

BEST VALUE COMMISSIONERS

Finance Board

Wednesday 24 July 2024, 2.00-4.00pm

Council House Room 125

Board Members

Chris Tambini, Commissioner & Chair
John Biggs, Political Advisor
Pam Parkes, Commissioner
Graeme Betts, Acting Chief Executive
Tom Smith, DLUHC Chief of Staff
Mohammed Sajid, Head of Financial Strategy
Fiona Greenway, Director of Finance & S151 Officer
Chris Tate, Finance
John Quinn, Chief Operation Officer
Councillor John Cotton, Leader
Councillor Paul Tilsley, Lib Dem Finance Lead
Councillor Meirion Jenkins, Conservatives

Apologies

Max Caller, Lead Commissioner
Jackie Belton, Commissioner
Cllr Karen McCarthy, Cabinet Member Finance

1 Welcome & Introductions

1.1 Chris Tambini welcomed the meeting.

2 Previous Minutes

2.1 Previous minutes from 29 May 2024 were approved by the board.

3 Finance Update – Cabinet Report

3.1 Fiona Greenway updated the board on the Cabinet report published for Cabinet on 23 July. This is a continuity of the Medium-Term Financial plan (MTFP) and has highlighted additional financial pressures of £50.8m across directorates and Birmingham Children's Trust. To work towards closing this further budget gap a significant piece of work is underway. Reference was made to section 25 and the agreement at Cabinet to comply with the principles set out in the report.

3.2 Chris Tambini notes the Council's financial position is serious and the report sets this out well with the associated risks, however, one thing it doesn't do, is state clearly what the Council is going to do about it. Whilst the Council has a budget strategy approach focused on the original savings of £143m, it doesn't address the additional £50.8m and so the original plan cannot be relied upon and challenged the Council on their thoughts towards address this.

The Commissioners:

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

- 3.3 Fiona Greenway responds that financial spend control measures will remain in place and be strengthened including workforce, and whilst resource won't be stopped, it will be challenged with a focus on reducing agency. The Council will review general expenditure and further review pressures within Adults Social Care, Children & Families and accommodation. There is a good financial modelling within Adult Social Care, and this will be extended to Children and Families with a more open and transparent process, but the Council will not strip out services that are needed the most. The Council is also going out to procurement for energy looking at the top 20 suppliers, reviewing grants to ensure they are maximizing these, fees and charges and deep dives in areas such as IT, Traded Services etc.
- 3.4 Pam Parkes noted it's good to see Finance and People Services working collaboratively reviewing staffing numbers and spend including the accounts with Hays, and that it would be prudent to review other local authorities across the country to learn best practices from their agency frameworks and use this information in negotiations. She further advised the Council needs a workforce strategy with clear targets on core and periphery staff and addresses the disparity of salaries between permanent staff and agency.
- 3.5 Graeme Betts updated the board that the Council would ideally present a choice of savings however this is a challenge, and whilst we are making steady progress, these new additional pressures may prove a stretch too far. That's not to say its not achievable, but it is going to be extremely difficult. He further added that the Council is going to use Star Chamber meetings to look at savings options if we cannot bridge the gap.
- 3.6 Chris Tambini urged the Council to gather pace in reducing the base budget and deliver on the savings, as failing to do so soon will worsen the position and increase the requirement to sell assets and further reduce services. However, he does accept this is a huge challenge.
- 3.7 Cllr John Cotton made a point in regard to in-year savings and corporate recognition of the Councils serious situation. The more that can be done to accelerate these in year savings the better. He also referenced Enablement services and that whilst these savings are politically difficult, there are inefficiencies in the service which must be addressed.
- 3.8 Graeme Betts reassured the Board that corporately, most managers are on board with savings and keen to support and deliver their commitments. The message to ECLT is that we've done well so far but must keep moving at pace.
- 3.9 Fiona Greenway updated the board that she is developing an ask for support from Government on specific areas such as PFI and Chris Tambini advises she develops a proposal to present to Government.
- 3.10 Cllr Paul Tilsley posed a question regarding the £20m figure on staffing costs and whether this figure is based on the full establishment and whether it includes 25% agency staff. Mohammed Sajid responded that for budget purposes, it is based on full establishment and the desire is to get the Council back into a position where it isn't using much agency staff. An action will be taken away to look at this in more detail.
Action: Provide detail on £20m staff figure.

4 Finance Modernisation

- 4.1 Slides were presented setting out finance modernisation mobilisation and the board reassured that for governance purposes everything will be sighted. Where consultants are being used there must be skills transfer to internal staff and the Council must capitalise and lean in on Oracle for all things transactional.

4.2 Chris Tambini gave closing comments that Finance Modernisation is very important and must be delivered. However, given the pressures the finance function is facing, in particular the MTFP and Oracle, it needs to be delivered in an agile and pragmatic way. The example given was the MTFP where the expectation is that accurate and prudent growth and savings forecasts and other assumptions are incorporated this year. The Council does not have the time to undertake detailed 'As Is' analysis for aspects of the transformation journey. It was also noted that aspects of the modernisation will be part of the Oracle project.

Action: A further update be provided that takes on board these comments.