

BIRMINGHAM CITY COUNCIL

RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

THURSDAY, 20 JANUARY 2022 AT 14:00 HOURS
IN ON-LINE INFORMAL MEETING, MICROSOFT TEAMS

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) 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 - 10

4 ACTION NOTES - 25 NOVEMBER 2021

The action notes of the meeting held on 25 November 2021 are for information and will be agreed at the next formal meeting.

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5 FINANCIAL MONITORING 2021/22 - MONTH 8

To consider the Month 8 Corporate Exception Report.

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6 COMMONWEALTH GAMES FUNDING UPDATE

To receive an update on the position with regard to the funding of the Commonwealth Games.

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7 **ERP UPDATE**

To receive an update on the implementation of the Council's Finance and HR Enterprise Resource Planning System.

61 - 72

8 **PLANNED PROCUREMENT ACTIVITIES REPORT**

To note the Cabinet report (considered on 18 January) on planned procurement activity.

73 - 76

9 **WORK PROGRAMME**

For discussion.

10 **DATE AND TIME OF NEXT MEETING**

The next meeting is scheduled for Thursday 10 February 2022 at 1400 hours.

11 **OTHER URGENT BUSINESS**

To consider any items of business by reason of special circumstances (to be specified) that in the opinion of the Chair are matters of urgency.

BIRMINGHAM CITY COUNCIL

RESOURCES O&S COMMITTEE – PUBLIC MEETING

1400 hours on Thursday 25 November 2021, BMI Main Hall, Margaret Street,
Birmingham

Action Notes

Present:

Councillor Majid Mahmood (in the Chair)

Councillors: David Barrie, Barbara Dring, Meirion Jenkins, Shafique Shah and Paul Tilsley

Also Present:

Councillor Tristan Chatfield, Cabinet Member, Finance and Resources

James Couper, ERP Programme Director

Richard Peirce, Finance Manager – Financial Strategy

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

Mohammed Sajid, Interim Head of Financial Strategy

Beverley Sullivan, Finance Manager

Jayne Bowles, Scrutiny Officer

Christian Scade, Interim Head of Scrutiny and Committee Services

In the absence of the Chair and Deputy Chair, Councillor Majid Mahmood was elected to chair the meeting – proposed by Councillor Shafique Shah, seconded by Councillor Paul Tilsley and agreed by the Committee.

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2. APOLOGIES

Apologies were received from Councillors Mohammed Aikhlaq and Lisa Trickett and an apology for lateness from Councillor Barbara Dring.

3. DECLARATIONS OF INTERESTS

None.

4. ACTION NOTES

(See document 1)

RESOLVED:-

The action notes of the meeting held on 7 October 2021 were agreed.

5. FINANCIAL MONITORING 2021/22 – QUARTER 2/MONTH 6

(See document 2)

The Chair invited Councillor Tristan Chatfield, Cabinet Member for Finance and Resources, to introduce this item. In doing so, the following points were highlighted:

- An overspend of £10.2m is reported, an improvement of some £17m from the previous quarter;
- The direction of travel has improved although there is still some way to go, with significant budget pressures next year, including loss of income and Covid factors;
- Brief mention was made of the budget and spending review and although only the national headline figures are currently known, it is thought there will be an additional £36.9m annually from 2022/23 to 2024/25, offset by some additional expenditure of £2.3m;
- Negotiations continue between Trade Unions and the national negotiating body regarding the annual pay settlement.

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

- Overspend of £10.2m – a number of actions are being taken corporately to close that off and some will be obvious things, for example no non-essential spend, and they are continuing to work to drive down establishment costs, for example holding vacancies and making sure they keep control over interim and agency spend;
- It was pointed out that although £10.2m is a large sum, it is something like 0.3% of the overall budget;
- Allocation of £0.745m for 20 new CCTV cameras and upgrading of 30 existing cameras – it was queried whether there were any staffing implications. Members were told that there is a report to Cabinet in December with details of the proposal and there should not be any revenue implications, however this will be confirmed;
- Business rate deficit – concern was expressed with regard to the expected business rate deficit and the amount of sundry debt;
- It was acknowledged that there are challenges around collection of business rates and council tax and further information was requested regarding the amount currently outstanding and approaches taken by other core cities;

- With regard to the forecast £2.5m increase in the appeals provision to cover outstanding appeals, it was queried whether this is just Birmingham or whether other core cities are doing this;
- Members were told that other core cities work on a similar basis although there will be local differences;
- It was noted that the inflation rate for October was higher than anticipated and Members were assured that this is a matter of constant analysis. There are contingencies in place and there seems to be a view that there will be a peak of inflation that will diminish into next year;
- The policy contingency for Cityserve was welcomed;
- A detailed report on Invest to Save initiatives was requested for either the January or February meeting;
- The £1m internal mitigation in Grounds Maintenance was queried and further information requested as to where this was coming from and whether it would impact on the whole city or parts of the city;
- It was good news that funding had been identified from the Levelling Up Fund to progress the Dudley Road Scheme and that now funding had been agreed there would be a report back to Cabinet in February or March with revised costings and changed specification;
- Members were pleased that Shelforce had won an award at the Asian Chamber of Commerce but were concerned that the reduction in the HRA capital programme relating to fire doors had resulted in a loss of income of £0.9m and more information was requested;
- Under Capital Receipts and Disposals Programme, there was reference to a small number of high value cases and more information was requested on this so that Members know what those high value cases are;
- The £6m of Public Health Grant to be released to fund Covid related spending – this is a ring-fenced self-contained budget so there are no implications for the General Fund;
- Additional information was requested in relation to the Clean Air Zone – proposed spend, income projections and where the money will be spent;
- More detail was requested on the writing-off of £637,356 Commercial Rent Charges from 2003 to 2018;
- Reference was made to a letter that the Chair of Audit Committee had sent to the Chair of Resources O&S Committee regarding the financing of the Commonwealth Games and in particular the issues with partner contributions and a report was requested for the January meeting.

RESOLVED:-

- The following responses to be provided:
 - Allocation of £0.745m for 20 new CCTV cameras and upgrading of 30 existing cameras – confirmation as to whether there are any staffing implications;
 - Council Tax Collection – figures to be provided of how much is currently outstanding and possible report to a future meeting on other core cities' approaches to council tax collection;
 - Invest to Save Initiatives – detailed report to be brought to January or February meeting;

- £1m mitigations within Grounds Maintenance Service – more detail to be provided on where this is coming from;
 - Capital Receipts and Disposals Programme reference to a small number of high value cases – more information to be provided;
 - Shelfforce loss of income of £0.9m due to a reduction in the HRA capital programme relating to fire doors – more information to be provided;
 - Clean Air Zone – additional information to be provided on proposed spend, income projections and where the money will be spent;
 - Writing-off of £637,356 Commercial Rent Charges from 2003 to 2018 – more detail to be provided;
 - A report on the Financing of the Commonwealth Games, with a particular focus on partner funding, to be brought to the January meeting;
- The report was noted.

6. MEDIUM TERM FINANCIAL PLAN UPDATE

(See document 3)

Councillor Tristan Chatfield, Cabinet Member for Finance and Resources, highlighted the following key points:

- Members have seen the financial position this year and the Medium Term Financial Plan is for the position going forward as far as 2025/26;
- It is a live document that includes impacts in-year to get an understanding of risks coming down the line and ensure decisions are being made in a timely way before matters become critical to budget;
- Appendix 1 is an evolving attempt to quantify budget risks and rate them to allow informed judgement about the reserves position.

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

- Work is being done to deal with the emerging financial gap and it was noted that this is not unique to Birmingham and there are pressures in the sector generally;
- It is critical for the organisation that delivery plans are implemented and there will be pressures to face in future years;
- With regard to adult care packages, it was acknowledged that the shortage of care workers across the city inevitably means pressures around wages which will have an impact on care packages and this will have to be managed in the context of the budget;
- With regard to the 25 year capital programme, Members were told this will pull out key themes to give a long-term vision. It will be ongoing for a number of years and should be reviewed every year;
- It was suggested that this be brought to committee when it is ready;
- It was noted that there is still a risk around the impact of Brexit and loss of grant income, which is not fully known at the moment;

- With regard to the risk of a cyber attack, the probability weighted medium term potential impact was queried as it seemed quite high;
- Members were told that a number of local authorities had been subject to substantial cyber attacks and that the risk is considerably higher than 1% though probably lower than 50%;
- It was noted that this was a difficult risk to quantify and that the council does need to be mindful of this and have provision in place;
- In response to a question around what public engagement is being done on the budget, Members were told this has slipped on the timetable because of financial challenges but they are looking to launch an app next week;
- This will give residents and interested parties a chance to participate in the budget process and once it is live details will be circulated to Members.

RESOLVED:-

- The report was noted.

7. ERP UPDATE

(See document 4)

James Couper, ERP Programme Director, presented the update and highlighted the following key points:

- They are continuing to report amber and likely to stay there, however it is a stable amber rather than a declining amber;
- It has been a good couple of months in terms of reducing the risk profile;
- There are some particular stresses, for example connecting with other applications, and with the integration partner regarding service extensions and resources, but there is a clear plan now from them to deliver and they are into the testing process;
- They have been through three significant testing cycles, one of which is user acceptance testing and all current functional areas with the exception of Finance have exited from that testing cycle;
- They have just started the next round of data migration and have met targets for the second cycle, with high rates of getting data into the new system;
- They are going to extend a couple of the milestones – the second cycle of user acceptance testing and payroll comparison 2 – until 7th January to give more time for those two key cycles to complete;
- They need to hit a target of at least 85% on payroll;
- Other milestones remain on track;
- A number of open risks and issues have been managed out, however there are still some significant risks being managed, particularly around any further delays to data migration and there are a number of technical solutions that they have to get right;
- They are at a point in the programme where people are remembering things they forgot to ask for but it is difficult now to start to introduce change and there may be some features people are now saying they want which they won't be able to have until after April;
- The programme remains within budget and there is still some contingency fund and reserves left;

- Consideration is given to lessons learnt when moving from one phase to another;
- In terms of training, whilst this technology will support 43,000 employees the vast majority will only use a thin slice of it on a daily basis and they want to be really efficient in the way people are helped to do just the things they need to do, for example updating details, checking payslips, etc, and they are using self-guided learning to do that.

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

- One of the lessons learnt is that full organisational buy-in is needed and there are some cultural challenges, but they are trying to show people that if we don't do it this way it won't work;
- The logic of the £0.5m spend on the SAP netweaver licence, which had been raised in previous meetings when considering the Planned Procurement Activities Report, was questioned again;
- It was noted that the cost of the programme had doubled and that there is an estimated gross saving of £10.918m, which is less than the increase in costs;
- It was queried whether there is a net saving and Members were told that they know they have to make a £2m saving per annum and at the moment approximately £1.6m has been identified so they are close to the target set out in the business case;
- The next update is scheduled for January.

RESOLVED:-

- The report was noted.

8. WORK PROGRAMME

(See document 5)

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.

The meeting ended at 1525 hours.

APPENDIX A

MONTH 8 Financial Monitoring Report 2021/22

1. High Level Summary Financial Position

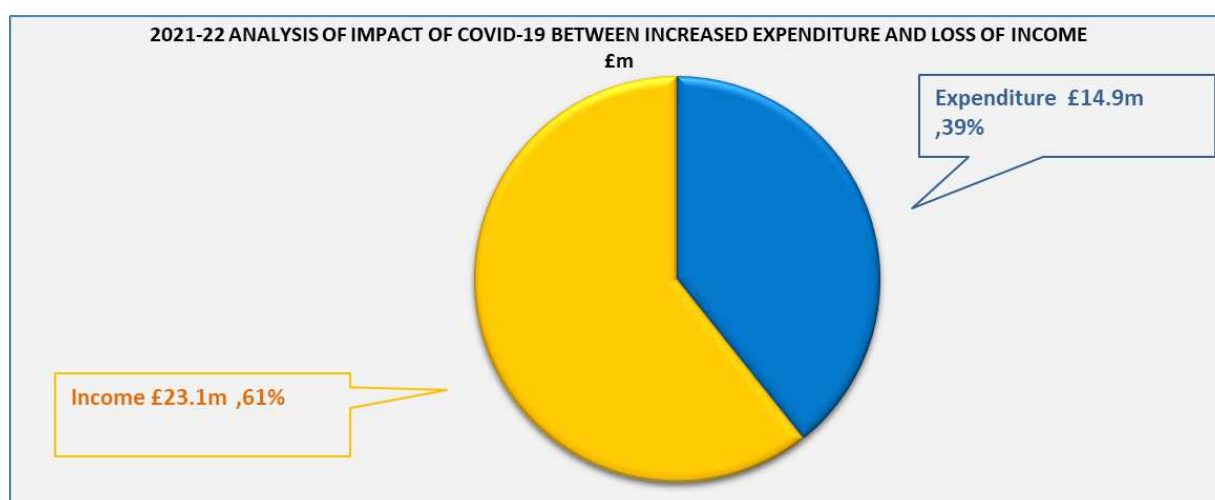
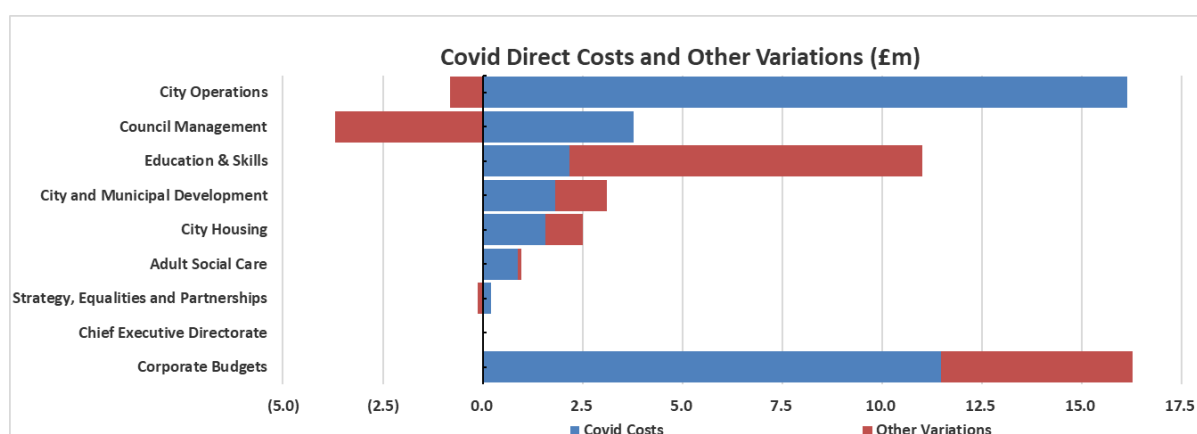
- 1.1. At the end of Month 8, there is a forecast net revenue overspend on the Council's General Fund of **£7.5m** (Column E in table 2) which represents 0.9% of the £828.7m budget and a **£2.7m** improvement since Month 6. This is made up of a **£26.7m** (Column D in table 2) revenue budget non-Covid underspends and a **£34.2m** (Column C in table 2) overspend related to the direct covid related expenditure and reduction in income.
- 1.2. Direct covid related expenditure and reduction in income of **£34.2m** (Column C in table 2) 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 **£3.0m** from specific grant funding, **£6.0m** of Public Health Grant to fund Covid related spending in 2021/22, an estimate of funding 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 £1.3m since Month 6. We will continue to look to maximise the use of other specific covid funding to reduce this estimated cost.

| Table 1 : High level position. | Covid Variation | Non-Covid Variation | Total Variation |
|---|-----------------|---------------------|-----------------|
| | £m | £m | £m |
| Directorate Sub Total | 26.5 | 6.5 | 33.1 |
| Corporate Budgets | 11.5 | 4.8 | 16.3 |
| 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 | (3.0) | 0.0 | (3.0) |
| Public Health Grant | (6.0) | 0.0 | (6.0) |
| Income Loss Scheme Funding | (2.8) | 0.0 | (2.8) |
| City Council General Fund Sub Total | (3.8) | 11.3 | 7.5 |
| Transfer of Indirect Covid Costs | 38.0 | (38.0) | 0.0 |
| General Fund after transferring indirect costs | 34.2 | (26.7) | 7.5 |

- 1.3. In terms of savings, **£27.4m** of the **£36.7m** savings targets are either delivered or on track which represents 75% of the total savings target with a further 18% (**£6.5m**) anticipated to be delivered, as shown in table 6 of this report. This represents an improvement of **£7.6m** saving that are delivered or on track since month 6. The **£20.1m** establishment saving, currently shows **£14.5m** achieved and **£5.5m** is at risk.
- 1.4. To help manage costs and mitigate the forecast overspend the council has introduced a series of spending controls. The key area of spend, staffing, properties / facilities management, and procurement have all implemented spending control panel and gateways to scrutinise and reduce expenditure. These controls were implemented in November and in this month 8 monitoring report it is too early to identify the impact and saving achieved

from these controls. Details of the spend controls will be included in all future monitoring reports.

- 1.5. The revenue budget non-Covid position is a net underspend of **£26.7m** (Column D in table 2). This is an improvement of **£4.0m** on month 6. This includes improvement of £2.3m Adult Social Care, £1.6m City Operations, £1.0m Education & Skills, £0.9m Council Management off set by deterioration of £1.9m City & Municipal Development – Commercial Rent Income. Further details are provided in section 3.
- 1.6. The direct covid related expenditure and reduction in income is **£34.2m** overspend, including indirect covid spending of **£38.0m**, and is shown in table 2 (column C in table 2) below.
- 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.
 - Reminder that there is a forecast cost of £8.3m for potential costs of a pay award if this is agreed at 1.75% which has from month 6 been offset by a £9.3m forecast underspend of Policy Contingency.
 - At Month 6 it was identified that £6.0m can be allocated from the Public Health Grant to fund Covid related expenditure.



- 1.9. The Pie chart shows the direct covid related expenditure and reduction in income overspend split between income and expenditure.
- 1.10. Income loss forecast due to covid has decreased by £1.4m from Month 6. However, there is an increase of £2.3m across covid expenditure giving a directorates net deterioration of £0.7m. There is also a decrease of £0.4m in forecast funding for income loss, resulting in net increase of £1.3m overall in the direct covid related expenditure and reduction in income.

Table 2

| 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 6 |
| | £m | £m | £m | £m | £m | £m |
| City Operations | 185.123 | 200.448 | 16.133 | (0.808) | 15.325 | (1.233) |
| Education & Skills | 298.196 | 309.209 | 2.165 | 8.848 | 11.013 | (0.888) |
| City and Municipal Development | 61.099 | 64.212 | 1.810 | 1.303 | 3.113 | 2.091 |
| City Housing | 13.231 | 15.729 | 1.568 | 0.930 | 2.498 | 0.052 |
| Adult Social Care | 337.238 | 338.196 | 0.888 | 0.070 | 0.958 | (2.246) |
| Strategy, Equalities and Partnerships | 3.923 | 4.004 | 0.211 | (0.130) | 0.081 | (0.130) |
| Council Management | 54.496 | 54.567 | 3.773 | (3.702) | 0.071 | (0.743) |
| Chief Executive Directorate | 0.500 | 0.500 | 0.000 | 0.000 | 0.000 | 0.000 |
| Directorate Sub Total | 953.806 | 986.865 | 26.548 | 6.511 | 33.059 | (3.097) |
| Corporate Budgets | (125.136) | (108.878) | 11.470 | 4.788 | 16.258 | 0.000 |
| 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 | (3.000) | (3.000) | 0.000 | (3.000) | 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) | 0.396 |
| Corporate Subtotal | (125.136) | (150.702) | (30.354) | 4.788 | (25.566) | 0.396 |
| City Council General Fund | 828.671 | 836.164 | (3.806) | 11.299 | 7.493 | (2.701) |
| Indirect Covid Costs | | | 37.998 | (37.998) | 0.000 | 0.000 |
| General Fund after transferring indirect costs | 828.671 | 836.164 | 34.192 | (26.699) | 7.493 | (2.701) |
| Financial Position as at M6 | 828.671 | 838.865 | 32.923 | (22.729) | 10.194 | |
| Movement from M6 | 0.000 | (2.701) | 1.269 | (3.97) | (2.701) | |
| Movement from M6 % | 0.000% | (0.32)% | 3.85% | 17.47% | (26.50)% | |

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

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 |
|---------------------------------------|-------------------------------|------------------------------|-------------------------|---------------------------|--|
| City Operation | 1.508 | 2.303 | 0.511 | (5.130) | (0.808) |
| Education & Skills | 0.000 | 7.725 | 1.123 | 0.000 | 8.848 |
| Council Management | 0.200 | (1.679) | (1.134) | (1.089) | (3.702) |
| City Housing | 0.000 | 3.009 | (2.079) | 0.000 | 0.930 |
| City and Municipal Development | 0.277 | (2.013) | 3.039 | 0.000 | 1.303 |
| Adult Social Care | 0.000 | 1.145 | (1.075) | 0.000 | 0.070 |
| Chief Executive | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Strategy, Equalities and Partnerships | 0.000 | (0.130) | 0.000 | 0.000 | (0.130) |
| | | | | | |
| Directorate Sub Total | 1.985 | 10.360 | 0.385 | (6.219) | 6.511 |
| Corporate | 0.400 | 8.300 | 5.369 | (9.281) | 4.788 |
| Total | 2.385 | 18.660 | 5.754 | (15.500) | 11.299 |

- 1.11 **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).
- 1.12 **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 2021. In addition, further Garden and Bulky Waste income of £0.5m is anticipated. The Parks service has identified internal mitigations totalling £1m within Grounds Maintenance Service.
- 1.13 **Council Management:** There are one-off mitigations actions that have been identified including the use of Policy Contingency and the use of reserves carried forward from previous year that will be considered as part of the quarter 3 report and finalised at the Outturn.
- 1.14 **Corporate:** £9.3m underspend in policy contingency.
- 1.15 **City and Municipal :-** total overspend has worsened to a total forecast over spend of £3.1m this is largely as a result of income from commercial property being lower than previously forecast.

2. Capital Expenditure

- 2.1. Capital expenditure for the year 2021/22 is forecast at £708.1m against a revised capital budget of £785.1m, representing a net underspend of £77.0m. A review of the capital programme is currently underway to review all schemes with a view to reduce or delay borrowing costs where possible. Any reduction or delay in borrowing costs will result in a positive impact on the Council's General Fund. Full details of the review will be included in the quarter 3 financial monitoring report to Cabinet.
- 2.2. This is a net decrease in forecast spend of £31.4m since Month 6 against the revised Month 8 budget. This is mainly due to net forecast slippage within the Council Management Directorate (£10.5m), and within the City & Municipal Development Directorate (£12.7m). Further details for the major variations (greater than £1m) are provided in Section 2.8 below.

- 2.3. Expenditure to date is £303.0m which is 42% of the year-end total forecast. In comparison spend to date at Month 8 in 2019/20 (the year prior to Covid-19) was 37%.
- 2.4. Capital Receipts are a key element of the programme and at Month 8 they are £46.7m, being £17.2m of the £65m Asset Review programme and £29.5m of the £35m Business as Usual programme. Further detail is provided in paragraph 3.4 below.

Table 4: Summary 2021/22 Capital Programme Financial Position

| | Spend to date | Month 6 Budget | Budget Changes Month 8 | Revised Budget Month 8 | Forecast net overspend/ (slippage) | Forecast Outturn |
|--------------|----------------------|-----------------------|-------------------------------|-------------------------------|---|-------------------------|
| | £m | £m | £m | £m | £m | £m |
| General Fund | 232.0 | 636.5 | 30.3 | 666.8 | (82.5) | 584.3 |
| HRA | 71.0 | 118.3 | 0.0 | 118.3 | 5.5 | 123.8 |
| TOTAL | 303.0 | 754.8 | 30.3 | 785.1 | (77.0) | 708.1 |

- 2.5. The revised budget is a £30.3m increase from the budget at month 6.

- 2.6. Table 5: Movements from the Month 6 to month 8 Budget

| Directorate | Budget Increase 21/22 | Capital Project | Funding | Cabinet Approval |
|--|------------------------------|--|---|-------------------------|
| City & Municipal Development | £25.6m | Perry Barr Residential Scheme | Prudential Borrowing & Capital Receipts | July 2021 |
| Adult Social Care | £3.9m | Independent Living | MHCLG Disabled Facilities Grant | Not Applicable |
| City & Municipal Development: Planning & Development | £0.6m | Bordesley Park Wheels (Site Development) | Prudential Borrowing | October 2021 |
| City & Municipal Development: Transportation | £0.2m | Walsall to Birmingham Sprint Contribution to West Midland Combined Authority | Grant | Not Applicable |
| Total | £30.3m | | | |

2.7. Table 6: Year End forecast by Directorate

| Capital Forecast 2021/22 by Directorate | | | | | | | |
|---|--|---|--|--|--|---|--|
| Directorate | (a) 2021/22 Period 6 Budget £m | (b) 2021/22 Period 7 & 8 Budget Movements £m | (c) 2021/22 Period 8 Revised Budget (a+b) £m | (d) 2021/22 Spend to Date £m | (e) Previously Reported Variation £m | (f) Forecast Variation Movement Since Period 6 £m | (g) 2021/22 Forecast Outturn (c+e) £m |
| Commonwealth Games | 72.5 | 0.0 | 72.5 | 44.0 | 0.0 | 0.0 | 72.5 |
| Council Management | | | | | | | |
| Development & Commercial | 1.1 | 0.0 | 1.1 | 1.8 | 0.0 | 4.7 | 5.8 |
| Corporately Held Funds | 88.4 | 0.0 | 88.4 | 2.9 | (13.6) | (15.4) | 59.4 |
| ICT & Digital | 9.3 | 0.0 | 9.3 | 1.6 | (1.3) | 0.2 | 8.2 |
| Total Council Management | 98.8 | 0.0 | 98.8 | 6.3 | (14.9) | (10.5) | 73.4 |
| City Operations | | | | | | | |
| Control Centre Upgrade | 0.3 | 0.0 | 0.3 | 0.0 | 0.0 | 0.0 | 0.3 |
| Street Scene | 39.3 | 0.0 | 39.3 | 16.1 | 0.0 | (2.1) | 37.2 |
| Private Sector Housing | 2.7 | 0.0 | 2.7 | 0.2 | 0.0 | 0.0 | 2.7 |
| Neighbourhoods | 3.2 | 0.0 | 3.2 | 0.1 | (1.2) | 0.0 | 2.0 |
| Regulation & Enforcement | 1.6 | 0.0 | 1.6 | 1.2 | 0.0 | 0.0 | 1.6 |
| Highways Infrastructure | 4.7 | 0.0 | 4.7 | 1.2 | 0.0 | (1.4) | 3.3 |
| Total City Operations | 51.7 | 0.0 | 51.7 | 18.8 | (1.2) | (3.5) | 47.0 |
| City Housing | | | | | | | |
| Housing Options Service | 2.1 | 0.0 | 2.1 | 0.0 | 0.0 | 0.0 | 2.1 |
| HRA | 118.3 | 0.0 | 118.3 | 71.0 | 5.5 | 0.0 | 123.8 |
| Total City Housing | 120.4 | 0.0 | 120.4 | 71.0 | 5.5 | 0.0 | 125.9 |
| City & Municipal Development | | | | | | | |
| Planning & Development | 53.3 | 0.6 | 53.9 | 28.2 | 0.0 | 0.0 | 53.9 |
| Transport & Connectivity | 82.6 | 0.2 | 82.8 | 12.9 | (26.0) | (13.6) | 43.2 |
| Housing Development | 1.6 | 0.0 | 1.6 | 0.0 | 0.0 | 0.0 | 1.6 |
| Perry Barr Residential Scheme | 156.8 | 25.6 | 182.4 | 94.1 | 0.0 | 0.0 | 182.4 |
| Property Services | 60.6 | 0.0 | 60.6 | 4.3 | 0.0 | 0.0 | 60.6 |
| Total City & Municipal Development | 354.9 | 26.4 | 381.3 | 139.5 | (26.0) | (13.6) | 341.7 |
| Education & Skills | 46.9 | 0.0 | 46.9 | 15.7 | (9.0) | (3.0) | 34.9 |
| Adult Social Care | 9.6 | 3.9 | 13.5 | 7.7 | 0.0 | (0.7) | 12.8 |
| TOTAL | 754.7 | 30.3 | 785.0 | 302.9 | (45.6) | (31.3) | 708.1 |

Slippage in capital Programme (£31.3m) since Month 6

2.8. **Council Management** – net slippage of £10.5m

2.9. Gateway / Grand Central Residual Costs – acceleration of £4.7m.

The budget has been accelerated from 2022/23 to meet the cost of compensation payments made earlier than anticipated to ex-tenants of the former Pallasades Shopping Centre. In addition, solicitors have been engaged to provide legal advice regarding the ongoing negotiations with Network Rail.

2.10. Revenue Reform Projects – slippage of £15.4m

2.11. ICT - Slippage of £5.4m within 3 projects, Customer Programme slippage of £3.9m – this is due to spend being delayed pending Cabinet approval, now anticipated in December 2021. Cyber Security £1.1m slippage due to the forecast being reprofiled in line with current spending plans this does not have an impact on the service delivery or project costs. Insight Programme £0.4m slippage based on assumption that some infrastructure data storage spend will be utilised next year.

2.12. In addition £10m slippage within the Inclusive Growth Delivery Plan pending the identification of eligible projects within the current financial year. The forecast can be accelerated at a later date if necessary.

- 2.13. **City Operations** – slippage of £3.5m
- 2.14. **Waste Management Services** –Tyseley Energy recovery facility (ERF) Plant – Slippage of £2.1m
The Essential Programme for Tyseley ERF is a five year engineering programme, which has been reprofiled to ensure that it has no impact on the overall completion of the programme.
- 2.15. **Highways Infrastructure** – slippage of £1.4m
The slippage relates to a few projects that have been delayed until 2022/23 in the Flood Management programme. This is due to the Perry Barr & Witton and Bromford Flood Alleviation Schemes, and to take into account HS2 hydraulic modelling. Further announcements are expected from the Environment Agency as to the partnership funding arrangements and additional funding streams which could help make schemes ‘stack up’ for future outline business cases.
- 2.16. **City & Municipal Development** - slippage of £12.7m
- 2.17. **Birmingham City Centre Retail Core Public Realm** – slippage of £5.8m
Due to proximity of Commonwealth Games, a high level decision was taken to reduce the scope of works to avoid any clashes during the games. Works this year will include the fountain in Victoria Square being refurbished along with some minor cosmetic repairs in the area. The rest of the planned works will now take place after the Commonwealth Games.
- 2.18. **Brum Breathes & Route to Zero** – slippage of £4.2m
Slippage relates to spend against the original Mitigations Budget profile as a result of the delayed implementation of the Clean Air Zone (CAZ). This budget is also demand led with spend taking place after actions required are confirmed i.e. Taxi & HGV upgrades, Non-compliant Car Scrappage and support to encourage more use of Public Transport. As a result spend may accelerate before year end or have further slippage into next financial year.
- 2.19. **Active Travel** – slippage of £2.1m
The slippage relates to the Commonwealth Games Public Realm schemes - there have been delays in getting the full business case approved in 2021-22, this delay has had an impact on key milestones of the project. The works will be delivered in time for the Commonwealth Games, but construction has been pushed back to end of the financial year rather than starting in February 2022 as originally planned.
- 2.20. **Education & Skills** – slippage of £3m
- 2.21. **Schools Condition Allowance** – slippage of £3m
A combination of delays in Academisations and some of the final balances for Academy Conversions being lower than forecasted, this funding will be slipped into future years to support further conversions.
- Risks and Issues**
- 2.22. 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 continuously monitored.
- 2.23. **Dudley Road Scheme** – Levelling Up funding approved:
Delivery of the revised main scheme has been estimated at £20.7m. Levelling Up Funding of £19.9m was approved in October 2021. The revised funding structure, taking account of this grant allocation, has now been reflected within the capital programme and the scheme will progress to full implementation after the Commonwealth Games.

2.24. **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 8 is £3.3m. Currently this is forecast to spend below budget at £29.0m due to slippage of £17.1m - more detailed monitoring of this spend is provided in Table 4 below:

2.25. Table 7 – Flexible Use of Capital Receipts

| Capital Monitoring Period 8 2021-22 | | | | | | |
|--|--|---|--|--|--|---|
| Flexible Use of Capital Receipts | | | | | | |
| Directorate | (a) 2021/22 Period 6 Revised Budget | (b) Period 7 & 8 Budget Adjust's | (c) Period 8 Revised Budget | (d) 2021/22 Spend to Date | (e) Forecast Variation Period 8 | (f) 2021/22 Forecast Outturn |
| | £m | £m | (a+b) £m | £m | £m | (c+e) £m |
| Council Management Directorate: | | | | | | |
| Corporately Held Funds: | | | | | | |
| 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 | 0.0 | (1.0) | 0.1 |
| Customer Programme | 5.6 | 0.0 | 5.6 | 0.0 | (3.9) | 1.7 |
| 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 |
| Total Corporately Held | 43.7 | 0.0 | 43.7 | 2.9 | (16.3) | 27.4 |
| ICT & Digital Services: | | | | | | |
| ITD Transition Programme | 0.2 | 0.0 | 0.2 | 0.0 | 0.0 | 0.2 |
| Application Platform Modernisation | 1.7 | 0.0 | 1.7 | 0.4 | (0.5) | 1.2 |
| Networks & Security | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Insight | 0.1 | 0.0 | 0.1 | 0.0 | 0.0 | 0.1 |
| Field Work Project | 0.4 | 0.0 | 0.4 | 0.0 | (0.4) | 0.0 |
| Total ICT & Digital Services | 2.4 | 0.0 | 2.4 | 0.4 | (0.8) | 1.6 |
| TOTAL | 46.1 | 0.0 | 46.1 | 3.3 | (17.1) | 29.0 |

2.26. **Review of the Disposals Programme & Expected Capital Receipts** – The 2021/22 budgeted target of capital receipts is £100.0m. At present £46.7m 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) £17.2m against the £65m Asset Review programme and £29.5m against the Business as Usual programme. It should be noted that the disposals programme is back-end loaded meaning that majority 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.

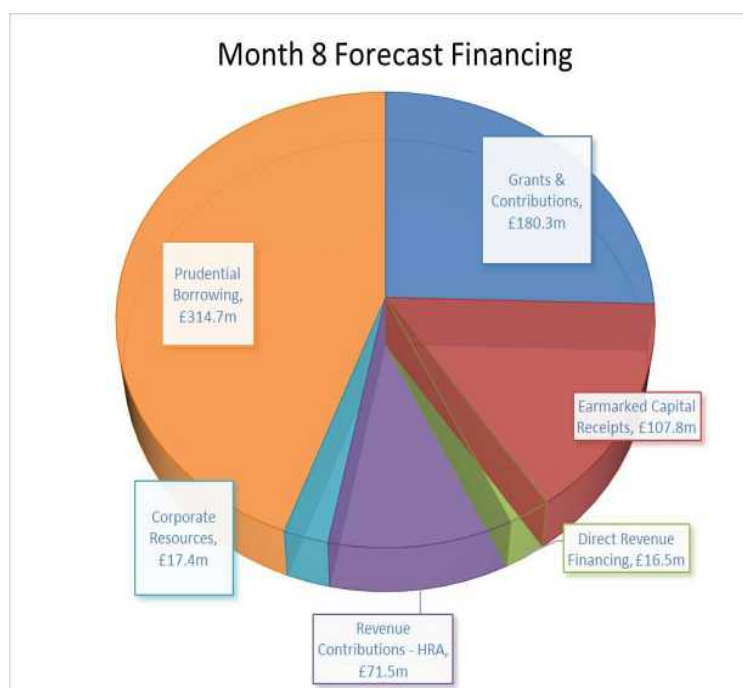
2.27. Table 8 – Capital and Disposals Programme 2021/22

| Capital Receipts & Disposals Programme 2021/22 | |
|--|---------------|
| | 2021/22 £m |
| Budget | 100.0 |
| Achieved at Month 8 | 46.7 |
| Further Anticipated Receipts | 53.3 |

Financing the Month 8 Forecast Outturn

2.28. The Month 8 forecast outturn will be financed as shown in the pie chart Table 6 –

Forecast Financing Chart - £708.1m



2.29. Table 9 Summary of Capital Funding Month 8 2021-22

**Summary of Capital Funding Month 8
2021-22**

| | General Fund £m | Housing Revenue Account £m | Total £m |
|---------------------------------------|--------------------|-------------------------------|----------------|
| Forecast Capital Expenditure | 584.3 | 123.8 | 708.1 |
| Forecast Funding: | | | |
| Grants & Contributions | (169.0) | (11.3) | (180.3) |
| Earmarked Receipts | (80.9) | (26.9) | (107.8) |
| Direct Revenue Funding - HRA | | (71.5) | (71.5) |
| Direct Revenue Funding – General Fund | (16.5) | | (16.5) |
| Corporate Resources | (17.4) | 0.0 | (17.4) |
| Prudential Borrowing | (300.5) | (14.1) | (314.6) |
| Total Funding | (584.3) | (123.8) | (708.1) |

3. Key Issues

Non Covid-19 Related Issues (Significant variance above £0.5m)

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

Education and Skills

- 3.3. At the end of Month 8, there is a forecast **overspend of £8.8m** relating to revenue budget non-Covid expenditure for the Directorate. This is £1.0m improvement **since Month 6**.
- 3.4. There is a forecast overspend for **Inclusion and SEND of £5.3m**. The forecast overspend is on Travel Assist made up of £3.9m transport costs and £1.4m on guides. The basis for projection is 2021/22 actual expenditure to date extrapolated for the remainder of the year. Management information on activity and costs is required for this projection to be more accurately refined. A project diagnostic group has now been established to calculate a more accurate projection during December 2021 ahead of quarter 3 budget monitoring reporting. The forecast on Travel Assist does not include the costs of transformation activity for which additional one-off funding of £2.7m has been approved by the Cabinet on 12 October 2021.
- 3.5. The council have terminated a contract with North Birmingham Travel, the additional cost of the alternative provider (procured at short notice and including set up costs) is estimated to be up to £3.3m (worst case). This additional cost of contract will be taken from the Financial Resilience Reserve. As costings become more certain they will be reported through the routine financial reporting updates to Cabinet.
- 3.6. In May 2021 Birmingham hosted Ofsted and CQC to conduct their Local Area SEND Revisit in order to establish if the partnership has made sufficient progress against the 13 areas of significant weakness identified in the 2018 inspection. The outcome of this revisit has now been published, with Birmingham making sufficient progress in 1 of the 13 areas of significant weakness. As a result of the revisit, there is a need for a SEND Improvement Programme for the city which will require significant one-off investment from the general fund, alongside ongoing investment from the High Needs Block (HNB) and General Fund to address capacity issues within the system. Cabinet approved in July 2021 extra funds to address the capacity issues and also a bid for one-off transformation costs was approved 12th October 2021 by Cabinet.

- 3.7. There is a forecast overspend for **Birmingham Children's Trust** is **£4.2m**, this is an improvement of £0.6m since month 6 details of overspend are as follows:
- 3.8. The outturn position for 2020/21 highlighted a cost pressure of £3.0m against placements which would carry forward into 2021/22. The latest position for the Trust is now forecast to overspend by £4.2m. There are pressure of £6.2m as shown below, which has been reduced by £1.9m (see paragraph 3.10 for more details).
- *£3.4m supported accommodation*
 - *£1.6m disabled children*
 - *£1.2m shortfall in contributions from partners*
- 3.9. 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.
- 3.10. Despite other pressures in the system, the Trust have achieved one-off mitigations, delivered savings and additional income which total £1.9m which reduce the overall forecast pressure to £4.2m.
- 3.11. 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
- 3.12. The Director of Council Management and the Director of Education and Skills have 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) will also support with work in this area. This work should conclude December 2021.

City Housing

- 3.13. At the end of Month 8, there is a forecast **overspend of £0.9m** relating to revenue budget non-Covid expenditure Homelessness Service. The overspend has increased by **£0.1m** since Month 6.

Housing General Fund projected year end £1.1m overspend:

- 3.14. 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. Current modelling assumes continuation of current demand levels of 20 per week until the end of December reducing to 15 per week until the end of March. This continues to be monitored. Resulting cost pressure is **£2.7m**. The major pressure is seen 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.
- 3.15. The service expects to deliver additional Hostel accommodation from February 2022 rather than December 2021. This will be 95 units rather than the previously reported 200

units from December. This is expected to reduce the overspend by **£0.3m**. There are a number of risks associated with the delivery of this project and any further delay will have a detrimental impact the forecast position.

- 3.16. Other mitigations have been explored generating a further underspend of **£1.3m**. This includes savings in procurement of commissioned services and alternative funding sources £0.4m, the implementation of a new contract for leased properties in February 2022 which will relieve the pressure on using night rate placements £0.3m and furniture and other underspends £0.6m.

City Operations

- 3.17. At the end of Month 8, there is a forecast underspend of £0.8m relating to revenue budget non-Covid expenditure for the Directorate. There has been an improvement of £1.6m since Month 6.

- 3.18. **Street Scene service** is reporting a forecast overspend of **£1.0m**, details of major variances are below:

- The Trade Waste Service forecast a shortfall of income of **£0.8m** as a result of losing a major contract. The service is working towards securing new clients to mitigate this pressure. Improvement of £0.4m since month 6 due to the Trade Waste Service securing new clients.
- The Waste Vehicle Garage service is forecasting an income shortfall of **£0.8m** 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 Month lapses, the Vehicle Garage service will be able to repair these vehicles where required.
- **£1.2m** maintenance and vehicle hire due to old and mechanically less reliable vehicles being past their natural life.
- The employee overspend has deteriorated and is forecast to be **£2.1m** overspent due to further delays in implementing the Street Scene Service re-design.
- **£0.4m** estimated costs of operating non-compliant vehicles in the Clean Air Zone (CAZ).
- There are a number of other minor pressures which when aggregated together total **£1.6m** overspend. This includes Non-delivery of savings relating to the disposal of parks land income and from commercial projects not being delivered in 2021/22 due to delays.
- The total overspends of **£6.5m** has been in part mitigated by underspend of £5.1m: **£3.6m** underspend 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.
£1.0m – Underspend with the Grounds Maintenance Service.
£0.5m additional income from Garden and Bulky Waste is anticipated.

- 3.19. **Neighbourhoods Service (projected year end £1.2m underspend):**

- 3.20. Underspend of £0.6m relating Community and Leisure facilities. The position has improved by removing the £0.4m previously reported pressure for the replacement of boilers in two Community Centres, the way forward for this will now be considered through the

appropriate spend control panel approval. There is additional income of £0.2m within Neighbourhood Advice Service, and £0.1m savings on prudential borrowing costs.

- 3.21. For month 8 there are further planned savings of £0.1m identified in respect of the Major Events budget and £0.1m relating to ward forums.
- 3.22. In addition there is a forecast net underspend within the City Centre Management Service, of £0.1m relating to an improved income position partly offset by a minor pressure on supplies related spend.

Adult Social Care

- 3.23. At the end of Month 8, the directorate has a **forecast an overspend of £0.1m** relating to revenue budget non-Covid expenditure. This is an improvement of £2.3m since Month 6.
- 3.24. **Packages of Care.** The Month 8 forecast is reporting an overspend of £1.9m for Older Adults (OA) driven by increased activity slightly offset by increased client income and a forecast underspend of £0.5m 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. The Better Care Funding (BCF) of £2.0m was added to the budget in month 8 to fund the Sevacare overspend.
- 3.25. **Community & Social Work Ops – (forecast zero variance at year end)** - The Service is currently reporting a nil variation.
- 3.26. **Commissioning – £1.0m underspend** – The Service is reporting an underspend against employees of £0.7m linked to vacancies across the team and recharge income against base budget funded posts. Recruitment plans are being discussed with relevant Head of Service and assumptions are currently that these will be filled within the next few months. There are also underspends of £0.3m against the overall third sector grant budget.
- 3.27. **Director – £0.4m underspend** – The service forecast an underspend of **£0.1m** due to reduced Access to Work and Professional Fees expenditure, together with **£0.2m** lower than anticipated Pensions Increase Act and annual pension costs for early retirement together with minor underspends of **£0.1m** against direct employees and non-pay budgets.

City & Municipal Development Directorate

- 3.28. At the end of Month 8, there is a forecast overspend of **£1.3m** relating to revenue budget non-Covid expenditure for the Directorate. There has been a deterioration of **£1.9m** since Month 6.
- 3.29. Property Services are now forecasting an overspend of £2.3m at year-end due to the inclusion of a commercial rent forecast based upon Quarter 2 actuals and Manhattan data for the remainder of the year of £2.9m (excluding Covid impact of £1.1m), an increase of £2.6m, despite an anticipated acquisition at year-end which will generate an additional £0.5m in 2021/22. To date, Property Services have been unable to confirm the forecast until improvements to Manhattan reporting had been completed in order to provide the necessary granularity on how and where any under recovery was emerging in comparison to 2020/21 actuals. At this point, although the Manhattan improvements have yet to be completed, Property Services acknowledge that the level of invoiced rent will not be at the level as last year due to disposals. However, there is a partial mitigation with an additional £0.8m of prudential borrowing fall-out from the former Working for the Future programme.

- 3.30. Furthermore, extended agency cover for vacant posts to end of December has increased by £0.2m with net income pressures from capitalisation and fees and charges of £0.3m.
- 3.31. The Transportation and Connectivity service is forecasting a year end underspend largely related to a £0.3m underspend on Integrated Transport Levy Payments (ITA Levy) to the West Midlands Combined Authority (WMCA) and £0.3m surplus in income from project officer recharges to Capital projects.

Council Management Directorate

- 3.32. At the end of Month 8, there is a forecast non covid **underspend of £3.7m**, (an improvement of £0.9m since Month 6).
- 3.33. 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 clawback 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
- 3.34. **Emerging Risks not included in Forecast**
- 3.35. There are a number of risks that are not included in the forecast outturn.
- 3.36. The Trade Unions have been offered a pay award of 1.75% by the Employer's side, although this has not been accepted. A potential pay award of 1.75% that could cost £8.3m has been built into the forecast. There is a risk that a higher pay award is agreed. Each extra 0.5% increase would cost £2.3m per annum.
- 3.37. There is a risk that savings that are rated as amber are not achieved in full

Other Risks that cannot be quantified

- 3.38. 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

- 3.39. The savings programme for 2021/22 of £36.7m of which £9.4m of savings is either at risk or undeliverable. £27.4m of the saving is either achieved or on target, which is 75% of the target with a further 18% (£6.5m) anticipated to be delivered. This represents an improvement of £7.6m saving that are delivered or on track since month 6.

Table 10 Summary of Saving programme.

| Directorate | Non-Delivery of Saving | | Saving at Risk | Saving Delivered and on Track | Total Saving |
|------------------------------|-----------------------------|---------------------------|----------------|-------------------------------|---------------|
| | Delayed Because of Covid-19 | High Risk & Undeliverable | | | |
| | £m | £m | £m | £m | £m |
| 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 | 0.031 | 3.038 | 3.385 |
| Education & Skills | 0.000 | 0.000 | 0.000 | 0.050 | 0.050 |
| City & Municipal Development | 0.322 | 0.329 | 0.156 | 0.238 | 1.045 |
| Corporate | 0.000 | 0.400 | 6.291 | 14.588 | 21.279 |
| Directorate Sub Total | 0.438 | 2.437 | 6.478 | 27.38 | 36.733 |

3.40. The **£36.7m** savings programme for 2021-22 is now showing **£27.4m** as delivered or on track.

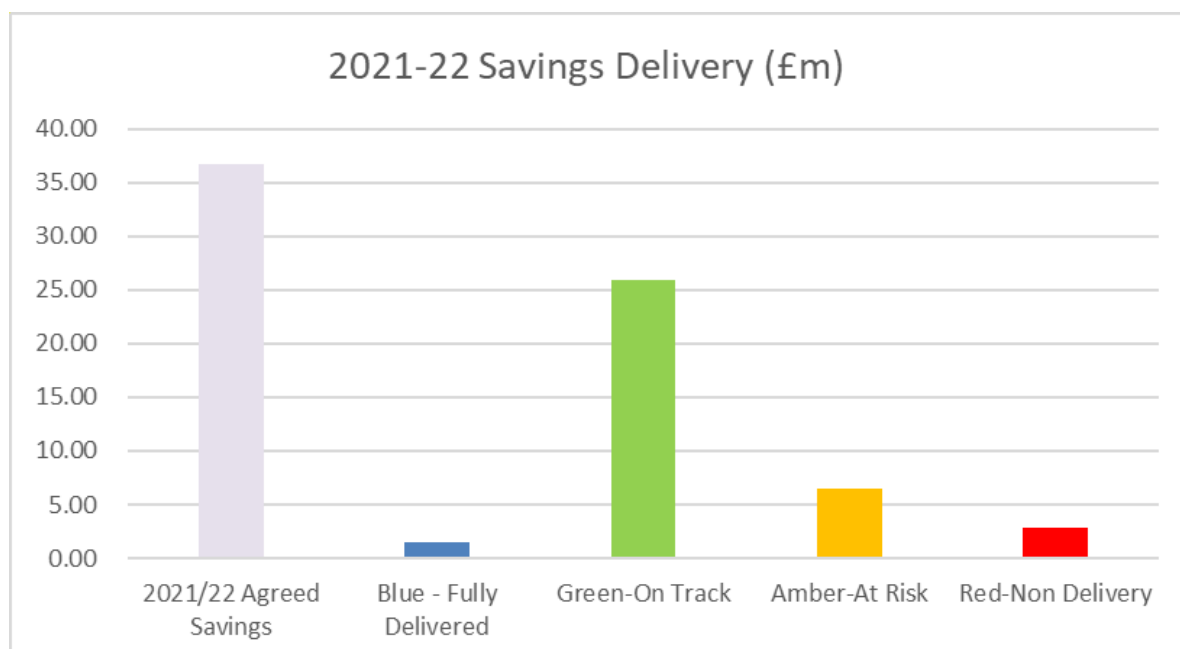
- **Corporate** has the largest saving target of £21.2m, of which 68% has been achieved, £14.5m is from the £20.1m establishment saving. The remainder of the saving is assessed as at risk £5.5m in the current financial year. None of the establishment savings are now considered unachievable.
- **Adult Social Care** has a saving target of £8.8m, 100% is either delivered or track to be delivered.
- **City & Municipal Development** has £1.0m savings target of which £0.2m has been achieved and the rest has been assessed as at risk or undeliverable.
 - **£0.3m** non-delivery of the commercial property rental growth saving due to Covid delay.
 - **£0.3m** non-delivery of Public Hub Programme; property related savings have been delayed due to Covid. Proposals now to be considered as part of programme of New Ways of Working however this is not anticipated to be deliverable in 2021/22.
 - **£0.2m** is at risk of non-delivery Capital receipts from disposals of ring-fenced commercial portfolio properties to mitigate future Central Admin Buildings (CAB) savings are being monitored for deliverability.
- **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 there is a risk this saving will not be achieved in 2021/22.
 - **£0.2m** Consultation of land sales saving will not be achieved in 2021/22.
 - **£0.2m** implementation of commercialisation programme (car parks) there is a risk this saving will not be achieved.
 - **£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 unlikely to be delivered.

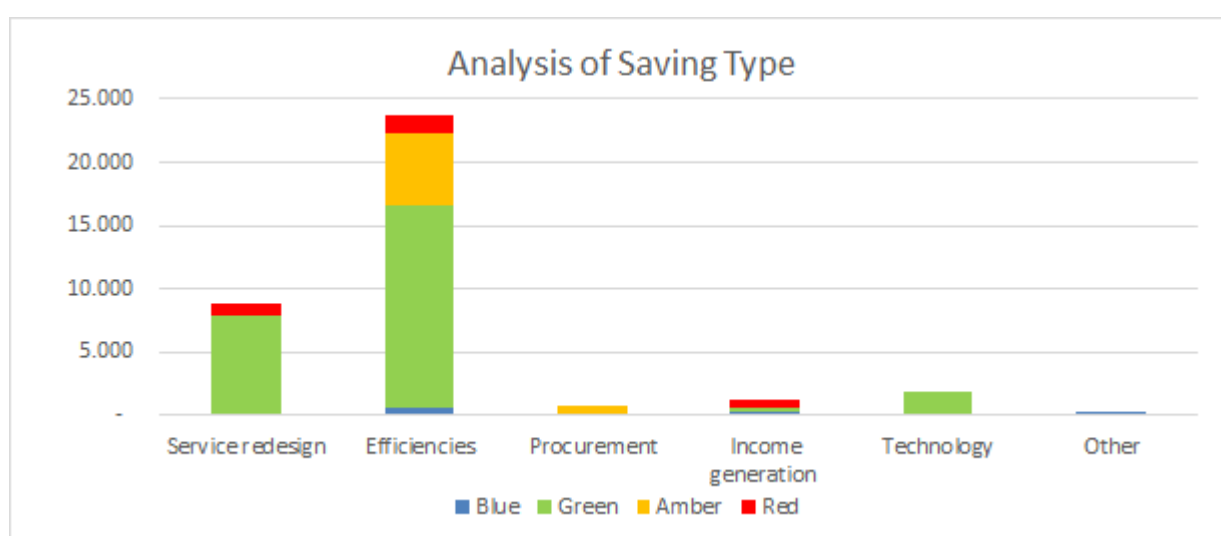
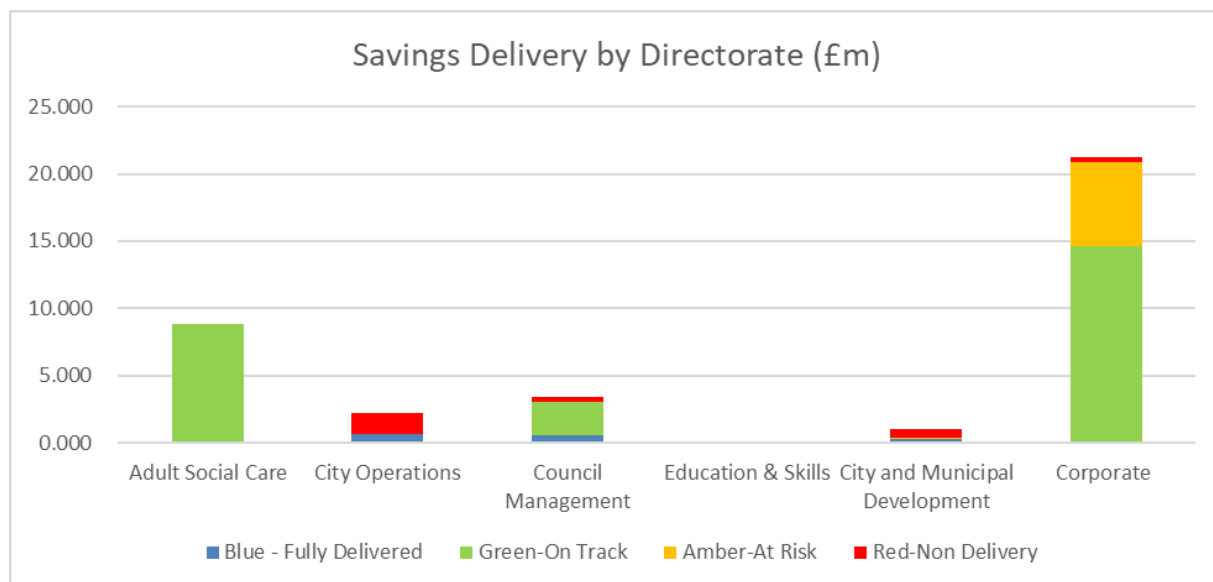
- Workforce related savings totalling **£0.2m** will not be achieved in 21/22 due to delayed restructure of the IT&D Service, however the service expects to mitigate this non delivery of savings via efficiency gains on other budget lines
- Covid-19 Related: Savings of **£0.1m** are considered unlikely 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

- £14.5m of establishment saving have been delivered and it is anticipated that the remaining £5.7m will be delivered.

| | Savings achieved at M6 | Further Savings estimated at P8 | Total |
|--|------------------------|---------------------------------|---------------|
| Directorate | £m | £m | £m |
| Adult Social Care | 5.695 | 0.000 | 5.695 |
| Education & Skills | 0.455 | 0.000 | 0.455 |
| City & Municipal Development | 1.152 | 0.000 | 1.152 |
| City Operations | 0.820 | 0.000 | 0.820 |
| City Housing | 1.182 | 0.000 | 1.182 |
| Council Management | 1.651 | 0.000 | 1.651 |
| Strategy, Equalities and Partnerships | 0.503 | 0.130 | 0.633 |
| Total Directorates | 11.458 | 0.130 | 11.588 |
| Unallocated Increment Budget remaining | 3.000 | 0.000 | 3.000 |
| Total | 14.458 | 0.130 | 14.588 |





Covid-19 Major Incident Financial Impact

- 3.41. The Council has carried forward £17.5m of un-ringfenced Covid-19 related grant funding from the government. In addition, there is an estimated £2.8m of income that can be reclaimed from the Governments Income loss scheme up to the scheme end on the 30th June.
- 3.42. The Council has funded £12.5m of covid pressures in the 2021/22 budget through the use of Tranche 5 of Government un-ringfenced grant funding.
- 3.43. £6.0m of Public Health Grant will be released to fund Covid related spending in 2021/22.
- 3.44. Ring-fenced grants for additional reliefs and support schemes are being spent on the additional measures set out in government guidance.
- 3.45. The summary in table 12 below sets out the forecast Covid-19 financial position at Month 8.

Table 12

| Table 11 : Forecast Covid-19 financial position | Covid cost £m |
|--|--------------------------|
| Directorate covid overspend | 26.548 |
| Corporate budgets overspend | 11.470 |
| Indirect Covid costs | 37.998 |
| Total Covid-19 overspend | 76.016 |
| Application of Tranche 5 Funding Budget 2021 | (12.515) |
| Covid grants carried forwards | (17.471) |
| Specific Grant Funding | (3.000) |
| Public Health Grant | (6.000) |
| Income compensation | (2.838) |
| Total Covid income | (41.824) |
| | |
| Net deficit | 34.192 |

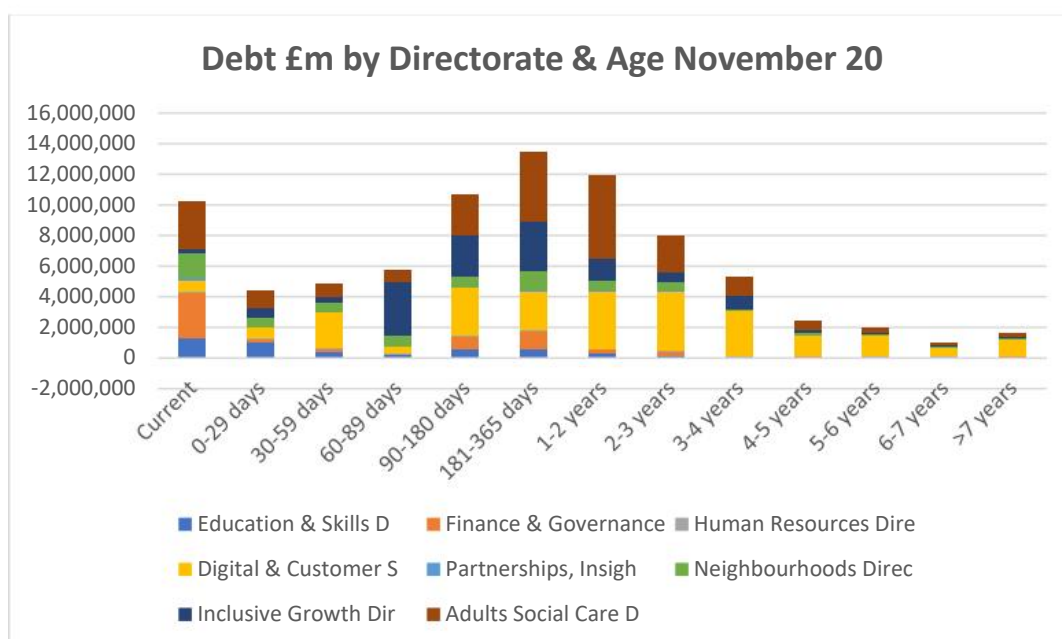
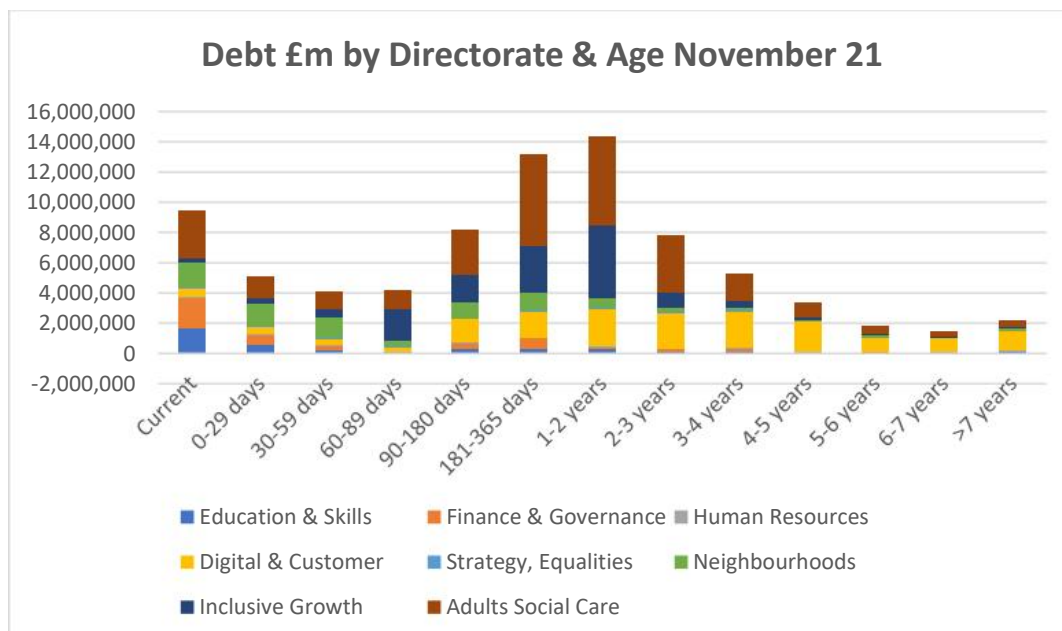
3.46. There are further Covid-19 financial risks which have been quantified at £5.0m which are around Adult Social Care.

4. Balance Sheet Section Borrowing

- 4.1. The annual cost of servicing debt represents approximately 27% of the budget. Gross loan debt is currently £3,170m, with the year-end projection likely to be 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 budget.
- 4.2. Positive cashflows within the local government sector mean that the Council's treasury investments remain temporarily higher at £123m 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. 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 November 21 stood at £76.1m. This was a decrease of £3.4m compared to end of November 20 when total debt was £79.5m.



- 4.4. The tables above show there are year on year decreases in all age bands up to 12 months overdue. Overall, these age bands are down by £5.4m. This positive position is due to the ongoing efforts to continually drive down the city's sundry debt.
- 4.5. The debts in the age band 1 – 2 years however show a year on year increase of £2.4m so there will be a continuation of the concerted effort and focus on these items. The factors contributing to this position include e.g. Government legislation / local decisions in place which are frequently reviewed.
- 4.6. 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

- 4.7. As at November 2021 the value of the top 50 aged debtors (+ 90 days) was £8.7m which is 10.6% of the total sundry debt. Analysis of this debt shows that £2.4m is highly likely to be or has been recovered, £4.90m is in the balance and £1.40m is high risk and unlikely to be or will not be recovered.

Table 13 – top 50 aged debtors

| RAG Summary | £m | No. debts |
|---|-------------|------------------|
| Highly likely to be or has been recovered | 2.40 | 10 |
| In the balance | 4.90 | 28 |
| Unlikely to be or will not be recovered | 1.40 | 12 |
| TOTALS | 8.70 | 50 |

4.8. The profile of the £8.7m is spread across directorates as shown in table below

Table 14 – Top 50 debts by department

| Directorate | Value £m | Nature of debts |
|----------------------|-------------|--|
| Adult Social Care | 4.0 | Residential care provision & NHS contributions |
| Finance & Governance | 0.5 | Suppliers of meals & the schools receiving meals |
| Inclusive Growth | 3.8 | Commercial property rents & development charges |
| Neighbourhoods | 0.2 | Market rents & supplies to contractors |
| Education | 0.1 | NHS recharges |
| Digital & Customer | 0.1 | Overpaid Housing Benefit |
| TOTAL | 8.70 | |

4.9. Action plans have been recorded 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.

| | |
|--------------------|---|
| To | Resources O&S Committee |
| Date | 20 January 2022 |
| Report from | Guy Olivant – Major Developments Lead, Council Management Directorate |
| Subject | Commonwealth Games – Funding Update |

1 Purpose of Report

- 1.1 The Resources Overview & Scrutiny Committee requested an “update on the Financing of the Commonwealth Games, with a particular focus on the position regarding partner contributions - what was initially agreed, how is this being pursued and the contingency plans if the partner funding is not forthcoming”. This report therefore provides an update to this Committee on the anticipated costs and funding of the Commonwealth Games, and in particular focusses on the current status of partner funding contributions.

2 Background

- 2.1 The overall budget for the delivery of the Games (excluding specific BCC responsibilities as set out in the Host City Contract, but including capital expenditure associated with the Alexander Stadium and Sandwell Aquatics Centre) has been set at £778million (net of sponsorship and commercial income). This overall budget is jointly funded by Birmingham City Council (including Partner Contributions) and central Government (through DCMS), with the Council contribution calculated as £184.2million.
- 2.2 The Council’s planned contribution of £184.2million is a blend of revenue and capital funding, and includes all capital elements of the overall Games costs from 2019/20, followed by a balancing revenue “top up” funding contribution in the final year of the programme, in order to maximise the Council’s flexibility in identifying suitable sources for its funding commitments and minimise the direct revenue costs of hosting the Games.
- 2.3 This report provides an update on the core Games budget of £778million with a particular focus on the Council’s funding contribution, including contributions from partners.

3 Overall Games Budget

- 3.1 The overall Games budget of £778million (net of commercial and sponsorship income) covers the core costs of putting on the Games, the costs of a number of key capital projects (including contributions towards the cost of the Sandwell Aquatics Centre and the full cost of the redevelopment of the Alexander Stadium) and the costs of providing a safe and secure environment for the Games, as agreed in the Host City Contract. At this stage, only 6 months before the Opening Ceremony, financial projections across the Games

Partners continue to show an expectation that the Games will be delivered within the agreed budget even after the disruption caused by COVID-19 and the UK's exit from the EU, although it should be acknowledged that much of the revenue expenditure will only be incurred much closer to Games time.

- 3.2 The overall budget setting process included a robust challenge process. The overall £778million budget includes suitable levels of contingency funding that may only be drawn down following explicit approval through a robust change control process. The budget also includes efficiency targets where appropriate to the nature of individual budget areas. In particular, it should be noted that the level of contingency attached to capital projects and Organising Committee expenditure was set at 20% when the budget was agreed in June 2019.
- 3.3 A series of Funding Agreements are in place to manage the various funding flows between Games Partners, and to ensure that funding is only provided in accordance with the overall Games budget and governance framework. In particular, it should be noted that the overarching Funding Agreement between the Council and DCMS acknowledges the Council's contribution at no more than £184.2million. By 31 March 2022, it is anticipated that the Council will have contributed some £141million of this overall commitment, with the balance of £43million to be incurred in 2022/23.

4 Council Contributions

- 4.1 Based on the overall approved budget for the Commonwealth games and the provisions of the Funding Agreements referred to in paragraph 3.3, the net contribution from the Council and our funding partners will not exceed the lower of £184.2million or 25% of eligible expenditure (eligible expenditure excludes certain costs included in the overall budget of £778m, that are 100% funded by DCMS). The phasing of the Council's anticipated contributions will vary to match actual expenditure, but is anticipated to be as follows:

| Year | 2018/19 £'m | 2019/20 £'m | 2020/21 £'m | 2021/22 £'m | 2022/23 £'m | Total £'m |
|---------|----------------|----------------|----------------|----------------|----------------|--------------|
| Revenue | 2.156 | | | | 36.853 | 39.009 |
| Capital | 1.552 | 11.447 | 47.765 | 78.388 | 6.007 | 145.189 |
| Total | 3.708 | 11.447 | 47.765 | 78.388 | 42.860 | 184.198 |

5 Identified Partner Contributions

- 5.1 As has been previously reported to this Committee, the Council's initial expectation was that partner funding contributions towards the Council's £184.2m share of the cost of the Games would be secured to the value of at least £75million, including contributions from the West Midlands Combined

Authority, regional LEPs, local Universities and the Midlands Engine.

- 5.2 Despite extensive engagement over a number of years at both political and senior officer levels, to date it has only been possible to secure partner contributions amounting to £50million, with secured contributions from the West Midlands Combined Authority (£25million), Greater Birmingham & Solihull LEP (£20million) and Community Infrastructure Levy (£5million). It is anticipated that the entirety of this contribution will have been drawn down by 31 March 2022. Given the substantial impact on public finances as a result of the COVID-19 pandemic in particular, it is considered extremely unlikely that any further partner contributions will be secured.
- 5.3 In recognition of the increasing likelihood of a £25million shortfall in partner funding contributions, Cabinet agreed on 27 July 2021 that this amount should be set aside from the overall Corporate Capital Contingency (established as a part of the Financial Plan 2021-25 as approved at the Council Meeting held on 23 February 2021) to mitigate the risk of this funding shortfall and ensure that the Council's commitments under the terms of the Host City Contract could continue to be met, and to ensure that the delivery of the capital investment required for the Games was not undermined.

1B Programme

Resources Overview & Scrutiny Committee Update

20th January '22



Programme Dashboard

James Couper



1B Programme Dashboard January 2022

SRO:

Becky Hellard

Prog Director:

James Couper

Previous RAG
(Dec)

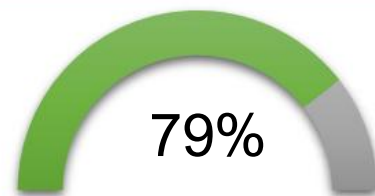
Overall RAG
(Jan)



3 Month Forward Plan

| Jan | Feb | March |
|----------------|------------------------|----------|
| UAT2 - Finance | | GOLD ADJ |
| DM3 | Trial Cutover DM | |
| PCT2 | PCT3 (4wk) | |
| | 22A Regression Testing | |

Completion percentage



| Programme controls | Previous RAG | Current RAG |
|--------------------|--------------|-------------|
| Time | | |
| Costs | | |
| Resources | | |
| Benefits | | |

| Breakdown | R | A | G |
|--------------|---|---|---|
| Previous RAG | 0 | 9 | 6 |
| Current RAG | 0 | 8 | 6 |

| Workstream | Previous RAG | Current RAG |
|-------------------------------|--------------|-------------|
| Outbound Integrations | | |
| Reports Development | | |
| Testing | | |
| HR & Schools | | |
| Finance | | |
| Business Change | | |
| Data Migration (Egress) | | |
| Service Transition | | |
| PaaS extensions | | |
| Payroll | | |
| P2P | | |
| Inbound Integrations | | |
| Architecture & Infrastructure | | |
| Cutover | | |

Summary Update

- The programme continues to report an amber status and forecasts to do so given the high complexity and risk across data migration and outbound integrations delivery between now and the planned April Go-Live.
- The current data migration cycle is concluding with the final object in ERP due to load this week. The cycle has shown high load rates but the process, and particularly the number of files provided, and time taken to turnaround, has been poor.
- HR & Payroll, and P2P have successfully exited UAT2 and defects will be resolved by the end of the month. Finance entered UAT2 this week due to the dependency on availability of PaaS extensions. This is due to complete at the end of this month.
- Trial cutover approach and dates have been agreed and this will commence on 19th January. The cutover plan is being agreed and the dates the organisation will have to undertake change chills and freezes will be communicated.
- We are once again going out to wider stakeholders to undertake a Business Readiness Assessment which will be the final time we do so before Go-Live. Engagement and communications plan for the run up to Go-Live is in place with significant activity planned.
- The dates for a trail cutover period have been agreed and the schedule of events for managing this is taking good shape. Early in the New Year, we will be communicating the dates to prepare for organisational chill and freeze periods across our planned cutover.
- There remains a high volume of Change Requests. The target is to close these out by the end of the month and we are now in a programme change freeze until Go-Live. Anything else will be added to the ERP Roadmap and picked up after Go-Live.

Return to Green Plan

1. Completion of outbound integrations development (Jan '22)
2. Resolution of outstanding DM3 defects (mid Feb '22)
3. Completion of UAT2 for Finance & UAT defects resolved for HR, Payroll & P2P or clear plan to resolve in place (28 Jan '22)
4. Completion of PCT3 with acceptable exit criteria (end of Feb '22)

Commercial Priorities

Procurement activity for:

1. End user training (Jan '22)
2. Invoice scanning (Jan '22)
3. Oracle Support & Maintenance (Feb '22)
4. Data Archiving (Mar '22)

High volume of CCNs are being progressed across the programme

| | | | | | |
|-----------------------------|---|---------|---|-----------|---|
| Management Support Required | R | At risk | A | On target | G |
|-----------------------------|---|---------|---|-----------|---|

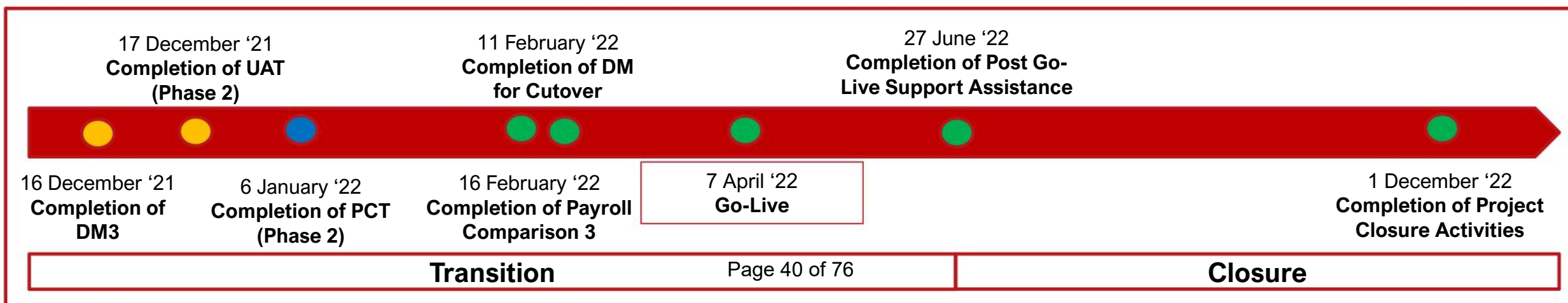
| | | | | | |
|-----------|---|-----------|---|--------|---|
| Improving | ↗ | Worsening | ↘ | Stable | → |
|-----------|---|-----------|---|--------|---|

Making a positive difference every day to people's lives

Page 39 of 76

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 | A | • Trial Balances remaining to load |
| 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 | A | • Finance due to complete UAT2 by 28/1 |
| ERP MS07 | Completion of Payroll Comparison 2 | 06/01/22 | 06/01/22 | C | • Extended due to availability of clone |
| ERP MS08 | Completion of Payroll Comparison 3 | 16/02/22 | 16/02/22 | G | |
| ERP MS10 | Completion of Data Migration for Cutover | 11/02/22 | 18/02/22 | G | • Dress Rehearsal dates confirmed |
| ERPMS11 | Go-Live – Finance and Procurement, HR and Payroll (PPR, Go-Live) | 07/04/22 | 07/04/22 | 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 | |



Flash Reports

James Couper



| Area | Finance | P2P | HR | Payroll |
|-------------------|--|---|--|--|
| Testing | <ul style="list-style-type: none"> ▪ UAT1 exited on 17th December ▪ UAT2 to be run between 10th and 28th January ▪ Defects remain for Finance. 39 of these are with BCC for re-testing and the majority relate to PaaS extension | <ul style="list-style-type: none"> ▪ UAT2 exited on 17th December ▪ All 11 defects to be resolved by 28th January ▪ Items dependent on Outbound integrations to be tested once available | <ul style="list-style-type: none"> ▪ UAT2 exited on 17th December ▪ All 44 defects to be resolved by 28th January ▪ A number of HR solution components remain to be validated. | <ul style="list-style-type: none"> ▪ UAT2 exited on 17th December ▪ All 16 defects to be resolved by 28th January ▪ Payrolls have met 85% exit criteria. Externals payroll has not yet met 85% exit criteria in PCT3. |
| Data Migration | <ul style="list-style-type: none"> • 30 objects loaded successfully but a number of iterations • Trial Balances to be completed 14th January • Final defect numbers are pending | <ul style="list-style-type: none"> • 36 objects loaded successfully but only 9 files loaded in a single iteration • 32 defects raised | <ul style="list-style-type: none"> • Completed on 22nd December. • 65 objects loaded successfully, 11 files required multiple iterations • 162 defects raised | |
| Solution Delivery | <ul style="list-style-type: none"> • Parking permit integration (new) • Alignment of cost centre hierarchy between HR & Finance | <ul style="list-style-type: none"> • Invoice scanning procurement underway • IDR solution development | <ul style="list-style-type: none"> • Pay Award and Pay Progression being developed – for completion by end of January. • Schools Workforce Census configuration pre Go-Live. Data post Go-Live • UiPath DoR solution – end of January | <ul style="list-style-type: none"> • Pay Award and Pay Progression being developed – for completion by end of January. • Absence in assignment level re-test • MCR solution to be assessed |

| Area | Finance | P2P | HR | Payroll |
|---------------------------|--|---|---|---|
| Integrations & Extensions | <ul style="list-style-type: none"> Outbound interfaces – 17 in total: 3 in development with Evosys and 14 in business testing PaaS Extensions – 19 in total: 18 in UAT, 1 in development with Evosys and due 12th Jan (Sourcing Automation) and 1 dependent on Oracle SR (AR Instalment Plan Maintenance) | | <ul style="list-style-type: none"> WMJobs priority movers with Equest is outstanding | <ul style="list-style-type: none"> PaaS Extension for BRS (Bank Reconciliation) due for 2nd Feb for UAT |
| Transition | <ul style="list-style-type: none"> Hypercare strategy sign off Support procedures and service design package sign off PBCS and Interface Support Procedures | <ul style="list-style-type: none"> Hypercare strategy sign off Support procedures and service design package sign off | <ul style="list-style-type: none"> Hypercare strategy sign off Support procedures and service design package sign off | <ul style="list-style-type: none"> Hypercare strategy sign off Support procedures and service design package sign off |

Risk & Issue Update

James Couper



1B RAID Dashboard January 2022

| | Open Risks | Open Issues |
|----------|------------|-------------|
| December | 43 | 7 |
| January | 36 | 6 |









Summary Update

- Once again, good progress is being made on resolution plans against risks and issues. Fortnightly meetings with all workstream leads continue to support close out of these in a timely manner.
- HR is still carrying the highest number of risks but as the remaining items in their solution are resolved this will fall by the end of the month.
- Service Transition and Business Change have seen increases in severity of their open risks and issues as would be expected at this stage of the programme. The high rated items from this area are on the next page for information only.

| Function | No Of Risks | No Of Issues | Total |
|-----------------------|-------------|--------------|-----------|
| HR | 5 | 0 | 5 |
| Architecture | 2 | 2 | 4 |
| Service Transition | 3 | 1 | 4 |
| Business Change | 4 | 0 | 4 |
| Config & Build | 3 | 0 | 3 |
| Finance | 3 | 0 | 3 |
| Infosec | 3 | 0 | 3 |
| P2P | 3 | 0 | 3 |
| Programme | 1 | 2 | 3 |
| Outbound Integrations | 1 | 1 | 2 |
| Data Migration | 2 | 0 | 2 |
| Reporting | 2 | 0 | 2 |
| Testing | 2 | 0 | 2 |
| Cut-Over | 2 | 0 | 2 |
| Total | 36 | 6 | 42 |

| Risks | | Assumptions | | Issues | | Dependencies | |
|-------|-------------|-------------|--------|--------|-------------|--------------|--------|
| 36 | | 5 | | 6 | | 15 | |
| LEVEL | | | | | | | |
| 4 | Very High | 0 | High | 1 | Very High | 2 | High |
| 14 | High | | | 4 | High | | |
| 6 | Medium | 0 | Medium | 1 | Medium | 8 | Medium |
| 12 | Low | | | 0 | Low | | |
| 0 | Very Low | 5 | Low | 0 | Very Low | 5 | Low |
| TREND | | | | TREND | | | |
| 13 | ▼ Declining | | | 2 | ▼ Declining | | |
| 17 | ◀▶ Stable | | | 3 | ◀▶ Stable | | |
| 6 | ▲ Improving | | | 1 | ▲ Improving | | |

Risk & Issues Update

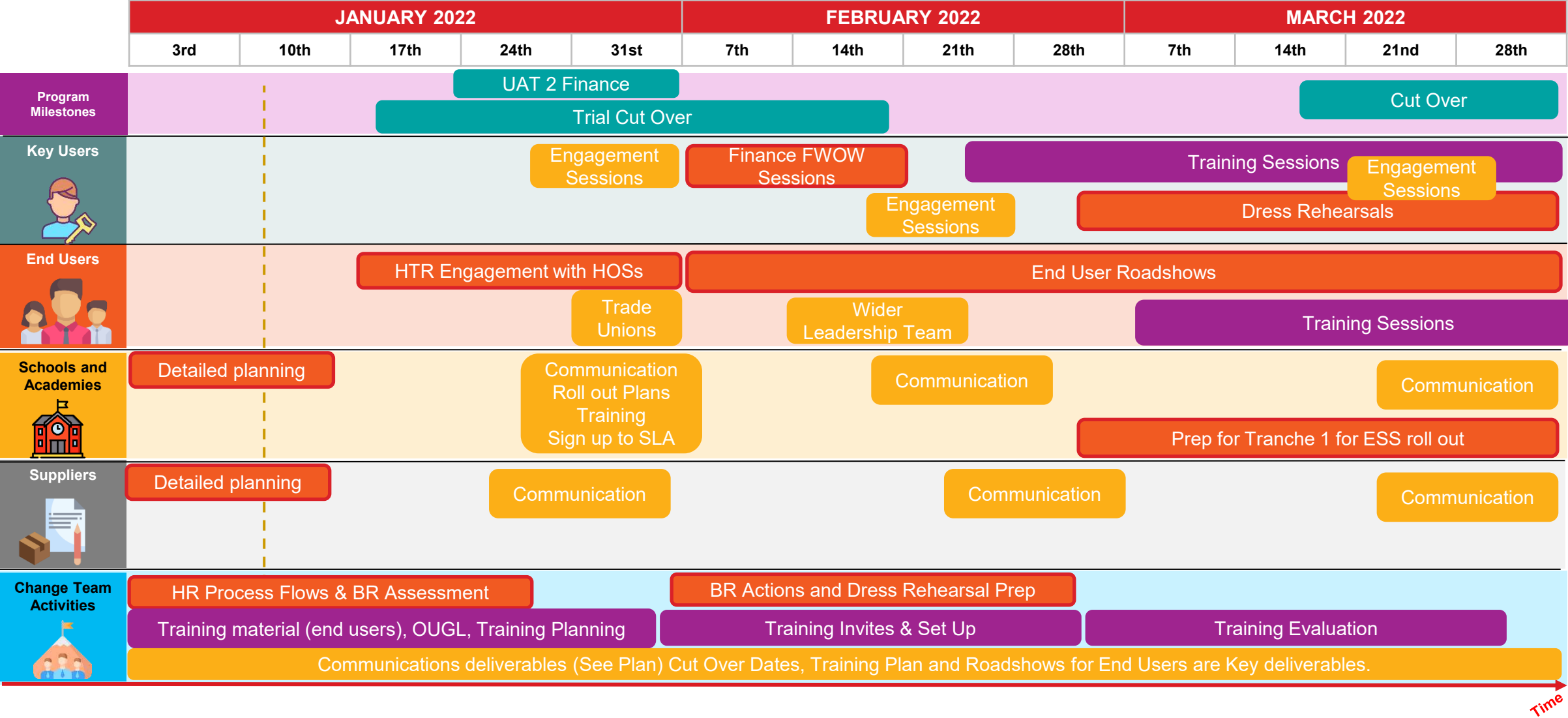
| R/I/D | Risk description | Likelihood / Impact | Mitigation plan & Update |
|-------|--|--|---|
| R | Preparedness of support team to take on 1B solution A lack of engagement with the BAU support team who will take on responsibility for administering. IT&D Support Team will not have the necessary experience and skills to run with this from Go-Live in April '22 |   | 1. A knowledge transfer plan is being drafted 2. Involvement in 22A release management to shadow Evosys needs to happen imminently 3. A Managed Service Provider is being procured to provide support to IT&D Team |
| R | Roles Design Roles and security design and build contains potential gaps and conflicts and will impact effective operation management. |   | 1. Session held to review the number of roles. 1000 in total, c.600 are schools, 150 are PaaS related. 2. Activity added to ERP Roadmap to rationalise schools and PaaS and review remaining design complexity (Post Go-Live) 3. All new roles or amendments to existing roles are under freeze and exceptions need to be approved at CAB |
| R | Complexity of change environment 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 |   | 1. Communications and Engagement Plan on agenda for Steering Committee to support with key message definition 2. Sessions being held to align messages with in-flight change programmes 3. Roadshow and Engagement events planned including Extended CLT in February |
| I | Changes being requested of solution There have been a number of changes requested to designs, requirements or configurations after agreed dates for sign-offs. This has an impact on ability to test solution and resource allocation. |   | 1. Moratorium on changes being requested put in place 2. Review and prioritisation of current RFC pipeline to establish critical items vs. items for ERP Roadmap (w/e 5/11) 3. Evosys undertaking review of RFCs to determine capacity to implement |

User Adoption

Georgia Thwaites



Adoption & Engagement Plan



Key Focus Areas



CLT/DMT

Plan to attend Wider Leadership Team mid Feb to do a whole council Senior Leadership update.

Need to land key change messages associated with 1B.



Trade Unions

Presented an update in November 2021, inc Hard to Reach.

Plan to reattend through January –early Feb when we have cut over dates and more detail on Training



Suppliers

Supplier Working Group producing detailed plan on the basis of the decision to soft launch the Portal in April – moving towards No Po no Pay and mandatory use of portal by December 2022



Schools

Engagement sessions for Schools took place in December.

Share details of roll out plan for ESS (April through June) and plan for code changes later in January



Corporate Users

Business Readiness Actions for each process in place, BR Assessment analysis being completed – results to next Steer Co.

Need to put in place regular meetings with BR Leads, SMEs to drive readiness actions now testing is coming to a close.

Deployment Readiness

James Couper



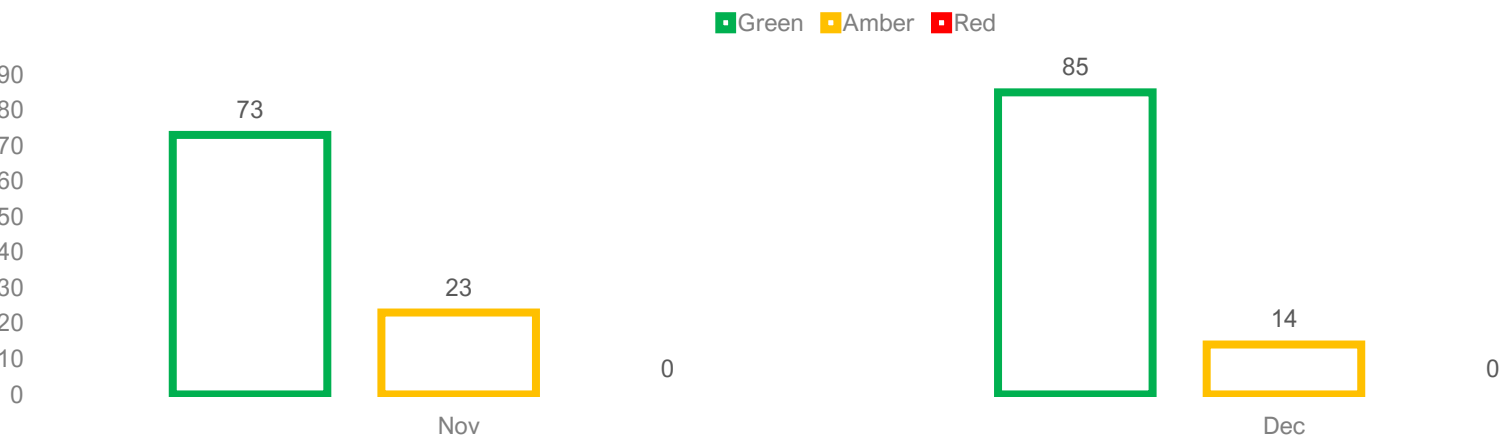
1B Deployment Readiness Assessment

Summary

- Good progress has been made this period. The programme is currently reporting a GREEN on the readiness to deploy. There is only one dimension with an overall AMBER rating and the majority of these actions are associated with known risks with the support organisation to take on the service. The on-boarding of an MSP will be helpful but the amount of work still needing to be done remains high.
- There remains uncertainty around the approach and timing for decommissioning of the legacy service and data. The procurement activity for the solution was put on hold by the business.



RAG Status (Nov to Dec)



| | |
|-------|--|
| Green | Majority green and on-track with max 2 amber |
| Amber | More than 3 Amber |
| Red | More than 2 red |

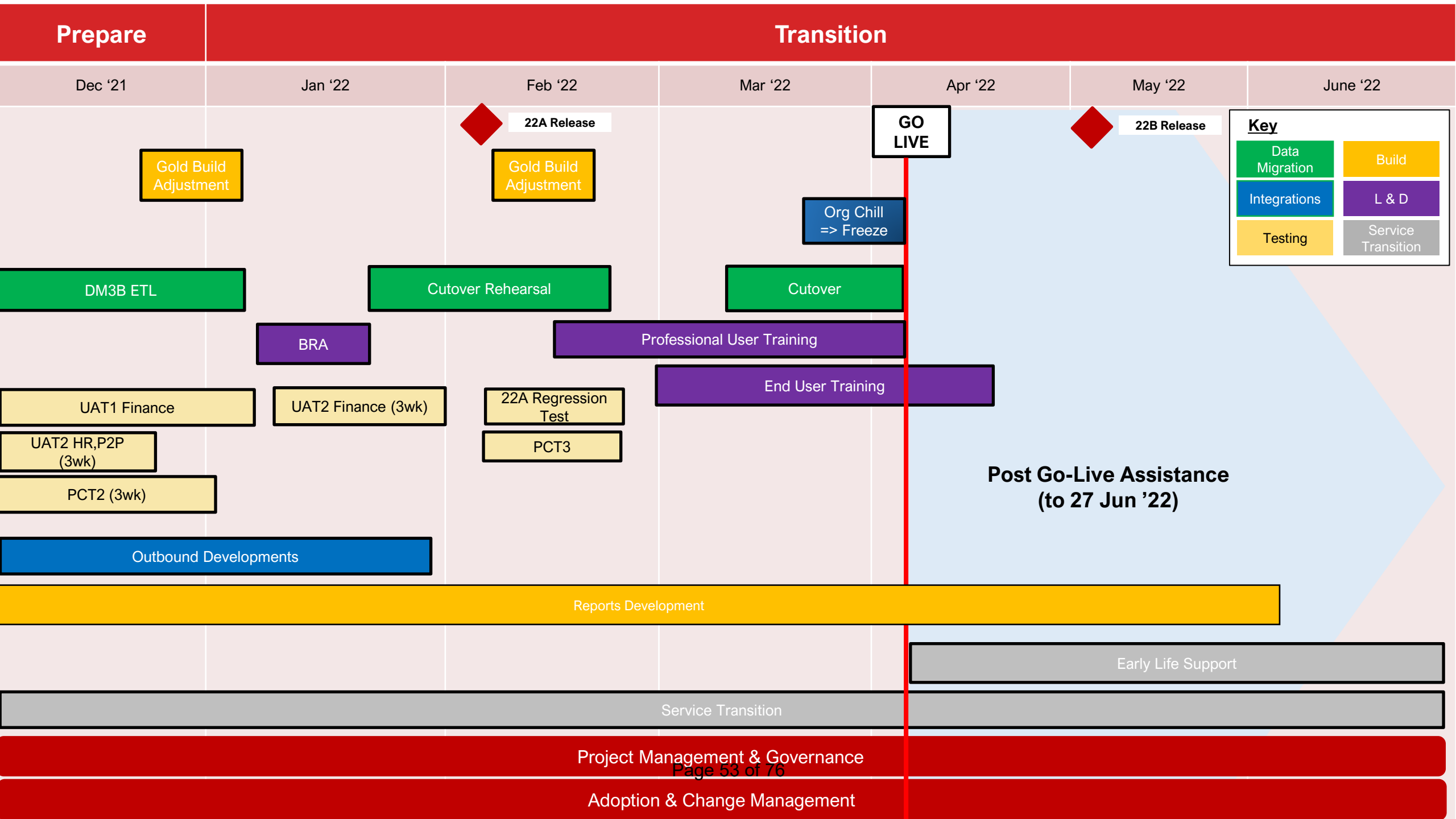


For the full list of criteria and links to the dashboards from the December assessment click [here](#)

Appendices

Plan on a Page
Budget position
Background
Glossary





Budget position

| Activities | 21/22 Forecast | | 22/23 Forecast | | Total |
|----------------------------|----------------|-----------|----------------|---------|-------------|
| Resources | | | | | |
| PMO | £ | 3,957,387 | £ | 986,628 | £ 4,944,015 |
| ITDS | £ | 1,512,682 | £ | 294,192 | £ 1,806,874 |
| BCT | £ | 475,000 | £ | - | £ 475,000 |
| Providers | | | | | |
| SOCITM | £ | 929,840 | £ | 232,460 | £ 1,162,300 |
| Egress | | | | | |
| Extension | £ | 1,381,654 | £ | 169,500 | £ 1,551,154 |
| Evosys/Insight | | | | | |
| CCN | £ | 55,350 | | | £ 55,350 |
| Extension | £ | 1,219,873 | £ | 926,127 | £ 2,146,000 |
| SAP | £ | 1,216,000 | £ | - | £ 1,216,000 |
| Licences | | | | | |
| Oracle Fusion | £ | 1,609,938 | £ | 804,969 | £ 2,414,908 |
| Evosys Workforce Scheduler | £ | - | £ | - | £ - |
| OTL | £ | 192,683 | £ | - | £ 192,683 |
| PS Live | £ | 16,500 | £ | - | £ 16,500 |

| Activities | 21/22 Forecast | | 22/23 Forecast | | Total |
|-------------------------|----------------|------------|----------------|-----------|--------------|
| BDA | £ | 2,337,373 | £ | - | £ 2,337,373 |
| Other | | | | | |
| Training | £ | - | £ | - | £ - |
| Procurement | £ | - | | | £ - |
| Audit | £ | - | | | £ - |
| Backfilling staff | £ | 1,350,000 | | | £ 1,350,000 |
| Miscellaneous | £ | 296,000 | | | £ 296,000 |
| Totals | £ | 16,550,280 | £ | 3,413,877 | £ 19,964,157 |
| Contingency | £ | 35,843 | | | £ 35,843 |
| Total Requested in MTFS | £ | 16,586,123 | £ | 3,413,877 | £ 20,000,000 |
| Reserves | | | | | |
| 19/20 Contribution | £ | 1,450,255 | | | £ 1,450,255 |
| 20/21 Contrbution | £ | 1,920,844 | | | £ 1,920,844 |
| Total | £ | 3,371,099 | | | £ 3,371,099 |

- To note - underspend has decreased by £616k from last month. This is due to a £236k Capita data centres picked up from ITDS which was agreed before current programme management arrangements
- There is also increased Egress costs and a rise in employee costs in 22/23, particularly in ITDS.

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

Report to Cabinet

Date: 18th January 2022



Subject: **PLANNED PROCUREMENT ACTIVITIES (FEBRUARY 2022 – APRIL 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

| | | |
|---|---|---|
| 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 February 2022 – April 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 February 2022 – April 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 February 2022 – April 2022
- 2. Appendix 2 – Background Briefing Paper
- 3. Appendix 3 – Exempt Information

APPENDIX 1 – PLANNED PROCUREMENT ACTIVITIES (FEBRUARY 2022 – APRIL 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 | Valuations of the Council's Assets | TBC | There is a requirement for the Council to value its assets by a Royal Institute of Charter Surveyors (RICS) registered valuer primarily for a five-year rolling programme to enable the annual accounts to be completed and also other reasons including insurance purposes and viability of ownership. The assets to be valued are the land and buildings. | 5 years | Planning, Transport and Sustainability | Leader | Carl Tomlinson | Allyson-Marke Wilson / Charlie Short | 21/02/2022 |
| Single Contractor Negotiations | Local Authority Asylum Seeker Liaison Project: Advice and Support for Asylum Seekers and Refugees | TBC | The provision of information and advice to new refugees who are required to exit Home Office accommodation in Birmingham following a positive asylum decision. The information and advice include: financial management, welfare & benefits, housing, education, English for Speakers of Other Languages (ESOL), employment, community safety and modern slavery. | 1 year, 9 months | Adults and Social Care | Adults Social Care and Health | Andrew Healey | Bethany Finch / Marie Kennedy | 01/03/2022 |
| Approval to Tender Strategy | Resettlement & Integration Services for Refugees | TBC | Resettlement and integration support services for refugees who are living in Birmingham as part of the Home Office Resettlement Schemes and who have been in the UK for at least one year already. The services include welfare and tenancy support, mental health awareness, employability services and Birmingham navigators. | 3 years with break clause after year 2 | Adults and Social Care | Adults Social Care and Health | Andrew Healey | Bethany Finch / Marie Kennedy | 01/03/2022 |
| Strategy / Award | Bristol Road Enhancement Scheme Works | TBC | There is a requirement for delivery of civil engineering works for the Bristol Road Enhancement Scheme. Work involves: <ul style="list-style-type: none"> Downgrading the Bristol Road local centre from 4 lanes to 2 lanes. New carriageway markings and signs Implementing a bi-directional cycle lane along the Bristol Road Selly Oak local centre from Chapel Lane junction to Grange Road. Other public realm improvement works such flush surfacing entry treatments at side roads Footway buildouts to regulate on-street parking bays | 6 months | Planning, Transport and Sustainability | Transport and Environment | Carl Tomlinson | Faisal Ishaq / Charlie Short | 01/03/2022 |
| Strategy / Award | Provision of IT Consultancy support in respect of Delivery of the Customer Services Programme and Digital Strategy | TBC | Provision of ongoing delivery support from a multidisciplinary team as part of digital delivery of the Customer Services Programme. | 1 year with option to extend for a further 12 months | Digital and Customer Services | Deputy Leader | Lee Bickerton | James Gregory / Jamie Parris | 07/02/2022 |
| Approval to Tender Strategy | Webcasting Council Meetings | TBC | The provision of Webcasting Infrastructure and Services in the Council House. This includes web streaming and webcasting council member meetings at the Council house, including the refresh of existing Audio Visual (AV) hardware systems and infrastructure. | 3 years with option to extend for a 2 further 12 months | Digital and Customer Services | Deputy Leader | Lee Bickerton | Sharon I Richards / Barry Greenwood | 21/02/2021 |
| Approval to Tender Strategy | Specialist Adult Social Care Training | TBC | There is a requirement for training for the Council's adults social care workforce, which includes all staff within Directorate e.g., Commissioning, Client Financial Services and internal provider support services, to support their learning and development needs. | 4 years | Adults and Social Care | Adults Social Care and Health | Andrew Healey | Patricia Daley / Marie Kennedy | 21/02/2021 |

APPENDIX 2

BRIEFING NOTE ON PLANNED PROCUREMENT ACTIVITIES CABINET – 18TH JANUARY 2022

| | |
|--|---|
| Title of Contract | Valuations of the Council's Assets |
| Contact Officers | Director / Assistant Director: Kathryn James - Assistant Director, Property Client Officer: Allyson-Marke Wilson / Azmat Mir Procurement Officer: Charlie Short, Procurement Manager |
| Briefly describe the service required | There is a requirement for the Council to value its assets by a Royal Institute of Charter Surveyors (RICS) registered valuer primarily for a five-year rolling programme to enable the annual accounts to be completed and also other reasons including insurance purposes and viability of ownership. The assets to be valued are the land and buildings. Valuations should be in accordance with the CIPFA Code and the relevant guidance issued by the RICS. |
| What is the proposed procurement route? | A further competition exercise will be undertaken using the Crown Commercial Service Estate Management Services Framework Agreement. |
| What are the existing arrangements? Is there an existing contract? If so when does that expire? | The current contract awarded under Chief Officer delegated authority expires in December 2022. This period enables any final account external audit enquiries to be finalised. |
| 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 this demonstrated there is not the capacity within the Council to undertake this service. |
| How will this service assist with the Council's commitments to Route to Zero? | The specification will require the successful tenderer to minimise their travel to deliver the service. |
| Is the Council under a statutory duty to provide this service? If not what is the justification for providing it? | There is a not a statutory duty for this service to be delivered. However, the valuation service supports the production of the Council's final accounts. |
| What budget is the funding from for this service? | The service is funded from the Acquisitions and Valuations Business Centre (RDFVA L680 A00) budget. |
| Proposed start date and duration of the new contract | The proposed start date is 1 st April 2022 for a period of 5 years. |

| | |
|--|--|
| Title of Contract | Local Authority Asylum Seeker Liaison Project: Advice and Support for Asylum Seekers and Refugees |
| Contact Officers | Director / Assistant Director: Graeme Betts, Director Adults Social Care Client Officer: Bethany Finch Procurement Officer: Marie Kennedy |
| Briefly describe the service required | The provision of information and advice to new refugees who are required to exit Home Office accommodation in Birmingham following a positive asylum decision. The information and advice include financial management, welfare & benefits, housing, education, English for Speakers of Other Languages (ESOL), employment, community safety and modern slavery. |
| What is the proposed procurement route? | To enter into single contractor negotiations with Refugee & Migrant Centre Black Country & Birmingham. |
| What are the existing arrangements? Is there an existing contract? If so when does that expire? | The service is currently being provided through a partnership agreement with the Refugee & Migrant Centre in an EU funded project "Foundation for Integration" that expires on 31 st July 2022. |
| 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 this service. However, the service supports preventing crisis and destitution at the point at which the Home Office makes a positive grant of refugee status for an asylum seeker living in Birmingham and that individual then has 28 days only to leave their Home Office accommodation in the city and to establish a means of income. |
| 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)? | As a result of a market investigation there is only one contractor that can meet the Council's requirement for this service. The reason is that the Refugee & Migrant Centre Black Country & Birmingham is the only provider in the city who can deliver the full scope of the service required due to the range of multiple languages required. Value for money will be achieved by ensuring that negotiations are in line with the per capita tariff value of previous arrangements. Deviation from this is limited within the scope of the available budget. The value will be below the threshold of £200,000 for the BBC4SR to apply however, the requirement to pay the Real Living Wage will apply. |
| What budget is the funding from for this service? | This will be funded from external funding – Home Office grant received for refugee resettlement. |
| Has the In-House Preferred Test been carried out? | Yes, and this demonstrated there is not the ability within the Council to undertake this service. |
| How will this service assist with the Council's commitments to Route to Zero? | The specification will require Refugee & Migrant Centre Black Country & Birmingham to minimise their travel to deliver the service. |
| Proposed start date and duration of the new contract | The proposed start date is 1st August 2022 for a duration of 21 months. |

| | |
|--|---|
| Title of Contract | Resettlement & Integration Services for Refugees |
| Contact Officers | Director / Assistant Director: Graeme Betts, Director Adults Social Care Client Officer: Bethany Finch Procurement Officer: Marie Kennedy |
| Briefly describe the service required | Resettlement and integration support services for refugees who are living in Birmingham as part of the Home Office Resettlement Schemes and who have been in the UK for at least one year already. The services include welfare and tenancy support, mental health awareness, employability services and Birmingham navigators. |
| What is the proposed procurement route? | An open procurement exercise will be undertaken advertised on In-tend, Find a Tender Service, Contracts Finder and www.finditinbirmingham.com . |
| What are the existing arrangements? Is there an existing contract? If so when does that expire? | There are currently four contracts in place to deliver each of the services described above awarded under Chief Officer delegated authority. Two are due to end on 31 st June; one is due to end on 10 th May 2022 and the fourth is due to end on 31 st January 2023. |
| 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 this demonstrated there is not the ability within the Council to undertake this service. |
| How will this service assist with the Council's commitments to Route to Zero? | The specification will require the successful tenderer to minimise their travel to deliver the service. |
| 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, there is a duty of care to provide these services to the citizens until 2026. |
| What budget is the funding from for this service? | This is funded by the Home Office Grant. |
| Proposed start date and duration of the new contract | The proposed start date is 11 th May 2022 for a duration of 3 years with a break clause after year 2 subject to satisfactory performance and budget availability. The requirement will be tendered by lot with each service area being called off after the expiry of the existing contract. |

| | |
|--|--|
| Title of Contract | Bristol Road Enhancement Scheme Works |
| Contact Officers | Director / Assistant Director: Philip Edwards, Assistant Director, Transport and Connectivity Client Officer: Faisal Ishaq Procurement Officer: Charlie Short |
| Briefly describe the service required | <p>There is a requirement for delivery of civil engineering works for the Bristol Road Enhancement Scheme. Work involves:</p> <ul style="list-style-type: none"> • Downgrading the Bristol Road local centre from 4 lanes to 2 lanes. New carriageway markings and signs • Implementing a bi-directional cycle lane along the Bristol Road Selly Oak local centre from Chapel Lane junction to Grange Road. • Other public realm improvement works such flush surfacing entry treatments at side roads • Footway buildouts to regulate on-street parking bays. <p>A contract will not be entered into until approval of the Full Business Case, planned in April 2022.</p> |
| What is the proposed procurement route? | A procurement exercise below the works procurement threshold will be undertaken advertised on www.finditinbirmingham.com and Contracts Finder. |
| 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 ability to undertake works. |
| How will this service assist with the Council's commitments to Route to Zero? | The service supports the Birmingham Transport Plan's policies such as reallocating road space and prioritising active travel in local neighbourhood. |
| 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 this service. However, the works will improve active travel choices by creating a cycle link between the Birmingham Cycle Revolution (BCR) A38 blue cycle route with the recently upgraded Chapel Lane junction. |
| What budget is the funding from for this service? | This is a named project within the Transport and Highways Capital Programme approved by Cabinet on 9 February 2021. Entering into contract will be subject to gaining the necessary approvals on funding. |
| Proposed start date and duration of the new contract | The proposed start date is 1 st September 2022 for a duration of up to 6 months. |

| | |
|--|---|
| Title of Contract | Provision of IT Consultancy support in respect of Delivery of the Customer Services Programme and Digital Strategy |
| Contact Officers | Director / Assistant Director: Peter Bishop, Director of Digital and Customer Services Client Officer: James Gregory Procurement Officer: Jamie Parris |
| Briefly describe the service required | Provision of ongoing delivery support from a multidisciplinary team as part of digital delivery of the Customer Services Programme. The 3 rd party Consultant will provide upskilling, knowledge transfer, professional development and delivery support to the Customer Services and Digital Strategy Programmes.. |
| What is the proposed procurement route? | The proposed procurement route is to carry out a direct award to Methods Business and Digital Technology Ltd using the Crown Commercial Services Framework Agreement. There is an urgent need for delivery of transformation programmes by utilising an incumbent trusted provider who have been central to the production of the Digital Strategy, have built strong relationships with the IT&D teams and are also working across other associated programmes (Insights, Front Door, Digital Strategy, West Midlands Placement Portal). |
| 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)? | No applicable. |
| Has the In-House Preferred Test been carried out? | Yes. The supplier will be used to augment BCC internal resource capability and capacity; and will continue to affect a skills transfer that has already started. Existing internal capacity and capability is not yet mature enough to achieve the set objectives alone. |
| How will this service assist with the Council's commitments to Route to Zero? | Not applicable – IT Consultancy Services. |
| Is the Council under a statutory duty to provide this service? If not, what is the justification for providing it? | There is no statutory duty nor legal duty to provide this Consultancy Service. |
| What budget is the funding from for this service? | Customer Programme and IT&D capital allocation. |
| Proposed start date and duration of the new contract | The proposed start date will be from February 2022 at the latest for a maximum duration of 12 months with the option to extend for a further 12-month period. |

| | |
|--|---|
| Title of Contract | Webcasting Council Meetings |
| Contact Officers | Director / Assistant Director: Peter Bishop/Rob Connelly (AD Governance) Client Officer: Sharon Richards Procurement Officer: Barry Greenwood |
| Briefly describe the service required | The provision of Webcasting Infrastructure and Services in the Council House. This includes web streaming and webcasting Council meetings at the Council House, including the refresh of existing Audio Visual (AV) hardware systems and infrastructure. |
| What is the proposed procurement route? | To undertake an open procurement process advertised on Find a Tender, Contracts Finder and www.finditinbirmingham.com . |
| What are the existing arrangements? Is there an existing contract? If so when does that expire? | The previous contract with Civico expired in June 2021. This was not renewed as the Council House was no longer in use due to the refurbishment. The infrastructure that is owned by the Council is now very old and no longer supported. |
| 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? | N/A, as this is the replacement of a hardware required to provide webcasting services in the Council House. Cannot be provided in house. Voyager search undertaken. Specialist technology is required for this solution and there is no contract currently in place with a supplier which could be utilised. |
| How will this service assist with the Council's commitments to Route to Zero? | Implementing technology to support hybrid meetings and streaming of meetings for City Council, Cabinet and committees contributes to reducing the number of journey's required relating to those meetings (reduction in traffic). |
| 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 service is required because formal meetings have been webcast in Birmingham since 2012 and has become the norm during the pandemic. Members are expecting a full webcasting service on return to the Council House in May 2022. |
| What budget is the funding from for this service? | This is funded by ITDS capital monies. |
| Proposed start date and duration of the new contract | The proposed start date is 1 st May 2022 for a period of 3 years with the option to extend for further 2 x 12-month periods. |

| | |
|--|---|
| Title of Contract | Specialist Adult Social Care Training |
| Contact Officers | Director / Assistant Director: Graeme Betts. Director Adult Social Care Client Officer: Patricia M Daley Procurement Officer: Marie Kennedy |
| Director / Assistant Director | Graeme Betts. Director Adult Social Care |
| Briefly describe the service required | <p>There is a requirement for training for the Council's adults social care workforce, which includes all staff within the Directorate e.g., Commissioning, Client Financial Services and internal provider support services, to support their learning and development needs. The learning and development services also provides workforce development opportunities for the wider private, voluntary and independent sector organisations, plus, direct payment recipients and Personal Assistants. The Service also has responsibility for providing support to non-commissioned services and self-funders in certain instances. The training is commissioned according to the lots stated below e.g., learning and development for:</p> <ul style="list-style-type: none"> • constituency teams • mental health • social care and health • leadership and management • safeguarding |
| What is the proposed procurement route? | The contract will be advertised in Find a Tender, Contracts Finder and www.finditinbirmingham.com . and a tender process will be commenced using the open procurement route. |
| What are the existing arrangements? Is there an existing contract? If so when does that expire? | The existing contract is due to expire on 31 st March 2022 which was approved under Chief Officer delegation. |
| 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? | The existing model is a mix of in-house and a supplementary framework. It would be inefficient to deliver the whole service in -house due to the fluctuation in demand and some specialisms. |
| How will this service assist with the Council's commitments to Route to Zero? | Evidence will be sought as part of the Procurement Process to indicate the relevant areas that can be applied, e.g. R20 Action Plan Chapter 15 -Supply Chain. |
| 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 Council has a legal responsibility to ensure that statutory training is provided to the adults social care workforce including the wider workforce. |
| What budget is the funding from for this service? | This will be funded from the Learning and Development budget. |
| Proposed start date and duration of the new contract | The proposed start date is 1 st April 2022 for a duration of 4 years. |



Resources O&S Committee: Work Programme 2021/22

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|---------------------------|--|
| Chair | Councillor Mohammed Aikhlaq |
| Deputy Chair | Councillor Barbara Dring |
| Committee Members: | Councillors David Barrie, Meirion Jenkins, Majid Mahmood, Shafique Shah, Paul Tilsley and Lisa Trickett |
| Committee Support: | 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 |
|--|--|--|
| 24 June 2021 1400 hours Informal Online Meeting 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 |
| 22 July 2021 1400 hours Deadline for reports: 13 July 2021 | Financial Monitoring 2021/22 - Quarter 1 / Month 3 | Rebecca Hellard, Interim Director of Council Management |
| | ERP Update | Rebecca Hellard, Interim Director of Council Management/Peter Bishop, Director of Digital and Customer Services/James Couper, ERP Programme Director |
| | New Ways of Working | Peter Bishop, Director of Digital and Customer Services/Robin Burton, Programme Manager – New Ways of Working |



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|--|---|--|
| 9 September 2021 1400 hours Informal Online Meeting 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 |
| 7 October 2021 1400 hours 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"> • People Services Transformation Programme • Update on Interims & Consultants | Tim Normanton, Acting AD, HR |
| 25 November 2021 1400 hours 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 |
| 20 January 2022 1400 hours 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 |
| 10 February 2022 1400 hours Deadline for reports: 1 February 2022 | Financial Monitoring 2021/22 – Quarter 3/Month 9 | Rebecca Hellard, Director of Council Management |
| 24 March 2022 1400 hours Deadline for reports: 15 March 2022 | Financial Monitoring 2021/22 – Month 10 | Rebecca Hellard, Director of Council Management |
| | ERP Update | James Couper, ERP Programme Director |
| 28 April 2022 1400 hours 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 Invest to Save initiatives

4 Other Meetings

Task & Finish: Commercial Governance

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|------------------|------------------|
| 9 September 2021 | Informal Session |
| 18 November 2021 | Informal Session |
| 21 December 2021 | Informal Session |
| 20 January 2021 | Informal Session |

Call-in

Petitions

None scheduled

Councillor Call for Action requests

None scheduled

5 Forward Plan for Cabinet Decisions

| | | |
|-------------|----------------------------------|-----------|
| 009029/2022 | Council Tax Tax-base for 2022/23 | 18 Jan 22 |
| 009031/2022 | Draft Financial Plan 2022-2026 | 08 Feb 22 |

| Leader | | |
|-------------|--|-----------|
| 009030/2022 | Business Rates Income 2022/23 | 18 Jan 22 |
| 009664/2022 | Disposal of Council Owned Land at Bordesley Park | 18 Jan 22 |
| 009035/2022 | Financial Monitoring Report Quarter 3 2021/22 | 08 Feb 22 |
| 007884/2020 | Proposed Compulsory Purchase Order – Digbeth & Allison Street, Birmingham for the Beorma Quarter Development | 22 Mar 22 |
| 009552/2022 | Proposed Compulsory Purchase Order – Princip Street Development | 22 Mar 22 |
| 008303/2021 | Asset Review – Multi-storey car park, Brunel Street, Birmingham | 22 Mar 22 |
| 009663/2022 | Promotion of Council Owned Land within Bromsgrove | 22 Mar 22 |
| 009692/2022 | Sale of Land at Redfern Road, Tyseley | 22 Mar 22 |
| 009239/2021 | Disposal of Murdoch and Pitman, 153-161 Corporation St, Birmingham | 17 May 22 |



| Cabinet Member for Finance and Resources | | |
|---|---|-----------|
| 008907/2021 | Gas and Power Procurement Strategy | 18 Jan 22 |
| 009648/2022 | Increasing Contract Value – Financial Reporting – Delivery Support, Technical and Strategic Advice Contract | 18 Jan 22 |
| 009688/2022 | Outline Business Case – Birmingham Museum and Art Gallery works funded by MEND fund | 22 Mar 22 |

| Cabinet Member for Homes and Neighbourhoods | | |
|--|---|-----------|
| 009665/2022 | Housing Revenue Account – Business Plan/Rent Setting Capital Investment | 08 Feb 22 |

| Cabinet Member for Street Scene and Parks | | |
|--|-------------------------------------|-----------|
| 007349/2020 | Waste Vehicle Replacement Programme | 22 Mar 22 |