

BEST VALUE COMMISSIONERS

Improvement and Recovery Board

17 July 2024

Room 125 Council House 12-1pm

Attendees

Max Caller, Commissioner
John Coughlan, Commissioner
Chris Tambini, Commissioner
John Hutton, Political Adviser
John Biggs, Political Adviser
Councillor Sharon Thompson, Deputy Leader
Councillor Morriam Jan Liberal Democrat Group
Councillor Robert Alden, Leader Conservative Group
Councillor Karen McCarthy, Cabinet Member for Finance and Governance
Marie Rosenthal, City Solicitor and Monitoring Officer
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
Steve Muldoon, Finance Business Partner
Tom Smith DLUHC Chief of Staff
Lucy Bouncer, CSU Lead (notes)

Apologies

Myron Hrycyk, Commissioner
Jackie Belton, Commissioner
Pam Parks, Commissioner
Councillor John Cotton, Leader
Councillor Roger Harmer, Leader, Liberal Democrat Group

1 Welcome & Introductions

1.1 Max Caller 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

3 Terms of Reference

3.1 To note by the board that members have been updated to include Cllr Karen McCarthy as Cabinet Lead for Finance.

4 Board Updates

4.1 Finance - Notes tabled; no verbal update given.
4.2 Business Transformation – Notes tabled, and a verbal update was given by Fiona Greenway, Interim Director of Finance and S151 Officer. Oracle reimplementation is in a positive position with the design phase progressing and on track. A team of 60 plus staff, including experts, have been onboarded both internally and externally to work alongside the Oracle team and support with the reimplementation.

The Commissioners:

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

Regarding the Income Management System, Commissioners, Graeme Betts, and Fiona Greenway are meeting regularly with Civica, building relationships and progressing activity. **Action: Max Caller advises the Council to do regular all-member Oracle updates including the timeline and progress made.**

- 4.3 Equal Pay – Notes tabled; no verbal update given. Councillor Robert Alden noted the deadline for Equal Pay resolution is 21 April 2025 and that the figures for liability are only up until March 2025. Fiona Greenway Interim Director of Finance and S151 Officer confirms previous figures were not up until the April deadline and that quarterly refreshes on the figures are being done. **Action: Max Caller advises the Council to do regular all-member Equal Pay updates including the timeline and progress made.**
- 4.4 Governance – Notes tabled, and a verbal update was given from John Biggs. The Stabilisation Plan progressed well and is now complete. The Council is now transitioning into a long-term Improvement Plan. This is a critical change and good progress must be made with values and behaviours being given a high profile. Marie Rosenthal updated the board that the dial has begun to shift, and the Council are starting to see improvement, however, this is not a quick fix and momentum should be kept. Max Caller advised the Council of the need to train report writers. Reports need to be well written, clear on issues and understandable to aide members in making the right decisions. Marie Rosenthal responded that officer training will be given on member report writing and CLT will conduct quality assurance against these. John Coughlan further added there is work to be done on the vetting process of what reports should be taken to Cabinet and the governance surrounding these.
- 4.5 City Housing – notes were tabled with no update given; however, it is noted that under the AOB section of the previous minutes, that Councillor Bruce Lyons will be undertaking Councillor Ken Woods role in the Housing Board. The notes will be updated to reflect this.

5 Improvement and Recovery Programme Update / Budget Progress 24/25/26

- 5.1 Fiona Greenway updated the board on 24/25 savings. For 24/25 the Council identified 150m savings. Of this 150m, 1.8m is at risk of non-delivery. John Quinn took the board through the detail of the 1.8m and notes the Council must work with directorates to find these savings. Furthermore, any mitigations must be tested. Fiona Greenway added that the Council must not rest over the summer period with a lot of work required to mitigate the shortfall. If the shortfall is not delivered upon, it will add further pressure next year. The Council has a clear set of principles to comply with and Finance is working closely with ECLT to ensure delivery.
- 5.2 Chris Tambini urges the Council to have an honest stance as to whether the 1.8m, or further savings rated “amber” are going to slip and to form a plan to get ahead of this.
- 5.3 Cllr Karen McCarthy updated the board that there had been a positive meeting with BCT exploring financial modelling and that the same will be done with ASC.
- 5.4 John Quinn reassured the board interdependencies from individual savings projects are being pulled together and key interdependencies will be highlighted across portfolios to understand the impact of non-delivery. In addition, a savings Change Control process had been agreed to manage any changes in the agreed savings which will afford a clearer process. Graeme Betts added that CLT have been going through the detail of the interdependencies, they understand these, and are see the trajectory in order to reel them back in. This is an ongoing process and feels it’s the best chance the Council has at success.
- 5.5 John Quinn updated that by September board meeting, there will be a section to report back on the IRP initiatives and savings.
- 5.6 Max Caller advised that for the board to manage the IRP, Commissioners invite the Council to produce headlines of any big changes and identify a deep dive programme into recovery topics so that the board can gain an understanding of what is behind them. This should highlight where the issues are and what officers and members are doing to bring these back on track. **Action: Council to produce headlines of any big changes and identify a deep dive programme into recovery topics.**

- 5.7 Cllr Robert Alden voiced concern that the Council may be missing revenue impact on some asset disposals and that this could add further pressure. Additionally, an update on Equal Pay was due in June, which has not been given yet. Fiona Greenway reassured Cllr Robert Alden that revenue on borrowing costs is included in the MTFs which is being published at Cabinet this month and Tom Smith noted that an update on Equal Pay will be given at the next board.
- 5.8 Chris Tambini noted the latest MTFs report due to be published mentions 194m through discovery and challenged the Council as to whether they have the right pace and grip on the savings and whether they are confident the organisation can make the required changes. He further challenged whether they have any thoughts on revising the current plan.
- 5.9 Steve Muldoon presented to the board a snapshot of end of May reporting with emerging issues for June. The June report will be revised and is an evolving piece of work on live issues and Commissioners questioned the mitigations in place for turning amber savings to green. Any increased savings will be formalised in a structured way and undergo analysis. Max Caller advised the Council to ensure its capturing delivery, whether that be under or over, as without this, the forecast will get worse. The Council also needs to consider that bringing any savings forward doesn't reduce the challenge for future years, it moves the problem rather than resolving it. Additionally, the MTFs timeline needs to be reviewed to ensure the Council is capturing the difference between new savings and savings that were going to be delivered the following year and have a better understanding of whether the financial position is getting worse.
- 5.10 John Biggs referred to the independency slide and questioned if the project management tool on savings is fit for purpose and whether the Council can learn anything from the current project management process. If mitigations are being found now, why were these not found in the first place. John Quinn responded there is mixture of project managers within the organisation whereby some are doing projects alongside their job, and some are project management professionals. Having a change management process in place supports the process.
- 5.11 Cllr Robert Alden urged the Council to be careful on reporting savings, being clear on one off savings and those that are a reduction in the base budget. He also questioned whether this is a way to risk rate the ambers and pro rata them to understand the risk. Steve Muldoon took this away as an action. **Action: Steve Muldoon to risk rate the ambers.** A further point was made regarding the dependency matrix and whether these were being tracked and updated so that the Council are just left with residual ones. Cllr Robert Alden also urged the Council to think about more holistic savings in the future.
- 5.12 Graeme Betts made a closing comment on behalf of the Council that he agrees of the need to get on top of the amber savings, that the interdependency reporting can be improved upon and that longer term, the Council are moving from a cost cutting exercises to a transformational one.
- 5.13 Max Caller advised the Council to do a deep dive into the asset disposal element of saving proposals.

6 AOB

N/A

7 Date of next meeting

7.1 18 September 2024