

# **BIRMINGHAM CITY COUNCIL**

## **RESOURCES OVERVIEW AND SCRUTINY COMMITTEE**

**THURSDAY, 24 MARCH 2022 AT 14:00 HOURS**  
**IN COMMITTEE ROOM C, COUNCIL HOUSE EXTENSION, 6**  
**MARGARET ST, BIRMINGHAM, B3 3BG**

### **A G E N D A**

1 **NOTICE OF RECORDING/WEBCAST**

The Chair to advise/meeting to note that this meeting will be webcast for live or subsequent broadcast via the Council's meeting You Tube site ([www.youtube.com/channel/UCT2kT7ZRPFCXq6\\_5dnVnYlw](http://www.youtube.com/channel/UCT2kT7ZRPFCXq6_5dnVnYlw)) and that members of the press/public may record and take photographs except where there are confidential or exempt items.

2 **APOLOGIES**

To receive any apologies.

3 **DECLARATIONS OF INTERESTS**

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

**3 - 8**

4 **ACTION NOTES**

To confirm the action notes of the meeting held on 10 February 2022.

**9 - 28**

5 **FINANCIAL MONITORING 2021/22 - MONTH 10**

To consider the financial monitoring report 2021/22 for Month 10.

**29 - 50**

6 **EPR (IB PROGRAMME) UPDATE**

To receive an update report in relation to Enterprise Resource Planning.

- 51 - 122**      7      **COMMERCIAL GOVERNANCE TASK AND FINISH GROUP**
- To consider the draft report and recommendations from the Commercial Governance Task and Finish Group.
- 123 - 124**      8      **BIRMINGHAM'S BUSINESS CHARTER FOR SOCIAL RESPONSIBILITY**
- To consider a report concerning Birmingham's Business Charter for Social Responsibility.
- 125 - 146**      9      **PLANNED PROCUREMENT ACTIVITIES REPORT**
- To note the Cabinet report (considered on 22 March 2022) on planned procurement activity.
- 147 - 150**      10      **WORK PROGRAMME**
- For discussion.
- 11      **DATE AND TIME OF NEXT MEETING**
- To note that the next meeting is scheduled for 28 April 2022 at 2.00pm.
- 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      **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'.

## BIRMINGHAM CITY COUNCIL

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

**1400 hours on Thursday 10 February 2022, Committee Room C, Margaret Street, Birmingham**

**Action Notes**

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**Present:**

Councillor Mohammed Aikhlaq (Chair)

Councillors: Majid Mahmood and Paul Tilsley

**Also Present:**

Councillor Tristan Chatfield, Cabinet Member for Finance and Resources

Rebecca Hellard, Director of Council Management

Meena Kishinani, Interim Transformation Director

Richard Peirce, Finance Manager – Financial Strategy

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

Mohammed Sajid, Interim Head of Financial Strategy

Lisa Taylor, Interim Head of Financial Planning

Jayne Bowles, Scrutiny Officer

Christian Scade, Interim Head of Scrutiny and Committee Services

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**1. NOTICE OF RECORDING/WEBCAST**

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**2. APOLOGIES**

Apologies were received from Councillors David Barrie, Barbara Dring, Meirion Jenkins and Shafique Shah.

Members asked for their best wishes to be noted and passed on to Cllr Dring.

### 3. DECLARATIONS OF INTERESTS

None.

### 4. ACTION NOTES

(See documents 1 and 2)

#### **RESOLVED:-**

The action notes of the meetings held on 25 November 2021 and 20 January 2022 were agreed.

### 5. FINANCIAL MONITORING 2021/22 – QUARTER 3/MONTH 9

(See document 3)

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

Cllr Chatfield introduced the report and highlighted the following points:

- There is a £4.2m overspend, which is a significant improvement, and he is confident that will be zero by the end of the financial year;
- 86% of the savings target is set to be delivered, which is in line with the last couple of years and a substantial improvement since before that time;
- Key movements are the use of £6.1m financial resilience reserve to cover off home to school transport issues, which was highlighted as a risk last time;
- The report also outlines around £22.8m in Covid-related income loss, for example car parking and impact on leisure services amongst other things;
- Expenditure of £14.8m on Covid cost outlay;

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

- There was support for the spending controls, however there was a query as to what was envisaged at the outset of spend controls and whether the extra burden on officers had created extra bureaucracy in terms of resources spent although the Cabinet Member assured the committee this was not the case;
- The National Pay Award has still not been agreed, with a couple of unions having balloted members on strike action and was noted that the delay in implementing the pay deal could mean staff losing out due to the National Insurance increase;
- Members wondered whether officers were still confident that the £38.5m prudent reserves will be protected and were reassured that they were;
- The Cabinet Member would like the Government to give the Council the certainty of a longer-term financial settlement – eg 5 years – it would put the Council in a much better position to plan and project forward for revenue needs and what we need to do to raise income.

- Other issues raised include around capital expenditure and the relocation of Montague St and Redfern St depots “Atlas works project” seeking assurance it is now fully costed.
- There has been slippage of £5m in the property strategy and a report is due to come to Cabinet in 2022/23 and Scrutiny members would welcome getting involved to assist the Cabinet Member in that piece of work.

#### **RESOLVED:-**

- Response to be provided to outstanding action from January meeting relating to Fleet & Waste vehicles entering the Clean Air Zone.
- More detail to be provided on the position with Trade Waste.
- More detail to be provided on the projected underspend of £0.9m on the Environmental improvements/cleanliness budgets.
- Consideration to be given to inviting the new Director of Inclusive Growth to a future meeting.
- The report was noted.

## **6. INVEST TO SAVE INITIATIVES**

(See document 4)

Meena Kishinani, Interim Transformation Director, was in attendance for this item on behalf of the report author Gemma Malhi.

Meena introduced the report and made the following points:

- Intended to pump prime key transformation initiatives against three strands
  - Moving residents from crisis to prevention,
  - inclusive growth to ensure residents can benefit from growth coming to city,
  - new ways of working and ensuring we have a fit for purpose organisation that can deliver on what the city is ambitious enough to deliver going forward.
- Focus of the programme management office has been to do a number of things including clear assurance of delivery of the programme, making sure rigorous process of assurance behind the scenes for CLT and Cabinet Members to make sure they are aware of risks. Working hand in glove with finance colleagues in the meeting today, not just about delivery of initiative but also savings delivery.
- The spend is included in quarterly monitoring. Each quarter we are open and transparent about costs and what spending against delivery plan reserve.

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

- Members questioned whether we can engage with other stakeholders, eg the NHS, in drawing down funding with them and were informed that was already the case, eg the early intervention and prevention programme due to come to Cabinet is a joint initiative across community and voluntary sector

and police, looking at joint teams in community and how to address the early intervention and prevention agenda going forward.

- Members queried whether, with the rise in electricity costs, the Council may wish to consider bringing in more energy efficient LED streetlights as an initiative we could use with invest to save.
- Officers observed that the movement to LED street lamps is often not as straightforward as changing bulbs, often have to replace columns as well, but would envisage would be done as part of route to zero programme as already set up rather than through this transformation programme so can get more information on that.

**RESOLVED:-**

- More information to be provided regarding the move to using more energy efficient LED lights as part of the Route to Zero action plan.
- The report was noted.

**7. PLANNED PROCUREMENT ACTIVITIES REPORT**

(See document 5)

A request was made for a larger font to be used in the quarterly contract award section to make it easier to read.

**RESOLVED:-**

The report was noted.

**8. WORK PROGRAMME**

(See document 6)

An item on the Social Charter for Business Responsibility was suggested for the March meeting, following the question to the Chair at the 1<sup>st</sup> February City Council meeting.

It was also suggested that the April meeting be cancelled, subject to formal agreement at the next meeting.

**RESOLVED:-**

The work programme was noted.

**9. DATE OF NEXT MEETING**

Noted.

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

None.

**11. OTHER URGENT BUSINESS**

None.

**12. AUTHORITY TO CHAIRMAN AND OFFICERS**

**RESOLVED:**

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

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The meeting ended at 1442 hours.



## APPENDIX A

## Month 10 Financial Monitoring Report 2021/22

## 1. High Level Summary Financial Position

- 1.1. At the end of Month 10, there is a forecast net revenue underspend on the Council's General Fund of **£0.6m** (Column E in table 2) which represents -0.1% of the £828.7m budget and a **£4.8m** improvement since Month 9. This is made up of a **£37.1m** (Column D in table 2) revenue budget non-Covid underspends and a **£36.4m** (Column C in table 2) overspend related to direct covid expenditure and reduction in income.
- 1.2. Direct covid related expenditure and reduction in income of **£36.4m** is after applying funding; **£17.5m** of un-ringfenced Covid-19 related grant funding from the government received in 2020/21 carried forward into 2021/22, release of **£1.0m** from specific grant funding, **£6.0m** of Public Health Grant to fund Covid related spending in 2021/22, funding due from the Government for income losses of **£2.8m** and **£12.5m** pressures funded in the 2021/22 budget from the application of Tranche 5 of Government Covid funding. It is also after applying an estimate of **£38.0m** cost from the redeployment of staff on a similar basis to that reported in the 2020/21 outturn. The covid overspend has worsened by £0.5m since Month 9, largely due to increases in costs for City Operations. We will continue to look to maximise the use of other specific covid funding to reduce this estimated cost.

Table 1: High level position

Table 1 : High level position.	Covid Variation	Non-Covid Variation	Total Variation
	£m	£m	£m
Directorate Sub Total	26.8	1.7	28.5
Corporate Budgets	11.5	5.3	16.7
Application of Tranche 5 Funding Budget 2021/22	(12.5)	0.0	(12.5)
Covid Funding	(17.5)	0.0	(17.5)
Specific Grant Funding	(1.0)	0.0	(1.0)
Public Health Grant	(6.0)	0.0	(6.0)
Income Loss Scheme Funding	(2.8)	0.0	(2.8)
Corporate funding for Home to School Transport	0.0	(6.1)	(6.1)
<b>City Council General Fund Sub Total</b>	<b>(1.6)</b>	<b>0.9</b>	<b>(0.6)</b>
Transfer of Indirect Covid Costs	38.0	(38.0)	0.0
<b>General Fund after transferring indirect costs</b>	<b>36.4</b>	<b>(37.1)</b>	<b>(0.6)</b>

- 1.3. In terms of savings, **£33.4m** of the **£36.7m** savings targets are either delivered or on track which represents 91% of the total savings target. This represents an increase of £1.9m in the savings that are delivered or on track since Month 9. The £20.1m establishment saving has been fully delivered.
- 1.4. To help manage costs and mitigate the forecast overspend the council introduced a series of spending controls. The key areas of spend under control were staffing, properties / facilities management, and procurement. These controls were implemented in November and remain in place for the whole of this Financial Year.
- 1.5. The revenue budget non-Covid position is a net underspend of **£37.1m** (Column D in table 2). This is an improvement of **£5.4m** on Month 9. This includes improvement of

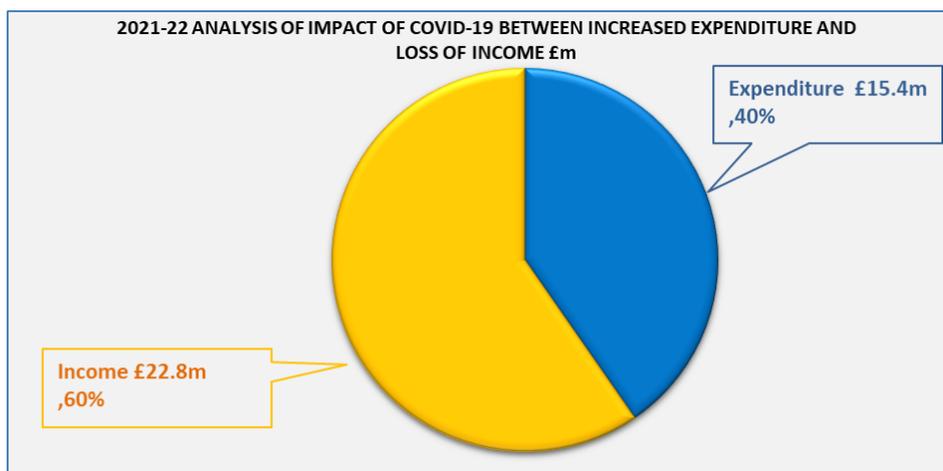
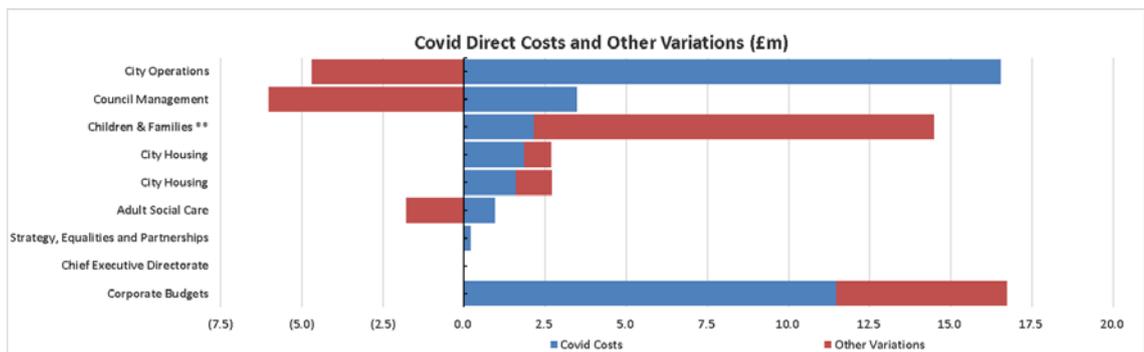
£1.9m Adult Social Care, £0.9m City Operations, £2.4m Council Management, Children & Families £0.3m, £0.5m Place, Prosperity and Sustainability, which is offset by a deterioration of £0.5m on corporate budgets and £0.1m City Housing.

1.6. The direct covid related expenditure and reduction in income is a **£36.4m** overspend, including indirect covid spending of **£38.0m**, and is shown in table 2 (column C in table 2) below. This is a deterioration of **£0.5m** since Month 9.

1.7. For individual directorate positions please see table 2 below.

1.8. The corporate position is detailed below in table 2. The headlines are :-

- £5.4m shortfall in local tax support funding expected to be received compared to the forecast when the budget was set.
- The likely under achievement of £0.4m of transport savings
- The likely under achievement of contract saving target of £0.7m (a deterioration from Month 9).
- £0.3m Over achievement of establishment saving target (an improvement since Month 9).
- Reminder that there is a forecast cost of £8.3m for estimated costs of the pay award of 1.75% which has been offset by a £9.3m forecast underspend of Policy Contingency.



The Pie chart shows the direct covid related expenditure and reduction in income overspend split between income and expenditure.

1.9. Income loss forecast due to covid has not changed since Month 9. However, there is an increase of £0.5m in covid expenditure giving a directorates net deterioration of £0.5m. There is no change in forecast funding for income loss.

**Table 2: High Level Summary**

Table 2 :High Level Summary						
Directorate	A	B	C	D	E	F
	Current Budget	Forecast Outturn	Covid 19 Financial Impact Included	Over/(Under) spend Non Covid costs	Total Over/(Under) Spend *	Movement since Month 9
	£m	£m	£m	£m	£m	£m
Children & Families **	298.159	312.631	2.165	12.307	14.472	(0.318)
City Operations	185.980	197.822	16.539	(4.697)	11.842	(0.379)
Place, Prosperity and Sustainability ***	61.834	64.515	1.864	0.817	2.681	(0.451)
City Housing	12.731	15.446	1.592	1.123	2.715	0.127
Adult Social Care	333.897	333.077	0.959	(1.779)	(0.820)	(1.763)
Strategy, Equalities and Partnerships	3.923	4.112	0.211	(0.022)	0.189	(0.022)
Council Management	52.804	50.249	3.473	(6.028)	(2.555)	(2.462)
Chief Executive Directorate	0.485	0.485	0.000	0.000	0.000	0.000
<b>Directorate Sub Total</b>	<b>949.813</b>	<b>978.337</b>	<b>26.803</b>	<b>1.721</b>	<b>28.524</b>	<b>(5.268)</b>
Corporate Budgets	(121.143)	(104.412)	11.470	5.261	16.731	0.473
Application of Tranche 5 Funding Budget 2021/22	0.000	(12.515)	(12.515)	0.000	(12.515)	0.000
Covid Funding	0.000	(17.471)	(17.471)	0.000	(17.471)	0.000
Specific Grant Funding	0.000	(1.000)	(1.000)	0.000	(1.000)	0.000
Public Health Grant	0.000	(6.000)	(6.000)	0.000	(6.000)	0.000
Income Loss Scheme Funding	0.000	(2.838)	(2.838)	0.000	(2.838)	0.000
Corporate funding for Home to School Transport	0.000	(6.076)	0.000	(6.076)	(6.076)	0.000
<b>Corporate Subtotal</b>	<b>(121.143)</b>	<b>(150.312)</b>	<b>(28.354)</b>	<b>(0.815)</b>	<b>(29.169)</b>	<b>0.473</b>
<b>City Council General Fund</b>	<b>828.671</b>	<b>828.025</b>	<b>(1.551)</b>	<b>0.906</b>	<b>(0.645)</b>	<b>(4.795)</b>
Indirect Covid Costs			37.998	(37.998)	0.000	0.000
<b>General Fund after transferring indirect costs</b>	<b>828.671</b>	<b>828.025</b>	<b>36.447</b>	<b>(37.092)</b>	<b>(0.645)</b>	<b>(4.795)</b>
Financial Position as at M9	828.671	832.821	35.869	(31.719)	4.150	
<b>Movement from M9</b>	<b>0.000</b>	<b>(4.795)</b>	<b>0.578</b>	<b>(5.373)</b>	<b>(4.795)</b>	
<b>Movement from M9 %</b>	<b>0.000%</b>	<b>(0.58)%</b>	<b>1.61%</b>	<b>16.94%</b>	<b>(115.55)%</b>	

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

\*\* **Children and Families** was previously known as Education & Skills Directorate

\*\*\* **Place, Prosperity and Sustainability** was previously known as City & Municipal Development Directorate.

**Table 3: Analysis of Non-covid pressure faced by Directorate**

	Non delivery of savings £m	Expenditure variations £m	Income variations £m	One-off mitigations £m	Non Covid 19 Financial Impact Included £m
Children & Families	0.000	13.489	(1.183)	0.000	12.307
City Operations	1.508	3.068	(1.353)	(7.920)	(4.697)
City Housing	0.000	3.375	(2.252)	0.000	1.123
Place, Prosperity and Sustainability	0.000	(0.954)	1.771	0.000	0.817
Strategy, Equalities and Partnerships	0.000	(0.022)	0.000	0.000	(0.022)
Chief Executive	0.000	0.000	0.000	0.000	0.000
Adult Social Care	0.000	1.330	(3.109)	0.000	(1.779)
Council Management	0.200	(1.582)	(3.557)	(1.089)	(6.028)
<b>Directorate Sub Total</b>	<b>1.708</b>	<b>18.704</b>	<b>(9.683)</b>	<b>(9.009)</b>	<b>1.721</b>
Corporate	1.147	8.300	5.369	(15.631)	(0.815)
<b>Total</b>	<b>2.855</b>	<b>27.004</b>	<b>(4.314)</b>	<b>(24.640)</b>	<b>0.906</b>

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

1.11. **City Operations:** The main mitigation is an underspend of £3.6m on borrowing costs due to delays in procurement of the new fleet. Out of a total of 74 new vehicles that have been ordered 31 vehicles were delivered and in use by the end of March 2021 with the remaining 43 received in June. In addition, further Garden and Bulky Waste income of £0.6m has been achieved. Waste Disposal contract underspend and additional income generated at the Tyseley Plant of £1.9m, projected underspend of £1.1m on the Environmental improvements/cleanliness budgets and capitalisation of £0.4m of transformation revenue costs related to the Waste Strategy project.

1.12. **Council Management:** There are one-off mitigating actions that have been identified by Human Resources including the use of £0.3m Policy Contingency and £0.6m use of various reserves carried forward from the previous year that will be considered as part of the Outturn. These mitigations combined with other significant surpluses on Housing Benefit Overpayment Recovery of £3.5m and Revenue Services Income of £1.5m has contributed toward the directorates projecting an underspend of £6.0m (see paragraph 3.42 & 3.43 for more details).

1.13. **Corporate:** £9.3m of the mitigation is the underspend in policy contingency and £6.1m is the use of Financial Resilience Reserve (FRR) to cover costs of Home to School Transport. There is also a £0.3m of over achievement of establishment saving.

## 2. Capital Expenditure

### 4-Year Capital Programme 2021/22 - 2024/25

2.1. The Capital expenditure for the year 2021/22 is forecast at £678.7m against a revised capital budget of £764.4m, representing a net variation of £85.7m.

2.2. This is a net increase in forecast spend of £9.3m since Month 9. This is due to net forecast acceleration within the Council Management Directorate. Further details for the major variations (>£1m) are provided in Section 2.5 below.

- 2.3. Expenditure to date recorded on the ledger is £363.2m which is 53% of the year-end total forecast. In comparison spend to date at Month 10 in 2019/20 (the year prior to Covid-19) was 60%.
- 2.4. Capital Receipts are a key element of the programme and at Month 10 in 2021/22 they amount to £54.2m, being £23.2m of the £65m Asset Review programme and £31.0m of the £35m Business as Usual programme. Further detail is provided in paragraph 2.14 below.

**Table 4: Summary 2021/22 Capital Programme Financial Position**

	Spend to date	Month 9 Budget	Budget Changes Month 10	Revised Budget Month 10	Forecast net overspend/ (slippage)	Forecast Outturn
	£m	£m	£m	£m	£m	£m
General Fund	276.8	652.4	(6.3)	646.1	(89.7)	556.4
HRA	86.4	118.3	0.0	118.3	4.0	122.3
<b>TOTAL</b>	<b>363.2</b>	<b>770.7</b>	<b>(6.3)</b>	<b>764.4</b>	<b>(85.7)</b>	<b>678.7</b>

- 2.5. The revised 2021/22 budget is a £6.3m net decrease from the budget at Month 9. The reason for the budget change is included in Table 5 below.

**Table 5: Movements from the Month 9 to Month 10 Budget 2021/22 (>£1m)**

Directorate	Amount in 21/22 £m	Capital Project	Funding	Cabinet Approval
Council Management	(12.5)	Corporate Capital Contingency	Corporate Prudential Borrowing	February 2022
City Operations	6.2	Waste Management Services – new build depot and relocation of Montague Street & Redfern Road (Atlas Works)	Capital Receipts	October 2021
<b>Total</b>	<b>(6.3)</b>			

**Table 6: Year End forecast by Directorate**

Capital Forecast 2021/22 by Directorate							
Directorate	(a) 2021/22 Month 9 Budget	(b) 2021/22 Month 10 Budget Movements	(c) 2021/22 Month 10 Revised Budget	(d) 2021/22 Spend to Date	(e) Previously Reported Variance Month 9	(f) Further Forecast Variation Month 10	(g) 2021/22 Forecast Outturn
	£m	£m	(a+b) £m	£m	£m	£m	£m
<b>Commonwealth Games</b>	<b>72.5</b>	<b>0.0</b>	<b>72.5</b>	<b>53.3</b>	<b>0.4</b>	<b>0.0</b>	<b>72.9</b>
<b>Council Management</b>							
Development & Commercial	1.1	0.0	1.1	1.9	4.7	0.0	5.8
Corporately Held Funds	78.9	(12.5)	66.4	3.0	(29.0)	10.8	48.2
ICT & Digital	9.3	0.0	9.3	2.6	(2.3)	(1.5)	5.5
<b>Total Council Management</b>	<b>89.3</b>	<b>(12.5)</b>	<b>76.8</b>	<b>7.6</b>	<b>(26.6)</b>	<b>9.3</b>	<b>59.5</b>
<b>City Operations</b>							
Control Centre Upgrade	1.0	0.0	1.0	0.0	0.0	0.0	1.0
Street Scene	33.4	6.2	39.6	16.7	(3.0)	0.0	36.6
Private Sector Housing	2.7	0.0	2.7	0.2	(1.0)	0.0	1.7
Neighbourhoods	2.9	0.0	2.9	0.2	(1.2)	0.0	1.7
Regulation & Enforcement	1.6	0.0	1.6	1.2	0.0	0.0	1.6
Highways Infrastructure	4.9	0.0	4.9	1.5	(1.5)	0.0	3.4
<b>Total City Operations</b>	<b>46.4</b>	<b>6.2</b>	<b>52.6</b>	<b>19.7</b>	<b>(6.7)</b>	<b>0.0</b>	<b>45.9</b>
<b>City Housing</b>							
Housing Options Service	2.1	0.0	2.1	1.5	1.0	0.0	3.1
HRA	118.3	0.0	118.3	86.4	4.0	0.0	122.3
<b>Total City Housing</b>	<b>120.4</b>	<b>0.0</b>	<b>120.4</b>	<b>87.8</b>	<b>5.0</b>	<b>0.0</b>	<b>125.4</b>
<b>Places, Prosperity &amp; Sustainability</b>							
Planning & Development	53.9	0.0	53.9	30.9	(0.7)	0.0	53.2
Transport & Connectivity	83.2	0.0	83.2	15.6	(48.6)	0.0	34.6
Housing Development	1.6	0.0	1.6	0.0	0.0	0.0	1.6
Perry Barr Residential Scheme	182.4	0.0	182.4	111.9	0.0	(0.0)	182.4
Property Services	60.6	0.0	60.6	7.3	(5.0)	0.0	55.6
<b>Total Places, Prosperity &amp; Sustainability</b>	<b>381.7</b>	<b>0.0</b>	<b>381.7</b>	<b>165.7</b>	<b>(54.3)</b>	<b>(0.0)</b>	<b>327.4</b>
<b>Children &amp; Families</b>	<b>46.9</b>	<b>0.0</b>	<b>46.9</b>	<b>19.6</b>	<b>(12.0)</b>	<b>0.0</b>	<b>34.9</b>
<b>Adult Social Care</b>	<b>13.5</b>	<b>0.0</b>	<b>13.5</b>	<b>9.4</b>	<b>(0.7)</b>	<b>0.0</b>	<b>12.8</b>
<b>TOTAL</b>	<b>770.7</b>	<b>(6.3)</b>	<b>764.4</b>	<b>363.2</b>	<b>(94.9)</b>	<b>9.3</b>	<b>678.7</b>

2.6. **Forecast Variation of £9.3m at Month 10 > £1m (additional variations from those reported at Month 9).**

2.7. **Council Management** – net acceleration of £9.3m

2.8. Revenue Reform Projects – slippage of £1.6m within the ICT - Customer Programme. The project was approved by Cabinet in December 2021 with scoping of the scheme expected towards the end of March 2022. Spend will be incurred in 2022/23 - with no impact of the availability of resources or project delivery.

2.9. Corporate Capital Contingency – technical adjustment of £12.5m. The forecast for the Capital Contingency budget has been aligned with the revised budget approved by Cabinet in February 2022 within the Month 9 Monitoring Report 2021/22 to better reflect the projected variation.

2.10. ICT & Digital – slippage of £1.6m. This is mainly due to the Application Platform Modernisation project where there has been a delay in hardware purchases due to supply chain issues caused by the global silicon shortage. The spend will now take place in 2022/23 and there is no impact on the availability of capital resources.

2.11. **Risks and Issues**

2.12. The impact of Brexit on the construction industry is still ongoing and together with the continuing impact of Covid-19 and economic recovery casts greater uncertainty particularly about the supply and import of materials and labour. This applies to most projects within the capital programme and the impact of this situation will continue to be monitored.

2.13. Revenue Reform Projects (Flexible Use of Capital Receipts) – Revenue expenditure which qualifies as being eligible for funding under the Flexible Use of Capital Receipts i.e. Transformational spend that results in revenue savings at Month 10 is £3.6m. Currently this is forecast to spend below budget at £26.3m due to slippage of £19.8m - more detailed monitoring of this spend is provided in Table 7 below:

**Table 7: Flexible Use of Capital Receipts**

Capital Monitoring Month 10 2021-22						
Flexible Use of Capital Receipts						
Directorate	(a) 2021/22 Month 9 Budget	(b) 2021/22 Month 10 Budget Movements	(c) 2021/22 Month 10 Revised Budget	(d) 2021/22 Spend to Date	(e) Forecast Variation Month 10	(f) 2021/22 Forecast Outturn
	£m	£m	(a+b) £m	£m	£m	(c+e) £m
<b>Council Management Directorate:</b>						
<b>Corporately Held Funds:</b>						
Redundancy & Pension Strain	0.0	0.0	0.0	0.5	0.0	0.0
Travel Assist	0.1	0.0	0.1	0.0	0.0	0.1
Tyseley ERF & Transfer Station	0.7	0.0	0.7	0.0	0.0	0.7
Business Improvement & Change	1.8	0.0	1.8	1.8	0.0	1.8
Finance Transformation Involvement	1.3	0.0	1.3	0.0	0.0	1.3
Service Innovation & SAP	0.0	0.0	0.0	0.0	0.0	0.0
Cyber Security	3.0	0.0	3.0	0.5	(1.4)	1.6
Insight Programme	1.1	0.0	1.1	0.6	(1.0)	0.1
Customer Programme	5.6	0.0	5.6	0.0	(5.6)	0.0
Eclipse IT Support	0.7	0.0	0.7	0.0	0.0	0.7
Early Interventions Transformation	0.5	0.0	0.5	0.0	0.0	0.5
Community Equipment	0.2	0.0	0.2	0.0	0.0	0.2
Life Courses Project	1.8	0.0	1.8	0.0	0.0	1.8
Flexible Use of Capital Receipts - Other	10.7	0.0	10.7	0.0	0.0	10.7
Inclusive Growth Delivery Plan	15.0	0.0	15.0	0.0	(10.0)	5.0
Birmingham Childrens Partnership	1.1	0.0	1.1	0.0	0.0	1.1
<b>Total Corporately Held</b>	<b>43.7</b>	<b>0.0</b>	<b>43.7</b>	<b>3.5</b>	<b>(18.0)</b>	<b>25.7</b>
<b>ICT &amp; Digital Services:</b>						
ITD Transition Programme	0.2	0.0	0.2	0.0	(0.2)	0.0
Application Platform Modernisation	1.7	0.0	1.7	0.4	(1.2)	0.4
Networks & Security	0.0	0.0	0.0	0.0	0.0	0.0
Insight	0.1	0.0	0.1	0.6	0.0	0.1
Field Work Project	0.4	0.0	0.4	0.0	(0.4)	0.0
<b>Total ICT &amp; Digital Services</b>	<b>2.4</b>	<b>0.0</b>	<b>2.4</b>	<b>0.9</b>	<b>(1.8)</b>	<b>0.6</b>
<b>TOTAL</b>	<b>46.1</b>	<b>0.0</b>	<b>46.1</b>	<b>4.5</b>	<b>(19.8)</b>	<b>26.3</b>

2.14. **Review of the Disposals Programme & Expected Capital Receipts** – The 2021/22 budget anticipated capital receipts of £100.0m. At present £54.2m of receipts have been achieved (this includes £13.3m for the CHEP site in Bickenhill that was received and accounted for at the end of 2020/21) £23.2m against the £65m Asset Review programme and £31.0m against the Business-as-Usual programme. By the year end it is anticipated that receipts will be in the region of £80m, which while less

than budget will not impact on our financial plans as expenditure is less than planned in year and the receipts will be received next year.

It should also be noted that the disposals programme is back-end loaded meaning that a large number of receipts are due to be received towards the end of the 2021/22 financial year and relate to a small number of high value cases. Some receipts previously forecast this year are now expected to slip into the new financial year due to timings and the anticipated receipts below reflect this.

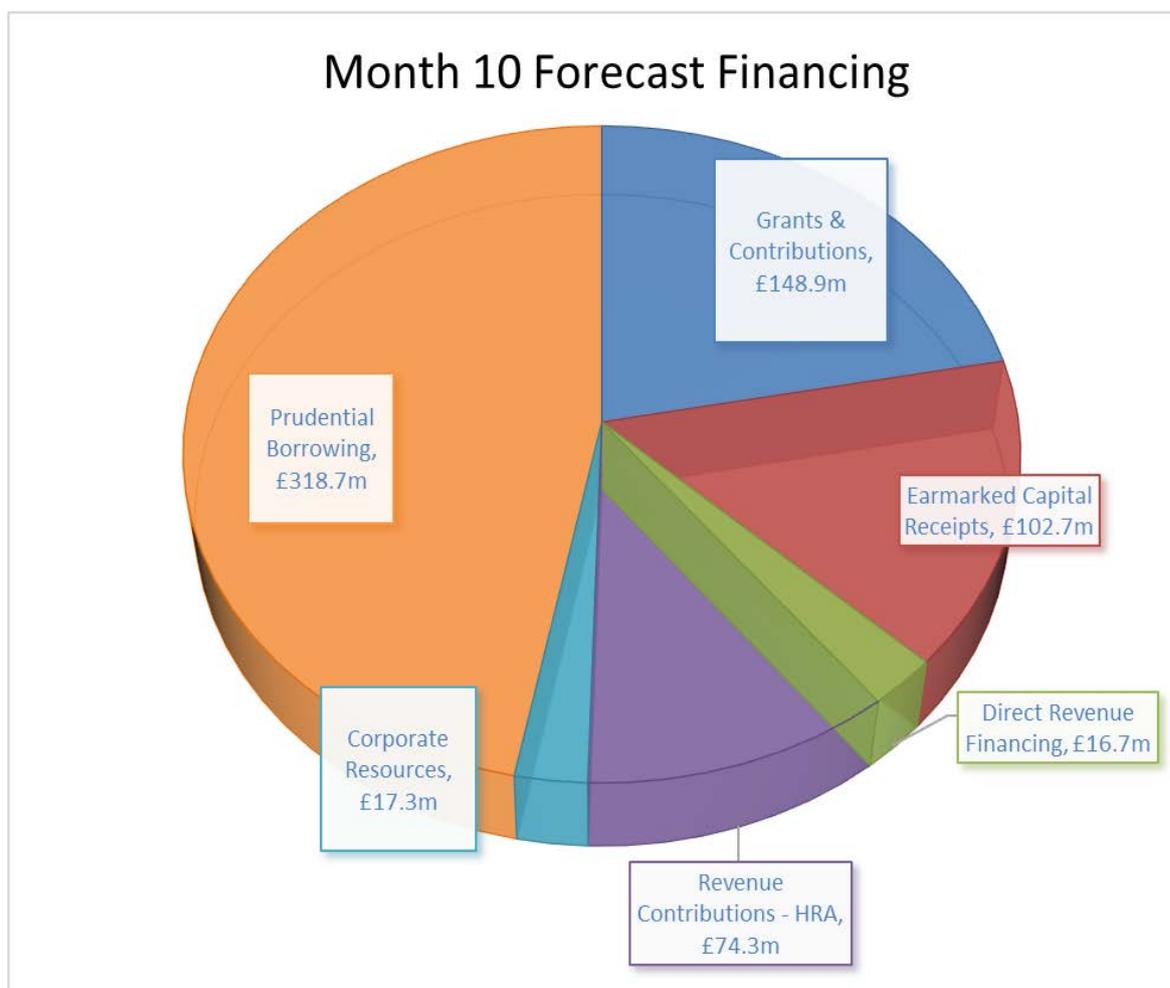
**Table 8:** Disposals Programme 2021/22

<b>Capital Receipts &amp; Disposals Programme 2021/22</b>	
	<b>2021/22 £m</b>
<b>Budget</b>	<b>100.0</b>
Achieved at Month 10	54.2
Further Anticipated Receipts	27.3
<b>Potential Shortfall</b>	<b>(18.5)</b>

**Financing the Month 10 Forecast Outturn**

2.15 The Month 10 forecast outturn will be financed as shown in the pie chart and the Table 9 below.

**Forecast Financing Chart - £678.7m**



## 2.16 Table 9: Capital Financing.

Summary of Capital Funding Month 10 2021-22			
	General Fund	Housing Revenue Account	Total
	£m	£m	£m
<b>Forecast Capital Expenditure</b>	<b>556.4</b>	<b>122.3</b>	<b>678.7</b>
<b>Forecast Funding:</b>			
Grants & Contributions	(140.3)	(8.6)	(148.9)
Earmarked Receipts	(77.5)	(25.2)	(102.7)
Direct Revenue Funding - Departmental	(16.7)		(16.7)
Direct Revenue Funding - HRA		(74.3)	(74.3)
Corporate Resources	(17.3)	0.0	(17.3)
Prudential Borrowing	(304.6)	(14.1)	(318.7)
<b>Total Funding</b>	<b>(556.4)</b>	<b>(122.3)</b>	<b>(678.7)</b>

### 3. Month Key Issues

#### Non Covid-19 Related Issues -Significant variances above £0.5m

- 3.1. **Afghan Refugees;** Under the original ARAP (Afghan Resettlement and Assistance Policy) scheme, BCC committed to, and began, welcoming 80 individuals and families into Birmingham. By the end of February, 76 individuals and families had been welcomed into Birmingham, with the remainder expected by the end of March. In September 2021 this was amended to become the ACRS (Afghan Citizens Resettlement Scheme). BCC has now extended their commitment to a total of 220 individuals and families over the next two years, split as 110 in 2022/23 and 110 in 2023/24.
- 3.2. The resettlement schemes include funding of £20,520 per individual for welcome, integration and support, £4,500 per child for education provision for one year, and £850 per adult for English language provision. Individual will receive support for 3 years and therefore the last year of funding will be in 2025/26 based on when the last individual settles into Birmingham.
- 3.3. The Housing is funded through the introduction amount, benefits, and additional grant funding to meet any gap between cost and benefits. Based on existing resettlement schemes, which attract the same funding offer, this is considered sufficient for the costs of administering and providing services required. The risk in this scheme is if families cannot fund their housing once the top up is removed, and present as homeless at that stage. The impact on wider BCC services over the longer term cannot be estimated without knowledge of the individuals and families and what skills and needs they bring, but without doubt are minimised by the successful implementation of resettlement.

#### Children & Families

- 3.4. At the end of Month 10, there is a forecast **overspend of £12.3m** relating to revenue budget non-Covid expenditure for the Directorate. **This is an improvement of £0.3m since Month 9.**

- 3.5. There is a forecast overspend for **Inclusion and SEND** of **£11.4m**. The forecast overspend relates to Home To School Transport and is made up of £9.5m transport costs and £1.9m on guides. This forecast is following extensive work completed by the project diagnostic group that was established to calculate a more accurate projection during November and December 2021.
- 3.6. The forecast on Home To School Transport does not include the costs of transformation activity for which additional one-off funding of £2.7m has been approved by Cabinet on 12 October 2021.
- 3.7. The council have terminated a contract with North Birmingham Travel, the additional cost of the alternative provider (procured at short notice and including set up costs) will be up to £3.3m (worst case). The additional cost of the contract will be funded from the Financial Resilience Reserve and is not included in the £11.4m projection above.
- 3.8. In May 2021 Birmingham hosted Ofsted and CQC to conduct their Local Area SEND Revisit in order to establish if the partnership has made sufficient progress against the 13 areas of significant weakness identified in the 2018 inspection. The outcome of this revisit was published in July 2021, with Birmingham making sufficient progress in 1 of the 13 areas of significant weakness. As a result of the revisit, there is a need for a SEND Improvement Programme for the city which will require significant one-off investment from the general fund, alongside ongoing investment from the High Needs Block and General Fund to address capacity issues within the system. Cabinet has approved in July 2021 extra funds to address the capacity issues. Also, a bid for one-off transformation costs was approved 12<sup>th</sup> October 2021 by Cabinet.
- 3.9. The forecast overspend for **Birmingham Children's Trust** is **£1.9m**, this is no change since Month 9. Details of the overspend are as follows:
- 3.10. This forecast overspend arises from £6.4m pressures on placement costs and reduced placement related income, broken down as follows:
- *£3.6m supported accommodation*
  - *£1.6m disabled children*
  - *£1.2m shortfall in contributions from partners*
- 3.11. Whilst some of this can be attributed to an increase in the care population, the rate of increase in the number of children in care has actually reduced from around 6% to less than 3%. A key reason for the increase in placement costs is that children's needs are increasing in complexity, including mental health and trauma caused by domestic abuse and exploitation. The shortfall in income contributions is also a cause for concern, particularly health given the complexity of need.
- 3.12. Despite other pressures in the system, the Trust have achieved one-off mitigations, delivered savings and additional income which total £2.5m, and is benefitting from £2.0m from the release of the Housing Support Grant, to reduce the overall forecast pressure to £1.9m.
- 3.13. The Trust continues to promote better outcomes for children and its Stronger Families initiative is intended to place more children with their families which in turn is expected to reduce costs by **£2.0m** this year. This benefit has already been factored into the forecast for the year.

- 3.14. The Director of Council Management and former Interim Director of Education and Skills commissioned the Chartered Institute of Public Finance & Accountancy (CIPFA) to carry out a budget sufficiency review of the Education and Skills budget. The Local Government Association (LGA) also supported with work in this area. The work has concluded and briefings are taking place.

### **City Housing**

- 3.15. At the end of Month 10, there is a forecast **overspend of £1.1m** relating to revenue budget non-Covid Homelessness Service expenditure. **This is a deterioration of £0.1m since Month 9.**

#### **Housing General Fund -projected year end £1.1m overspend:**

- 3.16. The forecast overspend is due to projected temporary accommodation demand levels over the course of the year reflecting significant increase following the lifting of the eviction ban at the end of May. We saw an increase at the end of August which was earlier and higher than previously anticipated. This level has continued through quarter 3, and current modelling assumes continuation of current demand levels of 20 per week until the end of March. This continues to be monitored. Resulting cost pressure is **£3.1m**. The major pressure is in the additional use of leased properties which are cheaper than bed & breakfast placements but more expensive than the block and framework contracts as they are paid on a nightly rate.
- 3.17. The figures above assume £0.3m reduction in B&B spend from the development of hostel accommodation at Oscott Gardens, the timing of which is now considered to be at risk, and unlikely to be in this financial year. Changes will be reflected in Month 11 monitoring once the impact is understood and the financial impact understood.
- 3.18. Other mitigations have been explored generating a further £1.7m saving. This includes savings in procurement of commissioned services and alternative funding sources (£0.4m) and furniture and other underspends (£1.3m).

### **City Operations**

- 3.19. At the end of Month 10, there is a forecast underspend of £4.7m relating to revenue budget non-Covid expenditure for the Directorate. This has improved by £0.9m since Month 9.
- 3.20. **Street Scene service** is reporting a forecast underspend of **£1.6m**, details of major variances are below:
- 3.21. The Street Scene service is projecting pressures totalling £6.3m offset by mitigations of £7.9m giving a net underspend of £1.6m. This is consistent with Month 9 position.
- 3.22. Pressures are primarily within employees and vehicles. The Waste Vehicle Garage service is forecasting an income shortfall of £1.0m due to reduced client base. This has been exacerbated by the procurement of new grounds maintenance fleet which will be covered by warranty arrangements in the first year of operation thereby

reducing the reliance on the internal garage service. However, after the warranty lapses, the Vehicle Garage service will be able to repair these vehicles where required. There is also a forecast overspend of £1.8m on maintenance and vehicle hire due to old and mechanically less reliable vehicles being past their natural life (this includes non-delivery of £0.5m saving target) and a further £0.4m resulting from operating non-compliant vehicles in the Clean Air Zone (CAZ).

- 3.23. The employee position is forecast to be £2.0m overspent due to the delay in implementing the Street Scene Service re-design. This includes non-delivery of £0.6m saving target and additional agency costs pending permanent recruitment. There are a number of other non-material pressures which when aggregated together total £1.1m.
- 3.24. The mitigations are as detailed in paragraph 1.11 earlier.
- 3.25. **Neighbourhoods Service -forecast underspend of £1.0m:**
- 3.26. The main variance is an underspend of £0.7m relating to net operational reductions mainly within Community and Leisure facilities.
- 3.27. **Regulation & Enforcement forecast year end underspend £0.9m.**
- 3.28. Improvement of £0.6m from Month 9 due to improved income within Markets and Bereavement and underspend within Private Sector Housing to mitigate income pressure.
- 3.29. Forecast pressures of £0.5m offset by forecast underspends of £1.4m.
- 3.30. **Highways & Infrastructure projected year end £0.9m underspend**
- 3.31. Improvement of £0.4m from Month 9 due to receipt of additional developer income and additional recharge to the CAZ.
- 3.32. The Highways and Infrastructure underspend includes a forecast overspend of £0.5m on electricity costs for street lighting and traffic lines and signals. This is impacted by increasing electricity costs but work is ongoing to implement new energy efficient street lighting which will reduce future energy consumption.
- 3.33. This pressure is offset by forecast underspends of £1.4m including forecast surpluses of £0.9m from recharges for work on projects and support to other service areas and £0.4m savings in supplies and services and other miscellaneous items.

### **Adult Social Care**

- 3.34. At the end of Month 10, the directorate has a **forecast underspend of £1.8m** relating to revenue budget non-Covid expenditure. This is an improvement of £1.9m since Month 9.
- 3.35. **Packages of Care** at Month 10 is reporting a forecast overspend of £1.2m for Older Adults (OA) driven by increased activity; and a forecast underspend of (£1.5m) for Young Adults (YA) driven by reduced activity (predominantly Day Care in Adults with a Learning Disability (LD)) partially offset by a reduction in income. There has been a decrease in forecast of £1.1m compared to month 9 due to reduced activity

across all client groups specifically over the Christmas period related to the impact of Omicron on Domiciliary Care.

- 3.36. **Commissioning – £0.9m underspend** – There are underspends of £0.6m against the overall third sector grant budget linked to a reduction in activity. For month 10 £0.3m of costs linked to home from hospital discharges due to confirmed funding from the Better Care Fund and Household Support Fund.
- 3.37. **Community & Social Work Ops** – £0.3m underspend - Staffing and agency are reporting an underspend of £0.8m. Additional contribution towards corporate workforce savings in addition to the existing £5.7m. There is a recruitment campaign to fill vacancies, but progress has been slow together with the difficulty in sourcing agency workers, so some posts remain unfilled. The forecast favourable movement of £0.6m is linked to lower than anticipated costs relating to health funded Discharge Facilitators and higher than anticipated client contributions towards internal residential care services.

### **Place, Prosperity and Sustainability**

- 3.38. At the end of Month 10, there is a forecast **overspend of £0.8m** relating to revenue budget non-Covid expenditure for the Directorate, largely relating to commercial rent shortfalls. This is an improvement of **£0.5m** since Month 9.
- 3.39. **Transportation and Connectivity projected year end £0.5m underspend, a improvement of £0.2m from Month 9.** The year end underspend consisting mainly of a £0.3m underspend on Integrated Transport Levy Payments (ITA Levy) to the West Midlands Combined Authority (WMCA). A reduced contribution was confirmed by WMCA letter to the City Council on 12 February 2021 as part of their 2021/22 annual budget process.
- 3.40. A surplus of £0.1m is forecast to be generated from the Local Land Charges service reflecting increased activity in the housing market in recent months and a £0.3m surplus in income from project officer recharges to capital projects.
- 3.41. **Property Services** are forecasting an overspend of **£2.0m, an improvement of £0.3m from Month 9** primarily due to pressure on commercial rent of £1.7m (in addition to this is a further £1.1m rent pressure reported within the Covid position). A review of the estimated bad debt provision required at year-end has been undertaken which indicates further pressure of £0.9m primarily as a result of the moratorium on debt recovery proceedings during Covid. This is partially mitigated by £0.8m of prudential borrowing no longer required from the former Working for the Future programme. The position has improved from that reported in Month 9 following improved collection of commercial rent.

### **Council Management Directorate**

- 3.42. At the end of Month 10, there is a forecast non covid **underspend of £6.0m**, (an improvement of £2.4m since Month 9).
- 3.43. The overall underspend is largely relating to Housing Benefit Overpayment recovery performing better than last year, the ongoing review of supported exempt accommodation (SEA) is identifying Landlords where this status is not applicable resulting in a reclaim of overpaid Housing Benefit. Overpayment recoveries from the Department of Work and Pensions are also performing better than last year.

Improved collection of overpayments has contributed to a revised expected surplus on our benefit subsidy claim of **£3.5m** for 2021/22

3.44. Revenues Service – The expectation is to achieve a surplus of **£1.5m** against budgeted income target on the proviso there are no further covid-19 lockdown that would impact on court case hearings.

3.45. There are other minor variations totalling £1.1m across the service.

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

3.46. There are a number of risks that cannot be quantified. These include the following:

- Recovery from Covid
- Economic impact of Covid
- Brexit
- Housing and homelessness
- Highways Re-procurement
- Clean Air Zone impact on Parking Income

## Savings Programme

3.47. The savings programme for 2021/22 is £36.7m of which £3.3m of savings are either at risk or undeliverable. £33.4m of the savings are either achieved or on target, which is 91% of the target. This is improvement of £1.9m since Month 9.

**Table 10: Summary of Saving programme.**

Directorate	Non-Delivery of Saving			Saving Delivered and on Track	Total Saving
	Delayed Because of Covid-19	High Risk & Undeliverable	Saving at Risk		
	£m	£m	£m		
Adult Social Care	0.000	0.000	0.000	8.793	8.793
City Operations	0.000	1.508	0.000	0.673	2.181
Council Management	0.116	0.200	0.000	3.069	3.385
Children & Families	0.000	0.000	0.000	0.050	0.050
Place, Prosperity and Sustainability	0.360	0.000	0.000	0.685	1.045
Corporate	0.000	1.147	0.000	20.132	21.279
<b>Directorate Sub Total</b>	<b>0.476</b>	<b>2.855</b>	<b>0.000</b>	<b>33.402</b>	<b>36.733</b>

3.48. The £36.7m savings programme for 2021-22 (shown in the following charts) is now showing £33.4m as delivered or on track.

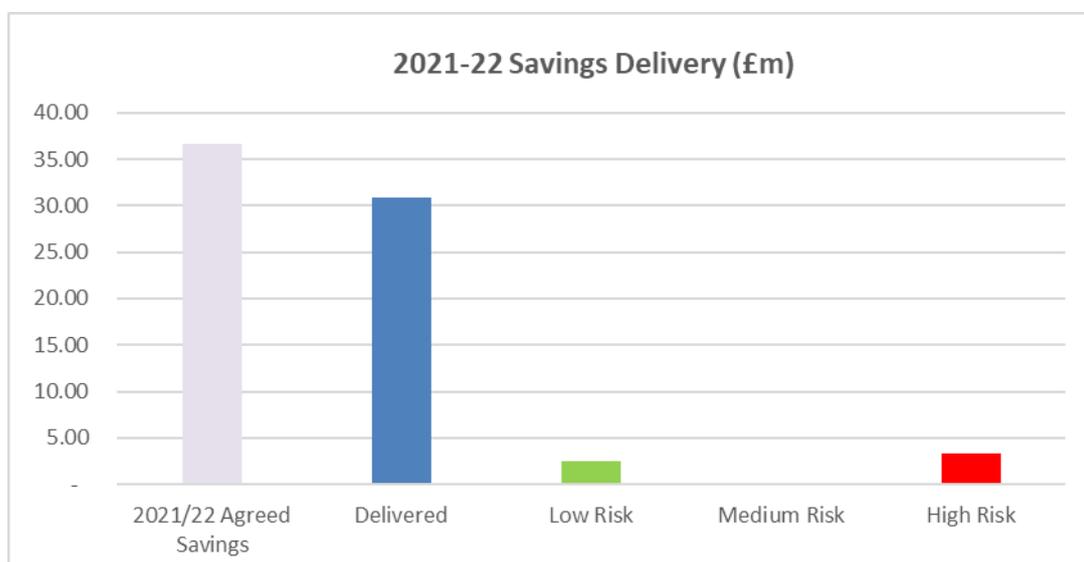
- **Corporate** has the largest saving target of £21.2m, of which 95% has been achieved, £20.1m is from establishment saving which has been fully delivered. Within the Corporate savings, there is a target of £0.7m for contract savings and £0.4m transport savings, neither of these are considered likely to be achieved.
- **Adult Social Care** forecast that all savings of £8.8m will be delivered this financial year.
- **Places, Prosperity & Sustainability Directorate** has £1.0m savings target of which £0.7m has been achieved and £0.4m has been assessed as at risk or undeliverable (mainly Public Hubs).
- **City Operations** has £2.2m savings target. The current assessment is that £1.5m of those savings are considered unlikely to be delivered. The key highlights of which are:
  - **£0.6m** Street Services redesign
  - **£0.2m** Consultation of land sales.
  - **£0.2m** implementation of commercialisation programme (car parks)
  - **£0.5m** continued extensive hire of vehicles and associated repairs and maintenance costs there is a risk that the revenue savings from the Waste Management Replacement Strategy capital project will not be achieved.
- **Council Management** has £3.4m saving target of which £3.1m has been achieved and there is £0.3m of saving that is unlikely to be delivered.

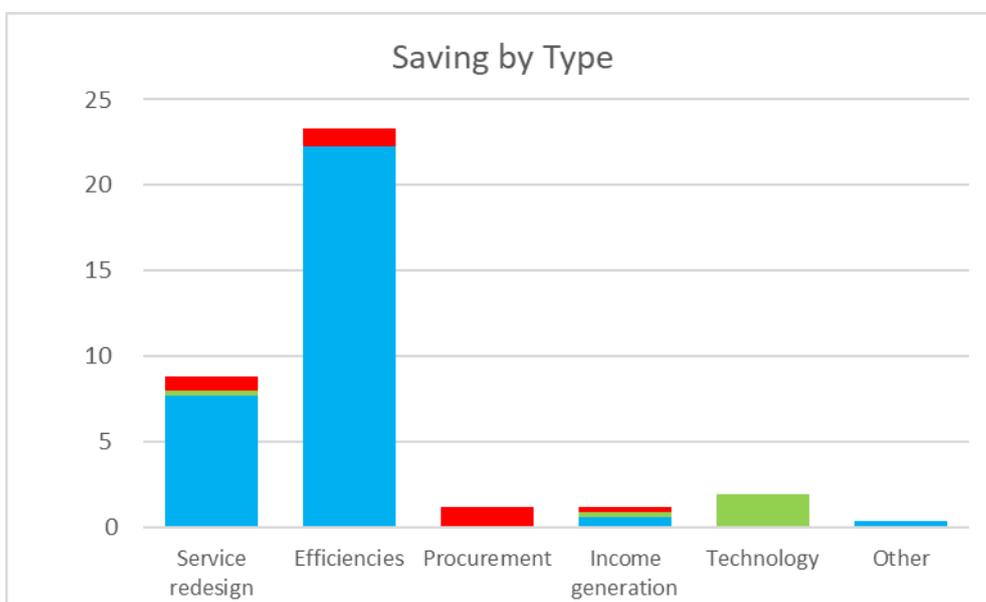
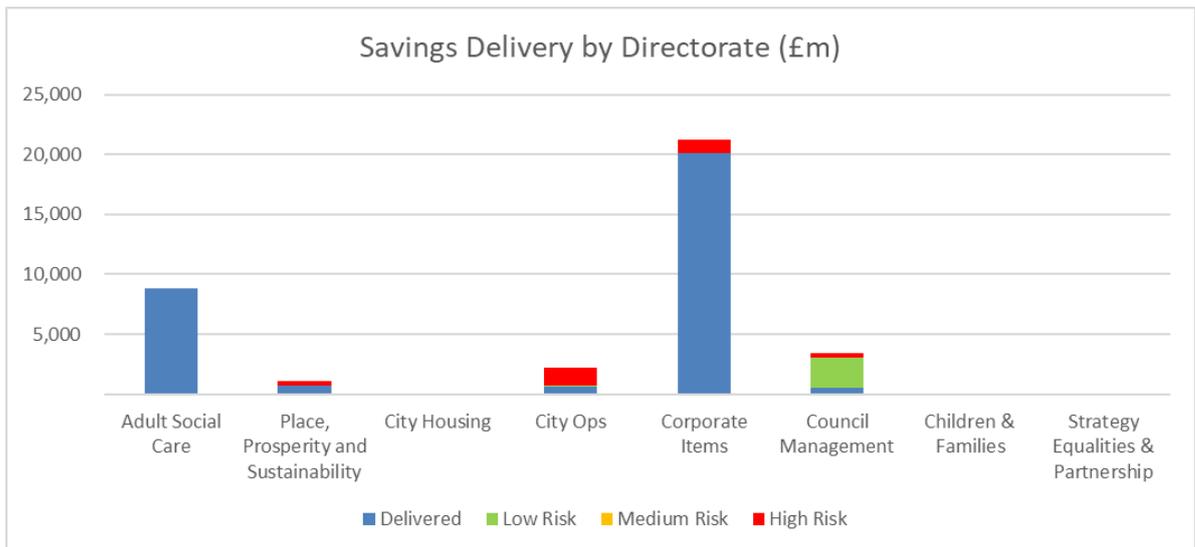
- Covid-19 Related: Savings of **£0.1m** are considered unlikely to be achieved as the planned development of business is on hold due to the impact of Covid on the events market and closure of the Council House.

**Table 11: Achievement of Establishment Savings**

Table 11: Establishment Saving Summary by Directorate	Savings achieved at M9	Further Savings estimated at M10	Total
	£m	£m	£m
Adult Social Care	6.195	1.300	7.495
Children & Families	0.605	0.000	0.605
Place, Prosperity and Sustainability	1.152	0.300	1.452
City Operations	0.820	0.000	0.820
City Housing	1.882	0.000	1.882
Council Management	2.343	0.578	2.921
Strategy, Equalities and Partnerships	2.231	0.000	2.231
<b>Total Directorates</b>	<b>15.228</b>	<b>2.178</b>	<b>17.406</b>
Unallocated Increment Budget remaini	3.000	0.000	3.000
<b>Total</b>	<b>18.228</b>	<b>2.178</b>	<b>20.406</b>

- Establishment savings target has been fully achieved. It actually has been overachieved by £0.3m.





### Covid-19 Major Incident Financial Impact

- 3.49. The Council carried forward £17.5m of un-ringfenced Covid-19 related grant funding from the government. In addition, there is a confirmed total of £2.8m of income that will be reclaimed from the Governments Income loss scheme up to the scheme end on the 30th June.
- 3.50. The Council funded £12.5m of covid pressures in the 2021/22 budget through the use of Tranche 5 of Government un-ringfenced grant funding.
- 3.51. £6.0m of Public Health Grant will be released to fund Covid related spending in 2021/22.
- 3.52. Ring-fenced grants for additional reliefs and support schemes are being spent on the additional measures set out in government guidance.
- 3.53. The summary below sets out the forecast Covid-19 financial position at Month 10.

**Table 12: Forecast Covid-19 financial position**

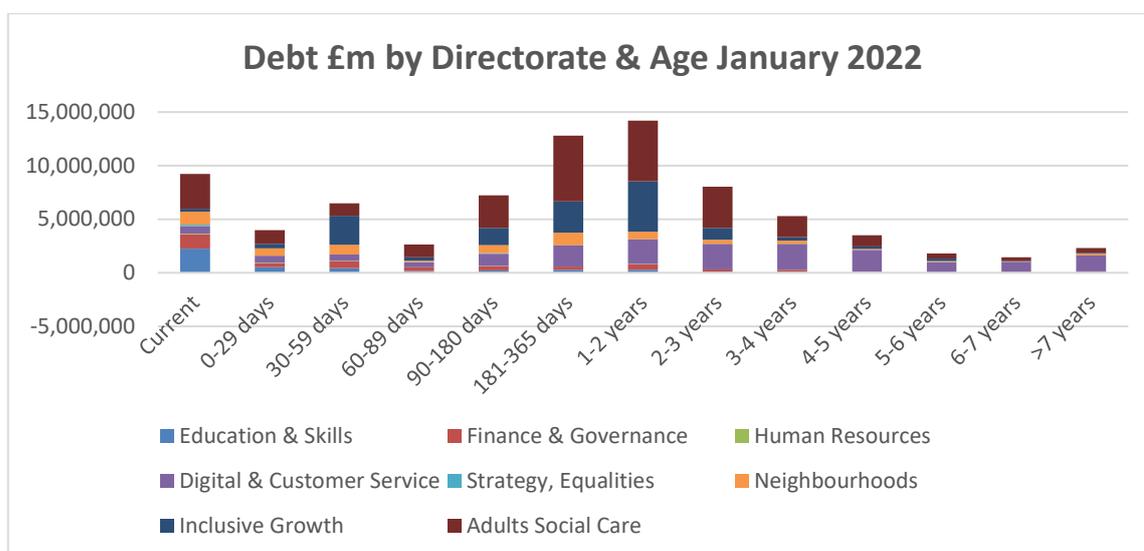
Table 12 : Forecast Covid-19 financial position	Covid cost £m
Directorate covid overspend	26.752
Corporate budgets overspend	11.470
Indirect Covid costs	37.998
<b>Total Covid-19 overspend</b>	<b>76.220</b>
Application of Tranche 5 Funding Budget 2021	(12.515)
Covid grants carried forwards	(17.471)
Specific Grant Funding	(1.000)
Public Health Grant	(6.000)
Income compensation	(2.838)
<b>Total Covid income</b>	<b>(39.824)</b>
<b>Net deficit</b>	<b>36.396</b>

#### 4. Balance Sheet Borrowing

- 4.1. Gross loan debt is currently £3,180m, with the year-end projection estimated to be £3,452m, significantly below the planned level of £3,722m. Some government grants have been received early and there has been a reduced borrowing requirement for the capital programme. The annual cost of servicing debt represents approximately 27% of the net revenue budget.
- 4.2. Positive cashflows within the local government sector mean that the Council's treasury investments remain temporarily higher at £206m, against a planned level of £40m. This has meant the Council has been able to delay some of its short term and long-term borrowing needs and helps to explain the lower gross loan debt above. Uncertainty remains about the continued impact of Covid on the Council's cashflow.

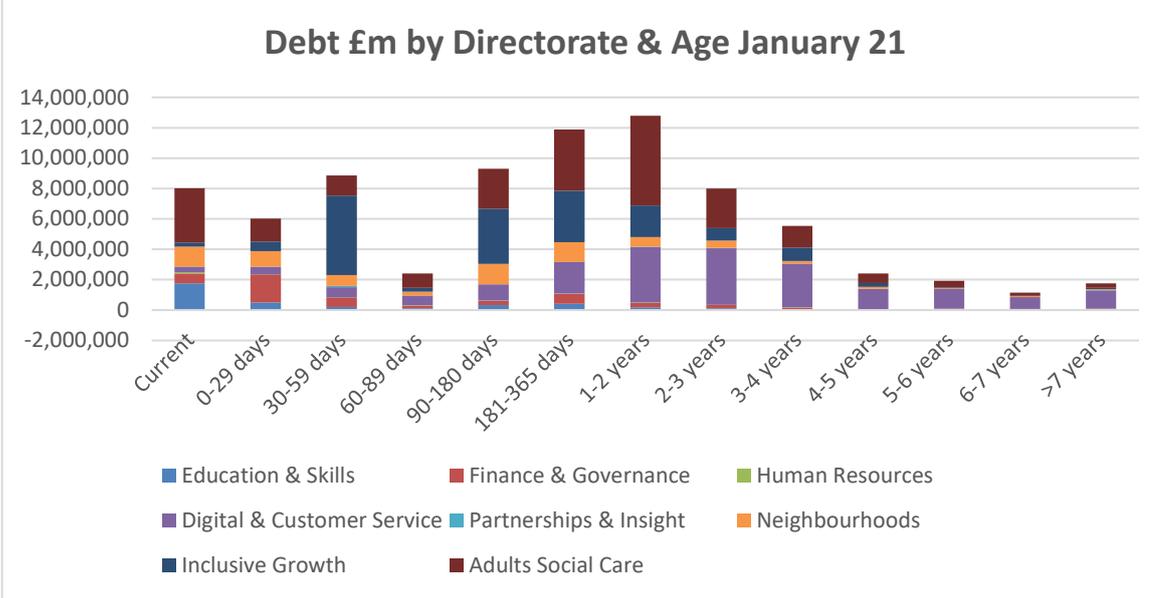
#### Level of Debt and Provision

- 4.3. The Council's total sundry debt position at end of January 2022 is £75.4m. This is a decrease of £3.2m compared to end of January 2021 when total debt was £78.6m.



Please note this is presented in the old Directorate structure. This will be updated in the new Financial Year.

4.4. The chart below shows the debt age bands 0 - 180 days are down by £6.0m overall which as with last month is a positive reflection of recovery efforts to prevent newer debts from ageing. The older debts age bands +180 days show a year on year increase of £4.0m. There are ongoing factors which have contributed to this increase – which include local decisions in place not to take proceedings on certain debts which are to be reviewed again in March 22.



4.5. The targeted approach adopted will continue and this includes understanding the Council’s top 50 debtors, analysis of which is given below.

**Top 50 Debtors Profile**

4.6. As at January 2022 the value of the top 50 aged debtors (+ 90 days) was £8.39m which is 11.1% of total sundry debt. Analysis of this debt shows that £2.0m is highly likely to be or has been recovered, £5.74m is in the balance and £0.65m is high risk and unlikely to be or will not be recovered. Example being insolvent companies with no assets.

**Table 13: Debt profile and Risk rating**

RAG Summary	£m	No. debts
Highly likely to be or has been recovered	2.00	11
In the balance	5.74	34
Unlikely to be or will not be recovered	0.65	5
<b>TOTALS</b>	<b>8.39</b>	<b>50</b>

4.7. The profile of the £8.4m is spread across directorates as shown below.

**Table 14: Debt profile across the directorates**

Directorate	Value £m	Nature of debts
Adult Social Care	4.00	Residential care provision & NHS contributions
Finance & Governance	0.62	School payroll re imbursement & recharges

Inclusive Growth	3.18	Commercial property rents & development charges
Neighbourhoods	0.37	Market rents & supplies to contractors
Education	0.13	NHS recharges
Digital & Customer	0.10	Overpaid Housing Benefit
<b>TOTAL</b>	<b>8.39</b>	

4.8. Action plans have been produced for all these debts which are subject to monthly reviews. Reports for the top 20 debtors for each directorate continue to be produced with associated action plans for each of these.

# Resources Overview & Scrutiny Committee Update

## 1B Programme



## 1B Programme Update

- This update provides Overview & Scrutiny Committee Members with:
  1. An update on the delivery programme and plan
  2. High severity risks & issues
  3. An overview of the decisions required before Go-Live
  4. The programme budget position

# 1B Programme Dashboard

March 2022

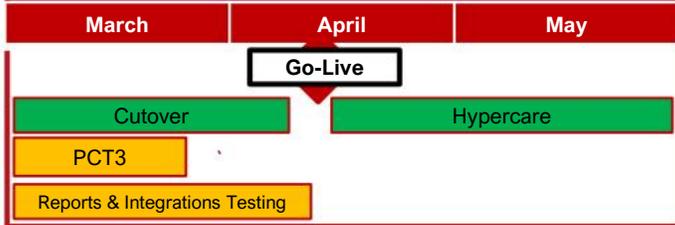
SRO: Becky Hellard  
 Prog Director: James Couper

Previous RAG

Overall RAG



### 3 Month Forward Plan



### Completion percentage



Programme controls	Previous RAG	Current RAG
Time	Yellow	Yellow
Costs	Yellow	Yellow
Resources	Green	Yellow
Benefits	Green	Yellow

Breakdown	R	A	G
Previous RAG	1	7	5
Current RAG	1	8	4

### Summary Update

- The programme is now 5 weeks from Go-Live for Oracle Cloud and will be asking the Steering Committee for the first of a series of Go/No-Go decisions between now and 11<sup>th</sup> April. The programme remains at Amber.
- Outbounds integrations is reporting a RED status whilst the remaining developments for 3 AR Outbounds and ZSIMs integrations are developed and tested.
- The focus across the programme is in 3 areas; testing and resolving defects, data migration for cutover and training of users across the organisation.
- Trial cutover completed with delays. A revised cutover timetable has been agreed and preparation is underway to enter into the cutover period. The load of files will begin on the 25<sup>th</sup> March.
- Payroll Comparison Testing 3 is underway and being closely monitored to ensure it is on track to meet 98% exit criteria. Additional time is to be allocated to fix and re-test defects.
- Regular engagement across the Council continues to prepare staff for cutover and familiarise them with the Oracle Cloud. Training sessions will begin next week with users.
- Only statutory or regulatory changes are now being permitted as we close out active changes in the pipeline. All additional items will be added to the Post Go-Live Roadmap.

### Return to Green Plan

- Defect fixes applied and resolution plans (mid-March '22)
- Completion of the Go-Live open issues (April '22)

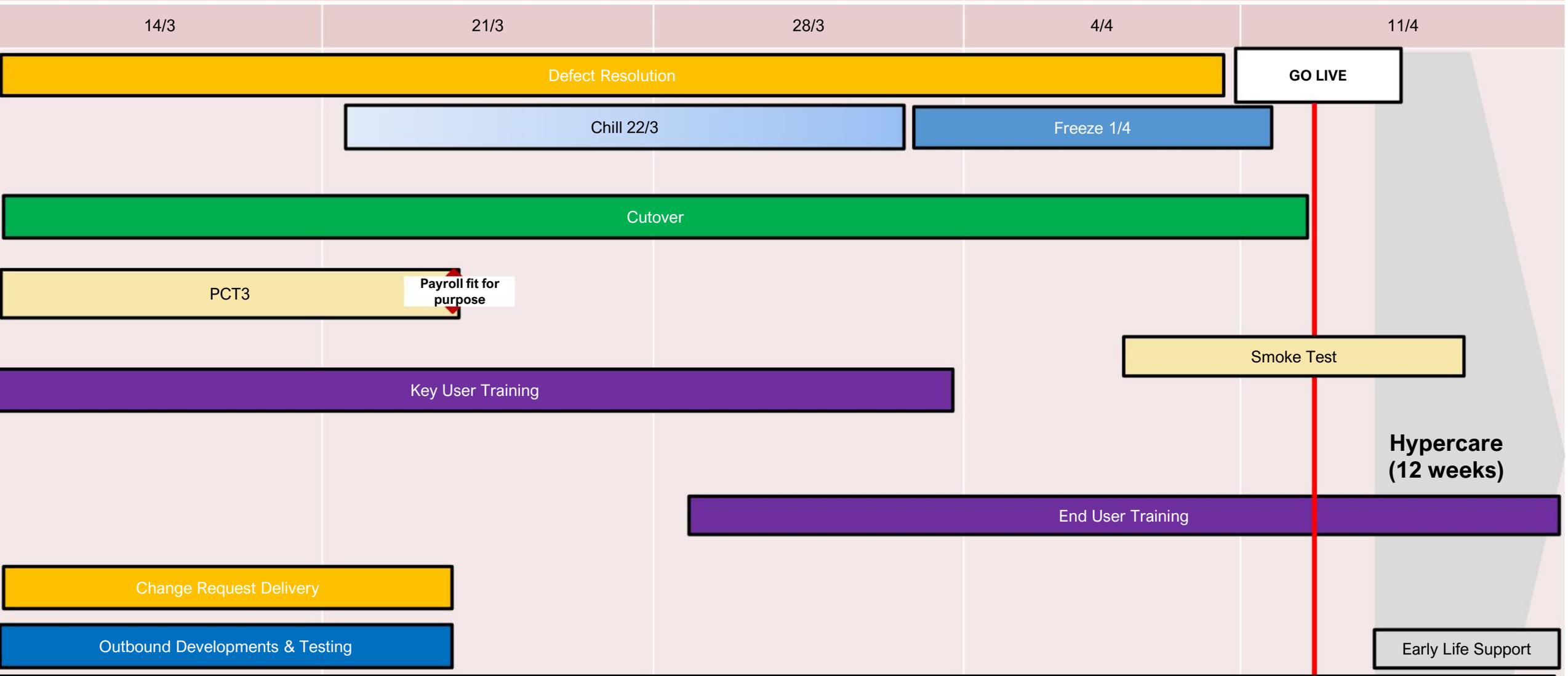
### Commercial Priorities

- Invitation to Tender being issued for Data Archiving Solution (March '22). This is under review by IT&D before it can be released.

Workstream	Current RAG	Direction
Outbound Integrations	Yellow	↘
Service Transition	Red	↘
Testing	Yellow	↘
HR & Schools	Yellow	↘
Finance	Yellow	↘
Business Change	Yellow	↘
Evosys	Yellow	↘
Payroll	Yellow	↘
PaaS extensions	Yellow	↘
Reports Development	Yellow	↘
Data Migration	Green	↘
P2P	Green	↘
Inbound Integrations	Green	↘
Architecture & Infrastructure	Green	↘
Cutover	Green	↘



# 4 Week View



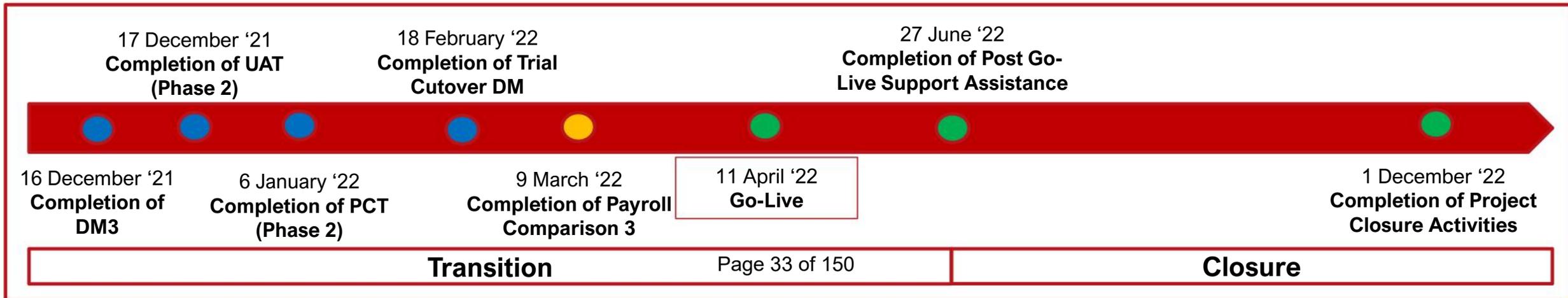
Service Transition

**Key**

Cutover	Build
Integrations	Adoption

# Programme milestones for reporting

Ref	Milestone description	Baseline completion date	Actual or forecast date	RAG	Commentary
ERP MS03	Completion of Data Migration 3	16/12/21	14/01/22	C	
ERP MS04	Completion of Validation Testing (UAT) – Phase 1	12/11/21	06/01/22	C	
ERP MS05	Completion of Validation Testing (UAT) – Phase 2	17/12/21	28/01/22	C	
ERP MS07	Completion of Payroll Comparison 2	06/01/22	06/01/22	C	
ERP MS08	Completion of Payroll Comparison 3	09/03/22	24/03/22	A	<ul style="list-style-type: none"> <li>Additional time to be allocated to fix and re-test defects</li> </ul>
ERP MS10	Completion of Trial Cutover Data Migration	18/02/22	09/03/22	C	<ul style="list-style-type: none"> <li>Trial Balances files were delayed – analysis underway</li> </ul>
ERPMS11a	Early access to HR and Payroll	08/04/22	08/04/22	G	
ERPMS11b	Go-Live – Finance and Procurement	11/04/22	11/04/22	G	
ERPMS12	Completion of Post Go Live Assistance	27/06/22	27/06/22	G	
ERPMS13	Completion of Project Closure Activities	01/12/22	01/12/22	G	



# Risk & Issues Update

R/I/D	Risk description	Likelihood / Impact	Mitigation plan & Update
I	<p><b>Preparedness of IT&amp;D support team to take on 1B solution</b></p> <p>A lack of engagement with the BAU support team who will take on responsibility for administering. IT&amp;D Support Team will not have the necessary experience and skills to run with this from Go-Live in April '22</p>	 	<ol style="list-style-type: none"> <li>1. Consider role of MSP and whether this should be expanded</li> <li>2. Consider the use of interim resource funded against savings</li> <li>3. Identify key gaps and source targeted interim resources</li> </ol>
I	<p><b>Roles Creation for Production Environment</b></p> <p>The resource to create roles in Oracle currently sits with one person. Therefore, this comes a single point of failure. The inexperience and lack of capacity within BAU could mean delays in role creation prevent Go-live milestone being met.</p>	 	<ol style="list-style-type: none"> <li>1. Identify key resource requirements and source interim resources to add capacity</li> </ol>
R	<p><b>Complexity of change environment</b></p> <p>The Programme does not get sufficient attention and buy in to the change due to multitude of change programmes in flight across organisation and effectiveness of communications channels</p>	 	<ol style="list-style-type: none"> <li>1. Communications and Engagement Plan on agenda for Steering Committee to support with key message definition</li> <li>2. Sessions being held to align messages with in-flight change programmes</li> <li>3. Roadshow and Engagement events planned including Extended CLT in February</li> </ol>

# Decision Path to Go-Live

## 1B approach to the Go Live decision

- Between now and the 10<sup>th</sup> April, there will be a series of decisions with our Steering Committee based on a traffic light system where we seek approval to move to the next stage
- These decisions will align to the Change Control Roadmap which is set out by BCC IT&D to give assurance of our readiness to Go-Live

## What will be covered in each session

- Ensure that a plan is in place and ensure this is on track to move into the production environment. This is the cutover plan
- An assessment of the status of defects and ensure plans are in place to resolve or workarounds are put in place
- A review of the Deployment Readiness to ensure majority of the checklist are green. Amber or red items will be reviewed to ensure a clear plan will be in place to address these. This will be the latest from an established process that runs on a fortnightly basis

## Key issues to be monitored by Steering Committee during Cutover

- Is the system sufficient to go into production from a functional perspective?
- Has the system been thoroughly tested? Have all critical defects been resolved? Do residual defects have resolution plans in place?
- Have the communications necessary to prepare your organisation for the change been preformed or are planned?
- Is a training plan and schedule in place to train those necessary to use the solution?
- Has a support process been defined for when a system issue comes up?
- Have the appropriate sign-offs and approvals been put in place to move forward

Decision Path	10 <sup>th</sup> March	17 <sup>th</sup> March	Ultimate Go/No-Go Decision Point		7 <sup>th</sup> April	10 <sup>th</sup> April
			24 <sup>th</sup> March	1 <sup>st</sup> April		
	<ul style="list-style-type: none"> <li>Go/No-Go for entry into Cutover; Extract, Transform and Load of Master &amp; Transactional Data from SAP into Oracle Production Environment</li> </ul>	<ul style="list-style-type: none"> <li>Confirm entry into the Chill period to begin 22<sup>nd</sup> March</li> <li>Check in on Payroll Comparison Testing success criteria</li> </ul>	<ul style="list-style-type: none"> <li>Confirmation of Go-Live defects and issues to be carried forward</li> <li>Ensure payroll is fit for purpose and exit criteria of 98% with explainable differences was met</li> </ul>	<ul style="list-style-type: none"> <li>Confirm entry into the Organisational Freeze period to begin 1<sup>st</sup> April</li> <li>Confirmation of Transactional Data Load</li> </ul>	<ul style="list-style-type: none"> <li>Go/No-Go: Early access for HCM &amp; Payroll</li> <li>Data loads for HCM &amp; Payroll are complete and no known critical defects</li> </ul>	<ul style="list-style-type: none"> <li>Go-Live: Final load has been completed and there are no known critical defects preventing Go-Live</li> </ul>



Change Roadmap	Change 1: 1ST DATA CLONE/MIGRATION: Change required for HR, Payroll & Finance, Procurement master data between 18 <sup>th</sup> March-31 <sup>st</sup> March;	Change 2: SAP CUTOVER/STOP OF BATCH JOBS: Change required for Limited access to SAP users (w/related activities) incl. stopping of Batch jobs between 18 <sup>th</sup> March-11 <sup>th</sup> April	Changes 3: 2ND DATA CLONE/MIGRATION: 1 <sup>st</sup> April -Change required for End of month transactional data between 1 <sup>st</sup> April-11 <sup>th</sup> April;	Change 4: NEW USER SETUP: 1 <sup>st</sup> April -Change required for HR & Payroll users 8 <sup>th</sup> /9 <sup>th</sup> April and FI users 11 <sup>th</sup> April	Change 5: GO LIVE: 10 <sup>th</sup> April -Change required for go live activities between 8 <sup>th</sup> & 11 <sup>th</sup> April

# Budget position @ 14.03.22

Activities	21/22 Forecast		22/23 Forecast		Total
<b>Resources</b>					
PMO	£	3,941,747	£	845,336	£ 4,787,084
ITDS	£	1,468,479	£	180,534	£ 1,649,013
<b>Providers</b>					
SOCITM	£	929,840	£	232,460	£ 1,162,300
<b>Egress</b>					
Extension	£	1,812,503	£	170,850	£ 1,983,353
<b>Evosys/Insight</b>					
CCN	£	165,540			£ 165,540
Extension	£	1,817,032	£	1,641,127	£ 3,458,160
<b>Licences</b>					
Oracle Fusion	£	1,631,148	£	809,162	£ 2,440,310
Evosys Workforce Scheduler	£	-	£	-	£ -
OTL	£	-	£	-	£ -
PS Live	£	-	£	-	£ -

Activities	21/22 Forecast		22/23 Forecast		Total
<b>BDA</b>	£	1,883,387	£	-	£ 1,883,387
<b>Other</b>					
Training	£	-	£	-	£ -
Procurement	£	-			£ -
Audit	£	85,000			£ 85,000
Backfilling staff	£	1,301,763	£	-	£ 1,301,763
Miscellaneous	£	306,000			£ 306,000
<b>Totals</b>	£	<b>15,342,439</b>	£	<b>3,879,469</b>	£ <b>19,221,909</b>
<b>Contingency</b>	£	778,091			£ 778,091
<b>Total Requested in MTFS</b>	£	<b>16,120,531</b>	£	<b>3,879,469</b>	£ <b>20,000,000</b>
<b>Reserves</b>					
19/20 Contribution	£	1,450,255			£ 1,450,255
20/21 Contribution	£	1,920,844			£ 1,920,844
<b>Total</b>	£	<b>3,371,099</b>			£ <b>3,371,099</b>

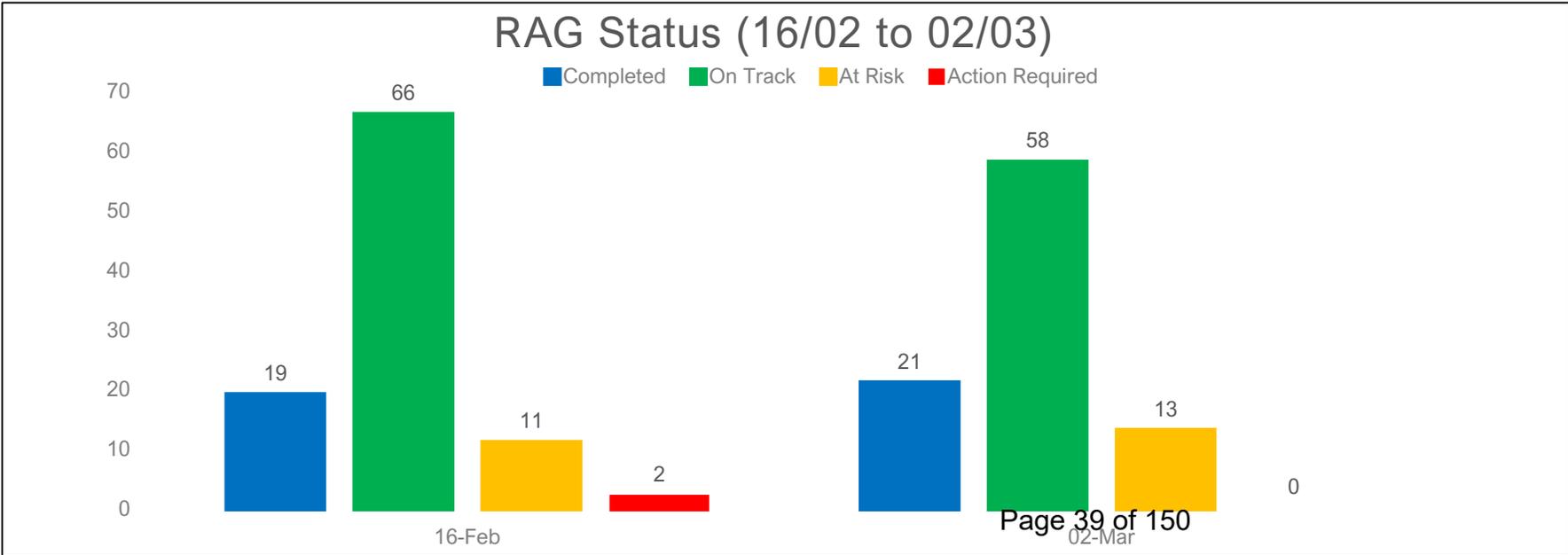
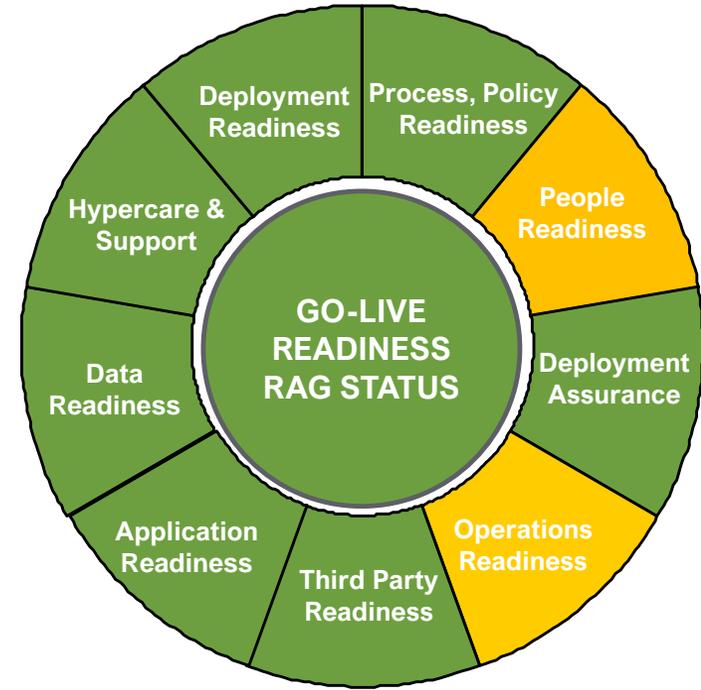
# Appendix



# 1B Deployment Readiness Assessment

## Summary

- Overall, a Green status is being reported. There are 13 criteria currently with an Amber Status however none of these are considered sufficient to impact Go-Live as plans and mitigations are in place.
- There are 2 Readiness Dimensions driving an Amber Status: People and Operations Readiness. Operations Readiness actions relate to preparedness of the support organisation and the support team who will take ownership of the Oracle Cloud solution. As part of mitigating this area, a review is taking place of the readiness of this team and a possible mitigation is to increase the scope of the procurement of the Managed Service Partner.
- People Readiness is driving an amber status principally due to the tight timeline for completing user training because of time constraints of resources and final elements of the solution where defects are being resolved and re-tested. To mitigate this, regular engagement with the Business coupled with a revised approach to training based on priority processes has been but in place.



<b>Green</b>	Majority green and on-track with max 2 amber
<b>Amber</b>	More than 3 Amber
<b>Red</b>	More than 2 red

 For the full list of criteria and links to the dashboards from the February assessment click [here](#)

# The 1B Vision: supporting Council ambitions

- In July 2019 the Council selected *Oracle Cloud* as its preferred ERP software to support every day financial, HR and procurement processes, replacing SAP Voyager and People Solutions. This programme is called 1B because it will enable one single data set across the Council.
- Target operating model developments across the Council are embedded in 1B to enable the digital, financial and workforce agenda.



**Programme Vision:**  
To make a positive difference every day, enabled by modern finance, procurement and HR solutions.

## Standardised ways of working

Transforming our services by leveraging technology, adopting standard processes and delivering smarter ways of working.

## User friendly self service

Keeping customer needs at the heart of our services, through delivery of a more user-friendly experience and better support for everyone.

## Empowered decision making

Enabling managers to make effective decisions for their service areas by improving information and providing meaningful reports.

# What's in it for...

Managers  
Employees



## END USERS

- ✓ Mobile accessible
- ✓ Simpler processes
- ✓ Information accuracy
- ✓ Clear accountabilities
- ✓ Improved self service
- ✓ Easy day-to-day tasks
- ✓ Dashboard reports\*

HR Teams  
Finance Teams  
ITD



## PROFESSIONAL USERS

- ✓ Better business intelligence
- ✓ Empowered decision making
- ✓ Improved processes
- ✓ Efficient services
- ✓ Compliance and confidence
- ✓ Auditable activities

Schools & Academies  
Job Candidates  
Suppliers



## EXTERNAL USERS & CUSTOMERS

- ✓ Improved experience
- ✓ User friendly software
- ✓ Confidence in the council
- ✓ Speedier service
- ✓ Access to my own info



## CITIZENS

- ✓ Enabling departments to serve our citizens who are paying for services and seeking value for money.

# The 1B Business Case: the headlines

- Senior Responsible Officer for 1B is Becky Hellard
- Final Business Case and a **new Go Live date of April 2022** approved at Cabinet 16 March 2021
- The Council has defined a Modernisation Programme that seeks to invest in its capacity and leadership and invest in the changes it needs to make. The 1B Programme now sits within the New Type of Organisation portfolio alongside the Customer Services and New Ways of Working Programmes.

## Strategic Case for 1B

- Working smarter to improve integration between services/functions
- Increased commissioning skills and commercial skills
- Agile and flexible working to support a modern workplace
- Innovative and entrepreneurial
- Achieving more with less
- Improved digital and IT capability
- Make better use of customer insight and business intelligence to empower informed decision making at all levels and enable us to deploy all our resources appropriately
- Working in partnership and working with others to collaborate more as a 'One Council'
- Empowering citizens, preventing need

### Benefits vs Drawbacks

131 vs 50

### Percentage by Service Area

Benefits have been identified across all services impacted by the programme, and these broadly fit into our three Change Themes



# Revised business case costs and benefits (financial)

## Costs

The overall cost of the implementation phase of the programme have risen from an estimated £19.965m at the time of the original Full Business Case to a latest estimate of **£38.685m**.

The key reasons for this increase are:

- Delay in the go-live date from December 2020 to April 2022 and therefore the additional running costs of the programme as a result of the implementation complexities.
- The subsequent costs of extended need for the existing ERP solution (SAP) and associated infrastructure and support staff until it can be decommissioned.
- Additional essential functionality identified during the design phase, which has been robustly challenged by a Business Design Authority, but the validity of the requirement has been validated.
- Retention and archiving of existing data records essential for business operations.

## Financial benefits

- The Revised FBC extends over a 12-year period (2019/20 to 2030/31) and recognises that as the organisational changes in culture, processes and procedures, from the wider ERP programme, become embedded, it will realise longer term benefits beyond the life of the new IT system and the initial seven-year contract period.
- Over the life of the FBC there is a forecast gross ERP system saving of **£10.918m**.

# 1B Lessons Learnt (so far...)

*Learning the lessons will help BCC increase their chances of success when they undertake large and complex transformation projects in the future. A full lessons learnt process is following through to project closure.*



## Technology

- Full organisational buy-in required for a successful journey to 'living in the Cloud'
- Adaption of processes rather than adoption has provided challenges in solution design
- BCC has never moved their data on such a large scale making the data cleansing complex



## People & Engagement



- Focus on standardising processes and non-differentiating features in the business change
- Manage expectations – timeline and solution

# Glossary of Terms

Acronyms		Stands For:
1	4G / 5G	Fourth and Fifth Generation
2	ABB	Architecture Building Block
3	AD	Assistant Directors
4	ADDM	Active Directory Domain Management
5	GOLD ADJ	Gold Adjustment -This is the point in time that Evosys will review and update their configuration of Oracle Fusion.
6	AP	Accounts Payable
7	API	Application Programming Interface
8	APM	Application Platform Modernisation
9	AR	Accounts Recievable
10	BAD	Business Architecture Document
11	BAU	Business As Usual

Acronyms		Stands For:
12	BCT	Birmingham Children's Trust
13	BDA	Business Design Authority
14	BI	Business Intelligence
15	BPCT	<i>Budget Planning Corporate T?</i>
16	BOM	Build Of Materials
17	BPO	Business Process Owners
18	BRG	Business Readiness Group
19	BRUM Account	Resident account to access online services
20	CAPEX	Capital Expenditure
21	CCN	Change Control Notice

Acronyms		Stands For:
22	CIO	Chief Information Officer
23	CMS	Content Management System
24	CoA	Chart of Accounts
25	CRP	Conference Room Pilot 1, 2
26	CTO	Chief Technical/Technology Officer
27	DM	Data Migration
28	DPIA	Data Protection Impact Assessment
29	DOR	Document of Record
30	EA	Enterprise Architecture
31	EIA	Equality Impact Assessment

Acronyms		Stands For:
32	EIC	Employee Interaction Centre (Helpdesk platform)
33	ELA	Enterprise License Agreement
34	EOL	End Of Life
35	ERP	Enterprise Resource Planning
36	ETL	Extract, Transform and Load
37	EWS	Early Warning System(Evosys)
38	FL	Functional Leads
39	FOM	Future Operating Model
40	GaaP	Government as a Platform
41	GAID	Gaps, Assumptions, Issues and Dependencies

	Acronyms	Stands For:
42	GDS	Government Digital Services
43	GIS	Geographic Information System
44	HCM	Human Capital Management
45	IBR	Initial Business Requirements
46	ICF	Intelligent Client Function
47	ICP	Individual Compensation Plan
48	ICT	Information Communication Technology
49	IDR	Intelligent Document Recognition
50	IM	Information Management
51	IoT	Internet of Things

	Acronyms	Stands For:
52	JEQ Team	Job Evaluation Team
53	JV	Joint Venture
54	KPI	Key Performance Indicators
55	KT	Knowledge Transfer
56	KUT	Key User Training
57	LEP	Local Enterprise Partnerships
58	LGA	Local Government Association
59	LPM	Live Partition Migration
60	LTFP	Long Term Financial Plan
61	MAS	Multiple Assignments Solution

	Acronyms	Stands For:
62	MD050	Module Design 50: This is a Functional Design Document
63	MFA	Multi Factor Authentication
64	MOS	My Oracle Support
65	MTP	<i>Referenced in Taxation CIA?</i>
66	NFR	Non Functional Requirement
67	NHS ITK	NHS Interoperability Toolkit
68	OCI	Oracle Cloud Infrastructure
69	OGI	Oracle Guided Learning
70	OIC	Oracle Integration Cloud
71	OPEX	Operational Expenditure

	Acronyms	Stands For:
72	OSS	Open Source Software
73	OTL	Oracle Time & Labour
74	ORC	Oracle Recruitment Cloud
75	PaaS	Platform as a Service
76	PCT	Payroll Comparison Testing
77	PID	Project Initiation Document
78	PMO	Project Management Office
79	POAP	Plan On A Page
80	POC	Proof Of Concept
81	PPR	Parallel Payroll Run

	Acronyms	Stands For:
82	PSN	Public Services Network
83	R&D	Research and Development
84	RA	Reference Architecture
85	RACI	Responsible, Accountable, Consulted and Informed
86	RAID	Risks, Actions, Issues and Dependencies
87	RAG	Red, Amber or Green status
88	RBAC	Role Based Access Control
89	RFC	Request for Change
90	RFP	Request for Pettycash
91	ROI	Return On Investment

	Acronyms	Stands For:
92	SAP	System Analysis Programme Development
93	SAD	Solution Architecture Document
94	SBB	Solution Building Block
95	SBS	Secondary Balancing Segment
96	SFTP	Secure File Transfer Protocol
97	SIAM	Service Integration and Management
98	SIT	System Integration Testing
99	SLAM	Starters, Leavers and Movers
100	SME	Subject Matter Expert
101	SMEs	Small Medium Enterprises

Acronyms		Stands For:
102	SOA	Service Orientated Architecture
103	SoE	Shedule of Events
104	SocITM	Society of IT Management
105	SPOF	Single Point Of Failure
106	SR	Service Request
107	SSH	Secure Shell (cryptographic network protocol)
108	SSO	Single Sign On
109	STD	Solution Technology Design
110	TCO	Total Cost of Ownership
111	TOM	Target Operating Model

Acronyms		Stands For:
112	TOR	Terms Of Reference
113	Tranche	Next stage of a Programme/Project/Workstream
114	UAT	User Acceptance Testing
115	VDI	Virtual Desktop Infrastructure
116	VFM	Value for Money
117	Winshuttle	Software enabling synchronisation between Excel + SAP
118	WMCA	West Midlands Combined Authority
119	xLOB	Oracle cross-line-of-business

**Birmingham City Council**  
**Resources Overview and Scrutiny Committee**  
 24 March 2022



**Subject:** Task and Finish Group on Procurement Governance Arrangements  
**Report of:** Task and Finish Group  
**Report author:** Steve Sandercock, Assistant Director, Procurement

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 : N/A

## 1 Introduction

- 1.1 At the start of the municipal year the Resources Overview and Scrutiny Committee identified several issues with procurement and contract management arrangements, particularly in relation to the timeliness of decisions and adherence to regulations and governance requirements.
- 1.2 With this in mind a cross-party Task and Finish Group, consisting of Councillor Mohammed Aikhlaq (Chair), Councillor Barbara Dring, Councillor Meirion Jenkin, Councillor Majid Mahmood, and Councillor Paul Tilsley, was set up to review and examine the commercial governance process to ensure, moving forward, it is robust, fit for purpose, is complied with, and delivers value for money. The terms of reference for this are set out in full at Appendix 2.

## 2 Evidence Gathering

- 2.1 Evidence gathering took place from April 2021 to March 2022 and included input from officers, who provided clarity on the current rules, and legal requirements, governing financial, procurement and contract matters. In addition, benchmarking data from Core Cities, other local authorities and West Midland partners was considered along with information from suppliers. The Task Group also considered information in relation to the Green Paper on Transforming Public Procurement and Planned Public Sector Procurement Regulations.
- 2.2 Findings from the Task Group's evidence gathering, together with recommendations, have been set out in full at Appendix 1.

- 2.3 It should be noted that while most recommendations achieved support from each of the 5 Task Group Members, this was not possible for all recommendations.
- 2.4 Appendix 1 highlights where consensus wasn't possible and provides information to explain why some of the recommendations were not supported by the Conservative Group. Further information is also provided via the letter, attached at Appendix 3, from Councillor Meirion Jenkins, who was the Conservative representative on the Task Group.

### **3 Recommendations**

- 3.1 That recommendations R01 to R22, set out via Appendix 1, be approved, and the Cabinet Member for Finance and Resources be requested to pursue their implementation.
- 3.2 That progress towards achievement of these recommendations be reported back to the Resources Overview and Scrutiny Committee no later than September 2022.

### **4 Appendices**

- 4.1 Appendix 1 – Information Pack (Evidence, Findings and Recommendations)
- 4.2 Appendix 2 – Terms of Reference
- 4.3 Appendix 3 – Letter from Councillor Meirion Jenkins

# OVERVIEW AND SCRUTINY TASK AND FINISH GROUP PROCUREMENT GOVERNANCE ARRANGEMENTS

## Appendix 1: Information Pack March 2022

**Steve Sandercock** Assistant Director – Procurement



# Purpose of meeting

-  SECTION 1 - Recommendations
-  SECTION 2 - Recommendations – Outcome from O&S Task and Finish Group
-  SECTION 3 - Reminder – Current Procurement Governance Rules
-  SECTION 4 - Reminder – Legislative Requirements
-  APPENDIX 1A - Findings from Supplier and Officer surveys
-  APPENDIX 1B – Benchmark findings other Council procurement rules
-  APPENDIX 2 - Additional Background Information / Context

# SECTION 1 - RECOMMENDATIONS



# Recommendations - Thresholds

1. **Introduce an Initial Make or Buy decision for pre Procurement Stages** – e.g. use of in-house Council services, existing contracts (ensure relevant to directorate or corporate contract), or existing public procurement frameworks. To include contracts awarded under the PCR 12(1) (formerly referred to as the Teckal exemption) and contracts awarded under PCR 12(7) (e.g. establishing or implementing a public contract with another public sector entity);



Must be able to demonstrate Best Value (also covered in clause FR10 of the Constitution). Consideration on how this aligns to the Commissioning Strategy will also be taken. Evidence to be provided in the Pre-Procurement Report and must be proportional to the value of spend.

2. **Introduce proceed to purchase threshold for under £5,000** – e.g. authorisation to be obtained via the Scheme of Delegation (see footnote -1)
3. **Introduction of new threshold to replace current £10k threshold with £5,000 - £25,000 level** and minimum of one quotation (local supplier or SME where possible), preference for three quotations (see footnote -2) –



Quotations to be attached to Purchase Order for audit purposes.

*Footnote -1 181 contracts > £5,000 have been let in the last 12 months, 171 are non discretionary spend.*

*Footnote -2 451 contracts between £5,000 - £25,000 let in the last 12 months, 391 are non discretionary spend.*

# Recommendations - Thresholds

- 4. Increase lower threshold to £25k**, (or Light Touch Regime (LTR)/ Concessions or Utilities Contract Regulations (UCR16) where applicable); i.e. Contract advertised on finditnbirmingham.com, minimum of ten working days for submission of quotations and at least 3 quotations have been submitted (one quote from local supplier/ SME where possible) or; formal compliant tender procedure, formal advertising required and award published on contracts finder/contracts register.



Quotations to be attached to Purchase Order for audit purposes.

- 5. Introduce new uppers thresholds (Works)**, £25k to £250k or to relevant PCR15 Threshold (Concessions or UCR16) – for improvement of clarity. Application of procedure in recommendation 4.



Threshold in line with current sealing requirements for Works.

- 6. Over £250k (Works) or (Concessions or UCR16) up to PCR15 Threshold** – Application of Light Touch Regime where applicable; otherwise must follow a formal compliant tender procedure, must be advertised on Find a Tender and contracts finder, contract to be published on Contract Register. Must consult with relevant Head of Category (Procurement) and the Councils' E-tendering system must be used.

# Recommendations - Thresholds

7. **PCR15 Threshold** (Supplies and Services, Works, Concessions, LTR or UCR16) - **£10 million**– Maintain current requirements.
  - Cabinet can delegate decisions to Chief Officers through monthly Procurement Planning Activities Report (PPAR).
  - Obtain approval from Delegated Procurement Report (DPR) to award the contract.
  - Decisions to Cabinet where the estimated total contract value exceeds the figure stated in the PPAR by 20% or £500,000 (whichever is the lower), or exceeds £10,000,000
  
8. **Over £10 million** – Maintain current requirements
  - Cabinet approval is required prior to the commencement of the procurement.
  - At least three months in advance consult with Cabinet Members and include it on the Forward Plan. Cabinet Member for Resourcing and Finance should be consulted on ALL procurement reports, plus any additional related Cabinet Members.
  - Award of contracts can be delegated to a Cabinet Member jointly with a Chief Officer, or to a CO via Delegated Procurement Report (DPR).
  - Procurement Cabinet Reports require consultation with relevant Scrutiny Chair.
  
9. **Remove clause 2.3 v. under exemptions within the Constitution**

*“Exemption from any Standing Order may be authorised by the Decision Maker PROVIDED THAT the Decision Maker is satisfied that the exemption is justified by special circumstances and the Decision Maker records in writing the ground(s) for being so satisfied as part of that decision.”*

---

# Recommendations – Exemptions/ Out of Scope/Waivers

10. **Introduce a clear list of Out of Scope scenarios**, these are exempt from PGA but must apply the relevant alternative governance. Following scenarios to be included:

- A contract for or on behalf of a school with a delegated budget, where the contract has been procured in accordance with the school's own formal procurement and contractual rules;



governed by Schools financial procedures manual.

- Contracts regarding the purchase or lease of property, acquisition, disposal, transfer of land, or any interest in land which includes licenses;



governed by the Head of Property Law.

- Legal charges, awards and disbursements (including all associated costs and fees) in connection with any and all legal proceedings;



governed by Civil Procedure Rules.

# Recommendations – Exemptions/ Out of Scope/Waivers

- Offers of employment which makes an individual an employee of the Council.



Governed by the Employment Rights Act 1996. For further clarity - If BCC put out a contract for services and that person was self-employed and won the tender, it would still be a contract for services rather than a contract of employment. If however authority has been granted to recruit a perm / interim / consultant etc then, for the latter, the commissioning gateway process would need to be followed and it might be helpful to include a reference to that to ensure compliance with the process. [More info here engage recruit a non-payrolled worker](#)

- Insurance claim compensation.

## 11. Introduce a clear list of Waivers, following principles to be included:



reported under clause FB6 (iv) of the Constitution.

- In the event of a genuine emergency or a major disaster involving immediate risk to persons, property or serious disruption to Council services or significant financial loss, to the extent necessary to deal with the immediate risk.



This would be a temporary waiver (see recommendation 14)

- A contract where application of Procurement Governance Arrangements would create an impossibility for a supplier to provide the required supply, services or works, e.g. where application of 20% Social Value weighting would be impractical/ impossible.

# Recommendations – SCNs/MCNs

## 12. Strengthen clarity of when Single Contractor Negotiations (SCNs) / Multiple Contractor Negotiations (MCNs) should be applied, following principles to be included:

- The purchase of a named product required to be compatible with an existing installation;
- The purchase of proprietary or patented goods or materials or services which, are obtainable only from one supplier, and where no reasonably satisfactory alternative is available;
- The creation or acquisition of a unique work of art or artistic performance.
- Carrying out, with the approval of the Section 151 officer, security works where the publication of documents or details in the tendering process could prejudice the security of the works to be done
- The execution of works or the supply of goods or services are controlled by a statutory body.
- The execution of works / supply of goods or services for which it can be demonstrated that no genuine competition can be obtained.
- The execution of works or supply of goods or services are of a specialised nature which, are carried out by only one supplier, and where no reasonably satisfactory alternative is available.

# Recommendations - Breaches

## 13. Incorporate a clear Breach Procedure, proposed principles being:

- Any exemption sought after contract award has been completed will be classed as a breach with initial referral to the Head of Category to undertake initial investigation. The investigation will consider intent, the individual circumstances and the impact of the alleged breach.
- Investigations and actions taken will be proportionate to the nature and risk the breach poses to the Council.
- Where the Head of Category upholds the breach, the matter will be referred to the Assistant Director - Procurement, to agree the appropriate course of action. Where required the Breach will be referred to the relevant Assistant Director within the service area to take the appropriate action, this may include the Council's Disciplinary and Capability Procedure or service sanctions where appropriate e.g. repeated and wilful breaches.
- Report on the number of breaches raised to be sent to Cabinet on a quarterly basis.

# Recommendations – Other Areas

## 14. Improve clarity of actions to be taken in case of emergency–



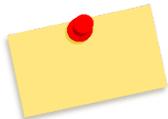
Consideration given to the Emergency Plan, Business Continuity Plan and the Proposed New Contract Regulations.

## 15. Align authorisations for sign off in line with Scheme of Delegation, following principles to be included:

- Scheme of Delegation to cover entire contract life including all potential extensions

## 16. Contract Extension rules to be updated during document update, following principles to be included:

- Extensions to be signed off under Scheme of Delegation – where there is an existing option to extend.
- Expired Contract End Date – commence new procurement in line with Procurement Governance Arrangements.
- SCNs/MCNs are not to be used to extend contracts.



Constitution Part D - Clauses 2.1 i. and vii.; to be reinforced during training.

- Contract duration (plus any extensions) should be appropriate to the market for the contract – where practical use short extensions to create breaks for review (i.e. 2+1+1 instead of 2+2).

# Recommendations – Other Areas

**17. Contract Management rules to be updated during document update**, following principles to be included:

- Clear identification of Contract Manager for each contract whether Corporate or Directorate contract.
- Contract Management and Social Value training to be given
- Suite of templates for contract managers

**18. Contract Variations procedure to be updated during document update**

This paragraph applies where the value of the modification is below both of the following values:—

(a) the relevant threshold mentioned in regulation 5, and

(b) 10% of the initial contract value for service and supply contracts and 15% of the initial contract value for works contracts,

provided that the modification does not alter the overall nature of the contract or framework agreement.

**19. PPAR (Planned Procurement Activities Report) to be advertised on internet** – opportunity for suppliers to review and allocate resource to upcoming tenders. This will increase opportunities for SMEs that do not have bid teams.

# Recommendations – Other Areas

- 20. Expiring contracts report** – report to directorates and scrutiny monthly/ quarterly highlighting contracts due to expire within the upcoming 12 months; enabling the commissioning process to commence and procurement activities to be included in Procurement Workplan for allocation of resource. Oracle will automate this.
- 21. Clear clause in tender documents and quotations to highlight Route to Zero** – where applicable.
- 22. Open Audit recommendations to be addressed in the update of documentation.**  
The Council’s rules for extending contracts need to be made clearer in both Standing Orders and Operation of Procurement Governance Arrangements.

In particular, there needs to be clarity and consistency regarding:

- which type of report template to use;
- authorising officer(s);
- under what circumstances a SCN as opposed to Contract Extension Report should be used;
- under what circumstances a combined SCN and Delegated Award Report may be used.

# SECTION 2 - Recommendations – Outcome from O&S Task and Finish Group



# Recommendations – Outcome from O&S Task and Finish Group

No.	Recommendation	Cllr Jenkins Comments	Officer Comments/ Further Guidance	O&S Task & Finish Outcome
1.	Introduce an Initial Make or Buy decision for pre Procurement Stages;			
2.	Introduce proceed to purchase threshold for under £5,000;	We are of the view that the council culture is not sufficiently mature to secure value for money and this needs urgently addressing for this to work, however if other changes are made in line with the requests made in my letter then we would not oppose this change	Recommendation to provide training and guidance on the new procedures and documents to support culture change	All agreed subject to further guidance other than Cllr Jenkins
3.	Introduction of new threshold to replace current £10k threshold with £5,000 - £25,000 level;	We are of the view that the council culture is not sufficiently mature to secure value for money and this needs urgently addressing for this to work, however if other changes are made in line with the requests made in my letter then we would not oppose this change	Recommendation to provide training and guidance on the new procedures and documents to support culture change	All agreed subject to further guidance other than Cllr Jenkins

# Recommendations – Outcome from O&S Task and Finish Group

No.	Recommendation	Cllr Jenkins Comments	Officer Comments/ Further Guidance	O&S Task & Finish Outcome
4.	Increase lower threshold to £25k;	We are of the view that the council culture is not sufficiently mature to secure value for money and this needs urgently addressing for this to work, however if other changes are made in line with the requests made in my letter then we would not oppose this change	Recommendation to provide training to support culture change	All agreed subject to further guidance other than Cllr Jenkins
5.	Introduce new uppers thresholds (Works);	We are of the view that the council culture is not sufficiently mature to secure value for money and this needs urgently addressing for this to work, however if other changes are made in line with the requests made in my letter then we would not oppose this change	Recommendation to provide training to support culture change	All agreed subject to further guidance other than Cllr Jenkins
6.	Over £250k (Works) or (Concessions or UCR16) up to PCR15 Threshold;	We are of the view that the council culture is not sufficiently mature to secure value for money and this needs urgently addressing for this to work, however if other changes are made in line with the requests made in my letter then we would not oppose this change	Recommendation to provide training to support culture change	All agreed subject to further guidance other than Cllr Jenkins

# Recommendations – Outcome from O&S Task and Finish Group

No.	Recommendation	Cllr Jenkins Comments	Officer Comments/ Further Guidance	O&S Task & Finish Outcome
7.	PCR15 Threshold (Supplies and Services, Works, Concessions, LTR or UCR16) - £10 million - Maintain current requirements	As per letter, we believe the £10m threshold is far too high and should be reduced in line with other authorities	<p>Current requirements included in column C.</p> <p>This has to go through to Cabinet via PPAR and Cabinet can chose to delegate award decisions authority to officers or not.</p> <p>Option A - Lower the threshold and review capacity required, attach Cllr Jenkins letter.</p> <p>Option B - Note types of contracts that would need to follow a different procedure (i.e signed off in detailed consultation with relevant portfolio holder(s))</p> <p>Option C - Keep the recommendation as is, noting not all parties agreed.</p> <p>Note: (41 contracts above £5 million, 25 contracts above £10 million, 203 contracts between PCR15 (Supplies and Services) and £10 million)</p>	<p>3 votes Option B</p> <p>1 vote Option A</p> <p>1 vote Option C</p>

# Recommendations – Outcome from O&S Task and Finish Group

No.	Recommendation	Cllr Jenkins Comments	Officer Comments/ Further Guidance	O&S Task & Finish Outcome
8.	Over £10 million – Maintain current requirements	As per letter, we believe the £10m threshold is far too high and should be reduced in line with other authorities	<p>Current requirements included in column C.</p> <p>Option A - Lower the threshold and review capacity required, attach Cllr Jenkins letter.</p> <p>Option B - Note types of contracts that would need to follow a different procedure (i.e signed off in detailed consultation with relevant portfolio holder(s))</p> <p>Option C - Keep the recommendation as is, noting not all parties agreed.</p> <p>Note: (41 contracts above £5 million, 25 contracts above £10 million, 203 contracts between PCR15 (Supplies and Services) and £10 million)</p>	As Above (Recommendation 8)
9.	Remove clause 2.3 v. under exemptions within the Constitution			Agreed

# Recommendations – Outcome from O&S Task and Finish Group

No.	Recommendation	Cllr Jenkins Comments	Officer Comments/ Further Guidance	O&S Task & Finish Outcome
10.	Introduce a clear list of Out of Scope scenarios;			Agreed
11.	Introduce a clear list of Waivers;			Agreed
12.	Strengthen clarity of when Single Contractor Negotiations (SCNs) / Multiple Contractor Negotiations (MCNs) should be applied;	As per letter, we believe that delegated authority should be removed for SCNs so that there is cabinet member level sign off justifying its use	To be applied in meaningful consultation with the relevant portfolio holder, to include outcomes of consultation, alterations to recommendations, date of consultation etc.	Agreed except for Cllr Jenkins
13.	Incorporate a clear Breach Procedure;	Where a failure to follow process in a timely way means that following the full procurement route is not an option, delegated authority should be removed and cabinet member level sign off should be required	Detailed work is required around the breach process and that proportionality is applied to both the breach and consequence. Consideration will be given to this point. Potential report to cabinet under a certain threshold, above threshold to go to Cabinet for agreement. Breach procedure to give due regard to any legal and HR requirements.	Agreed

# Recommendations – Outcome from O&S Task and Finish Group

No.	Recommendation	CLlr Jenkins Comments	Officer Comments/ Further Guidance	O&S Task & Finish Outcome
14.	Improve clarity of actions to be taken in case of emergency;	It should be made clear within this that failure to act in a timely way is NOT a reason for emergency	Agreement that there would be clear definition within the constitution and we will reinforce in both wording and training that failure to act in a timely way will not constitute an emergency	Agreed
15.	Align authorisations for sign off in line with Scheme of Delegation;	Support subject to other changes		Agreed except for CLlr Jenkins
16.	Contract Extension rules to be updated during document update;	Support subject to other changes		Agreed except for CLlr Jenkins
17.	Contract Management rules to be updated during document update;	Support subject to other changes		Agreed except for CLlr Jenkins
18.	Contract Variations procedure to be updated during document update;	Support subject to other changes		Agreed except for CLlr Jenkins

# Recommendations – Outcome from O&S Task and Finish Group

No.	Recommendation	Cllr Jenkins Comments	Officer Comments/ Further Guidance	O&S Task & Finish Outcome
19.	PPAR (Planned Procurement Activities Report) to be advertised on internet;	Quality of information in the PPAR can be variable, need to ensure it is sufficient to serve this purpose	PPAR detail can be reviewed during document update. Comment to be taken into consideration, enough information for suppliers to feel confident to bid	Agreed
20.	Expiring contracts report to be sent to Directorates and Scrutiny (monthly/ quarterly);	For particularly large contracts - eg as with the original 25 year waste disposal - that run over many years then these need to be flagged earlier than 12 months to give sufficient time	Recognised - training with CMs on length of contract determining timescale for pre procurement. Flag to Scrutiny more than 12 months in advance for longer contracts	Agreed
21.	Clear clause in tender documents and quotations to highlight Route to Zero;			Agreed
22.	Open Audit recommendations to be addressed in the update of documentation.	Support subject to other changes		Agreed except for Cllr Jenkins

# SECTION 3 - Reminder – Current Procurement Governance Rules



# Reminder - Current Rules



- **Low Cost Quotations – Under £10,000**

Three written quotations to be gained via Find It In Birmingham, in line with the low-cost quotations Standing Orders. No further approvals are required

- **High Cost Quotations – £10,000 to Public Contract Regulations 2015 (PCR15) threshold (currently £213,477 inc. VAT ).**

Contract to be advertised on finditinbirmingham.com and a minimum of ten working days allowed for the submission of quotations and at least three quotations have been submitted, or;

Use a suitable collaborative Framework Agreement

# Reminder - Current Rules



## **Greater than the Public Contract Regulations 2015 (PCR15) threshold but below £10m:**

- Cabinet can delegate decisions to Chief Officers through monthly Procurement Planning Activities Report (PPAR).
- Obtain approval from Delegated Procurement Report (DPR) to award the contract.
- Decisions to Cabinet where the estimated total contract value exceeds the figure stated in the PPAR by 20% or £500,000 (whichever is the lower), or exceeds £10,000,000

## **Greater than £10m or if TUPE of current Council staff is likely:**

- Cabinet approval is required prior to the commencement of the procurement.
- At least three months in advance consult with Cabinet Members and include it on the Forward Plan. Cabinet Member for Resourcing and Finance should be consulted on ALL procurement reports, plus any additional related Cabinet Members.
- Award of contracts can be delegated to a Cabinet Member jointly with a Chief Officer, or to a CO via Delegated Procurement Report (DPR).
- Procurement Cabinet Reports require consultation with relevant Scrutiny Chair.

# Update – Planned Public Sector Procurement Regulations

A summary provided in **Appendix 1**, key points for us to consider:

- Maintaining the principles, “*public good; value for money; transparency; integrity; fair treatment of suppliers and non-discrimination*”
- Maximising opportunities for example Most Advantageous Tender around local considerations
- Agility to utilise the right and appropriate procedure for best outcomes
- Applying proportionality



# Reminder - Scheme of Delegations

## Constitution – Part E

### 2.2 Process and Recording of Delegated Decisions

- (i) All decisions with a value of £50,000 or more made by Officers under delegated powers should be recorded in writing and a single copy for each Directorate produced to the Chief Executive and the Leader/Deputy Leader on the 30th September and 31st March of each year.
- (ii) Additionally, all decisions taken by Cabinet Members (based on a written report by the Chief Officer) should be recorded using the prescribed template. These decisions are only effective and actionable when posted on the Council's website by Committee Services and following the call-in process.

# Reminder - Scheme of Delegations

## 3.2 General Delegations

The Chief Executive and Chief Officers have the following delegated powers in respect of all matters which are not “key decisions” and not reserved for decision by the Council or by a Committee of the Council:

- (i) To make decisions and approve expenditure relating to the functions of their Directorate providing that:
- The sum expended is within the approved budget for the Directorate and/or relevant portfolio, (Steve) and
  - The amount in relation to any single matter does not equal or exceed £200,000 (Section 151) or
  - The amount in relation to any single matter that is at or above £200,000 and below £500,000 (revenue) or £1m (capital) is a Cabinet Member(s) decision (based on a written report from the Chief Officer).
  - The requirements of the Financial Approvals Framework in this Constitution and other requirements in the Constitution are complied with.
-

# Reminder - Scheme of Delegations

## 3.2 General Delegations (continued)

(iii) To approve tender strategies and award contracts in accordance with the Procurement Governance Arrangements where the supplies, materials, or services to be purchased or the works to be executed are between the Procurement Threshold (£181,302 as at September 2019) and £10,000,000 in value, over the contract length.

(iv) Where no other viable alternative exists to approve contract extensions, where no extension option in the contract exists, in accordance with the Procurement Governance Arrangements where the supplies, materials, or services to be purchased or the works to be executed do not exceed £500,000.

# How To Guide - Procurement

## 2.1 Tender Approval

Before a tender exercise is undertaken approval must be gained. The level of approval required is dependent on the anticipated value of the award. Table 1 shows levels of anticipated value and authorisation required.

A high-level precis of approval thresholds for Options Appraisal and Full Business Case decisions is (for comprehensive guidance please refer to the Gateway and Related Financial Approval Framework (at 9.23 to 9.26 of the Financial Regulations in the Council's Constitution).

Revenue:

- Up to £200k – Chief Officer
- Between £200k - £500k - Joint Cabinet Member and Chief Officer
- Above £500k - Cabinet

Capital:

- Up to £200k – Chief Officer
- Between £200k - £1m - Joint Cabinet Member and Chief Officer
- Above £1m - Cabinet

Overspends - Revised Full Business Report must be approved by the relevant decision maker – Refer to Part D Constitution page 13

# How To Guide - Procurement

Contract Value	Pre-procurement		Post-procurement	
	Reports	Approvers	Reports	Approvers
Below £10k	Email approval	Budget holder	Email approval	Budget holder
£10k to £189,330	Email approval	Budget holder	Chief Officer Award Report	Chief Officer (in accordance with your directorate delegated approval level)
£189,330 to £10m	PPAR	Cabinet	Award Report	DPR
	FBC & Strategy Report	DPR		
£189,330 to £10m (Framework)	PPAR	Cabinet	Strategy Award Report	DPR
Above £10m	FBC & Strategy Report	Cabinet	Award Report	Cabinet
SCN / MCN Reports	Governance follows the above based on value			
Where there is not adequate time for the activity to be included on the PPAR, a separate executive approval can be sought				
£200k to £500k (revenue) £200k to £1m (capital)	FBC & Strategy Report	DPR + Cabinet Member and Chief Officer	Award Report	DPR

Table 1 – Tender value and approval required

# SECTION 4 - Reminder – Legislative Requirements



# Reminder – Legal Requirements



- The Public Contract Regulations 2015 require wider public sector bodies to publish all advertised UK public sector procurement opportunities and contract awards above £25,000 on Contracts Finder.
- The Local Government Transparency Code 2015 –
  - ✓ Publish details of all expenditure that exceeds £500
  - ✓ Publish all Government Purchase Card (GPC) expenditure
  - ✓ Provide invitations to tender details for goods and/or services with a value exceeding £5000
  - ✓ Provide details of grants to voluntary, community or social enterprise organisations
  - ✓ Provide details of contracts, commissioned activity, purchase orders, framework agreements and any other legally enforceable agreement with a value that exceeds £5,000.

Changes are due to the current Public Contracts Regulations 2015 as a result of the UK leaving European Union – these are anticipated to come into effect in 2023

# APPENDIX 1A – Findings from Supplier and Officer surveys



# Findings from Survey - Suppliers



- Sent to Chamber, FSB, FIIB, BVSC, iSE, Locality and some current suppliers
- 51 response received

Have you ever tendered or bid for business with Birmingham City Council?

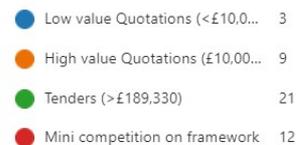
[More Details](#)



What type of work have you bid for previously (with Birmingham City Council)

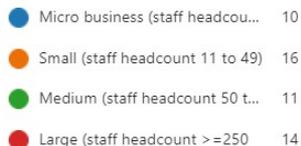
[More Details](#)

[Insights](#)



What type of business are you?

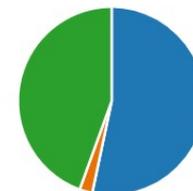
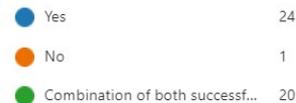
[More Details](#)



Were you successful in your previous bid/bids (with Birmingham City Council)

[More Details](#)

[Insights](#)

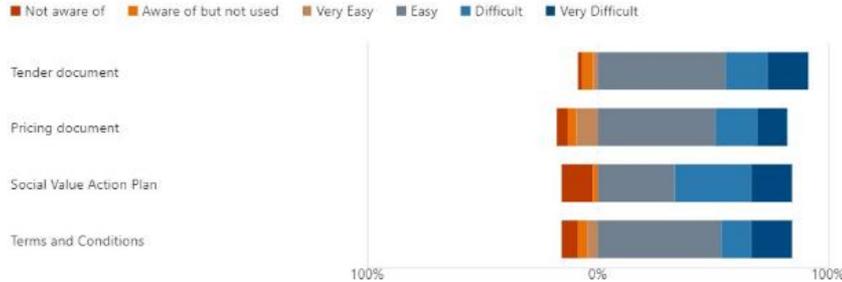


# Findings from Survey - Suppliers



Please provide feedback on the complexity of our tender documents. How easy have you found these to understand when bidding?

[More Details](#)



Do you know where to find Birmingham City Council's Constitution and Procurement Governance Arrangements? (I.e. the rules we have to follow in conducting our procurement.)

[More Details](#)

[Insights](#)



Have you ever tendered or bid for business with another Local Authority?

[More Details](#)

[Insights](#)



Are you registered on FindItInBirmingham?

[More Details](#)

[Insights](#)



# Findings from Survey - Suppliers



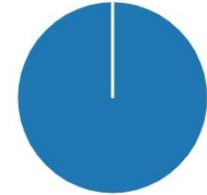
## KEY MESSAGES

- Vast majority have bid to the Council before
- More than half have been successful before
- All would bid to the Council in the future
- Social Value is the hardest element to understand – no correlation to size – Training needed
- Three quarters have bid to other councils before
- Two thirds are registered on Finditinbirmingham
- Little awareness of our upcoming procurement platform (Oracle) – Training needed
- Two thirds would be interested in a webinar on public sector procurement, vast majority of whom have tendered to the council before and no correlation to size

J. Would you bid for work with Birmingham City Council in the future?

[More Details](#)

[Insights](#)



I. Would you be interested in attending a webinar on how to bid for public sector contracts?

[More Details](#)

[Insights](#)



# Findings from Survey – Suppliers – Quotes



## BUREAUCRACY

- *For small contract and when dealing with small businesses or self-employed, completely overhaul the system to make it far more streamlined.*
- *The “Pre-Qualification process the standard questionnaire question sets could be automatically saved preventing duplicating the same information every time we tender*
- *Engaging in strategic commercial discussions with strategic partners to explore agreements which can deliver more value to the council.*
- *Looking at options for 1 quote / 3 quote exercise only for contracts of certain values to save time **and** Perhaps opportunities below the public tender threshold could be directly communicated to current/approved suppliers.*
- *Greater transparency of tender and publications of results and spread of contracts*
- *Clarification process. Turnover requirements to be eligible to bid .*
- *Lack of understanding of procurement of local services and social value / Easier social value navigation.*
- *Complexity & time is a factor for third sector organisations.*
- *Ridiculous amount of paperwork for small suppliers and having to keep chasing and chasing for payments **and** Getting the paperwork approved (completed perfectly from my end, just ridiculous 3 month delay from Birmingham)*
- *You're not transparent about what you are doing and why. You have no sense of proportion*

# Findings from Survey – Suppliers - Quotes



## LEARNING FROM ELSEWHERE

- *I would suggest looking global - New Zealand has some great practice in strategic alliances and integration based on population outcomes.*
- *Lloyd's bank foundation commissioning in crisis report has a great overview from vcs perspective*
- *Greater understanding of social value offered by smaller organisations. Look at turnover limits. Greater understanding of voluntary sector who are currently delivering services well to not exclude applications*
- *Yes, and very easy. Treat small suppliers and small contracts differently to multi-million pound suppliers and contracts. Completely streamline the process for smaller contracts and suppliers so that they can be approved within a couple of days and paid within 14 days instead of 28.*
- *Some Local Authorities apply an annual inflationary rate to their contracts to allow for inflationary increases*
- *When bidding for other local authorities we have in the past entered into Framework agreements*
- *Not many local authorities include such a detailed Social Value Action Plan as BCC*
- *Procurement processes are fairly similar - as they follow legal frameworks*
- *Other authorities have communicated post tender evaluations in a more timely manner*
- *Simplicity. We have worked with over 150 local authorities in UK and honestly, i have never dealt with one with such a complexed and long winded procurement process.*

# Findings from Survey – Suppliers - Quotes



## LEARNING FROM ELSEWHERE

- *Online tender applications seem to work better than manually uploading documents to a portal.*
- *Clear instructions Clear direction Clear requirements and scope Clear timeframes*
- *Other Local Authorities undertake more market engagement activity which assists us in meeting their needs.*
- *Co-production for service specification is good practice Information sharing events with commissioners prior to the tender being released*
- *Other LAs are easier to work with as they are more open and transparent in how they deal with the private sector. BCC appears to operate from closed approach fraught with suspicion of the people they are seeking to do business with.*
- *Please give advance notification of large tenders to allow adequate time to plan and resource responses. Please also stick to timescales for releasing tenders and making a decision.*
- *The documentation either needs to be in plain English or have advisors on hand to help wade through the jargon*

# Findings from Survey – Suppliers - Quotes



## PROCESS

- *Timeframes for submission could be longer , TUPE information being to hand*
- *Generally a very easy process, evaluation timescales can be protracted **Versus** The immensely long procurement process and steps / complex process to work with BCC*
- *Timescales, everything takes so long, and its never clear where we are in the process.*
- *Timelines are usually not met once the tender has been submitted with little or no feedback. We call it the BCC blackhole - you submit a tender and then never hear anything again!*
- *Concise information and market events to clarify information / Good premarket engagement*
- *Please give advance notification of large tenders to allow adequate time to plan and resource responses.*
- *Please also stick to timescales for releasing tenders and making a decision.*
- *Pricing schedules are complex but it is very clear to understand from them exactly how much the service will cost.*
- *It is very difficult to add any social value local to the area for a business of our size and the specialist nature of our services.*

# Findings from Survey – Suppliers - Quotes



## TRANSPARENCY

- *If the council has an internal price for jobs carried out be useful to be able to view these and hopefully comeback with a lower offer..*
- *Greater transparency of tender and publications of results and spread of contracts*
- *it's about consistency, including the way BCC works with different sectors e.g. private and third sector, there seems to be a mindset (in some quarters) that the third sector simply works for BCC and no one else. Plus scale, the 'big boys' move in with resources and tools smaller more local providers do not have; the systems, or questions, make it difficult for BCC to differentiate meaning 'slick' nationals talk the talk, but don't deliver real value and have no longevity*
- *Publishing a pipeline of procurement activity will allow businesses more time to secure the necessary resource to deliver the Council's requirements **and** Advance notice of future tenders Longer period for tender return / Getting visibility to future projects to secure adequate resources*
- *Use a well known stable portal such that all potentially interested parties have notification of any tender opportunity, and the time to prepare a robust and thorough response.*
- *We need to get away from the suspicion and distrust and get to an open and transparent position. Where we can trust each other confidently and therefore the communications are better. BCC has made some difficult decisions in the past, some very poor decisions such as competitive tendering which saw the care services market increase exponentially*
- *You really don't seem to actually value local businesses employing local people in your processes.*

# Findings from Survey – Suppliers - Quotes



## ENGAGEMENT

- *Look at ways to support third sector organisations to secure work.*
- *Get the supplier paperwork sorted properly and pay suppliers within 28 days.*
- *Consideration of longer term contracts (3 years plus 2 ?) - longer term contracting in this situation would be beneficial to procurement process/cost as well as better for longer term planning on the contract /for service users*
- *Allow for adjustments to standard framework rates*
- *This is a positive point. I feel BCC is one council that understands how important service is and does not just take the cheapest quote.*
- *Our services are labour intensive and the cost of that labour goes up each year on a statutory basis as the Government changes the National Living Wage, so a clear understanding of how and when contract pricing can be reviewed is important.*
- *The tenders are usually very technical and times consuming. Officers do not think about bidders and usually run tenders with closing dates after a holiday such as first week of January. This means cancelling leave for bid writing teams. This all favours larger corporate businesses who have dedicated bid writers and is contrary to aims within the business charter.*

# Points to consider from Survey – Suppliers



- How to make the process proportional to suppliers, e.g. SME / Large
- Improve arrangements on awareness / comms around how to tender / do business with the Council
- Improve clarity on Social Value process
- Review and streamline documents and process
- Consider publishing pipeline for tender opportunities
- Improve documentation and communication of those documents (Intranet / Internet)

# Findings from Survey – Officers

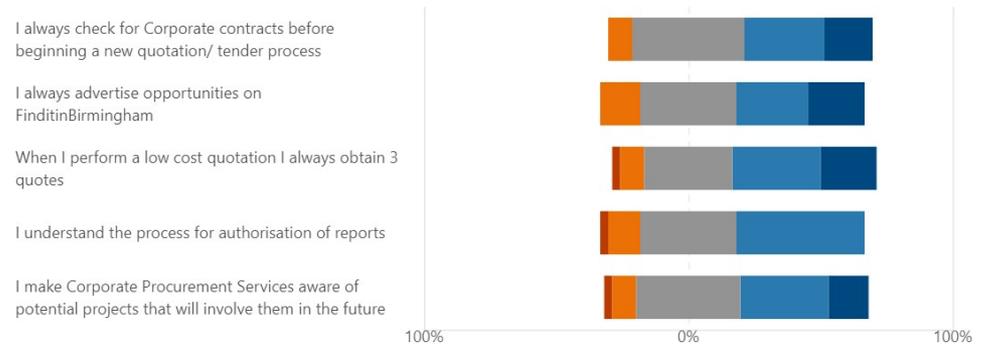


Survey sent direct to extended CLT for distribution to key managers, with 33 responses, which is noted as a small sample compared to overall workforce. Key findings being:

- Typically, positive responses around agree / strongly agree to following agreed approach ~65% upwards

Please indicate the degree to which you agree with the following statements

Strongly disagree Disagree Agree Strongly agree N/A to myself



# Findings from Survey – Officers



- Typically, positive responses e.g. agree / strongly agree to understanding process. With exception on Frameworks, Dynamic Purchasing Systems, Contracts and quote process. Approx 2:1 ratio, which also relates to ability to understand the rules (D2 and D3)

Please state how easy it is to understand section D2 - Rules relating to contracts

[More Details](#)

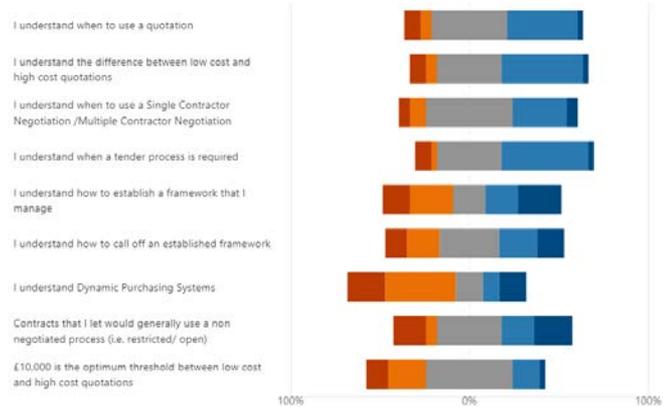
Easy to understand    Difficult to understand



Please indicate the degree to which you agree with the following statements

[More Details](#)

Strongly disagree    Disagree    Agree    Strongly agree    N/A to myself



2.7 Submission of quotations and tenders

2.8 Evaluation and award

2.9 Content of contracts

2.10 Execution of contracts



# Findings from Survey – Officers



Please state how easy it is to understand section D3 - Procurement Governance Arrangements

[More Details](#)

■ Easy to understand ■ Difficult to understand

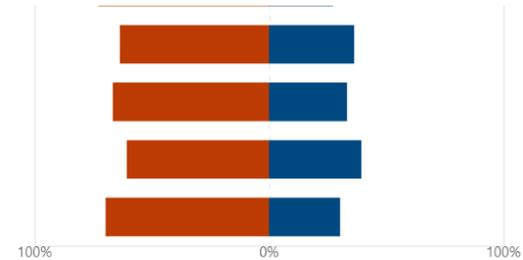


3.6 Combined Strategy and Contract Award Report

3.7 Contract Extension Report

3.8 Framework Agreements

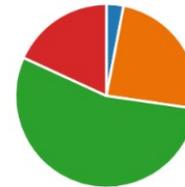
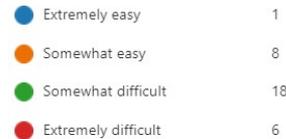
3.9 Record of Decisions



- Application of the rules seems more challenging

How easy do you find it to apply the Procurement Governance Arrangements in what you do?

[More Details](#)



# Findings from Survey – Officers



Do you find the Procurement Governance Arrangement enables or hampers you in your work?

[More Details](#)



## 13. What areas would you like to see as improvements in any future changes to the Procurement Governance arrangements

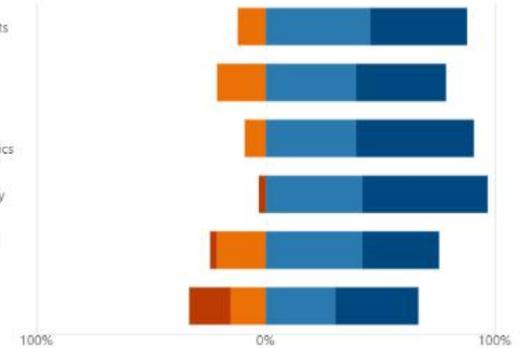
[More Details](#)

■ Strongly Disagree 
 ■ Disagree 
 ■ Agree 
 ■ Strongly Agree

- 13a. Simplified arrangements for running quotations / tenders
- 13b. Raising of thresholds under which 3 quotations / tenders are required
- 13c. Improved self service to undertake quotations / tenders
- 13d. Improved guidance / information e.g. specification process, undertaking quotation /...
- 13e. Improved guidance / information on Contract Management



- 13f. More joined up corporate contract arrangements
- 13g. Greater collaboration with other public sector organisations on procurement and tendering
- 13h. Training / lunch and learn session on procurement and contract management related topics
- 13i. Simplified rules to remove barriers / bureaucracy
- 13j. Greater networking opportunities to share best practice through MS Teams
- 13k. Other (expand in q14 below)



# Findings from Survey – Officers



## CONTRACTS

- *“My response is based up contract extensions / modifications / variation process being absolutely confusing and contradictory. The process needs simplifying” and “various contract award processes which are contradictory”*
- *People are working in silos - there is no proper contract management and ownership of the contract. I don't even know if contracts are reviewed before being extended and this is involving thousands of pounds worth of contract*
- *Contract Extension Report - are these still being used in practice? I have seen extensions through SCNs and Cabinet Member reports. A Corporate Procurement Services officer I spoke to thought 3.7 had been removed.*
- *I manage contract, but I have had no training put in place to learn the ropes. Its been difficult navigating the process step by step- allocated person form CPS only available when asked by senior people. Not responding to queries or emails on time no matter how urgent. I think there should be an ilearn or instructor led course for all Officers grade 4 or above and involved in procurement, and this should be a pre-requisite before managing any contract.*
- *There is no information in the constitution on variations and when to use regulation 32 and 72. Clear guidance needs to be provided. Do contracts for quotations need to be signed off by Legal? Not clear on social value on SCN's or direct awards how is this captured and the clear processes for this. What happens with non compliant? /*

# Findings from Survey – Officers



## DEMOCRATIC PROCESS / SCHEME OF DELEGATION

- *The procurement governance arrangements don't align with other delegated powers to Cabinet Members and Chief Officers. e.g. in our area projects listed in the Capital Programme have delegated authority to the Cabinet Member for spend up to £10m and to Director for up to £2m to save on the need to take a Cabinet report through, however you still end up needing to take a PPAR and strategy report as those delegations are not there. So in reality we end up doubling up reports, and staff get confused.*
- *It is not so much the government arrangements in terms of documentation, but trying to plan in how long it is likely to take for approvals and sign-offs which can be up to 8 weeks. Plus, arrangements do not allow for flexibility in extreme circumstances, and very rigid. Compliance is a major issue*
- *More delegations to officer to handle the tendering process and also certainly simplifying processes and bureaucracy*
- *A more streamlined reporting process for governance of higher value projects over £200K. i.e. where budgets and project objectives are pre-determined through other means e.g. grant awards and S106 legal agreements*
- *There really needs to be thought given to the levels of delegated procurement authorities to tie up with other spend delegations.*

# Findings from Survey – Officers



## HELP TRAINING SUPPORT AND GUIDANCE

- *I wouldn't mind some training on Procurement Governance Arrangement*
- *Most colleagues struggle with social value and needs to be simplified and in short form*
- *I have asked procurement for help on multiple occasions. As a new member of staff, I have not been offered help, a guide, or any resources to explain BCC's procedures for procurement and contracting. I find this really unsettling. and "I am new in post and need some support to guide me initially".*
- *It can feel as though the templates provided are not conducive to the nature of the work we invite tenders on.*
- *There are discrepancies between PGA in Standing Orders and Operation of PGA (the separate guidance document on CPS SharePoint folder)*
- *Its usually a case of resourcing. By having to go through a third party i.e. CPS there are often delays getting reports through the system or loaded on to Contracts Finder and Find-it in Birmingham. If there was a more direct route to these portals for Project Mangers that would be helpful.*
- *"I don't use it frequently enough to retain the knowledge and acquire expertise. As a result, it feels like starting from scratch each time" and "I only procure advice contracts every three years so each time i feel its quite a challenging experience".*

# Findings from Survey –Officers



## HELP TRAINING SUPPORT AND GUIDANCE

- *A single place for procurement information and guidance. Maybe a lunch and learn or iLearn module. At present guidance is not easy to find*
- *You need to ensure that new hires are given support to learn the processes correctly.*
- *Its difficult to find the latest versions of the forms without having to ask someone in CPS, taking up their time which is always stretched.*
- *Level of guidance and supporting templates seems to have become somewhat disjointed.*
- *Definitely need more learning opportunities as it is very important area to local gov and easy to get wrong.*
- *Need simplification/an idiot's guide for those who only do this infrequently.*
- *Please help us to help procurement and the Council save money, don't be a hinderance. Put in place audit arrangements to enable us to do the job right first time, provide sample checklists forthe process.*
- *I have been unable to find the Procurement Governance Arrangements on the intranet with a simple search*

# Findings from Survey –Officers



## KNOWLEDGE AND EXPERIENCE AND QUALITY OUTCOMES

- *The issue is around how reports are written where some directorates struggle in. The issue is not at the documentation and the procurement governance, the clients don't allow enough time to draft documents and reports and then expect it to be cleared in a couple of days.*
- *Clients want quotations issued straight away and the documentations are not fit for purpose to be released. They do not realise the importance of GDPR implications and whether its IT related, specifications are really poor, literally sometimes just a sentence and then expect it to go out, they just want it out.*
- *Lack of understanding in software as a service applications will force expensive procurement exercise to renew our particular licence.*
- *its very hard to get staff, to help you through the process, unsure if this is down to short staff within dept or lack of knowledge for what we need them for.*
- *There is often incorrect guidance given which leads to conflict.*
- *I find that I sometimes have the same conversations repeatedly with Procurement, and on occasion Procurement and Legal have offered contradictory advice and “I have struggled in the past to get consistent advice from CPS , or even timely advice”.*

# Findings from Survey – Officers



## TIMESCALES

- *The time element in setting up and processing .....so this is the process (1.) create a new supplier, (2.) then adding the contract to system, (3.) then raising/auth the Purchase Order..... this whole process can take 6/7 weeks!! and this sometimes can be after an event has been done.*
- *I appreciate that all tender processes have to go through Procurement but due to the volume of their work understandably it takes time for our tenders published.*
- *It doesn't align with the other general delegations for delivery of projects, it takes far too long when we have quick turnaround projects e.g. government suddenly award a grant for £5m to be spent in the next 12 months, we don't have time to wait 6 weeks to get something onto the PPAR*
- *Cumbersome and time-consuming*
- *The Council is not agile in procurement and delivery of contracts and whilst its is absolutely recognised the process needs to be fair open and transparent, the bureaucracy surrounding the whole process is unwieldy and cumbersome adding more cost in staff time than it saves in the procurement process.*

# Findings from Survey – Officers



## TIMESCALES

- *Simplified rules, in terms of extreme urgency that allows some flexibility, but more important approvals and sign-offs have to be done within a set period of time when received by the appropriate directorates, not the times it takes now for sign-offs which is adding months + to processes*
- *The one size hat fits all approach is not suitable for some of the shared services*

## KNOWLEDGE AND EXPERIENCE AND QUALITY OUTCOMES

- *If we could learn to be able to do more simpler tenders our selves as we have staff that are more than capable of doing this, and have procurement staff there for guidance and support*
- *Directorates are poor at specifications etc as this is not their day job*

## COMMUNICATIONS

- *Systems seem straight forward, however changes to arrangements or templates have generally not been well communicated. Time taken to get sign off of reports or advice / assistance .... causes significant operational difficulties. Historically there has been very poor level of document control.*

# Findings from Survey –Officers



## PROCESS

- *The use of Social Value from providers is not prominent. This is an area that could be strengthened to provide a better services for citizens of Birmingham and better use of public funds.*
- *Really need to sort out the bureaucracy - if the cabinet member has authority to deliver the project up to £10m, then why can he not also have the authority to award contracts to make this happen in a timely manner.*
- *Why do finance need to comment on a procurement strategy when it is surely a legal and procurement matter. The financial aspects would be picked up by the scheme approvals in the OBC or FBC.*
- *The quote and tender processes are fine, but thresholds for quotes should commence just under £25k inline with the contracts finder threshold*
- *Social Value and timescales are giving to prepare reports and documentations last minute and then expect to be cleared within 24 hours! The other thing can be improved the input on data protection and GDPR needs to be a quick turnaround.*
- *The process needs to be easier to navigate, quicker to process and less bureaucratic.*

# Points to consider from Survey –Officers



- Look to improve / align governance levels, e.g. Scheme of Delegation and ensure proportionality
- Review process with wider consideration to proportionality
- Improve clarity on contract management and process around contract variations / guidance
- Improve guidance, training and support (both within Directorates & Corporate Procurement Service)
- Improve documentation and communication of those documents (Intranet / Internet)

# APPENDIX 1B – Benchmark findings of other Council procurement rules



# Findings from Benchmark of other procurement rules



VALUE LEVEL	Proceed to purchase	Min. 1 quotation	Min. 2 quotations	Min. 3 quotations/ tenders
Under £500	Staffordshire			
Up to £2,000		Manchester		
Under £2,500	Sheffield			
Under £5,000		Bristol		
Under £10,000	Coventry Telford and Wrekin	Cardiff	Shropshire	Birmingham Leeds*
Under £25,000	Newcastle Nottingham	Bradford		Leeds*

\* threshold can be increased to £25,000

# Findings from Benchmark of other procurement rules



	From	To	Procedure
Birmingham	£10k	PCR 15	Obtain min 3 written quotations (where possible)
	Greater than PCR 15		Formal Tendering Activity
Bristol	£5k	£25k	Obtain min 1 written quotations, preference 3 (where possible)
	£25k	PCR 15	Obtain min 3 written quotations (where possible)
	£25k	£250k	(Works) Obtain min 3 written quotations (where possible)
Cardiff	£10k	£25k	Obtain 3 written quotations, (where possible)
	£25k	PCR 15	(GOODS & SERVICES) Open Advertisement for Tender
Leeds	£10k	£100k	Obtain 3 written quotations including 2 with Local supplier & or 3rd Sector Org (where possible)
	£100k	PCR 15	At least 4 written tenders (Where possible)
Manchester	£2k	£30k	Obtain 3 written quotations, or Quick Quotes (where possible)
	£30k	PCR 15	Open Advertisement for Tender to at least 3 Candidate (where possible)
Newcastle	£25k	£100k	Obtain 3 written quotations (where possible)
	£100k	PCR 15	Open Advertisement for Tender to at least 5 Candidate (where possible)
Nottingham	£25k	£100k	Obtain 3 written quotations (where possible)
	Greater than £100k		At least 3 written tenders (Where possible)
Sheffield	£2.5k	£150k	(GOODS & SERVICES) Obtain 3 written quotations including 1 with Local supplier (where possible)
	Greater than £150k		(GOODS & SERVICES) Open Advertisement for Tender to at least 3 Candidate (where possible)
	£2.5k	£50k	(WORKS) Obtain 3 written quotations including 1 with Local supplier (where possible)
	£50k	£500k	(WORKS) Obtain min 3 written quotations or full tender activity

# Findings from Benchmark of other procurement rules



	From	To	Procedure
Bradford	£25k	PCR 15	Obtain 4 written quotations or Open Tender Process
	Greater than £150k		Open Advertisement for Tender via electronic procurement
Coventry	£10k	£99.9k	Obtain 3 written quotations - Approval by Procurement Panel
	Greater than £100k		At least 3 written tenders (Where possible)
Shropshire	£10k	£50k	Obtain 3 written quotations (where possible)
	£50k	£140k	Open Advertisement for Tender
Staffordshire	£500	£25k	Obtain 3 written quotations (where possible)
	£25k	PCR 15	Open Advertisement for Tender via electronic procurement
Telford & Wrekin	£10k	PCR 15	Request to quotations
	Greater than PCR 15		Open Advertisement for Tender via Delta

## APPENDIX 2 – Additional background / context



# Additional insight to spend and procurement activities



## Contract Awards over the Procurement Threshold (£189K)

- 63 awards (54 following a procurement process, 9 awards following SCN approval over the procurement threshold) (£181,908,619 value) approved under PPAR in 2020
- 46 awards (36 following a procurement process, 10 awards following SCN approval over the procurement threshold) (£411,626,045 value) approved under PPAR in Jan – Jun 2021

## Awards following Approval of Single Contractor Negotiations from £10k to over Procurement Threshold

- 47 awards (£14,443,267 value) in 2020
- 31 awards (£17,391,906 value) in Jan – Jun 2021

## Contract Awards below the Procurement Threshold (£10-£189k) – Quotations

- 83 quotations awarded from Jan 20 - June 21 (£5,207,276.86 value)

### **NOTE**

Whilst monitoring of spend is regularly undertaken there is no formal process around reporting of spend that is non-compliant or in breach of the current Procurement Governance Arrangements.

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# Purchase Card Spend



**April 2021 – December 2021** Total transactions – 41,688

Directorate - £2,588,541.15  
Schools - £1,525,500.49  
Children's Trust - £534,387.28  
External Cards - £534,387.28  
Acivico - £8,464.12

**Total Purchase card spend - £4,942,755.62**

**April 2020 – March 2021** Total transactions – 39,554

Directorate - £2,911,216.23  
Schools - £1,954,891.52  
Children's Trust - £554,399.01  
External Cards - £297,361.67  
Acivico - £26,369.58

**Total Purchase card spend - £5,744,238.01**

## Active purchase cards in circulation 2022:

BCC	Purchase Card	258
SCHOOLS	Purchase Card	103
BCT	Purchase Card	197
BCC	Virtual Card	26
SCHOOLS	Virtual Card	110
BCC	Fuel Card	170
BCC	Corporate Card	9
Mixture	Cash Cash	10
Acivico	Purchase Card	1
<b>Total</b>		<b>884</b>

# Purchase Card Spend



BCC Total purchase card spend vs 15 other LAs – provided by CCS

## Spend 20/21 FY - RM3828

Actual Customer	Spend
XXX City Council	£28,076,896
XXX Borough Council	£7,521,207
XXX County Council	£7,211,941
XXX Borough Council	£7,181,983
XXX County Council	£6,088,214
XXX County Council	£5,943,768
XXX County Council	£5,466,945
XXX Borough Council	£5,455,394
<b>Birmingham City Council</b>	<b>£5,419,589</b>
XXX Borough Council	£5,410,892
XXX Metropolitan Borough Council	£3,855,367
XXX Borough Council	£3,811,544
XXX County Council	£3,752,426
XXX County Council	£3,714,452
XXX Borough Council	£3,608,568
<b>Total</b>	<b>£102,519,187</b>

## Spend 19/20 - RM1095

Actual Customer	Spend
XXX City Council	£38,682,820
<b>Birmingham City Council</b>	<b>£9,434,542</b>
XXX Borough Council	£8,170,296
XXX City Council	£5,615,484
XXX Borough Council	£5,597,246
XXX	£4,634,465
XXX Council	£4,476,543
XXX County Council	£4,046,695
XXX County Council	£3,950,691
XXX County Council	£3,903,416
XXX Metropolitan Borough Council	£3,787,162
XXX County Council	£3,619,529
XXX Council	£3,290,640
XXX City Council	£3,054,891
XXX Council	£2,887,452
<b>Total</b>	<b>£105,151,873</b>

# Purchase Cards – Spend Limits

Highest Value Spend Limit (BCC) - £250,000 (1 card)

Lowest Value Spend Limit (BCC) - £200 (1 card)

Most Common Spend Limit (BCC) - £2,000 with £500 transaction limit (101 cards)



## Work Outline

# Task and Finish: Commercial Governance

## Resources Overview and Scrutiny Committee

Our key question:	How effective are the Council's commercial governance arrangements in ensuring proportional and effective compliance, enabling delivery of value for money plus maximising other outcomes eg Social Value?
1. How is O&S adding value through this work?	<p>In the past the Resources O&amp;S Committee has identified several issues with procurement and contract management arrangements, particularly in relation to the timeliness of decisions and adherence to regulations and governance requirements.</p> <p>O&amp;S Committee are to set up a Task and Finish group to review and examine the commercial governance process to ensure that it is robust, fit for purpose, complied with and delivers both value for money for taxpayers and the Council's communities.</p>
2. What needs to be done?	<p>Proposed Task and Finish group would look to:</p> <p><u>Background / Existing Arrangements</u></p> <ul style="list-style-type: none"> <li>• Assess existing background around the Council's spend and how performance is monitored</li> <li>• Scrutinise the effectiveness of the current Procurement Rules</li> <li>• Scrutinise the effectiveness of Contract Management arrangements</li> </ul> <p><u>Research and findings</u></p> <ul style="list-style-type: none"> <li>• Research and findings from elsewhere (including benchmarking with others and assessing pending changes to the national Procurement Policy)</li> <li>• Seeking insight from elsewhere and Peers / best practice around commercial arrangements</li> </ul> <p><u>Consultation</u></p> <ul style="list-style-type: none"> <li>• Seeking insight and views from key external stakeholders (including suppliers, Federation of Small Business, Voluntary Community and Social Enterprise Sector) on how they perceive the current Procurement Rules works</li> </ul>

	<ul style="list-style-type: none"> <li>Seeking insight from key internal stakeholders / commissioners who are required to apply the Procurement Rules as part of their work</li> </ul> <p><u>Options and recommendations</u></p> <ul style="list-style-type: none"> <li>Identify what works well in the current arrangements and any gaps in provision</li> <li>Establish details on impacts and how it will be monitored</li> <li>Consideration of the implications of the Council's Equality report and action plan to ensure key points are covered, in particular increasing diversity in disadvantaged groups and VCSE community</li> </ul> <p>Set out clear consideration of the options and recommendations with the necessary level of scrutiny.</p>
3. What timescale do we propose to do this in?	The inquiry will take place from September 2021 to February 2022, provisionally with a report in March 2022.
4. What outcomes are we looking to achieve?	A set of recommendations to the Cabinet Member for Finance and Resources to strengthen procurement and contract management in the Council.
5. What is the best way to achieve these outcomes and what routes will we use?	Informal sessions of the Task and Finish, to be determined by the group when convened.

### Member / Officer Leads

Lead Member (O&S Chair)	Cllr Mohammed Aikhlaq
Membership:	Cllrs Mohammed Aikhlaq, Barbara Dring, Meirion Jenkins, Majid Mahmood and Paul Tilsley
Lead Officer:	Christian Scade, Interim Head of Scrutiny and Committee Services



**Councillor Meirion Jenkins**

**Conservative  
Sutton Mere Green Ward**

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5<sup>th</sup> February 2022

Councillor Mohammed Aikhlaq  
Chair  
Finance & Resources Overview and Scrutiny Committee

*Dear Councillor Aikhlaq,*

**OVERVIEW AND SCRUTINY TASK AND FINISH GROUP: PROCUREMENT GOVERNANCE  
ARRANGEMENTS**

Further to discussions at the O&S task and finish group on procurement, I have been disappointed with the findings of this review and write to outline my objections, and those of the Conservative Group, as to the direction of travel of the Council on this subject. I believe that the proposals as drafted are bad for democracy, bad for taxpayer value, and bad for the quality of services we deliver to residents.

Councillors are elected to make decisions on behalf of their communities and Birmingham generally. As such, councillors are ultimately responsible for every decision that is taken and every penny that is spent.

It is of course important that decision making is timely and not hampered by unnecessary bureaucracy, but as a council that spends £1bn a year on externally procured goods and services, it is essential that there is appropriate oversight and transparency around how this money is spent. There has been a worrying trend from the current Labour administration to absolve itself of responsibility by delegating more and more decisions to unelected officers, who can now make decisions on contracts up to £10m a year without referral to any elected representative. This is *forty* times the average limit of other English Core Cities.

Whilst Birmingham is the largest local authority, it is not twenty times bigger than Manchester or forty times bigger than Sheffield, and yet their procurement delegation thresholds are twenty and forty times smaller than ours. Newcastle City Council require cabinet member involvement for any contract over £100,000 - 100 times less than the level given to officers in Birmingham. None of these cities are struggling to make effective procurement decisions in a timely manner and none of them have had any, let alone three, Section 24 notices from their external auditor due to concerns about financial management. It is also worth noting that cabinet members making those decisions have far less generous allowances than in Birmingham.

There are particular concerns about these delegated powers in respect of single contractor negotiations (SCNs), and late renewal of contracts. Requiring additional, rigorous oversight and accountability, SCNs should only be used in exceptional circumstances. Late renewal of contracts (which on occasion has been some time after contracts have expired) should never be needed. It

should also be noted how often the two seem to go hand in hand, with a common reason for requiring a single contract negotiation being the lack of time that has been allowed to go to market. Removing delegations for these types of procurement would increase transparency and accountability and act as an incentive to officers to ensure their use is minimised.

Similarly, as I and others in our group have said on a number of occasions, this council has a worrying reliance on the use of external consultants, where spend has increased in recent years with seemingly little benefit to the taxpayer. The Council spent £17.5m in 2020/21 on consultancy fees, 48% more than 2 years ago. There have been further lucrative contracts this year, often in areas where consultants have been used before such as the SEND children's service where those previous exercises by consultants yielded no improvement in the service and the government have had to appoint a commissioner. There are of course times when consultants can add value, but they remain a contentious area of spend with the public. Trade unions often point to consultancy costs when cuts to services are being made. Removing delegations would not only act as a check on overall spend, it would also send a clear message that we are engaging consultants only where there is a compelling reason to do so and where the cabinet member is willing to attach their name to that decision.

It is also important to note that we have previously proposed, and indeed Council agreed, a register of interests for chief officers with delegated authority but that this has never been progressed. We do not have any concerns about the propriety of any officer, rather this is an important point of principle. It is surely right that where officers are taking executive decisions on our behalf, that they are subject to safeguards and scrutiny. Of course, officers are not the same as members and they have a justified expectation of a greater level of privacy with regard to their private life. That is why we proposed a register of 'professional' interests only, in accordance with the decision of the information tribunal in *John Greenwood and Bolton Metropolitan Borough Council v Information Commissioner*.

For the reasons set out above, I would urge you to consider including within the task and finish group recommendations, the following proposals:

- Officer procurement delegation to be brought down from £10m to £500k in line with other core cities.
- A new lower threshold of £10,000 for the procurement of management consultancy, so as to get consultancy spend back under control.
- A register of 'professional' interests of all officers with delegated decision-making powers to be published annually online.
- Late approval of contracts (e.g. renewal\extension after expiry or procurement that does not allow enough time for a full procurement exercise) to require cabinet member approval and a public report.
- Single contract negotiations to require cabinet member approval and a public report.

In conclusion, the point I would ask all members to consider is what we think the role of the Executive and wider elected representatives should be: Do we want to absolve ourselves of responsibility and allow unelected officials to take decisions on our behalf, or do we want to own, and be seen to own, the decisions we take on how we spend taxpayer's money?

Yours sincerely  
Meini



# Birmingham City Council

## Resources Overview and Scrutiny Committee

24 March 2022



**Subject:** Birmingham Business Charter for Social Responsibility  
**Report of:** Rebecca Hellard, Director of Council Management  
**Report author:** Jim Parkinson, Acting Category Head of Policy & Governance – Corporate Procurement Service (CPS)

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 : N/A

### 1 Purpose and Attached Documents

- 1.1 The purpose of this document is to provide a formal response to Councillor Mahmood observations in relation to the number of live accredited organisations detailed on the Birmingham Business Charter for Social Responsibility website.
- 1.2 In particular, Councillor Mahmood asked the Chair of the Resources Overview and Scrutiny Committee to instruct the relevant officer to bring a details report to the next Committee meeting so that it can be discussed.
- 1.3 This report provides a formal response to the questions raised by Councillor Mahmood as detailed in Appendix “A” of this report.

### 2 Formal Response from Corporate Procurement Service (CPS)

- 2.1 The number of “live” Birmingham Business Charter for Social Responsibility signatories in any given year is entirely dependent on the number of procurements (and their value) that are being progresses and it is for this reason that it would be inappropriate to set a KPI on the number of signatories.
- 2.2 It is only fairly recently that the website was modified to indicate whether those signatories were “live” or not, indeed when Cllr Mahmood was Cabinet Member this distinction wasn’t made, leading anyone who visited the page to think that all those listed were current when in fact they were not. It was just a list of those contractors/organisations/businesses that had signed up to the Birmingham Business Charter for Social Responsibility.

2.3 Those organisations marked as Live have a current action plan against which they are delivering and, where contracted, the delivery is being monitored by the contract manager. Those organisations that are marked as Expired no longer have an active action plan against which they are delivering. This distinction prompted some Expired organisations to renew their action plans and become Live.

2.4 As of 17<sup>th</sup> March 2022 the webpage shows there is currently 523 named organisations, of which 114 are accredited and listed as live. There are 409 that are listed as expired.

### 3 Appendices

3.1 Appendix “A” below refers to an extract from the report which recorded the original questions raised by Councillor Mahmood.

<p>Birmingham’s Business Charter for Social Responsibility</p>	<p>Steve Sandercock Assistant Director – Procurement (Interim) Rokneddin Shariat / Sharon O’Reilly/Jim Parkinson</p>	<p><i>This item has been requested following Cllr Mahmood’s recent question at Full Council (set out below)</i></p> <p><i>“I note from the BCC website that the current signatures for the Business Charter for Social Responsibility stands at 518.</i></p> <p><i>However, 409 of them have their status listed as expired, and only 109 are listed as live.</i></p> <p><i>Perhaps the signatories no longer contract with us or the website has not been updated.</i></p> <p><i>As such will the Chair of the Resources Overview and Scrutiny Committee instruct the relevant officers to bring a detailed report to the next Committee meeting so that we can discuss.”</i></p>
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# Birmingham City Council

## Report to Cabinet

Date: 22<sup>nd</sup> March 2022



**Subject:** **PLANNED PROCUREMENT ACTIVITIES (APRIL 2022 – JUNE 2022)**

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

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

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

**Report author:** Steve Sandercock, Assistant Director, Procurement (Interim)  
Email Address: [steve.sandercock@birmingham.gov.uk](mailto:steve.sandercock@birmingham.gov.uk)

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

### 1 Executive Summary

- 1.1 This report provides details of the planned procurement activity for the period April 2022 – June 2022. Planned procurement activities reported previously are not repeated in this report.

- 1.2 The report enables Cabinet to identify whether any reports for procurement activities should be brought to this meeting for specific executive decision, otherwise they will be dealt with under Chief Officer delegations up to the value of £10m, unless TUPE applies to current Council staff.

## **2 Recommendations**

- 2.1 Notes the planned procurement activities under chief officer delegations set out in the Constitution for the period April 2022 – June 2022 as detailed in Appendix 1.

## **3 Background**

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

## **4 Options considered and Recommended Proposal**

4.1 The report approved by Council Business Management Committee on 16 February 2016 set out the case for introducing this process. The options considered are:

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

## **5 Consultation / Engagement**

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

## **6 Risk Management**

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

## **7 Compliance Issues:**

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

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

## **7.2 Legal Implications**

7.2.1 Details of all relevant implications will be included in individual reports.

## **7.3 Financial Implications**

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

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

7.4.1 This is a procurement report and the implications are detailed in the appendices

## **7.5 Human Resources Implications (if required)**

7.5.1 None.

## **7.6 Public Sector Equality Duty**

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

## **8 Background Documents**

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

- 1. Appendix 1 - Planned Procurement Activity April 2022 – June 2022
- 2. Appendix 2 – Background Briefing Paper
- 3. Appendix 3 – Exempt Information

## APPENDIX 1 – PLANNED PROCUREMENT ACTIVITIES (APRIL 2022 – JUNE 2022)

Type of Report	Title of Procurement	Ref	Brief Description	Contract Duration	Directorate	Portfolio Finance and Resources Plus	Finance Officer	Contact Name	Planned CO Decision Date
Strategy / Award	Professional Services for the Refurbishment of Moseley Road Baths	TBC	There is a requirement for construction project management services to support the latest capital renovation programme for the baths. The services is to project manage the works and to manage the individual disciplines including the conservation architect, cost control, health & safety, engineering and clerk of works.	2 years, 6 months	City Operations	Leader	Carl Tomlinson	Dave Wagg / Charlie Short	29/04/2022
Approval to Tender Strategy	High Ropes Attraction in Sutton Park	TBC	There is a requirement for the facility to deliver a high ropes attraction in Sutton Park to be operated on a commercial basis to visitors to the parks to generate income to the Council.	10 years	City Operations	Street Scene and Parks	Carl Tomlinson	Matt Hageney/ Stuart Follows	01/05/2022
Approval to Tender Strategy	Employee Assistance Programme	TBC	An Employee Assistance Programme that offers (for employees and eligible dependants) immediate emotional support via a helpline, wellbeing counselling (via telephone, or face to face), a digital Health & Wellbeing platform with podcasts, videos, assessments and links that can be downloaded to support mental health, a computerised Cognitive Behavioural Therapy tool, self-help courses, signposting or referral to the NHS or in-house Occupational Health team and i the provision of advice in relation to legal and financial matters.	4 years	Council Management	Finance and Resources	Lee Bickerton	Lisa Field / Andrea Webster	29/04/2022
Strategy / Award	Development of Housing at Highfield Lane	TBC	The development and construction of 9 housing units for rent at Highfield Lane in Quinton, Birmingham.	Up to 1 year	Place, Prosperity and Sustainability	Homes and Neighbourhoods	Andrew Healey	Sarah Edmead / Siobhan MacDonald	29/04/2022
Strategy / Award	Professional Services to Support the Transforming Cities Fund – Major Road Network Development Tranche 2	TBC	There is a requirement for technical professional services to undertake transport studies and develop scheme proposals under the Transforming Cities Fund – Major Road Network Development Tranche 2 funding for study work and options development at three locations: •A435 Alcester Road Corridor •A38 Kingsbury Road Corridor •A4540 Middleway Corridor	up to 1 year	Planning, Transport and Sustainability	Transport and Environment	Carl Tomlinson	Andy Chidgey / Charlie Short	29/04/2022
Strategy / Award	Provision of IT Service Management Advisory Support	TBC	Consultancy to support the modernisation the Council's IT Service Management application to support the future aims and objectives of the IT service provision.	6 months	Digital and Customer Services	Deputy Leader	Lee Bickerton	Kevin Cahill / Jamie Parris	29/04/2022
Strategy / Award	Installation and Repair of Cabling and Audio Visual and Digital Signage	TBC	The Council has a requirement for the installation and repair of cabling, audio visual equipment and digital signage.	5 years with a break clause after years 4 and 5	Digital and Customer Services	Deputy Leader	Lee Bickerton	James Gregory / Jamie Parris	29/04/2022
Strategy / Award	Agile Software Engineering Services	TBC	The Council in parallel are building their internal digital capability. To support this the Council is implementing a number of strategic programmes, Field Worker programme and customer services being which now needs services of a supplier to support in key software engineering skills (where the gap in the internal team exists).  A software engineering partner is required to work as development partner, via collaboratively agreed work packages and to work in conjunction internal resources, providing software engineering expertise to fill gaps in existing delivery teams, ensuring delivery of 2 x critical digital transformation projects.	2 years	Digital and Customer Services	Deputy Leader	Lee Bickerton	Helen Rees / Jamie Parris	29/03/2022
Strategy / Award	Wider Area Network (WAN)	TBC	A wider area network solution to enable data communication between site is required while the Council's longer-term full fibre strategy is implemented to support the Digital Birmingham agenda and wider long-term property rationalisation.	3 years	Digital and Customer Services	Deputy Leader	Lee Bickerton	Bipin Parmar / Jamie Parris	01/05/2022
Strategy / Award	Development of Housing using Off-Site Manufacture	TBC	The requirement is for the development of 28 housing units for rent on three sites. The methodology will be using off-site manufacturing to construct the properties using timber frames and brick external elevations.  The development will take place on the following sites: •Burcote Road (10 units) •Lea Hall Road (10 units) •Reabrook Road (8 units)	1 year	Place, Prosperity and Sustainability	Homes and Neighbourhoods	Andrew Healey	James Knapp / Siobhan MacDonald	01/08/2022
Single Contractor Negotiation	Support for Special Educational and Complex Needs	TBC	Support for children and young People with special educational and complex needs who have an Education, Health & Care Plan for up to 35 children.	4 years	Education and Skills	Education and Skills	Clare Sandland	Saadhia Kamran	01/05/2022
Strategy / Award	Provision of Cyber Security Software and Tools	TBC	There is a requirement for cyber security and software and tools to protect the Council from IT systems from malicious threats to give a higher level of protection to ensure remedial action can be taken swiftly.	4 years	Digital and Customer Services	Deputy Leader	Lee Bickerton	Dean Chaudhary / Jamie Parris	29/04/2022

Type of Report	Title of Procurement	Ref	Brief Description	Contract Duration	Directorate	Portfolio Finance and Resources Plus	Finance Officer	Contact Name	Planned CO Decision Date
Strategy / Award	Repair to the Roof at Handsworth Wellbeing Centre	TBC	The repair to the roof above the large swimming pool at Handsworth Wellbeing Centre to protect a Council asset from deterioration and, potentially, escalating repair costs; and allow the local community and local schools to continue to access the social and health benefits of regular swimming.	18 weeks	City Operations	Homes and Neighbourhoods	Carl Tomlinson	Lesley Poulton / Charlie Short	29/04/2022
Strategy / Award	Replacement to the Roof at Quinbourn Community Centre	TBC	The replacement to the roof at Quinbourn Community Centre to protect a Council asset and to fulfil the legal obligation as the building's landlord.	3 months	City Operations	Homes and Neighbourhoods	Carl Tomlinson	Lesley Poulton / Charlie Short	29/04/2022
Strategy / Award	Professional Services to Support the Residential Property Acquisition Programme	TBC	There is a requirement for professional services to support the buying of these properties. The services to ensure the completion of the purchase include:  <ul style="list-style-type: none"> <li>•Sourcing of properties</li> <li>•Valuation of properties</li> <li>•Undertaking condition surveys</li> <li>•Negotiation of price</li> <li>•Manage conveyancing process</li> </ul>	Up to 4 years	City Housing	Homes and Neighbourhoods	Andrew Healey	Bill Pickbourn/ Dean Billingham	29/04/2022
Strategy / Award	City Dressing to Support the Hosting of the Commonwealth Games 2022	TBC	To support the hosting of the Commonwealth Games 2022 and improve the visitor experience, there is a requirement for spectaculars and enhancements to dress the city. These will be situated across the city; in the centre, in the proximity to games venues and on main arterial routes and would typically include:  <ul style="list-style-type: none"> <li>•Banners and flags</li> <li>•Art installations and sculptures</li> <li>•Pavement graphics and building wraps</li> <li>•Building lighting and lighting shows</li> </ul>	4 months	Commonwealth Games	Leader	Guy Olivant	Joanne Martin / Charlie Short	29/04/2022

## APPENDIX 2

### BRIEFING NOTE ON PLANNED PROCUREMENT ACTIVITIES CABINET – 22<sup>nd</sup> March 2022

<b>Title of Contract</b>	<b>Professional Services for the Refurbishment of Moseley Road Baths</b>
<b>Contact Officers</b>	<b>Director / Assistant Director:</b> Chris Jordan, Assistant Director <b>Client Officer:</b> Dave Wagg, Head of Sport & Physical Activity <b>Procurement Officer:</b> Charlie Short, Procurement Manager
Briefly describe the service required	Further to the award of Levelling Up Funding for Moseley Road Baths and subsequent report to Cabinet on 8 <sup>th</sup> June 2021, there is a requirement for construction project management services to support the latest capital renovation programme for the baths. The services is to project manage the works and to manage the individual disciplines including the conservation architect, cost control, health & safety, engineering and clerk of works. These services will be subject to a further PPAR approval and procurement process in due course.  The project management services will be packaged by phases of work and will be called off following satisfactory performance and budget availability.
What is the proposed procurement route?	A further competition exercise will be undertaken using the Crown Commercial Services Construction Professional Services Dynamic Purchasing System.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	These is a new requirement.
If single /multiple contractor negotiations are proposed, what is the reason for not tendering the requirement, how do we ensure value for money and compliance with the Birmingham Business Charter for Social Responsibility (BBC4SR)?	Not applicable.
Has the In-House Preferred Test been carried out?	Yes, and as this is a one-off contract for technical professional services and the test demonstrated this is not suitable to be carried out in-house as there are not the skills and capacity to deliver internally.
How will this service assist with the Council's commitments to Route to Zero?	Any specification will require the Council's commitments to Route to Zero to be considered, in particular to a reduction in zero emission materials and transport.
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 service to provide this service. However, in order to assist the Moseley Road Baths Charitable Incorporated Organisation with successfully running the baths, support is required for the refurbishment.
What budget is the funding from for this service?	All services required were included within the LUF grant application and will be funded by the grant award.
Proposed start date and duration of the new contract	The proposed start date is June 2022 for a duration of 2 years 6 months.

<b>Title of Contract</b>	<b>High Ropes Attraction in Sutton Park</b>
<b>Contact Officers</b>	<b>Director / Assistant Director:</b> Darren Share, Assistant Director Street Scene <b>Client Officer:</b> Matt Hageney, Partnership Manager <b>Procurement Officer:</b> Stuart Follows, Procurement Manager
Briefly describe the service required	There is a requirement for the facility to deliver a high ropes attraction in Sutton Park to be operated on a commercial basis to visitors to the park to generate income to the Council. A licence will be granted to a suitable operator on a concessionary basis. A fee will be payable for the licence from the operator for the concession. Prospective operators will submit fee bids which may or may not include a % of gross turnover i.e. reliant on what the market deems suitable. However, in the tender document will request an annual fee, to include a profit share arrangement i.e. to provide a % if they make a profit of X (it is up to the suppliers to let us know what % they would provide when they hit a certain spend level). It should be noted, by doing this they might cover themselves by providing a less annual fee up front.
What is the proposed procurement route?	A procurement process for a concession contract below the procurement threshold will be undertaken and advertised in Contracts Finder and <a href="http://www.finditinbirmingham.com">www.finditinbirmingham.com</a>
What are the existing arrangements? Is there an existing contract? If so when does that expire?	This is a new requirement.
If single /multiple contractor negotiations are proposed, what is the reason for not tendering the requirement, how do we ensure value for money and compliance with the Birmingham Business Charter for Social Responsibility (BBC4SR)?	Not applicable.
Has the In-House Preferred Test been carried out?	Yes, and the test demonstrated this is not suitable to be carried out in-house as there is not the resources within the Council to provide this service.
How will this service assist with the Council's commitments to Route to Zero?	Tenderers will be required to demonstrate how their proposed solution will assist in reducing their carbon footprint in their submission to be evaluated as part of the tender process.
Is the Council under a statutory duty to provide this service? If not what is the justification for providing it?	No, there is not a statutory duty. However, this service is incoming generating and assists with attracting visitors to Sutton Park and enhances the visitor experience of the park. Market research indicates visitors to the park seek new recreational activities in the park.
What budget is the funding from for this service?	This is income-generating with the funds ring-fenced to the Sutton Park parks' budget.
Proposed start date and duration of the new contract	The proposed start date is 1st August 2022 for a period of 10 years. There will be annual reviews of the attraction within the contract. There is no break clause, as suppliers need to amortise their costs over this longer contract term, although there will be termination clauses in the contract for breaches/ poor performance etc

<b>Title of Contract</b>	<b>Employee Assistance Programme</b>
<b>Contact Officers</b>	<b>Director / Assistant Director:</b> Darren Hockaday, Interim Director HR & OD <b>Client Officer:</b> Lisa Field, Business Strategy Officer <b>Procurement Officer:</b> Andrea Webster, Procurement Manager
Briefly describe the service required	An Employee Assistance Programme that offers (for employees and eligible dependants) immediate emotional support via a helpline, wellbeing counselling (via telephone, or face to face), a digital Health & Wellbeing platform with podcasts, videos, assessments and links that can be downloaded to support mental health, a computerised Cognitive Behavioural Therapy tool, self-help courses, signposting or referral to the NHS or in-house Occupational Health team and i the provision of advice in relation to legal and financial matters.
What is the proposed procurement route?	An open procurement exercise advertised on Find a Tender, Contracts Finder and <a href="http://www.finditinbirmingham.com">www.finditinbirmingham.com</a>
What are the existing arrangements? Is there an existing contract? If so when does that expire?	The previous contract expired in March 2021. The service has continued to be provided on an off-contract basis whilst an Enhanced EAP provision was considered as part of the HR & OD Targeted Operating Model.
If single /multiple contractor negotiations are proposed, what is the reason for not tendering the requirement, how do we ensure value for money and compliance with the Birmingham Business Charter for Social Responsibility (BBC4SR)?	Not applicable.
Has the In-House Preferred Test been carried out?	Yes, and the test demonstrated this is not suitable to be carried out in-house as there is not the skills or capabilities within the Council to provide this service.
How will this service assist with the Council's commitments to Route to Zero?	This service assists with the Council's commitments to Route to Zero by providing the service without the need to travel to access support via telephone, virtual and App. No travel required to access support and guidance.
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, there is a requirement for the wellbeing of the employees, known as a duty of care. Providing support to employees to manage their mental health is an important role as an employer, helping to avoid employees developing mental health issues due to stress or it is aggravating something they are already suffering with, which can affect their morale and work performance.
What budget is the funding from for this service?	This is funded from the Occupational Health budget RBH46. Subscribing Schools and other external traded partners will be on a traded basis ensuring full cost recovery.
Proposed start date and duration of the new contract	The proposed start date is 1st August 2022 for a period of 4 years.

<b>Title of Contract</b>	<b>Development of Housing at Highfield Lane</b>
<b>Contact Officers</b>	<b>Director / Assistant Director:</b> Paul Kitson, Strategic Director, Place, Prosperity and Sustainability <b>Client Officer:</b> Sarah Edmead, Principal Housing Development Officer <b>Procurement Officer:</b> Charlie Short, Procurement Manager
Briefly describe the service required	The development and construction of 9 housing units for rent at Highfield Lane in Quinton, Birmingham.
What is the proposed procurement route?	A further competition exercise will be carried out using the Homes England Dynamic Purchasing System Agreement.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	These is a new requirement.
If single /multiple contractor negotiations are proposed, what is the reason for not tendering the requirement, how do we ensure value for money and compliance with the Birmingham Business Charter for Social Responsibility (BBC4SR)?	Not applicable.
Has the In-House Preferred Test been carried out?	Yes, and the test demonstrated this is not suitable to be carried out in-house as this is a construction project.
How will this service assist with the Council's commitments to Route to Zero?	The BMHT house types for at Highfield Lane requires features such as water meters, double glazing, water butts, shorter bathes, well-insulated properties and car charging points to the highest sustainability standards to support the Council's commitments to achieving Route to Zero by 2030.
Is the Council under a statutory duty to provide this service? If not, what is the justification for providing it?	There is not a statutory duty to provide this service. However, the proposed site supports the delivery of the core objectives of the Birmingham Development Plan (BDP) 2031 which was adopted by the Council on 10 January 2017 to increase housing growth.
What budget is the funding from for this service?	The scheme is funded from the Housing Revenue Account (Capital) budget.
Proposed start date and duration of the new contract	The proposed start date is 1 <sup>st</sup> September 2022 for a period of up to 1 year.

<b>Title of Contract</b>	<b>Professional Services to Support the Transforming Cities Fund – Major Road Network Development Tranche 2</b>
<b>Contact Officers</b>	<b>Director / Assistant Director:</b> Phil Edwards, Assistant Director, Transport and Connectivity <b>Client Officer:</b> Andy Chidgey, Transport Planning & Investment Manager <b>Procurement Officer:</b> Charlie Short, Procurement Manager
Briefly describe the service required	There is a requirement for technical professional services to undertake transport studies and develop scheme proposals under the Transforming Cities Fund – Major Road Network Development Tranche 2 funding for study work and options development at three locations: <ul style="list-style-type: none"> <li>• A435 Alcester Road Corridor</li> <li>• A38 Kingsbury Road Corridor</li> <li>• A4540 Middleway Corridor</li> </ul>
What is the proposed procurement route?	To carry out further competition exercises using the Council's Transportation and Development Professional Services Framework Agreement.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	These are new requirements.
If single /multiple contractor negotiations are proposed, what is the reason for not tendering the requirement, how do we ensure value for money and compliance with the Birmingham Business Charter for Social Responsibility (BBC4SR)?	Not applicable.
Has the In-House Preferred Test been carried out?	Yes, and the test demonstrated this is not suitable to be carried out in-house as there is not the capacity within the Council to provide this service.
How will this service assist with the Council's commitments to Route to Zero?	The service will support the Birmingham Transport Plan aspiration to promote public transport and active travel.
Is the Council under a statutory duty to provide this service? If not what is the justification for providing it?	There is not a statutory duty for these services. However, the provision of technical professional services assists with improvements to the transport network.
What budget is the funding from for this service?	The cost will be funded from the Transforming Cities Fund – Major Road Network Development Tranche 2 money allocated to the City Council by Transport for the West Midlands Authority.
Proposed start date and duration of the new contract	The proposed start date is May 2022 for a duration of up to 12 months.

<b>Title of Contract</b>	<b>Provision of IT Service Management Advisory Support</b>
<b>Contact Officers</b>	<b>Director / Assistant Director:</b> Cheryl Doran, CIO & Assistant Director <b>Client Officer:</b> Kevin Cahill, Senior Delivery Manager <b>Procurement Officer:</b> Jamie Parris Head of ICT Category
Briefly describe the service required	Consultancy to support the modernisation the Council's IT Service Management application to support the future aims and objectives of the IT service provision.  FlyForm is the current provider and has knowledge of the Council and its systems from other commissions therefore there will be no familiarisation time required and that reduces costs. The direct award will be in accordance with the framework call off protocol in line with rates.
What is the proposed procurement route?	A direct award to FlyForm Ltd using the Crown Commercial Services G-Cloud 12 framework agreement.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	This is a new requirement.
If single /multiple contractor negotiations are proposed, what is the reason for not tendering the requirement, how do we ensure value for money and compliance with the Birmingham Business Charter for Social Responsibility (BBC4SR)?	Not applicable.
Has the In-House Preferred Test been carried out?	Yes, and the test demonstrated this is not suitable to be carried out in-house as there is not the skills and ability for these specialist services within the Council to provide this service.
How will this service assist with the Council's commitments to Route to Zero?	The specification will require the bidders to deliver the service in way that reduces or eliminates their carbon footprint.
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, this supports the modernisation of the Council's IT service provision to directorates.
What budget is the funding from for this service?	This is funded from the reserve funds.
Proposed start date and duration of the new contract	The proposed start date is 1 <sup>st</sup> May 2022 for a period of 6 months.

<b>Title of Contract</b>	<b>Installation and Repair of Cabling and Audio Visual and Digital Signage</b>
<b>Contact Officers</b>	<b>Director / Assistant Director:</b> Cheryl Doran, CIO & Assistant Director <b>Client Officer:</b> James Gregory, Head of IT & Digital Programmes <b>Procurement Officer:</b> Jamie Parris, Head of ICT Category
Briefly describe the service required	The Council has a requirement for the installation and repair of cabling, audio visual equipment and digital signage.  The elements that this service will cover are; <ul style="list-style-type: none"> <li>• Installation of structured cabling to Council locations and supported sites – Network and Telephony points.</li> <li>• Installation of passive equipment – Power, Rack and any other associated equipment that requires electrical supply.</li> <li>• Installation of Audio Visual and Digital Signage for Council buildings and support to re-purposing on the wider estate.</li> <li>• Support and Maintenance for the Audio Visual and Digital Signage of any of the install items.</li> </ul>
What is the proposed procurement route?	The proposed route to market will be a further competition via a compliant collaborative framework agreement or via an open procurement process advertised on Find a Tender, Contracts Finder and <a href="http://www.finditinbirmingham.com">www.finditinbirmingham.com</a> dependent on the procurement route that is deemed the most fit for purpose.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	The existing contract with Ensign CDI expired on 31 <sup>st</sup> October 2021.
If single /multiple contractor negotiations are proposed, what is the reason for not tendering the requirement, how do we ensure value for money and compliance with the Birmingham Business Charter for Social Responsibility (BBC4SR)?	Not Applicable.
Has the In-House Preferred Test been carried out?	Yes, and the test demonstrated this is not suitable to be carried out in-house as the Council does not have the technical ability to be able to produce this service.
How will this service assist with the Council's commitments to Route to Zero?	The specification will require the bidders to deliver the service in way that reduces or eliminates their carbon footprint.
Is the Council under a statutory duty to provide this service? If not what is the justification for providing it?	There is no statutory duty to provide this service. However, this service supports the delivery of the Council's IT and services.
What budget is the funding from for this service?	The contract will be on a call off basis and will be subject to confirmation of approved funding for each call off. Funding will be drawn from Directorate projects and Corporate programmes over the term of the contract. An element of the budget sits within RF003 – Network Services.
Proposed start date and duration of the new contract	The proposed start date is 1st May 2022 for a period of 5 years with a break clause after years 4 and 5 (3+1+1).

<b>Title of Contract</b>	<b>Agile Software Engineering Services</b>
<b>Contact Officers</b>	<b>Director / Assistant Director:</b> Cheryl Doran, CIO & Assistant Director <b>Client Officer:</b> Helen Rees, Project Manager <b>Procurement Officer:</b> Jamie Parris, Head of ICT Category
Briefly describe the service required	Birmingham City Council is moving towards Agile centred approach to delivery projects. The Council in parallel is building its internal digital capability. To support this the Council is implementing a number of strategic programmes, Field Worker programme and customer services being two which now need services of a supplier to support in key software engineering skills (where the gap in the internal team exists).  A software engineering partner is required to work as development partner, via collaboratively agreed work packages and to work in conjunction internal resources, providing software engineering expertise to fill gaps in existing delivery teams, ensuring delivery of 2 x critical digital transformation projects noted above. Field Worker programme requires: Software Engineering services with varied skillsets (available on request) supportive of Microsoft Stack; i.e. Azure cloud functionality i.e. APIM.Net MAUI and Xamarian for coding and in-depth knowledge of ETL and MDM.
What is the proposed procurement route?	The proposed procurement route is to undertake a further competition exercise using a suitable Crown Commercial Services Framework Agreement.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	The current contract with Redwind expires on 22nd March 2022.
If single /multiple contractor negotiations are proposed, what is the reason for not tendering the requirement, how do we ensure value for money and compliance with the Birmingham Business Charter for Social Responsibility (BBC4SR)?	Not Applicable.
Has the In-House Preferred Test been carried out?	Yes, and the test demonstrated this is not suitable to be carried out in-house as the Council does not have the technical ability to be able to produce this service.
How will this service assist with the Council's commitments to Route to Zero?	The specification will require the bidders to deliver the service in way that reduces or eliminates their carbon footprint.
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 provision of the service supports the delivery of statutory services and the improvement of these services in order to meet legislative requirements
What budget is the funding from for this service?	New Ways of Working Programme.
Proposed start date and duration of the new contract	The proposed start date is April 2022 for a period of 2 years.

<b>Title of Contract</b>	<b>Wider Area Network (WAN)</b>
Director / Assistant Director	<b>Director / Assistant Director:</b> Cheryl Doran, CIO & Assistant Director <b>Client Officer:</b> Bipin Parmar, Head of Networks <b>Procurement Officer:</b> Jamie Parris Head of ICT Category
Briefly describe the service required	A wider area network solution to enable data communication between site is required while the Council's longer-term full fibre strategy is implemented to support the Digital Birmingham agenda and wider long-term property rationalisation.  This service will support the: <ul style="list-style-type: none"> <li>• Exit of Lancaster Circus core networking sites</li> <li>• Exit of Tamebridge House</li> <li>• Exit of Cablephone House</li> <li>• Exit of Northfield House</li> <li>• Exit of Council House extension (subject to final decision)</li> <li>• Address certain network provider components/ standards that are going out of support in 2025.</li> </ul>
What is the proposed procurement route?	The procurement route will be a direct award with Virgin Media Business using the Crown Commercial Services Network Services 2 Framework Agreement
What are the existing arrangements? Is there an existing contract? If so when does that expire?	The current contract with Virgin Media Business expires on 30 <sup>th</sup> June 2022.
If single /multiple contractor negotiations are proposed, what is the reason for not tendering the requirement, how do we ensure value for money and compliance with the Birmingham Business Charter for Social Responsibility (BBC4SR)?	Not applicable.
Has the In-House Preferred Test been carried out?	Yes, and the test demonstrated this is not suitable to be carried out in-house as the Council does not have the technical ability to be able to produce this service.
How will this service assist with the Council's commitments to Route to Zero?	This will support the wider Council move to managed data centres in addition to moving applications currently running in Lancaster Circus to newer hardware which has lower electricity draw, therefore contributing to Route to Zero.
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, this supports the modernisation of the Council's IT service provision to directorates.
What budget is the funding from for this service?	The operating costs are funded from the IT&D Operational budget.  Delivery costs are split between: <ul style="list-style-type: none"> <li>• IT&amp;D Operating Budget (circa 50%)</li> <li>• NWOW Programme Budget (circa 50%)</li> </ul>
Proposed start date and duration of the new contract	The proposed start date is 1 <sup>st</sup> July 2022 for a period of 3 years.

<b>Title of Contract</b>	<b>Development of Housing using Off-Site Manufacture</b>
Director / Assistant Director	<b>Director / Assistant Director:</b> Paul Kitson - Strategic Director of Place, Prosperity and Sustainability <b>Client Officer:</b> Julia Martin - Head of Housing Development <b>Procurement Officer:</b> Charlie Short, Procurement Manager
Briefly describe the service required	<p>The requirement is for the development of 28 housing units for rent on three sites. The methodology will be using off-site manufacturing to construct the properties using timber frames and brick external elevations.</p> <p>The development will take place on the following sites:</p> <ul style="list-style-type: none"> <li>• Burcote Road (10 units)</li> <li>• Lea Hall Road (10 units)</li> <li>• Reabrook Road (8 units)</li> </ul> <p>This is a pilot to assess whether this construction methodology should be continued on future BMHT developments. The new homes are to be built using timber frame construction – timber acts as a carbon sink so resulting in a lower carbon footprint. Using off-site manufacture as part of the construction process may reduce building times and more efficient use of materials produced in a safe controlled environment may produce less waste. Improved quality of construction could reduce maintenance costs over the lifetime of the assets</p>
What is the proposed procurement route?	A further competition exercise will be carried out using the Homes England Dynamic Purchasing System Agreement.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	This is a one-off requirement.
If single /multiple contractor negotiations are proposed, what is the reason for not tendering the requirement, how do we ensure value for money and compliance with the Birmingham Business Charter for Social Responsibility (BBC4SR)?	Not Applicable.
Has the In-House Preferred Test been carried out?	Yes, and the test demonstrated this is not suitable to be carried out in-house as this is a construction project.
How will this service assist with the Council's commitments to Route to Zero?	The service will support the commitments with the requirement for the housing to be constructed to the latest environmental standards.
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 proposed site supports the delivery of the core objectives of the Birmingham Development Plan (BDP) 2031 which was adopted by the Council on 10 January 2017 to increase housing growth.
What budget is the funding from for this service?	The scheme is funded from the Housing Revenue Account (Capital) budget.
Proposed start date and duration of the new contract	The proposed start date is January 2023 for a duration of approximately 12 months.

Title of Contract	<b>Support for Special Educational and Complex Needs</b>
Director / Assistant Director	<b>Director / Assistant Director:</b> Sue Harrison – Director Education and Skills <b>Client Officer:</b> Saadhia Kamran, Senior Commissioning Officer <b>Procurement Officer:</b> Mike Smith
Briefly describe the service required	Support for children and young People with special educational and complex needs who have an Education, Health & Care Plan for up to 35 children.  St Paul's is an Independent Special School, providing education for CYP with a presentation of Social, Emotional & Mental Health needs (SEMH) to 35 pupils currently.  There is a lack of available SEMH specialist secondary placements in state funded schools.
What is the proposed procurement route?	To enter into single contractor negotiations with St Paul's Independent School.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	The existing arrangement is spot purchasing places. The existing contract is a national standard. The proposal is to enter into a Block Contract for 35 pupils to give certainty of provision
If single /multiple contractor negotiations are proposed, what is the reason for not tendering the requirement, how do we ensure value for money and compliance with the Birmingham Business Charter for Social Responsibility (BBC4SR)?	St Paul's Independent School is the only provider in the city that can provide this service for the children currently being supported by this school. Individual children's Education, Health & Care Plan under the legislation listed below which is a legally binding document and states this school as the provider of the service. In addition, moving a child to another provider is not an option as this would be extremely disruptive to the individual support package.  St Paul's Independent School will be required to be certified to the Birmingham Business Charter for Social Responsibility and produce actions proportionate to the value of this contract.
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 this is not the facility to provide this specialist service.
How will this service assist with the Council's commitments to Route to Zero?	The specification will require the service to be delivered in a way that reduces or eliminate their carbon footprint, in particular with transport.
Is the Council under a statutory duty to provide this service? If not what is the justification for providing it?	There is a statutory duty for this service to comply with the SEND Code of Practice 2015 to meet the following legislation: The Children and Families Act 2014 Sections 51 – 57 and 60. The Children Act 1989, section 26 The Education Act 1996, Section 496 and 497 Regulations The Special Educational Needs Regulations 2014.
What budget is the funding from for this service?	The budget is funded from the Dedicated School Grant, High Needs Block.
Proposed start date and duration of the new contract	The proposed start date is 1 <sup>st</sup> September 2022 for a period of 2 years with option to extend a further 2 years.

Title of Contract	Provision of Cyber Security Software and Tools
Director / Assistant Director	<p><b>Director / Assistant Director:</b> Cheryl Doran, CIO &amp; Assistant Director</p> <p><b>Client Officer:</b> Dean Chaudhary, Programme Operations Manager</p> <p><b>Procurement Officer:</b> Jamie Parris, Head of ICT Category</p>
Briefly describe the service required	<p>There is a requirement for cyber security and software and tools to protect the Council from IT systems from malicious threats to give a higher level of protection to ensure remedial action can be taken swiftly.</p> <p>This supports the Cyber Strategy which is focused to improve the council's security posture particularly given the corporate risk raised which identifies that "There is a risk that our services to customers are disrupted by malicious attacks (Ransomware, Malware, Phishing, DDoS, Advanced Persistent Threat (APT), Hacking, lack of resources to protect BCC) on our computer systems and/or web services." The number of threat actors/cyber-crime and the risk of nefarious intent in light of possible current foreign nation threats and in the backdrop of impending Commonwealth Games only arguably heighten the risk.</p>
What is the proposed procurement route?	The proposed procurement route will be to use a compliant collaborative framework agreement. In the event of a framework not being suitable an open procurement process advertised on Find a Tender Portal, Contracts Finder and Finditinbirmingham.com
What are the existing arrangements? Is there an existing contract? If so when does that expire?	This is a new requirement.
If single /multiple contractor negotiations are proposed, what is the reason for not tendering the requirement, how do we ensure value for money and compliance with the Birmingham Business Charter for Social Responsibility (BBC4SR)?	Not Applicable.
Has the In-House Preferred Test been carried out?	Yes, and the test identified that the Council does not have the IT applications nor the infrastructure and expertise to develop a solution in-house.
How will this service assist with the Council's commitments to Route to Zero?	Not applicable as this is a technology solution and support requirement.
Is the Council under a statutory duty to provide this service? If not, what is the justification for providing it?	No there is not a statutory duty to provide this service. However, this is required to protect the integrity Council's IT infrastructure and confidential data.
What budget is the funding from for this service?	The service is funded from the Cyber Programme Budget.
Proposed start date and duration of the new contract	The proposed start date is 1 <sup>st</sup> May 2022 for a period of 3 years.

<b>Title of Contract</b>	<b>Repair to the Roof at Handsworth Wellbeing Centre</b>
<b>Contact Officers</b>	<b>Director / Assistant Director:</b> Chris Jordan, Assistant Director <b>Client Officer:</b> Lesley Poulton, Head of Wellbeing and Community Centres <b>Procurement Officer:</b> Charlie Short, Procurement Manager
Briefly describe the service required	The repair to the roof above the large swimming pool at Handsworth Wellbeing Centre to protect a Council asset from deterioration and, potentially, escalating repair costs; and allow the local community and local schools to continue to access the social and health benefits of regular swimming.
What is the proposed procurement route?	A further competition exercise using Acivico Ltd's Construction West Midlands (CWM) Building Fabric Lot 1 framework agreement.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	These is a new requirement.
If single /multiple contractor negotiations are proposed, what is the reason for not tendering the requirement, how do we ensure value for money and compliance with the Birmingham Business Charter for Social Responsibility (BBC4SR)?	Not applicable.
Has the In-House Preferred Test been carried out?	Yes, and as this is a one-off contract for a roof repair and the test demonstrated this is not suitable to be carried out in-house as there are not the skills for these works.
How will this service assist with the Council's commitments to Route to Zero?	Any specification will require the Council's commitments to Route to Zero to be considered, in particular to a reduction in zero emission materials and transport.
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 service to provide this service. However, refurbishing the roof will enable the swimming pool to re-open.
What budget is the funding from for this service?	The funding will be from the Corporate Capital budget.
Proposed start date and duration of the new contract	The proposed start date is May 2022 for a duration of 18 weeks construction period.

<b>Title of Contract</b>	<b>Replacement to the Roof at Quinbourn Community Centre</b>
<b>Contact Officers</b>	<b>Director / Assistant Director:</b> Chris Jordan, Assistant Director <b>Client Officer:</b> Lesley Poulton, Head of Wellbeing and Community Centres <b>Procurement Officer:</b> Charlie Short, Procurement Manager
Briefly describe the service required	The replacement to the roof at Quinbourn Community Centre to protect a Council asset and to fulfil the legal obligation as the building's landlord.
What is the proposed procurement route?	A further competition exercise using Acivico Ltd's Construction West Midlands (CWM) Building Fabric Lot 1 framework agreement.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	These is a new requirement.
If single /multiple contractor negotiations are proposed, what is the reason for not tendering the requirement, how do we ensure value for money and compliance with the Birmingham Business Charter for Social Responsibility (BBC4SR)?	Not applicable.
Has the In-House Preferred Test been carried out?	Yes, and as this is a one-off contract for a roof replacement and the test demonstrated this is not suitable to be carried out in-house as there are not the skills for these works.
How will this service assist with the Council's commitments to Route to Zero?	The project will include the installation of roof insulation which will reduce energy use and hence, carbon emissions.
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, replacement the Council has a legal obligation to undertake repairs to this building.
What budget is the funding from for this service?	The funding will be from the Community Centre revenue budget.
Proposed start date and duration of the new contract	The proposed start date is June 2022 for a duration of 3 months construction period.

<b>Title of Contract</b>	<b>Professional Services to Support the Residential Property Acquisition Programme</b>
Contact Officers	<b>Director / Assistant Director:</b> Julie Griffin, Managing Director, City Housing <b>Client Officer:</b> Bill Pickbourn, Programme Director-Housing Transformation <b>Procurement Officer:</b> Dean Billingham, Interim Procurement Specialist – Strategic Projects
Briefly describe the service required	Cabinet approved the Acceleration of City Housing Transformation to enable reduction in Temporary Accommodation report on 27 <sup>th</sup> July 2021 that authorised acquiring up to 230 residential properties.  There is a requirement for professional services to support the buying of these properties. The services to ensure the completion of the purchase include: <ul style="list-style-type: none"> <li>• Sourcing of properties</li> <li>• Valuation of properties</li> <li>• Undertaking condition surveys</li> <li>• Negotiation of price</li> <li>• Manage conveyancing process</li> </ul> Reed Talent Solutions Ltd operates as a managed service solution and will manage a further competition exercise using its supply chain to demonstrate value for money. The requirement of the BBC4SR will be included in the evaluation criteria.
What is the proposed procurement route?	A direct award to Reed Talent Solutions Ltd using the Yorkshire Purchasing Organisation's Managing Consultancy and Professional Services Framework Agreement.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	This is a new contract.
If single /multiple contractor negotiations are proposed, what is the reason for not tendering the requirement, how do we ensure value for money and compliance with the Birmingham Business Charter for Social Responsibility (BBC4SR)?	Not applicable.
Has the In-House Preferred Test been carried out?	Yes, and the test demonstrated this is not suitable to be carried out in-house as there are not the skills or capacity for a project of this size.
How will this service assist with the Council's commitments to Route to Zero?	The specification will require the construction to be delivered in a manner that reduces or minimises both direct and indirect carbon emissions through the reduced transport.
Is the Council under a statutory duty to provide this service? If not, what is the justification for providing it?	The Council does not have a statutory duty to provide this service. However, these services will provide the Council's policy to reduce bed and breakfast temporary accommodation.
What budget is the funding from for this service?	This contract will be funded from the approved Corporate Transformation Programme budget.
Proposed start date and duration of the new contract	The proposed start date is 1 <sup>st</sup> May 2022 for a period of up to 4 years or when the properties are purchased whichever is earlier.

<b>Title of Contract</b>	<b>City Dressing to Support the Hosting of the Commonwealth Games 2022</b>
Contact Officers	<b>Director / Assistant Director:</b> Programme Director, Commonwealth Games 2022 <b>Client Officer:</b> Joanne Martin, Alexander Stadium Project Director <b>Procurement Officer:</b> Charlie Short, Procurement Manager
Director / Assistant Director	Programme Director, Commonwealth Games 2022
Briefly describe the service required	To support the hosting of the Commonwealth Games 2022 and improve the visitor experience, there is a requirement for additional spectaculars and enhancements to dress the city. These will be situated across the city; in the centre, in the proximity to games venues and on main arterial routes and would typically include: <ul style="list-style-type: none"> <li>• Banners and flags</li> <li>• Art installations and sculptures</li> <li>• Pavement graphics and building wraps</li> <li>• Building lighting and lighting shows</li> </ul> <p>The Organising Committee's (OC) contract has recently been awarded with the rates reflecting current market conditions. Synergies with both the Council and the OC's requirement will ensure value for money. CSM Sport &amp; Entertainment LLP will be required to be certified to the BBC4SR and provide actions relevant to the value of the contract.</p>
What is the proposed procurement route?	To use the OC's Look, Signage and Wayfinding Contract with CSM Sport & Entertainment LLP, in accordance with its terms.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	This is a new requirement.
If single /multiple contractor negotiations are proposed, what is the reason for not tendering the requirement, how do we ensure value for money and compliance with the Birmingham Business Charter for Social Responsibility (BBC4SR)?	Not applicable.
Has the In-House Preferred Test been carried out?	Yes, and the test demonstrated this is not suitable to be carried out in-house as these are one-off projects to enhance the city and must be in line with the Organising Committee's Look and branding.
How will this service assist with the Council's commitments to Route to Zero?	The specification will require the equipment to be delivered in such a way that reduces or minimises carbon emissions. A commitment has been made that the Commonwealth Games will be net carbon neutral overall.
Is the Council under a statutory duty to provide this service? If not, what is the justification for providing it?	The Council does not have a statutory duty to provide this service. The enhancements will support the look and feel of the city in the run up to and during the Commonwealth Games 2022 and its legacy. Some elements of the service to be provided are required to fulfil the Council's obligations under the terms of the Host City Contract.
What budget is the funding from for this service?	This contract will be funded from the approved overall budget for the Council's contribution to the costs of hosting the Birmingham 2022 Commonwealth Games.
Proposed start date and duration of the new contract	The proposed start date is 1 <sup>st</sup> May 2022 for a duration of up to 4 months.



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

<b>Chair</b>	Councillor Mohammed Aikhlaq
<b>Deputy Chair</b>	Councillor Barbara Dring
<b>Committee Members:</b>	Councillors David Barrie, Meirion Jenkins, Majid Mahmood, Shafique Shah, Paul Tilsley and Lisa Trickett
<b>Committee Support:</b>	Scrutiny Team: Christian Scade (303 1731) and Jayne Bowles (303 4810) Committee Manager: Sofia Mirza (675 0216)

### 1 Terms of Reference

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

### 2 Meeting Schedule

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



<b>9 September 2021</b> <b>1400 hours</b> <b>Informal Online Meeting</b> Deadline for reports: 31 August 2021	Financial Monitoring 2021/22 – Month 4	Rebecca Hellard, Interim Director of Council Management
	ERP Update	Rebecca Hellard, Interim Director of Council Management/Peter Bishop, Director of Digital and Customer Services/James Couper, ERP Programme Director
<b>7 October 2021</b> <b>1400 hours</b> Deadline for reports: 28 September 2021	Financial Monitoring 2021/22 – Month 5	Rebecca Hellard, Interim Director of Council Management
	HR Update: <ul style="list-style-type: none"> <li>• People Services Transformation Programme</li> <li>• Update on Interims &amp; Consultants</li> </ul>	Tim Normanton, Acting AD, HR
<b>25 November 2021</b> <b>1400 hours</b> Deadline for reports: 16 November 2021	Financial Monitoring 2021/22 – Quarter 2/Month 6	Rebecca Hellard, Director of Council Management
	Medium Term Financial Plan Refresh	Rebecca Hellard, Director of Council Management
	ERP Update	James Couper, ERP Programme Director
<b>20 January 2022</b> <b>1400 hours</b> Deadline for reports: 11 January 2022	Financial Monitoring 2021/22 – Month 8	Rebecca Hellard, Director of Council Management
	Commonwealth Games Finance Update (to include partner contributions)	Rebecca Hellard, Director of Council Management
	ERP Update	James Couper, ERP Programme Director
<b>10 February 2022</b> <b>1400 hours</b> Deadline for reports: 1 February 2022	Financial Monitoring 2021/22 – Quarter 3/Month 9	Rebecca Hellard, Director of Council Management
	Invest to Save Initiatives	Rebecca Hellard, Director of Council Management



<b>24 March 2022</b> <b>1400 hours</b> Deadline for reports: 15 March 2022	Financial Monitoring 2021/22 – Month 10	Rebecca Hellard, Director of Council Management
	Enterprise Resource Planning (ERP) – 1B Programme Update	James Couper, ERP Programme Director
	Commercial Governance Task and Finish Group	Steve Sandercock Assistant Director – Procurement (Interim)  Christian Scade, Head of Scrutiny and Committee Services (Interim)
	Birmingham's Business Charter for Social Responsibility	Steve Sandercock Assistant Director – Procurement (Interim)
	Planned Procurement Activities Report	
<b>28 April 2022</b> <b>1400 hours</b> Deadline for reports: 19 April 2022		

### 3 Items to be Programmed

- 3.1 Planned Procurement Activities Reports – standing item
- 3.2 Long Term Debt Strategy
- 3.3 Outcome of the CIPFA Budget Sufficiency Review of Education and Skills directorate (now the

### 4 Other Meetings

#### Task & Finish: Commercial Governance

9 September 2021	Informal Session
18 November 2021	Informal Session
21 December 2021	Informal Session
20 January 2022	Informal Session
8 February 2022	Informal Session
9 March 2022	Informal Session

#### Call-in

*None scheduled*

#### Petitions

*None scheduled*



## Councillor Call for Action requests

*None scheduled*

## 5 Forward Plan for Cabinet Decisions

5.1 The Forward Plan (<https://birmingham.cmis.uk.com/birmingham/ForwardPlans.aspx>) lists all key decisions that the Council will take over the coming months and below are those likely to be relevant to this O&S Committee.

<b>Leader</b>		
007538/2020	Disposal of Surplus Properties	26 Apr 22
007884/2020	Proposed Compulsory Purchase Order – Digbeth & Allison Street, Birmingham for the Beorma Quarter Development	22 Mar 22
009239/2021	Disposal of Murdoch and Pitman, 153-161 Corporation St, Birmingham	17 May 22
009552/2022	Proposed Compulsory Purchase Order – Princip Street Development	22 Mar 22
009664/2022	Disposal of Council Owned Land at Bordesley Park	26 Apr 22
009663/2022	Promotion of Council Owned Land within Bromsgrove	26 Apr 22
009692/2022	Sale of Land at Redfern Road, Tyseley	22 Mar 22

<b>Cabinet Member for Finance and Resources</b>		
009688/2022	Outline Business Case – Birmingham Museum and Art Gallery works funded by MEND fund	22 Mar 22
009820/2022	Catering and Food Procurement Strategy for Cityserve and Civic Catering	22 Mar 22
009900/2022	Safety Works to Parks Pools	26 Apr 22

<b>Cabinet Member for Street Scene and Parks</b>		
007349/2020	Waste Vehicle Replacement Programme	26 Apr 22
008760/2021	Increase in Expenditure – Provision of Legal Advice to Support the Development of the Future Waste Strategy (P0610C)	20 Apr 21
009797/2022	Revised Full Business Case & Tender Strategy for Ward End Park Lakeside Renewal (Dolphin Centre) Project	22 Mar 22