that period exceeded the financial resources available to the Council in that same period.
 - b. The Council has insufficient resources to meet that expenditure and the Council is not currently able to agree a solution that will allow suitable funding or financing to be obtained for this liability.
2. This report is being issued now because of the following individual factors:
 - a. Correspondence from External Audit on 1st September 2023 which raises concerns around the provisions for Equal Pay in prior year accounts, 2020/21 and 2021/22, being materially understated which means the Council would have exhausted its General Fund balance on an accounting basis.
 - b. Further confirmation of the historic value of the potential Equal Pay liability impacting prior years, which is becoming more evident that it is unaffordable for the council based on existing available reserves. Since the announcement of the Equal Pay liability we have received additional correspondence to put the Council on notice of further litigation from recognised Trade Unions and claimant lawyers.
 - c. Correspondence from External Audit on 1st September 2023 also enquires around the likelihood of the Council being able to generate savings, additional revenue income, and/or capital receipts to mitigate the financial challenges.
 - d. A projected deficit of £87m for the 2023/24 financial year, for which the Council does not have sufficient reserves based on the Equal Pay liability above, which is forecast to grow in the 2024/25 financial year.
 - e. Concerns over the speed and effectiveness of the mitigations which have been put in place to address the in-year budget challenges, and the ability of the Council to address our financial position. We must now make challenging financial decisions and stop non-essential spending.
 - f. Extensive discussions with External Auditors, regulatory stakeholders, and leading Kings Counsel who have confirmed our assessment of our financial position (i.e. liabilities exceeding assets) and statutory position (i.e. the requirement to issue a S114). This advice has confirmed the points raised above and the case for issuing a S114 notice.
3. As a result the Council is unable to finalise the provisions for Equal Pay set out in the 2020/21 and 2021/22 draft accounts, nor can I write the supporting going concern statements for these financial years, nor can I make a Section 25 statement in the Local Government Act 2003, nor

can I approve accounts for three financial years (2020/21, 2021/22, and 2022/23). Following extensive discussions with External Auditors and other regulatory stakeholders over the last few months, I have come to this conclusion.

4. The Section 114 Notice is issued following statutory consultation with both the Chief Executive (Head of Paid Service) and the Monitoring Officer. At the date of this report that consultation has taken place. Following the issuance of the Section 114 Notice the Council has 21 days to hold a meeting of Full Council to consider the report from the Section 151 Officer and decide how it will respond.
5. The purpose of this Section 114 report is to make it clear to Members of the Council that immediate steps must be taken to mitigate the financial consequences of Equal Pay claims. This means agreeing a plan which provides a route to bringing the General Fund back to a positive position and assurance that this will be successfully delivered. This should include:
 - a. An appropriate savings plan;
 - b. Full assessment of the capital programme (including delaying existing projects and reviewing assets for sale); and,
 - c. Engagement with Central Government via the Department for Levelling Up, Housing and Communities (DLUHC), resulting in a formal request for Exceptional Financial Support (EFS).

Recommendations

6. That Elected Members of Birmingham City Council must consider this report by Fiona Greenway, Interim Director of Finance (Section 151 Officer/ Chief Finance Officer) issued under Section 114 (3) of the Local Government Finance Act 1988.
7. That this report must be considered at an extraordinary meeting of Full Council, held no later than the end of 21 days (the maximum allowable period set out within the Local Government Finance Act 1988) from the date of issue of this report.
8. That Birmingham City Council (by which this means a meeting of Full Council) must decide whether it agrees or disagrees with the views documented within this report and outline what action it proposes to take because of this report.

Summary of key issues

9. This report is being issued now for the following reasons:
 - a. Officers informed Cabinet on 28 June 2023 that the potential cost of new Equal Pay claims (brought about as a result of existing claims of job enrichment and evidence of task and finish practices taking place in some teams) would be between £650 million and £760 million. This advice made clear that the Council does not have sufficient resources to cover this potential liability. It is likely that the Council will need to recognise this liability in the current or previous financial years which will result in a negative General fund balance. This is an unsustainable financial position for the Council to be in.

- b. In Q1 of FY23/24, the Council forecasted an overspend of £87m for the financial year, which was reported to Cabinet on 25th July 2023 and sets the context of the gravity and urgency of the Council's financial challenge. In the interim period a series of mandatory 'S114 like' spending controls have been in place across the Council to restrict exceptional spend. Progress made against the projected overspend has started, however pace of delivery needs to increase.
- c. Further, work has been ongoing on developing a savings programme to address the in-year budget gap for FY23/24, which is an issue to the Council regardless of the potential Equal Pay liability.
- d. The council's external auditor has now indicated that it expects the potential EP liability to be recognised in 2020/21 and 21/22. Based on current estimates it is expected there will be a negative General Fund balance. As such the Council's expenditure is now greater than the resources available to it (including reserves).

Consequences of a Section 114 Notice

10. The issuing of the Section 114 report has the following impact on the work of the Council:

- a. Elected Members must by law agree to cease all non-essential expenditure and reduce the Council's operational and service delivery costs immediately.
- b. Financial Controls will be exercised by a S151 Spend Control Board. Based on this S114 report, from this date this S151 Spend Control Board will be chaired by the Section 151 Officer. The controls will mean that from this date:
 - i. The Council is prevented, without explicit agreement of the Section 151 Officer, from entering into any new agreement or commitment for expenditure until Full Council has met to consider the Section 114 report. These controls may be re-applied after the date of this Full Council meeting.
 - ii. Temporary Measures are now in force such that all non-essential expenditure will now stop with immediate effect without written confirmation from the Section 151 Officer. For avoidance of doubt, non-compliance with this requirement will be considered a disciplinary matter by the Council. This supersedes all previous guidance on non-essential expenditure, with no exclusions or delegations of authority to Corporate Leadership Team (CLT).
 - iii. The controls outlined in (i) and (ii) will apply to all services being delivered through companies controlled by the Council, or where the Council supplies funding to companies that are jointly or partly owned by the Council.
 - iv. The Financial Controls apply to all Council services, including statutory services, services delivered through controlled companies and connected entities. A framework will be set in place to ensure this happens whilst ensuring that key services to children and vulnerable people are not affected because of these controls.
 - v. Spending Controls will now remain in place for the foreseeable future, with a Financial Recovery Plan reported to Full Council on a quarterly basis moving

forwards. This is not a plan that is developed in isolation by Finance, but a plan that is created and owned by all Directorates and Members.

- vi. Due to the significant potential Equal Pay liability, and no route for financing or limiting this liability, the Council's Capital Financing Requirement will need to be reviewed and re-calculated as a potential route to financing the liability. This means that no further loans will be sought from the Public Works Loan Board (PWLb) unless these are to be applied for capital purposes for which the Council is in contract, for the replacement of existing maturing loans, the maintenance of working capital, or other specified matters agreed by the PWLB in conjunction with DLUHC and the Section 151 Officer.
 - vii. Financial controls will generally have an adverse impact on the profit and loss accounts of various accounts and entities in receipt of support from the Council. The boards of these companies may look to the Council to make up for the lost funding from revenue resources. However, based on the current financial position of the Council, and the issuance of a S114 notice, the Council is unlikely to be able to consider provision of such support.
 - viii. If Financial Controls are not adhered to, or do not achieve the required outcomes, a further S114 notice will need to be issued.
- c. The Council has already implemented Financial Controls on spending – these are detailed in the report to Cabinet on 25 July of this year (entitled Medium Term Financial Plan (MTFP) Refresh – update to Cabinet at Quarter 1 of the 2023/24 Financial Year). This report extends these controls, such that, **the Council is prevented, without explicit agreement of the Section 151 Officer, from entering into any new agreement or commitment for expenditure until Full Council has met to consider the Section 114 report.**
- d. Depending on the outcome of the Full Council meeting, these Financial Controls may need to remain in place until a solution is found to fund the costs of these Equal Pay claims. This is because the Council will lack the resources to maintain spending in all areas moving forward.

Financial Situation

11. As announced on 28 June 2023, following refreshed analysis it is estimated that as of the 31 March 2023 the Council's current potential Equal Pay liability is in the region of £650-760m. Detailed calculations are now being finalised for inclusion within the accounts for the 2020/21, 2021/22 and 2022/23 financial years, but they are material enough to warrant disclosure now.
12. Officers have begun consultation with the Department for Levelling Up, Housing and Communities (DLUHC). Potential support could enable the Council to make local arrangements to finance the cost, but would still require the Council to set a balanced budget and therefore make significant additional savings.
13. To enable the Council to cover the costs of any future loans, budget savings would need to be made. To address this challenge the Council has:
- a. **Implemented Mandatory Spending Controls** for all non-essential expenditure. Mandatory spending controls mean that no new agreements or commitments for all

expenditure (including revenue, workforce, and capital) can be made unless specific criteria are met. Individual Directorate arrangements have acted as a first line of defence for the application of criteria, with a Finance Governance Board (chaired by the Leader with a panel of Members, including Independent Financial Advisor) in place to discuss exceptional spend decisions above £200k. This has now been in place since July, and we have seen additional control over exceptional spend. However, there is still a large value of spend being incurred across the Council in relation to the delivery of services against the criteria outlined as allowable expenditure.

- b. **Developed a Robust Budget Savings and Recovery Plan** which is a multi-workstream plan to address both in-year financial challenges and the longer-term transformational changes required to reduce the cost base for delivery of services across the Council. This plan has a number of identified workstreams and Directors have commenced developing saving opportunities with their teams. However, the savings identified will not be sufficient to address the significant Equal Pay liability.

- 14. This action has not yet been sufficient enough to mitigate Equal Pay pressures or tackle a range of existing budget pressures. These budget pressures are detailed in the report to Cabinet on 25 July of this year (entitled Medium Term Financial Plan (MTFP) Refresh – update to Cabinet at Quarter 1 of the 2023/24 Financial Year).

Legal Framework

- 15. Section 114 (3) requires that: “The chief finance officer of a relevant authority shall make a report under this section if it appears to him that the expenditure of the authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure.”
- 16. The process for issuing a Section 114 report and the effect of it are set out in various sections under the 1988 Act. Subsection 3(A) requires the chief finance officer to consult, so far as reasonably practicable, the Head of Paid service and the Monitoring Officer. Both of these statutory officers have been fully briefed and consulted in the preparation of this report.
- 17. Section 115 of the 1988 Act requires Full Council to consider and decide on the report made under Section 114 within 21 days beginning on the day the report is issued. Full Council must consider the report at a meeting where it shall decide whether it agrees or disagrees with the views contained in the report and what action (if any) it proposes to take in consequence of it.
- 18. Section 115 (6) states that pending consideration of the report by Full Council, there is a prohibition period which runs from the date the report is made to the date of the Full Council meeting. During this period, the Council must not enter into any new agreement which may involve the incurring of expenditure (at any time) by the authority unless the chief finance officer of the authority authorises it to do so.
- 19. Subsection (6A) states the chief finance officer may only give authority for the purposes of subsection (6) if he considers that the agreement concerned is likely to: a. prevent the situation that led him to make the report from getting worse, b. improve the situation, or c. prevent the situation from recurring.
- 20. Subsection (6B) requires that authority for the purposes of subsection (6) shall:

- a. be in writing,
 - b. identify the ground on which it is given, and
 - c. explain the chief finance officer's reasons for thinking that the ground applies.
- 21. Subsection (8) states that if subsection (6) is not complied with, the Council shall be taken not to have had power to enter into the agreement (notwithstanding any option to do so under contract or otherwise). Therefore, the Council's actions will be deemed unlawful.
- 22. Section 116 requires the Council to notify its external auditors of the report and the time, date and place of the full Council meeting. The external auditors also need to be informed of the outcome of the meeting as soon as practicable. The external auditors have been kept informed of the emerging financial position and the planned work. The external auditors will need to consider the implications of this report on their statutory functions and the implications for their opinion on the 2019/20 and subsequent accounts which remain unaudited at the date of this report.
- 23. The Council's legal duties around budget setting are set out in Section 31A of the Local Government Finance Act 1992, which states:
 - a. In relation to each financial year a billing authority in England must make the calculations required by this section.
 - b. The authority must calculate the aggregate of:
 - i. the expenditure which the authority estimates it will incur in the year in performing its functions and will charge to a revenue account, other than a BID Revenue Account, for the year in accordance with proper practices.
 - ii. such allowance as the authority estimates will be appropriate for contingencies in relation to amounts to be charged or credited to a revenue account for the year in accordance with proper practices.
 - iii. the financial reserves which the authority estimates it will be appropriate to raise in the year for meeting its estimated future expenditure.
 - iv. such financial reserves as are sufficient to meet so much of the amount estimated by the authority to be a revenue account deficit for any earlier financial year as has not already been provided for.
 - v. any amounts which it estimates will be transferred in the year from its general fund to its collection fund in accordance with regulations under section 97(2B) of the 1988 Act,
 - vi. any amounts which it estimates will be transferred in the year from its general fund to its collection fund in accordance with section 97(4) of the 1988 Act; and
 - vii. any amounts which it estimates will be transferred from its general fund to its collection fund pursuant to a direction under section 98(5) of the 1988 Act and charged to a revenue account for the year.

Next Steps

- 24. The requirement of this S114 (3) notice is that an Extraordinary Meeting of the Full Council must happen within 21 days at which the Council must agree a response that addresses the issues outlined within this report. Full Council must consider whether it agrees or disagrees with the views contained within this report and determine action (if any) it proposed to take as a consequence. A failure to do so within the 21 days will lead to the issuance of a further s114 report.

25. As mentioned above, the Council needs to resolve funding the existing and accruing Equal Pay liability as well as address the Medium-Term Financial Plan Budget Gap for 2023/24 onwards.
26. The Financial Controls referred to in this report will operate from the date of this report. Elected Members must by law agree to cease all non-essential expenditure and reduce the Council's operational and service delivery costs immediately.
27. The timeline for activity over the coming months is as follows:
 - a. 5th September 2023 – Issue S114 Notice
 - b. Extraordinary Full Council Meeting by 26th September 2023 latest
 - c. Statutory deadline for Full Council to agree a response to this report by 26th September 2023 latest
28. Negotiations with DLUHC will continue over the coming months to determine an approach to financing the liability.

Fiona Greenway CPFA

Interim Director of Finance (Section 151 Officer), Birmingham City Council

5th September 2023

Report to all Elected Members of Birmingham City Council
Under
Section 114 (2) of the Local Government Finance Act 1988
By
Fiona Greenway CPFA
Interim Director of Finance (Section 151 Officer), Birmingham City Council
Date of Report: 21st September 2023

Purpose of Report

1. Members of the Council are asked to consider this Report by the Section 151 Officer (the Chief Finance Officer). The Report is made under section 114 (2) of the Local Government Act 1988 because the Section 151 Officer is of the opinion that:
 - a. The omission of a decision by the Council Business Management Committee has resulted in (a) a decision which involves the authority incurring additional expenditure which is unlawful, and (b) the course of action (i.e. inaction) if pursued to conclusion would be unlawful and cause a loss or deficiency on the authority.
2. This Report is being issued alongside a Section 5 Report from the Monitoring Officer, dated 21st September 2023, because:
 - a. The Council Business Management Committee agreed, on Friday 1st September 2023, to proceed with Option 2, on the basis that a signed addendum would be returned to the Council by the three recognised Trade Unions by 09:00 on Monday 11th September 2023.
 - b. On Monday 11th September 2023 two of the recognised Trade Unions responded confirming that they are unwilling to accept the proposed addendum, and the third has not responded to date.
 - c. As a result, the decision made by Council Business Management Committee on Friday 1st September 2023 is no longer valid.
 - d. The Monitoring Officer has since informed the Leader of the Council and Chair of the Council Business Management Committee of the options to move forwards, on Monday 11th September 2023 and Tuesday 12th September 2023.
 - e. A date for the Council Business Management Committee has not been agreed, with no intention to set a date or make a decision as a result.
 - f. There is currently no methodology proposed to resolve the Equal Pay challenges facing the Council, and hence no process to limit the accrual of additional liability past 1st April 2025 (as the current estimates of potential liability of £650m to £760m assume that a new Pay Equity System is implemented on 1st April 2025; at present, the potential liability is accruing at a range of £5m-£14m per month).
 - g. Further details of this omission can be found within the Section 5 Report from the Monitoring Officer dated 21st September 2023.
3. As a result of the omission of a decision by the Council Business Management Committee, and since the liability will now continue to accrue, it is my opinion that the Council is now (a) accruing additional unlawful expenditure in the form of a growing liability, and (b) making a decision (by omitting a decision) that will result in a loss or deficiency for the Council and council tax payers. As such this triggers a notice under section 114 (2) of the Local Government Finance Act 1988.
4. The Section 114 Notice is issued following consultation with both the Chief Executive (Head of Paid Service) and the Monitoring Officer. Following the issuance of the Section 114 Notice the

Council has 21 days to hold a meeting of Full Council to consider the Report from the Section 151 Officer and decide how it will respond.

5. The purpose of this Section 114 Report is to make it clear to Members of the Council that immediate steps must be taken to mitigate the additional liability being accrued in relation to Equal Pay after the 1st April 2025. This means a suitable decision must be made such that a process commences to deliver a job evaluation programme (also known as Pay Equity System [PES]) that concludes by 1st April 2025.

Recommendations

6. That Elected Members of Birmingham City Council must consider this Report by Fiona Greenway, Interim Director of Finance (Section 151 Officer/ Chief Finance Officer) issued under Section 114 (2) of the Local Government Finance Act 1988.
7. That this Report must be considered at an extraordinary meeting of Full Council, held no later than the end of 21 days (the maximum allowable period set out within the Local Government Finance Act 1988) from the date of issue of this Report.
8. That Birmingham City Council (by which this means a meeting of Full Council) must decide whether it agrees or disagrees with the views documented within this Report and outline what action it proposes to take because of this Report.

Summary of key issues

9. Regarding the potential Equal Pay liabilities, there are two significant issues that the Council has to address:
 - a. The scale of the potential Equal Pay liabilities – this requires a Financial Recovery Plan to ensure the Council can pay for these liabilities. This was the subject of the S114 Report issued on the 5th September 2023 under section 114 (3) of the Local Government Finance Act 1988.
 - b. Ending the liabilities – by implementing a PES which would prevent the financial liability continuing to grow in the future. This is the subject of this S114 Report, issued as a supplementary document on the date shown, under section 114 (2) of the Local Government Finance Act 1988.

Consequences of a Section 114 (2) Notice

10. The issuing of the Section 114 (2) Report has the following impact on the work of the Council:
 - a. During the 21 day prohibition period the course of conduct which led to the Report being made shall not be pursued.

Legal Framework

11. Section 114 (2) requires that: “The chief finance officer of a relevant authority shall make a Report under this section if it appears to him that the authority, a committee or a joint committee on which the authority is represented—:
 - a. has made or is about to make a decision which involves or would involve the authority incurring expenditure which is unlawful,

- b. has taken or is about to take a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency on the part of the authority, or
- c. is about to enter an item of account the entry of which is unlawful.”

Next Steps

- 12. The requirement of this S114 (2) Report is that an Extraordinary Meeting of the Full Council must happen within 21 days at which the Council must agree a response that addresses the issues outlined within this Report. Full Council must consider whether it agrees or disagrees with the views contained within this Report and determine action it proposed to take as a consequence. A failure to do so within the 21 days will lead to the issuance of a further S114 Report.
- 13. As mentioned above, the Council must make a lawful decision such that a process commences to deliver a PES that concludes by 1st April 2025. A failure to do so will lead to the issuance of a further S114 Report.
- 14. The timeline for activity over the coming months is as follows:
 - a. 21st September 2023 – Issue S114 Report
 - b. Extraordinary Full Council Meeting by 12th October 2023 latest
 - c. Statutory deadline for Full Council to agree a response to this Report by 12th October 2023 latest

Fiona Greenway CPFA

Interim Director of Finance (Section 151 Officer), Birmingham City Council

21st September 2023

BIRMINGHAM CITY COUNCIL DIRECTIONS UNDER SECTION 15(5) AND (6) OF THE LOCAL GOVERNMENT ACT 1999

Signed on behalf of the Secretary of State for Levelling Up, Housing and Communities.

1. The Secretary of State for Levelling Up, Housing and Communities (“the Secretary of State”) has carefully considered the following in respect of Birmingham City Council (“the Authority”):
 - a. The Section 114 notices issued by the Authority on 5 September 2023 and 21 September 2023.
 - b. The Section 5 notice issued by the Authority on 21 September 2023.
 - c. The first and second reports produced by the Department for Education’s Special Educational Needs and Disabilities Commissioner, published in May 2022 and February 2023 respectively.
 - d. The results of an anonymous survey of Councillors conducted by the Labour’s BAME group officer, published in November 2022 which revealed concerns about a toxic culture and lack of representation of BAME councillors in senior positions.
 - e. The report produced by the Local Government and Social Care Ombudsman, published in July 2023.
 - f. A Regulatory Notice issued to the Authority by the Regulator of Social Housing on 24 May 2023.
 - g. Discussions between Ministers and Officials of the Department for Levelling Up, Housing and Communities and Members and Officers of the Authority.
 - h. The Authority’s current equal pay situation, which poses an acute financial risk and has been allowed to develop over a number of years.
 - i. The statutory recommendations issued to the Council by external auditors on 29 September 2023.
 - j. The representation made on 22 September by the Authority on the proposed Directions.
 - k. A representation from a Trade Union received on 20 September.
 - l. Two representations from members of the public received on 21 September and 27 September.
2. The Secretary of State is satisfied that the Authority is failing to comply with the requirements of Part I of the Local Government Act 1999 (“the 1999 Act”).
3. The Secretary of State, having considered the representations made by the Authority as required by section 15(9) of the 1999 Act considers it necessary and expedient, in accordance with his powers under section 15(5) and (6) of the 1999 Act, to direct the Authority as set out below in order to secure the Authority’s compliance with the requirements of Part I of the 1999 Act, in particular:
 - a. To address systemic weaknesses in the Authority’s governance function, to secure improvements in transparency and formal decision making.

- b. To deliver financial sustainability, including by closing any short or long-term budget gaps - which should include taking action to expediate the closure of the equal pay liability.
 - c. To ensure compliance with all relevant rules and guidelines relating to the financial management of the Authority.
 - d. To agree as necessary any changes needed to the Authority's operating model and redesign of council services to achieve value for money and financial sustainability.
 - e. To achieve improvements in relation to the proper functioning of the Authority's IT.
 - f. To address the serious failings and ensure conformity with the best value duty, thereby delivering improvements in services and outcomes for the people of Birmingham.
4. Pursuant to his powers under section 15(5) and (6) of the 1999 Act, the Secretary of State directs:
- a. The Authority to take the actions set out in Annex A to these Directions.
 - b. That the functions of the Authority specified in Annex B to these Directions shall be exercised from the date of these Directions by the Commissioners acting jointly or severally; the Commissioners being persons nominated by the Secretary of State for the purposes of these Directions as long as those nominations are in force.
 - c. That, from the date of these Directions, the Authority shall comply with any instructions of the Commissioners in relation to the exercise of the functions specified in Annex B, and shall provide such information and assistance as the Commissioners may require for the purpose of exercising the functions specified in Annex B.
5. These Directions shall remain in force until 4 October 2028 unless the Secretary of State considers it appropriate to amend or revoke them at an earlier date.

Signed on behalf of the Secretary of State for Levelling Up, Housing and Communities.

Maxwell Soule
Senior Civil Servant in the Department for Levelling Up, Housing and Communities
Date: 5 October 2023

ACTION THE AUTHORITY IS REQUIRED TO TAKE

In this Annex, the following expressions have the following meanings –

“the Authority” includes the Leader, the Cabinet, members of the Cabinet, any committee or subcommittee of the executive, any committee or subcommittee of the Council, any officer of the Council or any other person who has responsibility for exercising the function or other decision making in relation to the matter in question.

The actions to be taken by the Authority are:

1. Prepare and agree an Improvement Plan, which considers actions to secure continuous improvement and restore public trust across all the Authority’s functions with a particular focus on housing, waste, finance, HR, governance and corporate services; to the satisfaction of the Commissioners (which may include or draw upon improvement or action plans prepared before the date of these Directions), within six months, with resource allocated accordingly.
2. In the first 12 months to review the provision and operation of corporate services, (including HR, legal, internal audit, risk management, IT and systems, procurement and the PMO), to enable and support the effective delivery of front-line services and the smooth running of the Authority, and to implement any required changes thereafter to the satisfaction of Commissioners.
3. To secure as soon as practicable that all the Authority’s functions are exercised in conformity with the best value duty thereby delivering improvements in services and outcomes for the people of Birmingham.
4. To report to the Commissioners on the delivery of the Improvement Plan at six monthly intervals, or at such intervals as Commissioners may direct.
5. To undertake in the exercise of any of its functions any action that the Commissioners may reasonably require to avoid so far as practicable incidents of poor governance, poor financial governance or financial mismanagement that would, in the reasonable opinion of the Commissioners, give rise to the risk of further failures by the Authority to comply with the best value duty.
6. To allow the Commissioners at all reasonable times, such access as appears to the Commissioners to be necessary:
 - a. to any premises of the Authority;
 - b. to any document relating to the Authority; and
 - c. to any employee or member of the Authority.
7. To provide the Commissioners, at the expense of the Authority, with such reasonable amenities and services and administrative support as the Commissioners may reasonably require from time to time to carry out their functions and responsibilities under these Directions.

8. To pay the Commissioners reasonable expenses, and such fees as the Secretary of State determines are to be paid to them.
9. To provide the Commissioners with such assistance and information, including any views of the Authority on any matter, as the Commissioners may reasonably request.
10. To co-operate with the Secretary of State for Levelling Up, Housing and Communities in relation to implementing the terms of these Directions.

FUNCTIONS OF THE AUTHORITY TO BE EXERCISED BY THE COMMISSIONERS

In this Annex –

“the Authority” includes the Leader, the Cabinet, members of the Cabinet, any committee or subcommittee of the executive, any committee or subcommittee of the Council, any officer of the Council or any other person who has responsibility for exercising the function or other decision making in relation to the matter in question.

“Statutory Officer” means any of: the Head of Paid Service designated under section 4(1) of the Local Government and Housing Act 1989; the Chief Financial Officer designated as having responsibility for the administration of the Authority’s financial affairs under section 151 of the Local Government Act 1972; the Monitoring Officer designated under section 5(1) of the Local Government and Housing Act 1989; and the Scrutiny Officer designated under section 9FB of the Local Government Act 2000 (and the expressions “statutory officer” and “statutory office” are to be construed accordingly).

“Senior positions” are defined as the Chief Executive, direct reports to the Chief Executive and their direct reports – tiers one, two and three.

The Commissioners shall exercise:

1. All functions associated with the governance and scrutiny of strategic decision making by the Authority.
2. All functions associated with the financial governance and scrutiny of strategic financial decision making by the Authority.
3. The requirement from section 151 of the Local Government Act 1972 to make arrangements for the proper administration of the Authority’s financial affairs, and all functions associated with the strategic financial management of the Authority, to include:
 - a. providing advice and challenge to the Authority on the preparation and implementation of a detailed action plan to achieve financial sustainability and to close any short and long-term budget gaps identified by the Authority across the period of its medium-term financial strategy (MTFS), including a robust multi-year savings plan;
 - b. providing advice and challenge to the Authority in the setting of annual budgets and a robust medium-term financial strategy (MTFS) for the Authority, strictly limiting future borrowing and capital spending;
 - c. scrutiny of all in-year amendments to annual budgets;

- d. the power to propose amendments to budgets where Commissioners consider that those budgets constitute a risk to the Authority's ability to fulfil its best value duty;
 - e. providing advice and challenge to the Authority on the preparation of sustainable and affordable capital, investment and treasury management strategies; including on any requirement for an appropriate debt reduction plan or for any revisions to the Authority's minimum revenue provision (MRP) policy;
 - f. providing advice and challenge to the Authority on a suitable scheme of delegations for financial decision-making;
 - g. ensuring compliance with all relevant rules and guidelines relating to the financial management of the Authority.
4. All functions relating to the appointment and dismissal of persons to positions the holders of which are to be designated as statutory officers, and the designation of those persons as statutory officers, to include:
- a. The functions of designating a person as a statutory officer and removing a person from a statutory office;
 - b. The functions under section 112 of the Local Government Act 1972 of –
 - i. Appointing and determining the terms and conditions of employment of an officer of the Authority, insofar as those functions are exercised for the purpose of appointing a person as an officer of the Authority principally in order for that person to be designated as a statutory officer; and
 - ii. Dismissing any person who has been designated as a statutory officer from his or her position as an officer of the Authority.
5. All functions to define the officer structure for the senior positions, to determine the recruitment processes and then to recruit the relevant staff to those positions.
6. All functions associated with the Authority's operating model and redesign of services to achieve value for money and financial sustainability.
7. All functions pertaining to the development, oversight and operation of an enhanced performance management framework for officers holding senior positions.

BIRMINGHAM CITY COUNCIL DIRECTIONS UNDER SECTION 15(5) AND (6) OF THE LOCAL GOVERNMENT ACT 1999

EXPLANATORY MEMORANDUM

1. The Secretary of State for Levelling Up, Housing and Communities (“the Secretary of State”) has exercised his powers under section 15(5) and (6) of the Local Government Act 1999 (“the 1999 Act”) in relation to Birmingham City Council (“the Authority”) to secure its compliance with the best value duty.
2. This Memorandum is intended as a companion document to the Directions issued on 5 October 2023. It summarises the circumstances in which the Secretary of State has made the Directions, his reasons for this exercise of his powers, and the implications of the Directions for the Authority.

The context for the Directions

3. The Authority has been beset by systemic failings over several years including weak governance, poor culture, a challenging relationship with trade unions and ineffective service delivery. These failings have been exacerbated by instability and churn at senior officer level. The Authority was in non-statutory intervention from 2015-2019 with an Advisory Panel, following the Kerslake report into the Trojan Horse affair. This found failings in governance, transparency, and financial management. When stepping down the Advisory Panel noted that, whilst progress had been made, significant challenges remained. In the intervening time, the Authority has used different models to support improvement work.
4. On governance, whilst the Authority has commissioned an independent review which is due to report in the next few weeks, the seriousness and scale of the Equal Pay liabilities and failed implementation of the Oracle financial ledger system (estimated to be up to £100 million) highlight critical weaknesses in the Authority’s broader internal control environment. There are also media reports of an internal report by the Labour Party that found a ‘dysfunctional’ climate amongst members, with associated implications for good governance and effective scrutiny.
5. On financial governance, concerns have been present since the original intervention in 2015 and have been recently precipitated by the Authority’s handling of the issues relating to Equal Pay and Oracle. The 5 September 2023 Section 114 notice was issued due to several factors, including correspondence from the external auditors Grant Thornton raising concerns around the provisions for Equal Pay in prior year accounts. Their assessment was that the size of the revised estimated Equal Pay (which the Authority currently estimates to be up to £760 million) means that the 2020/21 and 2021/22 accounts were materially misstated, and that the Authority did not have sufficient reserves to mitigate the cost of the liability due for these years. In addition to the acute financial position stemming from Equal Pay, the Authority is dealing with other difficulties. These include the costs of resolving the Oracle implementation,

estimated at £100 million, and the Authority's lack of progress in delivering planned savings.

6. On culture and leadership, the Authority has experienced extremely high levels of churn of senior staff in recent years. In the eight years prior to 2022, and following the 2014 Kerslake report, there had been nine Chief Executives and nine Directors of Children's Services. The Kerslake report also highlighted a culture of sweeping problems under the carpet or blaming them on others, rather than tackling them head-on.
7. On services, the Authority has historic issues with its waste services as shown in the non-statutory intervention and recent cases considered by the Local Government and Social Care Ombudsman; a Department for Education Special Educational Needs and Disabilities intervention is in place; and the Local Government Social Care Ombudsman and Regulator of Social Housing have recently raised significant concerns with the Authority about service delivery. The ongoing Equal Pay dispute is also causing continued friction with trade unions and there are risks of industrial action and impacts to service delivery.
8. On capacity or capability to improve, the Kerslake report found that successive administrations had failed the City. It warned that the Authority lacked a clear vision, had failed to tackle deep-rooted problems such as low skills and was not doing enough to provide consistently good quality services. These problems have endured as highlighted by the Equal Pay liability issue and failed implementation of the Oracle financial ledger system.
9. In April this year, Lee Rowley MP, Parliamentary Under Secretary of State for Local Government and Building Safety, wrote to the then Leader of the Authority requesting an independent governance review following concerns raised in reports by the Department for Education's Commissioner for Special Educational Needs at the Authority, the Local Government and Social Care Ombudsman, and the Housing Ombudsman. The scope of the review was then extended, with input from the Department, to include two further serious weaknesses in the Authority's broader internal control environment – the flawed implementation of a new financial ledger system, Oracle, and the Authority's handling of its significant Equal Pay liabilities. Concerns regarding Equal Pay and the Authority's response to these challenges have continued to grow over the Summer. In August, the Parliamentary Under Secretary of State for Local Government and Building Safety wrote to the Leader seeking assurances about whether the Authority were compliant with its best value duty.
10. On 1 September the Council Business Management Committee met to discuss the process for Equal Pay resolution and chose the option recommended by officers to minimise trade union involvement in the resolution process. However, under the agreed approach, trade unions were required to sign an addendum agreeing to minimise their role and accept the timescale for resolution. This should have happened by Monday 11 September, however the unions rejected this approach and sought renegotiation.
11. On Tuesday 5 September the Section 151 Officer issued a Section 114 notice. As laid out in the 151 officer's 114 report, the notice was issued due to several

factors, including correspondence from the external auditors Grant Thornton raising concerns around the provisions for Equal Pay in prior year accounts. Their assessment was that the size of the revised estimated Equal Pay (which the Authority estimates at up to £760 million) means that the 2020/21 and 2021/22 accounts were materially misstated, and that the Authority did not have sufficient reserves to mitigate the cost of the liability due for these years.

12. The stated purpose of this Section 114 report was to ensure that Members of the Authority understand the severity of the financial implications of the Equal Pay claims. The report was considered at an extraordinary meeting of Full Council on 25 September. At this meeting the Authority agreed to accept the Section 114 notice, agreed to continue spending control measures under the direction of the Section 151 Officer until a balanced budget for 2024/25 has been approved, and agreed to endorse the financial recovery plan set out by the Chief Executive.
13. In light of the above, and discussions between the Department and the Authority, the Department is particularly concerned about the ongoing issues facing the Authority and the scale of the financial risks. The Authority has failed to provide adequate assurance to Ministers and the Department on its actions to address the issues, considering the scale and pace of the response required. The Authority's situation is severe, and the improvement and recovery journey is likely to take a number of years.
14. A letter to the Authority of 19 September included a detailed description of the Directions that the Secretary of State proposed to make under sections 15 and 16 of the 1999 Act. The Directions set out the functions that the Commissioners will exercise, give responsibilities to Commissioners and require the Authority to take certain actions. The Secretary of State is also considering exercising his powers to direct a local inquiry, and may then want to consider the intervention package as a whole in light of that local inquiry.
15. This Memorandum explains the content of the Directions as finalised in the light of the representations received from the Authority, GMB Union and members of the public, together with the Directions and related material, and is published at www.gov.uk.

Representations

16. Before making Directions, the Secretary of State is required under section 15(9) of the 1999 Act to give the Authority an opportunity to make representations about the proposed Directions. We received four representations on the proposed intervention package, one from the Authority, one from the GMB Union and two from members of the public.
17. A joint representation from the Leader, Councillor John Cotton, and Chief Executive, Deborah Cadman OBE, of the Authority acknowledged the analysis of the challenges which led to the 'minded to' intervention package and welcomed the move to appoint Max Caller CBE as Lead Commissioner, noting his previous experience as a non-executive director at the Authority. The representation highlighted their desire for further clarity on the format, scope and timelines of the local inquiry, noting the Authority announced in June this

year its intention to hold a judge led inquiry into the causes of its Equal Pay liabilities. The Authority has also called for discussions regarding links between the statutory intervention being proposed under the Local Government Act 1999, and other statutory interventions, including the Special Education Needs and Disability (SEND) Commissioner and the intense dialogue with the Regulator for Social Housing (RSH). The representation also requests that the diverse nature of Birmingham is a factor in determining other commissioner appointments so as to give confidence to local communities and key partners alike.

18. The representation from the GMB Union requests that Commissioners are directed to engage with settlement talks with the GMB regarding Equal Pay.
19. One representation from a member of the public raised their concerns that Commissioners will only be empowered to provide strategic support and that operational change is necessary in relation to Oracle and the waste service. They were also complimentary of the Chief Executive. Another representation from a member of the public raised concerns about the costs of Commissioners.

The intervention package

20. Having carefully considered the evidence, together with the representations received, the Secretary of State is confident that there is a sufficient basis on which to found his considerations and, accordingly, is satisfied that the Authority is failing to comply with its best value duty.
21. The Secretary of State considers it necessary and expedient, in accordance with his powers under section 15(5) and (6) of the 1999 Act, to put in place an intervention package to secure the Authority's future and sustainable compliance with its best value duty.
22. The intervention will consist of the appointment of Commissioners to exercise specific functions of the Authority, if necessary, alongside Directions to the Authority. The Secretary of State considers that this package will address the failings identified above and the representation received from the Authority.

Commissioners

23. The evidence presents a strong case for intervention to deliver the improvements required. Therefore, the Secretary of State is nominating Commissioners for five years to ensure that the Authority acts immediately to meet its duty under Part I of the 1999 Act. The Secretary of State has nominated individuals with significant experience and expertise in local authority governance, finance, HR/ Equal Pay, housing, ICT and commercial projects given the failings of the Authority described above.
24. The Secretary of State has nominated the following people as Commissioners:
 - Max Caller CBE. Max has more than 50 years' experience in local government and is the former Chief Executive of the London Borough of Hackney and London Borough of Barnet, as well as the former Chair of the Local Government Boundary Commission for England. He has experience in multiple interventions and Best Value roles, including as Commissioner in Slough and Tower Hamlets and Best Value Inspector

in Northamptonshire and Liverpool. The Secretary of State has nominated Max as Lead Commissioner to bring together the team, set the direction and co-ordinate work so as to exercise the Directions.

- John Coughlan CBE. John has significant expertise in local authority governance, is the former Chief Executive of Hampshire County Council and has extensive experience of local government interventions especially in children's services. John has been asked to focus on broad improvement and governance, by supporting cultural change and transformation and driving forward work on the long-term sustainability of the Authority. His role will operate alongside his role as Commissioner for Special Educational Needs and Disability services in Birmingham, for which he reports to the Secretary of State for Education.
- Chris Tambini. Chris is the former Director of Corporate Resources at Leicestershire County Council, where he has held other roles including Section 151 Officer and Head of Strategic Finance. He was the President of the Society of County Treasurers and also worked at city unitary councils. Chris will focus on the financial position and recovery of the Authority. This will include supporting the Authority's work to develop and implement a plan for managing the significant Equal Pay liabilities that led to the Section 114 notices, and overseeing the steps needed to manage other budget pressures for 2023/24 and beyond, and to return the Authority to a position of long-term financial sustainability. It will also include considering what action may be necessary to ensure the Authority has appropriate and effective processes, governance and capacity in relation to its overall financial management.
- Pam Parkes FCIPD. Pam is the current Executive Director for People and Transformation at Essex County Council, is a FCIPD qualified senior practitioner and was part of the Best Value Inspection Team in Thurrock Council. Pam will focus on supporting Birmingham to improve its Human Resource and Organisational Design capacity and to find solutions to the Equal Pay issue, including ensuring that appropriate steps are being taken at the required pace to address and manage its Equal Pay liabilities, in a way that is both sustainable and represents value for money.
- Jackie Belton. Jackie is the Chief Executive of the London Borough of Bexley, the former Executive Director of Operations at the London Borough of Newham where she was responsible for Housing, Planning, Regeneration and Environment, and was Assistant Director of Housing Strategy at the London Borough of Camden. Jackie will focus on supporting the Authority's housing function.
- Myron Hrycyk. Myron is the Cabinet Office's Crown Representative for Oracle, IBM and Microsoft. Myron has held prior senior executive roles as Group Chief Information Officer and Chief Procurement Officer at Severn Trent Water and as Chief Information Officer at Yusen Logistics. Myron has worked in a range of sectors including Financial Services, Technology, Utilities and Logistics. Myron will focus on supporting the

Authority to rectify its Oracle issues, improve IT and provide commercial insight.

25. The Secretary of State has directed the Commissioners to exercise certain functions, if necessary, and to have a role in overseeing other functions or actions which the Authority is to perform. The Commissioners are accountable to the Secretary of State, in that they have been nominated by him and can have their nomination withdrawn by him. The Commissioners will report to the Secretary of State on the progress of the intervention within the first six months, and thereafter at six-month intervals – or at any other time deemed necessary by the Secretary of State.
26. Commissioners are nominated for the period from 5 October 2023 to 4 October 2028 or such earlier or later time as the Secretary of State determines. The Secretary of State may, if he considers it appropriate, nominate further Commissioners.
27. The Directions provide that the Commissioners' reasonable expenses and such fees as the Secretary of State determines are to be paid to them by the Authority.¹ The Secretary of State is mindful of the need for Commissioner remuneration to represent value for money for local taxpayers. In recognition of the nature and scale of the intervention, he has determined fees of £1,200 a day for the Lead Commissioner and £1,100 for other Commissioners.

Powers to be exercised by the Commissioners

28. The evidence set out above highlights failures in governance, financial governance, decision making, culture and leadership, services and capacity and capability to improve.
29. For these reasons, the Directions enable the Commissioners to exercise the following functions:
 - a. All functions associated with the governance and scrutiny of strategic decision making by the Authority.
 - b. All functions associated with the financial governance and scrutiny of strategic financial decision making by the Authority.
 - c. The requirement from section 151 of the Local Government Act 1972 to make arrangements for the proper administration of the Authority's financial affairs, and all functions associated with the strategic financial management of the Authority, to include:
 - i. providing advice and challenge to the Authority on the preparation and implementation of a detailed action plan to achieve financial sustainability and to close any short and long-term budget gaps identified by the Authority across the period of its medium-term financial strategy (MTFS), including a robust multi-year savings plan;
 - ii. providing advice and challenge to the Authority in the setting of annual budgets and a robust medium term financial strategy

¹ Fees for Pam Parkes will be paid to her employer, Essex County Council.

- (MTFS) for the Authority, strictly limiting future borrowing and capital spending;
- iii. scrutiny of all in-year amendments to annual budgets;
 - iv. the power to propose amendments to budgets where Commissioners consider that those budgets constitute a risk to the Authority's ability to fulfil its best value duty;
 - v. providing advice and challenge to the Authority on the preparation of sustainable and affordable capital, investment and treasury management strategies; including on any requirement for an appropriate debt reduction plan or for any revisions to the Authority's minimum revenue provision (MRP) policy;
 - vi. providing advice and challenge to the Authority on a suitable scheme of delegations for financial decision-making;
 - vii. ensuring compliance with all relevant rules and guidelines relating to the financial management of the Authority.
- d. All functions relating to the appointment and dismissal of persons to positions the holders of which are to be designated as statutory officers, and the designation of those persons as statutory officers, to include:
- i. The functions of designating a person as a statutory officer and removing a person from a statutory office;
 - ii. The functions under section 112 of the Local Government Act 1972 of –
 - 1. Appointing and determining the terms and conditions of employment of an officer of the Authority, insofar as those functions are exercised for the purpose of appointing a person as an officer of the Authority principally in order for that person to be designated as a statutory officer; and
 - 2. Dismissing any person who has been designated as a statutory officer from his or her position as an officer of the Authority.
- e. All functions to define the officer structure for the senior positions, to determine the recruitment processes and then to recruit the relevant staff to those positions.
- f. All functions associated with the Authority's operating model and redesign of services to achieve value for money and financial sustainability.
- g. All functions pertaining to the development, oversight and operation of an enhanced performance management framework for officers holding senior positions.
30. The Secretary of State considers that most decisions should continue to be made by the Authority. Commissioners will uphold proper standards and due process and recommend action to the Authority. The Secretary of State's intention is that the powers he is providing to the Commissioners be used to ensure that the Authority takes the necessary steps to achieve the best possible outcome for Birmingham residents and the public purse. The Commissioners

should not hesitate to exercise their functions if they determine it to be necessary to do so.

31. The exercise of these functions should enable the Commissioners to make sure that the Authority has made sufficient improvement within the next five years to be able to comply with its best value duty on a sustainable basis.

Political Advisors

32. In addition to the Commissioner team as set out above, the Secretary of State has appointed two political advisors to support the political leadership of the Authority as they take the difficult decisions that will be required:

- Lord John Hutton. John held roles as Defence Secretary and Business Secretary under the previous Labour Government. In 2010 he led a major review of public sector pension provision, and more recently he was appointed Chair of Make UK. He is currently the Prime Minister's Trade Envoy to Turkey and a current member of the House of Lords.
- John Biggs. John is the former Executive Mayor of the London Borough of Tower Hamlets and held prior roles there as Leader of the Labour Group and Council Leader. He has also served in the London Assembly. He has now retired from elected politics.

33. The Secretary of State has directed the Authority to meet the fees of the political advisors, at £1,100 a day.

Directions to the Authority

34. To achieve and facilitate the objectives of the intervention, the Secretary of State has also directed the Authority to take the following actions:

- a. Prepare and agree an Improvement Plan, which considers actions to secure continuous improvement and restore public trust across all the Authority's functions with a particular focus on housing, waste, finance, HR, governance and corporate services; to the satisfaction of the Commissioners (which may include or draw upon improvement or action plans prepared before the date of these Directions), within six months, with resource allocated accordingly.
- b. In the first 12 months to review the provision and operation of corporate services, (including HR, legal, internal audit, risk management, IT and systems, procurement and the PMO), to enable and support the effective delivery of front-line services and the smooth running of the Authority, and to implement any required changes thereafter to the satisfaction of Commissioners.
- c. To secure as soon as practicable that all the Authority's functions are exercised in conformity with the best value duty thereby delivering improvements in services and outcomes for the people of Birmingham.
- d. To report to the Commissioners on the delivery of the Improvement Plan at six monthly intervals, or at such intervals as Commissioners may direct.
- e. To undertake in the exercise of any of its functions any action that the Commissioners may reasonably require to avoid so far as practicable

incidents of poor governance, poor financial governance or financial mismanagement that would, in the reasonable opinion of the Commissioners, give rise to the risk of further failures by the Authority to comply with the best value duty.

- f. To allow the Commissioners at all reasonable times, such access as appears to the Commissioners to be necessary:
 - i. to any premises of the Authority;
 - ii. to any document relating to the Authority; and
 - iii. to any employee or member of the Authority.
- g. To provide the Commissioners, at the expense of the Authority, with such reasonable amenities and services and administrative support as the Commissioners may reasonably require from time to time to carry out their functions and responsibilities under these Directions.
- h. To pay the Commissioners reasonable expenses, and such fees as the Secretary of State determines are to be paid to them. To provide the Commissioners with such assistance and information, including any views of the Authority on any matter, as the Commissioners may reasonably request.
- i. To co-operate with the Secretary of State for Levelling Up, Housing and Communities in relation to implementing the terms of these Directions.

Duration of the intervention

- 35. The Secretary of State considers that any aspect of the Directions should only be in force long enough to achieve the stated objectives of the intervention. The Directions will remain in force until 4 October 2028 unless the Secretary of State considers it appropriate to amend or revoke them at an earlier date. The Secretary of State may decide to extend Directions beyond this date, or it may be appropriate to return functions before this time.
- 36. The Secretary of State has asked for an initial report from the Commissioners within the first six months, and thereafter at six-monthly intervals. This allows ongoing review of whether it would be appropriate to change any element of the intervention, to expand the functions of the Commissioners or for any function exercisable by the Commissioners to be returned to the Authority.
- 37. Where the Authority and Commissioners agree that it would be appropriate for the exercise of a function to be returned to the Authority, the Commissioners will report this to the Secretary of State, setting out reasons, including clear evidence as to why the public could be expected to have confidence in the Authority exercising this function in compliance with the best value duty. The Secretary of State will carefully consider any such reports and, if agreed to, further Directions will be issued to this effect amending these Directions made on 5 October 2023. The Secretary of State has not ruled out the possibility that further functions might be brought under the control of the Commissioners.

Birmingham City Council

Finance and Resources Overview and Scrutiny Committee

16 November 2023



Subject: Job Evaluation and Pay Equity System
Report of: Katy Fox, Director of People Services
Report author: Paul McLaughlin, Programme Director, Permanent Pay Equity

1 Purpose

To update on the Pay Equity System agreed with the 3 trade unions and timescales for implementation to meet the deadline of End March 2025.

2 Recommendations

2.1 To note the content of the report.

3 Any Finance Implications

3.1 The financial implications are as detailed within the Cabinet Report of 25th July 2023, the Council Business Management Committee report of 1st September 2023, and the Section 114 (3) report of 5th September 2023, all of which are appended to the Section 5 Report at Appendix 1.

[Microsoft Word - Agenda CC 06012015.doc \(cmis.uk.com\)](#)

4 Any Legal Implications

- 4.1 Equality Act 2010: the new JE scheme needs to be reliable and non-discriminatory to provide a statutory shield to future EP claims. Local Audit and Accountability Act 2014: external auditors have duties and responsibilities under this act, which they have indicated they will employ if BCC does not curb its potential EP liability.
- 4.2 Local Government Finance Act 1998: the s 151 Officer would have to make a report under s114(3) if BCC's potential liability leads to expenditure exceeding the resources available to meet it. Local Government and Housing Act 1989: the Monitoring Officer would have to make a report under s5A if a decision or

omission constitutes a contravention of the law, or if there is any maladministration in BCC's statutory administration obligations. Local Authorities (Functions and Responsibilities) (England) Regulations 2000: the executive does not have the power to appoint staff or to determine the terms and conditions on which they hold office. Therefore, decisions on methodology, etc. would vest with the non-executive Council Business Management Committee, which will oversee the PPE programme. The JE Principles Agreement with the TUs does not place legal obligations on BCC to use Gauge or JE panels, and it is unlikely to create individual employment rights. The Green Book is unlikely to create individual employment rights, nor does it create directly enforceable legal obligations towards BCC to use Gauge. New EP claims are likely to arise on implementation of a new JE scheme, regardless of which methodology is used. This is an expected, normal consequence of implementing a new JE study, but a robust, objective and consistent study will ensure any such claims are not viable insofar as they relate to the period after implementation.

5 Any Equalities Implications

- 5.1 There are no equalities implications directly arising from this report.

6 Appendices

- 6.1 Appendix 1: Status report on the Permanent Pay Equity Programme

Appendix 1

Status report on the Permanent Pay Equity Programme

This programme has been influenced by two recent, related, events.

- The decision of the extraordinary meeting of the full Council on 12 October to adopt an NJC-based job evaluation study.
- The subsequent signing of an addendum (“JEA”) to modify the terms of the Job Evaluations Joint Principles Document (of December 2020) with an aim of implementing a new pay structure and new terms and conditions of employment by April 2025.

The programme team are responsible for a number of workstreams designed to deliver the necessary programme of work.

Project and Internal Governance Controls

- The JEA requires the establishment of an Operational Steering Group (“OSG”) and Terms of Reference and membership have been drafted for discussion and agreement.
- In addition, proposals have been drafted for a Governance Board for the programme to report into the Improvement Board.
- Key Milestones for the programme designated by the JEA have been established for presentation at the first OSG.
- A communication plan and programme SharePoint site have been established alongside a key stakeholder engagement plan to ensure that the aims and progress of the programme are communicated to all interested parties.
- Continuation of current reporting through the CPMO

Job Information

Accurate and up to date Job information is the key stage prior to the evaluation phase of the programme.

- Population of RoleMapper with current Job Descriptions and Person Specifications (“JDPS”)
 - 2083 uploaded by 31/10/23.
 - 417 added during October.
 - Completion by 30/11/23
- Training of Managers at Grade 6 and above in principles of JDPS writing/updating to ensure that all JDPS are updated and reflect current operation of the role.
 - Target audience of 535 managers
 - Circa 87% of target trained – 465 managers.
- RoleMapper training sessions held for draft list of benchmark roles to deliver competence in use of software in order to update JDPS and establish a properly curated, digitised catalogue.
 - 155 roles in draft benchmark list – list to be informed by TUs as per JEA
 - Facilitated sessions held to ensure comfort with process, plus drop-in sessions to answer questions and provide support.

- We will use the learning for the benchmark sessions to streamline processes for the remaining roles.
- The JEA proposes the use of the NJC Job Description Questionnaire (“JDQ”) via a two-month trial followed by a review. A job questionnaire, together with a JDPS completes the job information for each role.
- Recognising the fact that we have some 43% of employees without regular access to BCC digital systems, we have developed proposals for completion of the JDQ via facilitated face to face and digital meetings as appropriate. To support this, we are taking the following actions:
 - The acquisition of exclusive use of the first floor at Woodcock Street as a Job Evaluation Hub, plus a programme room at the Council House
 - A JDQ training session for all those required to complete the document.
 - A JDQ pre-session and session structure proposal to ensure that those completing the JDQ will have all information necessary.

Analyst recruitment

We ran an open secondment recruitment exercise over the late summer to find people within BCC that were both interested and had the aptitude to train to become a role evaluator. The results were as follows:

- 206 applied to take the aptitude test of which 65 chose not to
- 16 achieved upper quartile results and an additional 10 achieved higher than the 60th percentile, but lower than upper quartile.
- The top 16 were progressed to an assessment centre where personality and practical tests plus interviews were conducted. This resulted in selecting 9 of the 16 for secondment.
- We did not pursue further recruitment due to the uncertainty of the future direction of the programme at that time.
- Subsequent to the signing of the addendum, we have taken two actions.
 - Offered 65 candidates, who did not take an aptitude test, another opportunity to take the test – 15 have chosen to do so.
 - Invited the 10 who were next below the 75th percentile to an assessment centre.
 - By these actions, we hope to reach a total evaluator cohort of 20.
- Job information training for the first batch of secondees will begin from 6 November, following by evaluation training in the NJC JE system and Gauge + software.

Preparation for evaluation of jobs

The areas set out above are the current key focus of the Programme team and in addition, we are holding planning sessions with Lesley Shore, Lorna Wells and James Gilbert of West Midlands Employers, our independent strategic partners in the programme. The purpose of these sessions is to develop how we will work together to deliver the evaluation and moderation phases of the programme.

Birmingham City Council

Finance and Resources Overview and Scrutiny Committee

Date 16/11/23



Subject: Oracle Stabilisation Update

Report of: Graeme Betts, Director of Adult Social Care (as Oracle SRO)

Report author: Craig Buckley
Oracle Programme Director

1 Purpose

- 1.1 The Finance and Resources Overview and Scrutiny Committee was provided with an Oracle Programme update on 07 September 2023. This session provided an update on the Optimisation High Level Design activities and an update on the Governance and recommended structures to support delivery. An update was also provided on the key Strategic risks, Oracle financial position and update on the Management review performed.
- 1.2 The Committee requested a further update from the Oracle Programme team on 16th November 2023. This update to cover further progress made to date along with details of key risks, customisations and financial position.
- 1.3 The presentation to the Committee on 16th November is attached and includes:
- 1.4 An update for members on the implementation of Stabilisation of Oracle including Strategic risks reported in the September report.
- 1.5 A breakdown of Programme's financial position, as at 30 September 2023.
- 1.6 A definition of customisation – what it is and what it looks like for the programme.
- 1.7 An update on the Optimisation work.

2 Recommendations

- 2.1 There are no recommendations in this report.

3 **Any Finance Implications**

3.1 There are no finance implications in this report.

4 **Any Legal Implications**

4.1 There are no legal implications in this report.

5 **Any Equalities Implications**

5.1 Not applicable.

6 **Appendices**

6.1 Presentation attached

Finance and Resource OSC

Oracle update

Craig Buckley – Programme Director

November 2023



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Objectives

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

Section	Description
1. Oracle Stabilisation Update & Key Strategic risks	To update members on the implementation of Oracle including key strategic risks reported.
2. Finance Update	Provide a detailed breakdown of programme finances and what money is being spent.
3. Customisations	Provide a definition of customisation – what it is and what it looks like.
4. Optimisation Timescale Update	To update on timescales for Optimisation.

1. Oracle Stabilisation update & key Strategic Risks



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Oracle Stabilisation update

Progress update

Original definition of Safe and Compliant (S&C): *'resolution of immediate, business critical issues'* and *'Fix 22/23 - complete year-end activities and close financial accounts. Comply with legislative and statutory requirements.'*

- 121 S&C backlog items have been completed or workarounds identified with these fixes/workarounds working in the production environment.
- As at October 2023 there are currently 53 items in various stages of delivery from development through to being made production ready. The majority of these are expected to be complete by end November 2023.

Oracle Stabilisation update

Progress update

- Dozens of reports, fixes and investigations to support production of the 22/23 outturn which is now available internally.
- Manual reposting and cleansing of cashbook transactions (30,000 + transactions over the summer alone - £1.2bn).
- Implementation of Oracle Risk Cloud.
- Mobilisation of teams to address specific risks around DBS, Right to Remain and Schools Work Force Census.
- Rebuild of Oracle – SIMS (ZSIMS) interfaces for schools and engagement and support through the Schools accounts outturn closing process.
- Specific fixes and custom reports to support key statutory and compliance obligations, e.g., gender pay gap and equal pay data.
- Governance model refined to reflect current programme and role of the Oracle Commissioner.

Oracle Stabilisation update

Progress update

The period April – Sept 2023 represented the first financial 'close' on Oracle. This was the first time of use for many parts of the functionality, which took place alongside detailed conversations with internal and external auditors gaining a deeper understanding of the design and workings of the solution. This has meant that further potential 'safe and compliant' backlog items have been identified over time.

Following this detailed workshops have been held with impacted services to review what is outstanding in relation to the key business outcomes. This information will be used to agree a target date for the end of the Safe & Compliant phase of the programme.

Key Strategic risks – identified in September

Key risks	Mitigation
Risk that the (new) Oracle programme will not deliver the 'vanilla' Oracle vision.	<ol style="list-style-type: none"> 1. Creation of design authority and agreement of design principles. 2. Regularly report progress on vanilla oracle to design authority and through governance meetings and members oversight board meetings. 3. Engage oracle consulting to get advice on how to best deploy oracle vanilla.
Risk that the programme does not get sufficient senior Finance input, the Assistant Director, Financial Strategy left in September.	<ol style="list-style-type: none"> 1. New Assistant Director for Financial Strategy now in place, taking on these responsibilities; 2. Two finance resources dedicated to Oracle improvements; 3. Exploring additional Finance Programme Manager role to govern and structure responses to the programme; 4. Ensure adequate knowledge transfer and organisational integrity in key roles.
Risk that due to the current FY23/24 backlog, there is a risk to the FY23/24 outturn position being finalised by the statutory deadline of 30 June 2024.	<ol style="list-style-type: none"> 1. Continually monitor the backlog to understand the rate of change which is reporting to programme board from w/c 09/10. 2. Continually forecast how the size of the backlog will change over time to support resource planning. 3. Options appraisal for long term BRS replacement, e.g. income management system.
Risk that the School Workforce Census report cannot be produced in time for the statutory deadlines (snapshot by 03/11/23, for upload to DfE before 25/12/23).	<ol style="list-style-type: none"> 1. Confirm that there is no way to mitigate the impact of non-completion. 2. Plan established for manual completion and twice-weekly huddles take place to track progress. 3. Additional resources in place to perform manual data cleanse, load and subsequent updates. 4. Carry out manual process and ongoing tracking and reporting.

Key Strategic risks – added in November

Key risks	Mitigation
There is a risk that the programme will not have the required resources to sustain delivery due to the timeframes in moving forwards the Optimisation phase, linked to resources/contracts ending and any requirements for procurements at the same time as completing the safe and compliant work.	<ol style="list-style-type: none"> 1. Oracle spend control process established where all requests for spend have to be approved by Oracle programme board and should have already been in cabinet paper with funding approved until March 2024. 2. Conduct a review of the programme's priorities to prioritise activities with the greatest, short-term financial and/or business impact with a focus to reduce manual processing and release those resources. 3. Explore options around the potential to de-scope and prioritise within High-Level Design work 4. Confirm the funding required to fix Oracle. This should be covered in the High-Level Design documentation.
There is a risk that the budget available to Oracle is insufficient to complete the required work.	<ol style="list-style-type: none"> 1. Full analysis and quantification of options plus recommendations to be provided in the Cabinet Paper.
The programme has a previously approved budget, but since the Section 114 announcement, all funding decisions must to go through the Spend Control Board. This could lead to resource gaps and reduce the speed of project delivery.	<ol style="list-style-type: none"> 1. Develop a resource plan that identifies roles and their dependencies. 2. Ensure that team members transfer knowledge and skills and can step into different roles if necessary, this reduces the impact of resource loss by allowing others to fill in. 3. Establish contingency plans to account for unexpected resource gaps and build in time required for approval processes into project plan. 4. Develop forward plan of costings for 2024/25 onwards

2. Programme Finances



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Programme Financial Position, from June Cabinet Report

Description	Cost (£m)		
	Pre-23/24	23/24	TOTAL
Previously approved budget (March 21)	£39.97		£39.97
Forecast spend (s&c + solution design)	£11.44	£29.24	£40.68
Contingency (@20% of 23/24)		£5.85	£5.85
TOTAL	£51.41	£35.08	£86.49

New funding for which approval is sought (row 2 + 3)		£46.53
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Amount tracked in
programme financial report
on the next slide

Programme Financials, as at 29th September 2023

	FY 2023/24		
	Revised Forecast (£'m)	Original Cabinet Funding (£'m)	Variance Forecast (£'m)
General Programme Costs	4.541	5.542	1.001
Digital and Technology Services	13.612	16.461	2.849
Finance	5.903	4.099	(1.804)
People Services	1.620	3.047	1.427
Procurement	-	0.088	0.088
Contingency/Other	5.847	5.847	0.000
Total 2023/24	31.523	35.084	3.561
2022/23 Costs		11.442	
Total Cabinet Approved		46.526	

- Notes: - Underspend in finance is due to manual transaction fix team costs being charged to Oracle programme not finance BAU, this is a change from the prior period.
- The costs for 2022/23 are still being finalised and may change.

3. Customisations



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What is the difference between Configuration and Customisation?

Configuration

Changing settings within core functionality for example options, data fields, workflows, process settings, Birmingham entities, chart of accounts, users etc.

This is an essential part of deploying Oracle – the solution will not work if it is not configured.

Think of it as changing dials in your car for temperature, fan speed etc.

Configuration does not involve development or custom code.

Customisation

Involves custom or bespoke coding in order to add new functionality to the solution.

This takes longer and is higher risk than configuration, and needs additional ongoing maintenance.

Think of it as fitting new items to your car – a new sunroof or a more powerful engine

Normal practice is that with ERP solutions like Oracle, configuration is favoured and customisations should be minimised wherever possible

Configuration	Reports, Interfaces, Minor Object Customisation	Major Customisation / Extensions
Oracle modules – updating basic settings, options, data fields, workflows, process settings, Birmingham entities, chart of accounts, users etc.	<p>Interfaces in and out between Oracle and other Birmingham systems such as Council Tax, Housing and many other systems.</p> <p>Custom reports e.g. local government reporting which don't exist as standard Oracle reports.</p> <p>Personalisation of screens and/or dashboards to control what individual roles can see or do.</p>	<p>Building new applications using custom code, e.g. BRS.</p> <p>Building extensions to Oracle functionality (we have previously called these PaaS extensions).</p>
Non-Oracle Applications (e.g. income management or sourcing) – basic settings.	Non-Oracle Applications need an interface in/out of Oracle, although standard or starter interfaces are often provided by the vendor.	Extending or customising third party products is often not allowed and certainly not desirable.
Development Risk: Low	Development Risk: Low, sometimes Medium	Development Risk: High
Maintenance Risk: Low	Maintenance Risk: Low, sometimes Medium	Maintenance Risk: High
Approach: Maximise	Approach: Minimise the number, keep simple	Approach: Avoid

4. Optimisation Timeline



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Optimisation Timeline Update

Progress update

Work is progressing in line with timescales set out in the June Oracle Cabinet report.

High-level design and preliminary process workshops have been completed and have concluded that standard/vanilla Oracle processes can meet the vast majority of the Council's requirements.

Cash management is one area where standard Oracle does not meet the Council's requirements. The use of an off the shelf Income Management Solution is being investigated as this is common practice for UK local authorities and an options on this will be brought back to the next meeting.

The June Cabinet Report outlined a plan to go back to Cabinet with a plan for the Optimisation phase by the end of the calendar year, and we are currently reviewing this plan with the Commissioners.

Questions?



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Birmingham City Council

Finance and Resources Overview and Scrutiny Committee

16 November 2023



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

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

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

1 Purpose

- 1.1 This report sets out the proposed work programme for the Finance and Resources Overview and Scrutiny Committee for 2023-24, based on the Committee's meetings in September 2023. Appendix 1 outlines the topics identified, aims and objectives and the preferred method of scrutiny to achieve these objectives. Appendix 2 sets out the proposed terms of reference for the Budget Scrutiny Task and Finish Group.
- 1.2 The report also refers to other topics, which the Committee has identified, for future consideration, and this will be continuously updated during the year.

2 Recommendations

- 2.1 That the Committee:
 - Notes the information set out in Appendix 1 and identifies if any further topics need to be added to the menu of topics for the Committee to explore over the coming year.
 - Agrees the Terms of Reference for the Budget Scrutiny Task and Finish Group as set out in Appendix 2.
 - Agrees, subject to further input from the Chair and Deputy Chair, the issues that the Committee will consider during December 2023– February 2024, the proposed aims and objectives and the preferred method of scrutiny.
 - Identifies, subject to further input from the Chair and Deputy Chair, the issues that the Committee will consider in March 2023, the proposed aims and objectives and the preferred method of scrutiny.

- Notes, subject to further input from the Chair and Deputy Chair outside of the meeting, its proposed work programme will be submitted to Co-ordinating O&S to enable work to be planned and co-ordinated throughout the year.

3 Background

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

3.2 Effective Overview and Scrutiny should:

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

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

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

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

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

- Public interest: concerns of local people should influence the issues chosen.
- Ability to change: priority should be given to issues that the Committee can realistically influence.
- Performance: priority should be given to areas in which the Council and Partners are not performing well.
- Extent: priority should be given to issues that are relevant to all or a large part of the city.

- Replication: work programme must take account of what else is happening to avoid duplication.

Looking Ahead

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

Scrutiny Methods

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

Finance and Resources Overview and Scrutiny Committee

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

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

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

4 Work Programme 2023-24

- 4.1 Appendix 1 sets out the topics the Committee will consider over the next few months, and also outlines future items for consideration.
- 4.2 The Committee may decide to add further items to the work programme during the course of the year. When considering this, the Committee is advised to consider where it can best add value through scrutiny, and how it can prioritise topics for consideration based on the Scrutiny Framework referred to in 3.5.
- 4.3 It was agreed at Co-ordinating OSC on 13 October that a Budget Scrutiny Task and Finish Group will be established through the Finance and Resources OSC to scrutinise the work to close the 2023/24 budget gap and to contribute to the development of the 2024/25 Budget Proposals. The Terms of Reference are attached as Appendix 2 for approval.
- 4.4 The Council's latest [Forward Plan](#) may assist Members in identifying future topics. The following reports are of particular relevance to this Overview and Scrutiny Committee:

ID Number	Title	Proposed Date of Decision
010948/2023	Effective Commissioning of Debt	14 Nov 23
011740/2023	Provisional Financial Outturn 2022/23	14 Nov 23
011942/2023	Trailblazer 100% Business Rates Retention Agreement for the West Midlands	14 Nov 23
011978/2023	Key Decision Planned Procurement Activities (December 2023 – February 2024) and Quarterly Contract Award Schedule (July – September 2023)	14 Nov 23
012002/2023	Resources for Birmingham City Council Priorities – standing item	14 Nov 23
011734/2023	Financial Monitoring Report 2023/24 Quarter 2	12 Dec 23
011969/2023	Transportation and Infrastructure Partnership Procurement Strategy and Report	12 Dec 23
011524/2023	The Supply of Print and Print Management Services	16 Jan 24
011738/2024	Council Tax Tax-base for 2024/25	16 Jan 24
011739/2024	Business Rates Income 2024/25	16 Jan 24
011735/2024	Financial Monitoring Report 2023/24 Month 8	13 Feb 24
011742/2024	Draft Financial Plan 2024-2028	13 Feb 24
011743/2024	Financial Plan 2024-2028	27 Feb 24
011736/2024	Financial Monitoring Report 2023/24 Quarter 3	19 Mar 24
011737/2024	Financial Monitoring Report 2023/24 Month 10	23 Apr 24

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

4.6 The work of the Finance and Resources Overview and Scrutiny Committee underpins the delivery of all the priorities in the Council's Corporate Plan 2022 – 26. Details of the priorities have been included in Appendix 1 for reference.

5 Any Finance Implications

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

6 Any Legal Implications

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

7 Any Equalities Implications

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

8 Appendices

- 8.1 Appendix 1: Work Programme 2023-24 – November.
- 8.2 Appendix 2: Proposed Terms of Reference for Budget Scrutiny Task and Finish Group.

9 Background Papers

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

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

The work of the Finance and Resources Overview and Scrutiny Committee underpins the delivery of all Corporate Priorities in the Corporate Plan 2022-26.

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

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

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September 23	Planned Procurement Activities Report	To consider the Planned Procurement Activities (to be considered at Cabinet on 5 th September) report and scrutinise the governance and spend of Council contracts. The Committee to make any recommendations.	Committee meeting - single item 7 September 2023 Council House Committee Room 6 Deadline for reports: 29 August	Steve Sandercock, Assistant Director, Procurement		Outcome: No questions relating to PPAR
September 23	Managing Council Risk including the Strategic Risk Register, Budget Risk and Savings Risks	Update members on risk management to inform Committee work programme	Committee meeting - single item 7 September 2023 Council House Committee Room 6 Deadline for reports: 29 August	Fiona Greenway, Interim Director of Finance (S151 Officer) Sarah Dunlavey, Assistant Director, Audit & Risk Management		It was requested at the July Committee Meeting that the Corporate Risk Register is included as a standing item. Outcome: Item deferred
September 23	Update on Budget Recovery Plan and MTFP and Scrutiny Contribution to Budget Savings	To provide the Committee with an update on the current position with regard to the implications of Equal Pay, the Budget Recovery Plan and Values Framework. To consider the Corporate Savings Programme.	Committee meeting - single item 7 September 2023 Council House Committee Room 6	Fiona Greenway, Interim Director of Finance (S151 Officer)		Outcome: Clarification provided on statutory requirement of regarding S114 Notice process. Assurance provided regarding risk management control framework around Equal Pay.

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		The Committee to make any recommendations.	Deadline for reports: 29 August			Additional meeting to be held to further consider Section 114 Notice, Financial Recovery Plan and delivery of savings
September 23	Oracle Stabilisation Update	<p>To provide the Committee with an update, to include:</p> <ul style="list-style-type: none"> • Update on 'Safe and Compliant' • Update on Optimisation High Level Design • Oracle financial position • Key strategic risks from within the Oracle RAID log • Update on Oracle Management Review – including anticipated completion date. <p>The Committee to make any recommendations.</p>	<p>Committee meeting - single item</p> <p>7 September 2023</p> <p>Council House Committee Room 6</p> <p>Deadline for reports: 29 August</p>	<p>Meena Kishinani, Interim Director of Transformation</p> <p>Craig Buckley, Oracle Programme Director</p>		Outcome: Information provided regarding safe and compliant timescales
September 23	Job Evaluation – Permanent Pay Equity	To consider the report on Permanent Pay Equity presented to Cabinet on 25 July.	<p>Committee meeting - single item</p> <p>7 September 2023</p>	Deborah Cadman Chief Executive and Head of Paid Service		Outcome: Information provided on background and timescales for job evaluation and pay equity.

		To provide the Committee with an update on activity since that date. The Committee to agree how it will provide monitoring and oversight of the delivery of the programme. The Committee to make any recommendations.	Council House Committee Room 6 Deadline for reports: 29 August	Janie Berry, City Solicitor and Monitoring Officer Fiona Greenway, Interim Director of Finance (S151 Officer) Darren Hockaday, Interim Director of People and Corporate Services		
October 23			12 October 2023 Council House Committee Room 6			October Finance and Resources OSC cancelled due to Extra-ordinary Meetings of City Council on 12 October 23.
November 23– January 24	Budget Scrutiny Task and Finish Group	Terms of Reference to be considered as part of Finance and Resources OSC Work Programme Report 16 November 23.	Task and Finish Group meetings: Dates TBC	Fiona Greenway, Interim Director of Finance (S151 Officer)		
November 23	Planned Procurement Activities (standing item)	To consider the Planned Procurement Activities report and scrutinise the governance and spend of Council contracts. The Committee to make any recommendations.	Committee meeting 16 November 2023 Council House Committee Room 6	Steve Sandercock, Assistant Director, Procurement		

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			Deadline for reports: 1 November			
November 23	Scrutiny of Delivery of 2023/24 Budget Savings and Update on the Council's Response to s144 Notice and Financial Recovery Plan	To consider the implications of Equal Pay and the Medium-Term Financial Plan for the Committee's work programme including agreed savings for 2023/24.	Committee meeting 16 November 2023 Council House Committee Room 6 Deadline for reports: 1 November			The Finance and Resources OSC will consider 2023/24 in year savings across all council services.
November 23	Job Evaluation and Pay Equity System	To update on the Pay Equity System agreed with the 3 trade unions and timescales for implementation to meet the deadline of End March 2025.	Committee meeting 16 November 2023 Council House Committee Room 6 Deadline for reports: 1 November	Deborah Cadman, Chief Executive Katy Fox, Director of People Services		
November 23	Oracle Update (standing item)	To update members on the implementation of Stabilisation of Oracle including strategic risks	Committee meeting 16 November 2023	Meena Kishinani, Interim Director of Transformation		The Health and Adult Social Care OSC has recommended that the Finance and Resources OSC seeks assurance regarding

Appendix 1

		<p>reported to September OSC meeting.</p> <p>To provide a detailed breakdown of what money is being spent and a definition of customisation – what it is and what it looks like.</p> <p>To update on timescales for Optimisation.</p>	<p>Council House Committee Room 6</p> <p>Deadline for reports: 1 November</p>	<p>Craig Buckley, Oracle Programme Director</p>		<p>the systems on place to ensure that the Council is invoicing and receiving payments.</p>
December 23	End of Year Outturn (TBC)	<p>To inform the Committee of the end of year outturn and Committee to agree any comments / recommendations.</p>	<p>Committee meeting</p> <p>14 December 2023</p> <p>Council House Committee Room 6</p> <p>Deadline for reports: 29 November 23</p>			
January 24	Q2 Financial Monitoring	<p>To inform the Committee of the Q2 financial monitoring and the Committee to agree any comments / recommendations.</p>	<p>Committee meeting</p> <p>18 January 2024, Council House Committee Room 6</p>			

			Deadline for reports: 3 January 24			
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*Outcome: This will be populated once the item/topic has been completed. It will identify the added value and impact.

Menu of Issues for Consideration

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

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

Item/ Topic	Proposed Aims and Objectives	Proposed Scrutiny Method	Additional Information
Monitoring recommendations of the Procurement Governance Scrutiny Report	To receive an update on the new Procurement and Contract Governance rules	Committee meeting - single item	
Progress Report on Implementation: Council-owned Assets	To track progress on implementation of the recommendations R01 and R02.	Committee meeting - single item	Recommendations R03-R06 were signed off as completed in November 2022.
Diversity and Inclusion Dashboard	Role for O&S in looking at specific aspects of the data and monitoring progress including: <ul style="list-style-type: none"> • Work force planning in relation to age profile of staff. • Disability disclosure and reasonable adjustments 	TBC	Possible key questions: How do we acquire new talent? How do we ensure we're attractive to potential new employees? Are we open, accessible, inclusive and do our job descriptions and requirements reflect the needs of the business, but also the reality of life and experience of work for applicants?

	<ul style="list-style-type: none"> Governance of Everyone's Battle, Everyone's Business (EBEB) and what impact this has made. 		When is it appropriate to use consultants and how are these decisions made?
Working from Home	To understand the impact on productivity and workforce costs.	TBC	This may be looked at flexibly. Important to note that this item isn't about stopping working from home, but looking at where it is appropriate and whether it works for the needs of the council and its residents.
Visits to inform the work of the Committee			
Council Assets	Scrutiny of Asset Strategy as part of Financial Recovery Plan		
Treasury Management	Scrutiny of the Council's Treasury Management		
Impact of Spend Control Board	Understand the savings made through the implementation of spend controls		
Mutually Agreed Resignation Scheme (MARS)	Understand the savings identified through the MARS scheme and potential service implications.		Potential to refer this item to Co-ordinating OSC due to cross cutting nature and potential impact on services.

Scrutiny Method Options:

Committee meeting - single item

Committee meeting - single theme

Task and Finish Group (outline number of meetings)

On location

Other - (describe)

Corporate Priorities, Performance and Outcomes

Corporate Priorities 2022 – 26:

- | | |
|--|---|
| 1 Support inclusive economic growth | 11 Increase affordable, safe, green housing |
| 2 Tackle unemployment | 12 Tackle homelessness |
| 3 Attract inward investment and infrastructure | 13 Tackle health inequalities |
| 4 Maximise the benefits of the Commonwealth Games | 14 Encourage and enable physical activity and healthy living |
| 5 Tackle poverty and inequalities | 15 Champion mental health |
| 6 Empower citizens and enable citizen voice | 16 Improve outcomes for adults with disabilities and older people |
| 7 Promote and champion diversity, civic pride and culture | 17 Improve street cleanliness |
| 8 Support and enable all children and young people to thrive | 18 Improve air quality |
| 9 Make the city safer | 19 Continue on the Route to Zero |
| 10 Protect and safeguard vulnerable citizens | 20 Be a City of Nature |
| | 21 Delivering a Bold Best in Class Council |

Information on the Corporate Priorities, Performance and City Outcomes was reported to Finance and Resources OSC in June 23: [Document.ashx \(cmis.uk.com\)](https://cmis.uk.com)



Work Outline

Budget Scrutiny Task and Finish Group October 2023

Finance and Resources Overview and Scrutiny Committee Task and Finish Group

Our key questions	<p>How will the Council close the in-year budget gap during 2023/24?</p> <p>How can Scrutiny contribute to the development of the Budget proposals for 2024/25 and financial plans for the following years?</p> <p>What comments / recommendations does the Task and Finish Group want to report to Cabinet when the 2024/25 budget proposals are considered?</p>
1. How is O&S adding value through this work?	<p>The report to City Council on 25 September 2023 set out that:</p> <p>Services are now developing options for the maximum deliverable 2023-24 cashable revenue savings or additional 2023/24 income in their areas of responsibility. These may be one-off for 2023/24 or recurrent, but the more that is recurrent the more we can close the future MTFP gap.</p> <p>Proposals will include delivery timescales, milestones and an assessment of impact on services and citizens. Each proposal will have an identified officer below Director level to lead the development and implementation of the proposal. Savings must impact the General Revenue Fund, but within this we are not excluding any budget or service up front.</p> <p>The Finance and Resources OSC Budget Task and Finish Group will consider the proposals to close the 2023/24 budget gap and consider any additional mitigations to close the in-year budget gap.</p> <p>The Finance and Resources OSC Budget Task and Finish Group will also contribute to the development of proposals for the 2024/25 Budget proposals and financial plans for the following years and scrutinise the budget proposals before City Council.</p>
2. What needs to be done (key lines of enquiry)?	<p>The work of the Task and Finish Group will take place in 3 phases:</p> <p>Phase 1: Week Commencing 20 November</p>



Budget Scrutiny Task and Finish

Group October 2023

Following a report to Cabinet on 14 November, the Task and Finish Group will meet to consider the matters reported to Cabinet, including a requirement from the Commissioners that the Cabinet bring forward a balanced budget for 2023-24 and balanced financial plans for 2024-25 and 2025-26. This meeting will engage with the Finance team and will be scheduled for a ½ day.

Questions members will consider include:

- Are the 2023/24 savings identified deliverable within time scales?
- Have any 2023/24 savings been written off / discounted? If this is the case, why?
- Have Scrutiny Members identified additional in year 2023/24 savings?
- What will be the combined effect of savings on particular groups / communities?

Phase 2: Week Commencing 4 December

The Budget T&F Group will meet to consider Cabinet proposals for the 2024-25 Budget. This meeting will engage with Corporate Management Team Directors and the Finance team. This will be scheduled for 1 day (either as a full day or two half days on successive days)

Questions Members will consider include:

- How robust is the savings plan to ensure delivery of savings during 2024/25 and during the period of the Medium-Term Financial Plan?
- Have Scrutiny Members identified any additional savings?
- What options can the Council explore for additional income generation?
- How does service provision compare with other councils?
- What consideration has been given to the Council's Public Sector Equality Duty in developing and delivering savings?
- Are there plans for sufficient consultation where this is required?

Phase 3: Week Commencing 8 January 2024

The Budget T&F Group will meet to consider the draft of the 2024-25 Budget that Cabinet intend to present to the Council Meeting in February. The T&F Group will need to agree recommendations that it would wish the Cabinet to consider. The report of the Budget T&F Group will be appended to the Cabinet report to Council along with the Cabinet's response to the T&F Group recommendations – subject to the requirement that follows below.

The recommendations of the Budget T&F Group will be presented first to the Finance & Resources O&S Committee as the endorsement of the host Finance & Resources Committee is required. A full day or two half days on successive days will be needed for this Budget T&F meeting.

Information for each of the Task and Finish Group meetings will be circulated in advance of the meeting.

The information provided to the Task and Finish Group will be confidential to members.



3. What timescale do we propose to do this in?	<p>Phase 1: Week Commencing 20 November 2023</p> <p>Phase 2: Week Commencing 4 December 2023</p> <p>Phase 3: Week Commencing 8 January 2024</p> <p>Recommendations of the Task and Finish Group will be considered by the Finance and Resources OSC for approval.</p> <p>The Finance and Resources OSC will then continue scrutiny of the budget as part of the Committee's work programme.</p>
4. What outcomes are we looking to achieve?	<p>Member engagement in the delivery of a balanced budget for 2023/24 and budget proposals for 2024/25.</p> <p>Scrutiny of the deliverability of savings identified and the robustness of the information to be considered by Cabinet for the 2024/25 budget.</p> <p>Identify additional savings that could be considered.</p> <p>Comments / Recommendations to Cabinet on the Budget proposals for 2024/25.</p>
5. What is the best way to achieve these outcomes and what routes will we use?	<p>The Finance and Resources OSC will establish the Task and Finish Group including the Chairs of all Overview and Scrutiny Committees.</p>

Member / Officer Leads

Lead Member:	Chair of Task and Finish Group: Cllr. Jack Deakin
Members of the Task and Finish Group	Cllr. Jack Deakin, Cllr. Albert Bore, Cllr. Kerry Jenkins, Cllr. Mick Brown, Cllr. Ahmed (or Cllr. Iroh if Cllr. Ahmed not available), Cllr. Lee Marsham, Cllr. Shabrana Hussain, Cllr. Mohammed Idrees, Cllr. Paul Tilsley, Cllr. Robert Alden, Cllr. Alex Yip
Lead Officer:	Fiona Greenway, Interim Director of Finance (S151 Officer) Christian Scade, Head of Scrutiny and Committee Services
Officers Supporting the Task and Finish Group:	Fiona Bottrill, Senior Overview and Scrutiny Manager

