

BIRMINGHAM CITY COUNCIL

CO-ORDINATING O&S COMMITTEE – INFORMAL MEETING

1000 hours on Friday 9th July 2021, On-line meeting

Action Notes

Present:

Councillor Carl Rice (Chair)

Councillors: Mohammed Aikhlaq, Deirdre Alden, Debbie Clancy, Liz Clements, Roger Harmer, Penny Holbrook, Shabrana Hussain, Mariam Khan, Narinder Kaur Kooner and Rob Pocock

Also Present:

Councillor Tristan Chatfield, Cabinet Member for Finance & Resources

Stuart Fair, Principal Consultant, CIPFA

Rebecca Hellard, Director of Council Management (Interim)

Rokneddin Shariat, Procurement Strategy and Development Manager

Emma Williamson, Head of Scrutiny Services

1. NOTICE OF RECORDING/WEBCAST

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

2. APOLOGIES

Apologies received from Councillor Ewan Mackey.

3. DECLARATION OF INTERESTS

None declared.

4. COUNCIL FINANCIAL MANAGEMENT CAPABILITY: CIPFA

(See documents No 1 and 2).

Councillor Tristan Chatfield, Cabinet Member for Finance & Resources, introduced the item and placed on record his thanks to CIPFA and also thanked the budget holders across the whole of the Council for their hard work and the improvements made to

move from one star in 2019 (out of a possible five star assessment) to a three star authority ahead of time. However, there are financial challenges ahead, not least the impact of Covid.

Stuart Fair, Principal Consultant, CIPFA gave the presentation and the main points included:

- Details of what they looked at when assessing financial resilience, which many local authorities struggle with and the Council is now rated as moderate;
- Financial management and the highly commendable response to issues arising within the April 2019 assessment;
- There has been huge change over the two years, including finance staff providing business partner support, and treasury management is exemplary;
- The Council's Financial Strategy (the Financial Plan 2021 – 2025) is one of the best they have seen;
- There are five areas for development, and they are confident that these further development areas will be fully addressed within the current change initiatives.

The Cabinet Member highlighted the next steps and the complexities of, and the effort they are putting into, the Enterprise Resource Planning (ERP) system. Also, in relation to assets, they are developing a corporate landlord approach and developing how they can get a better yield from the other assets the Council has.

In response to questions, Stuart Fair, Rebecca Hellard, and the Cabinet Member commented:

- The challenges from external audit from 2019 were from when the Council was in a different place and there is now a better level of confidence.
- Rebecca Hellard would welcome the opportunity to provide the Committee with a full picture of the capital programme and the major projects within it, and the intended outcomes of the programme that makes up the £432m.
- Asset management: they have a delivery plan that went to Cabinet in November 2020 and a full programme management plan that supports this. One of the major workstreams is inclusive growth, which includes the assets programme. The disposal programme will be going to Cabinet in September 2021. Also, there is a workstream around development sites and how the city is going to be revitalised and this will also be going to Cabinet.
- Corporate landlord functions (operational assets including libraries for example) is another workstream that is just starting, and this comes under Finance. These assets will be pulled together into a landlord function. Services will then become tenants and will bring in the community element.
- Procurement and contract management: the Resources O&S Committee in undertaking a piece of work in relation to this. The Council spends in excess of £400m per year with third parties and this requires oversight. Work will be starting with commissioning and officers are working with Adult Social Care, who are one of the biggest commissioners. They are undertaking a pilot for this. In

relation to Contract management, there are a number of senior officers that manage contracts and this needs to be seen as a separate technical skill rather than an add-on to a job.

- The trajectory will allow the achievability of being awarded a four star. However there needs to be the same pace, resources, and support from Members.
- The Cabinet Member highlighted that they will be moving to recruiting permanent staff within the procurement team, as there are a number of interim staff in place. However, there are challenges with appointing suitably qualified staff across local government.
- There is a huge amount of work going on in the Finance department that will also support the other areas of the Council, and the new Interim Chief Executive has embarked on leadership development programme and will be developing a strong team of officers at the top of the organisation.
- The ERP system is the Oracle system which is all about user experience and easily interpreted dashboards that will make it easier for senior managers to understand financial information. The system will go live on the 1st April 2022. Also, within the delivery plan there is a data workstream so all data can be brought together, this is at an embryonic stage.
- The Council may have been complacent in the past and this, coupled with the lack of investment, could have led to where we were two years ago. However, they are investing in the new system and it was suggested that the Committee may want to discuss the Future Operating Model and what is happening with HR. There is a need for external validation. It was highlighted that although improvements have been made the financial challenges are still there.
- Making the right staff appointments and supporting them in their role is important and the support from CIPFA gives an additional assurance that we are moving in the right direction.

5. REVIEW OF BIRMINGHAM BUSINESS CHARTER FOR SOCIAL RESPONSIBILITY

(See document No 3).

Councillor Tristan Chatfield, Cabinet Member for Finance & Resources, highlighted how important the charter is and how the Council should be a trailblazer in this area. The Cabinet Member highlighted supporting the fair tax agenda and there is a standard we encourage companies to use, and more companies are signing up to this. The long term aspiration includes having social value in planning and large scale development, and they are keen to establish outputs reporting and what we can deliver regarding social value. The report is in draft form and will reflect views given.

Rokneddin Shariat, Procurement Strategy and Development Manager, commented that they are working on a route to zero measure and the organisation's stance on carbon neutral and when they anticipate they will become carbon neutral. Also, reporting on social value is important and this is built into the ERP.

In response to questions, the Cabinet Member and Rokneddin Shariat commented:

- Cllr Harmer thought there may be a lack of urgency with the route to zero measure and he is happy to get involved with this. The Cabinet Member suggested that he could provide more detail to the Sustainability and Transport O&S Committee. Rokneddin Shariat commented that we need to be promoting companies to be carbon neutral, e.g. building a stadium.
- Further information was requested on page 62 and ‘consider including Social Value in the Planning process – This is an opportunity to achieve Social Value outcomes from an area of activity not previously considered. Other Councils such as Coventry and Islington are leading in this area’: Members were informed that they need to get guidance from legal services to how enforceable this is. Also, Coventry and Islington are exploring this, and they are looking at whether social value is transferred to the new occupier of the development etc.
- Procurement is the biggest generator of carbon emissions by the Council at c.80% and these are emissions that we directly control, and Cllr Liz Clements expects to have a discussion at her Committee. However, the Council should have a good methodology and targets, and must be ambitious. The Cabinet Member agreed that this needs to be integral to the contract.
- There is a government green paper¹ on procurement that has been published recently which includes social value, and officers are awaiting the white paper to see if there is greater flexibility and whether there is more that we can do.

6. WORK PROGRAMME

(See document No 4).

Emma Williamson, Head of Scrutiny Services, introduced the work programme as set out and updated members on current and forthcoming inquiries:

- The Committee’s next formal meeting is on the 10th September 2021 when Members will be receiving an update from the Cabinet Member for Social Inclusion, Community Safety & Equalities, as this is a recent addition to this Committee’s portfolio.
- There are a number of formal and informal sessions that need to be programmed:
 - Customer Services is due to come to Committee formally in October 2021. However, it is acknowledged that Members would welcome an update prior to this and a suitable date for this will be confirmed.
 - Exempt accommodation – an evidence pack is being collated and a formal face to face meeting to be held with the Cabinet Member and Officers (this includes housing, planning, housing benefits and licensing

¹ <https://www.gov.uk/government/consultations/green-paper-transforming-public-procurement>

departments, and the police) in September 2021 is in the process of being organised.

- The next Scrutiny Business report is due at Full Council in September 2021 and this will be drafted in the next couple of weeks, summarising where scrutiny is across all eight committee.

7. OTHER URGENT BUSINESS

None.

The meeting ended at 1152 hours.