

# BEST VALUE COMMISSIONERS

## Improvement and Recovery Board

19<sup>th</sup> June 2024, 13:30 – 15:30

Council House, Room 2

### Board Members

Max Caller, Commissioner  
John Coughlan, Commissioner  
Chris Tambini, Commissioner  
Myron Hrycyk, Commissioner  
John Hutton, Political Adviser  
John Biggs, Political Adviser  
Councillor John Cotton, Leader  
Councillor Sharon Thompson, Deputy Leader  
Councillor Karen McCarthy, Cabinet Member for Finance and Governance  
Councillor Roger Harmer, Leader, Liberal Democrat Group  
Councillor Ewan Mackey, Deputy Leader, Conservative Group  
Graeme Betts, Acting Chief Executive  
Fiona Greenway, Interim Director of Finance and S151 Officer  
Rishi Shori, Acting Deputy Chief Exec & Director of Intervention Response  
John Quinn, Interim Chief Operating Officer  
Mohammed Sajid, Assistant Director, Finance  
Steve Muldoon, Finance Business Partner  
Tom Smith DLUHC Chief of Staff  
Lyuba Donskaya, DLUHC Chief of Staff  
Ruth Miller, DLUHC Chief of Staff team  
William Moody, PA, Commissioners Support Team

### Apologies

Pam Parkes, Commissioner  
Jackie Belton, Commissioner  
Cllr Robert Alden, Leader, Conservative Group

### 1 Welcome & Introductions

1.1 Max Caller, Lead Commissioner & Chair, welcomed everybody to the meeting and introductions were completed.

### 2 Previous Minutes

2.1 The minutes of the previous meeting were approved by the board and confirmed as an accurate record of the last meeting.

### 3 Board Updates and Mins

3.1 Finance - the minutes of the finance boards which had taken place since the last IRB was approved by the board.

3.2 Business Transformation Board - the minutes of the Business Transformation Boards which had taken place since the last IRB was approved by the board.

### The Commissioners:

Max Caller CBE, John Coughlan CBE, Chris Tambini, Pam Parkes FCIPD, Jackie Belton, Myron Hrycyk, Lord John Hutton, John Biggs.

- 3.3 Equal Pay Board - the minutes of the Equal Pay Boards which had taken place since the last IRB were approved by the board.
- 3.4 Governance Board - the minutes of the Governance Boards which had taken place since the last IRB were approved by the meeting. John Coughlan updated the meeting that BCC has got to move from a stabilisation plan to a governance improvement plan. This work was ongoing.
- 3.5 City Housing Board – the minutes of the City Housing Boards which had taken place since the last IRB were approved by the board.

#### **4 Improvement and Recovery Programme Update**

- 4.1 John Quinn, Chief Operating Officer, updated the board that his team have looked at the staging of the 166 savings initiatives and categorised these based on the size and challenge of delivery. The categories have associated actions against them. Category 1 savings are reviewed by the CPMO and Finance. Category 2 is also assessed by the CPMO and Category 3's are assured by Finance Business Partners. The reporting of the CPMO will be over three phases, all the 166 initiatives will be reported on at the end of Q1. At the end of Q2 additional savings will be added. John Quinn outlined the amber savings within the pack alongside the unmitigated savings of 1.3m – some of which are one-offs. The first round of reporting will be routed via the directorate boards, to CLT, EMT and then the IRB.
- 4.2 The team are looking at technological solutions for reporting as it is currently an intensive manual process. There is a shortfall forecast of approximately 1.3 million at this stage and CLT understand the need to be able to find the mitigating savings.
- 4.3 A new change control process has been implemented to manage new savings which will be reported back.
- 4.4 Max Caller, Lead Commissioner & Chair, advised the council that he is concerned that there are several risks and issues which need to be dealt with by the organisation to deliver the Improvement and Recovery plan. There isn't much space to create new activities and there is not the management capacity to oversee it. There is currently a big risk around PFI. The judgement was clear at judicial review. The council have got to think about how highways services are going to be run and work alongside the WMCA. As a wider observation, the council needs to ensure that timings for consultations are built into the overall savings programme to eliminate slippage. The council also needs to start presenting next year's savings to Cabinet to ensure that there are no missed opportunities. The figures will be updated each cycle and will be scrutinised. This enables the council to communicate with members earlier in the process.
- 4.5 Chris Tambini, Commissioner, noted that there are currently 14m of the 150m savings marked amber and queried what BCC is doing to get them back on track. The council advises that actions from amber risk-rated savings are taken through CLT and then mitigations are put forward to relieve the pressure in other areas.
- 4.6 Max Caller, Lead Commissioner & Chair, advised that the council are required to go back to Cabinet with substitutes for the red and amber savings if they are not to be delivered to comply with the terms of the financial support.
- 4.7 Commissioners raised concerns about the slow pace given the precarious position the council is in. It was felt that there was slippage in procurement, and this is a massive area where the council could be delivering savings without impact on services. The board were assured that the Interim Director of Procurement was working hard with her team to present a paper in July on how BCC was going to find savings within the procurement processes.
- 4.8 Graeme Betts, Acting Chief Executive, feels the council is making positive changes, however, some of the challenges take longer to overcome and it is felt that the council has been in a period of 'firefighting' and trying to ensure that emerging issues have been dealt with systematically. Overall, however, the council feels the culture is improving and people are putting forward savings proposals with conversations around savings becoming much more mature.

- 4.9 John Coughlan, Commissioner felt that there are encouraging signs and progress is being made. However, there seems to be evidence of a lack of urgency among officers with areas identified where the council could have gone further faster. It is felt that officers are not acknowledging the gravity of the budget concerns and feeling they have more time to deliver which is a luxury the council does not have.
- 4.10 Commissioners also advised the council that political risks also need to be taken into consideration.

## **5 Improvement and Recovery Programme Budget Progress 24/25/26**

- 5.1 Commissioners raised concerns about the progress of this year's and next year's budget. They are concerned that assumptions are being made that the government might approve another 9.9% increase in council tax and exceptional financial support. The council needs to plan for uncertainty as this may not occur.
- 5.2 Fiona Greenway, Interim Director of Finance and S151 Officer, presented the council's latest progress on the budget. Both she and her team have been very clear that if changes need to be made to savings identified, these need to be recorded.
- 5.3 For the 25/6 budget Commissioners have been clear that the council must assume that additional exceptional financial support cannot be granted. There is currently £117m which needs to be found to fund the gap for this financial year and the council is currently £26m short. For the 26/7 financial year, £80m is required of which approximately £10-15m has been found. The council appreciates the amount of work required to find these additional savings and officers are being pushed hard to identify these savings across directorates. The council will be running budget assurance sessions whilst observing that numbers can move quickly.
- 5.4 The board agreed that there needs to be a joint political and officer statement reinforcing the message surrounding the budget and the council's financial position to the wider workforce.
- 5.5 The summer will be used to conduct due diligence with the savings proposals and the council needs an overarching idea or vision to protect frontline services.
- 5.6 The board agreed that both the current leadership and political leadership need a strong working relationship with the incoming Managing Director and need to be in a position where she can press forward when she arrives.

## **6 AOB**

None.

## **7 Date of next meeting**

17<sup>th</sup> July 2024 at 2pm.