

# **BIRMINGHAM CITY COUNCIL**

## **CABINET**

**TUESDAY, 16 JANUARY 2024 AT 10:00 HOURS**  
**IN COMMITTEE ROOMS 3 & 4, COUNCIL HOUSE, VICTORIA**  
**SQUARE, BIRMINGHAM, B1 1BB**

## **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 Public-I microsite ([please click this link](#)) 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 they must declare all relevant pecuniary and other registerable interests arising from any business to be discussed at this meeting.

If a disclosable pecuniary interest is declared a Member must not participate in any discussion or vote on the matter and must not remain in the room unless they have been granted a dispensation.

If other registerable interests are declared a Member may speak on the matter only if members of the public are allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless they have been granted a dispensation.

If it is a 'sensitive interest', Members do not have to disclose the nature of the interest, just that they have an interest.

**5 - 20**

4 **MINUTES**

To confirm and sign the Minutes of the meeting held on Tuesday 12 December 2023.

5 **EXEMPT INFORMATION – POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC**

a) To highlight reports or appendices which officers have identified as containing exempt information within the meaning of Section 100I of the Local Government Act 1972, and where officers consider that the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons outlined in the report.

b) To formally pass the following resolution:-

**RESOLVED** – That, in accordance with Regulation 4 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the public be excluded from the meeting during consideration of those parts of the agenda designated as exempt on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information.

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6 **SECTION 151 OFFICER UPDATE ON THE FINANCIAL POSITION OF THE COUNCIL – JANUARY 2024**

Report of Director, Finance and Section 151 Officer (Interim).

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7 **COUNCIL TAX TAX-BASE FOR 2024/25**

Report of Interim Director of Finance & Section 151 Officer.

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8 **BIRMINGHAM AND SOLIHULL SEXUAL HEALTH TREATMENT & PREVENTION SERVICE – CONTRACT AWARD**

Report of Director for Public Health

**95 - 126**

9 **HOUSING REVENUE ACCOUNT BUSINESS PLAN AND RENT SETTING 2024-2025**

Report of Strategic Director - City Housing

**127 - 182**

10 **ASSET MANAGEMENT STRATEGY 2024-2029**

Report of Strategic Director - City Housing

<b><u>183 - 206</u></b>	11	<b><u>CONTRACT AWARD FOR THE PROVISION OF REPAIRS AND MAINTENANCE 2024-2026</u></b>	Report of Strategic Director - City Housing
<b><u>207 - 246</u></b>	12	<b><u>BUILDING BIRMINGHAM: DEVELOPMENT STRATEGY FOR VARIOUS HOUSING SITES</u></b>	Strategic Director, Place, Prosperity and Sustainability
<b><u>247 - 304</u></b>	13	<b><u>CITY HOUSING COMPENSATION POLICY</u></b>	Report of Strategic Director - City Housing
<b><u>305 - 314</u></b>	14	<b><u>KEY DECISION PLANNED PROCUREMENT ACTIVITIES (FEBRUARY 2024 – APRIL 2024)</u></b>	Report of Assistant Director - Procurement
<b><u>315 - 322</u></b>	15	<b><u>APPOINTMENTS TO OUTSIDE BODIES</u></b>	Report of the Interim City Solicitor and Monitoring Officer.
	16	<b><u>OTHER URGENT BUSINESS</u></b>	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.
<b><u>323 - 326</u></b>	16A	<b><u>HIGHWAYS MAINTENANCE AND MANAGEMENT SERVICES PFI</u></b>	Report of the Interim City Solicitor and Monitoring Officer.





# BIRMINGHAM CITY COUNCIL

<b>CABINET MEETING</b> <b>TUESDAY, 12 DECEMBER</b> <b>2023</b>
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**MINUTES OF A MEETING OF THE CABINET COMMITTEE HELD ON**  
**TUESDAY 12 DECEMBER 2023 AT 1000 HOURS IN COMMITTEE**  
**ROOMS 3&4, COUNCIL HOUSE, VICTORIA SQUARE, BIRMINGHAM, B1**  
**1BB**

**PRESENT:** - Councillor John Cotton, Leader in the Chair

Councillor Nicky Brennan, Cabinet Member for Social Justice, Community Safety and Equalities  
 Councillor Liz Clements, Cabinet Member for Transport  
 Councillor Jayne Francis, Cabinet Member for Housing and Homelessness  
 Councillor Majid Mahmood, Cabinet Member for Environment  
 Councillor Saima Suleman, Cabinet Member for Digital, Culture, Heritage and Tourism  
 Councillor Sharon Thompson, Deputy Leader of the City Council

**ALSO PRESENT:-**

Councillor Robert Alden, Leader of the Opposition (Conservative)  
 Councillor Roger Harmer, Leader (Liberal Democrat)  
 Councillor Ewan Mackey, Deputy Leader of the Opposition (Conservative)  
 Professor Graeme Betts, Director, Adult Social Care (DASS)  
 Richard Brooks, Director, Strategy Equalities and Partnerships  
 Deborah Cadman, Chief Executive  
 Paul Clark, Assistant Director (Programmes, Performance, and Improvement)  
 Robert Connelly, Assistant Director and Deputy Monitoring Officer  
 Cheryl Doran, Assistant Director and CIO, Digital and Customer Services  
 Nic Fell, Programme Manager, Finance and Governance  
 Fiona Greenway, Interim Finance Director and Section 151 Officer  
 Ed Hammond, Deputy Chief Executive of the Centre for Governance and Scrutiny  
 Paul Kitson, Strategic Director of Place, Prosperity and Sustainability  
 Paul Langford, Interim Strategic Director, City Housing  
 Marie Rosenthal, Interim City Solicitor and Monitoring Officer  
 Steve Sandercock, Assistant Director, Procurement  
 Tim Savill, Assistant Director of Revenues, Benefits and Rents  
 Jo Tonkin, Assistant Director, Partnerships Insight and Prevention  
 Errol Wilson, Committee Team Leader

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**NOTICE OF RECORDING/WEBCAST**

267. The Chair welcomed attendees and advised, and the Committee noted, that this meeting will be webcast for live or subsequent broadcast via the Council's Public-I microsite ([please click this link](#)) and that members of the press/public may record and take photographs except where there are confidential or exempt items.
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**APOLOGIES**

268. Apologies for absence were submitted on behalf of Councillors Brigid Jones, Mariam Khan and Karen McCarthy for their inability to attend the meeting.
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**DECLARATIONS OF INTERESTS**

269. The Chair reminded Members that they must declare all relevant pecuniary and other registerable interests arising from any business to be discussed at the meeting.

If a disclosable pecuniary interest is declared a Member must not participate in any discussion or vote on the matter and must not remain in the room unless they have been granted a dispensation.

If other registerable interests are declared a Member may speak on the matter only if members of the public are allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless they have been granted a dispensation.

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Any declarations will be recorded in the minutes of the meeting.

Councillor Majid Mahmood declared his personal interest in Agenda item 8 as a Green Bin subscriber in the city. He advised that he has been given dispensation by the Monitoring Officer that he could speak on the matter for which the item involve. The Leader also declared his personal interest in Agenda item 8 as he was also a Green Bin subscriber.

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**MINUTES**

270. **RESOLVED:** -

The Minutes of the meeting held on 14 November 2023, having been previously circulated, were confirmed and signed by the Chair.

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**EXEMPT INFORMATION – POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC**

The Chair advised that the reports at Agenda item 9, contained an exempt appendix within the meaning of Section 100I of the Local Government Act 1972.

The Chair then enquired whether there were any matters that Members would like to raise on the exempt appendix that may affect the decision to be made or to ask for clarification on a point on the exempt appendix.

As there were no matters that Members wished to raise in relation to the exempt appendices, the Chair advised that the public meeting would carry on to consider the recommendations.

**271. RESOLVED:-**

That, in accordance with Regulation 4 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the public be excluded from the meeting during consideration of those parts of the agenda designated as exempt on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information.

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**GOVERNANCE REVIEW OF BIRMINGHAM CITY COUNCIL BY CENTRE FOR GOVERNANCE AND SCRUTINY**

The Leader introduced the item and drew the attention of Cabinet to the addendum – correction sheet which was circulated by late agenda dispatch and the information contained in the report.

The Deputy Chief Executive of the Centre for Governance and Scrutiny then made the following statements:-

- a. The Deputy Chief Executive of the Centre for Governance and Scrutiny noted the comments made by Members and highlighted that what was produced was deliberately titled *The Stabilisation Plan*. This was a short-term plan for action in the area we will take the Council through the next few months.
- b. It was particularly designed to put the foundations in place for a more meaningful action on governance as part of the improvement and recovery plan.
- c. This was by definition a plan which was not going to tackle some deep-rooted issues that was identified, but it would help the Council to tackle those issues over the course of the coming months.
- d. The challenge that the Council faced in developing and delivering these kinds of plans in the past was that they had been arguably developed by a small group of people and attempts have been made to deploy them by a small group of people corporately.
- e. The challenge the Council now have was engaging a far more plural activities amongst Members and officers in understanding what that improvement and recovery plan looked like and placing governance at the heart of that which we appreciate would be a challenge.

- f. *The Stabilisation Plan* was designed as far as possible to help the Council to deliver that. Within that in terms of the comments that was made concerning collective responsibility it was important to recognise that when we were talking about improvement it was about collective responsibility.
- g. It was also about individual accountability and getting the balance between those two things would be crucial in understanding where individual accountability was needed as that was important for delivering any change, but also recognising the duties and responsibilities of all within the Council for supporting and delivering that improvement over time.
- h. On other specific points that were made on the Charing arrangement for Scrutiny, we have not commented on this directly in the report. It was quite possible that the Council could as it comes to the end of this Municipal Year think about the plurality of its leadership arrangement in Scrutiny and make a judgment about whether the current leadership arrangements needed to be amended with the opposition chairing or some other form of opposition leadership needed to be brought in would support that conversation. However, it was felt that probably lead to form a part of the discussion that will lead to the improvement and recovery plan.
- i. We have carried out research on this issue over a number of years and there was a correlation between balanced or more general opposition chairing Scrutiny and more effective Scrutiny. But the correlation was quite weak, and we could not say there was causation between the opposition chairing for a more effective Scrutiny, but we knew that there was something here about the legitimacy of the function and the capability functioning being able to work across party. We would encourage the Council to have that conversation as the Council takes this forward.
- j. In terms of the size and scale of the Council this was not something on which we could comment. We were conscious that there was a separate wider conversation to be continuing but this was a conversation that had gone on for many years.
- k. Finally, in terms of the comment that was noted on the overoptimism that the Council tended to take we were particularly confident that in the way we tried to give the Council here in this report a framework for understanding how the Council makes changes when it does make changes.
- l. We have produced something called the Theory of Actions which was designed to give the Council a clear sense about how you put in place plans and how the Council try, and effect change and that was something the Council needed to think about as it makes these changes and as it planned to go through the improvement and recovery plan.
- m. Being conscious of those weaknesses where they exists and designing ways around those weaknesses would be a critical path in making any of these. We appreciate any of these challenge of delivering something meaningful given as Council noted we have been here before.

The Deputy Chief Executive of the Centre for Governance and Scrutiny expressed thanks to those who participated in the review and officers for their

contributions and frankness with which people kindly spoke with us and gave those information with which people had engaged with the findings.

The Deputy Leader commented that it needed to be clear that the report was not just talking about the Cabinet, one group, any specific officers, but was talking about the culture of the Council in its widest sense which included all of us and we all needed to have that commitment to ensure we had the necessary changes once and for all to bring the Council to where it needed to be. This also includes management and to ensure we eradicate any form of blame culture whether this be blaming individual Cabinet Member(s), officers etc., but getting to the root cause of the problem and dealing with them once and for all.

She further added that a number of extended conversations were being had with officers around the governance report but also how we moved forward with that. We needed to ensure that there was good Member engagement, and we were a part of that as we were in our local communities and saw what was happening on a day-to-day basis. The report needed to be seen as a working document and there will not be any quick and easy working solution and will take long-term planning in a number of areas.

The Leader expressed thanks to Ed Hammond and his team for the work that they did in bringing this report together which was frank and candid. We needed to reflect as an organisation on that. The Cabinet Member for Transport expressed thanks to Ed Hammond for making the amendments and that the general point about Cabinet Members needing to take our heads out of specific portfolio and act corporately and strategically was well made.

**272. RESOLVED UNANIMOUSLY: -**

That Cabinet:-

- i. Accepted the findings made by the Centre for Governance and Scrutiny (CfGS) contained in the report attached at Appendix A;
- ii. Agreed the recommendations and planned actions contained in the Stabilisation Plan attached at Appendix B to the report; and
- iii. Noted that the findings and recommendations from the review will inform the Council's overall Improvement and Recovery Plan. This will include actions and measures of success and impact that respond to areas for improvement identified within the CfGS report.

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**ORACLE PROGRAMME UPDATE**

In the absence of the Cabinet Member for Finance and Resources, the Cabinet Member for Digital, Culture, Heritage and Tourism presented the item and drew the attention of Cabinet to the information contained in the report.

The Interim Finance Director and Section 151 Officer noted Councillor Ewan Mackey's comment concerning the statutory interest payment and undertook to get a written response to Councillor Mackey. The Programme Manager,

## **Cabinet Committee – 12 December 2023**

Finance and Governance noted Councillor Robert Alden's query concerning the £4m in relation to Bank Reconciliation System (BRS) and undertook to get a detailed response back. He added that his understanding was that this was a combination of the original cost to implement the solution for the BRS which the Council was having problems with as Members were aware plus costs subsequently for addressing those issues to date with that system and would provide a breakdown of what the £4m constituted.

The Leader advised that in terms of the point raised concerning the Risk Register, he was happy for those to be shared certainly in terms of Cabinet oversight on this as it was something that was regularly reported in the Oracle Governance Board which was chaired by himself and including other Members of the Cabinet. We were also working with the commissioner who was tasked with leading on Oracle to ensure that we had the right controls in place to address any of those issues and risks that were identified.

The Cabinet Member for Digital, Culture, Heritage and Tourism stated that the two reports were important, and that Members knew of the issues we had with Oracle. At this moment the focus was how we were going to move forward on this and how we would address a lot of the issue we now know and learn lessons from what had gone wrong.

### **273. RESOLVED UNANIMOUSLY: -**

That Cabinet:-

- a. Noted the headline findings from the initial planning of the optimisation phase which frames the rationale and approach to concluding the current phase of 'safe and compliant' activities;
- b. Agreed the plan to conclude the current phase of activity known as the 'safe and compliant' phase, based on the scope of work detailed in Appendix C of this report being delivered;
- c. Noted the cost for the conclusion of this phase, which can be funded from the FY23/24 programme budget approved by Cabinet in June 2023;
- d. Noted the planned approach to address the current Bank Reconciliation System (BRS) issues and the options to implement an Income Management system as a replacement for the current BRS system and a key component of the final, optimised solution; and
- e. Agreed that the delegated authority authorised in the June 2023 Cabinet Report to approve any new, compliant procurement arrangements required to secure resources to support the Oracle stabilisation and optimisation design work, still stands.

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## **SECTION 151 OFFICER UPDATE ON THE FINANCIAL POSITION OF THE COUNCIL – DECEMBER 2023**

The Committee noted that this report was published by late dispatch.

## **Cabinet Committee – 12 December 2023**

The Leader introduced the item and drew the attention of Cabinet to the information contained in the report and highlighting the key points. The Leader advised that in order to ensure we were expediting the assets sales to support our strategy for the coming year we were also seeking authority to establish a Cabinet Committee – Property, the terms of reference for which were set out in paragraphs 3.39 to 3.45 in the report.

The Leader then advised that the Members of the Cabinet Committee – Property were as follows:

The Leader – Councillor John Cotton (Chair)

The Deputy Leader – Councillor Sharon Thompson

The Cabinet Member for Finance and Resources - Councillor Brigid Jones

The Cabinet Member for Housing and Homelessness - Councillor Jayne Francis.

The Leader informed the Committee that the report was amended at paragraph 2.1(d) to read from the 1 January 2024 and not the 1 April 2024.

An extensive discussion then ensued, and the following is a summary of the principal points made:-

- A huge amount of work needed to be done to identify robust savings and establish a credible savings delivery process. The lack of any early budget work.
- What further work had taken place and what additional savings had been found by Cabinet on top of the ones included in the report.
- That 82% of all savings been put forward had been written off which was a total failure to deliver the budget from last year.
- That it was hoped that Cabinet had seen a risk assessment of the savings.
- Concerns regarding the way the information in Appendix 1 to the report was presented as none of this had delivered a savings as no due diligence was completed on savings.
- It was important to focus on the urgency and there was concerns about time pressure to set the budget next year. The urgency only appeared to come in when the commissioners came in.
- Due to the nature and extent of the savings that will be made this will have a massive impact on local communities in terms of Council facilities and buildings allied with similar processes that had been undertaken by West Midlands Police currently.
- That Cabinet Members take personal responsibility for the savings in their portfolio with their names appearing against each savings and the actions to mitigate risks.

The Cabinet Member for Transport noted the comments concerning the savings of £149m that was identified and stated that these were ones that had gone through the due diligence process and that officers were confident that they could be delivered. As Cabinet Members we will hold them accountable for delivering those savings.

## **Cabinet Committee – 12 December 2023**

In relation to the membership of the Cabinet Committee – Property the Leader advised that in relation to the attendance of opposition Members to the Cabinet Committee – Property, that will operate under the usual arrangements for Cabinet Committee. This will include opposition Members attendance and we will look to ensure that business was held in public as we normally would pending the usual caveats around that.

The Cabinet Member for Environment noted the concerns regarding the potential loss of Section 106 monies and advised that monies that were collected from Section 106 under the Town and Country Planning Act were held by the Council in a ringfenced until suitable projects have been identified. This was usually at the planning stage with agreement with officers and Elected Members.

The Leader reiterated that the Council was facing a budget gap of some £300m and we were having to seek exceptional financial support from Government in order to take this budget forward. We were in no way underplaying the seriousness of the situation that was facing the Council and that he along with Members of the Cabinet were very much aware of the challenge that sat in front of us. The Leader further stated that we were committed in meeting the deadline stipulated by the commissioners for the 7 January 2024 and that there was no scope for negotiation around that. We have a job of work to do to deliver that proposals.

The Leader continued crucial to this, the issue around accountability and ensuring we have got evidenced savings Budget Assurance Framework that he had referred to earlier which he was chairing and that all Cabinet Members were involved in together with the senior directors of the Council. We were going through line by line through proposals that have been brought forward and were testing the assumptions that sat beneath them and were seeing what could go further and the potential impact of any proposals may be and the mitigations we may need to put in place as part of that. Indeed, also part of that process we were seeking additional support for savings and looking at the 2025/26 budget year as well and will be reporting on that as and when appropriate in bringing that forward. It was crucial that what we have got evidenced savings we have seen what had happened previously when we were not being able to deliver savings and the consequences of that as was stated earlier.

The Leader highlighted that the high-level summary at Appendix 2 of the report sets out how we were trying to do that to negate the impact on some of the crucial services that mattered to people of this city. But there will be tough choices as part of that budget consultations and the details we will bring forward. Sat behind that was a robust process of challenge and a robust timeline so that we could meet the deadline placed on us by the commissioners and meet the expectations of the people of this city in terms of bringing the budget forward.

The Cabinet Member for Housing and Homelessness gave assurance that in terms of conversations, meetings both formal and informal over the past few months this have been happening in the Housing Directorate on a daily basis.



We were working hard with officers to ensure that the savings identified were deliverable and that vulnerable and frontline services were protected.

**274. RESOLVED UNANIMOUSLY: -**

That Cabinet:-

- I. Noted the update on the 2023/24 financial position;
- II. Noted the current status of budget setting for the 2024/25 and 2025/26 financial years;
- III. Delegated authority to the Corporate Leadership Team (CLT) to complete all preparatory work necessary to deliver the savings programme for the 2024/25 financial year. This is to include, but is not limited to, commencement of employment consultation, developing detail for the delivery of the proposed savings, and engaging with the public, stakeholders and service users; This is with the acknowledgement that the proposed savings are subject to consideration as part of the Council Tax setting process, due to be presented to Cabinet on 13th February 2024 and City Council on 27th February 2024;
- IV. Approved the increase in garden waste charges from £50 to £60, with effect from 1st April 2024;
- V. Noted that the Chief Executive, as Head of Paid Service, will be issuing necessary statutory and non-statutory employment consultation in respect to the staffing implications of savings proposals for the 2024/25 financial year. This will include the issuance of Section 188 Notices under the Trade Union and Labour Relations (Consolidation) Act 1992;
- VI. Approved the creation of a 'Cabinet Committee – Property' in order to expedite asset sales to support the delivery of the Council-wide strategy for the 2024/25 financial year, with the terms of reference set out in paragraphs 3.39 to 3.45 below; and
- VII. Delegated authority to the Leader of the Council and the Chief Executive, together with the Section 151 Officer, to submit a formal written request to the DLUHC for EFS to allow the Council to deliver a balanced budget for the 2024/25 financial year, as set out in paragraph 3.26, to include:
  - (a) Permission to increase the Council Tax level above the referendum limit, and to support this, the Council will review and revise the Council Tax Support Scheme to offset the potential impact to citizens;
  - (b) A formal application for a Capitalisation Direction (figure to be confirmed) and 'minded to' letter to cover the Equal Pay accounting liability, the costs involved in the redundancy scheme, and support to deliver a balanced budget for the 2024/25 financial year.

**EFFECTIVE COMMISSIONING OF DEBT**

In the absence of the Cabinet Member for Finance and Resources, the Leader presented the item and drew the attention of Cabinet to the information contained in the report.

The Assistant Director of Revenues, Benefits and Rents noted the comments and questions from Members and made the following statements:-

1. In relation to the issue of contracts expiring in July we have been working with the previous contractor up to now and the report have been delayed a few times before it got to Cabinet today. Hence we had a gap, but we continued to work out a contract and still referred the debt with our previous contractor.
2. Regarding the IT system which we needed to procure to manage the fee income was an industry standard and was effectively a bolt on system. We were working closely with IT, and they were aware of the specifications, and we did not anticipate any difficulties implementing it.
3. We were using the IT system as a supplier at the moment by transferring our data to the existing enforcement agent.
4. In terms of the commissioners notes, we were already developing a plan so that we monitor and implement and tracked the additional fee income closely. The other concerns and questions we will developed into an action plan so that we could monitor that closely.
5. With regard to the Penalty Charge Notices (PCN) we were starting off with the Council Tax and Business Rates and Bid debts to start with. During the first year that will be a learning opportunity for us in terms of managing that contract and work ourselves and the fee income.
6. We believe there were opportunities to involve that and clearly as part of the learning process we could discuss with colleagues in parking and the Clean Air Zone (CAZ).
7. There were additional complications to their work as a lot of it was out of the area and Council Tax and Business Rates generally was within the city.
8. The PCN debt involved impounding vehicles and other things and were a much bigger operation.
9. What we wanted to do was to learn from doing the first enforcement stage up ourselves and then look at opportunities like parking and CAZ at a later stage after the first year when we were running the enforcement stage ourselves.

Councillor Robert Alden voiced concern around the waiver form not being made available as a public document for this item but noted that the waiver form for the next item was attached as an appendix which emphasised the need for the waiver form to be made public for this item. The Deputy Monitoring Officer undertook to take the issue away and get some clarity for Councillor Alden.

**275. RESOLVED UNANIMOUSLY: -**

That Cabinet:-

1. Approved the full business case in Appendix A to the report to establish an 'in-house' Enforcement Agent (EA) operation, initially for Council tax and business rates debts for the Compliance Stage (first stage), of the formal debt recovery process;
2. Noted that the Invest to Deliver group and associated delegated approval process agreed a sum of £247,171 to be allocated from the Delivery Plan Reserve to set up the operation;
3. Approved the phased transfer of other enforcement/debt collection activity (following an internal transformation project that commenced in 2022 on reviewing all these services) - subject to the appropriate due diligence following the initial first phase of in-house operation and a further Cabinet report;
4. Approved the consolidation of contract management of all enforcement agent activity across the Council (where possible and practical) and ensure value for money is maximised into the new enforcement operation;
5. Approved the requirement to use the Crown Commercial Services (RM6226) Debt Resolution Services framework for a period of up to 12 months commencing from the date this Cabinet report is approved, as an interim measure for Council Tax, Business Rates and Business Improvement District debt recovery, as set out in (Appendix B -Exempt Information);
6. Noted that a report updating Cabinet on the realisation of benefits associated with the setup of this new service after the first full year of operation;
7. Delegated authority to the Director of Digital and Customer Services (or their delegate), in consultation with Assistant Director Corporate Procurement (or their delegate), the City Solicitor (or their delegate), and the interim Finance Director (or their delegate) to approve any new, compliant procurement processes and arrangements required (see Appendix B – Exempt Information); and
8. Delegated authority to the Director of Digital and Customer Services (or their delegate), in conjunction with the Assistant Director Corporate Procurement or their delegate, the Chief Finance Officer or their delegate, and the City Solicitor or their delegate to approve the selection of successful bidder(s) where compliant procurements are undertaken (see Appendix B – Exempt Information) including the execution of the necessary contractual documentation to give effect to these outcomes.

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**SECTION 75 AGREEMENT, POOLED/ALIGNED BUDGET  
ARRANGEMENTS 2023/25 – BETTER CARE FUND**

## **Cabinet Committee – 12 December 2023**

In the absence of the Cabinet Member for Health and Social Care, the Cabinet Member for Housing and Homelessness presented the item and drew the attention of Cabinet to the information contained in the report.

The Director for Adult Social Care noted Councillor Ewan Mackey's comments and responded that conversations were had with the commissioners who fully supported what we were doing and was set in the wider context which we have been doing with our partners.

The Cabinet Member for Transport commented that she had worked in Adult Social Care in 2009/10 when the first Section 75 Agreement was developed for learning disabilities and mental health. She added that the experience of integrated working through these Section 75 Agreements was important coming back to the discussion earlier about how we operate corporately and strategically. We needed to take the learning from these joint arrangements and look at how we worked with partners more effectively in other areas. We needed to celebrate the success and improvements we have made.

### **276. RESOLVED UNANIMOUSLY: -**

That Cabinet:-

- a) Approved the following financial contribution for 2023/24 to the Section 75 agreements for the Better Care Fund - £115,994,636;
- b) Approved the following financial contribution for 2024/25 to the Section 75 agreement for the Better Care Fund - £116,458,409;
- c) Authorised the Strategic Director for Adult Social Care to conclude negotiations with Birmingham and Solihull Integrated Care Board in respect of the funding approved under para (i) above on the S75 agreement;
- d) Delegated authority to the Strategic Director for Adult Social Care to increase the BCC contribution to the Better Care Fund during the years 23/24 and 24/25 in the event of additional, specific funding – such as increased funding for Disabled Facilities Grant - being received by the Local Authority. This would essentially represent a variation to the BCF Plan. The s151 Panel has provided a blanket approval for spend against the approved BCF Plan. Further approval would be sought from the panel for any additional spend as a result of a variation to the plan; and
- e) Authorised the City Solicitor (or their delegate) to conclude and enter into all legal documents to give effect to the above.

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### **REGULATED ADULT SOCIAL CARE COMMISSIONING STRATEGY – HOME SUPPORT AND QUICK DISCHARGE SERVICES**

In the absence of the Cabinet Member for Health and Social Care, the Cabinet Member for Housing and Homelessness presented the item and drew the attention of Cabinet to the information contained in the report.

**277. RESOLVED UNANIMOUSLY: -**

That Cabinet:-

1. Approved an extension to the current Framework Agreement for Home Support Services and the Framework Agreement for Quick Discharge Services until no later than 7 October 2024;
2. Approved the Regulated Adult Social Care Commissioning Strategy Home Support and Quick Discharge Service 2024+ in Appendix 1 to the report;
3. Approved the Procurement Strategy for Home Support and Quick Discharge Services in Appendix 2 to the report;
4. Approved the establishment of a Flexible Contracting Arrangement (a DPS-type arrangement under the Light Touch Regime) for the provision of Home Support Services for Adults' and Children and Quick Discharge Services;
5. Delegated to the Assistant Director Procurement (or their delegate) in conjunction with the Strategic Director, Adult Social Care to appoint, as and when required, new suppliers onto the Flexible Contracting Arrangements where they meet the selection criteria;
6. Delegated the award of call off contracts under the Flexible Contracting Arrangements to the Directorate of Adult Social Care, the Director of Commissioning and the Head of Commissioning (Regulated Care);
7. Noted that the outcome of all call-offs from the Flexible Contracting Arrangement will be reported to the Assistant Director Procurement (or their delegate) and the Strategic Director, Adult Social Care, Interim Finance and Section 151 Officer (or their delegate) and the City Solicitor & Monitoring Officer (or their delegate);
8. Approved for Birmingham Children's Trust to call off from the Flexible Contracting Arrangement for home support services to meet the needs of disabled children and young people as required and to make use of any associated IT systems;
9. Approved for the NHS to call off from the Flexible Contracting Arrangement for home support services and quick discharge services to meet the needs of adults as required and to make use of any associated IT systems;
10. Authorised the City Solicitor (or their delegate) to execute and complete all necessary legal documents to give effect to the above recommendations; and
11. Delegated any modifications to the electronic system or contracts, to the Directorate of Adult Social Care, the Director of Commissioning and the

Head of Commissioning (Regulated Care), including the annual setting of fees in line with the Commissioning Strategy and the Council's revenue budget and Medium-Term Financial Plan.

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**CORPORATE PLAN 2022-2026: PERFORMANCE AND DELIVERY  
MONITORING REPORT**

The Deputy Leader presented the item and drew the attention of Cabinet to the information contained in the report highlighting the key points. The Deputy Leader then expressed thanks to the commissioners for their comments that they have made regarding this item.

In response to questions and comments Members of the Cabinet gave the following responses:-

The Cabinet Member for Transport stated that the point of performance monitoring was to be self-aware about performance. She advised that the reason there was a Red Traffic Light rating against the Road Safety Strategy was that we had taken some request for some funding support and some of the consultation work through the spending Control Board which was rejected. This request was reformulated so that there was a clear explanation of the reason we needed to do some work with our focus group for hard-to-reach communities. The fact this was rated Red showed we were being realistic about some delays in the process. That strategy had been drafted and there was a complete draft which was shared with Scrutiny, and we were engaging stakeholders who have worked with us over the summer on a range of road safety issues. If we were going to reset the Performance Plan we needed to look at these indicators and how meaningful they were.

The Cabinet Member for Environment stated that in terms of recycling the figures remained stable and we finally have clarity from the Government of the range of environmental measures including food waste collection which would be changed again for the city. We were in a position to finalise that overarching waste strategy which would set the direction of travel to enable us to improve our performance significantly in years to come. The aspiration was to flip the recycling in the city, so we have a weekly recycling collection as this was taking place in a lot of councils across the country. Most of the top recycling councils have an element of food recycling, but we were lagging on that. We needed the support of the Department for Environment, Food and Rural Affairs (Defra) and will be seeking cross-party support in the letter to the Secretary of State for the Environment and Rural Affairs, Steve Barclay, MP to see if we could get into the private scheme so we could introduce food recycling sooner than the Environment Act stipulates which was 1 April 2026.

The Cabinet Member for Housing and Homelessness stated that placing children and families in temporary accommodations was not desired at all, but we have no choice. Some of that was to do with what was happening nationally be it an increase in the number of families who were homeless as a result of private rented sector, the increase in the incidence of domestic abuse and broken relationships. We were doing everything we could as in the directorate this was a huge *headache* that we have and can see an increase in

presentation all the time. The team was working creatively to see if this could be done differently. Investments were needed in our housing and more will be stated in the proposed level of investments in the next report to Cabinet in January 2024.

The Deputy Leader reminded Cabinet that quarter two was based on the current Council's Corporate Plan, but moving forward it was recommended that some form of changes were needed which will take place. The Deputy Leader noted Councillor Roger Harmer's comments concerning context and data and stated that we sometimes took soundings from Members about the amount of data that was in the report ensuring that it was focused on the measures we were measuring against. She added that she was happy to speak with the officers and for conversations to take place with Cabinet Members and their directors in relation to the context and the level of information put into these reports.

The Deputy Leader further stated that she along with the Chief Executive was keen to look at the journey of reports and the length of time they took to get to Cabinet. She further added that they would look at Corporate Clearance and how that was functioning that would enable that process. The comments in relation to Audit Committee being able to feed in what measures they thought needed to be looked at and particular for the Chair of Audit Committee to insist that something was measured could be picked up in the general conversations. Regarding context and the depth of the reports, the Deputy Leader gave assurance that whilst this report came to Cabinet this was not the only time and way that Cabinet Members looked at risks in the report within their individual portfolio with directors and Cabinet Member briefings there was a lot more that was added to ensure we were keeping and being held to account. She expressed thanks to the performance team and directorates that feed into the report.

**278. RESOLVED UNANIMOUSLY: -**

That Cabinet noted the performance and progress against the priorities and ambitions set out in the Council's Corporate Plan 2022-2026.

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**KEY DECISION PLANNED PROCUREMENT ACTIVITIES (JANUARY 2024 – MARCH 2024)**

In the absence of the Cabinet Member for Finance and Resources, the Leader presented the item and drew the attention of Cabinet to the information contained in the report.

Councillor Robert Alden referred to the Stock Condition and Energy Performance Surveys and commented that this was for a significant sum of money, but the procurement route chosen was a direct award rather than a competitive tender. He enquired what assessment was being done as this was the best value way of doing it. He further enquired whether we have compared what the per property rate was against the cost via Acivico or against any of the West Midlands firm that also do this work.

**Cabinet Committee – 12 December 2023**

The Assistant Director for Procurement undertook to get the detail for value for money assessment undertaken in regard to the stock condition survey and provide a response.

**279. RESOLVED UNANIMOUSLY: -**

That Cabinet approved the planned procurement activities as set out in Appendix 1 to the report and approved Chief Officer delegations, set out in the Constitution, for the subsequent decisions around procurement strategy and contract awards.

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**NON-KEY DECISION PLANNED PROCUREMENT ACTIVITIES (JANUARY 2024 – MARCH 2024)**

In the absence of the Cabinet Member for Finance and Resources, the Leader presented the item and drew the attention of Cabinet to the information contained in the report.

**280. RESOLVED UNANIMOUSLY: -**

That Cabinet noted the planned procurement activities as set out in Appendix 1 to the report and Chief Officer delegations, set out in the Constitution, for the subsequent decisions around procurement strategy and contract awards.

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**OTHER URGENT BUSINESS**

**281. No item of urgent business was raised.**

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The meeting ended at 1203 hours.

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CHAIRPERSON



# Birmingham City Council

## Cabinet

16 January 2023



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**Subject: Section 151 Officer Update on Financial Position of the Council**

### Commissioner Review

- 1 The Council remains in a serious financial position, one in which the 2024/25 budget gap is likely to increase from the current c£300m. The Commissioners remain concerned about the delivery of the 2024/25 savings. The Council has significant work to ensure that the savings programme is appropriately managed and resourced and has strong governance and leadership. This includes some of the basics such as ensuring project management resources are in place and there is robust decision making and risk management. The Commissioners will work with the Council on these matters, and the Council must increase the pace and grip on this area of work.
- 2 The budget report for 2024/25 will be a two year budget. The process of developing the 2025/26 budget will need to start in spring with the aim to produce a comprehensive and robust four year financial plan.



**Reports not on the Forward Plan / Late Report / Confidential or  
Exempt Information not Notified**

## **Birmingham City Council**

**Cabinet – 16<sup>th</sup> January 2024**



<b>Subject:</b>	<b>Section 151 Officer Update on the Financial Position of the Council – December 2023</b>
<b>Report of:</b>	<b>Fiona Greenway, Interim Director of Finance and Section 151 Officer</b>
<b>Relevant Cabinet Member:</b>	<b>Leader, Councillor John Cotton</b>
	<b>Cabinet Member for Finance &amp; Resources, Councillor Brigid Jones</b>
<b>Relevant O&amp;S Chair(s):</b>	<b>Chair of Finance &amp; Resources Overview &amp; Scrutiny, Councillor Jack Deakin</b>
<b>Report author:</b>	<b>Fiona Greenway, Interim Director of Finance and Section 151 Officer</b>

### **1) Key Decisions not on the Forward Plan / Urgent Decisions**

To be completed for Key Decisions not on the Forward Plan 28 days before the Cabinet meeting at which the decision is to be taken.

<i>Reasons for Urgency / why not included on the notification</i>	N/A
<i>Reasons for Immediate Implementation (if applicable)</i>	N/A
<i>Date Chief Executive Agreement obtained</i>	N/A
<i>Date of Leader's Agreement</i>	N/A
<i>Name, Date and any comments of O&amp;S Chair agreement obtained:</i>	N/A

### **2) Key Decisions not notified on the Notification of Intention to Consider Matters in Private**

To be completed for Key Decisions not on the Forward Plan 28 days before the Cabinet meeting at which the decision is to be taken.

<i>Reasons for Urgency / why not included on the notification</i>	N/A
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<i>Date of Leader's Agreement</i>	N/A
<i>Name, Date and any comments of O&amp;S Chair agreement obtained:</i>	N/A

### Late Reports

To be completed for all late reports, i.e. which cannot be despatched with the agenda papers i.e. 5 clear working days' notice before meeting.

<i>Reasons for Urgency / why late</i>	Due to the unprecedented financial position the Council is currently in, and at the request of Commissioner for Finance, an urgent late report is required to present an update on the budget setting process, reflecting the latest changes up to and including the Commissioner Finance Board on Wednesday 10 <sup>th</sup> January 2024.
<i>Date Chief Executive Agreement obtained</i>	<b>15<sup>th</sup> January 2024</b>
<i>Date of Leader's Agreement</i>	<b>15<sup>th</sup> January 2024</b>

# Birmingham City Council

## Report to Cabinet

16 January 2024



**Subject:** Section 151 Officer Update on the Financial Position of the Council – January 2024

**Report of:** Fiona Greenway, Interim Director of Finance and Section 151 Officer

**Relevant Cabinet Member:** Leader, Councillor John Cotton

**Relevant O&S Chair(s):** Chair of Finance & Resources Overview & Scrutiny, Councillor Jack Deakin

**Report author:** Fiona Greenway, Interim Director of Finance and Section 151 Officer

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 type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, state which appendix is exempt, and provide exempt information paragraph number or reason if confidential: N/A		

### 1. Executive Summary

- 1.1 This report outlines the financial situation of Birmingham City Council as of January 2024 . As outlined in the reports to Cabinet in November and December 2023, the City Council faces very significant structural financial challenges which are being addressed as part of the 2024/25 and 2025/26 budget setting process. This is the third report in a series of regular updates on the financial position of the City Council.

1.2 This report will focus on:

- a) An update on the overall financial position and savings programme for 2024/25 and 2025/26 (paragraphs 3.3 to 3.13 refers);
- b) An update on the progress towards setting the budget and Council Tax Requirement for 2024/25 (paragraphs 3.14 to 3.30 refers);
- c) An update on the savings and transformation programme for 2025/26 (paragraphs 3.31 to 3.38 refers).

1.3 As outlined in the December 2023 Financial Position Update, as the Section 151 Officer, I am currently unable to make a Section 25 statement under the Local Government Act 2003 in relation to the robustness of estimates and adequacy of reserves.

1.4 The Council is currently facing a two-year savings target in the region of £300m, following a re-basing exercise of the 2023/24 budget. To date, the Council has identified £149.2m of savings for the 2024/25 financial year. Through work over the recent weeks, the Council has identified a further £81.8m of additional savings for the 2025/26 financial year. These savings continue to go through due diligence, in particularly those for 2025/26 which will be firmed up during Quarter 1 of the 2024/25 financial year.

1.5 The Council is currently in a position where it is unable to set a lawfully balanced budget, and as such a formal request is now required with the Department of Levelling Up, Housing and Communities (DLUHC) to explore Exceptional Financial Support (EFS) to enable the setting of a balanced budget for 2024/25. This will be in the form of two requests, one for the permission to increase Council Tax above the referendum limit, and one for a Capitalisation Direction.

1.6 The estimated size of the request for EFS is still to be determined but must be of sufficient size to cover provisions for Equal Pay, capitalisation costs involved in a redundancy scheme, and the forecast budget deficit 2024/25 and 2025/26. This will need to be funded through the application of capital receipts, for which the Council has a £500m target in 2024/25, and use of loan facilities. Any loan facilities will need to be funded over an agreed loan period, and will be at a penalty rate due to the Council using capital funding for revenue spend.

- 1.7 A substantial amount of work is now required to ensure the savings programme identified for the 2024/25 and 2025/26 financial years is deliverable. This needs to be undertaken at pace, with ownership and accountability from nominated Officers and Cabinet Members. Non-delivery of savings is unacceptable in the current financial situation. Any non-delivery or under-delivery of savings must be addressed expediently by Officers and Cabinet Members with savings or reductions in services of an equivalent value.
- 1.8 To return the Council to financial stability, we must rebuild our usable reserves and our General Fund balance to an adequate level. To achieve this all Directorates must live within their means, to be agreed as part of the 2024/25 budget setting process.
- 1.9 Further detail on the budget, savings programme, and EFS requests will be released in line with the budget setting process for 2024/25.

## **2. Recommendation(s)**

- 2.1 Cabinet is recommended to:
- a) Note the update on the **overall financial position and savings programme for 2024/25 and 2025/26** (paragraphs 3.3 to 3.13 refers);
  - b) Note the current status of the **progress towards setting the budget and Council Tax Requirement for 2024/25** (paragraphs 3.14 to 3.30 refers);
  - c) Note the update on the **savings and transformation programme for 2025/26** (paragraphs 3.31 to 3.38 refers).

## **3. Background**

- 3.1 As outlined in the Cabinet Reports presented to Cabinet on 14<sup>th</sup> November 2023 and 12<sup>th</sup> December 2023, and in the supporting Commissioner Review comments on both reports, the Council faces significant financial challenges. Having identified savings for both the 2024/25 and 2025/26 financial years, pace is required to develop a robust savings programme to deliver and monitor delivery of savings throughout the financial year.
- 3.2 Further detail on the proposals for the 2024/25 financial year are being developed through the budget setting process for the coming financial year. In addition to this,

the Council is developing a plan to deliver a two-year balanced budget, acknowledging the challenges involved in achieving a substantial £300m savings target in one financial year.

### **2024/25 Financial Position**

- 3.3 The 25<sup>th</sup> July 2023 high-level Quarter 1 forecast for 2023/24 presented to Cabinet also included a forecast budget gap for future financial years, in addition to an in-year forecast overspend of £87.3m. The forecast for 2024/25 also showed an additional budget gap of £77.5m in-year, making this £164.8m cumulative across the two years.
- 3.4 During November and December 2023, the Finance team performed a 're-basing' exercise on the 2023/24 budget. This included a full review of the key assumptions upon which the 2023/24 incremental budget was based, including:
- a) Inflation;
  - b) Pressures/growth;
  - c) Savings;
  - d) Use of, and contributions to, reserves and provisions.
- 3.5 On 12<sup>th</sup> December 2023, Cabinet received an update on the financial position, outlining the position that the current two-year savings target for the Council was in the region of £300m. Due to the size of this target, and the feasibility of achieving £300m of sustainable recurring savings in one financial year, CLT have been working towards meeting this target over the next two financial years. This is with the intention of delivering a cumulative £300m recurring savings target from the 2025/26 financial year.
- 3.6 In December 2023 the Provisional Local Government Finance Settlement and Office for National Statistics inflation figures were released, which allowed the Finance team to update assumptions in their modelled budget gap.
- 3.7 Continued analysis now indicates that the budget gap may rise to tens of millions over the original £300m, with this being finalised in January 2024 to be included within the reports to Cabinet and Full Council in February 2024.
- 3.8 The re-basing exercise in November 2023 highlighted a number of significant issues with the 2023/24 base budget which, alongside pressures identified through the



normal course of business, result in a budget gap of over £300m for the Council for the 2024/25 financial year:

- a) **Budget pressures, including Demand and Complexity Growth** – Growth across Directorates such as: growth pressures against packages of care across adults and childrens social care (both in rising demand and increased complexity); increased demand for temporary accommodation; Oracle programme costs; and forecast equal pay costs; **additional staffing costs** across social care and to support the Oracle finance system; and expected **lost income** (mainly from parking and potential asset sales).
- b) **Inflation** – this covers assumed increases for future pay settlements as well as assumptions for growth in care packages, transport and general price inflation. This increase reflects a change to previous forecasts for inflation made during the 2023/24 budget – these have been updated for latest forecasts. Therefore, general price inflation has been increased in line with Bank of England forecasts (compared to an estimate of 0% for 2024/25, made in the 2023/24 budget) and the cost of social care packages for adults and children has been uplifted from a 0.6% inflation forecast to a 6.7% inflation forecast;
- c) **Savings Write Off** – Savings written off from the 2023/24 and 2024/25 financial years, as outlined in the 12<sup>th</sup> December Cabinet Report;
- d) **Collection Fund Deficit** – this relates to an underachievement against forecast Council Tax and Business Rates income for the 2022/23 and 2023/24 financial years. Any known and forecast deficit at the time of budget-setting in February is charged to the General Fund for the next financial year. This deficit mainly relates to a significant reduction in forecast business rates mainly as a result of reduced collection rates (partly the result of difficulties with the Oracle system) and higher than expected appeals against business rates (as March 2023 was the last point at which appeals could be lodged against 2017 rates bills). This forecast has been reviewed by an external consultancy to confirm the deficit.
- e) These increases have been partially offset by reducing forecast contributions to reserves (that were planned for 24/25 but are no longer required).

3.9 The deficit for the 2024/25 financial year continues to be reviewed and forecasts updated. The deficit will be confirmed as part of the budget setting process for the coming financial year, presented alongside mitigations to address the gap in

January. This will also include updates from the provisional Local Government Finance Settlement announced on 18 December 2023.

3.10 The savings figures, following the assurance process, are detailed in the following two tables, 2024/25 totalling £149.2m and an additional £81.8m in 2025/26 bringing the total cumulative savings by 2025/26 to £231.0m. These savings were incorporated into the submission to Commissioners on 31st December 2023 (original deadline 7<sup>th</sup> January 2024), **Tables 1 and 2** refer:

**Table 1 – Summary of Savings identified for 2024/25 and 2025/26 by Directorate**

<b>Directorate</b>	<b>2024/25 £000</b>	<b>2025/26 £000</b>
Adult Social Care	25,211	52,306
Children & Families	55,586	67,036
City Housing	6,236	9,436
City Operations	33,898	56,741
Place, Prosperity and Sustainability	8,365	12,550
Strategy, Equality and Partnerships	2,447	2,597
Council Management	15,767	22,597
Cross-cutting	1,700	7,807
<b>Total</b>	<b>149,210</b>	<b>230,970</b>

**Table 2 – Summary of Savings identified for 2024/25 and 2025/26 by Risk Rating**

Rating	2024/25 £000	2025/26 £000
Green	93,827	124,161
Amber	37,743	71,380
Red	17,240	33,429
<b>Total</b>	<b>149,210</b>	<b>230,970</b>

3.11 **Table 3** below shows the current estimated changes in departmental cash limits from the 2023/24 financial year to the 2024/25 financial year, factoring in inflation, variations and savings. All Directorates, except Strategy, Equality and Partnerships, have net increases in their 2024/25 base budget when compared to the 2023/24 base budget. City Housing, Council Management and Strategy, Equalities and Partnership have also identified savings that are relatively high proportions of their 2023/24 base budget, 41%, 31% and 30% respectively.

**Table 3 – Summary of Directorate Changes to Net Base Budget**

Directorate	2023/24 Original Net Base Budget £'000	Inflation & Pay Award 2024/25 £'000	Variations +/- £'000	Savings 2024/25 £'000	2024/25 Net Base Budget £'000	Savings 2024/25 as % of 2023/24 Base Budget
Adult Social Care	403,077	32,921	22,431	(25,211)	433,218	6%
Children, Young People and Families	401,909	27,220	30,951	(55,586)	404,494	14%
City Housing	15,334	5,283	19,477	(6,236)	33,858	41%
City Operations	199,057	23,931	21,331	(33,898)	210,421	17%
Council Management	36,302	5,864	58,993	(11,127)	90,032	31%
Place, Prosperity and Sustainability	53,497	6,662	13,423	(8,365)	65,217	16%
Strategy, Equalities and Partnerships	8,195	238	1,322	(2,447)	7,308	30%
<b>Total Directorate Net Expenditure</b>	<b>1,117,371</b>	<b>102,119</b>	<b>167,928</b>	<b>(142,870)</b>	<b>1,244,548</b>	<b>13%</b>
Corporately Managed Budgets	(192,294)	(9,113)	20,932	(1,700)	(182,175)	-1%
<b>Total General Fund Budget</b>	<b>925,077</b>	<b>93,006</b>	<b>188,859</b>	<b>(144,570)</b>	<b>1,062,372</b>	<b>16%</b>

**Notes:**

1. The Finance team is carrying out a final review of savings and pressures before finalising the budget in the next couple of weeks
2. Savings No. 7 (£0.8m Single Person Discount) and No. 10 (£3.8m Additional staff for council tax and business rate collection) are not included in Directorate Budgets as they help to improve Collection Fund forecasts for Council Tax and Business Rates income (a total of £4.641m). This income will be shown below-the-line

- 3.12 The 2024/25 Net Base Budget increases mainly due to the phasing of the £300m savings over two years.
- 3.13 The Council is currently in a position where it is unable to set a lawfully balanced budget, and as such two formal written requests to the DLUHC for EFS are now required, to include:
- a) Permission to increase the Council Tax level above the referendum limit, and to support this, the Council will review and revise the Council Tax Support Scheme to offset the potential impact to citizens;
  - b) A formal application for a Capitalisation Direction (figure to be confirmed) and 'minded to' letter to cover the Equal Pay accounting liability, the costs involved in the redundancy scheme, and support to deliver a balanced budget for the 2024/25 financial year.

### **Budget Setting Update for the 2024/25 Financial Year**

- 3.14 On 12<sup>th</sup> December 2023, Cabinet received an update on the financial position which outlined the activities completed between 14<sup>th</sup> November 2023 and 1<sup>st</sup> December 2023.
- 3.15 On Friday 1<sup>st</sup> December 2023, the Council has identified £149.8m savings for the 2024/25 financial year. This was submitted to Commissioners, with supporting detail on the savings, delivery, risks, and mitigations. The high-level breakdown of these savings can be found in **Table 1** – 2024/25 Savings Categories and **Appendix 2** to the Section 151 Officer Update on the Financial Position of the Council – December 2023 report to Cabinet on 12<sup>th</sup> December 2023.
- 3.16 The latest revised 2024/25 Budget Setting Timetable and status is as per **Appendix 1** attached.
- 3.17 The key updates from the December Cabinet Report are as follows:
- Monday 4<sup>th</sup> December to Friday 8<sup>th</sup> December 2023
- 3.18 Following the submission of savings for the 2024/25 financial year to Commissioners, further due diligence was required to validate the constituent savings within the submission. Further work was completed during this week to

assess the deliverability of savings, risks identified, and mitigations associated with risks.

- 3.19 In addition, during the week commencing 4<sup>th</sup> December three Budget Scrutiny Task and Finish Group sessions were completed to review the savings identified to Friday 22<sup>nd</sup> December 2023. Savings were presented by Corporate Leadership Team (CLT) Directors, alongside Finance Business Partners (FBPs) and Heads of Service. A cross-party group of Elected Members provided challenge to savings proposals, with Directorates taking away feedback to be addressed in future submissions.
- 3.20 On Friday 8<sup>th</sup> December 2023 a series of Budget Assurance Forums commenced, with the Leader, Cabinet Member for Finance and Resources, and the relevant Cabinet Member hosting challenge sessions with CLT Directors, FBPs, and Managers responsible for delivery of the saving. In addition, relevant Commissioners have attended these sessions to provide feedback on savings proposals and identify further savings opportunities.

Monday 11<sup>th</sup> December to Friday 15<sup>th</sup> December 2023

- 3.21 Further sessions of the Budget Assurance Forums were delivered during week commencing 11<sup>th</sup> December 2023, broken out by relevant Cabinet Member portfolio.
- 3.22 In addition, a further Budget Scrutiny Task and Finish Group was arranged to challenge the savings proposals which bridged the gap between 24<sup>th</sup> November 2023 and 1<sup>st</sup> December 2023 savings submissions.
- 3.23 In addition to this initial Directorate engagement sessions were held, to ensure Directorates were aware of potential staffing implications within the savings proposals for their Directorate.
- 3.24 The savings put forward by Directorates have gone through a number of challenge and assurance sessions over these two weeks. This is to better understand proposals put on the table, assumptions underpinning them, where the savings will come from (e.g. income generation, staffing or vacancy reductions, overhead reductions etc.), and assumptions on timings of the savings.

Monday 18<sup>th</sup> December to Friday 22<sup>nd</sup> December 2023

- 3.25 Further sessions of the Budget Assurance Forums were delivered during week commencing 18<sup>th</sup> December 2023, split by relevant Cabinet Member portfolio.

3.26 In addition, CLT were tasked with identifying further 2025/26 savings, with a deadline of 19<sup>th</sup> December 2023. This has identified a further £22m of savings in 2025/26. A meeting between CLT and Commissioners was held on 20<sup>th</sup> December 2023 where a selection of these new 2025/26 savings were presented.

3.27 The latest savings submission was presented to Commissioners on 31st December 2023 with £149.2m of savings in 2024/25 and a further £81.8m in 2025/26.

#### Outcomes from Challenge

3.28 Necessarily, due to the timelines to complete all the work to deliver a budget for 2024/25, the challenge process has been undertaken at pace. The following high-level themes have come out of the review and challenge exercise:

- a) A number of the proposals were found to have assumed a **full year effect** of the savings in 2024/25. These have been challenged and rephased where appropriate.
- b) **Cross-cutting savings** have been part of the process and these will ultimately need to be extracted from service level budgets. At present these proposals will need to be substantiated at a Directorate level in terms of the base budget on which this is predicated and hence how it would be allocated by service and cost centre. Cross-cutting savings must be accepted at a Directorate level to be deliverable.
- c) Proposals regarding use of **Public Health Grant** funding to support service area expenditure on eligible activity has been reviewed with teams looking to establish in more detail what the funding would be applied to. This has now been reviewed by the Director of Public Health and discussions with the Office for Health Improvement and Disparities, to ensure proposals behind savings meet relevant criteria.

3.29 The most substantial risk arising from the review is the delivery and grip of savings by Directorates. While services have explained and stood by the deliverability of their savings, Directorate are responsible for delivering the necessary actions in full, on time and to scale in order to deliver the savings put forward. The accountability for the delivery of the savings rests with Directors and Managers responsible for delivery. As commented by the Commissioners on the December 2023 Financial Update Report, "Going forward, every budget-holding officer must not overspend

without reporting a viable compensating saving. If this is not possible, delegated authority to spend will need to be withdrawn”.

- 3.30 The timeline attached as **Appendix 1** includes an updated forecast for activities into January 2024, and to conclusion of the budget setting process for the 2024/25 financial year.

### **Savings and transformation programme for 2025/26**

- 3.31 As outlined in paragraphs 3.6 and 3.7, the Council intends to present a balanced budget over two financial years. This means developing a two-year savings programme which achieves £300m of credible savings by the 2025/26 financial year.
- 3.32 In order to achieve this, the Council must look at transformational savings for the 2025/26 financial year, which provide sufficient lead time to invest in services to achieve transformation which changes the ways of working within Directorates. Transformational savings have a longer lead time, however should deliver more significant savings which will fundamentally redesign the cost base for Council services.
- 3.33 In order to achieve this, the Chief Executive has instructed CLT Directors to lead on the development of transformational cross-cutting savings. This exercise was led by Director of Strategy, Equality and Partnerships and the Director of Transformation.
- 3.34 During the week commencing 4<sup>th</sup> December 2023, CLT was challenged to present savings which would align to future delivery model structures. This was completed in a whole day CLT session, facilitated by a third party, to challenge the ways of working across Directorates and focus on customer outcomes rather than Directorate siloes.
- 3.35 During the week commencing 11<sup>th</sup> December 2023, an outline Savings and Transformation Plan for 2025/26 was presented to Commissioners. This was an early draft with significant additional work required by the end of December 2023 to develop detail behind the savings proposals.
- 3.36 During the week commencing 18<sup>th</sup> December 2023, Directors built on the ideas identified for the 2025/26 savings programme, following the removal of areas of duplication. This meant developing sufficient detail behind the saving to ensure they

were right sized and addressable to support achieving the savings target for 2025/26. This was in the form of a savings proforma, including a risk assessment, identification of addressable budget, and assessment of potential deliverability through the use of benchmarks and peer comparisons.

3.37 The detail of this work was presented to Commissioners on 31<sup>st</sup> December 2023, as part of the Savings and Transformation Plan for 2025/26 submission (original deadline 7<sup>th</sup> January 2024).

**3.38** The credibility of this submission is critical to providing assurance to the Section 151 Officer and Commissioners on the deliverability of the 2024/25 and 2025/26 savings programmes. This is required in order to get support from Commissioners for the Council's request for EFS from DLUHC. **Receipt of EFS from DLUHC is currently the only feasible route to presentation of a lawfully balanced budget for 2024/25, alongside a Section 25 Statement of the Local Government Act 2003.**

#### **4. Public Consultation and Engagement**

4.1 This report has been written in consultation of CLT members and has been discussed with EMT. The content of this report is also based on presentations to the Commissioner led Finance Sub-Board.

4.2 The full 2024/25 budget will be subject to legal advice and guidance regarding statutory consultation, at that point specific plans will be developed to ensure all relevant groups and communities are appropriately and meaningfully consulted with.

4.3 A statutory business rate payers consultation meeting will be held in January 2024.

#### **5. Risk Management**

5.1 All savings presented against the 2024/25 and 2025/26 savings targets will be fully risk assessed. This will ensure all savings are presented with a robust risk assessment prior to approval as part of the 2024/25 budget setting process.

#### **6. Compliance issues**

6.1 **How are the recommended decisions consistent with the City Council's priorities, plans and strategies?** All implications and priorities will be considered



in the development of savings proposals alongside CLT and Cabinet Members. EMT engagement sessions ensure that there is alignment of proposals with City Council priorities, plans and strategies.

- 6.2 **Legal Implications:** Members have a statutory responsibility to ensure that the Council acts lawfully. The Council must set and maintain a legally balanced budget and must take steps to deal with any projected overspends and identify savings or other measures to bring budget pressures under control. Cabinet is responsible for preparing the annual Council budget in good time for the Council budget meeting on 27 February 2024.
- 6.3 Members are reminded in this context of their fiduciary duty to the Council Taxpayer, effectively to act as trustee of the Council's resources and to ensure proper custodianship of the Council's resources.
- 6.4 The Council must comply with all relevant legal requirements to complete Council Tax Setting on 27 February 2024, including employment consultation and consultation with the public where appropriate on the implications of proposals as part of this process. The Council will make sure that Equality Impact Assessments and all appropriate statutory consultation takes place in the development of savings proposals. This will be referenced in future reports to Cabinet and City Council.
- 6.5 **Financial Implications:** Financial implications are included in the body of this report.
- 6.6 **Public Sector Equality Duty:** The Council will ensure that all actions taken in response to these recommendations are in line with the Public Sector Equality Duty, this includes aligning to Equality Impact Assessments completed in the development of savings proposals, and ensuring the impact of savings proposals are aligned to the Public Sector Equality Duty.

## **7. Appendices**

- 7.1 Appendix 1 – Budget Timeline for 2024/25 and 2025/26 as of January 2024

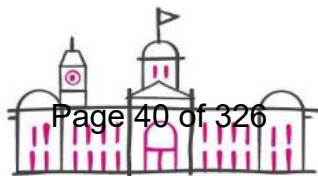


# Appendix 1 – Budget Timeline for 2024/25 and 2025/26 as of January 2024 (1/2)

Week	Status	Date	Milestone
5	Complete	17 <sup>th</sup> – 23 <sup>rd</sup> November 2023	Corporate diligence of savings options
5	Complete	20 <sup>th</sup> – 23 <sup>rd</sup> November 2023	Development of additional robust savings proposals
5	Complete	20 <sup>th</sup> – 23 <sup>rd</sup> November 2023	Service review sessions with a cross-directorate challenge group
5	Complete	20 <sup>th</sup> – 23 <sup>rd</sup> November 2023	Development of initial cross-cutting savings
5	Complete	24 <sup>th</sup> November 2023	Presentation of updated credible savings figure
6	Ongoing	w/c 27 <sup>th</sup> November 2023	Commence drafting of report (General Fund, HRA, Capital, Treasury Management Strategy)
6	Complete	27 <sup>th</sup> – 30 <sup>th</sup> November 2023	Due diligence of newly presented savings proposals
6	Complete	27 <sup>th</sup> – 30 <sup>th</sup> November 2023	Exploration of additional savings across: Cross cutting, Public Health Grant, Budget Line Review, Statutory vs Non-Statutory, Spend Control Rejections
6	Complete	27 <sup>th</sup> – 30 <sup>th</sup> November 2023	Chief Executive, S151 Officer, and CLT savings challenge sessions
6	Complete	1 <sup>st</sup> December 2023	EMT budget challenge session
7	Complete	w/c 4 <sup>th</sup> December 2023	O&S Task & Finish Group Phase 2 – Draft proposals
7	Complete	w/c 4 <sup>th</sup> December 2023	CLT and EMT
8	Complete	12 <sup>th</sup> December 2023	Cabinet – 2022/23 Provisional outturn & 2023/24 in-year savings update
9	Ongoing	w/c 18 <sup>th</sup> December 2023	CLT and EMT – Lock in of budget
9	Ongoing	w/c 18 <sup>th</sup> December 2023	Determination of rent increase under current policy
9	Complete	18 <sup>th</sup> December 2023	2024/25 Provisional Local Government Finance Settlement
9	Complete	19 <sup>th</sup> December 2023	Dedicated Schools Grant (DSG) allocations announced
-	Ongoing	December 2023	Budget Consultation
10	Complete	31 <sup>st</sup> December 2023	Savings and Transformation Plan shared with Commissioners
11	Complete	w/c 1 <sup>st</sup> January 2024	Council tax request sent to DLUHC
12	Scheduled	w/c 8 <sup>th</sup> January 2024	O&S Task & Finish Group Phase 3 – Final Budget
12	Scheduled	10 <sup>th</sup> January 2024	Commissioner Finance Board
12	On Track	10 <sup>th</sup> January 2024	Savings Templates to be fully updated

# Appendix 1 – Budget Timeline for 2024/25 and 2025/26 as of January 2024 (2/2)

Week	Status	Date	Milestone
12		10 <sup>th</sup> January 2024	<b>NEW</b> – Revised set of savings forms for all savings 2024/25 and 2025/26
12		8 <sup>th</sup> – 12 <sup>th</sup> January 2024	<b>NEW</b> – First draft of key milestone delivery plans for the largest 2024/25 savings
13		16 <sup>th</sup> January 2024	Cabinet Meeting – Council Tax Base 2024/25
13		16 <sup>th</sup> January 2024	Cabinet Meeting – HRA Rent Setting report
14		w/c 22 <sup>nd</sup> January 2024	All member briefing post-settlement
14		w/c 22 <sup>nd</sup> January 2024	Political group briefings
14		w/c 22 <sup>nd</sup> January 2024	2024/25 Final Local Government Finance Settlement
14		w/c 22 <sup>nd</sup> January 2024	Business Rates consultation
14		w/c 22 <sup>nd</sup> January 2024	Finalise budget reports
13		w/c 22 <sup>nd</sup> January 2024	Commissioner Finance Board
15		w/c 29 <sup>th</sup> January 2024	Commissioner Finance Board – Final budget
15		31 <sup>st</sup> January 2024	Treasury Management Strategy to Audit Committee
15		31 <sup>st</sup> January 2024	<b>NEW</b> – Draft of key milestone delivery plans for 2024/25 savings
15		31 <sup>st</sup> January 2024	<b>NEW</b> – Update to Commissioners on 2025/26 savings
-		TBC January/February 2024	Exceptional Financial Support 'minded to' letter from DLUHC
17		13 <sup>th</sup> February 2024	Cabinet – Receives budget
19		27 <sup>th</sup> February 2024	Full Council – Council tax setting
20		TBC March 2024	Issuance of School Budgets post Council decision





## Birmingham City Council

### Title: Council Tax Base 2024/25 (Q2)

Date: 5<sup>th</sup> January 2024

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**Subject: Council Tax Base 2024/25 (Q2)**

#### Commissioner Review

Commissioners are supportive of the report. The increased collection rate referenced in the report is achievable. However, the Authority must ensure that it focuses fully on this target and reviews and tightens current processes to ensure the target is achieved.

Given that Councils Tax is such an important income stream for the Authority we recommend that the current Council Tax Support Scheme is reviewed as soon as possible to ensure it is appropriate for current circumstances. We understand the scheme has not been reviewed since its implementation over 10 years ago. We also recommend that the Council reviews the current policy on Council Tax exemptions and discounts including their award and ongoing monitoring. We are pleased there will be a review of the single person discounts.



# Birmingham City Council

## Report to Cabinet

16th January 2024



**Subject:** COUNCIL TAX TAX-BASE FOR 2024/25

**Report of:** Interim Director of Finance (Section 151 Officer) – Fiona Greenway

**Relevant Cabinet Member:** Councillor Brigid Jones – Finance & Resources  
Councillor Sharon Thompson – Deputy Leader

**Relevant O & S Chair(s):** Councillor Jack Deakin - Resources

**Report author:** Richard Peirce, Finance Manager  
Email: [Richard.Peirce@birmingham.gov.uk](mailto:Richard.Peirce@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 checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 011738/2024		
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 type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential:		

### 1 Executive Summary

- 1.1 This report seeks approval of the Council Tax base for 2024/25 for the City Council, New Frankley in Birmingham Parish Council and Royal Sutton Coldfield Town Council. This forms an important part of the calculation of next financial year's income from Council Tax.
- 1.2 The report sets out the basis of the calculation and the assumptions which have been included.

### 2 Recommendations

That Cabinet: -

- 2.1 Approves a Council Tax base for Birmingham of 267,940 Band D equivalent properties, for 2024/25, as calculated in **Appendix 2**, in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012.
- 2.2 Approves a Council Tax base for the New Frankley in Birmingham Parish Council of 1,373 Band D equivalent properties for 2024/25, as calculated in **Appendix 3**.
- 2.3 Approves a Council Tax base for the Royal Sutton Coldfield Town Council of 37,444 Band D equivalent properties for 2024/25, as calculated in **Appendix 4**.
- 2.4 **Notes that, once formally determined (by approving this report), this tax base cannot subsequently be altered, and will be used when the City Council sets the Council Tax for 2024/25.**
- 2.5 Notes that there are no changes to the current Council Tax Support Scheme in 2024/25, subject to the Council's final decision on the potential increase for the year.

### **3 Background**

- 3.1 The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 requires local authorities to determine their tax base for Council Tax setting purposes before 31 January each year. This means that billing authorities, like Birmingham, must calculate the number of properties where Council Tax is payable and inform other precept bodies (in our case the West Midlands Police & Crime Commissioner, the Fire and Rescue Authority, New Frankley in Birmingham Parish and Royal Sutton Coldfield Town Councils) and other levying bodies, by 31<sup>st</sup> January, of this figure for precept/levying purposes.
- 3.2 The City Council is required to determine the tax base for Council Tax setting purposes for 2024/25. The calculation in this report is based upon the valuation list as at November 2023 and takes into account forecasts of discounts, exemptions and other changes likely to affect the number of properties on which full Council Tax will be payable and is inclusive of those changes which are predicted to happen by the end of 2024/25 e.g. successful appeals against valuation bands. Details of these factors are included within **Appendix 1**.
- 3.3 There has been a net increase of 3,126 (0.7%) in the total number of domestic properties in the past year to November 2022, compared with an increase of 3,460 (0.8%) during the previous 12-month period. The table in **Appendix 1** shows the number of properties by band in Birmingham as at November 2023 and highlights the changes since November 2022. The valuation list shows that 82.2% of all domestic properties in Birmingham have been allocated to "below average value" categories (i.e. Bands A-C), a marginal reduction from last year (82.3%), indicating that there has been minimal overall change in the average banding of properties.
- 3.4 The final part of the calculation is the application of the anticipated tax collection rate. Due to the impact of planned work to reduce arrears, it is recommended that the budgeted eventual composite collection rate for 2024/25 is increased to 97.4%. This is 0.3% higher than the Pre-Covid level of 97.1%. On this basis, the tax base for setting Council Tax for 2024/25 will be 267,940 Band D equivalent properties. In the event that collection performance exceeds the assumed rate, the resultant surplus will become available to be taken into account in setting future years' budgets and should this



collection rate not be achieved the resulting deficit will be reflected in future budget setting.

- 3.5 Before taking account of allowances for non-collection, the 2024/25 Council Tax base is an increase of 3,268 (1.2%) Band D equivalent properties from 2023/24. The main reasons for this are net increases of 3,126 for new Band D equivalent properties forecast for the period up to 31st March 2025.
- 3.6 There is also an increase in Empty Homes Premium of 1,824 Band D equivalent properties, offset by a decrease of 830 Band D equivalent properties primarily due to an increase in the level of Council Tax Support (CTS) discount awards and a decrease of 982 Band D equivalent properties due to increases in discount awards and exemptions. These have been set out in the table below.

<b>Summary of adjustment to the tax base for Band D Equivalent</b>	<b>2024/25</b>	<b>2023/24</b>	<b>Movement</b>
Properties on Valuation List	381,218	378,610	2,608
Forecasted new properties	3,981	3,332	649
<b>Net increase in No. of properties</b>	<b>385,199</b>	<b>381,942</b>	<b>3,257</b>
Exemptions, Discounts and Other	-52,509	-51,527	-982
Empty Homes Premium	4,371	2,548	1,824
Council Tax Support	-61,969	-61,139	-830
<b>Gross Tax Base</b>	<b>275,092</b>	<b>271,824</b>	<b>3,268</b>

- 3.7 It should be noted that as in previous years, whilst the number of properties on the Valuation list is a statement of fact, there are a number of estimates made by officers that make up the gross tax base. The key estimates are described below in paragraphs 3.8 to 3.11.
- 3.8 The forecast of new properties is based on taking information provided by officers in the Place, Prosperity and Sustainability Directorate on expected new builds after the valuation list date, and then estimating the number of new Band D properties this would represent.
- 3.9 The forecast of exemptions and discounts is largely based on system reports that are compared to current year costs to check for reasonableness. It also includes an expected reduction in Single Persons Discount of 450 Band D equivalent properties based on planned work to review eligibility.
- 3.10 The estimated income from Empty Homes Premium has been calculated by the Revenues and Benefits team based on system reports and taking into account that properties that are currently empty will not all remain empty. It should be noted that this forecast is significantly higher than in 2023/24 due to the change in the law allowing for Empty Homes Premium to be charged after the property is empty for one year rather than two years.
- 3.11 The level of Council Tax Support is estimated based on current costs in 2023/24 and the trend in usage during the year. If the Council seeks permission to increase the Council Tax level above the referendum limit, the Council will review the support available to Council Tax payers to offset the potential impact to residents.

- 3.12 Cabinet is asked to approve the tax base for Birmingham of 267,940 Band D equivalent properties. Once formally determined, this tax base cannot subsequently be altered, and will be used when the City Council sets the Council Tax for 2024/25.
- 3.13 Cabinet is asked to approve the tax base for the New Frankley in Birmingham Parish Council which, after applying the collection rate described above, produces a tax base figure of 1,373 Band D equivalent properties. This is the same as the number of Band D equivalent properties from 2023/24.
- 3.14 Cabinet is asked to approve the tax base for the Royal Sutton Coldfield Town Council which, after applying the collection rate described above, produces a tax base figure of 37,444 Band D equivalent properties. This is an increase of 226 Band D equivalent properties from 2023/24.

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

- 4.1 The method for calculation the Council Tax base is set out in The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012. No alternative methods for calculation of the Council tax base are available.

#### **5 Consultation**

- 5.1 Officers in the Council Management and Place, Prosperity and Sustainability Directorates have been consulted in determining the Council Tax Base. The Assistant Director – Revenues and Benefits has been consulted in the preparation of this report.
- 5.2 No public consultation is required on the Council Tax base. It is a statement of fact supplemented by the City Council's forecast of likely changes to the tax base in 2024/25.

#### **6 Risk Management**

- 6.1 The setting of the Council's budget which includes the setting of the Council Tax Base, as set out in this report, is part of the Council's arrangements for the management of financial issues.

#### **7 Compliance Issues:**

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

- 7.1.1 The completion of the Council Tax base does not have any direct implications for the City Council's Corporate Policy Priorities.

##### **7.2 Legal Implications**

- 7.2.1 The Council is required to set the tax base under the Local Government Finance Act 1992. The tax base is a factor in the determination of the planned level of Council Tax income which can be collected next year. The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 requires local authorities to determine their tax base for Council Tax setting purposes before 31 January each year. This means that billing authorities, like Birmingham, must calculate the number of properties where Council Tax is payable and inform other precept bodies as

detailed within the report and other levying bodies, by 31 January of this figure for precept/levying purposes.

- 7.2.2 The Local Government Act 2003 removed the requirement for this to be a matter reserved for approval by Full Council.

### 7.3 Financial Implications

- 7.3.1 The Council Tax base in conjunction with the Council Tax level (to be approved at the Council meeting on the 27th February 2024) will determine the total income from Council Tax in 2024/25 to be included in the approved budget for next year.

### 7.4 Procurement Implications (if required)

- 7.4.1 Not Applicable

### 7.5 Human Resources Implications (if required)

- 7.5.1 Not Applicable

### 7.6 Public Sector Equality Duty

- 7.6.1 There are no specific Equality Duty or Equality Analysis issues relating to the proposals set out in this report.

## 8 Appendices

- 8.1 Appendix 1 - Council Tax Base Calculation
- 8.2 Appendix 2 - Council Tax Base Birmingham 2024/25
- 8.3 Appendix 3 - Council Tax Base New Frankley in Birmingham Parish Council 2024/25
- 8.4 Appendix 4 – Council Tax Base Sutton Coldfield Town Council 2024/25

## 9 Background Documents

- 9.1 [Calculation of Council Tax Base \(CTB October 2023\) from \(Department for Levelling Up, Housing and Communities - DLUHC\)](#)
- 9.2 [Council Tax base calculation - GOV.UK \(www.gov.uk\)](#)
- 9.3 [Rating \(Property in Common Occupation\) and Council Tax \(Empty Dwellings\) Act 2018 - http://www.legislation.gov.uk/ukpga/2018/25/section/2/enacted](#)
- 9.4 [The Local Authorities \(Calculation of Council Tax Base\) \(England\) Regulations 2012 - Explanatory Memorandum \(legislation.gov.uk\)](#)

## Appendix 1: Council Tax base Calculation

The calculation of the tax base for 2024/25 commences with the total number of properties on the Valuation Office Agency (VOA) valuation list at 17<sup>th</sup> November 2023, as follows:

Band	2024/25				2023/24		Annual Movement	
	Number of Properties	Proportion in Band %	Cumulative Proportion %	No. Band D Equivalent	Number of Properties	No. Band D Equivalent	No. Properties	No. Band D Equivalent
A	163,607	35.5%	35.5%	109,072	162,380	108,252	1,227	820
B	131,610	28.6%	64.1%	102,363	131,141	101,999	469	364
C	83,381	18.1%	82.2%	74,116	82,660	73,476	721	640
D	43,229	9.4%	91.6%	43,229	42,765	42,765	464	464
E	22,604	4.9%	96.5%	27,627	22,419	27,401	185	226
F	9,050	2.0%	98.5%	13,072	9,012	13,017	38	55
G	5,943	1.3%	99.8%	9,905	5,929	9,882	14	23
H	917	0.2%	100.0%	1,834	909	1,818	8	16
<b>Total</b>	<b>460,341</b>	<b>100.0%</b>		<b>381,218</b>	<b>457,215</b>	<b>378,610</b>	<b>3,126</b>	<b>2,608</b>

The following additional factors, calculated for each of the property bands (A to H), have been included in the Tax Base calculation:

- An estimate of the number of properties which will be exempt from Council Tax;
- An estimate of the number of properties that will be reallocated to a lower tax band under the “disabled relief” scheme;
- An estimate of the number of appeals against valuation that are likely to succeed;
- An estimate of the number of new properties which will become liable for tax before 1 April 2024, together with any properties which will cease to be liable - and the proportion of the year for which that liability is likely to exist;
- An estimate of the number of properties for which discounts will apply, and the number of discounts for each property. This includes the Council Tax Support Scheme which includes a discount of up to 80%. This takes account of an assessment of the expected number and level of Council Tax Support discounts, drawing on experience of discounts awarded in 2023/24 and previous years.
- An estimate of the number of properties which will be classed as long-term empty (empty for over 1 year), attracting a premium of 100%; and an estimate for those that remain empty for at least 5 years, attracting a premium of 200%; and an estimate for those that remain empty for at least 10 years, attracting a premium of 300%.

The calculations for the assumptions above are set out in Appendix 2 to this report. The information for New Frankley in Birmingham Parish Council is shown in Appendix 3 and for Royal Sutton Coldfield Town Council in Appendix 4. These also show how the number of taxable properties in each band must be adjusted to arrive at an equivalent number of “Band D” properties, as required by legislation.

## Appendix 2 - Council Tax Base Birmingham 2024/25

Council Tax Base - Birmingham 2024/25											
											Band D Equivalent
Property Band	Band AR	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Properties	Properties
i) Dwellings on valuation list	0	163,607	131,610	83,381	43,229	22,604	9,050	5,943	917	460,341	381,218
ii) Estimated Exemptions	0	(9,006)	(4,468)	(3,133)	(3,193)	(1,181)	(170)	(118)	(31)	(21,301)	(17,405)
iii) Net adjustment in respect of estimated disabled relief	258	273	(63)	(167)	(112)	(97)	(21)	(28)	(43)	0	(266)
iv) Net adjustment in respect of estimated successful appeals and other adjustments	0	(459)	(508)	(301)	(157)	(77)	(20)	(12)	(2)	(1,538)	(1,275)
v) Net adjustment in respect of estimated new properties	0	1,709	1,375	870	451	236	95	62	10	4,807	3,981
No. of chargeable dwellings	258	156,123	127,946	80,650	40,217	21,485	8,933	5,847	851	442,309	366,253
vi) Total no. of discounts (including Council Tax Support)	(102)	(64,033)	(34,789)	(14,812)	(4,946)	(1,595)	(531)	(274)	(37)	(121,117)	(91,161)
Equivalent no. of chargeable dwellings net of discounts	156	92,091	93,157	65,838	35,271	19,890	8,402	5,573	814	321,192	275,092
Statutory proportion	5/9	6/9	7/9	8/9	1	11/9	13/9	15/9	18/9		
<b>Equivalent Band D properties (the "Relevant Amounts")</b>	<b>87</b>	<b>61,394</b>	<b>72,456</b>	<b>58,522</b>	<b>35,271</b>	<b>24,310</b>	<b>12,137</b>	<b>9,288</b>	<b>1,628</b>	<b>TOTAL =</b>	<b>275,092</b>
ALLOWANCE FOR NON-COLLECTION (2.6%)	(2)	(1,596)	(1,884)	(1,522)	(917)	(632)	(316)	(242)	(42)	TOTAL =	(7,153)
<b>TOTAL</b>	<b>84</b>	<b>59,798</b>	<b>70,572</b>	<b>57,001</b>	<b>34,354</b>	<b>23,678</b>	<b>11,822</b>	<b>9,046</b>	<b>1,586</b>	<b>TOTAL =</b>	<b>267,940</b>

### Appendix 3 - Council Tax Base New Frankley in Birmingham Parish Council 2024/25

Council Tax Base - New Frankley in Birmingham Parish Council 2024/25												Band D Equivalent
												Total Properties
Property Band		Band AR	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H		Properties
i)	Dwellings on valuation list	0	1,558	1,592	103	57	2	0	0	1		3,313
ii)	Estimated Exemptions	0	(20)	(16)	(1)	0	0	0	0	0		(37)
iii)	Net adjustment in respect of estimated disabled relief	3	1	(3)	(1)	0	0	0	0	0		0
iv)	No. of chargeable dwellings	3	1,539	1,573	101	57	2	0	0	1		3,276
v)	Total no. of discounts (including Council Tax Support)	(2)	(833)	(534)	(16)	(7)	0	0	0	0		(1,392)
	Equivalent no. of chargeable dwellings net of discounts	1	706	1,039	85	50	2	0	0	1		1,884
	Statutory proportion	5/9	6/9	7/9	8/9	1	11/9	13/9	15/9	18/9		
	<b>Equivalent Band D properties (the "Relevant Amounts")</b>	<b>1</b>	<b>471</b>	<b>808</b>	<b>76</b>	<b>50</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>TOTAL =</b>	<b>1,409</b>
	ALLOWANCE FOR NON- COLLECTION 2.6%	(0)	(12)	(21)	(2)	(1)	(0)	0	0	(0)	TOTAL =	(37)
	<b>TOTAL</b>	<b>1</b>	<b>459</b>	<b>787</b>	<b>74</b>	<b>49</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>TOTAL =</b>	<b>1,373</b>

## Appendix 4 – Council Tax Base Sutton Coldfield Town Council 2024/25

Council Tax Base - Sutton Coldfield Town Council 2024/25												Band D
												Equivalent
Property Band	Band AR	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total Properties		Properties
i) Dwellings on valuation list	0	3,326	5,528	7,739	9,537	8,635	4,186	2,621	404	41,976		44,710
ii) Estimated Exemptions	0	(107)	(97)	(158)	(156)	(130)	(59)	(23)	(6)	(736)		(738)
iii) Net adjustment in respect of estimated disabled relief	1	12	10	29	17	(31)	(14)	(12)	(12)	0		(43)
iv) No. of chargeable dwellings	1	3,231	5,441	7,610	9,398	8,474	4,113	2,586	386	41,240		43,929
v) Total no. of discounts (including Council Tax Support)	(1)	(1,586)	(1,418)	(1,223)	(945)	(611)	(236)	(110)	(10)	(6,142)		(5,485)
Equivalent no. of chargeable dwellings net of discounts	0	1,645	4,023	6,387	8,453	7,863	3,877	2,476	376	35,098		38,444
Statutory proportion	5/9	6/9	7/9	8/9	1	11/9	13/9	15/9	18/9			
Equivalent Band D properties (the "Relevant Amounts")	0	1,097	3,129	5,677	8,453	9,610	5,600	4,126	751	TOTAL =		38,444
ALLOWANCE FOR NON-COLLECTION 2.6%	(0)	(29)	(81)	(148)	(220)	(250)	(146)	(107)	(20)	TOTAL =		(1,000)
TOTAL	0	1,069	3,048	5,529	8,233	9,360	5,455	4,019	732	TOTAL =		37,444





## Birmingham City Council

### Title: Sexual Health Contract Award

Date: 5<sup>th</sup> January 2024

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**Subject: Sexual Health Contract Award**

#### Commissioner Review

Commissioners have sought assurance on the following details supporting this paper.

- The tendered integrated Service Delivery Model.
- The viability or otherwise of alternative dis-aggregated delivery models.
- Market engagement and market testing.
- Why the procurement exercise resulted in only one viable bidder responding.
- Any financial/service impact on BCC of Solihull, the joint commissioning council, not yet concluding its commercial agreements with the bidder.
- Changes in contract values in the paper and management of price/cost inflation through the life of the contract.
- Performance and Contract management, particularly measurement of the delivery of “outcomes” through the 4 Tiers of delivery and across the 5 public health outcomes/indicators of sexual health.
- What contract/commercial levers have been included to drive these outcomes
- The role and effectiveness of the Partnership Board.

. On the basis of this assurance, commissioners support the submission of this Cabinet paper.



# Birmingham City Council

## Report to Cabinet

16<sup>th</sup> January 2024



**Subject:** BIRMINGHAM AND SOLIHULL SEXUAL HEALTH TREATMENT & PREVENTION SERVICE – CONTRACT AWARD

**Report of:** Dr Justin Varney  
Director for Public Health

**Relevant Cabinet Member:** Cllr Mariam Khan - Health and Social Care

**Relevant O &S Chair(s):** Cllr Mick Brown - Health & Adult Social Care

**Report author:** Karl Beese - Commissioning Manager, Adults Public Health Services  
Email: [Karl.Beese@birmingham.gov.uk](mailto:Karl.Beese@birmingham.gov.uk)

Juliet Grainger – Public Health Service Lead (Adults)  
Email: [Juliet.grainger@birmingham.gov.uk](mailto:Juliet.grainger@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 checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 012250/2024		
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 type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential:		

## **1 Executive Summary**

- 1.1 To provide the details of the outcome of the procurement process undertaken for the provision of the Birmingham and Solihull Sexual Health Treatment and Prevention Service and to seek approval for the acceptance of the successful bidder as detailed in **Appendix 1**.
- 1.2 The contract award is for an initial period of 4 years commencing 1<sup>st</sup> April 2024, with an option to extend for a further period of up to 2 years. This is subject to satisfactory performance and budget availability for the estimated value for Birmingham of up to £62,205,055 for the initial 4-year contract term and up to £32,028,257 for the 2-year extension, totalling £94,233,312.

## **2 Recommendations**

That Cabinet:

- 2.1 Approves the award of a 4-year contract for the provision of the Birmingham and Solihull Sexual Health Treatment and Prevention Service to University Hospitals Birmingham NHS Foundation Trust, commencing on 1st April 2024, with an option to extend for a further 2 years to 31st March 2030 subject to budget availability and satisfactory performance for the estimated value of up to £62,205,055 for Birmingham for the initial 4-year contract term and up to £32,028,257 for the 2-year extension.
- 2.2 Approves delegated authority for the Director of Public Health in conjunction with the Cabinet Member for Health & Social Care, Assistant Director – Procurement (or their delegate), Strategic Director of Council Management (or their delegate) and the City Solicitor & Monitoring Officer (or their delegate) to approve any option to extend beyond the initial 4-year period up to a maximum of 2 additional years, subject to satisfactory performance and continued budget availability.
- 2.3 Authorises the City Solicitor to execute and complete all necessary legal documents to give effect to the recommendations above.

## **3 Background**

### **3.1 Background**

- 3.1.1 The relevant background and chronology of key events are contained in the Procurement Strategy for the provision of the Birmingham and Solihull Sexual Health Treatment and Prevention Service approved by the Cabinet Member for Health & Social Care and Finance & Resources on 31<sup>st</sup> July 2023 detailed under **Appendix 4**.

### **3.2 Invitation to Tender (ITT) Stage**

- 3.2.1 The contract was publicly advertised on 21st September 2023 on the Find a Tender Service (FTS), Contracts Finder and on [www.finditinbirmingham.com](http://www.finditinbirmingham.com)

seeking expressions of interest from organisations that wished to tender. In response to the advertisement, 12 organisations expressed an interest. All were requested to complete and return the tender by 12pm on Thursday 2nd November. One organisation responded by submitting a tender. Based on soft market testing and the specialist nature of the services Commissioners were expecting 2 – 3 bids. Feedback has been received from 2 organisations who expressed an interest and their reasons for not bidding were issues with obtaining suitable premises for service delivery and other procurement priorities.

### 3.3 Evaluation and Selection Summary

3.3.1 Details of the evaluation process, including the criteria for selection was set out in the Procurement Strategy and the published Invitation to tender (ITT) for the provision of the Birmingham and Solihull Sexual Health Treatment and Prevention Service. This outlined that tenders received would be evaluated using a split of 60% Quality, 20% Social Value and 20% Price.

3.3.2 The evaluation was undertaken by Officers from the Public Health Division, Adult Social Care Directorate and Solihull Metropolitan Borough Council as the service is jointly commissioned, supported by Corporate Procurement Services.

3.3.3 The tenderer passed the Stage 1 assessment, which is the standard Selection Questionnaire / Compliance stage and proceeded to the next stage - the ITT comprising of the Quality, Social Value and pricing assessment.

#### 3.3.4 Quality Evaluation (60% Weighting)

The results of the quality evaluation including the Presentation are shown in **Appendix 1**.

University Hospitals Birmingham (UHB) NHS Foundation Trust scored 58.75% for the written proposal which is marginally below the minimum threshold score of 60% for the Quality. Commissioners undertook a risk assessment of the areas with the lowest scores and judged them to be low risk. Some of the areas of concern were addressed in the Provider Presentation delivered by UHB on 22.11.2023. Other areas will be developed with the Provider as part of the mobilisation of the service.

#### 3.3.5 Social Value Evaluation (20% Weighting)

There were no specific issues that arose with the quality evaluation and all tenderers proceeded to the social value evaluation stage.

The results of the social value evaluation are shown in **Appendix 1**.

#### 3.3.6 Price Evaluation (20% Weighting)

The result of the price evaluation is shown in the table in **Appendix 1**.

There were clarifications required on some areas of the tenderers' financial Submission. The tenderer responded to the Birmingham clarifications which were acceptable to Public Health and Commissioners.

### 3.3.7 Overall Evaluation

The overall results of the evaluation are summarised in **Appendix 1**.

## 3.4 Recommendations

- 3.4.1 It is recommended that the contract for the provision of the Birmingham and Solihull Sexual Health Treatment and Prevention Service be awarded to University Hospitals Birmingham NHS Foundation Trust for a period of 4 years with the option to extend for an additional 2 years subject to budget availability and satisfactory performance. The contract is estimated to start on 1<sup>st</sup> April 2024 with an estimated Birmingham value of up to £62,205,055 for the initial 4-year contract term and up to £32,028,257 for the 2 year extension – up to £94,233,312 in total.

## 3.5 Service Delivery Management

### 3.5.1 Allocation of Work

Direct award to the successful tenderer, who will manage the supply chain and sub-contractors.

### 3.5.2 Contract Management

The contract will be managed operationally by the Public Health Commissioning Team within the Adult Social Care Directorate with support from Public Health teams in Birmingham and Solihull. A Memorandum of Understanding has been developed between the two local authorities to underpin these arrangements and responsibilities.

### 3.5.3 Performance Management

The contract will include a range of performance measures which will be monitored on a quarterly basis through the Contract Management process. This will include a range of outcomes and quality measures. The Birmingham and Solihull Sexual Health Treatment and Prevention Service has five key themes:

- Theme One: Priority Groups
- Theme Two: Reducing the Rates of STIs
- Theme Three: Reducing the Number of Unplanned Pregnancies
- Theme Four: Healthy Sexual Behaviour
- Theme Five: Children and Young People

In terms of outcomes, particular emphasis will be placed on the Public Health Outcomes Framework (PHOF) indicators:

- i) Total prescribed long-acting reversible contraception (LARC)
- ii) Chlamydia diagnoses in 15-24 year olds
- iii) New sexually transmitted infections (STI) diagnoses
- iv) The late diagnosis of HIV.

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

- 4.1 Not to award the contract – this is not a viable option as the provision of the Birmingham and Solihull Sexual Health Treatment and Prevention Service is a condition of the Public Health Grant that is received by the Council and is a statutory function whereby the Council is mandated to commission open access Sexual Health services, including free (at the point of access) STI testing and treatment, notification of sexual partners of infected persons and advice on, and reasonable access to, a broad range of contraception and advice on preventing unplanned pregnancy.

## **5 Consultation**

### **5.1 Internal**

- 5.1.1. The contents of this report have been shared with the Cabinet Member and Overview and Scrutiny Chair for Health and Social Care, the Director of Public Health, Public Health Senior Management Team and the Solihull Public Health Directorate Leadership Team, all of whom are supportive of the recommendations detailed within this report.

## **6 Risk Management**

- 6.1 The Corporate Procurement Service (CPS) approach is to follow the Council Risk Management Methodology and the Procurement Team is responsible for local risk management. CPS maintains a risk management register and documentation relevant for each contract. The risk register for the service has been jointly produced and owned by the Public Health Division with support from CPS with arrangements being put in place to ensure operational risks are appropriately mitigated.
- 6.2 A risk register will be developed in partnership with the successful tenderer that will monitor contract mobilisation and implementation.

## **7 Compliance Issues:**

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

7.1.1 The Birmingham and Solihull Sexual and Reproductive Health Service will contribute to strategic priorities and outcomes in the BCC Corporate Plan 2022 to 2026:

- An Inclusive Birmingham
- A Safe Birmingham
- A Healthy Birmingham

7.1.2 Compliance with the Birmingham Business Charter for Social Responsibility (BBC4SR) is a mandatory requirement that will form part of the terms and conditions of this contract. The tenderer was required to submit an Action Plan with their tender which has been evaluated in accordance with the tender structure detailed in 3.3 and the action plan of the tenderer will be implemented and monitored during the contract period.

7.1.4 These priority areas are supported by the overarching commitment to reduce health inequalities (a duty of the Local Council under the Health and Social Care Act 2012).

## **7.2 Legal Implications**

7.2.1 The Health and Social Care Act 2012 and associated regulations transferred the responsibility for sexual health to Public Health from the NHS to local authorities from April 2013. Several key indicators in the Public Health Outcome Framework relate to sexual health (detailed under point 3.5.3) and these will continue to be assessed in terms of performance.

7.2.2 Section 12 of the Health and Social Care Act 2012 introduced a new duty at Section 2B of the NHS Act 2006 for all upper-tier and unitary local authorities in England to take appropriate steps to improve the health of the people who live in their areas.

7.2.3 Section 6C of the National Service Act 2006 as amended by the Health and Social Care Act 2012 and The Local Authorities (Public Health Functions and Entry to Premises by Local Healthwatch Representatives) Regulations 2013 provide for the discharge of public health functions by Local Authorities.

7.2.4 Pre-Procurement Duty under the Public Service (Social Value) Act 2012

The Social Value outcomes to be supported by this contract have been determined and are included in the specification, as well as incorporation of the associated Themes from the BBC4SR that were included in the tender evaluation.

## **7.3 Financial Implications**

7.3.1 This is a procurement process for a fixed fee contract, with the cost of the Birmingham and Solihull Sexual Health Treatment and Prevention Service for the period 1st April 2024 to 31st March 2030 being funded through the Public



Health Grant that is received by the Council. There is no additional funding required from the Council to support this contract.

- 7.3.2 The overall total value for Birmingham of the proposed 6-year contract is up to £94,233,312, yearly costs below:

Year 1 – £15,323,648

Year 2 – £15,474,384

Year 3 – £15,626,628

Year 4 – £15,780,395

Year 5 – £15,935,699

Year 6 - £16,092,558

Total - £94,233,312

- 7.3.3 The Birmingham spend of up to £94,233,312 was approved by the Section 151 Spend Control Board on 18th September 2023.

- 7.3.4 The contract value detailed under point 1.2 includes a 1% annual uplift, and clauses have been added to the Terms and Conditions of the contract from 1st April 2024 to 31st March 2030 which include:

- Early termination of contract and notice periods for both parties; from a BCC perspective, this would be driven by significant change in National Policy and/or Central Funding (this could be a reduction in the Public Health Grant and/or the Grant no longer being ring-fenced within the Local Authority) which would directly impact on the continuation of provision of the Birmingham and Solihull Sexual Health Treatment and Prevention Service.
- From 2024/25, Public Health is responsible for the NHS pay settlements in relevant public health provider contracts through the Public Health grant. The terms and conditions of the contract includes a separate clause to the effect that this will be funded based on the national pay settlement for NHS contracted staff, if DHSC provide the appropriate uplift to the Public Health grant for the relevant year.
- A caveat advising that if there are cuts to the Public Health grant, the Council reserves the right to revisit the yearly contract value and reduce it accordingly.
- Working collaboratively with the service provider, Birmingham and Solihull Public Health and Commissioning teams will negotiate a standard primary care tariff across the Birmingham and Solihull geography. This will aim to align the current variance in payments prior to the new contract being issued.

## **7.4 Procurement Implications**

- 7.4.1 This report concerns the Procurement Strategy and award of contract for the Birmingham and Solihull Sexual Health Treatment & Prevention Service and the implications are detailed throughout this report.
- 7.4.2 The new contract commencing on 1st April 2024 will continue to be managed by the Public Health Commissioning Team within the Adult Social Care Directorate in partnership with Birmingham Public Health and Solihull Metropolitan Borough Council.
- 7.4.3 This was a joint procurement process between Birmingham City Council and Solihull Metropolitan Borough Council. The contract values included within this report relate to Birmingham only and not Solihull.
- 7.4.4 There is ongoing clarification between the bidder and Solihull Metropolitan Borough Council in order to confirm the final costings for the Solihull element of the Sexual Health Treatment and Prevention Service.

## **7.4 Human Resources Implications**

Not applicable.

## **7.6 Public Sector Equality Duty**

- 7.6.1 The requirements of Standing Order No. 9 in respect of the Council's Equal Opportunities Policy will be incorporated into the new contract.
- 7.6.2 The requirements of the Equality Act 2010 will be included in the new contract to ensure compliance with the Act.
- 7.6.3 An Equalities Impact Assessment (EQUA961) is included at **Appendix 2**. The Birmingham and Solihull Sexual Health Treatment & Prevention Service is open to anyone in Birmingham and Solihull (predominantly aged 13 years and over) and is not discriminatory towards any of the nine protected characteristics detailed in the Equality Act 2010.

## **8 Environment Sustainability Assessment**

- 8.1 An Environmental Sustainability Assessment is included at **Appendix 3**.

## **9 Appendices:**

**Appendix 1.** Invitation to Tender Scoring

**Appendix 2.** Equalities Impact Assessment (EQUA961)

**Appendix 3.** Environmental Sustainability Assessment

**Appendix 4.** Sexual Health Procurement Strategy dated 31<sup>st</sup> July 2023

## **10 Background Documents**

### **10.1 Cabinet Member Decision 31<sup>st</sup> July 2023 – Sexual Health Treatment and Prevention Procurement Strategy**



## Appendix 1

## Birmingham City Council

## Report to Cabinet

21<sup>st</sup> November 2023

**Subject:** BIRMINGHAM AND SOLIHULL SEXUAL HEALTH TREATMENT & PREVENTION SERVICE CONTRACT AWARD

**Report of:** Dr Justin Varney  
Director for Public Health

**Relevant Cabinet Member:** Cllr Mariam Khan - Health and Social Care

## 1 Purpose

- 1.1 This appendix details the scoring of the bid submitted by University Hospitals Birmingham NHS Foundation Trust (UHB) in relation to the Birmingham & Solihull Sexual Health Treatment and Prevention Service.

## 2 Background

- 2.1 Quality Evaluation (60% Weighting)

- 2.1.1 The results of the quality evaluation are shown below:

Company	UHB
Quality (Written Proposal) Score (Max Score 100)	58.75
Adjusted score (Max 50)	50.00

Company	UHB
Provider Presentation Score (Max Score 100)	80.00
Adjusted score (Max 10)	10.00

Company	UHB
Overall quality score (Max 60)	60.00

- 2.2 Social Value Evaluation (20% Weighting)

- 2.2.1 The results of the social value evaluation are shown below:

<b>Company</b>	<b>UHB</b>
Social Value Qualitative (Max Score 100)	60.00
Adjusted score (Max 12)	12.00

<b>Company</b>	<b>UHB</b>
Social Value Quantitative (Max Score 100)	100.00
Adjusted score (Max 8)	8.00

<b>Company</b>	<b>UHB</b>
Overall Social Value score (Max 20)	20.00

## 2.3 Price Evaluation (20% Weighting)

### 2.3.1 The results of the price evaluation are shown below:

<b>Company</b>	<b>UHB</b>
Price (Finance Schedule) (Max Score 100)	100.00
Adjusted score (Max 16)	16.00

<b>Company</b>	<b>UHB</b>
Budget Management (Max Score 100)	60.00
Adjusted score (Max 40)	40.00

<b>Company</b>	<b>UHB</b>
Overall Price score (Max 20)	20.00

## 2.4 Overall Evaluation

### 2.4.1 The overall results of the evaluation are summarised below:

<b>Company</b>	<b>UHB</b>
Quality	60
Social Value Quantitative	20
Price	20
Total	100

## 3 Options considered and Recommended Proposal

### 3.1 University Hospitals Birmingham NHS Foundation Trust is the incumbent Provider and only organisation to submit a bid to deliver the service. The bid

submitted meets the minimum requirement in most areas. There were some areas of concern within the written proposal, however, these have been assessed as very low risk and will be developed with the Provider as part of the mobilisation of the service.

- 3.2 It is recommended that the contract for the provision of the Birmingham and Solihull Sexual Health Treatment and Prevention Service be awarded to University Hospitals Birmingham NHS Foundation Trust for a period of 4 years with the option to extend for an additional 2 years subject to budget availability and satisfactory performance. The contract will commence on 1<sup>st</sup> April 2024 with a Birmingham value of up to £62,205,055 for the initial 4-year contract term and up to £32,028,257 for the 2-year extension.

#### **4 Finance**

- 4.1 As part of the tender process bidders were asked to provide a Finance Schedule with their tender submission detailing the yearly cost of delivering the Birmingham and Solihull Sexual Health Treatment and Prevention Service.
- 4.2 University Hospitals Birmingham NHS Foundation Trust provided an acceptable finance schedule for a fully costed service for Birmingham. There is ongoing clarification between the bidder and Solihull Metropolitan Borough Council in order to confirm the final costings for the Solihull element of the Sexual Health Treatment and Prevention Service.
- 4.3 The tender submission represents value for money as the price submitted by the bidder was within the price envelope for the services and in line with historic spend.





Title of proposed EIA	Sexual and Reproductive Health Services in Birmingham
Reference No	EQUA961
EA is in support of	Amended Service
Review Frequency	Annually
Date of first review	01/04/2025
Directorate	Strategy Equality and Partnerships
Division	Public Health
Service Area	Sexual Health
Responsible Officer(s)	<input type="checkbox"/> Juliet Grainger
Quality Control Officer(s)	<input type="checkbox"/> Karl Beese
Accountable Officer(s)	<input type="checkbox"/> Becky Pollard
Purpose of proposal	To inform the sexual and reproductive health commissioning and procurement arrangements in Birmingham
Data sources	Survey(s); Consultation Results; Other (please specify)
Please include any other sources of data	Sexual Health Needs Assessment 2021 and service pathway improvement project Sept 22 - March 23
ASSESS THE IMPACT AGAINST THE PROTECTED CHARACTERISTICS	
Protected characteristic: Age	Service Users / Stakeholders; Wider Community
Age details:	The integrated sexual health service will be universally accessible to all ages within the legal framework for sexual consent and will therefore have a positive impact on this protected characteristic. Some of the specific services provided within the service model are targeted at vulnerable and most at-risk populations, including those under 25 years of age. The system will also maintain a focus on the needs of Young People and will further develop the service response to groups of Young People with greatest needs e.g. Looked after Children and Care Leavers. Guidance recommends that specific services are made available to Young People as evidence indicates this

age group is more at risk of poor sexual health. Improved access to contraceptive services and larger volumes of young women using the most effective contraception will be achieved through redesigning the local approach. The National Chlamydia Screening Programme (NCSP) has changed focus by promoting screening for young women on change of partner or annually. The National Human Papillomavirus (HPV) vaccination programme is also benefiting girls and boys in terms of a reduction in genital warts.

Protected characteristic: Disability

Service Users / Stakeholders; Wider Community

Disability details:

This service will have a neutral impact on disabilities. The service will be contracted to meet all requirements around the Equality Act 2010 to ensure their services are accessible to disabled people. The service specification will outline in detail the requirements for the service to comply with the Equality Act 2010 and the Public Sector Equality Duty and ensure that all staff are trained and competent in equality and diversity issues.

Protected characteristic: Sex

Service Users / Stakeholders; Wider Community

Gender details:

The integrated sexual health service will have a positive impact on this protected characteristic. The service will need to demonstrate that it is contributing to the delivery of local priorities, including those that focus on meeting the particular needs of women, men and those who identify as non-binary. The service will identify those being, or at risk of being, sexually exploited and aim to reduce health inequalities for people who experience poor sexual health, including MSM (men who have sex with men), lesbians, bi-sexual women and transgender people. An objective is to ensure that robust safeguarding arrangements are

in place, which includes issues such as sexual exploitation and FGM (female genital mutilation) which disproportionately affects women and girls. Dedicated staffing that is configured in response to domestic violence and sexual violence will be available and explicit care pathways of support will be made available. Men who have sex with men are targeted through outreach to ensure sexual health needs are addressed.

Protected characteristics: Gender Reassignment

Service Users / Stakeholders; Wider Community

Gender reassignment details:

The service is likely to have a neutral impact on this protected characteristic. The service will provide an open access service that will be made available to the population of Birmingham including this protected group and those who suffer from gender dysphoria. The service will be expected to meet all service user needs by taking account of equality, discrimination and good relations between protected groups in the way that it delivers services, buys goods and services and employs people.

Protected characteristics: Marriage and Civil Partnership

Service Users/ Stakeholders; Wider Community

Marriage and civil partnership details:

The service is likely to have a neutral impact on this protected characteristic. The service will provide an open access service that will be made available to the population of Birmingham including this protected group.

Protected characteristics: Pregnancy and Maternity

Service Users / Stakeholders; Wider Community

Pregnancy and maternity details:

The service will have a positive impact on this protected characteristic. The integrated sexual health service will contribute to reducing unintended

conceptions in all ages and repeat terminations through a range of measures including increased availability, uptake and continuing use of long-acting reversible contraception methods (LARC), have a clear referral pathway to abortion providers (not commissioned by the LA) by liaising with those providers to ensure prompt contraception provision following termination.

Protected characteristics: Race

Service Users / Stakeholders; Wider Community

Race details:

The sexual health service will have a positive impact on this protected characteristic. It will provide a service that is contributing to the delivery of local sexual health priorities, including those that focus on particular groups within ethnically diverse communities. The service will also work to increase uptake of HIV testing, and to reduce late HIV diagnoses and new infections amongst groups who are most affected, including black African people.

Protected characteristics: Religion or Beliefs

Service Users / Stakeholders; Wider Community

Religion or beliefs details:

The integrated sexual health service will have a neutral impact on this protected characteristic. The service will provide an open access service that will be made available to the population of Birmingham including those who follow different religions or beliefs, or those with no religion or belief. The service will be contracted to meet all requirements of the Equality Act 2010 to ensure services are accessible. The specification outlines in detail the requirements to the service which is expected to comply with the Equality Act 2010 and the Public Sector Equality Duty and ensure that their staff is trained and competent in equality and diversity issues.

Protected characteristics: Sexual Orientation

Service Users / Stakeholders; Wider Community

Sexual orientation details:

The sexual health service will have a positive impact on this protected characteristic. The service will be expected to provide an open access service to the population of Birmingham, including people who are gay, lesbian, bisexual or heterosexual and to support their sexual health needs.

Socio-economic impacts

As an open access and integrated sexual health service, it must be accessible to all patients eligible for free NHS treatment, irrespective of their place of residence and socio-economic status.

- a) A particular focus on prevention and sexual health promotion among young people – for example, improving relationships and sex education (RSE) and ensuring provision of free contraception and condoms.
- b) A specific objective in the contract to meet the needs of people from high risk groups, including young people, people from black ethnic groups, people who identify as LGBT and people with disabilities.
- c) Strengthening community-based services and consideration of alternative methods of service delivery, such as online services and self-testing – with the aim of reducing stigma and encouraging greater use of services, particularly by men and young people.

Please indicate any actions arising from completing this screening exercise.

1. This assessment will inform the development of the service specification. This has been completed
2. If procurement through tendering is utilised as part of identifying and agreeing a provider, the evaluation panel of submitted bids will need to be satisfied that proposals address the equality characteristics identified in this EIA. The sexual and reproductive health ITT was published 21 Sept - 2 Nov 23. This has now been evaluated pending award.

3. To monitor the performance/ delivery of the contract from an equality perspective to minimise the chance of unintended negative outcomes for individuals/groups with protected characteristics.

Please indicate whether a full impact assessment is recommended

NO

What data has been collected to facilitate the assessment of this policy/proposal?

Sexual Health Needs assessment 2021 and subsequent consultation on the (Draft) Birmingham and Solihull Sexual and Reproductive Health Strategy 2023 – 2030 during May - July 2022. Service quality improvement programme Sept 22 - March 23

Consultation analysis

Public Consultation Report Summary:

The consultation was undertaken to provide assurance that the sexual health strategy adequately reflected the findings of the needs assessment and incorporated public and stakeholder feedback

Agreement for the strategy's vision and aims was unanimous, with only a few areas being identified as possible gaps -male sexual health education, mental health aspects of sexual health, older people and primary care as a vehicle to deliver improvements in localities.

In response to the themes in the strategy, the key feedback was on priority groups including integrating sexually transmitted infection and contraceptive advice as an important aspect of prioritizing women who may be vulnerable due to termination of pregnancy, sexual violence, domestic abuse, or cultural and language issues. In addition, building on practitioners' knowledge of the motivation of different client groups e.g. Gay men, Trans community and those with Gender dysmorphia for attending clinic could be used to increase opportunistic sexual health screening and uptake of PrEP.

In terms of younger people, a need for services and pathways tailored to the needs of vulnerable groups (i.e. under 13s, young Sexual Assault victims,

Children in Care or foster homes) was highlighted. This will need to incorporate a wider system response to ensure legal, safeguarding and appropriate medical interventions are provided to children under the age of legal consent. Gillick competency and Fraser guidelines are the national standards that sexual health and children and young peoples services work to in order to balance the needs and wishes of the child and the responsibility to keep them safe.

The model that will be developed and used to deliver health services for Birmingham and Solihull in the future will be informed by the feedback received from the consultation

Adverse impact on any people with protected characteristics.

No

Could the policy/proposal be modified to reduce or eliminate any adverse impact?

How will the effect(s) of this policy/proposal on equality be monitored?

Via the public contracting process. Any procurement exercise approved will include evidence of equalities compliance. Contract monitoring will also include equalities monitoring and service user feedback. ITT and evaluation has taken place (Nov 23)


What data is required in the future?

Service activity and demographic data as well as patient feedback

Are there any adverse impacts on any particular group(s)

No

If yes, please explain your reasons for going ahead.

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Initial equality impact assessment of your proposal

The sexual health needs assessment, strategy and consultation findings have highlighted areas that we will seek to improve via our commissioning processes. These will include gender specific priorities around increased access to contraception for women, awareness raising around sexual health, relationships and behaviours in the

	male population and improved pathways for LGBTQ communities and older and young people. These have all been incorporated in to the spec for the new contact 2024 - 2030
Consulted People or Groups	<p>As part of the needs assessment during 2021, consultation and engagement was undertaken across Birmingham and Solihull with the community, as well as 130 professionals, and practitioners. The aim of this was to find out what was working well as part of the delivery of sexual and reproductive health services and Genito-urinary Medicine (GUM) clinics and where there were areas for development. The public were also asked about their sexual health behaviours and experiences of services and we received 106 responses.</p> <p>We also consulted on the subsequent sexual health strategy between May – July 2022. There were 77 responses to the online survey. In addition, one focus group was held with 35 community representatives, and a second with a total of 8 community members and professionals from across Birmingham and Solihull. A workshop was then held with 45 members of staff from the sexual health service.</p>
Informed People or Groups	A presentation on the strategy was provided to primary care via the general practice peer support team chaired by the Local Medical Committee. This was attended by 75 primary care leads.
Summary and evidence of findings from your EIA	N/A - initial assessment provided above.
QUALITY CONTORL SECTION	
Submit to the Quality Control Officer for reviewing?	No
Quality Control Officer comments	
Decision by Quality Control Officer	Proceed for final approval







### Environment and Sustainability Assessment

Birmingham City Council is required to assess any positive or negative impacts that any policy/strategy/decision/development proposal is likely to have on the environment. To complete the assessment, you should consider whether that policy/development/proposal will have a positive or a negative impact on each of the key themes by selecting whether the impact of the proposal is positive, negative or has no specific impact on the themes. Please only tick one of these, by deciding what the overall impact is. The assessment must be completed for all Cabinet reports. It is the responsibility of the Service Director signing off the report to ensure that the assessment is complete.

<b>Project Title: Sexual Health Treatment &amp; Prevention Service – Contract Award 2023</b>				
<b>Department: Public Health</b>	<b>Team: Adults</b>			<b>Person Responsible for assessment: Juliet Grainger</b>
<b>Date of assessment: 10/11//23</b>		<b>Is it a new or existing proposal?: Existing</b>		
<b>Brief description of the proposal:</b> Request for cabinet to approve the Contract Award of the Sexual Health Treatment & Prevention Service				
<b>Potential impacts of the policy/development decision/procedure/ on:</b>	<b>Positive Impact</b>	<b>Negative Impact</b>	<b>No Specific Impact</b>	<b>What will the impact be? If the impact is negative, how can it be mitigated, what action will be taken?</b>
Natural Resources- Impact on natural resources including water, soil, air			x	
Energy use and CO <sub>2</sub> emissions	x			The sexual health treatment and prevention service includes access to locality-based GP and Pharmacy sexual and reproductive health services e.g. contraception which reduces the need for people to travel
Impact on local green and open spaces and biodiversity			x	
Use of sustainable products and equipment		x		Sexual health services by their nature generate clinical waste, e.g., syringes, testing equipment. There is also packaging that keeps equipment sterile and the use of PPE.

				<p>Many of these products are plastic based and therefore not currently sustainably manufactured. Products and packaging must also be disposed of frequently. These products will also need to be transported to the clinical sites and require regular delivery.</p> <p>As this is an existing service, we do not anticipate an increased impact. NHS waste management services are already in place. Products and equipment are sourced via the NHS supply chain and the appropriate governance arrangements.</p>
Minimising waste		x		Clinical waste, packaging and PPE disposal required. As this is an existing service, we do not anticipate an increased impact. NHS clinical waste management services are already in place.
Council plan priority: a city that takes a leading role in tackling climate change	x			Locality based services reduce the need for residents to travel across the City
Overall conclusion on the environmental and sustainability impacts of the proposal	<p>The sexual health service includes the main University Hospital Birmingham genito-urinary medicine and contraceptive clinics run by the Umbrella service and sexual and reproductive health services offered in the community via GP practices and pharmacies. Whilst clinical services will require the use of sterile and disposable equipment and generate clinical waste, this will not be exacerbated by the contract extension.</p> <p>The governance and monitoring sits within our existing service contract and is part of the NHS infrastructure e.g. the NHS supply chain has a sustainability strategy and targets to <b><i>“become the world’s first carbon net zero national health system by 2045, and 2040 for the emissions we control directly.”</i></b></p>			

If you require assistance in completing this assessment, then please contact: [ESAGuidance@birmingham.gov.uk](mailto:ESAGuidance@birmingham.gov.uk)

# Birmingham City Council

## Report to Cabinet Member for Health & Social Care

31<sup>st</sup> July 2023



**Subject:** SEXUAL HEALTH TREATMENT & PREVENTION  
PROCUREMENT STRATEGY

**Report of:** Dr Justin Varney  
Director for Public Health

**Relevant Cabinet Member:** Cllr Mariam Khan - Health and Social Care

**Relevant O&S Chair(s):** Cllr Mick Brown - Health and Social Care

**Report author:** Karl Beese - Commissioning Manager, Adults Public Health Services  
Email: [Karl.Beese@birmingham.gov.uk](mailto:Karl.Beese@birmingham.gov.uk)  
Juliet Grainger – Public Health Service Lead (Adults)  
Email: [Juliet.grainger@birmingham.gov.uk](mailto:Juliet.grainger@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 type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, state which appendix is exempt, and provide exempt information paragraph number or reason if confidential:		

### 1 Executive Summary

This report is to obtain approval of the Procurement Strategy and proceed with the procurement of the Sexual Health Treatment & Prevention Service.

The contract agreement will be for a period of 4 years commencing on the 1<sup>st</sup> April 2024, with an option to extend for a further period of 2 years, subject to satisfactory performance and budget availability. The contract will be funded via the ring-fenced Public Health Grant, the indicative value of the contract based on forecast data is £89.8m broken down as:

Indicative spend:

Financial year	Contract Value	Uplift
2024/25	£14,604,342	-
2025/26	£14,750,385	1%
2026/27	£14,897,889	1%
2027/28	£15,046,868	1%
<b>Total value:</b>	<b>£59,299,484</b>	

Indicative spend to be confirmed:

Financial year	Contract Value	Uplift
2028/29	£15,197,337	1%
2029/30	£15,349,310	1%
<b>Total value:</b>	<b>£30,546,647</b>	

The 1% uplift will be contingent on the ring-fenced grant receiving a minimum of 1% uplift without additional duties and responsibilities, separate from the NHS pay settlement uplift.

From 2024/25 the Public Health grant is responsible for the NHS pay settlements in public health provider contracts from 2024/5. The new contract will include a separate clause to the effect that this will be funded based on the national pay settlement for NHS contract staff, if DHSC provide the appropriate uplift to the Public Health Grant for the relevant year. If the provider is not an NHS provider and does not employ staff on national NHS terms and conditions, then this will not apply.

The above values are funded from the ring- fenced Public Health Grant from central government which is for use on public health functions. Sexual health service provision is a statutory public health function (Point 3.1). Further financial information is detailed under 7.3.

## 2 Recommendations

### 2.1 That the Cabinet Member for Health and Social Care:

2.1.1 Approve the contents of this report in order to implement the strategy and the commencement of procurement activity for Sexual Health Treatment & Prevention Service in accordance with the requirement and approach set out in paragraph 3.9.

2.1.2 Note that the outcome of the procurement process will be reported to Cabinet together with a recommendation for approval of contract award along with

delegation of the 2-year option to extend delegated to the Cabinet Member for Health and Social Care in conjunction with the Director of Public Health, Assistant Director – Procurement, the Director of Council Management (or their delegate) and the City Solicitor & Monitoring Officer (or their delegate).

### **3 Background**

3.1 The responsibility for commissioning Sexual Health Services transferred to the Local Authority on the 1st April 2013. The provision of Sexual Health Services is a condition of the Public Health Grant that is received into the Council and is a statutory function whereby the council are mandated to commission open access sexual health services, including free (at the point of access) STI testing and treatment, notification of sexual partners of infected persons and advice on, and reasonable access to, a broad range of contraception and advice on preventing unplanned pregnancy.

3.2 Currently the Sexual Health Treatment & Prevention Service is delivered by University Hospitals Birmingham NHS Foundation Trust (UHB) under a contract which commenced on 9th August 2015 and expires on the 31st March 2024. The service is branded as Umbrella Sexual Health Services for Birmingham and Solihull.

Birmingham and Solihull Councils have historically jointly commissioned the service and this partnership approach will continue as part of this procurement process as it aligns with local integrated care system (ICS) arrangements. Birmingham and Solihull are in a stronger position to meet the needs of our populations through collaborating on Sexual Health and this approach allows us to pool both human and financial resources to avoid duplication in service delivery and financial overlap, saving each area both time and money. It should be noted that certain elements of service delivery are tailored to be able to meet the differing requirements of each geographical area. Birmingham contribute 90% of the total Umbrella contract value and Solihull 10%, this figure is also reflective in terms of clients accessing the service by local authority of residence.

3.3 The Birmingham & Solihull Sexual and Reproductive Health Strategy 2023 – 2030 was approved by the Health & Wellbeing Board in September 2022 and Cabinet in May 2023 and published [here](#). A copy of the strategy is included as an Appendix under 8.1.

3.4 In October 2022, Cabinet (**Appendix 2**) approved the extension of the existing sexual health contract to 31st March 2024 in order commence procurement in 2023 for a new contract to commence on 1<sup>st</sup> April 2024. Approval of the Procurement Strategy was delegated to the Cabinet Members for Health and Social Care and Finance and Resources in conjunction with the Director of Public Health, Assistant Director – Procurement, the Director of Council Management (or their delegate) and the City Solicitor & Monitoring Officer (or their delegate).

3.5 Service Delivery Model

The current delivery model of the Sexual Health Treatment & Prevention Service is a place based fully integrated system delivered by UHB as the lead provider with sub-contracting arrangements. The model comprises of 4 tiers:

#### Tier 1

- 8 Umbrella Sexual Health satellite clinics covering Birmingham and Solihull

#### Tier 2

- GPs & Pharmacies: a network of approx. 170 Birmingham GP practices and 154 Pharmacies delivering sexual health advice and services

#### Tier 3

- Community and Prevention Services.  
Delivery Partners:
  - RSVP (Rape & Sexual Violence Project); supporting people who have been subjected to sexual violence and abuse.
  - Loudmouth; delivering theatre in education to promote healthy relationships and increase knowledge in sexual health topics for young people aged 13-19 years and professionals.
  - BLGBT; advocating for and supporting lesbian, gay, bisexual and trans communities in Birmingham.
  - Birmingham Youth Service; open access service for young people between 11 and 25 years old.
  - BSWAID; supporting women and children affected by domestic violence and abuse.
- Community Partners:
  - Approx. 70 organisations are able to access Umbrella promotional material, condoms, STI kits and sexual health training delivered by Umbrella.

#### Tier 4

- Self-Care and Community Engagement: promoting reducing stigma, expanding preventative work and self-care by creating access for groups that were previously excluded from accessing services.

The ethos of the model is to move non-complex services away from hospital settings and into the community – as detailed above. It is the intention to keep this fully integrated service delivery model as opposed to separating into different lots and enhance the services delivered by GPs, pharmacies and community prevention services and strengthen self-care and community engagement.

### 3.6 Service Overview in Numbers



Action	Aug 2021 – July 2022
Clinic attendances	83,670
Self-testing kits issued	55,376
Contraceptives for <18s	3,661
Long-acting reversible contraception (LARC) fitted:	9,636
- Clinic	2,828
- GP	6,431
- Pharmacy	377
Chlamydia screens of 18 – 24 year olds	23,796
HIV tests	38,193
Pharmacy Interventions	54,344
Hits on the Umbrella webpage	407,393

### 3.7 Expected Outcomes of the Service

The sexual health service is a statutory requirement and as local authority we are mandated to commission:

- Open access sexual health services
- Sexually transmitted infection (STI) testing and treatment
- Advice and access to a broad range of contraception and preventing unplanned pregnancy

In addition, there are five Public Health Outcomes Framework (PHOF) indicators related to sexual health:

- Reducing under 18 conceptions
- Prescribing long-acting reversible contraception (LARC)
- Reducing the late diagnosis of HIV
- New STI diagnoses
- Increasing chlamydia diagnosis in 15-24 year-olds

For information, the PHOF focuses on the high level outcomes we want to achieve across the public health system in order to increase healthy life expectancy, reduce differences in life expectancy and healthy life expectancy and reducing differences between people and communities from different backgrounds.

### 3.8 Market Analysis

3.8.1 Market engagement took place in the form of a soft market testing exercise from 23rd March 2023 to 5th April 2023 on the Government Find A Tender webpage:

## Birmingham and Solihull: Sexual and Reproductive Health Service - Contracts Finder

Four key questions were asked as part of the soft market testing exercise:

- *Turnover* - the expectation that this is at least double the annual value of the contract – circa. £30m
- *Cash reserves* – the expectation that this is at least 5% of the annual contract value – circa. £750k
- *Experience of service delivery* – delivering at least 2 contracts for a local authority and/or NHS
- *Contract mobilisation period* – desired period of 3 months in order to ensure minimal disruption to service delivery

There were nine responses to the market sounding exercise, with three service providers expressing an interest in bidding for all elements of the sexual health service:

- University Hospitals Birmingham NHS Foundation Trust (UHB) – the incumbent service provider
- Provider B – Large (>250 employees) private healthcare & technology provider
- Provider C - Large (>250 employees) private community services provider

3.8.2 The responses received from Providers B & C highlighted potential risks in terms of delivering a large contract to accommodate the size of Birmingham's population, and the contract mobilisation period. Utilising the negotiated procedure without prior publication of Public Contract Regulations (PCR) 2015 in order to mitigate against these identified risks was considered but discounted as the applicable criteria could not be met; namely the services could only be supplied by a particular economic or competition is absent for technical reasons.

### 3.9 Strategic Procurement Approach

The following options were considered:

- Decommission the service: the council has a statutory requirement to provide the services, therefore this is not a viable option. This is not recommended.
- Extend the current contract: there is no scope to extend the current contract via delegated authority. This is not recommended.
- Delivering the service in-house: this option is not viable as the Council does not have the capacity, resources or clinical knowledge and experience to deliver the service. This is not recommended.
- Open tender: in the Cabinet report for the extension of the contract (**Appendix 2**) it was stated that the proposal for the procurement of the sexual health contract post March 2024 would be via the open tender route to market. This is the recommended option.

### 3.10 Procurement Approach

#### Duration and Advertising Route

The contract will be awarded for a period of 4 years with the option to extend for a further 2 years subject to funding availability and satisfactory performance and will be advertised on Find a Tender, Contracts Finder and

[www.finditinbirmingham.com](http://www.finditinbirmingham.com)

The contract term aligns with the Birmingham & Solihull Sexual and Reproductive Health Strategy 2023 – 2030 (**Appendix 1**) and is recommended on the basis that this provides stability and consistency of sexual health service delivery to the Birmingham population.

### 3.11 Sourcing Strategy

The contract will be awarded to a lead provider and will be a partnership collaborative with specified sub-contracting provision.

Birmingham City Council will be leading on the open procurement supported by Solihull Metropolitan Borough Council, the resulting contract will be between both Birmingham & Solihull Councils and the successful provider.

### 3.12 Procurement Route

The contract will be tendered following the 'Open' Procedure that will enable the specification to be considered by the wider market and will be advertised on Find a Tender, Contracts Finder and [www.finditinbirmingham.com](http://www.finditinbirmingham.com)

### 3.13 Scope and Specification

Details of the Sexual Health Treatment & Prevention Service to be delivered from 1<sup>st</sup> April 2024 will be set out in a revised service specification. This will be co-produced with key stakeholder's and members of the BCC People for Public Services Forum. Clinical engagement and partnership working with Primary Care within the Integrated Care System will be an integral part of service specification development.

The new service specification will incorporate the following new policy direction and local strategic planning in order to confidently develop and enhance sexual health services that can meet current and future priorities. This will include (but not limited to):

- The Birmingham and Solihull Sexual Health Needs Assessment 2021
- The Sexual Health Strategy 2023 -2030 (Birmingham and Solihull)
- Towards Zero: the HIV Action Plan for England - 2022 to 2025
- Fast Track Cities Action Plan 2023 (Birmingham)
- Women's Health Strategy for England published July 2022
- Proposed national Sexual and Reproductive Health Strategy/Action Plan (publishing date TBC)

### 3.14 Tender Structure (Including Evaluation and Selection Criteria)

#### 3.14.1 Evaluation and Selection Criteria

The quality/price balances below were established having due regard for the corporate document 'Evaluating Tenders' which considers the complexity of the

services to be provided. The tender documents will include the Council's Terms and Conditions appropriate to the marketplace.

3.14.2 The evaluation of tenders will be assessed as detailed below:

The assessment will be divided into the following stages:

Stage 1 – Selection Stage

Stage 2 – Invitation to Tender

### **Stage 1 – Selection Stage**

<b>Criteria</b>	<b>Evaluation</b>
<b>STAGE ONE - Selection Stage</b>	
Company Information	Pass / Fail
Financial Information (including Insurance)	Pass / Fail
Health and Safety	Pass / Fail
Compliance with Equalities	Pass / Fail
Quality Management	Pass / Fail
Grounds for Mandatory Exclusion	Pass / Fail
Grounds for Discretionary Exclusion	Pass / Fail
Modern Slavery Act 2015	Pass / Fail
3rd party data protection requirements	Pass / Fail
Cyber Security Requirements	Pass / Fail
Technical and Professional Ability	Pass / Fail
Any Additional Questions	Scored or Pass / Fail
Declaration	Pass / Fail

Tenderers will be required to pass Stage 1 in order to progress to Stage 2.

### **Stage 2 – Invitation to Tender Stage**

#### **Evaluation and Selection Criteria**

Tenders will be evaluated using the quality / social value / price in accordance with a pre-determined evaluation model. The quality element will account for 60%, social value 20% and price 20%. This quality/social value/price balance has been established having due regard to the corporate document 'Evaluating Tenders' which considers the complexity of the services to be provided and the degree of detail contained within the contract specification.

Tenders will be evaluated against the specification in accordance with the pre-determined evaluation model described below:

#### **Quality (60% Weighting)**

<b>Criteria</b>	<b>Overall Weighting</b>	<b>Sub-weighting</b>
System Structure	100%	10%
System Outcomes		40%

Service Pathways & Partnerships		25%
Contract Mobilisation & Transition		25%

### **Social Value (20% Weighting)**

The Social Value template is detailed as **Appendix 5**

	<b>Sub-Weighting</b>	<b>Sub-Criteria</b>	<b>Theme Sub-Weighting</b>
Living Wage			Pass/Fail
Qualitative	8%	Local Employment	10%
		Innovation	20%
		Partners in Communities	70%
			<b>TOTAL 100%</b>
Quantitative	12%	BBC4SR Action plan	Total of Action Plan Value (£) score
			<b>TOTAL 100%</b>

### **Price (20% Weighting)**

The total 6 year contract value is £94.6M indicative. Suppliers will submit a 6-year budget plan detailing the build cost, organisation, and resource costs as well as ongoing management and development to ensure upgrades to the technology are included annually. The lowest priced bid will be given 100%. Other quotation prices will then be expressed as a proportion of the lowest price. This gives the adjusted price score. The % weighting for Price is then applied to each adjusted Price score to give the weighted price scores.

### **Overall Evaluation**

The evaluation process will result in comparative quality and price scores for each tenderer. The maximum quality score will be awarded to the bid that demonstrates the highest quality. The lowest price will be given the maximum score. Other tenderers will be scored in proportion to the maximum scores in order to ensure value for money and the proposed contract will be awarded to the first ranked tenderer.

#### **3.15 Evaluation Team**

The evaluation of tenders will be undertaken by officers from the Birmingham Public Health Division, BCC Adults Commissioning Team, Solihull Metropolitan Borough Council, a representative from the Integrated Care Board (ICB) supported by BCC Corporate Procurement Services.

#### **3.16 Indicative Implementation Plan**

DPR Approval (Strategy)	July 2023
ITT Issued	19 <sup>th</sup> September 2023
ITT Return	30 <sup>th</sup> October 2023

Evaluation Period	November 2023
Cabinet Approval (Contract Award)	December 2023
Contract Award	January 2024
Mobilisation period	January 2024 - March 2024
Contract Start	1 <sup>st</sup> April 2024

### 3.16 Service Delivery Management

#### 3.16.1 Contract Management

The contract will continue to be managed operationally by the Public Health Commissioning Team within the Adult Social Care Directorate with support from Public Health.

There will be a formal review at 6 and 12 months post contract commencement to ensure that the service is delivering the required outcomes for citizens. This will be in addition to the required contract management with regular reporting and contract review meetings.

#### 3.16.2 Performance Management

The contract for the period 1<sup>st</sup> April 2024 to 30<sup>th</sup> March 2030 will include a range of performance measures which will be monitored on a quarterly basis via the Contract Management process. This will include a range of updated outcome and quality measures.

#### 3.16.3 Partnership Board

A Partnership Board that includes the parties to the contract and representatives of the subcontracted organisations will be established. The Board will meet quarterly and members will have equal representation on matters relating to national policy and strategic development of the Birmingham and Solihull sexual health system including identified quality and improvement activity.

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

4.1 Alternative procurement options are shown in paragraph 3.9.

## 5 **Consultation**

5.1 The Birmingham & Solihull Sexual and Reproductive Health Strategy 2023 – 2030 Strategy included in this report under **Appendix 1** was approved by Cabinet on 16<sup>th</sup> May 2023.

5.2 The contents of this report have been shared with the Birmingham Director of Public Health and Public Health Senior Management Team and the Solihull Public Health Directorate Leadership Team, all of whom are supportive of the recommendations detailed within this report.

5.3 Officers from City Finance, Corporate Procurement and Legal and Governance have been involved in the preparation of this report.

## **6 Risk Management**

- 6.1 The Procurement Strategy has been developed through a robust project management programme that includes the management and identification of risks that are tracked as part of the project delivery.
- 6.2 The CPS approach is to follow the Council Risk Management Methodology and the Procurement Team is responsible for local risk management. CPS maintains a risk management register and documentation relevant for each contract. The risk register for the service has been jointly produced and owned by the Adult Social Care Directorate and CPS with arrangements being put in place to ensure operational risks are appropriately mitigated.

## **7 Compliance Issues:**

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

7.1.1 The proposals contribute to strategic priorities and outcomes in the BCC Corporate Plan 2022 to 2026:

- An Inclusive Birmingham
- A Safe Birmingham
- A Healthy Birmingham

7.1.2 Birmingham Business Charter for Social Responsibility (BBC4SR)

7.1.3 Compliance with the BBC4SR is a mandatory requirement that will form part of the conditions of these contracts. Tenderers will be required to submit an action plan with their tender that will be evaluated in accordance with the tender structure set out in paragraph 3.14 and the action plan of the successful tenderers will be implemented and monitored during the contract period.

7.1.4 These priority areas are supported by the overarching commitment to reduce health inequalities (a duty of the Local Council under the Health and Social Care Act 2012).

### **7.2 Legal Implications**

7.2.1 The Health and Social Care Act 2012 and associated regulations transferred the responsibility for sexual health to public health from the NHS to local authorities from April 2013. Several key indicators in the Public Health Outcome Framework relate to sexual health (detailed under point 3.8) and these will continue to be assessed in terms of performance.

7.2.2 Section 12 of the Health and Social Care Act 2012 introduced a new duty at Section 2B of the NHS Act 2006 Act for all upper-tier and unitary local authorities in England to take appropriate steps to improve the health of the people who live in their areas.

7.2.3 Section 6C of the National Service Act 2006 as amended by the Health and Social Care Act 2012 and The Local Authorities (Public Health Functions and Entry to Premises by Local Healthwatch Representatives) Regulations 2013 provide for the discharge of public health functions by Local Authorities.

### **7.3 Financial Implications**

7.3.1 This is a procurement process for a fixed fee contract, with the cost of the Sexual Health Contract for the period 1<sup>st</sup> April 2024 to 31<sup>st</sup> March 2030 being funded through the Public Health Grant that is received by the Council. There is no additional funding required from the Council to support the extension of this contract.

7.3.2 The overall total value of the proposed 6 year contract will be £89.8m

7.3.3 The yearly contract value detailed under point 1.1 includes a 1% uplift, clauses will be added to the new contract (under general conditions) from 1<sup>st</sup> April 2024 to 31<sup>st</sup> March 2030 and will include:

- Early termination of contract and notice periods for both parties; from a BCC perspective, this would be driven by significant change in National Policy and/or Central Funding (this could be a reduction in the Public Health Grant and/or the Grant no longer being ring-fenced within the Local Authority) which would directly impact on the continuation of provision of sexual health services.
- From 2024/25 the Public Health grant is responsible for the NHS pay settlements in public health provider contracts from 2024/5. The new contract will include a separate clause to the effect that this will be funded based on the national pay settlement for NHS contract staff, if DHSC provide the appropriate uplift to the Public Health Grant for the relevant year. If the provider is not an NHS provider and does not employ staff on national NHS terms and conditions then this will not apply.
- A caveat advising that if there are cuts to Public Health Grant Funding then the Council will reserve the right to revisit the yearly contract values and reduce accordingly.
- Working collaboratively with the service provider, Public Health and Commissioners prior to a new contract being issued to standardise Primary Care Tariffs.

### **7.4 Procurement Implications**

7.4.1 This report concerns the procurement strategy for the Sexual Health Treatment & Prevention Service and the implications are detailed throughout this report.

7.4.2 There is no further delegated provision to extend the current contract, as the original extensions have already been utilised. The Sexual Health Contract commenced on 10<sup>th</sup> August 2015 with University Hospitals Birmingham and expired on the 31<sup>st</sup> August 2020. Subsequent extensions approved by



Cabinet on 1<sup>st</sup> November 2019, 27<sup>th</sup> July 2021 and 11<sup>th</sup> October 2022 have brought the contract end date to 31<sup>st</sup> March 2024

- 7.4.3 The new contract commencing on 1<sup>st</sup> April 2024 will continue to be managed by the Public Health Commissioning Team within the Adult Social Care Directorate in partnership with Birmingham Public Health and Solihull Metropolitan Borough Council.

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

- 7.5.1 None.

## **7.6 Public Sector Equality Duty**

- 7.6.1 Detailed in **Appendix 3**, EQUA961 was undertaken as part of the contract extension detailed in **Appendix 2** with a review date of 11<sup>th</sup> August 2023. The Birmingham Sexual Health Treatment & Prevention Service is open to anyone in Birmingham (predominantly 13+) and is not discriminatory towards any of the 9 protected characteristics detailed in the Equality Act 2010.
- 7.6.2 The requirements of Standing Order No. 9 in respect of the Council's Equal Opportunities Policy will be incorporated into the new contract.
- 7.6.3 The requirements of the Equality Act 2010 will be included in the new contract to ensure compliance with the Act.

## **7.7 Environmental and Sustainability Implications**

- 7.7.1 Attached as **Appendix 4**.

## **8. Appendices**

- 8.1 **Appendix 1:** Birmingham & Solihull Sexual and Reproductive Health Strategy 2023 - 2030
- 8.2 **Appendix 2:** Cabinet Report - Sexual Health Contract Extension, 11<sup>th</sup> October 2022.
- 8.3 **Appendix 3:** Equality Impact Assessment
- 8.4 **Appendix 4:** Environment and Sustainability Assessment
- 8.5 **Appendix 5:** Social Value Rationale



# Birmingham City Council

## Cabinet

16 January 2024



**Subject: Housing Revenue Account Business Plan and Rent Setting 2024-2025**

### Commissioner Review

The three strategic Housing reports before Cabinet: the Housing Revenue Account (HRA) Business Plan and Rent Setting 2024/2025, Asset Management Strategy 2024-2029, Contract Award for the Provision of Repairs & Maintenance, Gas Servicing and Capital Improvement Works Programmes – Interim Contract 2024-2026 and the confirmation of the immediate commencement of the long-term procurement of the Repairs & Maintenance contracts starting in two years' time are key integral components to both the City Housing and Corporate Improvement and Recovery Plan(s) required by the Direction and Social Housing Regulatory regime.

The approval of these strategic plans and the award of the interim repairs' arrangements will provide the necessary but alone, insufficient foundations for improvement and recovery. The delivery of the plans will require corporate and housing commitment, prioritisation and a whole council focus and approach to improvement.

City Housing must take a rigorous, focused, consistent and long-term approach to delivering effective, resilient, and improving landlord functions through the prioritisation of investment in its existing housing stock, ensuring they have the right dedicated senior leadership expertise, capability and capacity and a skilled, permanent workforce in place to deliver at pace and with strong managerial grip to achieve decent homes.

Improved management of projects, programmes, performance, and risks are required to ensure timely early and sustained delivery of the commitments and ambitious targets set out in these reports. It is an absolute requirement that BCC has the necessary infrastructure, structure, and resources available to achieve H & S compliance and meet Decent Homes and Tenant Involvement and Empowerment Standards.

It is vital that BCC understands and applies the learning from the mistakes of the past and avoids repeating them. The Council has accepted that the housing stock has not received the investment or organisational attention required over a significant period and that the landlord functions and investment in housing stock were not previously prioritised or structured to best deliver and fulfil its landlord duties.

The directorate needs to be coherently organised around its landlord functions and aligned with the agreed improvement workstreams and work closely with colleagues from across the organisation to drive improvement and compliance. The HRA Business

Plan ensures that City Housing is appropriately resourced over the long term to confidently respond to recommendations from the regulator and ombudsman, tenant and leaseholder feedback, benchmarking, and best practice and to drive sustained improvement to meet its commitments to tenants and leaseholders while recognising and addressing the scale and scope of improvement required across its housing stock.

A comprehensive delivery plan must be established and include the commitments and targets set out in the HRA Business Plan and the Asset Management Strategy and progress will be closely monitored by City Housing, CLT, Cabinet Member, Cabinet and Scrutiny, tenants and leaseholder groups and the Social Housing Regulator. Any deviations from agreed milestones and targets will be tracked, monitored, managed, and reported with mitigating and corrective actions identified and taken, as necessary. It is vital that BCC builds and retains trust and confidence in its ability to progress at pace.

Commissioners have provided detailed comments and feedback throughout drafting and these have been incorporated into the body of the report.

We would draw attention to the assumption stress testing table which brings into focus the financial sensitivities of the plan. If a subset of these materialise, or actual performance is outside the stresses there will be a significant impact on both the cash balance projections over the 10 year period and, as importantly BCC may breach its ICR limits.

Commissioners must be confident that the HRA have robust plans to mitigate these risks and maximise the effect of the mitigations.

The R&M Procurement and Commercial Contract must achieve savings to mitigate risks of contract cost uplift. The R&M team are being mobilised but must start their work early, during the two year extension of the existing contract to re-evaluate and re-design how the services will be procured and delivered, and structure the tenders to attract a competitive set of bidders. Given the weakening jobs market and cost of living pressures the management of bad debt will be critical over the planning period. BCC needs to ensure that they have the most effective debt collection and tenant support services in place to recover revenue and support tenants where necessary.

The Asset Management strategy sets out a significant number of promises and commitments, not all of which have clear timelines and defined outcomes, set out in the report. Commissioners will expect to see measurable progress against each of these reported during the plan period, particularly at each rollforward.

Commissioners understand that BCC Void management is good and voids are relatively low. We emphasis keeping a strong focus on voids low to ensure revenue levels remain on plan. Mitigations are included in the risk table, but BCC need to have more detail of how the mitigations will be implemented.

The uplifts in rents and service charges must be comprehensively communicated to residents, particularly communicating the context/backdrop to these increases. Service charges can be contentious so explaining exactly what is covered and what is not covered is important.

It will also be necessary to continue to regularly communicate with, engage and seek tenants and leaseholders' feedback and regularly report to them on progress and performance on key performance indicators.

Commissioners support this Cabinet submission.



**Birmingham City Council**  
**Report to Cabinet**  
**16<sup>th</sup> January 2024**



**Subject:** Housing Revenue Account (HRA) Business Plan and Rent Setting 2024/2025

**Report of:** Paul Langford, Strategic Director of City Housing

**Relevant Cabinet Member:** Cllr Jayne Francis- Cabinet Member - Housing and Homelessness  
 Cllr Brigid Jones- Cabinet Member - Finance and Resources

**Relevant O &S Chair(s):** Cllr Deakin- Finance and Resources, Overview and Scrutiny Committee  
 Cllr Idrees- Homes, Overview and Scrutiny Committee

**Report author:** Guy Chaundy, Assistant Director of Strategic Enabling ([guy.chaundy@birmingham.gov.uk](mailto:guy.chaundy@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 checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 010770/2023		
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 type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential:		

## **1. Executive Summary**

- 1.1 This report seeks approval from Cabinet for the Housing Revenue Account (HRA) Business Plan.
- 1.2 This report seeks approval from Cabinet for the 2024/2025 rent and service charge setting in both general needs affordable homes and temporary accommodation (TA).
- 1.3 This report seeks approval to commission a comprehensive review of the Birmingham Municipal Housing Trust (BMHT) model, ensuring the model is providing a value for money service for the citizens of Birmingham. If approved, a separate report will follow with the results of this review.
- 1.4 In January 2023, Cabinet approved the Housing Strategy 2023-2028. This strategy set out three strategic priorities over the next five years, one of which was 'Neighbourhoods will be enhanced, and the quality of existing homes improved. A commitment of this strategy was to develop a clear investment plan, setting out how the Council will deliver the high-quality homes that residents deserve.
- 1.5 This plan sets out a strategic long-term investment plan that supports the management, maintenance, and investment in Birmingham City Council homes and other commercial assets where relevant.
- 1.6 Changes to the regulatory landscape, responding to the challenges post Grenfell and the impact of these decisions on the Decent Homes programme, means the Council have reviewed the investment approach.
- 1.7 The decisions proposed in this Cabinet report will have a significant impact on the future of the stock portfolio and the quality of our homes over the next 30 years. The proposed investment approach is a step change for the Council.
- 1.8 The plan sets out planned investment in the Council's existing stock portfolio, as well as investment in direct delivery of new homes; given the nature of the regulatory environment, the Council must invest differently to strike the right balance, making sure residents live in high-quality homes, whilst continuing to contribute to the supply of affordable housing.
- 1.9 The Council know that is a legal requirement and an absolute necessity that residents live in high-quality, sustainable homes. Residents deserve to live in homes that are safe, warm, and sustainable and the Council have been transparent around the fact that this isn't the experience of all of our residents. This plan prioritises investment in the existing stock portfolio above all else, to make sure the Council is able to genuinely improve the quality of resident's homes, as quickly as possible.
- 1.10 The plan is developed with the implementation of the Social Housing Regulation Act in mind and the enhanced expectations around compliance with Decent Homes Standards. Intervention from the Housing Ombudsman and Regulator of Social Housing has already put the Directorate on a trajectory of prioritising investment in the stock portfolio and this plan formalises that objective. Commitments have been made to both regulatory bodies in relation to this and the plan sets out how these commitments will be honoured.
- 1.11 Following the implementation of the Social Housing Regulation Act it is likely that a new Decent Homes Standard will be developed, alongside a Minimum Energy Efficiency Standard. These anticipated changes make the planned 'catch-up programme' to achieve Decent Homes Standards even more important.



- 1.12 The plan formalises the planned investment in existing stock over a 30-year period; increasing our total investment to £4.581bn, with £1.434bn planned over the next 8 years to achieve compliance with Decent Homes Standards.
- 1.13 The plan includes £4.326bn of investment to ensure all our homes meet statutory and compliance obligations; £0.554bn of investment to develop a direct delivery pipeline of affordable homes and estate regeneration; £0.255bn of investment towards decarbonisation; and c£0.100bn of revenue to deliver quality services to our residents.
- 1.14 The plan demonstrates how the Council will make the investment required whilst operating in prudent financial parameters demonstrating long-term financial viability.
- 1.15 The plan also highlights the need for significant organisational change within the City Housing Directorate. This is imperative, to make sure the Directorate have the right structure, processes and overall culture embedded, to deliver such a large-scale investment programme.
- 1.16 Whilst this investment plan is ambitious, the Council have worked closely with colleagues at Savills, as well as colleagues from Treasury and Department of Levelling Up to ensure the plan has been thoroughly stress tested, meets our ambitions and most importantly, is genuinely affordable.
- 1.17 Our tenants and leaseholders are important; there are generally low levels of satisfaction with landlord services and this report enables the Council to make the vital improvements needed to make sure tenants feel more confident in our abilities as a landlord.
- 1.18 To ensure this investment is fully implemented, the City Housing Directorate will need support from other services and a corporate commitment across the board to deliver safe, warm, and sustainable homes for our residents, in line with a one Council approach.
- 1.19 It should be noted that the HRA Business Plan is not a budget and will require regular review throughout the period of the plan as things change. Cabinet will receive an annual report setting out future investment year on year. However, the Council have an unwavering commitment to achieving compliance against Decent Homes Standards and this is something that will be fully reflected in any annual reports issued.
- 1.20 This plan is a key component to the overarching recovery of both the City Housing Directorate and the whole Council. Delivering against the commitments set out in this plan will be monitored corporately through the Council's Improvement Plan; the Directorate will also have specific governance arrangements in place to ensure the investment programme is appropriately monitored. Any new governance arrangements required as a result of the plan will be agreed with the Cabinet Member for Housing & Homelessness, Overview & Scrutiny Committee, CLT and Commissioners.

## **2. Recommendations**

### **2.1 That Cabinet:**

- 2.1.1 Approves the HRA Business Plan 2024/25 as the strategic framework for operating the HRA, see [Appendix 1](#).
- 2.1.2 Approves the 7.7% increase (to reflect CPI+ 1%) for social housing rents.
- 2.1.3 Approves the 7.7% increase in temporary accommodation rents (dispersed).

- 2.1.4 Approves the 7.7% increase in temporary accommodation homeless centre rents.
- 2.1.5 Approves the increase in temporary accommodation service charges in both affordable homes and temporary accommodation, in line with a full cost recovery approach and the national rent setting policy.
- 2.1.6 Approves the proposal to review the direct delivery model, assessing the speed, effectiveness, and financial viability of the model.

### 3. Introduction

- 3.1. The HRA is a ring-fenced account that is predominately made up through Council tenant and leaseholder payments.
- 3.2. There are several legal features that must be taken into consideration when operating the HRA and these are set out below:
  - The HRA is a ring-fenced account.
  - Credits and debits are prescribed by statute.
  - No general discretion to breach the ring-fence boundaries.
  - The HRA cannot budget for a deficit.
  - All borrowing within the HRA is in line with the CIPFA Prudential Code
- 3.3. The HRA Business Plan enables the Council to make medium and long-term plans to ensure we meet our strategic priorities. It also ensures that we:
  - Meet our statutory responsibilities (including Decent Homes Standards etc.).
  - Can demonstrate that we are able to borrow within agreed financial parameters.
  - Can manage our risks and stress-test the financial plan for potential adverse future events.
- 3.4 The HRA Business Plan is supported by the Asset Management Strategy 2024-2029 which sets out in further detail the investment intended across our stock portfolio.

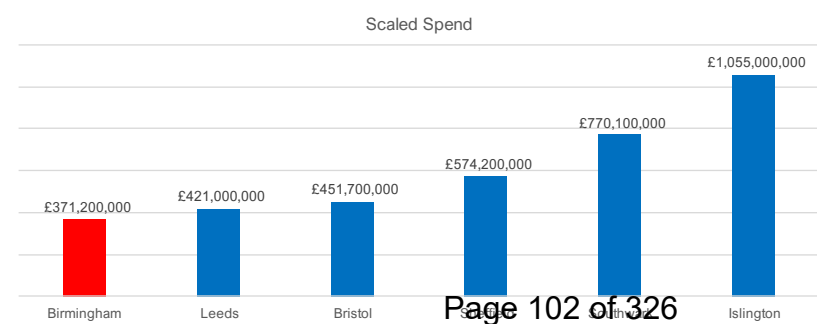
### 4. Background

#### 4.1 Achieving Decent Homes Standards

The Council accepts that the housing stock has not received the investment required over a significant period. Figure 1 sets out our scaled spend on the stock portfolio between 2016-2021, alongside other comparable authorities. There are several reasons why the investment has not taken place; an understanding of the history prevents the Council from taking the same approach again.

Figure 1

#### BCC Investment versus other LA's– 2016-2021



The Decent Homes Standards definition and guidelines were updated in 2006; the overarching standard requires all providers to ensure:

*‘Homes are in a reasonable state of repair; they have reasonably modern facilities and services; and provide a reasonable degree of thermal comfort.’*

In 2000, Government gave social housing providers between 2000-2010 to achieve Decent Homes Standards. The Council achieved the minimum standard of compliance against Decent Homes Standards in 2010 but this is difficult to substantiate in the absence of sufficient stock condition surveys across the portfolio.

During this period, the Council investigated (in the same way as many Local Authorities), the possibility of a stock transfer which provided an opportunity to receive Government funding, supporting providers to reach compliance with Decent Homes Standards.

A vote in 2002, saw 66.8% of residents vote to remain with the Council (circa 84,000 households) which meant no centralised funding became available.

In April 2004, 37% of the Council’s 70,000 homes met Decent Homes Standards, with the council short of the required funds to address the issue.

A second vote on stock transfer took place in 2006, 75% of residents voted to remain with the Council. Within both votes, the Council consulted on all possible alternatives, including ALMO arrangements which were unanimously rejected.

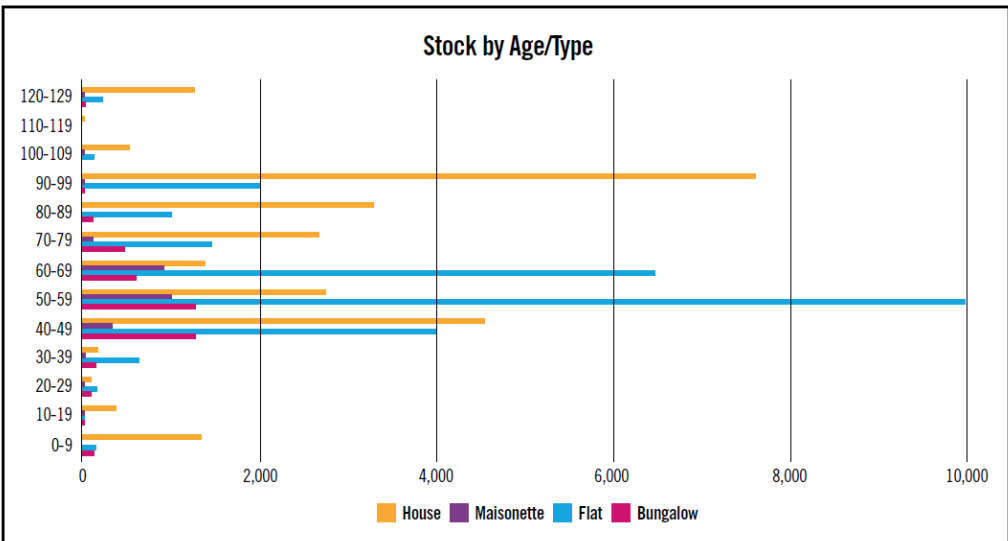
These votes meant that the Council missed out on Government funding, delivering the £680m Decent Homes programme without any external support.

Given the significant pressure on the HRA between 2000-2010, the plan could not withstand continued investment at the rate required to ensure all homes remained compliant with Decent Homes Standards.

The stock portfolio is one that requires intensive investment due to the age and proportion of high-rise blocks; 78% of the total stock is over 50 years old, 28% is over 80 years old whilst only 4% is under 30 years old.

There are 1,500 properties between 120-129 years old. [Figure 2](#) sets this out in more detail.

**Figure 2**



In addition, the Council are responsible for the largest proportion of high-rise homes in the UK and following the Grenfell disaster, diverted investment to fire safety in these blocks to ensure they remained safe. This included c£0.1bn worth of investment, £0.033bn on sprinkler installation alone.

The breakdown above demonstrates the challenges the Council have faced achieving Decent Homes Standards since 2000. Since the announcement of the Social Housing Regulation Act, the Regulator of Social Housing have released their new set of proposed Consumer Standards, indicating that all homes must achieve 100% compliance against Decent Homes Standards.

It is anticipated that the Regulator also plans to consult on a future Decent Homes Standard in 2024, enhancing expectations related to stock quality.

Currently, 62.15% of the Council's stock meets the current Decent Homes Standards. We know that this is not acceptable and has a detrimental impact on residents who live in our homes.

Following the notice issued by the Regulator of Social Housing, the Council have been working to drive forward performance in this area.

#### 4.2 **Organisational structure**

City Housing became its own Directorate in April 2021, following several years of being part of the Neighbourhoods Directorate (since 2012). The Directorate was made up of several front facing services, such as street scene, grounds maintenance etc.

Throughout this period, housing had a lack of coherence and focus on strategic priorities, with senior managers split across lots of different operational areas. This was a challenge, given the size of the housing service and the stock portfolio.

Once the Directorate reformed in April 2021 and became City Housing, the leadership was made up predominately of temporary posts, suffering a considerable period of transition and change. Permanent positions were recruited to across the full service in October 2023.

#### 4.3 **National operating context**

Public sector funding has been cut since 2010, Council budgets have been sliced (£15bn real term reduction) and austerity measures have culminated in a c£30bn-£50bn shortfall. Cuts like this have been coupled with removal of funds like the major repairs allowance, which was a vital funding stream for maintaining Council homes.

At the same time, following the Grenfell disaster, the Government have introduced a series of legislative changes to the sector. This included a range of fire safety requirements which came at significant cost to the Council.

Whilst grants and funding rules have focused on housebuilding, the ability to fund investment in existing stock is underpinned by borrowing, financed predominantly by revenue income from rents, which are capped at a national level.

This means the Council's response to the likes of the Building Safety Act and Social Housing Regulation Act have been entirely self-funded.

Intelligent investment is the overarching objective of this plan, our assets and ultimately resident's homes must be prioritised, ensuring our there is a long-term and sustainable model for the future.

## 5. Strategic Priorities

The strategic priorities set out below are aligned to the Council's Housing Strategy 2023-2028, launched in January 2023.

### 5.1 **Delivering compliant services (including Decent Homes Standards).**

Birmingham City Council must ensure that compliance with statutory obligations, including compliance with Decent Homes Standards, is a key priority both immediately and in the future.

The Council was subject to a Paragraph 49 report, related to both repairs and complaints handling, published by the Housing Ombudsman in January 2023.

Consequently, the Council then received a Regulatory Notice, issued by the Regulator of Social Housing in May 2023.

The notice was issued due to breaches of the Tenant Involvement & Empowerment Standard and the Home Standard. The Home Standard focuses specifically on landlord Health & Safety (H&S) compliance and compliance against Decent Homes Standards.

Areas of landlord H&S compliance, specifically focus on what is more commonly known in the sector as the 'big 6;' (fire risk assessments, legionella testing, electrical safety, gas safety, asbestos management and lift safety).

Prior to interventions from the Housing Ombudsman and the Regulator, the Council were focused predominately on gearing investment towards high-rise blocks following the Grenfell tragedy in 2017.

In addition to this, the implementation of the Social Housing Regulation Act and the Regulator's move from a reactive, to a proactive regime will align regulation in the sector to other frontline services like Adult Social Care, regulated by CQC and Children's Services, regulated by Ofsted. This level of regulation requires a robust response, supported by long-term investment.

The proposed HRA Business Plan includes capital investment which totals £5.135bn over the 30-year period.

£1.434bn is planned over an 8-year period. This reflects a catch-up programme of works, whereby 100% of the stock portfolio will meet Decent Homes Standards by 2031/32.

Focus on statutory compliance and the subsequent investment in Council homes will relieve pressure on litigation claims, complaints, and the number of service enquiries received in the coming years.

Some of the reports received in these areas are related to the quality and standard of the stock portfolio, investment now will enable spend to be reduced across all areas and will improve resident satisfaction.

### 5.2 **Direct delivery (scaling back).**

The Council has an established direct delivery model to deliver both social rented homes, and homes for outright sale. It is not a separate company or entity of its own and is made up of Council officers.

This plan proposes a comprehensive review of the direct delivery model to ensure it adopts a value for money approach and is measured against other alternative solutions. The overarching principle of any review will mean that direct delivery will only be considered when the model promotes financial viability for the long term and can evidence that it provides a better solution than alternative approaches to delivery.

A direct delivery development programme is included within the HRA Business Plan, but has been significantly scaled back, particularly over the first 8 years whilst the Council focuses on investment on statutory and compliance requirements within the existing portfolio.

The Housing Strategy 2023-2028 highlights the need to include the of delivery new affordable homes through a third party.

This mixed economy approach, builds on the direction of the Housing Strategy 2023-2028 prioritising site disposals to Registered Providers, private financing or through a development agreement with a developer/contractor partner to deliver homes to the HRA at a fixed price.

Prioritising partnerships with Registered Providers and developers, as well as Homes England and the West Midlands Combined Authority (WMCA) will help to alleviate any risk to supply, and the delivery of affordable housing remains a continued priority to manage demand.

There is an existing transformation programme (started in 2023) to support the increase of affordable housing output. The programme covers themes like; partnership working, governance and direct delivery. As part of this programme, the Council commits to an independent review of the direct delivery model to ensure there is reflection on the approach and options available for the city.

This review is even more important given the Council's position with the Regulator of Social Housing; Homes England are not in a position to allocate Affordable Homes Programme (AHP) grant to the Council whilst breaches against the Consumer Standards exist.

Registered Providers are facing similar strain, in relation to the new regulatory regime and therefore several providers have reduced their development ambition. Given this, it is important that all doors remain open in relation to the delivery of affordable housing both now and in the future.

Built in to the HRA Business Plan, are a set of assumptions around direct delivery which are in keeping with the Council's objectives to scale back delivery. These are set out below:

- **Funding for the committed programme-** there are sites the Council is in contract with or the contract award has been issued to begin development. It is proposed given the stage these have reached that these are built into the plan.
- **Regeneration-** the Council has already committed to significant redevelopment schemes at Druids Heath and Ladywood; other housing developments at Pool Farm and Bromford have also involved demolition of existing homes.
- **Funding to support land assembly/site clearance-** appropriate funding will be allocated in the first 5 years of the plan to enable the Property Services team to prepare the site for re-develop delivery.

- **Funding to support option appraisal works on future regeneration of estates-** Funding over the first 5 years of the plan should be allocated to support in the evaluation and completion of stock option appraisals through Property Services, in line with an asset management approach. This will determine the future viability of the existing stock and identify future development potential & routes to market.

### 5.3 **Delivering landlord functions.**

The HRA will continue to fund the vital landlord functions in the Asset Management and Housing Management teams as well as the contract extension and re-procurement of Repairs & Maintenance contracts.

The revenue streams from the HRA provide vital services such as disrepair & litigation, voids management, lettings, and other aspects of operational delivery. One of the key revenue streams that is delivered through the HRA is the Repairs & Maintenance service which is outsourced to Fortem and Equans who cover specific geographical areas.

There continues to be significant pressure on repair costs. Due to market factors, such as inflation, supply chain and construction costs, there has been an across-the-board above inflationary increase in cost. This plan reflects recent significant a cost increase to ensure prudence.

### 5.4 **Organisational change.**

The plan is underpinned by the need to deliver a large-scale organisational change programme across the City Housing Directorate. Throughout autumn 2022, Campbell Tickell undertook a full-scale review of the City Housing Directorate, supporting the design of a new operating model, focused on operating more locally in communities.

Campbell Tickell produced a report in December 2022 and the proposed changes were agreed by CLT in February 2023. The development of the HRA Business Plan factors in vital structural changes across the landlord function.

This plan must be agreed by Cabinet before structural change can be progressed. Subject to Cabinet agreement, service leads are developing structures that enable value for money service delivery and better resident satisfaction.

## 6. **Funding Strategy**

- 6.1. **Affordability and Sustainability-** the Council have prioritised the development of a plan that is affordable, sustainable and meets the long-term needs of the service. The 'golden rule' applied within this plan is an interest rate cover of 1.10; this is a prudent approach given the sector standard sits between 1.00 to 1.25. This tests capability of net cashflows generated by the stock to cover the debt borrowed to help generate and maintain those cashflows.
- 6.2. **Debt Repayment-** in terms of debt repayment, all of the newly arising debt within the plan is repaid within the 30-year period. Prudential Code suggests borrowing should be covered off, to a material level, over the planning period.
- 6.3. **Revenue Income-** this plan estimates rental income of £0.301bn in the next financial year, with this rising in line with estimated long-term CPI+1% each year and with new developments and a rate of property turnover bringing rents to formula over with each change of tenancy. Decreases over time are netted from this increase due to stock loss through Right to Buy (RTB) sales.

- 6.4. **Revenue Income (2)**- the Council collects service charges and other minor forms of revenue income, giving the HRA £327m. revenue funding in 2024/25. The Council also anticipates carrying a £24m general reserve into that financial year.
- 6.5. **Revenue expenditure**- this is to be spent on revenue elements of repairs and maintenance (£98m 2024/25), the day-to-day operations of the landlord function (£102m 2024/25) and financing the HRA capital programme, including borrowing costs, debt management, depreciation, and contingency reserve (£127m).
- 6.6. **Efficiency**- this plan targets the day-to-day operations by reducing 2023/24 spend by 10% within the next two years, due to efficiencies coming from the implementation of a new operating model and a reduction in wider Birmingham City Council cost commitments to central services.
- 6.7. **Birmingham City Council Recharges**- £39m of these day-to-day operations are carried out by existing functions within the wider Council, and this forms a planned recharge of this amount from the HRA budget to the Council accounts. These charges are currently under review to ensure the services provided offer the best value for money to the HRA.
- 6.8. **Capital Funding**- the plan allocates the use of £49m of reserves, grants and capital receipts, £59m from the major repairs reserve, £8m from HRA revenue contributions and to borrow £152m in order to fund £268m of capital expenditure in 2024/25.
- 6.9. **Capital investment in existing stock**- the plan proposes a capital investment programme, spending £215m in 2024/25 focused on meeting Decent Homes Standards within 8 years. Over the life of the plan, this allocation is £4.581bn. These proposals have been developed over several months, with the support of external advisers such as Savills, Campbell Tickell, and ARK. DHLUC, the Regulator of Social Housing and the Housing Ombudsman who have also provided comment.
- 6.10. **Financial risks**- the plan recognises the fluctuations both short and medium term, in the assumptions used in modelling, and assumes prudent inflation, borrowing and income collection rates, builds a revenue reserve to cater for in year fluctuations, and will be refreshed annually in order to replan for any major variations to the plan as it progresses.
- 6.11. **Capital Investment in development**- this plan includes £53m investment in new developments and clearance costs for the same. Over the course of the 30-year plan investment equates to £555m and delivers the existing programme and future programme of 250 new affordable homes a year.

## 7. Rents and Service Charges

- 7.1. In November 2023 the Government confirmed its intention to revert the rent policy for 2024/25 to CPI+1%. With October CPI at 6.7%, this allows the Council to increase social rents to a maximum of 7.7%.
- 7.2. It is proposed that Cabinet agree to increase social and affordable rents by 7.7%, in order to counter some of the impacts of high inflation and borrowing costs and to make available the income achieve our statutory and compliance obligations.
- 7.3. Each 1% reduction in 2024/25 rent increase from the 7.7% cap would mean a permanent loss in income of £2.6m average per annum, or £77.3m over the life of the plan, which is the equivalent to:
  - 519 less bathroom renovations each year (15,000 over the business plan)
  - 317 kitchens less each year (8,000 over the business plan)
  - 208 less roof replacements each year (6000 over the business plan).



- 7.4. The average weekly rent to be implemented because of this revision will be £107.76 (representing the weekly rent payable over a 48-week cycle, with 4 weeks rent payment holidays, 2 weeks in each of December 2024 and March 2025).
- 7.5. This weekly rent over 48 weeks is equivalent to an annualised average rent over 52 weeks of £99.79. It is further proposed that social rents for new tenants continue to be set at formula rents as set out in the 'policy statement on rents for social housing' (February 2019).
- 7.6. It is proposed that rents charged for properties let at affordable rents continue to be calculated by reference to formula rents, as set out in the "Policy statement on rents for social housing" (February 2019), with an uplift on a 52-week basis of £3.25 per week (representing an increase of 7.7% from 2023/24).
- 7.7. It is proposed that service charges are updated following a review of the services provided and to reflect changes in costs of service delivery due to pay and price inflation. There is a continuation of the existing policy to fully recover the cost of rechargeable services to tenants.
- 7.8. It is accepted that service charges are not currently being collected in a fair and consistent way; the purpose of the review is to ensure costs are correctly attributed and this is equitable for all residents.
- 7.9. The increases required to achieve full cost recovery on cleaning and caretaking charges and the sheltered and extra care charges will be implemented over the next 3-years.
- 7.10. Service charges are agreed a year at a time to reflect the costs of providing the chargeable services for the year to come; service charges for 2025/2026 will be set in January 2025.
- 7.11. The 2024/2025 proposed service charge increases are put forward for agreement in this plan, given that residents require adequate notice of any new charges.
- 7.12. Service charges will be levied over a 48-week cycle alongside the weekly rent, with the 52-week equivalent shown in the table below.

	<b>23/24 charge</b>	<b>24/25 charge</b>	<b>Variation</b>
Low-rise with a Cleaning Service	£3.03	£8.25	£5.22
Low Rise with Communal Electricity (No Cleaning)	£0.00	£3.81	£3.81
High-Rise	£17.93	£16.36	£1.57
High-Rise + NTS	£29.02	£28.84	£0.18
Sheltered / Cat 1 - high rise	£26.52	£27.12	£0.60
Sheltered / Cat 1	£8.59	£10.76	£2.17
Extra Care / Cat 2	£11.33	£15.66	£4.33
Careline	£3.01	£3.50	£0.49
Traditional Concierge / Night-time Security (Bloomsbury EMB only)	£23.29	Charges set separately by Bloomsbury	

Other rents are recommended for CPI increase as below:

	<b>23/24 charge</b>	<b>24/25 charge</b>	<b>% change</b>
Garage rent (excluding VAT)	£10.51	£11.21	+6.7%
Parking Spaces	£2.90	£3.09	+6.7%

Equity Parking Spaces A	£1.44	£1.54	+6.7%
Equity Parking Spaces B	£2.04	£2.18	+6.7%
Sundry Parking	£2.68	£2.86	+6.7%

## 8. Temporary Accommodation (TA) Rents & Service Charges

- 8.1. Most of the TA provided in discharge of the Council's statutory duty is accommodation leased from private sector landlords, the Council's own dispersed properties, homeless hostels, and use of B&B where demand is greater than supply.
- 8.2. The current TA charging policy has been in place for several years and is signed off annually by the benefits service. Rents are based on a cost recovery basis as set out in 2014/15 charging methodology.
- 8.3. For the B&B and private sector leased properties these are fixed rates, capped at Local Housing Allowance (LHA) level 2011 and therefore are not subject to any changes.
- 8.4. Our recommendation is that Cabinet approve a 7.7% increase on homeless centres, in line with social housing rent increase.
- 8.5. The impact of any rent increase in TA on residents will be minimal, 75% of residents in TA have either full, or partial benefit entitlements; any resident that has some entitlement to either Universal Credit or Housing Benefit, will not be impacted as the full increase will be covered by benefits. This is only applicable where the resident is claiming the benefits they are entitled to.
- 8.6. It is proposed that the Housing Solutions and Support Service undertake targeted support to households who are not claiming the right benefits, to ensure income is maximised prior to the increase.
- 8.7. Households who are not maximising benefits appropriately are also entitled to support through the household support fund, including support through the c320 warm welcome hubs in the city. This is bolstered by the support of voluntary sector services.
- 8.8. TA service charges are raised for residents in hostels, due to the rechargeable support provided. Charges currently amount to £11.58 per room, and it is proposed to increase the charge to each family, regardless of the number of rooms used, by £7.70, in order to continue the existing policy of full cost recovery, without unduly impacting on larger families in these settings.
- 8.9. Cabinet is recommended to increase rent on dispersed properties by only the equivalent increase in the rent paid to the HRA for the use of these properties. See below table for figures:

		2023/24 Current Charge £	2024/25 Proposed Charge £	Change £	Change %
Dispersed Properties					
Flat	0 bedroom	174.83	184.91	10.08	5.8%
	1 bedroom	183.26	193.99	10.73	5.9%
	2 bedroom	208.21	220.68	12.47	6.0%
	3 bedroom	229.38	243.40	14.02	6.1%
	4 bedroom	239.46	254.29	14.83	6.2%

<b>Bungalow</b>	0 bedroom	163.40	175.13	11.73	7.2%
	1 bedroom	172.00	184.40	12.40	7.2%
	2 bedroom	179.19	192.13	12.94	7.2%
	3 bedroom	189.16	202.91	13.75	7.3%
<b>House</b>	1 bedroom	172.60	185.06	12.46	7.2%
	2 bedroom	188.19	201.77	13.58	7.2%
	3 bedroom	208.66	223.73	15.07	7.2%
	4 bedroom	235.35	252.21	16.86	7.2%
	5 bedroom	270.65	290.02	19.37	7.2%
	6 bedroom	316.66	339.22	22.56	7.1%
<b>Maisonette</b>	2 bedroom	183.05	196.49	13.44	7.3%
	3 bedroom	199.65	214.27	14.62	7.3%
	4 bedroom	214.50	230.21	15.71	7.3%

	<b>2023/24 Current Charge £</b>	<b>2024/25 Proposed Charge £</b>	<b>Change £</b>	<b>Change %</b>
<b>Homeless Centres</b>				
<b>Hostel rent</b>				
1 bedroom	258.89	278.82	19.93	7.7%
2 bedroom	307.27	330.93	23.66	7.7%
3 bedroom	355.86	383.26	27.40	7.7%
4 bedroom	404.33	435.46	31.13	7.7%

## 9. Risks and Mitigations

<b>Risk Event</b>	<b>Impact</b>	<b>Mitigations</b>
Scaling back the direct delivery programme	A reduction in affordable homes may increase the reliance on temporary accommodation, particularly B&B through the General Fund (approx. 25k per household).	The development of the Housing Strategy 2023-2028 has bolstered partnerships with Homes England and the WMCA to enable third party delivery.
Inability to afford to deliver regeneration programmes	Regeneration schemes like Druids Heath and Ladywood may lead to costs from the HRA	There is provision in the plan to support regeneration schemes but any future work on these schemes will need to be agreed at Cabinet as a separate report, setting out benefits, risks and mitigations.
Higher levels of inflation than anticipated	Possible given the current volatility within global markets. This will increase both capital and revenue expenditure	Mitigation measures would include continual reassessment of direct delivery and capital investment programmes.
Higher levels of interest rates	Given the significant levels of borrowing proposed, we have been prudent in our assumptions, although increases would impact on viability through increased interest costs.	Mitigation measures would include reassessment of direct delivery and capital investment programmes.
Changes to rent policy	The plan assumes that the current rent policy would continue (in	A general election likely next year and a change in policy is possible. Mitigation

	addition to the assumptions within the 2012 self-financing settlement) any diversion from this would impact on revenue and the ability to finance the programmes.	measures would include reassessment of direct delivery and capital investment programmes but also reviewing management efficiency savings.
Increased arrears or void periods	The plan is prudent around its current assumptions but if these were adverse it would affect the revenue position and ability to fund the capital programme.	New procedures could be implemented to ensure greater recovery of rents and management of voids.
Greater increase to the cost of the repairs contract than anticipated.	If the cost of the repairs contract increases beyond the anticipated amount, this would affect the revenue position and ability to fund the programme	Mitigation measures would include reassessment of direct delivery and capital investment programmes.
Revised Decent Homes Standard	Whilst the new standard is in consultation there potential the cost for meeting Decent Homes Standards could increase, this is likely given Government emphasis in proposed consumer standards	The investment programme would need to be revisited to identify efficiencies and/or a review of the direct delivery programme.
Efficiency savings not achieved	The plan assumes a 10% efficiency across the board saving to management costs. If this is not achieved, then revenue surpluses will be decreased and the ability to meet financing charges.	Unknown, given that some of the efficiencies will be delivered via reductions in corporate charges. Reassessment would be needed for all delivery programmes and this should continue throughout the life of the plan.
Additional recovery of service charges	The plan assumes that all service costs that are rechargeable are fully recovered. If this is not achieved this would have an adverse impact on the revenue position in being able to finance the capital programmes.	Unlikely, given the need for the HRA to raise revenue within appropriate means. If this is not implemented, then delivery programmes will need to be revisited.
Compliance with regulatory intervention	The required level of pace is considerable, and commitments have been made to both the Housing Ombudsman and the Regulator re compliance. Failure to deliver could lead to increased sanctions from the Regulator whose primary concern is the Council's non-compliant position against Decent Homes Standards.	Anticipated to be unlikely and mitigated by increased stock condition surveys, improved IT structures, reporting and accelerated landlord H&S programmes.
Resident Engagement/Satisfaction	There are currently low levels of satisfaction across the resident base and engagement with residents is not at the expected level. This poses significant reputational risk to the Council.	The activities set out in the plan will improve resident satisfaction (R&M contract re-procurement, investment in stock, management of complaints, service re-design etc.) Regular measurement of satisfaction through formal surveys will monitor this.
Equal pay liabilities	The plan assumes that the HRA will need to contribute to the equal pay liability owed by the Council. The exact figure is not yet understood, this could impact delivery in the plan.	Mitigation measures would include built in assumptions into the plan in anticipation of any potential expenditure required. If the amount is greater than the assumptions made, this will be

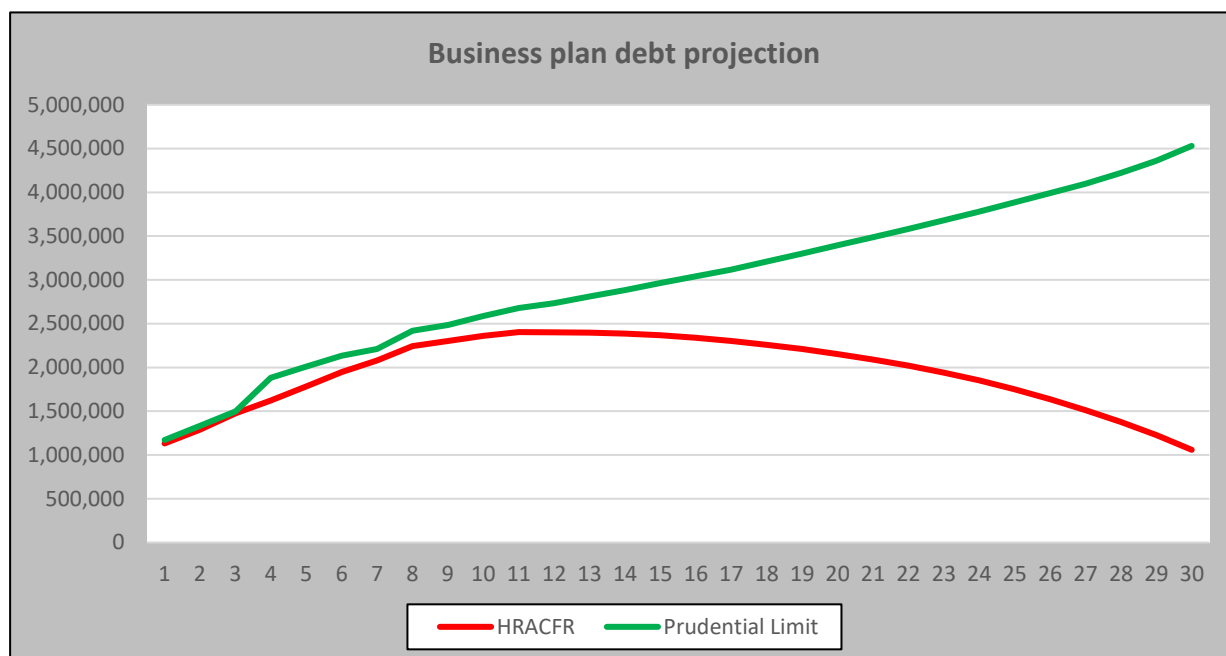
		reflected within the direct delivery scale back.
s.114 intervention	Impact of delay around financial decision making as a result of additional financial constraints	Anticipated that such occurrences will be mitigated through comprehensive planning and therefore a reduced likelihood- compliance continues to be an accelerated area and this relates specifically to Decent Homes Standards.
Financial hardship to residents	Rent increases may cause financial hardship to residents who are continuing to expect challenge through a cost-of-living crisis.	Residents who are on full or partial benefits are protected from the impact of rent increases. Residents who are working will be entitled to tailored support from the available cost-of-living toolkit, targeted visits, and safe spaces such as the 320 warm welcome hubs.

## 10. Financial implications

- 10.1. This plan is both a strategy and 30-year financial plan. It ensures that the aims and objectives for City Housing can be met from the ringfenced resources available over that time-period, from rents, service charges, grants and right to buy receipts.
- 10.2. The plan includes borrowing to a maximum of £2.403bn for capital investment in existing stock and developing new stock to replace losses through RTB, alongside revenue spend of over £0.320bn per annum for managing these assets, financing the above borrowing, and managing the tenancies and day-to-day operation.
- 10.3. The plan ensures that we meet our strategic objectives set out in the Asset Management Strategy, meeting statutory obligations such as Decent Homes Standards within 8 years, development of new build properties to replace stock lost through RTB and to progress decarbonisation aspirations.
- 10.4. We are able to achieve these objectives within the capital borrowing outlined in the plan. Where there are underspends against the capital budget this will be diverted to the existing acquisitions budget to increase the supply of available units within the HRA.
- 10.5. Where possible, the enhanced programme particularly in relation to Decent Homes Standards will lead to increased productivity, particularly around the provision of windows and doors etc. The compliance programme will also lead to the accelerated provision of fire doors etc. All of these activities pose an opportunity for the General Fund as Shellforce are one of the main providers in this area.
- 10.6. The proposed HRA Business Plan is affordable because:
  - The annual financing costs associated with this borrowing can be paid from the annual rental income in the plan, as well as the day-to-day operations of the landlord function. Furthermore, the plan includes an allocation of funding to add to a reserve, to ensure the plan is financially resilient to fluctuations in income, interest, and inflation rates.
  - For the first 8 years of the plan, borrowing is maximised and repayment of debt is minimised, to invest in existing stock to meet Decent Homes Standards. From year 9 onwards, both interest and repayment are included in the financing allocations, to ensure new borrowing is paid off over the next 33 years.

- The measures used to determine affordability set that new borrowing is repaid to a material level over the course of the plan, and that each year the interest cover ratio is at 1.1%, where 1% means there is exactly enough residual income after operational commitments to service the debt. Both measures are displayed in the graph below, this is set out in [Figure 5](#):

**Figure 5**



- The borrowing levels required to fund this plan peak at £2.403bn, which is considered affordable within the annual revenue resources available to fund under prudential borrowing guidance.
  - Rental increases are capped by government and set according to local policy. The affordability evaluation is based on 7.7% rental increases in 24/25, and CPI+1% each year after. This is in line with recent government policy, but each percentage variation to this creates a £2.6m per annum ongoing difference to funding.
  - Borrowing rates are set in line with Council Treasury planning, including a 40-point reduction for 12 months as per DHLUC allowances. The timing of the borrowing means there is not a simple measure to use to determine the impact of any fluctuations.
  - The plan includes efficiency savings targets on internal resource costs of 5% cumulative for two years. At this level operational delivery can still be maintained, each percentage variation in the achievability of this saving relates to £8m.
- 10.7. The above assumptions used are in line with national expectations on the future economic situation and have been scrutinised by industry experts (Savills), but due to their unpredictability, have been further mitigated by the build-up of the minimum revenue reserve.
- 10.8. Any impacts from the above risks will be mitigated in-year with the reserve, allowing delivery and investment to continue unimpeded. In the next cycle of annual business planning any imbalances from the assumptions will be replanned, including

replacement of the reserve, to ensure that the long-term financial sustainability of the plan remains within the overall framework.

- 10.9. Further to the risks and mitigations highlighted, the HRA business plan includes the building of a contingency reserve and will be refreshed on an annual basis. These two will allow the HRA protect the funding for priority areas if there are cost or funding fluctuations over time.
- 10.10. The proposed HRA Business Plan has been fully stress tested based on several assumptions. These assumptions are made in line with the sector norms and potential changes that would not be unusual to see throughout the life of the plan. These examples of these are set out in Figure 6.

Figure 6

<b>Figure 6 - Stress testing for variations to assumptions</b>	<b>New borrowing £m</b>	<b>Maximum debt £m</b>	<b>Minimum ICR</b>		<b>Closing debt £m</b>	<b>%age new debt repayable</b>	<b>Closing revenue £m</b>
<b>BASELINE</b>	<b>1,333</b>	<b>2,403</b>	<b>1.12</b>	<b>Yr 3</b>	<b>1,058</b>	<b>100.9%</b>	<b>78.4</b>
CPI + 0.5% all years	1,354	2,425	1.11	Yr 3	798	120.2%	90.2
CPI - 0.5% all years	1,312	2,383	1.13	Yr 3	1,295	82.9%	68.1
Addition 0.5% pa to repairs	1,365	2,436	1.11	Yr 3	1,458	71.6%	76.8
Addition 0.5% pa to management	1,367	2,437	1.11	Yr 3	1,450	72.3%	76.9
Addition 0.5% pa to major repairs y6+	1,354	2,425	1.12	Yr 3	1,380	77.2%	77.1
Interest rates + 1% long term	1,452	2,523	1.05	Yr 9	1,634	61.2%	77.6
Interest rates - 1% long term	1,258	2,329	1.14	Yr 1	615	136.2%	78.2
RTB increase 10%	1,333	2,404	1.11	Yr 3	1,952	33.9%	51.5
RTB reduction 10%	1,332	2,403	1.12	Yr 3	714	126.8%	84.9
R&M contract uplift + further 10%	1,421	2,492	1.08	Yr 7	1,499	69.9%	77.1
Voids / bad debts + 1%	1,385	2,456	1.06	Yr 3	1,313	82.5%	77.0
Fail to achieve efficiencies 50%	1,415	2,486	1.03	Yr 3	1,423	75.1%	77.4
Rents at CPI only from 2027	1,729	2,800	0.58	Yr 30	2,800	0.0%	-697.8
Rent freeze 1 year 2027.28	1,450	2,521	1.05	Yr 7	1,670	58.6%	74.6
DHS costs increase 10%	1,475	2,546	1.10	Yr 3	1,370	79.7%	77.9
Increase in all SCS needs + 5%	1,470	2,541	1.10	Yr 3	1,510	70.1%	77.3
Exclude Druids Heath / Ladywood	1,335	2,406	1.11	Yr 3	1,168	92.7%	78.2
Min reserves to 15% of T/Over	1,361	2,432	1.11	Yr 3	1,137	95.2%	114.1

- 10.11. Approval to spend against the commitments outlined in this report for 2023/2024 have been approved by the s.151 spend control board as per Council process.

## 11. Legal Implications

- 11.1. Under Part VI of the Local Government and Housing Act 1989 any local authority that owns housing stock is obliged to maintain a Housing Revenue Account. The HRA is a

record of revenue expenditure and income in relation to an authority's own housing stock. The items to be credited and debited to the HRA are prescribed by statute. It is a ring-fenced account within the authority's General Fund, which means that local authorities have no general discretion to transfer sums into or out of the HRA.

- 11.2. The Council is required to prepare proposals each year relating to the income of the authority from rents and other charges, expenditure in respect of repair, maintenance, supervision and management of HRA property and other prescribed matters. The proposals should be made on the best assumptions and estimates available and designed to secure that the housing revenue account for the coming year does not show a debit balance. The report sets out information relevant to these considerations.
- 11.3. Section 76 Local Government and Housing Act 1989 places a duty on local housing authorities: (a) to produce, and make available for public inspection, an annual budget for their HRA which avoids a deficit; (b) to review and if necessary, revise that budget from time to time and (c) to take all reasonably practicable steps to avoid an end-of-year deficit.
- 11.4. The proposed HRA budget fulfils these requirements. The report also seeks approval for major investment estimates in relation to a variety of schemes. In compliance with Section 151 of the Local Government Act 1972, the Council has in place Financial Procedures which provide appropriate arrangements for the approval of major works estimates. The various major works schemes must be capable of being carried out within the Council's statutory powers. To the extent that the details of the schemes appear from the body of the report, it does appear that the proposed works meet this requirement. In particular the maintenance of dwellings may be considered consistent with the Council's repairing obligation under Section 11 of the Landlord and Tenant Act 1985. This is supplemented by the national rent restructuring policy and the HRA Self-Financing Determination.

## **12. Consultation**

- 12.1. Consultation on the contents of the report has been undertaken with the following stakeholders, to ensure all relevant parties have had the opportunity to develop the plan.
  - Elected Members including the Cabinet Member for Housing & Homelessness
  - DHLUC
  - The Commissioners- Finance and Housing specifically
  - The Regulator of Social Housing
  - Housing Ombudsman
  - CHLB and local HLBs
  - CLT
  - Procurement
  - Human Resources
  - Finance
  - Legal
  - Feedback from Tenant Satisfaction Measures (TSMs) and Complaints
  - Focus groups with involved tenants and leaseholders through the development of the Asset Management Strategy 2024-2029.

## **13. References and Sources**



- Housing Strategy 2023-2028
- Everybody's Battle, Everybody's Business initiative 2022.
- Birmingham Development Plan
- Central Birmingham 2040 Strategy
- Our Future City Plan
- Birmingham City Council Levelling Up Strategy
- Corporate Plan 2022-2026
- Health & Wellbeing Strategy
- Levelling Up Strategy
- MHCLG Publication – HRA Self-Financing Determination (February 2012)
- MHCLG Publication – A Guide to Social Rent Reforms in the Local Authority Sector (February 2002)
- MHCLG Publication – Guidance on Rents for Social Housing (May 2014)
- Cabinet Report: Housing Revenue Account Business Plan 2022-23
- Regulating the Standards (March 2022) – Regulator of Social Housing

#### **14. Procurement Implications**

Investment in our assets is underpinned by both the Repairs & Maintenance contract and the availability and readiness of a large pool of suppliers to drive forward compliance focused activity, supporting the Decent Homes programme and other landlord H&S compliance work. This plan must be read in conjunction with the Interim HRM Contract Award Report, which sets out our approach to the overarching procurement and any interim arrangements.

It must be noted that the re-negotiation and long-term re-procurement of the Repairs & Maintenance contracts will be delivered in line with all relevant governance and procurement rules and will be agreed through a separate process, including Cabinet approval.

It is very likely that further direct award opportunities will need to be explored to support longer term compliance activity, particularly in relation to landlord H&S. This mirrors the approach we have already undertaken with areas such as asbestos and gas safety. Any direct award opportunities will be delivered in line with all relevant governance and procurement processes and where appropriate, will be agreed through separate processes, including Cabinet approval.

Any future procurement activity arising as a result of implementing the recommendations will need to be procured in compliance with the Council's Procurement and Contract Governance Rules and the Public Contracts Regulations 2015 / the Procurement Act 2023 as applicable.

## **15. Human Resources Implications**

The emerging redesign plans within the Directorate workforce are being shaped to ensure services best meet the demands and needs of citizens and residents.

Staff are currently being engaged with about the potential changes and once the plans are finalised staff will be consulted with following Birmingham County Council HR Policy and Procedures and current governance requirements.

It is accepted that the HRA Business Plan must be approved, to enable the Directorate to afford to deliver a re-design of this scale and magnitude. Whilst both HR and Trade Unions have been fully consulted on potential next steps, the detail will be explored once the plan has been formally approved.

## **16. Public Sector Equality Duty**

There are no direct equality issues identified as part of the HRA business planning process, or the proposed HRA business plan 2024/25.

The overall increased investment outlined in the business plan will impact all tenants of the Council and there are no changes made in the proposed 2024/25 HRA Business Plan that will have a differential impact on residents based on any protected characteristics.

There are no specific issues identified, as the changes will be implemented for all tenants of the Council and TA residents. Circa 75% of residents will be insulated from the full impact of the revised charges from 4th April 2023 as they are eligible for support towards their housing costs through housing benefit or universal credit.

For any residents who are impacted, they will receive a full package of support delivered by Housing Solutions, as well as specific financial assistance from the Early Intervention & Prevention programme and Neighbourhood Advisory Services (NAIS).

### **Appendices:**

#### **Appendix 1- HRA Business Plan**

#### **Appendix 2- Equality Impact Assessment**

## Appendix 1- HRA Business Plan

	Year 0 2023/24 £000	Year 1 2024/25 £000	Year 2 2025/26 £000	Year 3 2026/27 £000	Year 4 2027/28 £000	Year 5 2028/29 £000	Year 6 2029/30 £000	Year 7 2030/31 £000	Year 8 2031/32 £000	Year 9 2032/33 £000	Year 10 2033/34 £000	Year 1-10 Total £000	Year 1-30 Total £000
<b>HOUSING REVENUE ACCOUNT</b>													
<b>Income</b>													
Rental Income	-281,922	-300,884	-309,011	-318,624	-328,996	-339,380	-350,124	-362,038	-374,278	-385,870	-397,334	-3,466,538	-13,797,671
Service Charge	-16,819	-20,950	-23,093	-23,490	-23,896	-24,247	-24,667	-25,115	-25,571	-26,036	-26,509	-243,573	-866,849
Other Income	-4,789	-5,160	-5,189	-5,267	-5,308	-5,367	-4,961	-5,028	-5,036	-5,085	-5,135	-51,535	-156,521
<b>Total Revenue Income</b>	<b>-303,530</b>	<b>-326,994</b>	<b>-337,292</b>	<b>-347,381</b>	<b>-358,199</b>	<b>-368,994</b>	<b>-379,752</b>	<b>-392,180</b>	<b>-404,885</b>	<b>-416,991</b>	<b>-428,978</b>	<b>-3,761,646</b>	<b>-14,821,041</b>
<b>Expenditure</b>													
Repairs & maintenance	79,114	97,943	99,858	88,099	89,995	91,899	93,897	96,167	98,563	101,055	103,547	961,024	3,614,083
Management	103,401	101,719	101,814	103,545	105,217	106,265	108,540	110,905	113,322	115,792	118,317	1,085,434	4,007,694
Bad debts	5,558	5,647	5,297	4,044	4,298	4,565	4,849	5,148	5,455	5,770	6,103	51,176	263,318
Capital Financing (Interest & Debt Mgmt)	49,920	54,153	61,993	69,174	75,843	83,018	89,702	92,679	97,478	100,074	102,363	826,478	3,888,741
Capital Programme Funding (RCCO&Depn)	63,380	67,281	65,663	79,599	79,655	80,585	81,691	86,038	88,796	93,087	97,448	819,842	2,991,773
<b>Total Revenue Expenditure</b>	<b>301,374</b>	<b>326,743</b>	<b>334,626</b>	<b>344,461</b>	<b>355,008</b>	<b>366,331</b>	<b>378,678</b>	<b>390,937</b>	<b>403,613</b>	<b>415,778</b>	<b>427,778</b>	<b>3,743,954</b>	<b>14,765,609</b>
<b>Net Surplus/Deficit</b>	<b>-2,156</b>	<b>-251</b>	<b>-2,666</b>	<b>-2,919</b>	<b>-3,191</b>	<b>-2,663</b>	<b>-1,074</b>	<b>-1,243</b>	<b>-1,272</b>	<b>-1,212</b>	<b>-1,200</b>	<b>-17,692</b>	<b>-55,432</b>
<b>CAPITAL ACCOUNT</b>													
<b>Investment</b>													
Housing Improvement Programme	183,678	215,533	218,529	221,751	225,143	228,608	187,998	190,972	128,301	130,374	137,738	1,884,947	4,581,067
Clearance	13,956	6,267										6,267	20,223
Development/Acquisition	14,820	46,286	67,609	45,306	41,714	40,497	38,617	78,820	41,726	44,687	32,451	477,712	534,307
<b>Total Investment</b>	<b>212,454</b>	<b>268,086</b>	<b>286,138</b>	<b>267,057</b>	<b>266,857</b>	<b>269,105</b>	<b>226,616</b>	<b>269,791</b>	<b>170,027</b>	<b>175,060</b>	<b>170,189</b>	<b>2,368,926</b>	<b>5,135,597</b>
<b>Capital Funding</b>													
Major Repairs Reserve	-65,296	-59,192	-60,530	-62,137	-63,687	-65,301	-66,948	-69,010	-70,813	-72,705	-74,467	-664,790	-2,568,429
RTB Receipts	-31,677	-19,424	-12,075	-26,905	-18,041	-17,672	-3,224	-7,431	-12,331	-12,947	-20,281	-150,332	-622,089
1-4-1 Receipts	-13,950	-15,399	-16,915	-10,844	-4,901	-6,097	-6,832	-10,032	-10,361	-10,697	-8,500	-100,577	-114,527
Other Receipts, reserves and grants	-29,365	-13,653	-6,366	-2,800	-2,027	-1,670	-1,250	-1,250	-1,250	-750	-250	-31,266	-65,381
Revenue Contributions	-5,188	-8,089	-5,133	-17,462	-15,969	-15,284	-14,742	-17,029	-17,983	-20,381	-22,981	-155,052	-430,449
HRA Borrowing	-66,978	-152,329	-185,119	-146,910	-162,232	-163,082	-133,619	-165,040	-57,288	-57,579	-43,711	-1,266,909	-1,334,722
<b>Total Financing</b>	<b>-212,454</b>	<b>-268,086</b>	<b>-286,138</b>	<b>-267,057</b>	<b>-266,857</b>	<b>-269,105</b>	<b>-226,616</b>	<b>-269,791</b>	<b>-170,027</b>	<b>-175,060</b>	<b>-170,189</b>	<b>-2,368,926</b>	<b>-5,135,597</b>



## Item 9

Title of proposed EIA	Housing Revenue Account Business Plan and Rent Setting 2024-2025
Reference No	EQUA1186
EA is in support of	Amended Policy
Review Frequency	Annually
Date of first review	01/08/2024
Directorate	City Housing
Division	
Service Area	
Responsible Officer(s)	<input type="checkbox"/> Gwen Haq
Quality Control Officer(s)	<input type="checkbox"/> Mara Shepherd
Accountable Officer(s)	<input type="checkbox"/> Paul Langford
Purpose of proposal	Housing Revenue Account Business Plan and Rent Setting for 2024-2025
Data sources	relevant reports/strategies; relevant research
Please include any other sources of data	Financial data relating to the HRA HRA stock data
ASSESS THE IMPACT AGAINST THE PROTECTED CHARACTERISTICS	
Protected characteristic: Age	Not Applicable
Age details:	N/A
Protected characteristic: Disability	Not Applicable
Disability details:	N/A

Protected characteristic: Sex	Not Applicable
Gender details:	N/A
Protected characteristics: Gender Reassignment	Not Applicable
Gender reassignment details:	N/A
Protected characteristics: Marriage and Civil Partnership	Not Applicable
Marriage and civil partnership details:	N/A
Protected characteristics: Pregnancy and Maternity	Not Applicable
Pregnancy and maternity details:	N/A
Protected characteristics: Race	Not Applicable
Race details:	N/A
Protected characteristics: Religion or Beliefs	Not Applicable
Religion or beliefs details:	N/A
Protected characteristics: Sexual Orientation	Not Applicable
Sexual orientation details:	N/A
Socio-economic impacts	N/A
Please indicate any actions arising from completing this screening exercise.	None
Please indicate whether a full impact assessment is recommended	NO
What data has been collected to facilitate the assessment of this policy/proposal?	Financial intelligence to inform the business planning process; strategic intelligence to inform the business planning priorities for 2024/2025 onwards.

Consultation analysis	Internal consultation with officers.
Adverse impact on any people with protected characteristics.	N/A
Could the policy/proposal be modified to reduce or eliminate any adverse impact?	No.
How will the effect(s) of this policy/proposal on equality be monitored?	Business as usual - the HRA business plan is the framework within which City Housing plans HRA expenditure; the business plan is continuously assessed through financial governance processes. Any effects on equality that arise as a result of this will be assessed and monitored in line with business as usual processes.
What data is required in the future?	Ongoing financial data.
Are there any adverse impacts on any particular group(s)	No
If yes, please explain your reasons for going ahead.	N/A
Initial equality impact assessment of your proposal	
Consulted People or Groups	
Informed People or Groups	
Summary and evidence of findings from your EIA	<p>1.1 The purpose of the Housing Revenue Account (HRA) Business Plan 2024/25 is to outline Birmingham City Councils (BCC) spending plans over the next 30 years, providing detail on the revenue and capital planned expenditure over this time period.</p> <p>1.2 There is a legal duty for the Council to prepare a 30-year business plan for the HRA on an annual basis, to keep the long-term viability of the HRA under continuous review. The HRA Business Plan enables the Council to make</p>

medium and long-term planes to ensure we meet our strategic priorities. It also ensures that we:

- Meet our statutory responsibilities and outlines how we are going to meet any new responsibilities.
- Can demonstrate that we are able to borrow within agreed financial parameters.
- Can manage our risks and stress-test the financial plan for potential adverse future events.

1.3 This Business Plan provides a detailed and robust spending approach for investing in our homes and services to meet the needs of our customers across the city.

1.4 With a business plan of this detail, BCC can be confident in the plan for investment, demonstrating the long-term financial viability of the HRA; the most critical element of this being the ability for the plan to fund the proposed capital programme of investment and sustain the level of borrowing required.

1.5 The business plan has been developed in conjunction with several other key documents:

The Budget 2023/24

The Housing Strategy 2023-28

Housing Transformation programme

Birmingham City Corporate Plan 2022-2026

QUALITY CONTORL SECTION

Submit to the Quality Control Officer for reviewing?

No

Quality Control Officer comments

Checked

Decision by Quality Control Officer

Proceed for final approval



Submit draft to Accountable Officer?

Yes

Decision by Accountable Officer

Approve

Date approved / rejected by the Accountable Officer

23/08/2023

Reasons for approval or rejection

Approval given by Paul Langford

Please print and save a PDF copy for your records

Yes

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Close



# Birmingham City Council

## Cabinet

16 January 2024



**Subject: Asset Management Strategy**

### Commissioner Review

Commissioners are supportive of the Safe, Sustainable and Warm key principles and the high-level strategy. The performance/delivery metrics are clear but need to be underpinned with plans to deliver the KPI's. There is clear reliance on the new R&M contract being both financially and operationally effective and efficient to deliver the asset improvement works. Commissioner Review

The three strategic Housing reports before Cabinet: the Housing Revenue Account (HRA) Business Plan and Rent Setting 2024/2025, Asset Management Strategy 2024-2029, Contract Award for the Provision of Repairs & Maintenance, Gas Servicing and Capital Improvement Works Programmes – Interim Contract 2024-2026 and the confirmation of the immediate commencement of the long-term procurement of the Repairs & Maintenance contracts starting in two years' time are key integral components to both the City Housing and Corporate Improvement and Recovery Plan(s) required by the Direction and Social Housing Regulatory regime.

The approval of these strategic plans and the award of the interim repairs' arrangements will provide the necessary but alone, insufficient foundations for improvement and recovery. The delivery of the plans will require corporate and housing commitment, prioritisation and a whole council focus and approach to improvement.

City Housing must take a rigorous, focused, consistent and long-term approach to delivering effective, resilient, and improving landlord functions through the prioritisation of investment in its existing housing stock, ensuring they have the right dedicated senior leadership expertise, capability and capacity and a skilled, permanent workforce in place to deliver at pace and with strong managerial grip to achieve decent homes.

Improved management of projects, programmes, performance, and risks are required to ensure timely early and sustained delivery of the commitments and ambitious targets set out in these reports. It is an absolute requirement that BCC has the necessary infrastructure, structure, and resources available to achieve H & S compliance and meet Decent Homes and Tenant Involvement and Empowerment Standards.

It is vital that BCC understands and applies the learning from the mistakes of the past and avoids repeating them. The Council has accepted that the housing stock has not received the investment or organisational attention required over a significant period

and that the landlord functions and investment in housing stock were not previously prioritised or structured to best deliver and fulfil its landlord duties.

The directorate needs to be coherently organised around its landlord functions and aligned with the agreed improvement workstreams and work closely with colleagues from across the organisation to drive improvement and compliance. The HRA Business Plan ensures that City Housing is appropriately resourced over the long term to confidently respond to recommendations from the regulator and ombudsman, tenant and leaseholder feedback, benchmarking, and best practice and to drive sustained improvement to meet its commitments to tenants and leaseholders while recognising and addressing the scale and scope of improvement required across its housing stock.

Commissioners are supportive of the Safe, Sustainable and Warm key principles and the high-level strategy. The performance/delivery metrics are clear but need to be underpinned with plans to deliver the KPI's. There is clear reliance on the new R&M contract being both financially and operationally effective and efficient to deliver the asset improvement works.

A comprehensive delivery plan must be urgently established and include the commitments and targets set out in the HRA Business Plan and the Asset Management Strategy and progress will be closely monitored by City Housing, CLT, Cabinet Member, Cabinet and Scrutiny, tenants and leaseholder groups and the Social Housing Regulator. Any deviations from agreed milestones and targets will be tracked, monitored, managed, and reported with mitigating and corrective actions identified and taken, as necessary. It is vital that BCC builds and retains trust and confidence in its ability to progress at pace.

It will be necessary to regularly communicate with, engage and seek tenants and leaseholders' feedback and regularly report to them on progress and performance on key performance indicators.

Commissioners have provided detailed comments and feedback throughout drafting and these have been incorporated into the body of the report.

Commissioners support this Cabinet submission.

# Birmingham City Council

## Report to Cabinet

16<sup>th</sup> January 2024



**Subject:** Asset Management Strategy 2024-2029

**Report of:** Paul Langford, Strategic Director of City Housing

**Relevant Cabinet Member:** Cllr Jayne Francis- Cabinet Member - Housing and Homelessness  
Cllr Brigid Jones- Cabinet Member - Finance and Resources

**Relevant O &S Chair(s):** Cllr Deakin- Finance and Resources, Overview and Scrutiny Committee  
Cllr Idrees- Homes, Overview and Scrutiny Committee

**Report author:** Guy Chaundy, Assistant Director of Strategic Enabling  
([guy.chaundy@birmingham.gov.uk](mailto:guy.chaundy@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 checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 010840/2023		
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 type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential:		

### 1 Executive Summary

1.1 This report seeks approval from Cabinet for the Council's Asset Management Strategy 2024-2029.

1.2 The strategy should be read in conjunction with the Housing Revenue Account (HRA) Business Plan Cabinet Report and the Interim HRM Contract Award

Report which sets out how the Council will afford to deliver on the priorities set out within the Asset Management Strategy 2024-2029.

- 1.3 The Asset Management Strategy 2024-2029 sets out our long-term strategic approach to preserving the Council's assets and ensuring residents live in high-quality, sustainable homes for the long-term.
- 1.4 In January 2023, Cabinet approved the Housing Strategy 2023-2028. This strategy sets out three strategic priorities over the next five years, one of which was 'Neighbourhoods will be enhanced, and the quality of existing homes improved.' A key commitment as part of this strategy, was to develop a robust Asset Management Strategy, setting out how the Council will deliver the high-quality homes that residents deserve.
- 1.5 Birmingham City Council is the largest Local Authority provider of affordable housing in the UK, the Council's Asset Management Strategy 2024-2029 is built on the principle that all residents should live in warm, safe and sustainable homes.
- 1.6 The Council have not had a robust Asset Management Strategy formally in place for some time and have faced challenge from both the Regulator of Social Housing and the Housing Ombudsman regarding the quality of the stock portfolio, the repairs service and the overall impact of this on residents. We know that it is an absolute necessity and legal requirement to deliver homes that are safe and are compliant with Decent Homes Standards and alongside the Housing Revenue Account (HRA) Business Plan, we now have a clear blueprint in which to achieve this.
- 1.7 This strategy demonstrates how the Council have learned from resident's feedback. Based on feedback from complaints, satisfaction surveys and the focus groups undertaken through the development of this strategy, it is clear that there are low levels of satisfaction with the way landlord services are delivered and how our homes are looked after. Voices from our residents are woven into the strategy and their priorities are reflected in the key commitments. This approach represents a step-change in the Council's relationship with residents and is key to re-building trust and improving resident satisfaction.
- 1.8 The Council are also preparing for the full implementation of the Social Housing Regulation Act, including the move from a reactive inspection regime, to a proactive one which has been supported by a new set of Consumer Standards. Given the nature of the new regulatory environment, we have reviewed our investment approach to strike the right balance, making sure residents live in high-quality homes, whilst continuing to contribute to the supply of affordable housing. Investing in our homes is a key priority for the Council and for our residents, the Asset Management Strategy 2024-2029 sets out how this investment will be directed.
- 1.9 The plan is developed with the implementation of the Social Housing Regulation Act in mind and the enhanced expectations around compliance with Decent

Homes Standards. Intervention from the Housing Ombudsman and Regulator of Social Housing has already put the Directorate on a trajectory of prioritising investment in the stock portfolio and this strategy formalises that objective. Commitments have been made to both regulatory bodies in relation to this and the plan sets out how these commitments will be honoured.

- 1.10 Following the implementation of the Social Housing Regulation Act it is likely that a new Decent Homes Standard will be developed, alongside a Minimum Energy Efficiency Standard. These anticipated changes make the planned 'catch-up programme' to achieve Decent Homes Standards even more important.
- 1.11 The Asset Management Strategy 2024-2029 has been developed at a time, where the Council are reviewing their approach to the re-procurement of the Repairs & Maintenance (R&M) contracts. These contractors are vital in the formation of this strategy, as they will be the main delivery partners for several of the specific activities set out in the delivery plan and enable the Council to achieve the long-term investment required and benefit from the stability of a long-term strategic partnership.
- 1.12 The re-procurement of the R&M contracts was underway prior to the development of the Asset Management Strategy 2024-2029 but the decision was made to pause the procurement process and review our approach. The new procurement strategy will ensure best value, increased competition and enable the Council to develop a long-term partnership approach, focusing on better quality and improved resident satisfaction. There are also opportunities as part of this new approach to deliver wider benefits arising from the supply chain.
- 1.13 This strategy is developed in the full knowledge that it will need to be aligned to a communications strategy; residents will need to be aware of any potential changes or investment in their homes and how to get involved and engage in the process. Residents need to understand how they can tell the service about the changes that need to be made in their home, report repairs and receive feedback around when their homes will be compliant. As part of the delivery plan for this strategy, delivering a mechanism to communicate effectively will be one of the key pieces of work to provide assurances for residents moving forward.
- 1.14 The Council have developed a robust and comprehensive Asset Management Strategy because it is and must continue to be a corporate priority. The whole Council, across all Directorates will have some part to play in the delivery of this strategy. In line with a transparent approach, this strategy sets out how investment will be prioritised and where and how expenditure will be directed. The Asset Management Strategy 2024-2029 will be delivered with our core vision in mind at all times; for residents to live in warm, safe and sustainable homes.

## **2 Recommendations**

That Cabinet:

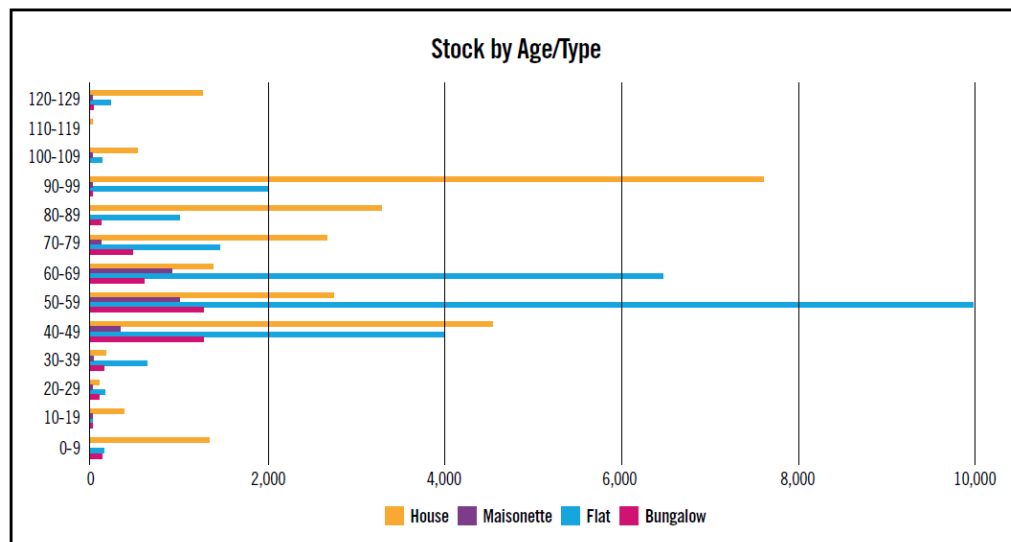
- 2.1 Approves the strategic priorities set out in the Asset Management Strategy 2024-2029, that resident's homes must be warm, safe, and sustainable.
- 2.2 Approves the Council's intention to deliver an Asset Management Strategy that covers a 5-year period, enabling the Council to focus on 'getting the basics right' for our residents.
- 2.3 Endorses the Council's approach to making sure our homes are compliant with all statutory obligations, including Decent Homes Standards.
- 2.4 Endorses the Council's approach to the regular monitoring and evaluation of the proposed Asset Management Strategy 2024-2029, providing assurance on an annual basis that the commitments set out are delivered.

## **3 Background**

- 3.1 In January 2023, the Council worked with stakeholders across the city to launch the Housing Strategy 2023-2028. Priority 3 of the strategy sets out the commitment to ensure 'Neighbourhoods are enhanced, and the quality of existing homes are improved.'
- 3.2 One of the key commitments of the Housing Strategy 2023-2028 was to develop a robust Asset Management Strategy and HRA Business Plan, setting out the way in which the Council intends to drive forward the quality of resident's homes and how these activities will be funded.
- 3.3 In January 2023, the Housing Ombudsman published a Paragraph 49 report following concerns about the repairs service and complaints handling. Consequently, the Regulator of Social Housing issued the Council with a Regulatory Notice in May 2023.
- 3.4 The Regulatory Notice relates specifically to a breach of the Tenant Involvement and Empowerment Standard and the Home Standard. Both of these standards make up the Consumer Standards, which are the set of standards that regulate the social housing sector.
- 3.5 The Regulator of Social Housing has raised concerns regarding the Council's performance against landlord health and safety compliance, engagement with residents and compliance against Decent Homes Standards. A vital step in achieving Decent Homes Standards requires the Council to set out how the investment will be delivered and the detail regarding the Council's strategic priorities.
- 3.6 The Regulator have confirmed that they will not end any engagement with the Council until there is assurance that all compliance activities, including a trajectory to achieve Decent Homes Standards can be fully articulated.

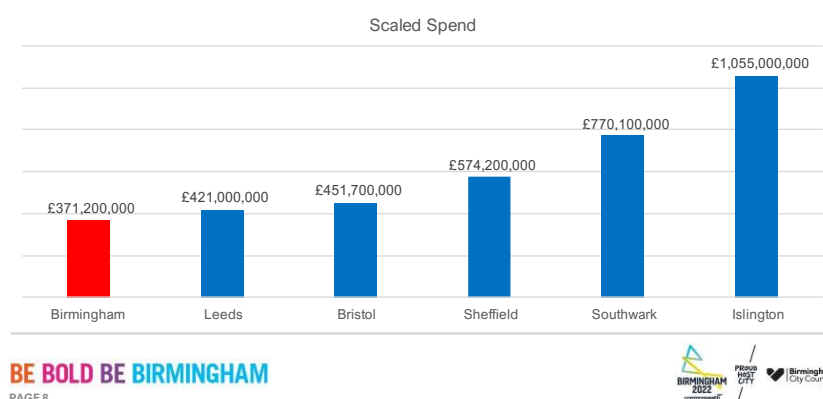


- 3.7 The Council have responded robustly to these concerns, through the development of the Asset Management Strategy 2024-2029, to be read in conjunction with the HRA Business Plan.
- 3.8 The Council's stock portfolio of circa 59,000 homes is made up of affordable, predominately social rented homes with smaller proportion of leased properties. The nature of the stock portfolio requires long-term investment, the proportion of high-rise blocks is significant; in addition, 78% of the total stock is over 50 years old, 28% is over 80 years old whilst only 4% is under 30 years old. Figure 1 sets this out below:



- 3.9 The Council accepts that the housing stock has not received the investment required over a significant period. Figure 2 sets out our scaled spend on the stock portfolio between 2016-2021, alongside other comparable authorities.

**BCC Investment versus other LA's– 2016-2021**



- 3.10 The Council did not receive any central Government funding available between 2000-2010; the funding available was connected to stock transfer deals and ALMO arrangements which residents voted against on the two occasions these were consulted upon.

- 3.11 This meant the Council invested £680m on the stock portfolio independently. Because of the investment delivered between 2000-2010, the plan could not withstand further years of continued investment at the same rate, resulting in challenges complying with Decent Homes Standards.
- 3.12 The Grenfell tragedy and the more recent death of Awaab Ishak have also prompted significant investment in both fire safety and the way in which the Council manages damp and mould. The sector has also been challenged by the Government's route to zero targets, Birmingham has an even more ambitious target, aiming to achieve carbon neutrality by 2030.
- 3.13 The Council is responsible for the repairs and maintenance provision, our partners Equans and Fortem are contracted to deliver this service across the city and these contracts represent the largest contract the Council is responsible for. These contracts are currently going through a full re-procurement process, with an interim contract proposed through direct award for the next 2 years, supporting a longer-term re-procurement process for April 2026.
- 3.14 Due to market factors, such as inflation, supply chain and construction costs, there has been an across-the-board above inflationary increase in cost. The Council must take this into consideration when negotiating both the interim contract for the repairs and maintenance service and the longer-term contract procurement, particularly when the Council are looking to capitalise on opportunities to promote social value activities through these contracts.
- 3.15 The Council also deliver several operational services that are important to residents, voids, lettings, complaints, disrepair, and litigation etc. Many resident enquiries and litigation claims relate to either the quality of the existing stock portfolio, or the quality-of-service delivery. We want to learn from the feedback we have received to invest in both homes and services for residents, improving satisfaction and reducing reactive expenditure in the long-term.
- 3.16 Following the Grenfell tragedy, the voice of the tenant has become a significant focal point across the sector. Complaint handling, management of resident enquiries and tenant engagement are key to achieving overarching compliance. The Council have already reviewed the housing service, through our strategic partner Campbell Tickell.
- 3.17 The Council are committed to re-designing landlord services to ensure that services are localised, visible and provide value for money for residents.
- 3.18 Both the national and local drivers are fully explored within the Asset Management Strategy 2024-2029, see [Appendix 1](#). The breakdown above aims to provide Cabinet with an understanding of why it is imperative to formally set out our priorities, providing clarity to all relevant stakeholders on how the Council intends to preserve and invest in its assets.
- 3.19 The Asset Management Strategy is designed around the principles, the delivery of warm, safe and sustainable homes. These principles have been developed

using feedback from Tenant Satisfaction Measures (TSMs), complaints feedback, City Housing Liaison Board (CHLB) and specifically designed focus groups. CHLB is a formal tenant engagement group and is made up of representatives from Local Housing Liaison Boards (HLBs). Comprehensive feedback ensures that the strategy is co-designed with residents and what is important to them.

- 3.20 The principles, warm, safe and sustainable are the basis of any good home. The Council have a responsibility to make sure that investment in resident's homes promote these basics. The Council is aware of the fact that not all residents have this experience in their home and are committed to making sure that these principles are equitable across the board.
- 3.21 The Asset Management Strategy 2024-2029 sets out a blueprint for the Council to meet these aspirations, driving forward quality and making sure that homes are fit for purpose for the communities we serve.
- 3.22 It is proposed that the Asset Management Strategy 2024-2029 is monitored on an annual basis where a report will be provided to the Cabinet Member and CLT on progress against the delivery plan. This will be reported upon at the end of each financial year.
- 3.23 Within the City Housing Directorate, a quarterly performance report will be brought to Compliance Board, setting out regular progress updates against the delivery plan.
- 3.24 The Asset Management Strategy 2024-2029 has been developed in accordance with the documents below:
- 2022-25 Digital Strategy and the Digital Inclusion Strategy and Action Plan (Nov. 21)
  - Everybody's Battle, Everybody's Business initiative 2022.
  - Birmingham Development Plan (BDP)
  - Central Birmingham (2040) Strategy
  - Our Future City Plan
  - Birmingham City Council Levelling Up Strategy
  - Health & Wellbeing Strategy
  - Digital Cities
  - Decent Homes Standard
  - Housing Strategy 2023-2028
  - Levelling Up Strategy - central government
  - Corporate Plan 2022-2026
  - Consumer Standards (2017)

- Fire Safety Act (2021)
- Building Safety Act (2022)
- Independent Review of Building Safety and Fire Regulations (2018)
- Homelessness Reduction Act (2017)
- National Planning Policy Framework (2021)
- Rent Standard

#### **4 Strategic Priorities & Key Commitments:**

4.1 We want to ensure all Council homes are safe. Safe homes mean, homes that are compliant with statutory obligations (including Decent Homes Standards), that vital services are responsive, and resident led, and that service delivery happens locally, with improved visibility.

4.2 Below, are some of the key commitments in the Asset Management Strategy 2024-2029 that are intended to make Council homes safer.

- We will ensure that we achieve 100% compliance with all statutory and regulatory requirements, except Decent Homes Standards which will be achieved through an 8 year catch up programme, referenced within the HRA Business Plan.
- We will achieve the minimum levels of satisfaction (60%) through the Tenant Satisfaction Measures (TSM) collection and reporting process.
- We will undertake 100% stock condition surveys undertaken on all Council homes stock, as part of a 20% per year rolling stock condition survey programme.
- We will reduce the number of repairs per property per year from 4.4 to 3.3 by 2028.
- We will reduce the number of Disrepair & Litigation claims by 50% by 2028.
- We will bolster investment in Decent Homes in line with expenditure set out in the HRA Business Plan and Capital Programme 2023/2024.
- We will reduce the number of residents experiencing ASB and improve the time it takes for the Council to respond.
- We will re-introduce CCTV and security based on the estates and areas that need it the most, this will be evidence based.
- We will set out a specific offer and set of service standards for residents living in high-rise blocks.
- We will develop and deliver a set of tenant-led service standards by 2028.

- We will review of service model, re-designing this to ensure our services are delivered locally and visibility in estates is improved.

4.3 We want to make sure all Council homes are **sustainable**. This means that we want to future proof our homes, making sure decisions on investment are based on a clear appraisal model, promoting value for money.

4.4 Below, are some of the key commitments in the Asset Management Strategy 2024-2029 that are intended to make Council homes more sustainable.

- We will improve data and intelligence across our full asset portfolio, making sure decisions around sustainability are based on clear evidence.
- We will undertake a full sheltered housing review and produce a robust offer for older people, in line with their needs.
- We will increase the number of homes that meet the Lifetime Home Standards.
- We will develop a robust model that enables us to appraise our assets, encouraging regeneration opportunities and thoroughly assessing financial viability.
- We will develop a Neighbourhood Management Strategy to ensure our communities remain resilient against local and national challenges and are well supported.
- We will develop a delivery plan that sets out the interventions we will undertake to support households experiencing financial hardship.
- We will reduce the length of time it takes to let our properties and undertake a full review of the lettable standard as part of the Repairs & Maintenance contract re-procurement process.
- We will ensure as many residents as possible are digitally included and can access Wi-Fi in their own home.

4.5 We want to make sure all Council homes are **warm**. This means that we want to support the Council's aspirations to reach carbon neutrality, ensure our homes are resilient to damp and mould and to deliver on decarbonisation initiatives.

4.6 Below, are some of the key commitments in the Asset Management Strategy 2024-2029 that are intended to make Council homes warmer.

- We will ensure that all Council homes reach EPC C by 2028.
- We will continue to contribute to the Council's ambitious objective to achieve carbon neutrality by 2030.
- We will ensure all new build homes are delivered with energy efficiency in mind and strive to build homes that are net zero ready.

- We will invest in our stock in order to achieve Decent Homes Standards, promoting energy efficiency wherever possible.
- We will maximise investment through grant; working with partners and other Local Authorities and Registered providers (RPs) to lobby Government to increase available funding and support decarbonisation.
- We will increase tenant visits with trained officers to recognise and report damp and mould.
- We will embed the recommendations of the Housing Ombudsman spotlight report on damp and mould.

## 5 Consultation

- 5.1 Consultation has taken place with tenants and leaseholders in several focus groups.
- 5.2 Consultation has taken place at City Housing Liaison Board (CHLB).
- 5.3 Feedback has been drawn from the results of Tenant Satisfaction Measures (TSMs)- results of initial pilot surveys.
- 5.4 Feedback has been drawn from an analysis of Complaints and Members Enquiries.
- 5.5 Public Consultation has been undertaken via BeHeard.

## 6 Risks & Mitigations

Risk Event	Impact	Mitigations
Additional areas of non-compliance identified by the Regulator or Housing Ombudsman	This could lead to increased enforcement activity, closer supervision or further interventions from regulatory bodies that may divert investment elsewhere.	Mitigation measures would include regular self-assessment activity, support from external advisers such as Campbell Tickell and regular monitoring through the compliance board
Increased arrears or void periods	The plan is prudent around its current assumptions but if these were adverse it would affect the revenue position and ability to fund the capital programme.	New procedures could be implemented to ensure greater recovery of rents and management of voids.
Greater increase to the cost of the repairs contract than anticipated.	If the cost of the repairs contract increases beyond the anticipated uplift, this would affect the revenue position and ability to fund the programme	Mitigation measures would include reassessing the BMHT and capital investment programmes.
Revised Decent Homes Standard	Whilst the new standard is in consultation there is the potential for costs for meeting decency to increase and this is likely given Government emphasis in proposed consumer standards	The investment programme would need to be revisited to identify efficiencies and or a review of the BMHT programme.
R&M contract re-procurement and interim arrangements	It is vital that the Council have a R&M provider that is value for money and delivers a high-quality	Risk mitigations are outlined in the HRM Contract Award Report. Procurement colleagues are closely engaged and will

	service to residents. This is dependent on positive negotiations and robust procurement support. It is important to attract a good range of strong bids to ensure competition.	continue to provide support through the re-procurement process. The Council have changed their procurement strategy to reflect the importance of these contracts and the impact on delivery.
Efficiency savings not achieved	The plan assumes a 10% across the board saving to management costs. If this is not achieved, then revenue surpluses will be decreased and the ability to meet financing charges.	Unknown, given that some of the efficiencies will be delivered via reductions in corporate charges. Reassessment would be needed for all delivery programmes.
Inability to achieve route to zero targets	The strategy assumes that the Council's aspiration to reach carbon neutrality is achievable. As this is dependent on government funding, this may not be within the Council's control.	Likely, given government's funding models. However, BMHT new build homes are delivered at EPC C as a minimum and SHDF/whole house retrofit programs support the approach
Compliance with regulatory intervention	<p>The required level of pace is considerable, and commitments have been made to both the Housing Ombudsman and the Regulator re compliance.</p> <p>Failure to deliver could lead to increased sanctions from the Regulator whose primary concern is compliance against Decent Homes Standards. It is anticipated that compliance against Decent Homes Standards will take 8 years to achieve.</p>	<p>Anticipated to be unlikely and mitigated by increased stock condition surveys, improved IT structures and reporting and accelerated landlord H&amp;S programmes.</p> <p>The Council will continue to work closely with the Regulator of Social Housing to demonstrate pace and grip against the Decent Homes programme, improving overall performance over the 8-year period.</p>
s.114 intervention	Impact of delay around financial decision making as a result of additional financial constraints	Anticipated that such occurrences will be mitigated through comprehensive planning and therefore a reduced likelihood- compliance continues to be an accelerated area and this relates specifically to Decent Homes Standards.
Continual low levels of resident satisfaction	TSMs, complaints and overall feedback from residents could continue be reduce and could detrimentally damage the reputation of the Council, as well as resident experience	Mitigations included the Paragraph 49 action plan and complaints recovery plan, the self-assessment action plan and overall focus on resident experience.
Workforce and organisational culture	The strategy promotes significant levels of change, both in structure and delivery model. The length of time it may take to finalise recruitment and attract good quality candidates will continue to be a key risk.	HR will continue to support any recruitment process, advising on how to attract the best candidates with the support of Unions and the responsible Director.

## 7 Compliance Issues:

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

- 7.1.1 This strategy is consistent with the wider aims of the Council's Housing Strategy 2023-2028, particularly Priority 3, 'Neighbourhoods are enhanced, and the quality of existing homes are improved.'
- 7.1.2 This strategy supports the Council's route to zero commitments, to achieve carbon neutrality by 2030.
- 7.1.3 This strategy supports the Council's commitment to addressing the concerns of the Regulator of Social Housing and Housing Ombudsman.
- 7.1.4 This strategy supports the Corporate Plan 2022-2026 in seeking to deliver a Bold Safe Birmingham by better protecting and safeguarding vulnerable citizens and increasing affordable, safe and green homes.

## **8 Legal Implications**

- 8.1 Under Part VI of the Local Government and Housing Act 1989 any local authority that owns housing stock is obliged to maintain a Housing Revenue Account, which ultimately finances the Asset Management Strategy 2024-2029. The HRA is a record of revenue expenditure and income in relation to an authority's own housing stock. The items to be credited and debited to the HRA are prescribed by statute. It is a ring-fenced account within the authority's General Fund, which means that local authorities have no general discretion to transfer sums into or out of the HRA.
- 8.2 The Council is required to prepare proposals each year relating to the income of the authority from rents and other charges, expenditure in respect of repair, maintenance, supervision, and management of HRA property and other prescribed matters. The proposals should be made on the best assumptions and estimates available and designed to secure that the housing revenue account for the coming year does not show a debit balance. The report sets out information relevant to these considerations.
- 8.3 Section 76 Local Government and Housing Act 1989 places a duty on local housing authorities: (a) to produce, and make available for public inspection, an annual budget for their HRA which avoids a deficit; (b) to review and if necessary, revise that budget from time to time and (c) to take all reasonably practicable steps to avoid an end-of-year deficit.
- 8.4 The proposed HRA budget fulfils these requirements. The report also seeks approval for major investment estimates in relation to a variety of schemes. In compliance with Section 151 of the Local Government Act 1972, the Council has in place Financial Procedures which provide appropriate arrangements for the approval of major works estimates. The various major works schemes must be capable of being carried out within the Council's statutory powers. To the extent that the details of the schemes appear from the body of the report, it does appear that the proposed works meet this requirement. In particular the maintenance of dwellings may be considered consistent with the Council's repairing obligation under Section 11 of the Landlord and Tenant Act 1985. This



is supplemented by the national rent restructuring policy and the HRA Self-Financing Determination.

## **9 HR Implications**

- 9.1 The emerging redesign plans within the Directorate workforce are being shaped to ensure services best meet the demands and needs of citizens and residents.
- 9.2 Staff are currently being engaged with about the potential changes and once the plans are finalised staff will be consulted with following Birmingham County Council HR Policy and Procedures and current governance requirements.
- 9.3 It is accepted that the HRA Business Plan must be approved, to enable the Directorate to afford to deliver a re-design of this scale and magnitude. Whilst HR have been fully consulted on potential next steps, alongside Trade Unions the detail will be explored once the plan has been formally approved.

## **10 Procurement Implications**

- 10.1 The Asset Management Strategy 2024-2029 is underpinned by both the Repairs & Maintenance contract and any the availability and readiness of a large pool of suppliers to drive forward compliance focused activity, supporting the Decent Homes programme and other landlord H&S compliance work. This strategy and the HRA Business Plan must be read in conjunction with the Interim HRM Contract Award Report, which sets out our approach to the overarching procurement and any interim arrangements. It must be noted that the re-negotiation and long-term re-procurement of the Repairs & Maintenance contracts will be delivered in line with all relevant governance and procurement rules and will be agreed through a separate process, including Cabinet approval.
- 10.2 It is very likely that further direct award opportunities will need to be explored to support longer term compliance activity, particularly in relation to landlord H&S. This mirrors the approach we have already undertaken with areas such as asbestos and gas safety. Any direct award opportunities will be delivered in line with all relevant governance and procurement process and where appropriate, will be agreed through separate processes, including Cabinet approval where necessary.
- 10.3 Any future procurement activity arising as a result of implementing the recommendations will need to be procured in compliance with the Council's Procurement and Contract Governance Rules and the Public Contracts Regulations 2015 / the Procurement Act 2023 as applicable.

## **11 Financial Implications**

- 11.1 The proposed Asset Management Strategy 2024-2029 is funded by the HRA Business Plan. The plan ensures that the aims and objectives for City Housing

can be met from the ringfenced resources available over that time-period, from rents, service charges, grants and right to buy receipts.

- 11.2 The plan includes borrowing to a maximum of £2.403bn for capital investment in existing stock and developing new stock to replace losses through RTB, alongside revenue spend of over £0.303bn per annum for managing these assets, financing the above borrowing, and managing the tenancies and managing the day-to-day operation of the stock.
- 11.3 The plan ultimately finances the catch-up programme to achieve Decent Homes Standards in which £1.434bn is planned over the next 8 years. Whilst the Council won't be fully compliant with Decent Homes Standards by the end of this strategy, it is right given the scale of the programme required and the specific activities to be delivered, that the Asset Management Strategy 2024-2029 is reviewed more frequently and will act as an opportunity to sense check our approach and overall delivery.
- 11.4 The plan ensures that we meet our strategic objectives set out in the proposed Asset Management Strategy 2024-2029, meeting statutory obligations such as Decent Homes Standards within 8 years, development of new build properties to replace stock lost through RTB and to progress decarbonisation aspirations.
- 11.5 Further to the risks and mitigations highlighted, the HRA business plan includes the building of a contingency reserve and will be refreshed on an annual basis. These two will allow the HRA protect the funding for priority areas if there are cost or funding fluctuations over time.
- 11.6 Approval to spend against the commitments outlined in this report for 2023/2024 have been approved by the s.151 spend control board as per Council process.

## **12 Public Sector Equality Duty**

Equality Assessment - attached as Appendix 2

## **13 Appendices**

Asset Management Strategy – Appendix 1  
Equality Assessment – Appendix 2



# ASSET MANAGEMENT STRATEGY 2024-2029



**BE BOLD BE BIRMINGHAM**

# VISION

Based on our research, and feedback from residents, we have designed our strategy focusing on three priority areas, which were those that were most important to our residents:

- Safe this means we commit to making sure our homes are safe to live in. This includes how we support our communities and manage estates, as well as the fabric of the homes we provide.
- Warm this means we commit to making sure we make our homes as environmentally friendly, energy efficient, and more affordable to heat for our residents.
- Sustainable this means we commit to making a positive contribution to neighbourhoods, helping to make them resilient over the long term, providing the right infrastructure and regenerating challenging estates.



# INTRODUCTION

Birmingham City Council is the largest Local Authority social housing provider in the UK. Our aspiration is to make sure that all residents live in warm, safe and sustainable homes. The strategy intends to support the preservation of Birmingham City Council homes and focuses on improving living standards for our residents.

The housing sector is facing several economic, political, social and environmental challenges. This strategy looks to future proof our resident's homes so that they are warm, safe and sustainable for years to come. To achieve this, we must be honest about the constraints and challenges both locally and nationally, actively promoting and maintaining positive relationships with our residents, building trust and accountability. This should be supported by suitable long-term funding through the 30-year Housing Revenue Account (HRA) business plan.

We strive to ensure that through effective management of our housing stock we can provide homes, neighbourhoods and communities that are warm, safe, sustainable and enjoyable to live in. Most importantly of all, we will ensure we get the basics right as a landlord and create homes residents can be proud of.

The strategy will be reviewed after five years. We think this is imperative given the scale of the challenges in Birmingham and as an acknowledgment that we must make further improvements within the homes of our residents to achieve our vision and to ensure we take into account any future legislative national policy requirements.

This strategy has been developed with our residents, with their voice influencing all aspects of our decision making. Delivery, monitoring and evaluation of this strategy will include our residents, making sure investment in our assets is focused on what is truly important to them. The importance of providing high quality affordable homes is reflected in our strategic priorities, outlined in our Housing Strategy (2023 – 2028).

**Priority 1: a strong supply of genuinely affordable housing.**

**Priority 2: citizens can access and sustain the right home for them.**

**Priority 3: neighbourhoods are enhanced, and the quality of existing homes is improved.**

This strategy also aligns with the Councils’ Corporate Plan (2022 – 2026). We believe this strategy is bold, does not shy away from the challenges facing the city and the stock portfolio and contributes to the Council’s overarching objectives to level up. Consistency with strategic priorities is critical to stimulate synergy, drive change and provide clarity and stability of the council’s vision.

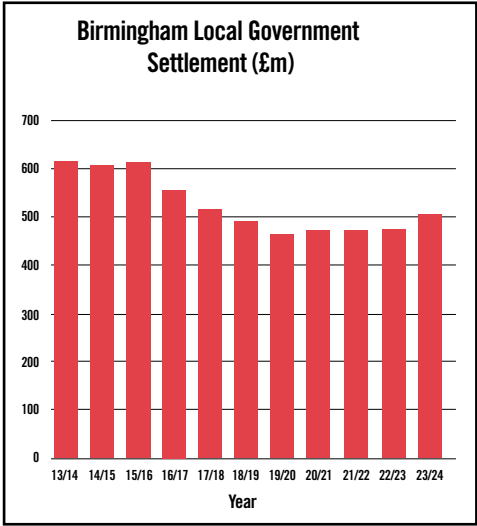
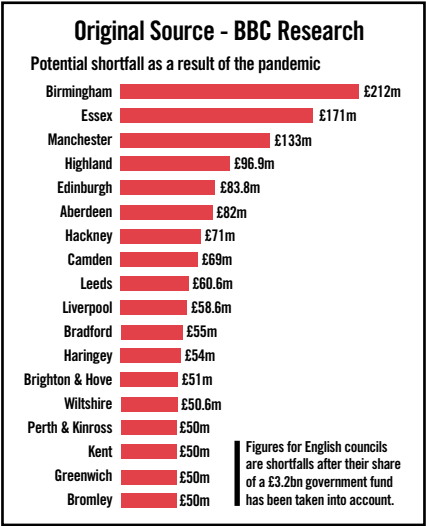
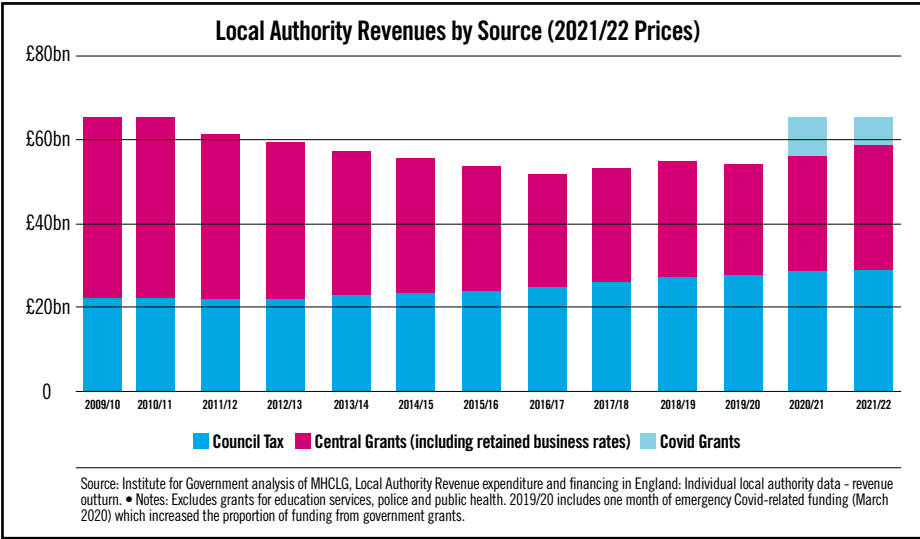
Additional related documents:

- 2022-25 Digital Strategy and the Digital Inclusion Strategy and Action Plan (Nov. 21).
- Everybody’s Battle, EVERYBODY’S Business initiative 2022.
- Birmingham Development Plan.
- Central Birmingham 2040 Strategy.
- Our Future City Plan.
- Birmingham City Council Levelling Up Strategy.
- Health & Wellbeing Strategy.
- Digital Cities.
- Decent Homes Standard.
- Housing Strategy 2023-2028.
- Levelling Up Strategy - Central Government.
- Corporate Plan.
- Consumer Standards 2017.
- Fire Safety Act (2021).
- Building Safety Act 2022.
- Independent Review of Building Safety and Fire Regulations (2018)
- Homelessness Reduction Act (2017).
- National Planning Policy Framework 2021.
- Rent Standard.

### NATIONAL CONTEXT

The way in which our assets are managed is significantly influenced by the national landscape. Public sector funding has faced cuts since 2010, Council budgets have been cut in half (£15bn real term reduction), and austerity measures have culminated in a £30-50bn shortfall in public finances. The pandemic further reduced the capability of delivering investment with the restrictions on services

to residents. Inevitably crucial services have been cut to balance budgets, which directly impacts citizens and disproportionately affects infrastructure in local areas. Local Authorities now have a combined £3.2bn overall budget pressure, with a continued need to create efficiencies.



Birmingham is impacted in the same way; evidence demonstrates the city's own financial position was likely to rise to £146.5million by 2026/27 and with s.114 intervention and the Council's current financial pressures this could be significantly higher. Between 2011- 2019, 43 local services for young people were closed and local community hubs such as the Phoenix Community Centre in Witton (2017), Square Club in Weoley Castle (2017), and the Newtown Community Centre have been closed or sold.

Birmingham City Council continues to provide homes for some of the most deprived communities; 71.5% (42,298) of the stock portfolio falls within the 10% most deprived LSOAs in the country. The Council have ambitions to level up and have developed their own strategy setting out a blueprint to achieve this. The way in which the stock portfolio is managed plays an essential part in reducing inequality. This strategy demonstrates our commitment to developing healthy communities, making sure households live in homes that are safe, warm and sustainable.

This strategy aims to respond to some of the key national challenges; whilst there are a multitude of factors that contribute, these are summarised by three key themes:

- Achieving Route to Zero
- Operating in a new regulatory landscape - Social Housing Regulation Act
- Maintaining Decent Homes Standards



Our 30-year investment plan, which supports the objectives set out in this strategy, focuses on ensuring we face these challenges head on, targeting investment towards getting the basics right as quickly as possible for our residents. It also accounts for the significant reduction in investment over the last 12 years with a requirement for a catch-up programme of investment for the life of this strategy.

Climate change and its devastating effects on the environment, people and communities is one of the most pressing issues across the world. In May 2019, the UK government declared a national climate emergency and committed to target net zero carbon emissions by 2050. Addressing the climate crisis has never been more urgent for our city, nation and its people. Scientific evidence shows that current human activity is increasing the rate of global warming which, in turn, causes rising sea levels and more extreme weather such as heat waves and flooding. The Energy Saving Trust reports that UK's housing stock is the least energy efficient in Europe with homes in the UK accounting for 21% of all carbon emissions. The way in which we heat, use and operate our homes is not sustainable and we need to prioritise phasing out of high carbon fossil fuel heating, such as gas, oil and coal, to reduce our emissions and improve air quality. It is our responsibility to ensure our stock is energy efficient by investing in the most inefficient homes and using data and intelligence to make better informed decisions on where, when and how.

## REGULATORY AND LEGISLATIVE CONTEXT

Over the last 5 years there have been significant changes to the regulatory and legislative environment following the Grenfell tragedy and more recently the tragic death of Awaab Ishak. The Regulator of Social Housing is moving from a reactive, relatively light touch regulatory approach towards a proactive and more robust level of oversight, mirroring the likes of CQC and Ofsted in other sectors. This is summarised within the Social Housing Regulation Act.

The Social Housing Regulation Act places a greater emphasis on empowering residents and increases the role of the Regulator of Social Housing (RSH) to intervene on behalf of residents and seek "swift and fair" redress from local authorities where there is a failure to comply with the Consumer Standards (2017).

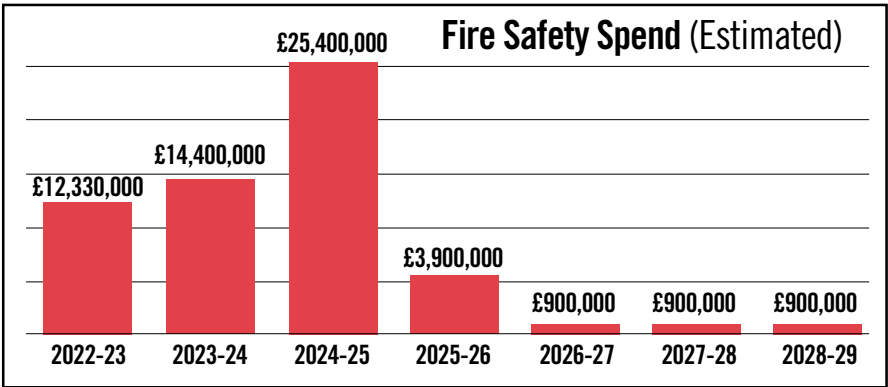
In May 2023 the Council received a regulatory notice from The Regulator of Social Housing for a breach of the following:

- The Home Standard - 39% of our homes are categorised as 'non-decent'. Performance, across some compliance areas, was identified at below that which they should be; specifically fire safety in low rise blocks; electrical safety; asbestos and the number of overdue remedial actions were all noted.
- The Tenant Involvement and Empowerment Standard concerning our performance relating to:
  - The way we listen to and learn from complaints.
  - The way we manager complaints
  - How we engage with our residents



To supplement the Social Housing Regulation Act, the Housing Ombudsman updated their Complaint Handling Code in October 2022, again placing a greater responsibility on landlords to demonstrate compliance with legislative obligations and to streamline the way in which complaints are managed.

Grenfell directly led to the implementation of the Fire Safety Act (2021) and Building Safety Act (2022). Responding to these changes has resulted in significant investment (fire safety spend is shown in the below diagram) on fire safety in high-rise blocks. The Council is responsible for 209 blocks with over 10,000 units and the new regulations have required the Council to divert resources to support vital fire safety work. The Council's high-rise portfolio represents around 17% of the overall housing stock, significantly higher than most other landlords, inducing a greater financial pressure. Despite the additional investment requirements, no financial provisions were provided to Local Authorities to meet these requirements.



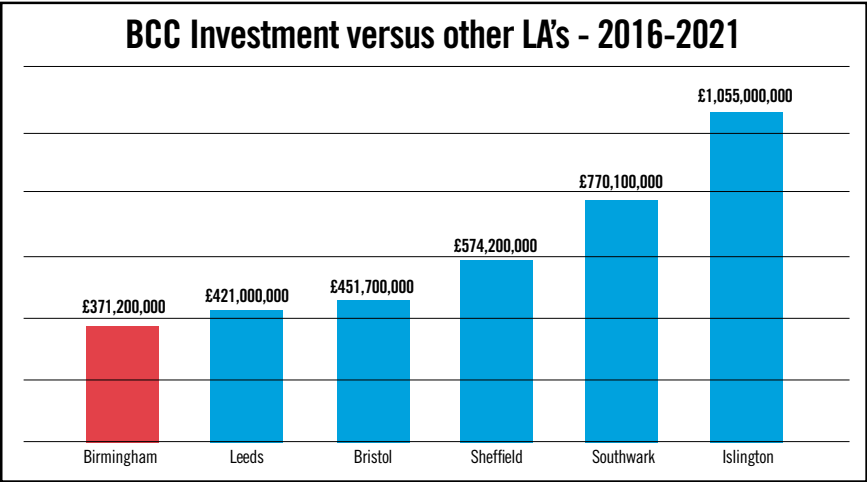
All legislative changes post Grenfell continue to promote co-regulation with residents, giving them more of a voice in the way their homes are managed. The regulations aim to create greater transparency around landlord performance through the introduction of Tenant Satisfaction Measures (TSMs), ensuring that tenants can hold the Council to account for their performances and the way in which they deliver services.

DECENT HOMES STANDARDS (2006)

The existing Decent Homes Standard has been in effect since 2006, providing a minimum acceptable national standard for social landlords to adhere to. The existing standard is currently under review and it is likely that the definition of “decent” accommodation will be widened both in terms of the internal and external condition of accommodation and energy efficiency. The Council is acutely aware that compliance with the existing Decent Homes Standard has been impacted by the need to invest in other areas (such as fire safety), and that achieving a position of compliance with the existing standard (irrespective of any future heightened standard) will require significant investment and will take time. The Council has begun to take steps to bridge this gap with additional investment in the Capital Programme for 2023-2024 and the intention, in the HRA Business Plan to increase investment over the next 8 years to reach Decent Homes Standard.

LOCAL CONTEXT - INVESTMENT

Due to the age and nature of the Council’s housing stock and the investment pressures the Council has faced in recent years, the current condition of the housing stock is a concern. A large percentage of the complaints received relate to repairs and/or the condition of tenants’ properties. The below graph demonstrates the “scaled spend” over the last five years and demonstrates the amount that the Council would have invested in its stock if investment had matched the pace of other comparable local authorities.



SAFE

Making sure our properties and residents are safe is a basic right for citizens living in Birmingham City Council homes. Our properties must be compliant with all relevant standards to provide full confidence to residents that they are safe, particularly considering widespread fear and concern post Grenfell. This includes the way we manage our estates, listen to residents when they raise concerns and make sure we build communities that can truly thrive in their environment.

KEY COMMITMENTS

Ensure that we achieve 100% compliance with all statutory and regulatory requirements by 2028, except Decent Homes Standards which will be achieved by 2031.
Achieve the minimum levels of satisfaction (60%) through Tenant Satisfaction Measures (TSM) collection and reporting process.
100% stock condition surveys undertaken on all BCC stock, as part of a 20% rolling stock condition survey programme.
Reduce the number of repairs per property per year from 4.4 to 3.3 by 2028.
Reduce the number of Disrepair and Litigation claims by 50% by 2028.
Will bolster investment in Decent Homes in line with expenditure set out in the HRA Business Plan and Capital Programme 2023/2024.
Reduce the number of residents experiencing ASB and improve the time it takes the Council to respond.
Re-integrate CCTV and security into blocks/homes where impact assessments support the need.
Develop a specific offer and relating standards for residents living in high-rise accommodation.
Develop and deliver a set of tenant-led service standards by 2028.
Review the service model, re-designing this to ensure our services are delivered locally and visibility in estates is improved.



DESIGNING PHYSICAL SOLUTIONS TO HELP REDUCE ANTI-SOCIAL BEHAVIOUR (ASB)

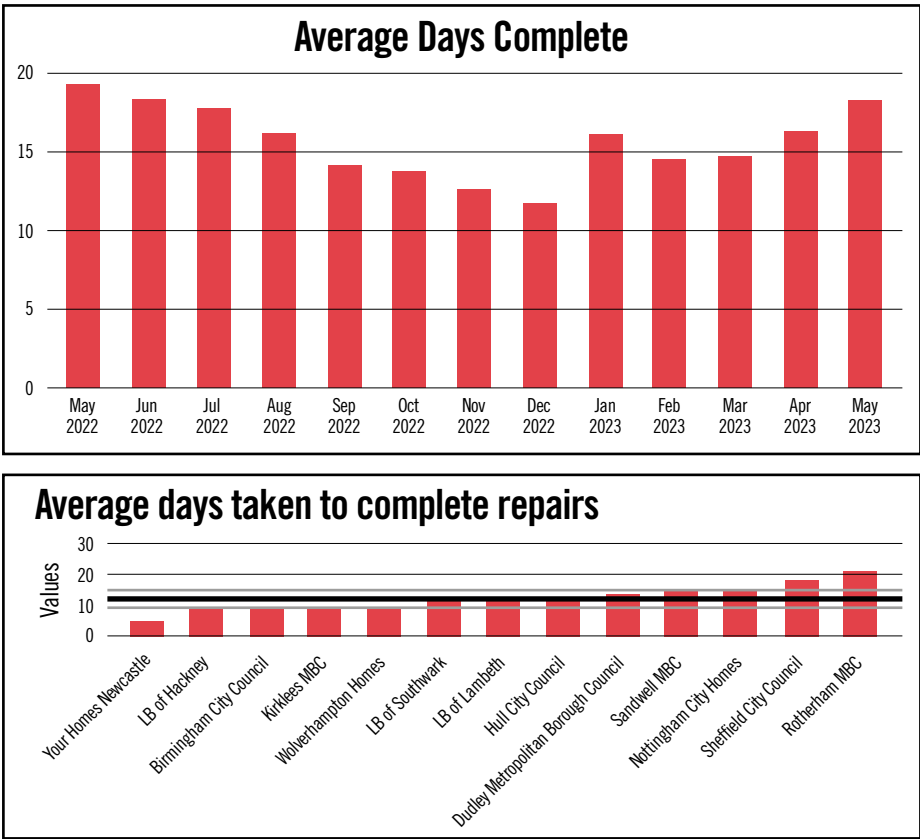
Residents have told us that anti-social behaviour (ASB) is a significant cause for concern, particularly on larger estates. The Council received 4384 reports of ASB in 2023/2023 and our most recent baseline TSM survey (July 2023) highlights that only 36.30% of tenants are satisfied with the way in which we address ASB. The issue was explored further in tenant focus groups. Tenants unanimously referenced the lack of CCTV and security as one of the key things they would like to see addressed within our investment plans.

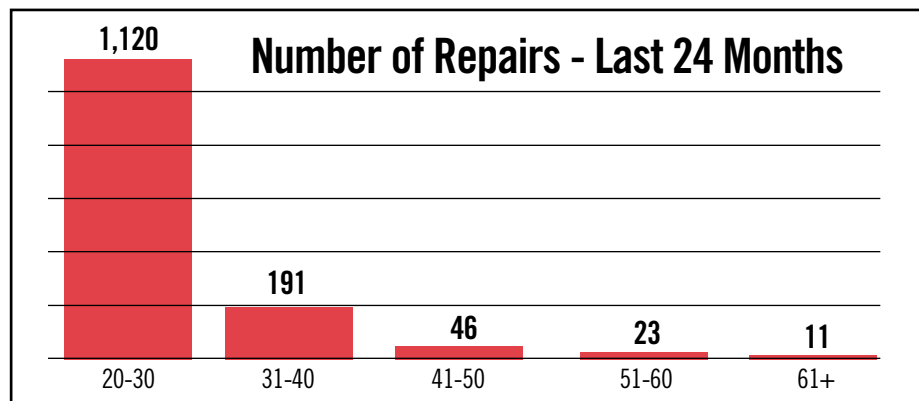
CCTV services were decommissioned in 2014/15 due to the financial implications of upgrading the service and the desire to minimise the costs to tenants. This, linked with the roll out of Universal Credit, meant that tenants would be under more pressure to manage budgets independently. A decision was made to move to an enhanced remote night security service and secure entry systems in all high-rise blocks. Our tenants have been clear in their message that CCTV would make them feel safer in their home. The provision and monitoring of CCTV presents both logistical and financial issues for the Council, the cost of upgrading, at the time of decommissioning was projected at £13m (£18m at 2023 costs). We are committed to working with our residents to find a solution that is cost effective but also improves the feeling of safety, particularly on our estates; we are beginning this process by piloting the implementation of CCTV where there are 'hot spot' areas of ASB and will proactively assess the difference this makes. This will support decision making around any potential further roll out across the portfolio.

The reduction of ASB will not be solved solely through the provision of CCTV, either in small pockets or across the whole portfolio. The need to embed a preventative approach will be paramount if we want to encourage communities that live together in harmony. A new ASB policy will be developed, focusing on intervening early, working in partnership and in accordance with the corporate commitments in this area, making sure residents have the support they need to succeed. This will be supported by a new Target Operating Model (TOM) across the Directorate, moving towards increased visibility, locality working and overall, a more proactive approach to delivering services.

IMPROVING THE QUALITY AND CONFIDENCE IN REPAIRS & MAINTENANCE

For our tenants to feel safe, the Council must have a reliable and responsive repairs service. Our Repairs & Maintenance services are currently delivered by strategic partners, Fortem and Equans - Fortem covering the South of the city and Equans covering North, East and West. Our partners deliver circa 250,000 repairs per year across all of our properties and an average of 4.4 repairs per property per year. Whilst complaints about the repairs service only make up 3% of the total repairs undertaken, the number of repairs per property, per year is significantly more than the national average at 3.3 repairs per property.





The number of repeat repairs has an obvious impact on tenant satisfaction, the most recent baseline TSM survey (July 2023) demonstrates that only 55.80% of tenants are satisfied with the most recent repair completed in their home. This data is supplemented by the learning from complaints; we continue to receive circa 500 complaints about repairs monthly. We accept that there is a disconnect between our contractor performance and what tenants are experiencing and commit to undertaking a full gap analysis, reviewing our systems and improving quality assurance to properly understand why the way in which the service is delivered is not working for our tenants. We have received criticism from the Housing Ombudsman in relation to both its repairs performance and efficiency, and the way in which it deals with complaints and provides effective recompense to tenants where failures have occurred.

A special report in January 2023 found severe maladministration and service failure across the repairs handling and resolution service. The Council has taken several steps to recognise and address the failures and the Housing Ombudsman has formally recognised the hard work shown to improve service delivery for our tenants. We commit to delivering on the recommendations of the Housing Ombudsman to provide a fit for purpose service that tenants can rely on.

We do have the control to make changes and commit to making sure that our contracts are robust and well managed moving forward. Our Repairs & Maintenance contracts are undergoing a full recommissioning process; this provides us with an opportunity to make sure any future contracts take into consideration the way tenants currently experience the service, ultimately focused on improving customer experience.

CITY	INVESTMENT 2016-2021	STOCK	INVESTMENT PER UNIT 2016-2021
Birmingham	£371.2m	59,000	£6,291
Bristol	£214.4m	28,000	£7,657
Islington	£456.5m	25,515	£18,244
Leeds	£388.3m	54,377	£7,140
Sheffield	£375.8m	38,887	£9,663
Southwark	£495.8m	37,962	£13,060

AREA	TOTAL OF NON-DECENT DWELLINGS - 2021/22 - RAW VALUE	% LA HOUSING STOCK THAT IS NON-DECENT
Birmingham	22,469	38.1%
Bristol	2,009	3.7%
Islington	1,122	4.2%
Leeds	497	1.3%
Sheffield	331	1.3%
Southwark	271	1.8%

## UNLOCKING OPPORTUNITIES TO INVEST

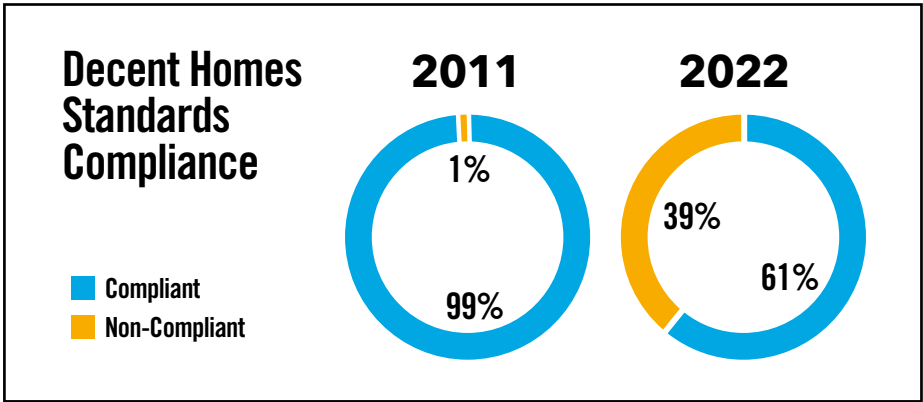
The Council have faced difficult decisions around what, when and how to invest in the stock portfolio; the requirement to divert funding, post Grenfell, has meant that investment in housing stock has not happened at the rate that the Council would have intended for investment works and for planned maintenance. This has resulted in both a gap in the Council's investment when compared to other local authorities with comparable stock holding, and a decline in the number of properties compliant with the existing Decent Homes Standard.

We know that providing safe homes means providing homes that meet the Decent Homes Standards, we are disappointed in our current position against Decent Homes Standards (39% non-decent) and are committed to unlocking investment to drive this forward.

The projected expenditure to achieve compliance with the current Decent Homes Standards, as well as achieving the Council's commitment to Route to Zero by 2030, with the ongoing pressures of compliance in a heightened regulatory landscape around Building and Fire Safety, means that the Council need to reconsider the way in which the Housing Revenue Account is managed to achieve these strategic priorities within the challenging timescales set.

No additional government funding has been made available to support this work, leaving the Council to find the resources within existing budgets.

Between 2004-2011, the Council invested circa £680m in achieving Decent Homes Standards, achieving 99% decency, although there was limited stock condition data to substantiate this. Due to investment pressures in the intervening period and the continuing deterioration of the Council's housing stock, the majority of which is at least 50 years old, the decency figure has dropped.



The Decent Homes Standard is under review and it is likely an enhanced standard will be implemented in the next 12 months, meaning we must invest as much as possible to try and catch up over time. The current backlog is an estimated £509m. The table below outlines the catchup programme of investment required, alongside the ongoing programme of investment needed to ensure our homes meet the decent homes standard.

The backlog around Decent Homes Standards is estimated using available data; at the time of publishing this strategy, we have currently have valid internal stock condition data for 29% of our properties and external condition data for 38% of our properties.

We also have 2,685 block surveys, making up 58% of blocks. Currently 8021 physical stock condition surveys have been completed within the last five years. An accelerated programme to meet the needs of the capital programme, the requirements of the Regulator of Social Housing and increase decency standards, is being commissioned. This will ensure we meet the commitment to undertake 100% stock condition surveys on all Council homes stock, as part of a 20% per year rolling stock condition survey programme.

We accept that the limited stock condition data available makes vital decisions around investment difficult to make. We are committed to improving the data and intelligence across the portfolio and will ensure this is monitored throughout the life of the strategy.

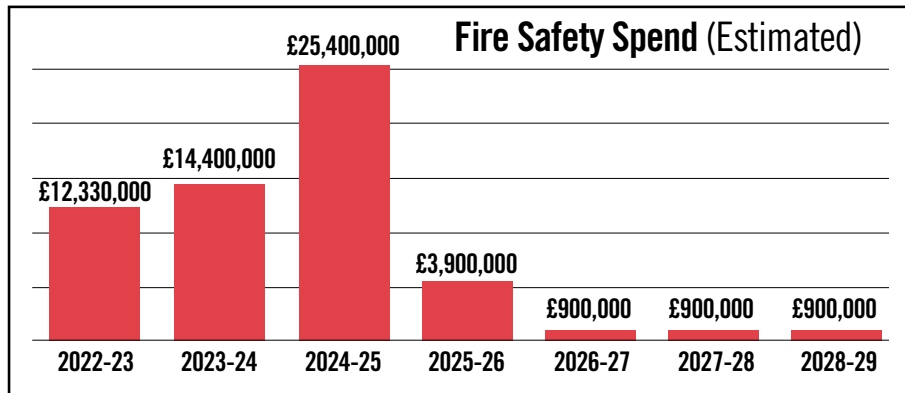
We know that the level of investment in the portfolio has dropped over recent years and are committed to putting things right. Our 30-year Investment Plan unlocks an additional funding to be targeted towards Decent Homes Standards on an annual basis; we know it will still take time to fully address the backlog of investment needed and understand the risks of a potential enhanced standard. However, we will adopt a methodological approach, making investment based on the intelligence we receive through our increased stock condition programme; whilst it will take time to bring our homes up to standard, we are confident and committed to facing the problem head on.

EMBEDDING A CULTURE OF COMPLIANCE

The Regulator of Social Housing will move from a reactive, light-touch approach to a more proactive regime in April 2024 and will soon consult on a refreshed set of Consumer Standards. The Housing Ombudsman have also made changes which have an impact on how landlords manage complaints, and a raft of requirements must be embedded to ensure compliance with the Building Safety Act (2022). Since the Grenfell tragedy, the Council has understandably invested in fire safety measures to mitigate the impact of any similar tragedy. The total annual investment in Building and Fire Safety has risen from £2m pre-Grenfell to £20m every year since.

Birmingham has more high-rise blocks than anywhere else in the country, and it is understandable that there has been an element of caution following the Grenfell tragedy. Over £33m has been invested to install sprinklers and we must invest annually to mitigate risk in the most high-risk properties. In total, we will have invested over £175m between 2016 and 2029 when the programme ends. We received no additional funding from central government towards these works, and this has had an obvious effect on our ability to invest in other areas throughout this time.

The lack of investment has impacted standard programmes, often referred to as the ‘big 6;’ whilst our attention has focused on high-rise blocks, other areas have had less resource attached to them. This has led to increased engagement with the Regulator of Social Housing.



REGULATORY COMPLIANCE				
'Big 6'		Carbon Monoxide Rollout 57.31%		
Gas	Properties Serviced	99.71%	Blocks Serviced	100%
Electrical	Properties Serviced	83.63%	Blocks Serviced	84.13%
Fire Risk Assessments	High Rise Blocks Serviced	100%	Low Rise Blocks Serviced	63.47%
Legionella	Properties Serviced	74.01%	Blocks Serviced	100.00%
Asbestos	Properties Serviced	94.46%		
Lifts	Lifts Serviced	97.21%		

Birmingham has re-focused, with compliance as a priority across all areas of work. Lagging programmes such as asbestos management and fire risk assessments in low-rise blocks are being quickly accelerated and a full review of all data across the ‘big 6’ is underway. Throughout the life of the strategy, we aim to ensure compliance across all the ‘big 6’ areas achieve at least 90%. We are working closely with the Regulator of Social Housing to make sure this happens and use this strategy as confirmation of our commitment to put things right.

## PUTTING RESIDENTS AT THE HEART OF EVERYTHING WE DO

Throughout the development of this strategy, we have made sure that the voice of our residents underpins all areas of activity. We have consulted with tenants through regular tenant perception surveys, across the board and drilling down into specialist services- for example, sheltered housing. We have undertaken several tenant focus groups to seek more detailed information on our priorities and sense check whether we have really understood the tenant's views. We also consulted City Housing Liaison Board, our resident representatives, throughout the process. The reality though, is that our residents have not always felt engaged with us as a landlord and this has been reflected both in complaints and through the pilot TSM work we have undertaken.

	MEASURE	TSM SCORES QTR 2, 2023/24	YTD
TP01	Overall satisfaction	47.20%	51.10%
TP02	Satisfaction with repairs	55.80%	58.10%
TP03	Satisfaction with time taken to complete most recent repair	55.80%	56.60%
TP04	Satisfaction that the home is well maintained	51.50%	52.90%
TP05	Satisfaction that the home is safe	62.30%	64.60%
TP06	Satisfaction that the landlord listens to tenants views and acts upon them	38.30%	40.10%
TP07	Satisfaction that the landlord keeps tenants informed about things that matter to them	49.00%	50.00%
TP08	Agreement that the landlord treats tenants fairly and with respect	66.40%	71.10%
TP09	Satisfaction with the landlord's approach to handling complaints	24.60%	21.10%
TP10	Satisfaction that the landlord keeps communal areas clean and well maintained	48.30%	46.50%
TP11	Satisfaction that the landlord makes a positive contribution to neighbourhoods	46.30%	45.60%
TP12	Satisfaction with the landlord;s approach to handling antisocial behaviour	36.30%	30.40%

Our March 2023 TSM baseline survey, undertaken by industry expert Housemark, demonstrates that there are several areas where our tenants do not have confidence in our landlord functions but the overall improvements between March and July show an increase in our tenants' satisfaction. We commit to ensuring that, by the end of the strategy term, we achieve 60% across all areas of tenant satisfaction and will work hard to shift tenant perceptions into a more positive place.

We are also reviewing our formal engagement structures, looking to develop a more flexible model that enables greater representation across our resident base. We are working with industry experts TPAS to re-engineer engagement with our residents and provide a more varied menu of engagement that gives everyone a chance to engage with us, in a way that works for them. This includes embedding more transactional surveys, exploring opportunities to support community researchers or experts by experience to inform the way services are delivered. Our work with TPAS will enable residents to have a meaningful opportunity to co-regulate and co-design services, in turn, we can develop our understanding around their lived experience and genuinely use this to improve service delivery.

As part of this work, we must recognise the needs of hard-to-reach groups. The Gypsy and Traveller Accommodation Assessment (GTAA) in 2019 identified the need for greater provision of permanent and transit pitches for Travellers across the city, and an ongoing future need for suitable sites to be identified for growing families and for travelling households who expressed a desire to reside permanently in Birmingham. We commit to improve the quality of data in relation to Travellers to ensure that consultation and engagement is tailored to the needs of these communities.

We know that some residents engage differently and recognise the need to adapt our communication approach; we have already begun developing face to face surveys for sheltered accommodation sites so that we can seek their views using the best approach for them. We must mirror this approach across a broad variety of hard-to-reach groups so that we act inclusively when seeking out opportunities to engage with and involve our residents - one size does not fit all.

## WHAT ARE WE ALREADY DOING TO KEEP OUR HOMES SAFE?

- We have commissioned TPAS to review our tenant participation services and formal engagement structures.
- We have completed a robust action plan against the Housing Ombudsman Paragraph 49 report, and this has been signed off by the Ombudsman.
- We have commissioned 4oc to deliver a root and branch review of our complaints service, including an in-depth analysis of the way in which complaints are managed.
- We have unlocked additional investment in Decent Homes across 2023/2024.
- We have mobilised a Compliance Board, providing assurance across all areas of landlord compliance including the 'big 6'.
- We have developed operational service plans to respond to TSM data.
- We have begun the initial stages of procurement for the new Repairs & Maintenance contract, to be awarded in April 2024.
- We have commissioned 2,000 stock condition surveys to be undertaken whilst we recruit internal capacity.
- We have developed mechanisms to regularly assess tenant perception and are working with Housemark to make sure this is delivered in an impartial and fair way.

## FUTURE COMMITMENTS

- We will recommission the Repairs & Maintenance contract to provide a service more in keeping with what tenants want to see.
- We will improve quality assurance processes around our Repairs & Maintenance services, including undertaking a full customer journey review.
- We will deliver on 100% of the actions set out in the Housing Ombudsman Paragraph 49 report.
- We will embed our locality-based Target Operating Model (TOM) so tenants feel confident that concerns around safety will be managed and that staff are visible to address these.

- We will embed our experts by experience/community researcher model so tenants can be fully involved in strategies, policies, and service improvement.
- We will deliver our Engagement strategy ensuring that review our engagement structures to ensure these are representative of our tenant base and give flexibility for all of our tenants to engage.
- We will accelerate programmes across all of the 'big 6' to ensure they reach 100% compliance and that this is maintained in the future.
- We will launch our 30-year Investment Plan setting out how Decent Homes Standards will be improved over time.
- We will recruit internal capacity through accessing apprenticeships, increased training access and personal development to deliver a robust rolling stock-condition programme.
- We will pilot opportunities to implement CCTV in hot spot areas of ASB, exploring the potential to roll this out across the wider portfolio.
- We will review and launch our new ASB policy setting out a prevention focused approach to Neighbourhood Management
- We will develop a clear service offer, and engagement opportunities for hard-to-reach groups so that we are always inclusive in our approach.
- We will continue to prioritise investment in fire safety to ensure compliance with the Building Safety Act (2022) and mitigate the risk of fire across the board.

## SUSTAINABLE

Ensuring our communities are sustainable is a key driver of the strategy. Considering, and addressing, multiple human needs, not just one at the exclusion of all others. A sustainable community is a place where people of diverse backgrounds and perspectives can feel welcome and safe, and where prosperity is shared.

The strategy hopes to address a long-term perspective – focusing on anticipating and adapting to change in both the present and future.

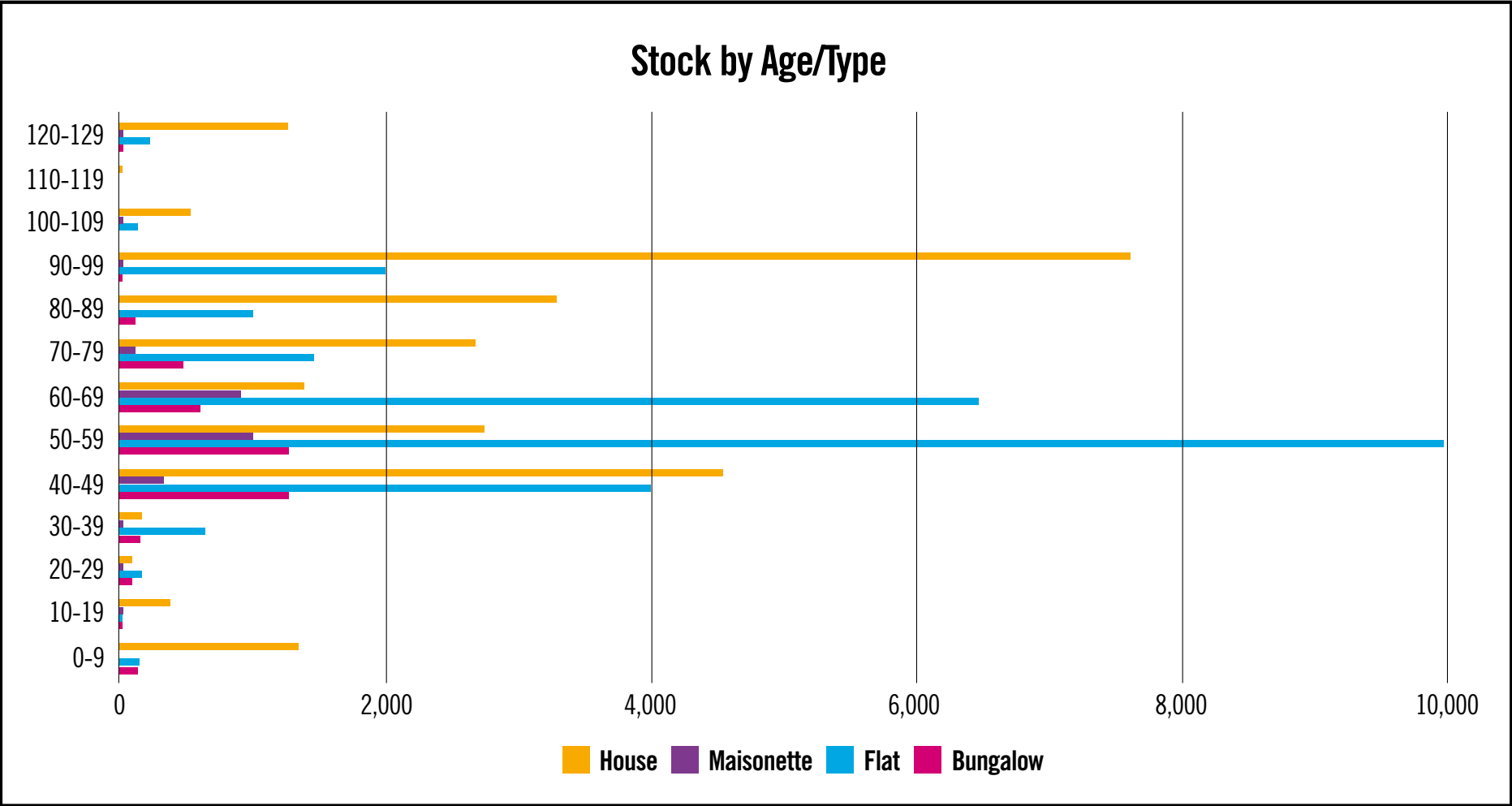
## KEY COMMITMENTS

Ensure as many residents as possible are digitally included and can access Wi-Fi at home.
Improve data and intelligence across our full asset portfolio, making sure decisions around sustainability are based on clear evidence.
Undertake full sheltered housing review, and produce a robust offer for older people, in line with their needs.
Increase the number of properties that meet the Lifetime Home Standards.
Develop a robust model that enables us to regularly appraise our assets, encouraging regeneration opportunities and thoroughly assessing financial viability.
Develop a Neighbourhood Management Strategy to ensure our communities remain resilient against local and national challenges and are well supported.
Develop a delivery plan that sets out the interventions we will undertake to support households experiencing financial hardship.
We will reduce the length of time it takes to let our properties and undertake a full review of the lettable standard as part of the Repairs and Maintenance contract re-procurement process.

## SUPPORTING COMMUNITIES TO BE RESILIENT IN THE FACE OF CHALLENGE

With the cost-of-living crisis, rising inflation, and the lasting effects of the pandemic, the quality of much of the UK's housing stock, and by extension the neighbourhoods they reside in, has been put under pressure. It has become increasingly difficult for housing providers to fund and sustain maintenance, respond to legislative change and support the vital projects needed to support communities. In Birmingham, this is coupled with a historical lack of investment and cuts to services have prompted a centralised way of working, taking our officers away from localities and responding more reactively to service requests. This has had a direct impact on the way in which communities are supported, directly impacting the quality of life for those who are vulnerable or on a low income.

The table below sets out a breakdown of the portfolio by archetype:





The age of the portfolio also presents an issue; 78% of the total stock is over 50 years old, 28% is over 80 years old whilst only 4% is under 30 years old. There are 1,500 properties between 120-129 years old. The age and archetype of properties has left tenants dissatisfied with their homes, explicitly around the condition in which properties are let, highlighting the lack of care and attention to areas such as decoration, etc.

**Q: How do you feel about the void standard, or the state in which properties are let?**

A: Intimidating, social housing stigma, off-putting, dirty, lack of care.

**EXPERIENCES**

- Electrical safety issues
- Fittings within property broken, door handles, light fittings, etc.
- Hazards - broken tiles, rubbish in garden
- Lack of decoration - tenants can't afford to 'do up'
- Properties cold, windows and doors don't seem to fit
- Considered ungrateful if issues are raised
- Obvious that BCC don't feel tenants deserve a home like everyone else



**RECOMMENDATION**

- Minimum void standard based on what tenants need, not just legal standard
- Certificate confirming property has been checked
- A thorough handover from the lettings officer
- Don't let properties before they are ready/get the work done first
- Already waiting ages for the property - would expect a better standard for all the waiting
- Bad management of the tenants beforehand - leaving properties in a poor state
- Don't expect gratitude for poor quality

We understand the feeling of stigma and shame tenants feel when they move into their home that does not feel well looked after. Like all landlords, we tread a fine line between wanting to make sure tenants do not wait unnecessarily for their new home vs. making sure our homes are let at a reasonable standard. Following an analysis of complaints data and feedback from tenant perception surveys and focus groups, work is already underway to review our void standard. We want to implement more robust measures to reduce the impact of damp and mould by identifying more susceptible homes and improving the standard of decoration. We also want to reduce the time that tenants wait for their home to be ready, aiming for a standard target of 28 days.

The archetype and age of property is not in keeping with the types of homes our citizens need. The demand for larger properties significantly outstrips the current availability:

5 bed homes – 3 were let in the last year, with 698 households waiting for this size home (with only 126 of this size property available in the full portfolio).

6 bed homes – 0 were let in the last year, with 117 households waiting for this size home (with only 11 of this size property available in the full portfolio).

There are 4,400 households in temporary accommodation, with over 700 in Bed & Breakfast and 22,000 on the housing register with some form of housing need. Given the rate of lettings and the types of properties available, it is likely that citizens will be waiting for years for scarce resource or homes that do not exist within the portfolio.

Our stock portfolio only continues to be an asset if it meets the need of our citizens. 45% of the portfolio is made up of flats.

PROPERTY TYPE	TOTAL NUMBER OF STOCK
Bungalow	4,140
Flat	25,879
House	25,567
Maisonette	2,391
Prefab	16
TOTAL	57,993



The Council are looking for new ways to make sure citizens can access the right type of home for them. The Housing Strategy 2023-2028 sets out a refreshed approach to the delivery of affordable housing but there is no doubt it will take considerable time to balance the books. As part of this strategy, we commit to undertaking a whole scale review of the stock portfolio, improving intelligence and capitalising on opportunities to making sure households can access the right size and type of home.

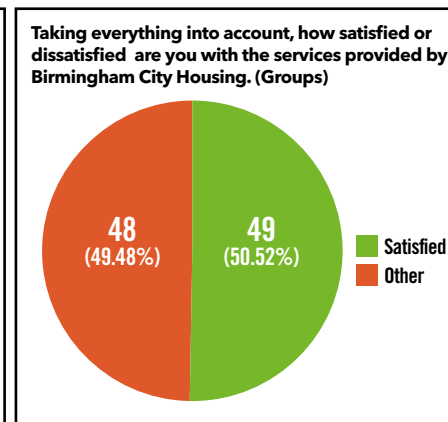
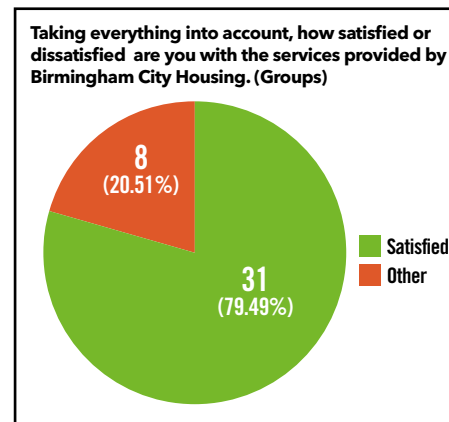
## SOLIDIFYING THE LINK BETWEEN HOUSING AND HEALTH

Identifying links between health and housing continues to be a priority for the Council, understanding that health needs can impact on the property type and adaptations to the property and that these may be different to those in general needs homes. Out of the 57993 tenanted properties, the Council has a portfolio of 4,897 which are sheltered.

82.8% of sheltered homes are flats, of which 40% are high-rise. Meanwhile there are more than 12,500 households on the housing register who have selected that they wish to move into sheltered or extra care housing, which significantly outstrips supply (4,900 properties). Only 6.9% of 12,500 households waiting require a 2 bed property, yet 2 bed properties currently make up 26.2% (1,275 units) of all sheltered stock.

91% of applicants specified that they need a 1 bed apartment, it would be beneficial for the current 1 bed properties (3,586) to increase above 73.6% already available. Similarly, while bids for bungalows (currently reserved almost exclusively for category 1 sheltered accommodation) outstrip those for sheltered flats 10:1, bungalows currently only make up just shy of 17%, of which 34% are high-rise.

A recent TSM survey was undertaken specifically with those living in sheltered accommodation. Households living high-rise sheltered accommodation had an overall satisfaction rate of 50.52% whilst those in other types of provision, like extra care for example, had an overall satisfaction rate of 79.49%.



Whilst there are several variables that will impact this data set, it is not too much of a reach to suggest that the portfolio of sheltered stock available is not what citizens want. The variety of bedrooms does not meet the current need and people who are looking for sheltered homes through the register are not looking for high-rise homes. The age and archetypes of our stock does not enable the Council to provide homes that meet M4(2) life standards; this is an aspiration for the Council moving forward into the future. The data requires further review before any conclusions can be made and one of the commitments of this strategy is to undertake a deep dive into the sheltered portfolio to make sure the offer is based on what citizens need. There are models of good practice across the city; Housing 21's co-living design provides a sustainable offer that encourages applicable households to release capacity in larger family or multi-generational homes, that the city so desperately needs.



### AT BIRTH (2017/19) MALES & FEMALES



**BE BOLD BE BIRMINGHAM**

Birmingham's Health & Wellbeing Strategy 2022-2030 sets out several key commitments to improve people's health across the city; it is universally accepted that poor quality housing, lack of green space and poverty can have a detrimental impact on people's health, and this is reflected in people's life expectancy across the city.

Birmingham is a large geographical area with several communities across the city. Areas where poverty is prevalent, like Aston and Erdington as an example, have a much lower life expectancy in both males and females. It is not a coincidence that these areas are also areas where the Council have large housing estates with high concentrations of social rented homes. Whilst intelligence on health across the city has continued to develop throughout the pandemic, little is known about the health needs of those living in our homes. Across our asset base, there is no verified data which sets out the number of properties that have adaptations, are wheelchair accessible or have basic aids and adaptations like grab rails or stairlifts etc. We do know, however, that in 2020/2021, Birmingham delivered 341 aids and adaptations to homes and in 2021/22 they delivered 242 number.

We want to make sure our citizens can be digitally included, understanding the positive impact this can have on both physical health issues where communication is difficult, as well as conditions like loneliness and social isolation. The Council has a corporate focus on the Digital Cities agenda, summarized by the 2022-25 Digital Strategy and the Digital Inclusion Strategy and Action Plan (Nov. 21). This approach commits to make digital services accessible to all citizens, maximizing Wi-Fi especially in areas where there are large proportions of vulnerable people, this includes care homes and sheltered accommodation. Where possible, we want to contribute to this across the portfolio by making sure we explore opportunities to include Wi-Fi in communal areas and investigating the potential for applying innovative technologies such as tech assisted care.

Our aspiration to make sure people have the support they need is well publicised across the city and most definitely extends to our own tenants. Services such as Think Family, our Domestic Abuse service, and the embedded Financial Inclusion Partnership Act are a safety net for tenants that may be struggling. We have also developed a new Supported Housing Strategy, which sets out how vulnerable people will be supported. This Strategy will support the Housing Strategy to deliver intelligent based support to vulnerable residents.

Similarly, intelligence around the needs of the people living in our homes is limited; we know that 12.37% of households apply to the housing register

requesting a move on medical grounds each year but once a household moves into a property, we do not regularly collect information on support needs, this includes both physical and mental health needs, as well as vital information around financial hardship.

The pandemic significantly altered the way in which tenants live their lives and the way the Council deliver its services; it is accepted that during this time proactive visits lessened and a lack of face-to-face interaction between tenants and Council service has meant that intelligence about both the property and the person has reduced. We are already making inroads to improve this through our new Target Operating Model; last quarter visits to tenants increased from circa 500 per quarter to 3,114, which reflects our commitment to improve visibility. This strategy makes a commitment to improve our current position; we recognise that people cannot be properly supported if we do not understand their needs and improving our data will mean we can improve our offer to tenants.

## **WHAT ARE WE DOING ALREADY TO MAKE OUR HOMES SUSTAINABLE?**

- We are reviewing our void standard as part of the new Repairs & Maintenance contract, set for go live in April 2026.
- We are working with strategic partner ARK to review HRA sites such as depots, etc. as part of an appraisal process against our assets.
- We have increased the number of proactive visits undertaken.
- We are working with corporate landlord services to launch a Property & Investment Board, a focused way of managing Council assets.
- We will continue to invest in services that support our tenants, including Think Family, our Domestic Abuse Housing Service and Financial Inclusion .
- We have begun to develop a master plan for large scale regeneration project in Druids Heath and Ladywood.
- We have built on the success of the Commonwealth Games through the successful regeneration of Perry Barr .
- We have teamed up with Arcadis to deliver our new strategic plan regarding central renewal areas.
- We have delivered targeted surveys in sheltered accommodation services to better understand the lived experience of older people.
- We have begun to improve visibility across our neighbourhoods and communities through the Early Intervention and Prevention Pilots.

## FUTURE COMMITMENTS

- We will develop a robust appraisal model that will enable us to ensure the full stock portfolio is financially viable and has equal opportunity for regeneration.
- We will develop a Neighbourhood Management Strategy setting out how we will make a positive contribution to neighbourhoods, as a social landlord.
- We will undertake a full review of sheltered housing services and embed an older persons offer that works for our citizens.
- We will explore opportunities to ensure our tenants are digitally included wherever possible.
- We will deliver a robust programme of stock condition surveys, and these will contribute to strategic decision making around demolitions and regeneration.
- We will improve data and intelligence around health needs, including understand how many properties we have with relevant adaptations.
- We will learn more about the support needs of our tenants, building in wrap around support wherever necessary.

## WARM

### KEY COMMITMENTS

All Council homes will reach EPC C by 2028.
Continue to contribute to the Council's the ambitious objective to achieve carbon neutrality by 2030.
Ensure all new build homes are delivered with energy efficiencies in mind and strive to build homes being carbon neutral or net zero ready.
We will invest in our stock in order to achieve Decent Homes Standards, promoting energy efficiency wherever possible.
We will source and maximise grant funding working with partners and other Local Authorities and Registered Providers (RPs) to lobby government to increase funding streams and support Decarbonisation.
We will increase tenant visits with trained officers to recognise and report damp and mould.
We will embed the recommendations of the Housing Ombudsman spotlight report on damp and mould.
Develop a Damp and Mould Policy setting out our approach to supporting houses experiencing Damp and Mould.

## GREEN, ENVIRONMENTALLY FRIENDLY HOMES

As the largest local authority landlord in the country, the Council understand the importance of warm, sustainable and energy efficient homes and will maximise this to benefit both tenants and the wider community.

The Council takes a leading role in tackling climate change, and we are committed to deliver Retrofit aligned to the corporate Net Zero targets.

The World Health Organisation (WHO) recognises fuel poverty as one of the most significant causes of poor health. Since 2021, global shortages and increased prices in oil, gas and electricity markets have caused 55% of UK households to fall into fuel poverty. The Department for Energy Security and Net Zero (DESNZ) estimates that in 2022 there were 3.26million UK households in fuel poverty amidst the cost-of-living crisis, an increase on figures of 3.16million in 2021. It is predicted that this will increase to 3.53million in 2023. West Midlands has the highest proportion of fuel poor households at 19.2% in the country. A household's fuel poverty status, using Low Income Low Energy Efficiency (LILEE) measure, depends on three key drivers:

- **Energy Efficiency** – Improvements in the energy efficiency of homes between 2021-2022 is estimated to have reduced fuel poverty by around 145,000 households if no other factors had changed.
- **Incomes** – Post-pandemic, higher earnings growth for low-income households was recorded and means tested benefit households received cost of living payments in the winter of 2022/23. Overall, fuel poverty reduced by around 48,000 households if no other factors had changed. The effects of rising mortgage rates were not fully realised in 2022 due to many fixed-rate deals having not yet ceased; the number of those affected in 2022 by rising mortgage rates were for a minority.

- **Energy Prices** – The energy price cap increased in April 2022 by 54% to £1,971 and, following the Energy Price Guarantee in October 2022, the typical bill increased to £2,500. A range of government support partially offset this uplift, however, the increase in energy prices after government support is estimated to have increased fuel poverty by around 287,000 households if no other factors had changed. It is estimated that without the energy bill support given in 2022/2023, an additional 350,000 households would have been in fuel poverty.

The government, through the Social Housing Regulation Act, will make energy efficiency a main objective and have consulted with social housing providers and tenants to understand their views. They have already committed £800million to decarbonisation and this investment will help social housing landlords to provide energy efficient upgrades in their least efficient stock.

Birmingham responded to the increasing public concern and extensive scientific evidence on climate change by declaring a Climate Emergency at Full Council in June 2019 and committed to taking action to reduce the City's carbon emissions and limit the climate crisis. The Council set itself an ambitious target to become 'net zero carbon' or 'carbon neutral' by 2030, or as soon as possible thereafter as a 'just transition' allows, ensuring we reduce inequalities in the city and bring our communities with us. A Route to Zero taskforce has been established and is actively developing and delivering initiatives to tackle climate change, such as launching the Clean Air Zone (CAZ) scheme.

Two thirds of greenhouse gas emissions in Birmingham come from the buildings within, with most carbon emissions being because of burning of gas for space and water heating. Birmingham has approximately 450,000 homes and the City Council is the largest social landlord in the country having a housing stock of 57,993 tenanted properties, and 6,025 leasehold properties. We know that much of the housing in Birmingham was built in the 1900's and our stock profile has an average age of 70 years old. This has led to inefficient, draughty, poorly insulated and ventilated, cold homes; in turn, these are costly to heat. There is also a considerable number of high-rise blocks (209) and low-rise blocks (6,756), which come with their own challenges in relation to energy efficiency upgrades. It is believed that at present, around 41% of properties from the Council's stock have an EPC rating of A-C, however, lack of data, subsequent upgrades within homes and the use of cloned data makes it difficult to fully understand the energy performance of our homes. 5,052 properties have been identified a not

having the potential to reach SAP grade C and will therefore require significant intervention and investment through retrofitting; over 60% of these were built between 1950 and 1970 with another 15% between 1970 and 1980; nearly 70% of these properties are flats. It is estimated that it will cost in the region of 3.6 billion to upgrade the energy efficiency of all our council stock.

The economic consequences of the pandemic, alongside the recent cost of living crisis means that it has never been more important to support our citizens to live in more efficient homes that are cheaper to run. Birmingham has one of the highest rates of fuel poverty in the country with current research identifying around 21.5% of households over 10 constituencies as fuel poor.

Birmingham City Council experienced 3,211 reports of damp and mould between April 2022 - March 2023 last year. The Council faces challenges in overcoming this issue due to the age and design of its homes, overcrowding in households and poverty, which can lead to accelerated growth of mould. This is amplified by the cost-of-living crisis and the increase in fuel poor homes unable to heat their homes effectively.

The City Council require accurate data and intelligence to enable us to make informed decisions when identifying the right properties at the right time for improvement works. Although the Council does hold data on its housing stock, much of the data is derived from cloned/extrapolated information, previous and adhoc stock condition surveys, historical data and component replacement details. In 2013 a stock surveying programme commenced and ran over 6 years but did not achieve full reporting on all social properties. It is important for us to address this gap in property data to ensure we are making informed decisions on identifying and delivering measures to homes that are the least energy efficient.





## THE SCALE OF THE PROBLEM FOR BIRMINGHAM

- Excessive cold-Cat 1/Cat 2 hazards.
  - 21% of private sector properties in the city have at least one Category 1 hazard.
  - 5% of BCC stock have open jobs in relation to Category 1 (1.3%) and Category 2 (3.7%) hazards. Of these, 1.7% relates to excess cold.
- Retrofit
  - 68% of Birmingham City Council homes are related EPC D or below and the average age of our properties is 70.
  - The age of Birmingham's property portfolio means that properties were often built to previous legislative requirements, meaning that the level of ventilation and insulation would not be considered adequate in the current climate. This has been compounded by a substantial period of limited investment, which is one of the reasons why only 62% of our homes reach the required Decent Homes Standards .
- Poverty/COL
  - The cost- of-living crisis has further compounded the issue; tenants are reluctant to use their heating because of the rising costs, contributing to damp and mould within the home .
  - 11,083 social housing tenants are over £500 in rent arrears.
  - 22,139 people have a clearly identified need for affordable housing in the city.
- Fuel poverty
  - Birmingham also have a significantly higher rate of poverty and deprivation than other parts of the country, with 21.1% of households being considered to be in fuel poverty. This is higher than the national average at 13.8%. All these factors contribute to damp and mould within our properties.
- Damp & Mould - over the past 3 years
  - Birmingham City Council had 3211 reports of damp and mould in the last year.
  - Damp and mould reports make up 1.2% of the repairs completed on an annual basis.
  - 73% of damp and mould reports were remedied on the first visit, whilst more serious cases needed additional treatment.

- According to the 2019-2020 English Housing Survey, serious condensation and mould problems were in at least one room of 133,000 social sector households, 3% of all social rented homes.
- All reports of damp and mould are considered a statutory nuisance and are responded to within 30 days and in the most severe cases, within 7 days.
- The Housing Ombudsman found Birmingham to have a maladministration rate of 1.4 per 10,000 properties, in relation to the way in which damp and mould reports were managed.

LANDLORD	ALL DAMP AND MOULD FINDINGS	MAL FINDINGS	MAL %	NUMBER OF HOMES	MAL RATE PER 10K HOMERS
Birmingham City Council	14	9	64%	65,600	1.4

## ISSUES AROUND RETROFIT

Due to the nature of some of the stock the concept of 'Retrofitting' can cause additional issues. For instance, of the high-rise blocks, 51 are of Large Panel System (LPS) construction that do not have efficient heating and hot water systems, which means not only to do they need to be altered, but they may have to be renovated in a different way to the other high-rise blocks, causing additional complications, as well as potential time and cost. Many of our LPS blocks require structural rectification. Similarly, prior to 1966, Building Regulations did not require any form of insulation, so it was often not installed at the time of construction, which applies to most of Birmingham City Council's stock, given that they were built during this period. These buildings are not easy to retrofit and are classed as hard to treat, much like the additional 900 low-rise blocks of varying construction types, which also do not meet modern day thermal insulation levels. Consequently, improving this stock will prove a significant challenge, given the level of renovation required, the specific renovation needs for differing housing types and planning constraints.

Supply and delivery of energy efficiency measures is challenging due to the increase in demand in this sector amplified by shortage of materials and skilled workers to install and maintain the new systems and technologies. This is an opportunity for Birmingham to lead the way in retrofit within the West Midlands and nationally. We will develop, alongside The Retrofit Academy, a retrofit training network, which will identify gaps in the industry and address the skills and capacity shortage within the Birmingham supply chain, creating jobs and opportunities for local people and businesses.

## FUNDING INITIATIVES AND PROJECTS

The Council is already delivering several projects across the city which will see improvements to the energy efficiency, fuel consumption and utility bills for approximately 4,500 homes.

CURRENT PROJECTS	HOMES BENEFITING
Sustainable Warmth Competition (SWC)	630 (private), 70 Social (BCC stock)
Whole House Retrofit Pilot	300 Social (BCC stock)
Social Housing Decarbonisation Fund (SHDF) Wave 2	1,931 Social (BCC stock)
Energy Company Obligations (ECO4, ECO Flex, Help to Heat Group, Great British Insulation Scheme)	Target estimate 1000 (mixed tenure)
Net Zero Neighbourhood (plan in development)	383 (mixed tenure)
Home Upgrade Grant – Phase 2 (HUG2)	500 (mixed tenure)
Boiler Upgrade Scheme	1,200 properties pa (BCC Stock)
PV Panels	1,895 (BCC Stock)

Funding for retrofit projects is developed in line with government policy. The upfront cost of retrofitting existing homes is extremely high in comparison to the savings in energy bills. It is estimated that the decarbonisation of our stock alone will cost in the region of £3.6billion.

The recent successful bid for Social Housing Decarbonisation Fund Wave 2 saw £23million in grant funding being achieved with an additional £129million of match funding from Birmingham City Council to retrofit 2,231 properties, equating to £68k per property.

Currently the high costs of retrofit and lack of affordable finance solutions create challenge in terms of take up across all tenures. In addition, the unrealistic timeframes set for completing government funded programmes and the continual stop-start nature of delivery add further constraints. Recent government funded retrofit programmes, whilst providing well needed grants for energy efficiency measures, have failed to understand the complexities and challenges that housing retrofit presents. The funding streams such as LAD and HUG have been too restrictive in terms of time and measures. With only 12 months to deliver these programmes and little lead in time, the depth of engagement required to really build trust across communities has been impossible. This has led to misunderstanding, confusion and, in many cases, a lack of applications and increased dropouts.

The government's focus on immediate outputs rather than long term carbon and energy bills reduction has led to the design and installation of measures which may not be the ideal, long-term solution for a property. Instead, measures are installed which tick the "measure installed" box and secure the funds.

Whilst we endeavour to take a "no regrets" approach, which means future retrofit measures remain a possibility, this is not the "fabric first" approach that is most needed to reduce energy consumption. Local authorities and other housing providers need to join up their approach in lobbying government to request that schemes are devolved to councils, so they can take a local led approach to accelerate delivery, targeting the homes that need the support most, while working with local educational providers and businesses to build skills and growth.



## COMMUNITY ENGAGEMENT

Birmingham City Council have adopted a multi-agency taskforce approach to engaging with citizens and are building strong community relationships with local community groups and Local Energy Hubs to help promote confidence and 'buy in' for current and future schemes and to advise and educate citizens on the positive outcomes that can be achieved from them. The 2021 census shows that over 15% of people aged over 3 years in Birmingham do not speak English as their main language and Birmingham are adapting their approach to ensure these citizens are not missed due to language barriers. We have developed social media campaigns, hosted energy cafés and worked with community and religious groups to help engage with and gain the confidence of citizens. As part of the development of the strategy, we have engaged with tenants during focus groups to understand their views on what should be made a priority over the next 5 years and energy efficiency and sustainability was a common theme. The delivery of energy efficiency schemes gives us the opportunity to make a significant contribution to economic recovery and growth through training and employment opportunities improving the knowledge and skills of our citizens and the economic benefits to local businesses.

Due to the funding and eligibility criteria of the government funded schemes, low Indices of Multiple Deprivation (IMD) areas have been our focus for the delivery of schemes to date; this is to ensure that the most vulnerable households can be identified quickly, and delivery achieved in the tight timescales set. Without accurate property data such as energy rating (Energy Performance Certificate EPC), property wall types and internal room variations, challenges can be faced where, following assessment, those identified homes do not meet the required criteria and therefore we are unable to offer installation of energy efficient measures. There are also restrictions in relation to the value spend per property and planning restrictions that can make delivery unachievable. Unsuccessful properties are managed by reviewing criteria in relation to future schemes and, wherever possible, transferring these to the next viable offer.

## THE COST-OF LIVING CRISIS

The Cost-of-Living crisis is impacting on many families and the Council initiated the Cost-of-Living Emergency Programme in October 2022 to respond to the rising energy prices within the city.

The Cost-of-Living Emergency has particularly affected Birmingham due to the prominent levels of unemployment, the concentration of poverty within key ethnic groups, the two-child limit for Child Benefit and Universal Credit from April 2017 and the aged and poorly insulated housing stock leading to high levels of fuel poverty.

A Strategic Response Group (SRG) was set up to ensure we respond to the crisis and accelerate longer-term strategic work such as Early Intervention and Prevention and Net Zero. As a result, the following actions are underway:

- The provision of warm spaces across the city – current provision on 209 Warm Welcome spaces.
- Improving the availability of advice to citizens with focus on increasing benefits take-up – the Neighbourhood Advice and Information Service (NAIS) centres Erdington and Northfield have extended their opening hours and, as a result, have assisted at least an additional 557 clients to claim benefits of £736,579. The issuing of foodbank vouchers has doubled in a single year from February 2022 to February 2023.
- Increasing the energy efficiency of homes with focus on reducing household fuel bills – we have provided £250,000 of additional energy top ups to 5000 homes and are offering a scheme for loaning slow cookers to citizens to allow families to cook nutritional meals using less energy to cook.
- Increasing the supply of food through foodbanks across the city – the Emergency Food Aid Fund has supported 100 foodbanks through a grant of £800 per foodbank per month for six months.
- Supporting Birmingham City Council staff – a staff campaign to promote city wide warm touchdown spaces where employees can choose to work, the offer of free flu vaccinations and the promotion of My Birmingham Rewards staff benefits scheme.

The Birmingham City Council Corporate Cost-of-Living task force set up focuses on food, fuel and warmth, enabling some of the poorest households to access vital services, which includes warm welcome spaces in the city.

## DAMP AND MOULD

The tragic death of Awaab Ishak has again highlighted how health problems caused by the environment can lead to tragic consequences. The government are set to deliver Awaab's Law which, through the Social Housing Regulation Act, will force social landlords to fix reported health hazards, such as damp and mould, within strict time limits and will strengthen the Housing Ombudsman and Regulator's powers.

Birmingham City Council already have several mechanisms in place to address damp and mould and these are closely monitored to ensure we continue to improve our provision for our tenants. Damp and mould are specifically referred to in our Tenancy Agreement to support our tenants in recognising cases in their homes and alerting the council to these and our Housing Officers have been trained to identify and report on cases and provide support to our tenants to facilitate this where needed. The repairs reporting process already treats damp and mould as a statutory nuisance in line with the Environmental Protection Act 1990.

Since Awaab's death, Birmingham have put some additional assurance in place to make sure that damp and mould is being managed in the way in which we would expect. This includes the following:

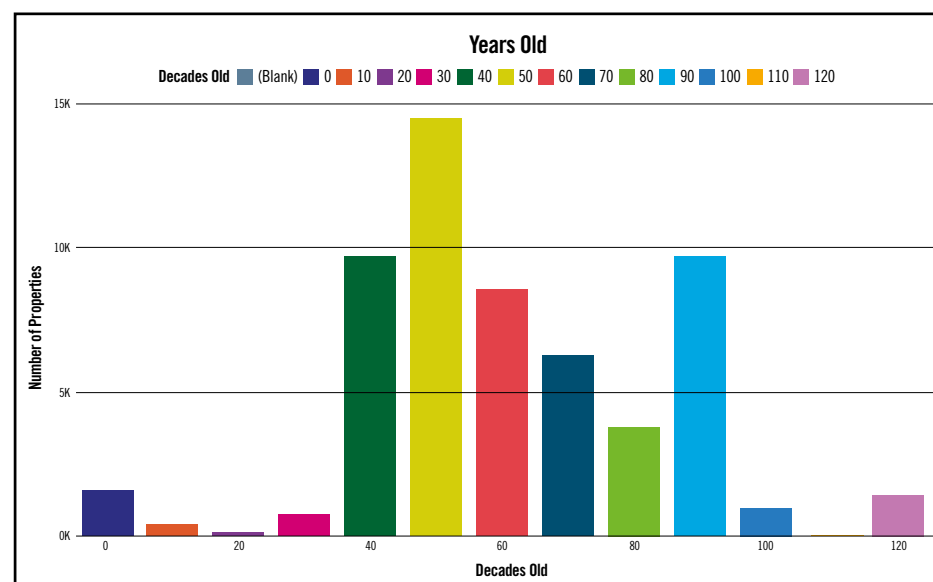
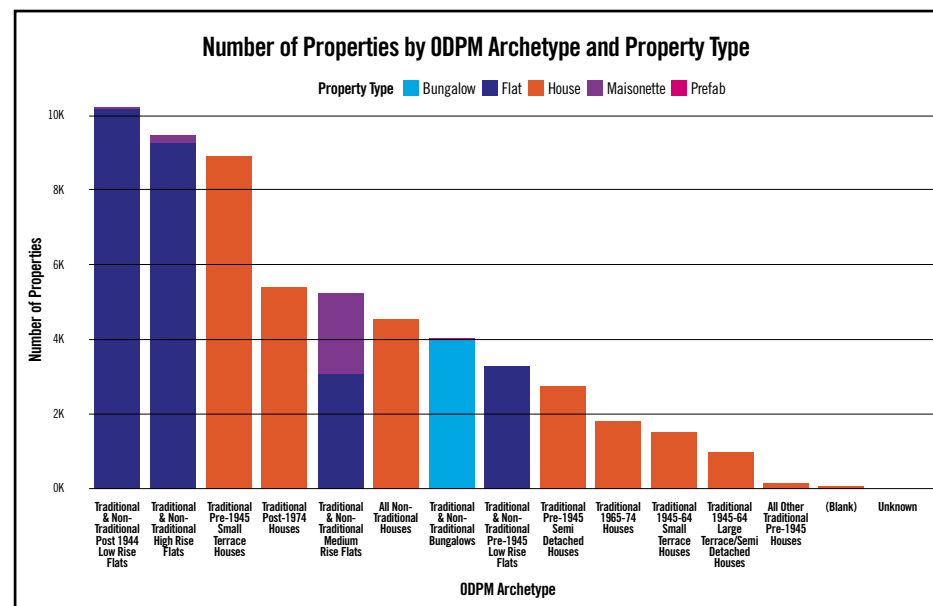
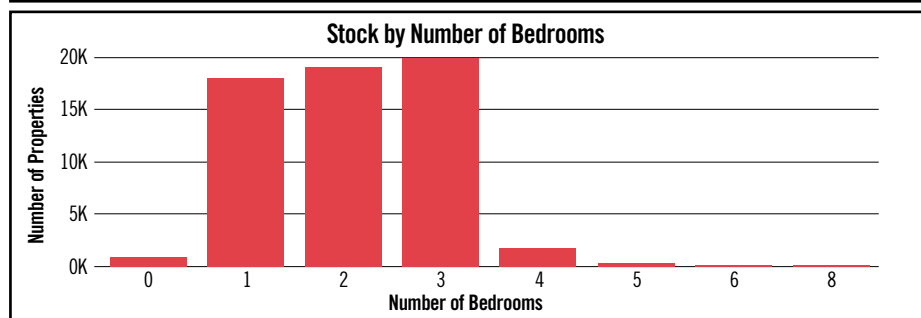
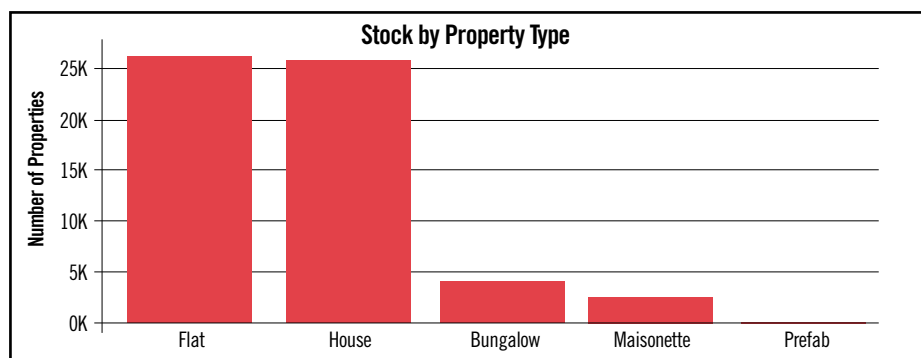
- Audit of all live damp and mould cases to ensure that the response has been appropriate.
- Written to all Elected Members to provide advice around how damp and mould can be managed, ensuring tenants are given consistent advice on the ground.
- Writing to all Registered Providers (RPs) reinforcing our expectations and inviting collaboration.
- Briefings to MPs, Councillors and BCC colleagues on the council's response to damp and mould.
- Formal written instruction to both repairs contractors to confirm the need to continue to prioritise damp and mould cases.
- Written response to Department for Levelling Up, Housing and Communities (DLUHC) regarding the Private Rented Sector (PRS).
- Written response to the Rt Hon Secretary of State Michael Gove.

## HOW WE WILL MAKE HOMES WARM AND ENVIRONMENTALLY SUSTAINABLE

- By 2028, our homes will be safer and greener and to achieve this, there is a need to address current challenges and adopt a more strategic approach.
- We will improve our stock conditions and energy performance intelligence by instructing an accelerated stock condition programme, including EPCs to properties, and ensuring the reporting of this data is up to date and accessible and continues to address this challenge in the coming years.
- We will prioritise investment and reach those that are most vulnerable but will also put a strategic plan in place in relation to improvement works.
- We will develop a stock appraisal model to ensure the best use of the asset, which will fit within the Council's wider asset planning.
- We will prioritise ventilation and fabric first measures in of retrofit projects in line with the legislative requirement and guidance, which will help both the energy efficiency of homes in Birmingham but will more importantly reduce the moisture in properties and remove the build-up of mould.
- We will provide additional resources and support for citizens to help them understand the cause and how to manage damp and mould in homes along with giving advice on using heating systems in the most energy efficient way to reduce fuel bills.
- We will develop a specific Damp & Mould Policy as per recommendations within the Housing Ombudsman Spotlight Report
- We will develop a framework to better understand the impact of the Cost-of-Living Emergency Programme to enable learning for the benefit of future Cost of Living interventions and the wider emergency responses.
- We will develop a Housing Decarbonisation Strategy and Implementation Plan which will allow us to define a roadmap to support the Council's net zero ambitions.
- We will look to use smart technology in our homes to support our tenants in understanding how to better heat their homes more economically and cost effectively whilst enabling us to gather trend information through the monitoring of fuel usage to ensure our commitment to net zero can be achieved.

- We will learn from delivering our energy efficiency pilots and schemes so that we can be more intelligent when planning future delivery and will adopt a council-wide approach to ensure the support and 'buy in' from all members and partners which is essential for the successful delivery of the implementation plan.
- We will source, secure and maximise grant funding by joining with partners, other local authorities and housing associations to lobby government as the current funding model requires the Council to match fund projects, which uses substantial amounts of housing revenue funds that are needed to be spent on other priorities.
- We will continue to positively engage and take a co-design approach with key stakeholders to ensure we understand what is important to them and how they can access advice and support and prioritise building positive relationships so that we can ensure the improvement of citizen's lives.

## SUGGESTED STOCK PROFILE



# APPENDIX

OBJECTIVE	ACTION	GOVERNANCE/LEAD
SAFE		
Ensure that we achieve 100% compliance with all statutory and regulatory requirements by 2028, except Decent Homes Standards which will be achieved by 2031.	<p>Create a robust programme of works to ensure that statutory requirements are met. Ensure staff undertake the mandatory Housing Management Training, in light the legislative change for compliance.</p> <p>We will ensure there is a solid understanding around management of assets for landlord competency requirements.</p>	
Achieve the minimum levels of satisfaction (60%) through Tenant Satisfaction Measures (TSM) collection and reporting process.	Lessons Learnt from TSM- through analysis of trend will be completed with the data in each quarter and Task and Finish group actions aligned to support improvements.	Strategic Director - Asset Management Board
100% stock condition surveys undertaken on all BCC stock, as part of a 20% rolling stock condition survey programme.	<p>An accelerated stock condition survey programme is underway with anticipated completion by 2030.</p> <p>We will complete condition stock surveys and record the data centrally, then drill down further to analyse the data.</p>	Strategic Director - Asset Management Board
Reduce the number of repairs per property per year from 4.4 to 3.3 by 2028.	<p>Make a commitment to establish an Asset Management Delivery Board to monitor the capital investment.</p> <p>With the TSM (Tenant Satisfaction Measures) increase there will be a reduction in tenant complaints. BCC will also challenge second visits around repairs. We will monitor the capital investment programme to ensure that repeat repairs are captured by capital improvement works.</p>	Strategic Director - Asset Management Board

OBJECTIVE	ACTION	GOVERNANCE/LEAD
<b>Reduce the number of Disrepair and Litigation claims by 50% by 2028.</b>	<p>Capture information from TSM regarding tenant complaints.</p> <p>TPAS (Tenant Engagement Participation Advisory Service) will enable residents to have a meaningful opportunity to co-regulate and co-design services, in turn, we can develop our understanding around their lived experience and genuinely use this to improve service delivery.</p> <p>Capture information from Asset Management Delivery Board around capital investment. BCC will invest capital at similar levels across the council's stock as done in subsequent years. The strategy will be reviewed after five years. Satisfied residents will reduce the number of claims over time.</p>	Strategic Director - Asset Management Delivery Board.
<b>Will bolster investment in Decent Homes in line with expenditure set out in the HRA Business Plan and Capital Programme 2023/2024.</b>	Allocate funding across 2023 to 2024 and thereafter in line with HRA (Housing Revenue Account) Business Plan. Bridge the gap with an additional £40m invested in the Capital Programme for 2023-24.	Strategic Director - Asset Management Board
<b>Reduce the number of residents experiencing ASB and improve the time it takes the Council to respond.</b>	<p>Monitor reports from the Corporate Community Safety Team. ASB training educating staff in BCC improving the understanding of the drivers.</p> <p>Why raising awareness of anti-social behaviour is crucial to community safety - The Birmingham Blog</p> <p>Community safety   Birmingham City Council</p> <p>Birmingham City Council supports ASB Awareness Week   Birmingham City Council</p>	Strategic Director City Housing and Community Safety.

OBJECTIVE	ACTION	GOVERNANCE/LEAD
<b>Re-introduce CCTV and security into blocks/homes where impact assessments support the need.</b>	<p>Make digital services accessible to all citizens, maximizing Wi-Fi especially in areas where there are large proportions of vulnerable people, this includes care homes and sheltered accommodation.</p> <p>Monitor the piloting of the implementation of CCTV where there are 'hot spot' areas of ASB. BCC will be proactively assessing the difference this makes. Support decision making around any potential further roll out across the portfolio.</p> <p>Continue working with BCC Corporate Community Safety Team.</p>	Strategic Director City Housing and Community Safety.
<b>Develop a specific offer and related standards for tenants living in high-rise accommodation.</b>	<p>Work with Housing Management Board to ensure compliance with Building and Fire Safety. We will invest to install sprinklers to mitigate risk in the most high-risk properties.</p> <p>Mobilise a Compliance Board, providing assurance across all areas of landlord compliance including the 'big 6'. We also consulted City Housing Liaison Board, our resident representatives, throughout the process.</p> <p>We will work around resident engagement to develop an offer.</p>	Strategic Director - Housing Transformation Board.
<b>Develop and deliver a set of tenant-led service standards by 2028.</b>	<p>Work with Housing Management Board and the Compliance Board to ensure compliance with Building and Fire Safety.</p> <p>Continue with resident engagement.</p>	Housing Transformation Board, Housing Management Board.
<b>Review the service model, re-designing this to ensure our services are delivered locally and visibility in estates is improved.</b>	<p>Develop a locality-based model to improve Tenant engagement, so tenants feel confident that concerns around safety are being managed and staff are visible to address these.</p> <p>Multi-agency taskforce approach to engage with citizens creating strong community relationships with local community groups and Local Energy Hubs to help promote confidence.</p>	Strategic Director

OBJECTIVE	ACTION	GOVERNANCE/LEAD
<b>SUSTAINABLE</b>		
<b>Ensure as many residents as possible are digitally included and can access Wi-Fi at home.</b>	Digital Inclusion Strategy (2022-25 Digital Strategy and the Digital Inclusion Strategy and Action Plan) will be supported to ensure that tenants have access to Technological developments within the city.	
<b>Increase the number of properties that meet the Lifetime Home Standards.</b>	Building new homes to help manage the predicted that the population will increase by 150,000 by 2031.  We are reviewing our void standards as part of the new Repairs & Maintenance contract.	Asset Management Delivery Board.
<b>Improve data and intelligence across our full asset portfolio, making sure decisions around sustainability are based on clear evidence.</b>	We are undertaking stock condition surveys across BCC portfolio.  Working with partners who have knowledge with regards to their stock; RP's, City Observatory who hold knowledge about Birmingham.	Strategic Director - Asset Management Board.
<b>Undertake full sheltered housing review and produce a strategy setting out our offer for older people by 2028.</b>	Completed TSM survey specifically with residents living in sheltered accommodation.  Developed a new Supported Housing Strategy, which sets out how vulnerable people will be supported.  Deep dive into the sheltered portfolio to make sure the offer is based on what citizens need.	Strategic Director,  Housing Management Board,  Housing Transformation Board.
<b>Develop a robust model that enables us to regularly appraise our assets, encouraging regeneration opportunities and thoroughly assessing financial viability.</b>	We have launched a Property & Investment Board, a focused way of managing Council assets.  Improve visibility across our neighbourhoods and communities through the Early Intervention and Prevention Pilots.  Investment Proposal to supply accommodation for Homeless Families yearly for the next 5 years, focused on alleviating the pressures from temporary accommodation and purchasing more assets for large families.	Strategic Director - Asset Management Board.

OBJECTIVE	ACTION	GOVERNANCE/LEAD
<p><b>Develop a Neighbourhood Management Strategy to ensure our communities remain resilient against local and national challenges.</b></p>	<p>Strategic Response Group (SRG) set up to ensure we respond to the crisis and accelerate longer-term strategic work such as Early Intervention and Prevention.</p> <p>We will a Develop a Management Strategy to create resilient communities.</p> <p>An investment of new jobs has been generated, including apprenticeships such as Women in Construction and the Central Birmingham 2040 strategy. This pulls together a series of studies with recommended areas of renewal; Edgbaston, Nechells, Digbeth, Bordesley, Highgate, Hockley and Ladywood are all areas that have been targeted for regeneration over the life of the strategy.</p> <p>Continue working with the Church of England to ensure all their developments meet five core principles (Sustainable, Safe, Stable, Sociable, Satisfying) and are actively contributing to the progression of neighbourhoods and communities.</p>	<p>Strategic Director City Housing and Community Safety.</p>
<p><b>Develop a Financial Inclusion delivery plan to support the corporate Cost of Living program, setting out interventions that's support our residents.</b></p>	<p>Increased the number of visits undertaken and will continue to deliver more.</p> <p>Engage regularly with both TPAS and TSM.</p> <p>Neighbourhood Advice and Information Service (NAIS) centres Erdington and Northfield have extended their opening hours and, as a result, have assisted at least an additional 557 clients to claim benefits.</p> <p>Birmingham City Council Corporate Cost-of-Living task force to focus on food, fuel and warmth enabling some of the poorest households to access vital services, which includes warm welcome spaces in the city. Issuing foodbank vouchers which has doubled in a single year from February 2022 to February 2023.</p> <p>Emergency Food Aid Fund has supported 100 foodbanks through a grant per foodbank per month for six months.</p>	<p>Strategic Response Group (SRG).</p>



OBJECTIVE	ACTION	GOVERNANCE/LEAD
<b>We will reduce the length of time it takes to let our properties.</b>	<p>Undertaking a whole scale review of the stock portfolio, improving intelligence and capitalising on opportunities to making sure households can access the right size and type of home for lettings.</p> <p>Identify the archetype and age of property in areas in keeping with the types of homes our citizens need, to better understand where the demand sits.</p>	<p>Housing Management Board,</p> <p>Housing Transformation Board.</p>
<b>WARM</b>		
<b>All Council homes will reach EPC C by 2028.</b>	<p>View current data and new data to down further to identify priority areas.</p> <p>Delivery of energy efficiency schemes will provide the opportunity to make a significant contribution to economic recovery and growth through training and employment opportunities, improving the knowledge and skills of our citizens and the economic benefits to local businesses.</p> <p>Make multiple deprivation areas our focus for the delivery of schemes to date; this is to ensure that the most vulnerable households can be identified quickly, and delivery achieved in the tight timescales set.</p>	<p>Asset Management Delivery Board.</p>
<b>Continue to contribute to the Council's the ambitious objective to achieve carbon neutrality by 2030.</b>	<p>Route to Zero taskforce has been established and is actively developing and delivering initiatives to tackle climate change, such as launching the Clean Air Zone (CAZ) scheme.</p> <p>BCC continued compliance with the current Decent Homes Standards.</p>	<p>Strategic Response Group (SRG).</p>

OBJECTIVE	ACTION	GOVERNANCE/LEAD
<b>Ensure all new build homes are delivered with energy efficiencies in mind and strive to build homes being carbon neutral or net zero ready.</b>	<p>Social media campaigns, hosted energy cafés, and collaborated with community / religious groups, to help engage with and gain the confidence of citizens.</p> <p>Delivery of energy efficiency schemes gives us the opportunity to make a significant contribution to economic recovery and growth.</p> <p>Set a baseline for our carbon footprint and measure our carbon reduction each year against set targets, both for existing and new housing in Birmingham.</p>	Strategic Director City Housing and Community Safety.
<b>We will invest in our stock in order to achieve Decent Homes Standards, promoting energy efficiency wherever possible.</b>	<p>Delivering several projects across the city which will see improvements to the energy efficiency, fuel consumption and utility bills for homes.</p> <p>Sustainable Warmth Competition (SWC), Whole House Retrofit Pilot and Social Housing Decarbonisation Fund (SHDF) Wave 2. Energy Company Obligations, (ECO4 and ECO Flex. Net Zero, a Boiler Upgrade Scheme and a PV Panel project are all current sustainable projects.</p> <p>We will work alongside the Retrofit Academy, a retrofit training network.</p>	Asset Management Delivery Board.
<b>We will source and maximise grant funding working with partners and other Local Authorities and Registered Providers (RPs) to lobby government to increase funding streams and support Decarbonisation.</b>	<p>Current grant projects like Help to Heat Group as well as the Great British Insulation Scheme) and Home Upgrade Grant – Phase 2 (HUG2).</p> <p>Affordable Housing Programme providing grant funding to support the capital costs of developing affordable housing for rent or sale, to ensure more homes are built in areas of greatest need.</p> <p>Successful bid for Social Housing Decarbonisation Fund Wave 2 grant funding being achieved with an additional of match funding from Birmingham City Council to retrofit properties.</p>	Asset Management Board.

OBJECTIVE	ACTION	GOVERNANCE/LEAD
<b>We will increase tenant visits with trained officers to recognise and report damp and mould.</b>	<p>Review the manner we communicate to the public and residents around Damp and Mould, ensure that contractors communicate in the same way (uniform approach with combined literature).</p> <p>Damp and Mould is incorporated in BCC Tenancy Agreement to support our tenants recognise cases in their homes, alerting the council to such cases.</p>	Housing Management Board.
<b>We will embed the recommendations of the Housing Ombudsman spotlight report on damp and mould.</b>	Work inline the repairs reporting process which already treats damp and mould as a statutory nuisance in line with the Environmental Protection Act 1990.	Asset Management Delivery Board.
<b>Develop a Damp and Mould Policy setting out our approach to supporting houses experiencing Damp and Mould</b>	<p>Draft a Damp and Mould Policy to go alongside the following assurances measures:</p> <p>Audit of all live damp and mould cases to ensure that the response has been appropriate. Provide advice around how damp and mould can be managed, ensuring tenants are given consistent advice on the ground. Give briefings to MPs, Councillors and BCC colleagues on the council's response to damp and mould. Instruct both repairs' contractors to confirm the need to continue to prioritise damp and mould cases. Including liaising with the Department for Levelling Up, Housing and Communities (DLUHC) regarding the Private Rented Sector (PRS).</p>	Asset Management Delivery Board.

# GOVERNANCE STRUCTURE:

## CITY HOUSING REGULATORY COMPLIANCE BOARD

Specific focus on:

- Focused delivery of Regulatory compliance, TSM, Housing Ombudsman activity.
- Led by Strategic Director of City Housing.
- Focus on ensuring Regulatory Compliance.

## HOUSING TRANSFORMATION BOARD

- Corporate and Directorate oversight of all projects within City Housing including the Implementation of the Target Operating Model TOM.
- Led by the Strategic Director of City Housing and Corporate Transformation Programme Management Directorate.
- Oversight of all Transformation Programmes and Projects.

## CLIMATE CHANGE, NATURE & NET ZERO DELIVERY GROUP

- Corporate Board with oversight of Climate Change, Nature and Net Zero.
- Support for collaborative projects with focus areas in mind.
- Alignment of Net Zero commitments and Retrofit delivery programmes.

## RETROFIT DELIVERY BOARDS

- Alignment of delivery projects which are funded from the Government supported Schemes: Sustainable Warmth Competition(SWC) Social Housing Decarbonisation Fund(SHDF) including Whole House Retrofit, ECO schemes.

## ASSET MANAGEMENT DELIVERY BOARD

- High level tracking of action plan and the commitment of the Asset Management Strategy.

## HOUSING MANAGEMENT BOARD

- Focus on existing stock provision and services of Landlord.
- Asset MANAGEMENT strategy Implementation and HRA Business Plan Implementation.
- Continued refreshed approach to Tenant Engagement.
- Stock Appraisal model- quality of existing stock/stock condition.

## HEALTH AND HOUSING DELIVERY GROUP

- Continue to strength links between two areas.
- Adaptations.
- Mental Health in homes – professional development of HM staff.
- Cross partner working to prevent people having to leave their homes.
- Financial Inclusion Partnership.
- Specific focus on Poverty in housing.
- Cost of living.

## FINANCIAL INCLUSION STRATEGY

- Energy Poverty support.
- Maximising financial opportunities for tenants.

## AFFORDABLE HOUSING DELIVERY GROUP

- Specific focus on affordable housing and development.
- Support in Net Zero ready buildings and development.





Title of proposed EIA	Asset Management Strategy EIA
Reference No	EQUA1183
EA is in support of	New Strategy
Review Frequency	No preference
Date of first review	01/09/2028
Directorate	City Housing
Division	
Service Area	Capital Investment and Repairs
Responsible Officer(s)	<input type="checkbox"/> Gwen Haq
Quality Control Officer(s)	<input type="checkbox"/> Mara Shepherd
Accountable Officer(s)	<input type="checkbox"/> Wayne Davies
Purpose of proposal	To agree a 5 year Asset Management Strategy
Data sources	Survey(s); Consultation Results; relevant reports/strategies; Statistical Database (please specify); relevant research
Please include any other sources of data	
ASSESS THE IMPACT AGAINST THE PROTECTED CHARACTERISTICS	
Protected characteristic: Age	Service Users / Stakeholders
Age details:	Positive impact: The strategy ensures that the Council maintains sheltered housing stock to a high standard that is safe, warm and sustainable together with undertaking appropriate aids and adaptations works within individual residents' properties to meet their specific needs.
Protected characteristic: Disability	Service Users / Stakeholders
Disability details:	Positive impact: The strategy responds to the Equalities Act 2010 and subsequent government guidance to improve accessibility to common areas of blocks and

publicly accessible spaces by facilitating aids and adaptations within residents' homes this will enable residents to maintain their quality of living by providing both physical and sensory adaptations to their homes and common areas to allow access as appropriate.

Negative impact: Where major works are required in the installation of aids and adaptations to a property and/or communal area, there is potential for works to affect residents and risk assessments will be carried out and management strategies adopted to ensure access is maintained wherever possible. Proposed work might have an impact on residents with complex mental health issues.

Protected characteristic: Sex

Not Applicable

Gender details:

None identified.

Protected characteristics: Gender Reassignment

Not Applicable

Gender reassignment details:

None identified.

Protected characteristics: Marriage and Civil Partnership

Not Applicable

Marriage and civil partnership details:

None identified.

Protected characteristics: Pregnancy and Maternity

Not Applicable

Pregnancy and maternity details:

None identified.

Protected characteristics: Race

Not Applicable

Race details:

None identified.

Protected characteristics: Religion or Beliefs

Not Applicable



Religion or beliefs details:	None identified.
Protected characteristics: Sexual Orientation	Not Applicable
Sexual orientation details:	None identified.
Socio-economic impacts	The Asset Management Strategy sets out the investment priorities for its stock over the next 5 years and sets out the vision to develop safe, warm and sustainable homes strengthening and supporting communities and neighbourhoods within the city. The strategy commits to ensuring homes are safe to live in, environmentally friendly and more affordable to heat and that communities have the right infrastructure, with challenging estates regenerated, for long term resilience.
Please indicate any actions arising from completing this screening exercise.	None.
Please indicate whether a full impact assessment is recommended	NO
What data has been collected to facilitate the assessment of this policy/proposal?	
Consultation analysis	
Adverse impact on any people with protected characteristics.	N/A.
Could the policy/proposal be modified to reduce or eliminate any adverse impact?	No.
How will the effect(s) of this policy/proposal on equality be monitored?	Through business as usual.
What data is required in the future?	<ul style="list-style-type: none"> <li>• Tenant Satisfaction Measures</li> <li>• Decency figures</li> <li>• EPC data</li> <li>• Compliance data</li> </ul>
Are there any adverse impacts on any particular group(s)	No

If yes, please explain your reasons for going ahead.	N/A.
Initial equality impact assessment of your proposal	
Consulted People or Groups	
Informed People or Groups	
Summary and evidence of findings from your EIA	N/A.
QUALITY CONTORL SECTION	
Submit to the Quality Control Officer for reviewing?	No
Quality Control Officer comments	checked
Decision by Quality Control Officer	Proceed for final approval
Submit draft to Accountable Officer?	Yes
Decision by Accountable Officer	
Date approved / rejected by the Accountable Officer	
Reasons for approval or rejection	
Please print and save a PDF copy for your records	No
Content Type: Item	
Version: 37.0	
Created at 14/08/2023 11:41 AM by <input type="checkbox"/> Sarah Grove	
Last modified at 21/08/2023 08:04 AM by Workflow on behalf of <input type="checkbox"/> Mara Shepherd	

Close

# Birmingham City Council

## Cabinet

16 January 2024



**Subject: Contract Award for the Provision of Repairs and Maintenance Gas Servicing and Capital Investment Works Programme – Interim Contract 2024-2026**

### Commissioner Review

The three strategic Housing reports before Cabinet: the Housing Revenue Account (HRA) Business Plan and Rent Setting 2024/2025, Asset Management Strategy 2024-2029, Contract Award for the Provision of Repairs & Maintenance, Gas Servicing and Capital Improvement Works Programmes – Interim Contract 2024-2026 and the confirmation of the immediate commencement of the long-term procurement of the Repairs & Maintenance contracts starting in two years' time are key integral components to both the City Housing and Corporate Improvement and Recovery Plan(s) required by the Direction and Social Housing Regulatory regime.

The approval of these strategic plans and the award of the interim repairs' arrangements will provide the necessary but alone, insufficient foundations for improvement and recovery. The delivery of the plans will require corporate and housing commitment, prioritisation and a whole council focus and approach to improvement.

The repairs and maintenance contractors' performance are a key component to driving up tenant and leaseholder satisfaction, reducing complaints, delivering H & S compliance, and contributing to the achievement of Decent Homes Standards. BCC will need to ensure that good working relationship and strong contract management arrangements are in place throughout the term of the interim contracts, and this should be subject to appropriate and regular scrutiny.

It should be noted that there are significant opportunities and challenges that must be managed arising from the immediate commencement of procurement for the longer-term repairs and maintenance contracts. Timescales for procurement of this scale are relatively short and appropriate resource and expertise must be in place immediately to ensure that BCC fully maximises the opportunities that strategic procurement can and should bring and are required to support the achievement of the ambition, commitments, and targets set out in the Asset Management Strategy. This will require early significant stakeholder engagement, expert knowledge of market factors and the application of learning from benchmarking and best practice.

It will be necessary to regularly communicate with, engage and seek tenants and leaseholders' feedback and regularly report to them on progress and performance on key performance indicators for repairs and maintenance.

Commissioners have provided detailed comments and feedback throughout drafting and these have been incorporated into the body of the report.

It is essential that BCC continue to deliver R&M and asset improvement services across the estate. The failed strategic procurement has driven the necessity to extend the existing contract for a period to allow a new R&M procurement activity to commence and successfully conclude.

The award of a contract extension is providing the opportunity to re-negotiate the contracts to improve and re-focus R&M delivery which the paper clearly lays out. This is positive for BCC HRA.

As stated in the Cabinet submissions, these topics - Interim Contract Award, Asset Management Strategy and the BCC HRA Business Plan and Rent Setting, are interlinked and combine to deliver the HRA overall business plan. They refer to and require the strategic procurement of a new R&M HRA contract. Commissioners require the new procurement to:

Commence as soon as practically possible within the window of the extended/re-negotiated existing contract term.

Re-assess and re-design what BCC HRA R&M looks like, assess the market, develop the right RFI/RFP, correctly evaluate the responses and compliantly award. This must be done within the window this contract extension provides to allow for mobilisation of new suppliers and a smooth handover (this assumes a different model of delivery and different providers).

Ensure its approach aligns to the strategy, business outcomes, performance metrics and commercial principles of BCC.

Learn from the previous unsuccessful R&M procurement exercise. These lessons need to be articulated and reflected in the new procurement exercise.

Commissioners Support the submission of this Cabinet Paper

# Birmingham City Council

## Report to Cabinet

16 January 2024



**Subject:** P0787\_2023 Contract Award for the Provision of Repairs & Maintenance, Gas Servicing and Capital Improvement Works Programmes – Interim Contract 2024-2026

**Report of:** Paul Langford, Strategic Director of City Housing

**Relevant Cabinet Member:** Cllr Jayne Francis – Cabinet Member for Housing & Homelessness

**Relevant O &S Chair(s):** Cllr Mohammed Idrees – Homes, Overview and Scrutiny Committee  
Cllr Jack Deakin - Finance and Resources, Overview and Scrutiny Committee

**Report author:** Asha Patel, Interim Head of Repairs & Maintenance  
Neil Cox, Interim Head of Commercial  
Lucy Ford, Sub-Category Manager

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 checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 011849/2023		
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, state which appendix is exempt, and provide exempt information paragraph number or reason if confidential:		
<p>Commercially and reputationally sensitive information. Exempt information Schedule 12A to the Local Government Act 1972 (as amended). Paragraph 3. Information relating to the financial or business affairs of any particular person (including the authority holding the information)</p>		

## **1 Executive Summary**

- 1.1 In November 2022, Cabinet authorised the commencement of the procurement for the recommission of the Responsive Repair & Maintenance Services, Gas Servicing and Capital Improvement Work Programmes (including Major Adaptations to Council Housing Stock) regarding the Council's housing stock in all areas of Birmingham.
- 1.2 The procurement commenced in January 2023, but unfortunately had to be abandoned in August 2023 following receipt of tender submissions, when the commercial evaluation presented challenges due to the scale and scope of the works required.
- 1.3 This report provides details of the outcome of the negotiations for interim contracts to cover the period April 2024 - March 2026 which commenced following the decision to abandon the procurement.
- 1.4 This report is a vital component in City Housing Directorate's overarching recovery plan and will significantly aid the organisation in delivering on the expectations of the Regulator of Social Housing and Housing Ombudsman. Both regulatory bodies have notably highlighted the need to improve the quality of resident's homes. The strategic partnership developed with contractors are important as they act as the vehicle to honour the commitments set out to the Regulator and Ombudsman and improve overall resident satisfaction.
- 1.5 This report should be read in conjunction with the Housing Revenue Account (HRA) Business Plan and Asset Management Strategy 2024-2029. The three reports, read together demonstrate how the Council seeks to address stock quality across the city, particularly in relation to achieving compliance against Decent Homes Standards.
- 1.6 The report should also be read in conjunction with the Housing Strategy 2023-2028. The strategy was launched in January 2023 and one of the three strategic priorities is to ensure 'Neighbourhoods are enhanced, and the quality of existing homes are improved.' The contractual relationship with our partners is a vital mechanism to deliver on this strategic objective and within the strategy itself, the Council commits to undertaking the re-procurement process to support this.
- 1.7 This report sets out the Council's interim position to the delivery of the Repairs & Maintenance contracts. However, it must be noted that this report is supported by the immediate long-term procurement of Repairs & Maintenance contracts, to be mobilised in two years' time. These contracts are one of the mechanisms the Council will use to ensure compliance against Decent Homes Standards and honour commitments made to the Regulator of Social Housing and Housing Ombudsman.
- 1.8 The Repairs & Maintenance contracts are the largest contracts that the Council hold and represent one of the key partnership arrangements for the city. To ensure services are delivered effectively for our residents, the re-procurement

process must continue to be a corporate priority for all relevant Directorates and Elected Members.

- 1.9 The private report contains commercially / sensitive / confidential market information as a result of the evaluation of tenders and subsequent negotiations which could impact on future procurement activity if it were to be made public.

## **2 Recommendations**

That Cabinet:

- 2.1 Approves the award of contracts for the provision of Responsive Repair & Maintenance Services, Gas Servicing and Capital Improvement Work Programmes (including Major Adaptations to Council Housing Stock) regarding the Council's housing stock in all areas of Birmingham, as follows:
- To Equans Regeneration Limited for the North, West and East areas of the city for a two-year period commencing 1<sup>st</sup> April 2024 for the value of £259.7m up to a maximum of £371.3m to include standalone<sup>1</sup> projects.
  - To Fortem Solutions Limited for the South area of the city for a two-year period commencing 1<sup>st</sup> April 2024 for the value of £163.3m up to a maximum of £231.7m to include standalone projects.
- 2.2 Retrospectively approves the commencement of negotiations with the incumbent contractors (Equans and Fortem) in accordance with the Procurement and Contract Governance Rules, which states '*when negotiating contracts without competition with a value above £500K revenue and with a value above £1m capital, authorisation to commence the procurement activity is obtained through consultation with Cabinet Member(s) and relevant Scrutiny Chair(s) prior to Cabinet Inclusion on Forward Plan, Formal Cabinet Report including the Procurement Strategy*'.
- 2.3 Authorises the City Solicitor and Monitoring Officer (or their delegate) to negotiate, execute and complete all necessary legal documents to give effect to the above recommendation.

## **3 Background**

- 3.1 The current contracts for the provision of Responsive Repair & Maintenance Services, expire on the 31st of March 2024.
- 3.2 On the 8<sup>th</sup> November 2022 Cabinet authorised the commencement of a procurement to secure new contracts for the value of £1.4billion for the duration of 10 years.

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<sup>1</sup> More information about standalone projects can be found in paragraph 9.3.4.

- 3.3 A procurement process was undertaken to select Contractors for the requirement which was conducted in accordance with the Public Contracts Regulations 2015 (PCR2015), under the Competitive Procedure with Negotiation process.
- 3.4 The Council was seeking to appoint two Contractors, one for each geographical area, which were split as follows:
- Lot 1: North, West and East
  - Lot 2: South
- 3.5 The procurement commenced on the 16th of January 2023 inviting expressions of interest from suitably qualified and experienced organisations.
- 3.6 The first stage of the procurement process required interested suppliers to complete the Selection Questionnaire (SQ) outlining their experience and capability to perform the contract. The Selection Questionnaire assessment report was signed off by Project Board on the 3rd of April 2023 with a recommendation to shortlist applicants to proceed to the next stage of the procurement process.
- 3.7 The Invitation to Submit Initial Tenders (ISIT) stage of the procurement commenced on the 6th of April 2023 when the Council issued the ISIT document pack to the shortlisted tenderers with a submission deadline of the 19th May 2023.
- 3.8 The award of contract was to be based on the award criteria set out in the ISIT document pack. The criteria consisted of a combination of quality, social value and price.
- 3.9 The evaluation of submissions was undertaken by officers in City Housing, drawing in resource from other areas of the Council as applicable, along with representatives from Ark Consultancy Ltd and tenants and supported by Corporate Procurement Services.
- 3.10 Following the conclusion of the evaluation, Project Board were presented with the high-level considerations and impact of the commercial submissions received.
- 3.11 As a result of the work which the Council has carried out since the tender was published regarding the Capital Programme, there is a significant increase in the volume and values of works required.
- 3.12 Legal advice was taken to explore to what degree any amendments could be made to the structure of the procurement whilst still being compliant with the procurement regulations. Not relating to the procurement procedure, itself, but in terms of how the contract is structured in terms of risk and the opportunity to reduce price.
- 3.13 Project Board held an extraordinary meeting on the 20th of July 2023 to review the options and determine the recommendations. The agreed recommendations from Project Board were:
- (i) To abort the procurement.
  - (ii) To enter into negotiations to determine the commercial terms for any direct award of contract with the incumbent contractors, noting that any



recommendation to award contracts to the incumbent contractors will require Cabinet authorisation.

## **4 Negotiations**

4.1 A negotiation strategy to support the interim contract negotiations was constructed and agreed with internal Council colleagues in September 2023. The strategy was broken down into nine key areas to ensure all aspects of the service were considered, these areas were:

- Overall approach to the contract
- Reduction in Price per Property (PPP) – the pricing used for the repairs service.
- Reduction in Price per Void (PPV) – the pricing used for the empty homes service.
- Reduction in Price per Gas/Heating (PPGH) – the pricing used for the gas/heating servicing and repairs service.
- Reduction in Price per Element (PPE) – the pricing used for capital investment elements, e.g., kitchen, bathroom, gas boiler, etc.
- Materials Supply – product selection and value for money exercise to ensure the Council realises economies of scale.
- Improved Customer Satisfaction (KPIs'/Service Delivery) – focussed on servicing continuity, reliability, and consistency for customers.
- Appointments – consideration of alternative appointment slots, enabling operational delivery and customer expectations to be better managed/improved.
- Social Value – ensuring this remains at the heart of the contract regarding investment in local employment, apprenticeships/traineeships, and community projects.

4.2 A set of objectives were then formed for presentation to the Project Board and the two incumbent contractors, and subsequently approved. The objectives focussed on ensuring customer focused service delivery and positioning the Council to be able to describe how Value for Money based outcome from the negotiations have been achieved.

- The new tendered contract forms the baseline for negotiations.
- Ensure service continuity and improvement in resident services.
- Create a more balanced approach towards risk.
- Increased planned programme throughput.
- New approach for materials supply.
- Successful delivery of the planned programme.
- Achieve reductions to tendered costs.
- Reduce/eliminate commercial claims during the interim period.
- Generate improved VFM, ability to benchmark costs and optimise the Council pound.
- Develop working relationships and culture.
- Collaborate to deliver consistent and reliably effective services.
- Perceptual change for elected members

- 4.3 A staged approach to the negotiations with contractors was agreed as part of the strategy, providing appropriate oversight and input from all parties to deliver the objectives:
- Stage 1 - orientation meeting to agree the project plan, objectives and key tasks.
  - Stage 2 - progression of the project plan, key tasks and risk management
  - Stage 3 - presentation of contractor's proposals and appropriate challenge/scrutiny
  - Stage 4 - finalisation of contractor's proposals following further dialogue with the Council between meetings.
- 4.4 Several meetings took place between each stage with relevant parties to work through each area of the negotiation strategy to identify and agree conditions, inclusions, exclusions, and caps on expenditure to the contract documents and specifications.
- 4.5 The specifications have been re-engineered to reflect a more equitable approach towards Repairs & Maintenance and Planned Works, enabling contractors to reduce their rates/costs. In addition, a value engineering approach was taken to the rate analysis to identify any inefficiencies which were included in the submission and agree a revised approach or processes which would deliver the same or better service for the same rate.
- 4.6 This exercise has been well supported by the substantial capital investment the Council plans to undertake to the housing stock. The Council has also been working with the materials supply chain, via two materials central purchasing organisations, along with the contractors to expose future materials pricing based on the Council's requirements helped by the significant forward programme volumes to be purchased.

## **5 Outcome of Negotiations**

### **Commercial**

- 5.1 The tendered prices as part of the Housing, Repairs and Maintenance (HRM) Contract 2024, have been used as the starting point for negotiations with contractors. The Council has worked with contractors to understand the rates tendered and to reduce them via the contract/specifications and value engineering described in paragraph 4.5.

### **Customer Service**

- 5.2 The original tender included long term technological and operational solutions which would benefit from contractor investment over the 10-year contract period. The negotiations have challenged the contractors to identify improvement areas which can be achieved without long term investment, through value engineering and process efficiency as well as changes in ways of working and improved

communications over the 2-year contract period. We will also capture learning from the interim contract to feed into the future arrangements.

5.3 The negotiations have also focussed on ensuring improvements in customer outcomes through the contractual service delivery model which include taking account of feedback from customers through the Tenant Satisfaction Measures (TSMs), recommendations from the Housing Ombudsman from the Paragraph 49 report of December 2022 and lessons learnt from continuous improvement throughout the current contract.

5.4 An improved set of Key Performance indicators (KPI) has been included as part of the negotiations focussing on:

- **Right First Time** which will ensure customers can have routine non-complex repairs carried out at the first visit and reduce the need for follow up appointments and thereby inconvenience to the customer.
- **Recalls** which will focus on any completed repair which has had to be recalled by the customer should the issue re-occur within defined timescales or not completed satisfactorily
- **Work In Progress Overdue** which will measure the amount of work outstanding over a period beyond the original target.

5.5 The inclusion of the above KPI's will enable the Council to directly measure improvements in waiting times for repairs to be completed and the number of times a customer may have had to contact the Council for the same issue.

5.6 Joint operational workshops between the contractors and the Council prior to the contract start are planned to ensure agreed understanding on a day-to-day basis of requirements and standards. For example, our voids standard and the process for handover and rectifications to ensure our operational focus is around the outcomes for customers.

5.7 Formal Contract Management reviews will take place at 6-month intervals for the interim contract duration to ensure the service and any additional outcomes are regularly monitored and reported.

## **6 Options considered and Recommended Proposal**

6.1 Re-procure a new long-term contract – this is not recommended as the lesson learned from the abandoned procurement is that a review of the service requirements is required before commencing a new procurement for a long-term contract. There is insufficient time to undertake this review and conduct the procurement activity to secure a new contact in time for April 2024.

6.2 Further competition under an external framework/DPS – the same issues apply here as in re-procuring a new long-term contract (para 6.1), i.e., time to review the requirements and conduct the procurement.

- 6.3 Extend the existing contracts - The existing contracts do not contain an express provision allowing for further extension or the specific modifications that the Council may require for the two-year period. A modification is therefore only permissible if a 'safe harbour' under PCR2015 Reg. 72 applies. However, given the values involved, it would not be suitable to make use of Reg 72 for the interim period.
- 6.4 Enter into negotiations and make a direct award using PCR2015 Reg 32(2)(b) - Where the services can only be supplied by one economic operator because "competition is absent for technical reasons". This is the recommended option as it enables negotiations to take place in the time allowed before the existing contracts expire to ensure service continuity. There is insufficient time to conduct the service and review and then procure new contracts before the current contracts expire in March 2024.
- 6.5 Do nothing – This is not an option as the Council has a statutory obligation to carry out the repairs and maintenance of its housing stock and providing a responsive repairs and maintenance service to our tenants is one of our key priorities as a Landlord. The Council does not have the internal skills and resources to carry out the delivery of the works and services required although contractor staff would be eligible for a TUPE (Transfer of Undertakings (Protection of Employment)) transfer to the Council.

## **7 Consultation**

- 7.1 Officers from City Housing, Procurement and Ark Consultancy LLP have been engaged in the development of this report.
- 7.2 Project Board members which consist of Senior Officers and Heads of Service were consulted regarding this report.
- 7.3 Cabinet members have received regular verbal updates in regards the status of the project.
- 7.4 Officers from Finance, Corporate Procurement Services and Legal and Governance have been consulted as part of the preparation of this report.
- 7.5 A S20. Notice of Intentions has been issued to tenants. Further Section 20 notices will be issued in accordance with the legislation.

## **8 Risk Management**

- 8.1 At this stage there is one main risk:
- (i) that contracts will not be in place to commence from the 1<sup>st</sup> of April 2024 to continue service delivery. This report seeks to resolve that issue through authorising the award of contracts.
- 8.2 The impact of not appointing contractors will be a failure to comply with the statutory obligation to carry out the repairs and maintenance of its housing stock.

- 8.3 A risk register is being maintained in relation to this work to ensure the Council had visibility of the associated risks and has considered the likelihood and impact of risks identified. Control measures were put in place to mitigate the risk, where possible, in turn reducing the overall risk score where possible.

## **9 Compliance Issues:**

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

- 9.1.1 The recommended decision is consistent with the Council's vision and priorities as set out in the Birmingham City Corporate Plan for 2022-26.

### **A BOLD PROSPEROUS BIRMINGHAM**

#1 Support inclusive economic growth

#2 Tackle unemployment

### **A BOLD SAFE BIRMINGHAM**

#11 Increase affordable, safe, green housing.

### **A BOLD GREEN BIRMINGHAM**

#19 Continue on the Route to Net Zero

- 9.1.2 **Birmingham Business Charter for Social Responsibility (BBC4SR)**

Compliance with the BBC4SR and Living Wage is a mandatory requirement that will form part of the conditions of the contracts. The contractors have each provided an action plan for the two-year interim period which complies with the city's corporate requirements. The action plan will be implemented and monitored during the contract period.

## **9.2 Legal Implications**

- 9.2.1 The proposed allocation of work is consistent with the effective management of the Council's housing stock under Part II Housing Act 1985.
- 9.2.2 The current contracts for the Provision of Responsive Repairs & Maintenance Services, Gas Servicing and Capital Improvement Work Programmes (including Major Adaptations to Council Housing Stock) expire on 31st March 2024. In light of abandoning the procurement, a compliant route to award contracts is required as an interim measure whilst new contracts are tendered.
- 9.2.3 The value of this commission is above the threshold for which the Public Contract Regulations 2015 apply. The Council will rely on Reg 32(2)(b) of PCR15 in awarding these contracts. The negotiated procedure without prior publication may be used for public works contracts, public supply contracts and public service contracts in any of the following cases: (b) where the works, supplies or services can be supplied only by a particular economic operator for any of the following reasons: (ii) competition is absent for technical reasons.
- 9.2.4 Whilst the value of this commission is above the threshold for the PCR2015, the likelihood of any challenge to this decision appears to be medium/low risk.

### 9.3 Financial Implications

- 9.3.1 The total maximum value of the contracts is up to £603m for the two-year interim period, which is funded in the HRA business plan.
- 9.3.2 This contract is primarily HRA funded and updated contract values will need to be included in the HRA Business Planning process that is currently underway. In addition, there will be a pressure in the General Fund City Housing budget in relation to the Temporary Accommodation element of the contract. The General Fund pressure will be factored into the next Medium Term Financial Plan.
- 9.3.3 When the Council commenced the procurement in January 2023, it was predicated on an annual contract value of £140,000,000, which did not include additional major refurbishment projects, known as 'standalone projects'. This figure consisted of both revenue and capital spend. The contract value was split between the two areas as follows:

Estimated Annual Contract Values			
Funding Type	North, West and East	South	Total
Revenue	£37,328,571	£22,671,429	£60,000,000
Capital	£49,771,429	£30,228,571	£80,000,000
Total	£87,100,000	£52,900,000	£140,000,000

- 9.3.4 During the ISIT stage of the procurement, tenderers were required to submit their preliminary and overhead and profit % adjustments for future 'standalone projects' which will be undertaken via the contract. These adjustments enable us to understand costs and ensure Value for Money is being obtained through a structured approach towards pricing of these works.
- 9.3.5 Standalone projects relate to energy efficiency works in blocks of flats and other properties in an attempt to reduce fuel bills for customers, reduce the Council's carbon footprint and to ensure the quality of the housing stock is improved.
- 9.3.6 The tendered costs received, and their impact compared to the published contract values were significant, with a variance of circa +£92.1m (with major refurbishment projects, known as 'standalone projects' excluded).
- 9.3.7 The reasons for the revenue tendered costs being higher than expected are due to a number of factors as described in paragraphs 3.2 and 3.3 of Appendix 1. The maintenance and construction market has changed dramatically over the last 5 years, due to Brexit, Covid, the war in Ukraine, cost of living, energy crisis, etc, thus typically contractors are being more diligent in their risk profiling of public sector procurement opportunities.
- 9.3.8 Since the commencement of the procurement the Council undertook a piece of work focussed on its approach towards Strategic Asset Management and Investment Planning to understand and recognise the actual requirements of the housing stock to ensure its quality is improved to at least the Decent Homes Standard.

- 9.3.9 Modelling the impact of the tendered costs on the forward programme of capital investment identified that the contract value of £80m for capital investment was insufficient.
- 9.3.10 Therefore, with the reduction in costs being achieved through the negotiation, the revenue and capital expenditure profiled can be delivered through the HRA business plan for 2024-25.
- 9.3.11 There are no VAT issues from the recommendations in the paper. For the contract itself, different VAT rates will be applicable depending on the type of work carried out, but it is the responsibility of the contractor to apply the correct level of VAT to invoices, which the Council will then reclaim.

#### **9.4 Procurement Implications**

- 9.4.1 The intention is to direct award contracts under PCR2015 Reg. 32(2)(b) justified on the basis that the relevant services can only be provided for the interim period by the incumbent suppliers for technical reasons. There is risk in adopting this approach, however the Council seeks to minimise that risk:
- (a) Due to the time required for service review, re-procurement, mobilisation and exit/transition that no other supplier could meet the Council's requirements.
  - (b) The Council intends to conduct a new procurement during the interim period to secure new contracts to commence from the 1<sup>st</sup> of April 2026.
  - (c) The interim period has deliberately been kept to the shortest possible period of time to allow the service review and undertake the new procurement activity.
- 9.4.2 The level of risk would increase significantly if there were to be delays in running the new competition (or abandonment of that competition) resulting in a need for further contract extensions or direct awards.

#### **9.5 Human Resources Implications**

- 9.5.1 Officers of City Housing are leading the delivery of the interim contracts with support from other areas of the Council along with specialist technical, legal and project management resources as required.
- 9.5.2 There are no TUPE implications if the incumbent contractors are directly awarded interim contracts.
- 9.5.3 Contract management will be undertaken by Council staff.

#### **9.6 Property Implications**

- 9.6.1 If we continue with the incumbent contractors, then the existing depot arrangements will need to be considered from a corporate perspective and the impact that would have on the current arrangements.

#### **9.7 Public Sector Equality Duty**

- 9.7.1 In relation to the recommendations set out in this report, due regard has been paid to the requirements of the Equality Act 2010 and an Equality Assessment has been carried out which has shown that the recommendation will not have any adverse effects on service delivery.
- 9.7.2 The Equality Impact Assessment is attached at Appendix 2.

## **10 Appendices**

### **10.1 Include:**

- Appendix 1 – Exempt Appendix
- Appendix 2 - Equality Impact Assessment
- Appendix 3 - Environmental Assessment

## **11 Background Documents**

### **11.1 Cabinet Report – Housing Repairs Maintenance and Investment 2024**



Title of proposed EIA	Housing Repairs, Maintenance and Investment 2024
Reference No	EQUA1212
EA is in support of	Amended Function
Review Frequency	Two Years
Date of first review	30/10/2023
Directorate	City Housing
Division	Asset Management
Service Area	Repairs and Maintenance
Responsible Officer(s)	<input type="checkbox"/> Lorraine Long
Quality Control Officer(s)	<input type="checkbox"/> Mara Shepherd
Accountable Officer(s)	<input type="checkbox"/> Asha X Patel
Purpose of proposal	To ensure that the Housing Repairs, Maintenance and Investment 2024 paper meets the requirement of the Equality Impact Assessment
Data sources	Consultation Results; relevant reports/strategies; Statistical Database (please specify)
Please include any other sources of data	NEC, Apex stock condition database, key performance indicator reports

## ASSESS THE IMPACT AGAINST THE PROTECTED CHARACTERISTICS

Protected characteristic: Age	Service Users / Stakeholders; Wider Community
Age details:	The function is applicable and available to all tenants of BCC owned/managed properties (or to those affected by the Council acting as a landlord). There are no expected specific effects on any tenant on the basis of any protected characteristics. There are specific arrangements in place to respond and support tenants with any vulnerabilities or special requirements in order for a responsive repair or planned work to be carried out. The BCC contact centre holds specific scripts and advice for tenants where applicable. NEC holds specific service requirement data to enable and inform our service provision. Customer liaison officers will collect specific data when consulting with customers for planned works to ensure any special needs are taken into account and adjustments provided.

Protected characteristic: Disability	Service Users / Stakeholders; Wider Community
Disability details:	The function is applicable and available to all tenants of BCC owned/managed properties (or to those affected by the Council acting as a landlord). There are no expected specific effects on any tenant on the basis of any protected characteristics. There are specific arrangements in place to respond and support tenants with any

vulnerabilities or special requirements in order for a responsive repair or planned work to be carried out. The BCC contact centre holds specific scripts and advice for tenants where applicable. NEC holds specific service requirement data to enable and inform our service provision. Customer liaison officers will collect specific data when consulting with customers for planned works to ensure any special needs are taken into account and adjustments provided.

Protected characteristic: Sex

Gender details:

Service Users / Stakeholders; Wider Community

The function is applicable and available to all tenants of BCC owned/managed properties (or to those affected by the Council acting as a landlord). There are no expected specific effects on any tenant on the basis of any protected characteristics. There are specific arrangements in place to respond and support tenants with any vulnerabilities or special requirements in order for a responsive repair or planned work to be carried out. The BCC contact centre holds specific scripts and advice for tenants where applicable. NEC holds specific service requirement data to enable and inform our service provision. Customer liaison officers will collect specific data when consulting with customers for planned works to ensure any special needs are taken into account and adjustments provided.

Protected characteristics: Gender Reassignment

Gender reassignment details:

Service Users / Stakeholders; Wider Community

The function is applicable and available to all tenants of BCC owned/managed properties (or to those affected by the Council acting as a landlord). There are no expected specific effects on any tenant on the basis of any protected characteristics. There are specific arrangements in place to respond and support tenants with any vulnerabilities or special requirements in order for a responsive repair or planned work to be carried out. The BCC contact centre holds specific scripts and advice for tenants where applicable. NEC holds specific service requirement data to enable and inform our service provision. Customer liaison officers will collect specific data when consulting with customers for planned works to ensure any special needs are taken into account and adjustments provided.

Protected characteristics: Marriage and Civil Partnership

Marriage and civil partnership details:

Service Users/ Stakeholders; Wider Community

The function is applicable and available to all tenants of BCC owned/managed properties (or to

those affected by the Council acting as a landlord). There are no expected specific effects on any tenant on the basis of any protected characteristics. There are specific arrangements in place to respond and support tenants with any vulnerabilities or special requirements in order for a responsive repair or planned work to be carried out. The BCC contact centre holds specific scripts and advice for tenants where applicable. NEC holds specific service requirement data to enable and inform our service provision. Customer liaison officers will collect specific data when consulting with customers for planned works to ensure any special needs are taken into account and adjustments provided.

Protected characteristics: Pregnancy and Maternity

Pregnancy and maternity details:

Service Users / Stakeholders; Wider Community

The function is applicable and available to all tenants of BCC owned/managed properties (or to those affected by the Council acting as a landlord). There are no expected specific effects on any tenant on the basis of any protected characteristics. There are specific arrangements in place to respond and support tenants with any vulnerabilities or special requirements in order for a responsive repair or planned work to be carried out. The BCC contact centre holds specific scripts and advice for tenants where applicable. NEC holds specific service requirement data to enable and inform our service provision. Customer liaison officers will collect specific data when consulting with customers for planned works to ensure any special needs are taken into account and adjustments provided.

Protected characteristics: Race

Race details:

Service Users / Stakeholders; Wider Community

The function is applicable and available to all tenants of BCC owned/managed properties (or to those affected by the Council acting as a landlord). There are no expected specific effects on any tenant on the basis of any protected characteristics. There are specific arrangements in place to respond and support tenants with any vulnerabilities or special requirements in order for a responsive repair or planned work to be carried out. The BCC contact centre holds specific scripts and advice for tenants where applicable. NEC holds specific service requirement data to enable and inform our service provision. Customer liaison officers will collect specific data when consulting with customers for planned works to ensure any

special needs are taken into account and adjustments provided.

Service Users / Stakeholders; Wider Community

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Service Users / Stakeholders; Wider Community

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Any improvements to residents' homes will be delivered in a sensitive and respectful manner and customers advised of any economic impact such as changes to cost of fuel and / or home running costs. Long term investment in homes and areas will have a positive socio-economic impact on tenants and wider communities , providing safe, warm and secure homes for all of our tenants.

None

NO

Protected characteristics: Religion or Beliefs

Religion or beliefs details:

Protected characteristics: Sexual Orientation

Sexual orientation details:

Socio-economic impacts

Please indicate any actions arising from completing this screening exercise.

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Please indicate whether a full impact assessment is recommended

What data has been collected to facilitate the assessment of this policy/proposal?	Key performance indicator data around customer satisfaction is collected aswell as recent tenant satisfaction measure surveys as part of our regulatory framework. Customer profiling is carried out to identify any specific areas of concern. Tenants views are also collected through the CHLB and local consultation groups.
Consultation analysis	Customers are generally satisfied with the repairs service those with a younger age profile tend to be slightly more dissatisfied with waiting times and lack of technological solutions.
Adverse impact on any people with protected characteristics.	Every effort is made to ensure that no customer is adversely affected. Works are dealt with in compliance with statutory legislation and where appropriate, in line with policies which have been consulted on with tenants and leaseholders.
Could the policy/proposal be modified to reduce or eliminate any adverse impact?	The policy is applied to each individual based on specific circumstance or need for example, the use of language translation facilities or hard of hearing communication facilities. In addition, any specific repair related special circumstances are noted in our systems and interfaced to the contractors systems enabling operatives to take account of any on site specific adjustments.
How will the effect(s) of this policy/proposal on equality be monitored?	Customer feedback will be analysed on profiling to ensure the service is equally delivered at all times. Complaints and root cause analysis is also carried out to inform lessons learnt and continuous improvement.
What data is required in the future?	Customer profiling data aligned to repairs, visits, surveys and complaints will enable us to analyse the success of the function.
Are there any adverse impacts on any particular group(s)	No
If yes, please explain your reasons for going ahead.	N/a
Initial equality impact assessment of your proposal	All staff and contractors are bound by the Equality Act 2010, therefore, every effort is made to support the needs of all service users and more specifically those with protected characteristics. There is no indication at present through complaints data or customer satisfaction that we are falling short of our statutory obligations. We will be undertaking further detailed analysis of our data to inform future actions and learning.

Summary and evidence of findings from your EIA

Ongoing consultations with residents/residents groups / contractors are being carried as part of regulatory compliance and business as usual service improvement. The future procurement activity will also provide valuable intelligence to inform the service going forward.

QUALITY CONTORL SECTION

Submit to the Quality Control Officer for reviewing?

No

Quality Control Officer comments

Reviewed and approved

Decision by Quality Control Officer

Proceed for final approval

Submit draft to Accountable Officer?

Yes

Decision by Accountable Officer

Approve

Date approved / rejected by the Accountable Officer

07/11/2023

Reasons for approval or rejection

Please print and save a PDF copy for your records

Yes

Content Type: Item

Version: 41.0

Created at 31/10/2023 10:40 AM by ☐ Lorraine Long

Last modified at 09/11/2023 11:34 AM by Workflow on behalf of ☐ Asha X Patel

Close

# Environment and Sustainability Assessment

<b>Project Title:</b>	<b>Interim Contract Award for the Provision of R&amp;M, Gas Servicing and Capital Improvement Work Programmes 2024-2026</b>			
<b>Directorate:</b> City Housing	<b>Team:</b> Repairs and Maintenance	<b>Person Responsible for assessment:</b> Asha Patel		
<b>Date of assessment:</b> 01/11/2023	<b>Is it a new or existing proposal?</b> New			
<b>Brief description of the proposal:</b> Interim Contract for the provision of R&M, Gas Servicing and Capital Improvement Work Programmes 2024-2026				
<b>Potential impacts of the policy/development/ decision on:</b>	<b>Positive Impact</b>	<b>Negative Impact</b>	<b>No Specific Impact</b>	<b>What will the impact be? If the impact is negative, how can it be mitigated, what action will be taken?</b>
Natural Resources - including water, soil, air	✓			Incumbent contractors were awarded contracts on the basis of successfully demonstrating operational practices which have a positive impact on the environment. Using certain materials and recycling protocols which are mandatory in the contracts impacts the use of natural resources in a positive way as well as demonstrating a culture of care for natural resources through their service.

Energy use and CO <sub>2</sub> emissions	✓			Contract evaluation requires targets and approaches for carbon offset and carbon reduction plans which are measured through the contract. Practices such as low energy bulbs, operatives utilising electric vehicles to attend repairs and ensuring all vehicles are compliant with emission targets, route optimisation through DRS for most efficient journeys, speed limiters and tracking through live software. Example April to June 2023 carbon figures for one contractor's fleet is 142.5 tCO <sub>2</sub> e showing a decrease of 5.5% on previous quarter. The Council will receive quarterly reports from the service providers to show a decrease in emissions.
Quality of environment	✓			Social Value projects are an integral part of the contract and the benefit delivered is measured through formal monitoring as part of the councils Social Value Strategy. Qualitative and quantitative values are delivered back through initiatives such as tree planting, community gardens, building projects, employment and development opportunities and volunteering, example four community projects in 3 months.
Impact on local green and open spaces and biodiversity	✓			Information provided in tender submission on their commitment to impact on local green and open spaces and biodiversity is in practice and monitored. These include assessments for noise and vibration before drilling, using low noise machines recommended by HSE for noise and vibration levels and compiling protected species checklist to assess impact of any works
Use of sustainable products and equipment	✓			Information provided in tender submission on their commitment to sustainability is in practice in the contracts, with sourcing of materials as a key element through supply chain procurement. Evidenced through Contractors "Supply Chain Code of Conduct" and "Sustainable Procurement Conditions"



Minimising waste	✓			Information provided in tender submission on their commitment to recycling etc is operational in current contract which will continue in the interim contract going forward. Examples are "Amount of waste diverted from landfill" has target of 96.5% - currently exceeded at 98.5%. Use of a Smart Waste tool to streamline managing waste using direct data from skips and tipping locations to increase accuracy and efficiency of data management. Collection of waste data from supply chain is also incorporated for collaborative and consistent approach. Exploring working with other waste companies for recycling of UVPC windows and doors from all project works on towers etc, these are then recycled and fed back into new window and door products. Monitoring van stock usage with targets for minimising waste and returns / reuse programs.
Council plan priority: a city that takes a leading role in tackling climate change	✓			Information provided in tender submission show that contractors implement operational practice to support and meet the council's policy through the sustainability reports and social value submissions around environmental impact.
Overall conclusion on the environmental and sustainability impacts of the proposal	The contract operates in line with current practices and initiatives achievable within the 2-year interim award. Contractors remain committed to the long-term achievement of Birmingham's priorities and will work proactively to ensure these are sustained.			

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# Birmingham City Council

## Cabinet

16 January 2024



**Subject: Building Birmingham: Development Strategy  
for Various Housing Sites Cabinet  
Submission**

### Commissioner Review.

The recommended approach – combining option 2 and 4 to cover both HRA and General Fund sites aligns to:

- Accelerating the delivery of affordable homes – a key component of BCC's housing strategy
- Generating General Fund revenue at a time where there is a material budget deficit.
- Reduces the resource demand on BCC to manage/deliver the new developments.

BCC must ensure the best possible value is extracted from these disposals. Key gateways in the disposal/commercial process need to be implemented to monitor site by site delivery of the revenue targets and appropriate developer agreements.

The paper identifies one significant and two material risks. It will be essential for BCC to manage/mitigate where possible these risks. Quarterly reporting on progress/management of these will be required.

On this basis, Commissioners support the submission to Cabinet.



# Birmingham City Council Report to Cabinet

16<sup>th</sup> January 2024



**Subject:** Building Birmingham: Development Strategy for Various Housing Sites

**Report of:** Strategic Director, Place, Prosperity & Sustainability Directorate

**Relevant Cabinet Member:** Cllr Jayne Francis, Housing and Homelessness

**Relevant O & S Chair(s):** Cllr Mohammed Idrees, Homes

**Report author:** Anita Pearce, Interim Affordable Housing Project Lead  
Place, Prosperity & Sustainability Directorate  
Telephone No: 07410 397696  
Email: [anita.pearce@birmingham.gov.uk](mailto:anita.pearce@birmingham.gov.uk)

Are specific wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s): Frankley Great Park, Longbridge and West Heath, Garretts Green, South Yardley, Pype Hayes, Allens Cross, Druids Heath and Monyhull, Sparkbrook and Balsall Heath East, North Edgbaston, Weoley and Selly Oak, Bordesley Green, Harborne, Bartley Green, Garretts Green, Brandwood and Kings Heath, Kingstanding, Kings Norton South, Perry Barr, Bromford and Hodge Hill.		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference – 011496/2023		
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 type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential:		

## **1.0 Executive Summary**

- 1.1 This report sets out the approach of BCC to progress development of affordable housing on sites it currently owns that are identified for affordable housing. The approach reflects the parameters and constraints of the HRA Business Plan (2024) and Asset Management Strategy 2024 - 2029, whilst also taking into account the high demand for good quality affordable housing in the City.
- 1.2 This report follows the report to Cabinet in May 2023 which sought to approve the disposal of eight sites for affordable housing and establish the principle for the sale of the Council's freehold interest in identified surplus land to Registered Housing Providers and / or Developer Partners.
- 1.3 The report builds on that approval and identifies the next sites for disposal and delivery. It identifies routes for delivery of affordable housing on Council owned land supported through partnership and investment from other parties. Land for housing development has already been identified below and shown on the plans at Appendix 1, comprising land that can accommodate over 1,000 new homes.
- 1.4 The recommendations contained in this report are fully in line with the Council's Housing Strategy 2023-2028 presented to Cabinet on 13<sup>th</sup> December 2022, that provides the strategic platform and direction for the Council to increase the number of affordable homes delivered through partnership routes such as Registered Providers and / or Development Partners through direct disposal and also through delivery via a compliant procurement process including but not limited to approved frameworks and partnership working. This strategy will provide much needed quality, energy efficient accommodation for the citizens of Birmingham.
- 1.5 Individual decisions regarding any disposal will be taken through Cabinet Committee - Property. The Cabinet Committee - Property will consider firstly the options appraisal and agree the delivery route and then the subsequent proposal.

## **2.0 Recommendations**

- 2.1 Declare surplus to the Council's requirements the land as detailed in Appendix 1, with the capacity to deliver in the region of 1,176 homes.
- 2.2 Approve the principle for the sale of the Council's interest in identified surplus land identified in Appendix 1 to Registered Housing Providers, Developer Partners or other public sector bodies to deliver housing, with the best route to disposal to be agreed at Cabinet Committee – Property.
- 2.3 Note the proposed approach for each site will be for an options appraisal assessing the financial and non-financial implications and the final transaction details for disposal arrangement to be decided by Cabinet Committee- Property and taking into account the constraints of funding within the HRA Business Plan.

- 2.4 Note the land assets have been identified for sale from both the Council's General Fund and Housing Revenue Account (HRA) to provide primarily affordable housing across the city with the Council retaining Nomination Rights for those on its housing register.
- 2.5 Approve a budget of £350,000 capital funds from the Housing Revenue Account for the disposal of sites to cover legal, valuation and agent fees and any site due diligence and surveys required for marketing. This will be repaid by the capital receipts obtained. General Fund receipts will be paid into the General Fund (minus disposal costs) and HRA receipts will be paid into the HRA.
- 2.6 Delegate authority to the Strategic Director for Place, Prosperity, and Sustainability (or their delegate), in consultation with the Assistant Director Corporate Procurement (or their delegate), the Interim Finance Director (s151 Officer), (or their delegate), and the City Solicitor & Monitoring Officer (or their delegate) to approve the procurement strategy and the award of contract(s), for professional services (including legal, market and valuation advice) to support the sale process.
- 2.7 Delegate authority to the Strategic Director for Place, Prosperity, and Sustainability, in consultation with the Assistant Director Corporate Procurement (or their delegate), the Interim Finance Director (s151 Officer), (or their delegate) and the City Solicitor & Monitoring Officer (or their delegate) to approve the procurement strategy and the award of contract(s) for any developments requiring compliance to the Procurement Contract Regulations 2015 (or 2024 update).
- 2.8 Delegate authority to the Strategic Director for Place, Prosperity, and Sustainability to submit further applications to Homes England (HE) and West Midlands Combined Authority (WMCA) and the Department of Levelling Up, Housing and Communities (DLUHC) or other government departments where opportunities arise for grant funding to support future phases of new housing development and to negotiate and accept such funding in the event of such applications being successful by entering into funding agreements.
- 2.9 Note that there is an existing two-year corporate Affordable Housing Delivery Programme, (started in April 2023) to support increasing affordable housing output covering themes of partnership working, governance and direct delivery.
- 2.10 Note it is proposed as part of this programme to complete an independent review of the Council's direct delivery to ensure there is a clear reflection on the approach and the options available to the City Council along with their implications. The review will cover value for money, resource capacity, risks and opportunities and set out recommendations for consideration as part of a review of delivery models. Results of this review are expected to be reported back to Cabinet.
- 2.11 Agree that the Dawberry Fields scheme presented to Cabinet on 25 April 2023 and subsequently called in on 17 May 2023 will not progress as planned. The planning application has been withdrawn and alternative delivery routes for the site within the wider context of the approaches outlined within this report will be brought to Cabinet

Committee - Property in due course, with a commitment to engage with the local community and Ward members.

- 2.12 Authorise the City Solicitor and Monitoring Officer to prepare, execute, and complete all relevant legal documentation to give effect to the above.
- 2.13 Note that an update on disposals will be reported to the Cabinet Committee - Property as part of routine monitoring.

### **3.0 Background**

- 3.1 The demand for affordable housing across the city and surrounding areas is extremely high with over 20,000 households on the housing register and over 6,000 in temporary accommodation. With a higher than national average waiting list and increased numbers of families in temporary accommodation, it is a key priority and objective of the City Council over the coming years to accelerate affordable housing delivery.
- 3.2 The Housing Strategy 2023-2028 approved by Cabinet on 13<sup>th</sup> December 2022, provides the strategic platform, and clear direction for the Council to increase the number of affordable homes. Affordable housing is delivered through a variety of routes including planning gain, direct delivery by the City Council and through Registered providers. Whilst the Council has an established programme of direct delivery by the HRA, the delivery through this route alone cannot meet the city's need. This report is set in this context as well as the financial position of the City Council/resource available in the HRA.
- 3.3 The recommendations above will enable the Council to accelerate the delivery of affordable homes on the identified sites and assist the city in meeting its housing target (as detailed in the Birmingham Development Plan (BDP) Policy PG1) of 19,400 affordable dwellings over the BDP period (2011 to 2031). Previously around 300 affordable homes were built a year by BCC which is not enough to accommodate those homes lost through Right to Buy (circa 600 per year). This impacts on costs of other housing services such as Temporary Accommodation. Therefore, it is a strategic aim to speed up delivery of affordable homes. As finances are constrained, as detailed in the HRA Business Plan, this route allows for delivery without immediate impact on the HRA finances.
- 3.4 The delivery routes for new housing development will be through the following routes (further details will be provided in either Delegated Authority Reports or to the Cabinet Committee - Property)
- to dispose of sites/land for affordable housing/work in partnership to Registered Providers of Social Housing (RPs) with nominations agreement back to the Council. On larger sites, this is likely to generate land receipts.
  - Identify opportunities for other routes (private finance) to fund affordable housing which may include new innovative ways of working.



- Enter into Development Agreements (following a compliant procurement process) with developer/ contractor partner.
  - Dispose of sites where suitable to other public sector bodies such as Homes England or West Midlands Combined Authority particularly where additional benefits can be gained (such as grant funding, enhanced standards, wider master-planned area etc) on the basis of affordable housing delivery.
- 3.5 The route for each site will be detailed in a report to Cabinet Committee – Property in accordance with recommendation 2.3 and aligned to both the HRA Business Plan and the Asset Management Strategy 2024 – 2029 which focus HRA budgets on the need to bring existing stock up to Decent Homes Standards and ensure all homes must be warm, safe, and sustainable.
- 3.6 The Dawberry Fields site was identified for housing development in the *Birmingham Municipal Housing Trust Delivery Plan 2019-2029* report to Cabinet on 14 May 2019 with a scheme on two cleared sites that were appropriated into the HRA in March 2021 and March 2017 via a report to Cabinet. A scheme to develop the site for homes to be built to Passivhaus standard was taken to Cabinet on 25 April 2023. The Development of Housing at Dawberry Fields Road Cabinet Report was subject to a request for call-in on 17 May 2023 to the Homes and Neighbourhoods Overview and Scrutiny Committee who subsequently referred the decision back to Cabinet for reconsideration. The reasons for call-in focused, in the main, on the engagement and consultation with the local community on the development proposals including the design to a Passivhaus standard and the consideration of broader development opportunities within the wider neighbourhood. The reason why this scheme will not proceed as planned is due to the high cost of developing the scheme to Passivhaus standards.
- 3.7 It is proposed the Council will benefit from being able to nominate new tenants into all new homes developed on these sites (called nomination rights) for a minimum of ten years, subject to an options appraisal ensuring best value.
- 3.8 Some sites are being disposed of without planning consent and therefore without final known development proposals at present, so an Environment and Sustainability Impact Assessment cannot be completed at this stage. Any development outputs arising from the recommendations of this report will be the subject of future reports and subsequent planning applications and consents, where Environment and Sustainability impact will be fully considered. Sites being sold with the benefit of planning consent have had Environment and Sustainability Impact Assessments Completed.
- 3.9 The list of sites incorporates those sites identified for disposal to RPs for affordable housing as the second tranche of sites (following the first tranche of eight sites which were approved in May 2023 as detailed above), along with sites that were due to be directly developed by the Council but which now will be delivered by other parties due to the revised development budgets within the HRA Business Plan. The sites historically would have all been appropriated into the HRA, but it was agreed in the

May 2023 report that sites will be disposed without appropriation and their respective funds receive the land receipts. The sites have been planned as housing sites and those without detailed planning consent will have a planning pre-application report to be included in the sales pack. Some still require Secretary of State approval (for example allotments), but this will be detailed in the Cabinet Committee - Property reports.

### 3.10 The sites to be developed or disposed:

Site name	Ward	Approx site capacity	HRA or General Fund
Meadway Phase 2	Garretts Green	206	HRA
Beach and Alfred Road, B11 4PG	Sparkbrook and Balsall Heath East	31	HRA
Boleyn Road, B45 0NE	Frankley Great Park	67	HRA
Burcote Road	Pype Hayes	10	HRA
Lea Hall	Garretts Green	8	HRA
Reabrook Road	Longbridge	8	HRA
Stockfield Road	South Yardley	8	HRA
Trescott Road	Allens Cross	10	HRA
Druids Heath: Brockworth Road, Sherston Covert and Bells Lane	Druids Heath & Monyhull	51	HRA
Brinklow Road (Stonebrook Depot), B29 5UY	Weoley and Selly Oak	45	HRA
Land adjacent to 9 Leabon Grove, Harborne, B17 0LE	Harborne	3	HRA
Land rear of 127 Mill Lane, Bartley Green, B32 3BB	Bartley Green	3	HRA
Dawberry Fields, B14 6PG (revisions required)	Brandwood and Kings Heath	55	HRA
Bromford - various sites	Bromford and Hodge Hill	178	HRA
Pool Farm & Shannon Road – various sites	Kings Norton South	267	HRA
College Road Depot, B44 0AY	Kingstanding	27	HRA
Bellefield Park, (Moilliett Street park) B18 4JS	North Edgbaston	92	General Fund

Site of former West Heath Library, The Fordrough, West Heath, B31 3LX	Longbridge and West Heath	4	General Fund
Jenkins Street	Bordesley Green	10	General Fund
Former Beaufort School, Coleshill Road	Bromford and Hodge Hill	20	General Fund
Wyrley Birch Allotments, B44 0ET	Kingstanding	73	General Fund

#### 4. Options considered and Recommended Proposal

**4.1 Option 1 - Do Nothing.** The Council is not meeting the current demand for affordable housing through its existing delivery and needs to bring in additional providers to help meet the demand (90% of all new housing units would need to be affordable to meet current demand). The Council has a General Fund disposal target of £0.500 billion and the sale of General Fund sites is necessary and will contribute to meeting this target. Constraints on the HRA finances have resulted in the need to identify other routes to deliver new affordable homes. Doing nothing would not address this issue as the demand is not being met and the Council's finances are not sufficient to develop the homes itself. If nothing is done this vacant land will remain in its current state and the opportunity to bring investment into the City and affordable housing delivered will be lost, whilst still incurring holding costs and liabilities. The temporary accommodation bill is placing a significant pressure on the General Fund (at £1m a week) and not providing additional affordable housing is exacerbating the issue. The financial impact of not doing anything therefore is not being able to reduce the temporary accommodation liabilities which are a direct cost of not having enough affordable housing.

**4.2 Option 2 - Development sites through a sale to partners to accelerate affordable housing delivery.** The Housing Strategy 2023 – 28 highlights the need to accelerate affordable housing delivery. The route of disposing of some of the Council's surplus land to Registered Providers / Developer Partners / other public sector bodies is just one of the key ways the Council can accelerate the delivery of affordable housing.

This route will enable stakeholders to secure additional inward private investment and Homes England grant into the city. It also speeds up development because the developer partner will be responsible for design and planning of schemes which puts less pressure on our planning resources when schemes have to be amended after a contractor is engaged. The contractor / developer developing the scheme helps with value engineering as it is usually more cost efficient. It will also facilitate the ability to offer different tenure types such as Shared Ownership and Rent to Buy. Registered Providers and their contractor partners have large development portfolios and a variety of different specialisms from sheltered housing to supported

accommodation; their stock makes up just over 40,000 units in the city. The Council is already committed to be 'Open for Business' and has welcomed several partners and investors into the city. There are also private RPs/ pension fund investment models that can be explored within this option, again bringing investment into the city.

This option includes both land sales and land disposal via the ability to draw partners to deliver new affordable housing at BCC's specification / timescales.

**4.3 Option 3 – Accelerate Direct Development of sites.** BCC is directly delivering some sites. However, due to the current financial constraints and pressures on the HRA budget, this is not a viable option to continue with direct delivery in its existing form.

**4.4 Option 4 – Sale of sites for a policy compliant mix of tenures.** The sites can be sold on the open market for a planning policy compliant mix where 35% of the homes are affordable on sites of 15 dwellings or more. The Council is seeking to dispose of surplus sites and these sites could contribute to that. However, many of these sites are below the threshold of 15 units, and being brownfield may not achieve 35% affordable housing due to site constraints and viability challenges without housing grant. For these reasons this option is likely to be discounted for the HRA sites but recommended for General Fund sites.

**4.5 Recommended Options:** The recommended options will broadly be Option 2 for HRA sites and Option 4 for General Fund sites. However, the recommended disposal route for each site will be subject to individual options appraisals and subject to approval by Cabinet Committee – Property. Options 2 and 4 are both able to accelerate housing delivery of over 1000 new homes whilst reducing build cost and risk to the Council and generating a land receipt to the Council. Options for the identified land assets will be fully considered and the recommended sale to Registered Providers / Developer Partners is likely to provide the best outcomes for the Council to deliver predominantly affordable homes at an accelerated rate.

## **5.0 Consultation**

5.1 Engagement with Councillors has been thorough where sites have been brought through Planning and will be ongoing as sites come forward. Many of these sites have been vacant and identified for housing for some time. As part of the disposal and development process there will be a requirement on the lead party for each site to undertake appropriate local engagement at key stages, which will include Ward Councillors.

## **6.0 Risk Management**

6.1 The approach recommended in this report seeks to mitigate a number of risks, including financial, that the Council is experiencing.

## 6.2 Risk and Issues Register:

Risk No	Risk description	Risk mitigation	Residual / current risk			Additional steps to be taken
			Likelihood	Impact	Prioritisation	
1.	Lack of funds in the HRA – the HRA Business Plan prioritises investment in existing stock, therefore there is a lack of funds for new development.	This approach in this paper minimises costs to the Council. The HRA Business Plan sets out the prioritisation of funding. There will be a need for some survey/ fees work to be completed on sites but this cost should be recoverable from land sales. The approach outlined in this paper reduces need for funding from the HRA whilst still delivering of affordable housing. The focus is to make the best use of BCC assets.	Medium	Significant	Material	Regularly review the capacity in the HRA. Work with partners such as Homes England and WMCA to explore opportunities for approaching supporting delivery of affordable housing without a cost to the HRA.
2	Inability to deliver enough affordable housing has adverse impact on General Fund	The inability to deliver the Local Plan and Housing Strategy requirement of just over 1,000 affordable homes a year leads to a direct cost impact on the council of increasing costs in Temporary Accommodation and in other Council Services such as education and social care.	High	Medium	Material	Create enough affordable homes to be able to reduce the number of households in temporary accommodation
3	Lack of demand from RP/ developers	This approach is reliant on bringing in investment from private sector developers, registered providers and others. The approach follows work on engagement with these parties and there is currently appetite linked to the availability of funding from Homes England and WMCA. At the moment, feedback from Tranche 1 sales of land to RPs has shown significant interest.	Medium	Medium	Material	Continue to engage with RPs. Work with Homes England on routes to engage with partners early. Seek feedback on how process is working to allow for continued improvement.
4	Capacity within the Council to manage process.	This approach is a step change for the City Council officers in its approach to delivery and relies on resources to dispose of land. With the target to dispose of £500m of General Fund land assets within 12 months, internal resources will be tight. There is an opportunity to work across the Directorate with officers in property services. There may be a need for additional resource to meet pace required for disposals.	Low	Medium	Tolerable	Review capacity and skills within existing team and consider how efficiency can be made in process with colleagues in property.  Include a % allowance to fund resourcing

		There is currently interim resource managing this process which has been key in moving forward sites for disposal.				on each transaction.
6	<p>Non delivery of affordable housing on sites.</p> <p>By transferring sites to partners there is a risk that they do not move forward to delivery.</p>	<p>There is an opportunity to set out contractual requirements for delivery as part of a sale, however this approach is about partnership with those invested in supporting housing in the City the approach therefore will be centred around clear communication and collaboration to unlock any issues identified by developer.</p> <p>There are risks in the wider development industry around inflationary build costs, contractor administration as well as technical issues that will be site specific.</p>	Low	Medium	Tolerable	Financial checks on the partners we select to work with and speed up process to reduce chance for cost price inflation
7	Outcome of poor-quality schemes which don't meet the needs of City.	The affordable housing sector has a greater focus on quality following a number of enquiries including the Grenfell fire. Each provider/ developer will have their own requirements for specification to suit their organisation. The Council will request as part any agreement that schemes mix and tenure have approval of the housing enabling team. Any new schemes will need to meet requirements set by the local planning authority and be considered against these.	Low	Medium	Tolerable	Work with providers who build high quality stock and consider this as part of selection process.
8	Community not engaged in what is going on and local concerns/ opposition to new housing.	Requirement as part of any agreement with partner developer for a community engagement plan to include ward Cllrs and existing groups within local area.	Low	Low	Tolerable	Include within process review of what is done on each site to bring in sharing of good practice and seek feedback from communities/ Cllrs as part of this.
9	Ring fenced right to buy receipts not spent due to inability for Council to fund new housing.	The Council monitors the time frames for spend against right to buy receipts. If the HRA capacity for borrowing is maintained there is the opportunity to use right to buy receipts as a grant to partners. This will need to be considered alongside any other public funding available.	Low	Low	Tolerable	Explore flexibility on right to buy receipts.

## **7.0 Compliance Issues**

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

7.1.1 These Schemes support the Council's Route to Zero Strategy approved by Cabinet in January 2021. The strategy commits to reducing the city's carbon emissions and limit the climate crisis.

7.1.2 The site disposals are fully aligned to the Housing Strategy 2023- 28 which aims to increase the supply of affordable housing up to a Local Plan policy requirement of over 1,000 new homes per annum. These sites for development help meet that requirement.

7.1.3 These Schemes are in accordance with the objectives of the housing revenue account (HRA) Business Plan 2023+. These Schemes will make a direct contribution and are consistent with The Council's Corporate Plan 2022 to 2026 main priorities (as updated in December 2022) priorities and outcomes as outlined below:

- A Bold Prosperous Birmingham: Making sites available for development to Registered Providers and their Partners will allow the Council to capitalise on inward investment, increase the supply of affordable housing and enable successful development to help regenerate communities.
- A Bold Healthy Birmingham: the provision of new affordable housing types will improve the health of citizens by ensuring safe, sustainable, and suitable homes are delivered. This includes homes for those who have both physical and mental health issues. This also includes those experiencing homelessness.
- A Bold Green Birmingham: the provision of new homes will go some way to meet the City's commitment to route to zero will be delivered. The new homes will be built to modern standards to the Council's specification.
- A Bold Inclusive Birmingham: the new affordable homes will be allocated under the council's policy and help families affected by the cost-of-living crisis as the homes will be built to new higher quality and EPC standards saving money on energy bills.
- A Bold Safe Birmingham: the provision of new affordable homes will ensure they are "secure by design" and will contribute to safer neighbourhoods.

#### **7.1.4 Birmingham Business Charter for Social Responsibility (BBC4SR)**

The requirements of the BBC4SR are mandatory and form part of the terms and conditions for any contract awarded in accordance with the Council's policy and

will include the payment of the Real Living Wage. This will provide opportunities to support the various wards and their surrounding areas where the schemes will be developed through:

- The creation of jobs, apprenticeships, work experience graduate placements.
- Training opportunities.
- Building Birmingham Scholarships.
- Supply chain opportunities for local businesses, small and medium enterprises and social enterprises.
- Buying local with spend as practically as possible being with local, small and medium enterprises as well as social enterprises within a 30mile radius of the scheme.
- Support for local community projects advertised on [matchmyproject.org](http://matchmyproject.org).

## **7.2 Legal Implications**

7.2.1 Sections 120 - 123 of the Local Government Act 1972 authorise the Council to hold, appropriate and dispose of land. The disposal power in Section 123 of the Local Government Act 1972 is subject to the best consideration test. The Assistant Director of Investment and Valuation will monitor the sales process to ensure it complies with legislation and in the event an under value transaction is recommended under 2.6 above, will seek to comply with Circular 06/03: Local Government Act 1972 general disposal consent (England) 2003 disposal of land for less than the best consideration that can reasonably be obtained or seek specific consent from the Secretary of State to proceed, if required.

7.2.2 Section 1 of the Localism Act 2011 contains the Council's general power of competence, which is circumscribed only to the extent of any applicable pre-commencement restrictions and any specific post-commencement statutory restriction of the power, and Section 111 of the Local Government Act 1972 contains the Council's ancillary financial and expenditure powers in relation to the discharge of its functions including the disposal and acquisition of property.

7.2.3 Sections 32 to 34 of the Housing Act 1985 contain the Council's powers to dispose with the consent of the Secretary of State of land held for the purposes of the provision of housing accommodation under that Act. The General Housing Consents 2013 (issued March 2013 and corrected July 2013) set out the circumstances where such disposals can take place without the need for specific consent.

## **7.3 Financial Implications**

7.3.1 The recommendations in this paper allow the authority to generate land receipts to reduce general fund and HRA borrowing, while increasing the potential for supply of affordable housing across the City, to the benefit of the Social Housing function and the City as a whole.



- 7.3.2 Disposal of General Fund sites will progress the Council towards its strategy of capital receipts generation, while encouraging development from external sources, which will benefit residents through greater supply of affordable housing in the future. It should be noted that there is currently a General Fund asset disposal target to raise £500m of capital receipts by the end of 2024. It is acknowledged that any General Fund sites referenced in this paper which are sold will have a direct contribution to this objective.
- 7.3.3 Receipts generated from sale of HRA assets are ringfenced to the HRA and will fall in line with the HRA Business Plan priority of investing in existing Housing stock to meet Decency Standards. Partnership working will ensure the ongoing development of certain sites is in recognition of that Business Plan's secondary priority of replacement of stock lost through Right to Buy.
- 7.3.4 There is a potential conflict where there are General Fund sites for sale where an early capital receipt is required and where affordable housing may not generate the highest land value, therefore for General Fund sites, affordable housing beyond the policy requirement of 35% may not be required, in order to maximise receipt. The General Fund sites will also be sold on an unconditional basis in order to support delivery of capital receipts within the timescale required. Any potential reduced capital receipt for the development of affordable housing will need to be balanced against the benefits of developing for 100% affordable housing and the level of reduced receipt will only be fully known once the sites have received offers.
- 7.3.5 It is Government policy that local authorities should dispose of surplus land wherever possible. Generally, it is expected that land will be sold for the best consideration reasonably obtainable. However, there is recognition that there may be circumstances where an authority considers it appropriate to dispose of land at less than the best consideration that may be available under the circumstances. The consequential costs to the Council of non-delivery of sufficient affordable homes needs to be considered and therefore there needs to be a balance between generating capital receipts and ensuring sufficient delivery of affordable homes. The temporary accommodation budget is significant and the need to reduce the expenditure on the General Fund, along with any other factors that impact the Council's financial consequences needs to be factored in when considering the s123 Best Consideration confirmation. These factors will be considered in the Options Appraisal presented to Cabinet Committee Property for each site.
- 7.3.6 The request for £350,000 capital spend in section 2.5 is directly linked to the generation of capital receipts and is factored into the HRA Business Plan 2024-2054, With the spend being reimbursed from capital receipts before any other allocation of the funds.
- 7.3.7 VAT advice will be sought for each disposal to ensure the most tax efficient method is being used for each disposal transaction.
- 7.3.8 The purchaser will pay a contribution towards the Council's professional costs.

#### **7.3.9 Spend Control**

It is anticipated the £300k spend will be in 2024/25. In advance of spending funds allocated as per this report in 2024/25, the S151 spend approval in place at the time will be sought. £50k of spend for 2023/24 has been sought for approval via Spend Control 7<sup>th</sup> December 2023.

#### **7.4 Procurement Implications**

- 7.4.1 Where there are procurement implications for the development of a site(s), or procurement to support the sale process for this project, this will be conducted compliantly with the Public Contracts Regulations 2015 (PCR2015) or as replaced by the Procurement Act 2023 from October 2024 and the Council's Procurement and Contract Governance Rules.

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

- 7.5.1 None have been identified, internal staff resource is being used to deliver this workstream.

#### **7.6 Public Sector Equality Duty**

- 7.6.1 An Equality Assessment was carried out EQUA 1016 dated 17<sup>th</sup> January 2023 and identifies no adverse impacts on any groups protected under the Equality Act 2010. It is included in Appendix B.

### **8 Appendices**

- 8.1 Appendix A – Site Plans  
8.2 Appendix B - EIA

### **9. Background Documents**

- 9.1 Affordable Housing – Sites for Disposal Report to Cabinet May 2023  
9.2 HRA Business Plan – Cabinet report 16 January 2024 report ref 010770/2023

## Appendix A Site Plans

Please note that these plans show the extent of Council ownership. Where a site does not have detailed planning consent, the developable area may be anywhere within the boundary.

### Beach and Alfred Road, Sparkbrook and Balsall Heath East



Fig. 15 Proposed Site Layout Plan

### Boleyn Road, Frankley Great Park





Burcote Road, Pye Hayes



Lea Hall, Garretts Green



Reabrook Road, Longbridge



ACCOMMODATION SCHEDULE

DWELLING TYPE	GIFA	HEIGHT (STOREYS)	AMOUNT
WAL 2H-WAL-001 2B4P HOUSE	80.8m <sup>2</sup>	2	03
WAL+ 2H-WAL-001 2B4P HOUSE	84.9m <sup>2</sup>	2	01
HAR 3H-HAR-001 3B5P HOUSE	93.8m <sup>2</sup>	2	04
TOTAL			08

- V

 Visitor Parking
- Front Garden
- Air Source Heat Pump Location
- Vehicle Tracking 4.8m length
- Visibility Splays
- Acoustic Fence
- POS
- Existing Underground Electrical Cable, Feeding Network Rail + 5m Easement
- Existing Tree to be removed
- Proposed Tree
- Network Rail Boundary

Note:  
Parking's across this scheme are to adopt Electrical Charging Point, plus Positions to be agreed.



PLANNING

Notes		Revised		Date		By		Project		Drawing		Client	
1. Copyright in this drawing remains the property of BM3 Engineering Limited.		1. Updated to include certain items refer to the current plans and specifications.		17.05.22		BM		Bmht PHASE 2		SITE LAYOUT		Bmht	
2. Do not alter this drawing without the written consent of BM3 Engineering Limited.		2. Updated to include existing tree adjacent Plot 6.		20.04.22		BM		LAND OFF REABROOK ROAD					
3. Construction and completion are to be in accordance with the current plans and specifications.		3. Updated to include existing tree adjacent Plot 6.		20.04.22		BM		LONGBRIDGE, BIRMINGHAM					
4. BM3 Engineering Limited is not responsible for any third party's use of this drawing.		4. Updated to include existing tree adjacent Plot 6.		20.04.22		BM		1:500		22.05.2022		BM3 Engineering Limited	
		5. Updated to include existing tree adjacent Plot 6.		20.04.22		BM		Drawing No.		5422		BM3 Engineering Limited	
		6. Updated to include existing tree adjacent Plot 6.		20.04.22		BM		Drawing No.		5422		BM3 Engineering Limited	
		7. Updated to include existing tree adjacent Plot 6.		20.04.22		BM		Drawing No.		5422		BM3 Engineering Limited	
		8. Updated to include existing tree adjacent Plot 6.		20.04.22		BM		Drawing No.		5422		BM3 Engineering Limited	
		9. Updated to include existing tree adjacent Plot 6.		20.04.22		BM		Drawing No.		5422		BM3 Engineering Limited	
		10. Updated to include existing tree adjacent Plot 6.		20.04.22		BM		Drawing No.		5422		BM3 Engineering Limited	
		11. Updated to include existing tree adjacent Plot 6.		20.04.22		BM		Drawing No.		5422		BM3 Engineering Limited	
		12. Updated to include existing tree adjacent Plot 6.		20.04.22		BM		Drawing No.		5422		BM3 Engineering Limited	
		13. Updated to include existing tree adjacent Plot 6.		20.04.22		BM		Drawing No.		5422		BM3 Engineering Limited	
		14. Updated to include existing tree adjacent Plot 6.		20.04.22		BM		Drawing No.		5422		BM3 Engineering Limited	
		15. Updated to include existing tree adjacent Plot 6.		20.04.22		BM		Drawing No.		5422		BM3 Engineering Limited	
		16. Updated to include existing tree adjacent Plot 6.		20.04.22		BM		Drawing No.		5422		BM3 Engineering Limited	
		17. Updated to include existing tree adjacent Plot 6.		20.04.22		BM		Drawing No.		5422		BM3 Engineering Limited	
		18. Updated to include existing tree adjacent Plot 6.		20.04.22		BM		Drawing No.		5422		BM3 Engineering Limited	
		19. Updated to include existing tree adjacent Plot 6.		20.04.22		BM		Drawing No.		5422		BM3 Engineering Limited	
		20. Updated to include existing tree adjacent Plot 6.		20.04.22		BM		Drawing No.		5422		BM3 Engineering Limited	



Stockfield Road, South Yardley



Fig. 3.5 Proposed site layout

Trescott Road, Allens Cross



Druids Heath Sites, Druids Heath and Monyhull  
Brockworth Road



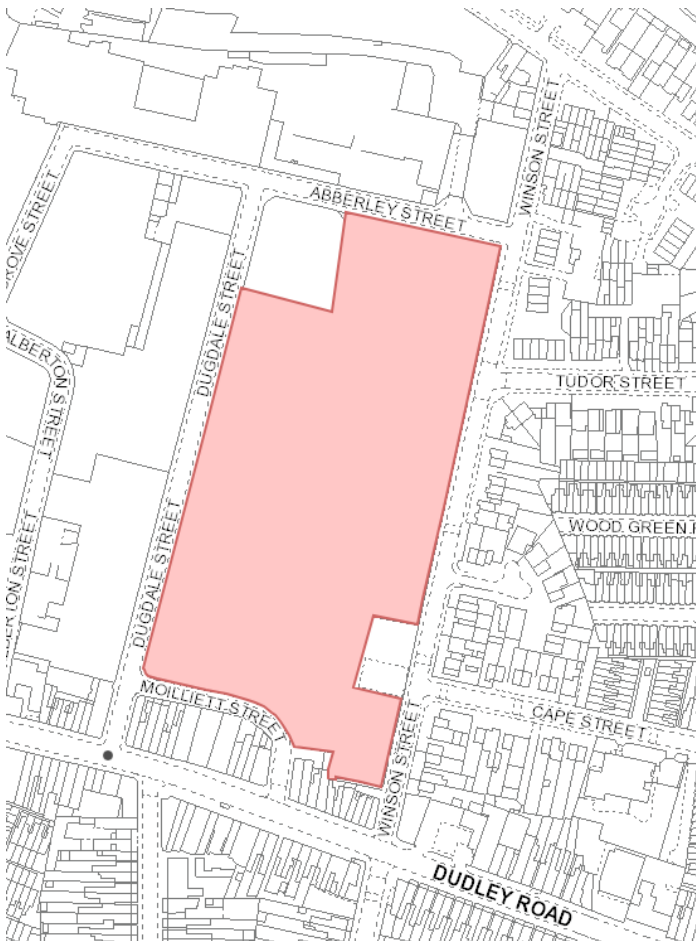


Sherston Covert

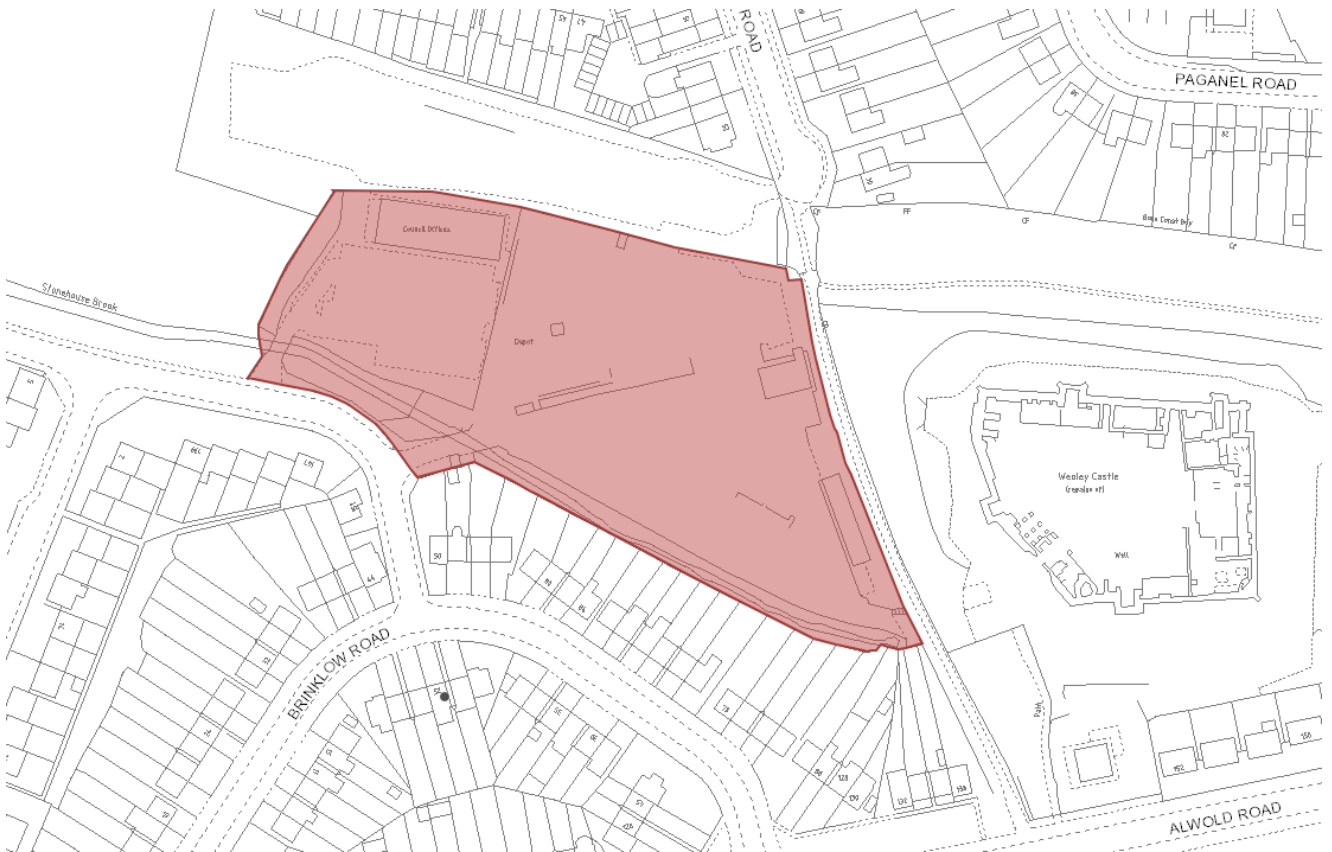


Former Royal British Legion Bells Lane



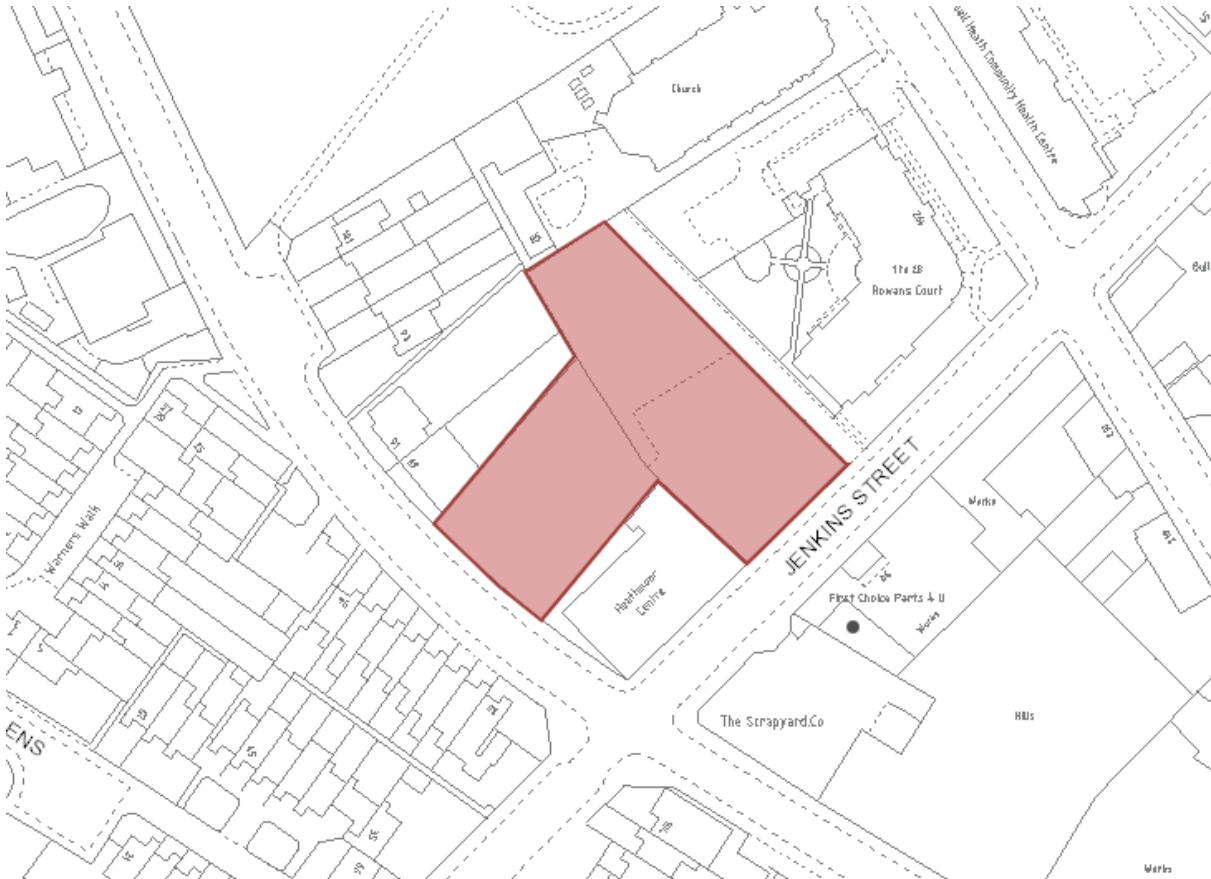


Brinklow Road (Stonebrook Depot), B29 5UY





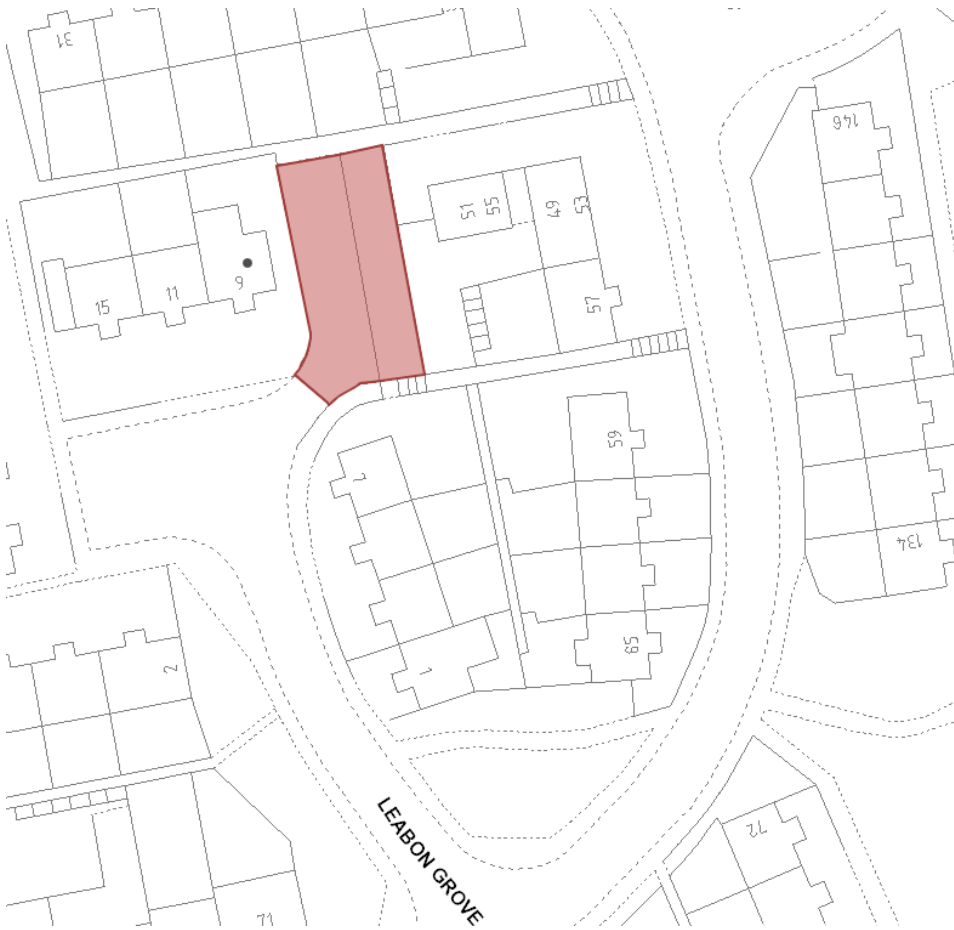
Land at Jenkins Street



Site of former West Heath Library, The Fordrough, West Heath, B31 3LX



Land adjacent to 9 Leabon Grove, Harborne, B17 0LE



Land rear of 127 Mill Lane, Bartley Green, B32 3BB



Former Beaufort School, Coleshill Road



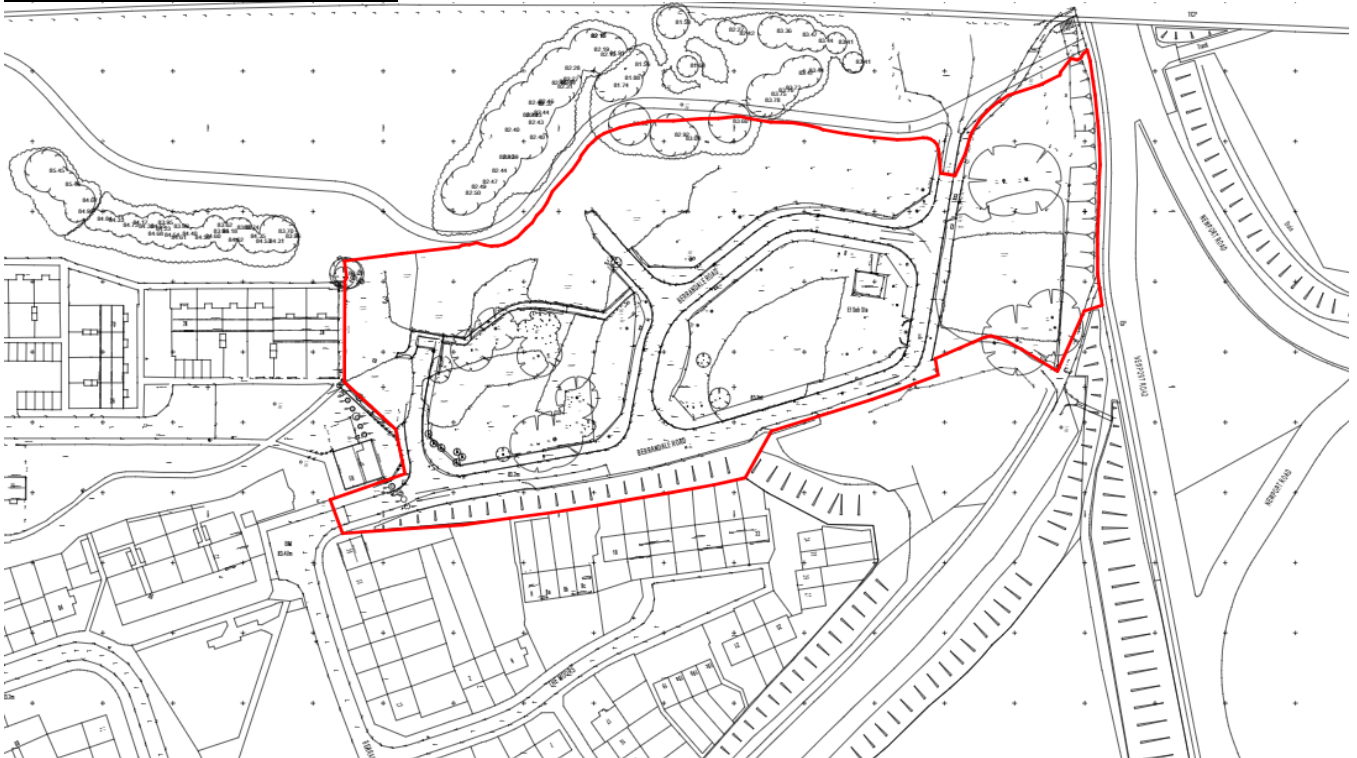
Dawberry Fields, B14 6PG



Bromford Next phases:  
Comet Park



Berrendale Road- Bromford





Hyperion Way- Bromford

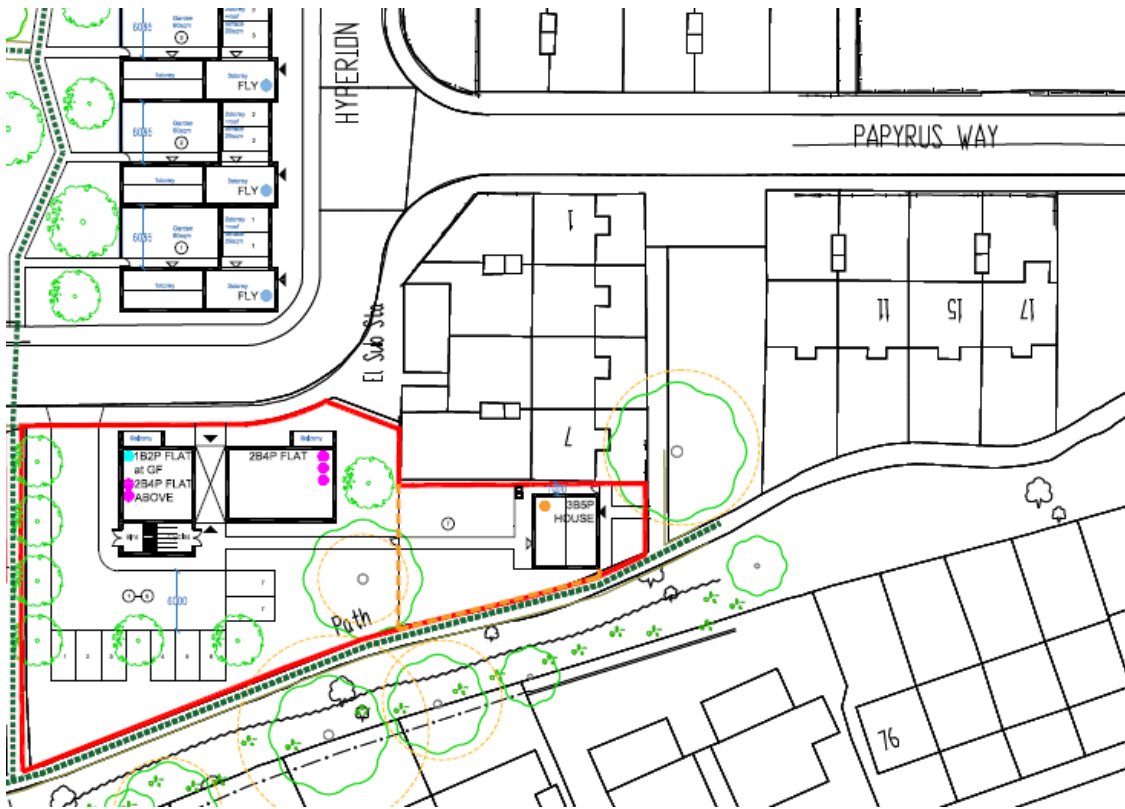


Papyrus Road- Bromford



Riddfield Road





### Hexham Croft (Holbrook Twr)



## Dreghorn Road



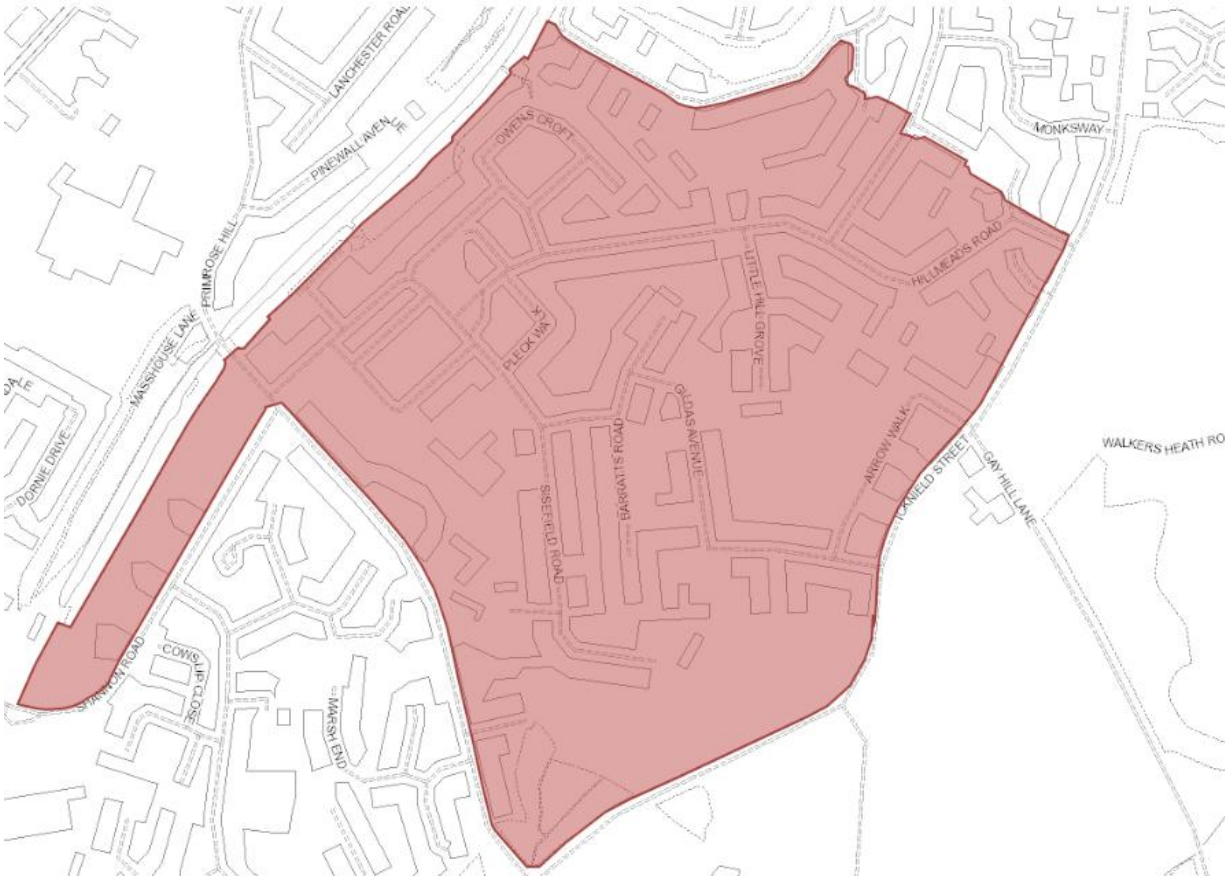
## Cheltenham Drive



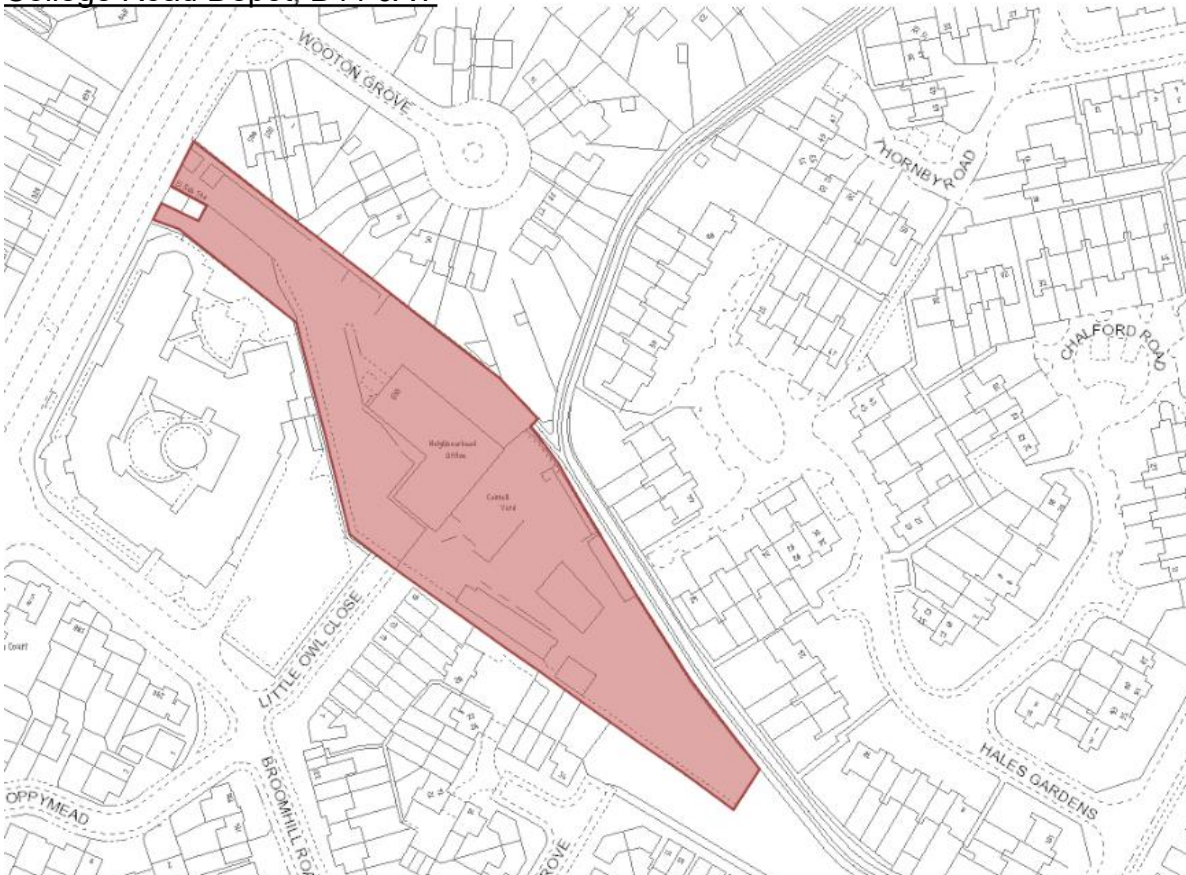


[illegible]

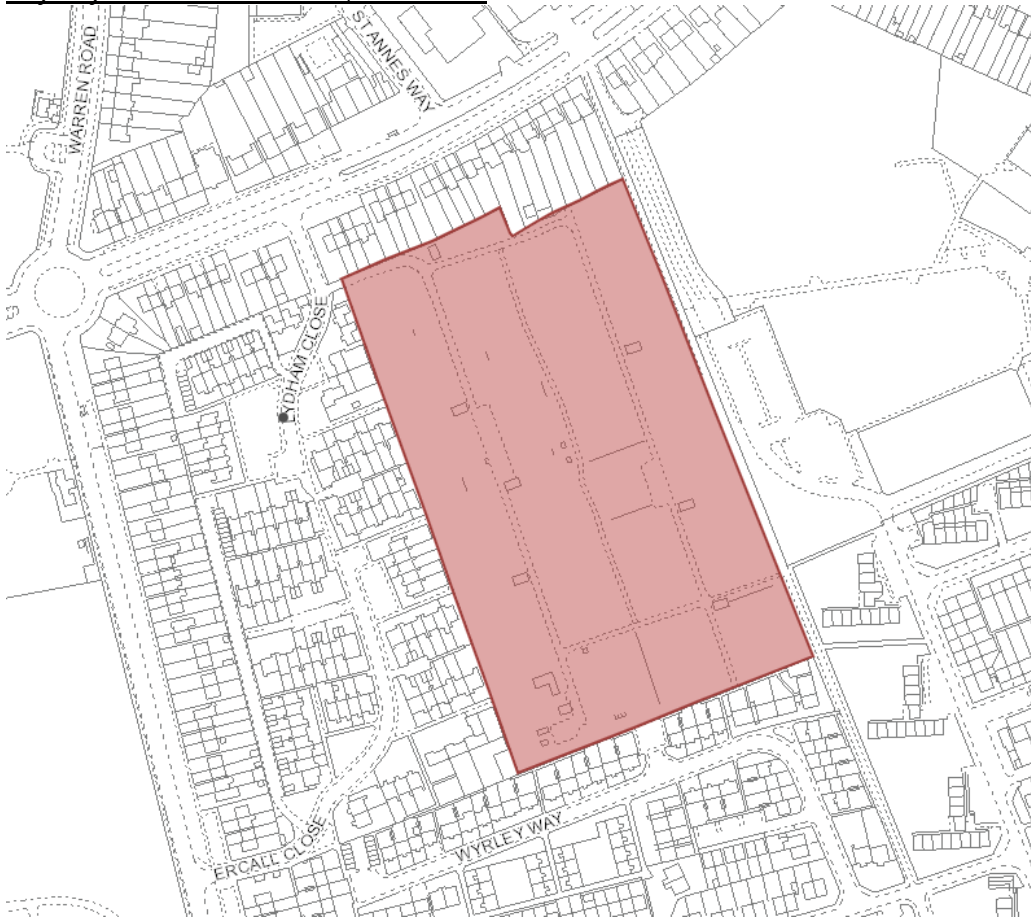
### Pool Farm & Shannon Road



### College Road Depot, B44 0AY



## Wyrley Birch Allotments, B44 0ET



## Appendix B - EIA

Title of proposed EIA	Affordable Housing - Sites for Disposal
Reference No	EQUA1016
EA is in support of	New Function
Review Frequency	Annually
Date of first review	16/11/2023
Directorate	Inclusive Growth
Division	Property Services
Service Area	Property Valuation & Sales
Responsible Officer(s)	<a href="#">Felicia Saunders</a>
Quality Control Officer(s)	<a href="#">Eden Ottley</a>
Accountable Officer(s)	<a href="#">Eden Ottley</a>



Purpose of proposal	To seek to establish the principle for the sale of the Council's freehold or long leasehold (250 years) interest in identified surplus land to Registered Housing Providers and/or Developer Partners
Data sources	Consultation Results; relevant reports/strategies; relevant research
Please include any other sources of data	
ASSESS THE IMPACT AGAINST THE PROTECTED CHARACTERISTICS	
Protected characteristic: Age	Service Users / Stakeholders; Employees; Wider Community
Age details:	<p>The sales will not have a negative impact on the grounds of age due to the fact any sale will have to be to an individual of an adult age.</p> <p>With regard to the sale of assets the officers engaged will be qualified chartered surveyors and of an age where there are no negative impacts.</p>
Protected characteristic: Disability	Service Users / Stakeholders; Employees; Wider Community
Disability details:	<p>The sales will not have a negative impact on the grounds of disability. However, subject to future use the purchaser/new owner would be responsible for any access to work obligations.</p> <p>With regard to the sale of assets any officers with a known disability will be supported to ensure all appropriate actions are taken to enable them to undertake their duties safely and securely.</p>
Protected characteristic: Sex	Service Users / Stakeholders; Employees; Wider Community
Gender details:	<p>The sales will not be conducted on the basis of gender and will be via the open market tender. Therefore, there are no negative impacts in relation to this protected characteristic.</p> <p>The sale of assets will be undertaken by the most appropriate officers based on experience,</p>

capacity and time, not the gender of available officers.

Protected characteristics: Gender Reassignment

Service Users / Stakeholders; Employees; Wider Community

Gender reassignment details:

The sales will not be conducted on the basis of gender reassignment and will be via open market tender. Therefore, there are no negative impacts in relation to this protected characteristic

The sale of assets will be undertaken by the most appropriate officers based on experience, capacity and time, not the gender reassignment of available officers.

Protected characteristics: Marriage and Civil Partnership

Service Users/ Stakeholders; Employees; Wider Community

Marriage and civil partnership details:

There are no known conditions for which these assets will be disposed of in the context of marital status. The sales will be by open market tender. Therefore there are no negative impacts or implications for this characteristic.

The marital status of officers involved in the sale of assets will not be a criteria consideration. Sales will be undertaken by the most appropriate officers based on experience, capacity and time.

Protected characteristics: Pregnancy and Maternity

Service Users / Stakeholders; Employees; Wider Community

Pregnancy and maternity details:

There are no criteria which exclude pregnant individuals. The sales will be by open market tender. By implication there will be no negative impact on the grounds pregnancy or purchasers and/ or officers involved in the sale of assets.

Protected characteristics: Race

Service Users / Stakeholders; Employees; Wider Community

Race details:

The sales will be by open market tender and will not be conducted on the basis of race. Therefore,

there are no negative impacts in relation to this protected characteristic.

The sale of assets will be undertaken by the most appropriate officers based on experience, capacity and time, not the race of available officers.

All assets will be available to members of the community based on the criteria associated to respective assets.

#### Protected characteristics: Religion or Beliefs

Service Users / Stakeholders; Employees; Wider Community

#### Religion or beliefs details:

The sales will be by open market tender and will not be conducted on the basis of religion. Therefore, there are no negative impacts in relation to this protected characteristic.

The sale of assets will be undertaken by the most appropriate officers based on experience, capacity and time, not their religion of available officers.

All assets will be available to members of the community based on the criteria associated to respective assets.

#### Protected characteristics: Sexual Orientation

Service Users / Stakeholders; Employees; Wider Community

#### Sexual orientation details:

The sales will be by open market tender and will not be conducted on the basis of sexual orientation.

Therefore, there are no negative impacts in relation to this protected characteristic.

The sexual orientation status of officers involved in the sale of assets will not be a criteria consideration. Sales will be undertaken by the most appropriate officers based on experience, capacity and time.

#### Socio-economic impacts

Please indicate any actions arising from completing this screening exercise.



Please indicate whether a full impact assessment is recommended	NO
What data has been collected to facilitate the assessment of this policy/proposal?	
Consultation analysis	
Adverse impact on any people with protected characteristics.	
Could the policy/proposal be modified to reduce or eliminate any adverse impact?	
How will the effect(s) of this policy/proposal on equality be monitored?	
What data is required in the future?	
Are there any adverse impacts on any particular group(s)	No
If yes, please explain your reasons for going ahead.	
Initial equality impact assessment of your proposal	<p>The delivery of affordable homes on the identified sites, will assist the city in meeting its housing target (as detailed in BDP Policy PG1) of 51,100 additional homes, including approximately 19,400 affordable dwellings over the BDP period (2011 to 2031).</p> <p>To seek to establish the principle for the sale of the Council's freehold or long leasehold (250 years) interest in identified surplus land, Registered Housing Providers and / or Developer Partners to deliver affordable housing.</p> <p>To facilitate the sale of the identified assets officers have undertaken their due diligence in addressing the 9 protected characteristics, in the context of selling the known sites and found at this stage of the sale process there are no negative impacts which will adversely affect a sale.</p>
Consulted People or Groups	
Informed People or Groups	
Summary and evidence of findings from your EIA	<p>The Leader of the Council and the Cabinet Member for Housing and Homelessness have been consulted and are supportive of the recommendations of this report.</p> <p>Relevant officers from Investment &amp; Valuations, Housing Delivery, Finance and Legal Services have been consulted in respect of the</p>

preparation and are supportive of the recommendations of this report.

All relevant Ward Members have been consulted and their comments recorded. The Property Investment Board comprising officers from Property Services, Finance and Legal recommends proceeding with the transaction.

The proposed land sales programme will generate capital receipts to support the Financial Plan 2021-2025 by generating resources and thus helping to achieve a balanced budget.

The sites listed have been identified as assets the City Council should consider disposing to promote investment and growth.

To facilitate the sale of the identified assets officers have undertaken their due diligence in addressing the 9 protected characteristics, in the context of selling the known sites and found at this stage of the sale process there are no negative impacts which will adversely affect a sale.

Having reviewed all protected characteristics, it has been determined there are no issues which impact negatively on any members of the community and therefore a full equality assessment is not required.

#### QUALITY CONTROL SECTION

Submit to the Quality Control Officer for reviewing?	Yes
Quality Control Officer comments	
Decision by Quality Control Officer	Proceed for final approval
Submit draft to Accountable Officer?	Yes
Decision by Accountable Officer	Approve
Date approved / rejected by the Accountable Officer	17/01/2023





# Birmingham City Council

## Report to Cabinet

16 January 2024



**Subject:** City Housing Compensation Policy

**Report of:** Paul Langford, Strategic Director City Housing

**Relevant Cabinet Member:** Cllr Jayne Francis, Cabinet Member for Housing & Homelessness

**Relevant O & S Chair(s):** Cllr Mohammed Idrees – Chair of Homes Overview and Scrutiny Committee

**Report author:** Grant Kennelly, Senior Housing Strategy & Modernisation Manager  
[grant.kennelly@birmingham.gov.uk](mailto:grant.kennelly@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 checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 012053/2024		
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 type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential :		

### 1 Executive Summary

- 1.1 The City Housing Directorate seeks to implement a Compensation Policy, setting out the types of compensation that will be considered in housing related matters, the circumstances in which compensation will be paid and the ways in which compensation will be administered. The policy applies both in relation to Housing Ombudsman and Local Government and Social Care Ombudsman cases.
- 1.2 The Compensation Policy has been developed in response to the Housing Ombudsman's Paragraph 49 Report published in January 2023. In this report, the Housing Ombudsman was critical of the Council's approach to repairs handling,

record keeping and complaint handling. The Housing Ombudsman have specifically requested that a robust Compensation Policy is developed to ensure financial redress is available for residents at the appropriate time. This view was also echoed by the Regulator of Social Housing who issued a breach notice to the Council in May 2023, specifically relating to a breach in Tenant Involvement & Empowerment, as a result of poor complaints handling.

- 1.3 In response to the Housing Ombudsman's recommendations, the Directorate have mobilised a dedicated team who will manage discretionary compensation payments and will ensure recommendations made by either the Housing Ombudsman or Local Government & Social Care Ombudsman are effectively implemented.
- 1.4 This team now deals centrally with incoming Ombudsman complaints, to ensure that the Council's approach to handling and resolving complaints is consistent and in accordance with the relevant Complaints Handling Codes and the Council's internal procedures, and that there is a robust and effective mechanism for closing the loop on feedback received from the Ombudsman with the relevant services, to drive continued regulatory compliance improvements.
- 1.5 It is proposed that the Compensation Policy applies specifically to complaints about housing- this could include repairs, landlord management functions, temporary accommodation, allocations, and homelessness. The policy will be referenced within the Corporate Complaints Policy and advertised appropriately. The Housing Ombudsman specifically has a set of explicit requirements in relation to financial redress, which would not be appropriate for other Council services. It is anticipated that in the future, a corporate policy will be developed to cover all Directorates, but this is expected to be a complex process and will not happen quickly enough to meet the recommendations of the Housing Ombudsman's special report.
- 1.6 It is proposed that this policy will operate alongside the Council's existing policies for disrepair litigation or claims via the City Insurer, which will continue to be handled separately, taking into consideration the complex legal processes that are required. This policy relates specifically to compensation for distress and inconvenience, providing re-assurance to Cabinet that tenants are not being compensated more than once for the same issue where, for example, a payment has been made due to loss of facilities where the tenant then submits a complaint for the same issue.
- 1.7 The Housing Ombudsman specifically criticised the Directorate for its record keeping and failure to intervene quickly when things go wrong for residents. The Compensation Policy will be administered by one team who understand the regulatory landscape and have significant experience managing complaints handling. This removes the risk of fragility in existing systems and carves out an opportunity for operational service and contractors to truly learn from their mistakes and make vital improvements.
- 1.8 It should be noted, where a contractor is found to be at fault or partially responsible for compensation being paid, the Council will seek for the contractor to accept liability and contribute part, or all, of compensation awarded. By making payments

centrally, this process will however allow for speeding up of the existing process to the benefit of customers and for financial reconciliation to occur post hoc, rather than payments being delayed as at present whilst ultimate liability is debated.

## **2 Recommendations**

- 2.1 That Cabinet will endorse the implementation of the Compensation Policy (Appendix 3).

## **3 Background**

- 3.1 In January 2023, following a deep dive audit between May 2022-September 2022, the Housing Ombudsman published a special report into the Council's complaints handling and repairs service performance. This prompted a period of intensive formal monitoring, which was concluded in April 2023 when the Housing Ombudsman agreed to 'sign off' the Council's recovery plan to address the key issues raised. The Housing Ombudsman are intending to return in January 2024 to ensure that all recommendations are being progressed or embedded. The proposed policy being brought to Cabinet, is one of the subsequent actions in the Council's recovery plan.
- 3.2 The Council receives more than 7000 of housing-related complaints every year. These are dealt with in line with the Corporate Complaints Policy at either Stage 1 or Stage 2. Due to high volumes of cases, and recruitment issues within the corporate complaints team, the Directorate is experiencing delays in responding to complaints within the stated service level agreement timescales. Whilst actions have been put in place to improve performance within the corporate complaints team, recruit appropriate resources and reduce backlogs, performance against SLAs at Stage 1 and 2 remain relatively static throughout the summer period. Around 120 cases are opened by the Housing Ombudsman each year although only around half of these result in a determination being issued.
- 3.3 Historically, compensation payments have been made by the service area found at fault; where more than one area of fault is identified this has resulted in delays in payments being made and confusion over responsibility for payments, meaning that the Council then fails to meet the Ombudsman's ordered timescales for issuing compensation. This has an obvious reputational risk but also causes additional distress and inconvenience to the resident. In usual circumstances, compensation payments have only been made when ordered by the Ombudsman, this means there is limited opportunity to prevent Ombudsman activity or provide financial redress when things go wrong, rather than after the fact.
- 3.4 Whilst there is provision within the current complaints handling processes allow scope for compensation to be offered as part of the resolution process, either to reflect a service failure or failure/delay with the handling of the complaint, there is not a consistent application of this discretion. An audit of Ombudsman determinations from 2022-23 where maladministration was found highlighted that in many cases the Ombudsman was critical of the Council for not considering/offering

compensation at an earlier stage in many complaints, with resultant negative determinations and compensation orders made. Had compensation been offered in these cases at the time of the complaint, it is probable that whilst the Ombudsman may have still found fault with the issues behind the complaint, they would have been satisfied that the Council had complied with the Complaints Handling Code and offered equivalent compensation in a timely manner.

3.5 The findings of the Paragraph 49 report confirmed that the Ombudsman considered that the Council's current approach to handling complaints was not in line with the Complaints Handling Code, and that many residents were experiencing additional undue distress as their complaints were not handled in an appropriate manner. The Ombudsman is both aware and supportive of the steps that the Council has taken to centralise the Ombudsman and compensation activity within one team to drive improvements and achieve regulatory compliance.

3.6 As is standard process, the Housing Ombudsman referred the Council to the Regulator of Social Housing once the Paragraph 49 report was published. The subsequent Regulatory Notice, issued on 24 May 2023, found the Council to be in breach of the Tenant Involvement and Empowerment Standard, particularly in relation to complaints handling.

"Regarding Complaints handling, the Housing Ombudsman's Special report identified fundamental flaws in this service, including poor record keeping, poor communication and a failure to learn from complaints. Through our investigation we also identified that more than 1,000 complaints (around 60% of open complaints) were overdue. In relation to Birmingham CC's engagement with tenants, external reviews carried out in 2021 and 2022 found there was a lack of proactive, frequent, and effective communication with tenants. The reviews also found that tenants' needs were not understood, and they did not feel valued. The Regulator also considered the case as a potential breach of parts 1.1.1 and 1.3.1 of the Tenant Involvement and Empowerment Standard and has concluded that Birmingham CC has failed to treat tenants with fairness and respect, and in particular, has failed to provide an effective process for tenants to raise complaints."

3.7 The Regulator of Social Housing are aware of the proposed Compensation Policy and endorse all findings and recommendations of the Housing Ombudsman in relation to the Paragraph 49 report. This further supplements the need to ensure all actions are satisfactorily completed by the January 2024 deadline, and this includes the proposed Compensation Policy.

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

4.1 The options around compensation are as follows:

- i. Continue with the current model (do nothing);
- ii. Endorse the proposed Compensation Policy.

4.2 If Option 1 is preferred, it is apparent from both the Housing Ombudsman's Paragraph 49 report and the subsequent Regulatory Notice that the Council will



continue to be in breach of its responsibilities under the existing Consumer Regulations. Continued failure to comply with the Ombudsman's Complaint Handling Code, Guidance on Remedies and best practice is likely to result in further negative findings by the Ombudsman (with the associated reputational and financial implications) and a further finding of breach of the consumer standards when considering the high probability of an inspection by the Regulator of Social Housing in early 2024.

- 4.3 If Option 2 is preferred, it is anticipated that the Compensation Policy, and subsequent intervention into complaints at an earlier stage, will lead to a reduction in negative Ombudsman determinations, greater customer satisfaction and significant evidence of compliance with the Regulator of Social Housing's Consumer Standards when the Council is inspected.
- 4.4 It is therefore recommended that Cabinet endorse the recommendation to implement the Compensation Policy as drafted.

## **5 Consultation**

- 5.1 The draft Compensation Policy has been shared with the Housing Ombudsman for comment and approval that it meets the requirements of both the Complaint Handling Code and the guidance on remedies.
- 5.2 The draft Compensation Policy has been shared with City Housing's Finance Partner for approval. The implementation of this policy will not result in a greater financial commitment than the current budget; it is not anticipated that the allocated budget for compensation will be breached – only that responsibility for agreeing awards from this budget will be centralised within one team rather than directorate-wide.
- 5.3 All drafts of the Compensation Policy have been shared with Legal Services for comment and approval.
- 5.4 City Housing Liaison Board and the subsequent Local Housing Liaison Boards have been consulted throughout the development of this policy. In addition, the Council have consulted with groups like Birmingham Fair Housing Campaign and the Poverty Truth Experience on their experiences of housing. We also undertook several focus groups whilst developing and drafting the Asset Management Strategy. Their feedback has informed the development of this policy.
- 5.5 Feedback from recent tenant satisfaction surveys and complaints data has informed the content of this policy. This has been a deliberate decision in an attempt to learn from complaints and understand the root cause of dissatisfaction across the service.

## **6 Risk Management**

- 6.1 There are some risks associated with this policy.
- 6.2 The most apparent risk is that an increase in the ability to offer compensation at an early stage will result in greater expenditure on compensation from the allocated

budget. The service already has a flexible budget to respond to compensation requests and it is highly unlikely that compensation will become unaffordable based on historic payments. It is anticipated that this risk will be mitigated by early compensation payments resulting in fewer complaints to the Ombudsman and, in the event that tenants pursue a case with the Ombudsman, reduced compensation orders where the Council has proactively awarded compensation in line with that which the Ombudsman would have awarded.

- 6.3 There is a risk that making more timely compensation payments in resolution of a complaint may incentivise some tenants to submit repeated/multiple complaints or to encourage other tenants to do so in the knowledge that the Council is seeking to resolve complaints by making payments.
- 6.4 This will be mitigated by ensuring that compensation is only offered where there is evidence of a service failure or quantifiable loss where compensation is justified and in line with the Ombudsman's guidance, and robust and regular monitoring of payments made to identify trends and, where possible, seeking to implement service improvements to resolve the issues resulting in compensation being paid in order to stem any repeat claims for similar reasons.

## **7 Compliance Issues:**

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

- 7.1.1 This policy aligns with the Council's Corporate Plan 2022-26, in particular in relation to A Bold Inclusive Birmingham. Tenant Satisfaction Measures and interventions from the Ombudsman and the Regulator of Social Housing have confirmed that residents feel distant from the Council as a landlord and that the Council does not treat residents' complaints fairly or in a timely manner. The implementation of this policy will enable the Council to demonstrate to residents that complaints are treated with appropriate seriousness and in accordance with the Council's obligations to the relevant statutory bodies.
- 7.1.2 This policy also aligns to the ambition to provide a Bold Safe Birmingham; by providing an effective mechanism for responding to and resolving complaints to the satisfaction of all parties, residents will feel more invested as tenants and have a greater sense of engagement with their community. This may also contribute to a reduction in homelessness as tenants feel supported to remain in their accommodation and that the Council makes realistic efforts to resolve issues, rather than tenants feeling the need to seek rehousing in order to escape issues that the Council has not satisfactorily resolved.

### **7.2 Legal Implications**

- 7.2.1 This policy relates only to discretionary compensation and will have no impact on other areas of tenant redress (for example Disrepair and Litigation/Personal Injury claims) where compensation may be offered/awarded as part of a resolution process.

### **7.3 Financial Implications**

- 7.3.1 Compensation payments are funded from each service's front line budgets. This policy does not directly create any additional commitment beyond the currently budgeted amounts, but where there is any overspend it will be further funded from within the relevant service's budget. Historically this spend is around £1m per annum, and managers work to this level of expenditure being required from their budgets, but since the figure is variable this is monitored and reported monthly at DMT to ensure that no pressure is created on the Council beyond the overall allocated cash envelope.

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

- 7.4.1 There are no perceived Procurement Implications; the Head of Category (Place) has reviewed the policy and raised no concerns.

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

- 7.5.1 The HR People partner has reviewed and approved the policy and has raised no concerns. It has been reiterated that the policy needs to be supported by clear procedures that underpin the implementation of compensation awards and clearly set out the process for assessing and making compensatory payments as this has previously not been the case. Draft procedures have been produced and are currently under review.

### **7.6 Public Sector Equality Duty**

- 7.6.1 The Equality Impact Assessment is attached (Appendix 4).

## **8 Background Documents**

- 8.1 Housing Ombudsman Paragraph 49 Report  
8.2 Birmingham City Council, Regulatory Notice

### **List of appendices accompanying this report:**

- Appendix 1 – Housing Ombudsman Paragraph 49 Report  
Appendix 2 – Regulator of Social Housing Breach Notice  
Appendix 3 – City Housing Compensation Policy  
Appendix 4 – Equality Impact Assessment  
Appendix 5 – Environment Sustainability Assessment



# Housing

Ombudsman Service

## **Housing Ombudsman Special Report on Birmingham City Council**

**Published January 2023**

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# Introduction

The Housing Ombudsman makes the final decision on disputes between residents and member landlords. Our decisions are independent, impartial and fair. We also support effective landlord-tenant dispute resolution by others, including landlords themselves, and promote positive change in the housing sector.

This special report follows an investigation carried out under paragraph 49 of the Housing Ombudsman Scheme<sup>1</sup>, which allows the Ombudsman to conduct further investigation into whether there is a systemic failure:

*‘The Ombudsman may conduct further investigation beyond the initial complaint or landlord to establish whether any presenting evidence of service failure is indicative of a systemic failing. Where this is the case it will be referred to the appropriate regulatory body.’*

Factors that may be indicative of a wider service failure may include, but are not limited to the following:

- a policy weakness
- repeated service failure
- service failures across multiple service areas, and
- lack of oversight and governance to identify and act on repeated issues.

The Ombudsman’s wider investigation was prompted by the landlord’s response to an individual complaint (202109631) which identified concerns with the landlord’s complaint handling and its approach to compensation.

This report provides insight to help the landlord strengthen its complaint handling and address the substantive issues giving rise to complaints, to help extend fairness to other residents and prevent complaints in future. Our findings are limited to the individual investigations considered and do not seek to be a comprehensive assessment of the entirety of the landlord’s performance.

We also publish the report to help other landlords identify potential learning to improve their own services. This is part of our wider work to monitor landlord performance and promote learning from complaints.

## Scope and methodology

We monitored complaints made to Birmingham City Council that were brought to the Ombudsman for investigation over a six-month period from 15 March 2022. The cases represent all of the relevant cases allocated during this period, and not a selection of them. We assessed the findings from our investigations of these cases and whether or not they highlighted any systemic issues that went beyond the circumstances of those individual cases.

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<sup>1</sup> Para. 49 of ‘*The Housing Ombudsman Scheme*’, October 2022. This replaced para. 50 of the September 2020 version of the Scheme.

# Investigation Findings

We identified 14 cases that fell within the scope of this investigation during the six-month monitoring period. All of these complaints concerned the landlord's handling of repairs and the subsequent complaint and compensation process.

The Ombudsman's findings from the 14 investigations are set out in the table below.

The Ombudsman made 25 findings across these cases and found maladministration in 24 of them, including five findings of severe maladministration. Overall, this represents a maladministration rate of 96%.

Findings <sup>2</sup>	Severe maladministration	Maladministration	Service failure	No maladministration
<b>202109631</b>	• Repair handling	• Complaint Handling		
<a href="#"><u>202107243</u></a>		• Complaint Handling • Repairs (leak)		
<a href="#"><u>202011501</u></a>		• Complaint Handling • Repairs kitchen*		
<b>202011666</b>		• Complaint Handling • Repairs (flood)		
<a href="#"><u>202103060</u></a>		• Complaint Handling		
<a href="#"><u>202108749</u></a>		• Complaint Handling		
<b>202012972</b>		• Complaint Handling • Repairs (roof)		

<sup>2</sup> Reference numbers are hyperlinked to the published decision, where published. In some cases we may decide not to publish a decision if it is not in the resident's or landlord's interest or the resident's anonymity may be compromised. Full details of what and when we publish are set out in our [publication policy](#).



<a href="#"><u>202109066</u></a>		• Complaint Handling		
<a href="#"><u>202011026</u></a>		• Repairs (leak)	• Complaint Handling	
<a href="#"><u>202106713</u></a>			• Repairs (infestation)	
<a href="#"><u>202011461</u></a>		• Repairs		
<a href="#"><u>202107400</u></a>			• Complaint Handling	• Repairs (leak)
<a href="#"><u>202101431</u></a>	• Complaint Handling • Repair handling	• Record keeping		
<b>202106521</b>	• Damp and mould • Compensation handling	• Complaint Handling		

# Themes Identified

When deciding if a failing is systemic, we look at whether the impact of maladministration and service failure is limited to a single area or cuts across different services and resident experiences. The themes identified below cover every aspect of residents' interaction with the landlord. From reporting an issue, raising a complaint about the repair, seeking remedy for the impact of what went wrong to the governance the landlord has in place to learn from the complaint. At every point in this process residents are met with increasing challenge to get the landlord to put things right, while the lack of adequate policies, procedures and governance combined with limited learning from these issues means the landlord repeats the same mistakes.

## Repairs

Repair requests and complaints about repairs make up the majority of resident contact with landlords. How a landlord responds to these will go a long way to setting its relationship with residents. For many residents it will be their only contact with the landlord and represents an opportunity for the landlord to be proactive, addressing problems early.

The landlord is responsible for maintaining its housing stock. The landlord's repairs service standards confirm that urgent repairs should be dealt with between one and seven working days, and routine repairs should be dealt with within 30 working days. The landlord responds to repairs through third party repairs contractors but remains responsible for the timeliness and quality of repairs.

Our review of the 14 cases found the aims of the landlord's repairs policy were not met in practice, 90% of our findings on repairs were upheld with nine findings of maladministration (including two findings of severe maladministration). Residents had to make multiple attempts to get repairs resolved, often over a prolonged period of time. While the landlord's policy sets out timescales depending on the severity of the issue, in practice these timescales were meaningless. From the 14 cases it is not clear how the landlord assigned categories of repair and considered resident vulnerability. Once the landlord began a repair there was also little checking of progress and resolution, leading to poor communication with the landlord believing repairs were resolved despite reports and evidence to the contrary. Repairs were often met with delay, and minor repairs were de-prioritised.

In two of the three findings where the repair required relates to a leak, it should have been treated as an emergency under the policy but the response did not follow that procedure.

This led to a collapse in trust between residents and the landlord. Some residents faced living for years in homes that required repair, making repeated attempts to get the landlord and its contractors to act decisively. In one case the resident made repeated disrepair claims for over 10 years.

### **Case Study – Repairs (202109631)**

Miss M is a single mother to a young child, she began to complain to Birmingham City Council as the freeholder and landlord of her property in early February 2021. The landlord was responsible for repairs to the external part of the building which Miss M paid a service fee for. She complained following a leak outside her property.

The landlord raised various repair orders both routine and urgent but failed to complete the work needed to fix what it suspected was a burst underground pipe and blocked drain. It raised a further repair job at the end of April 2021 but the landlord's contractors did not complete the repairs and they were instead completed by Miss M's water supplier at a cost to her in June 2021.

Miss M had made the landlord aware of the impact the situation was having on her and her child, she reported over 25 litres of water being wasted every hour. She also reported having to walk through water to access her house every day not knowing if it contained raw sewage with a terrible smell starting inside her property. Most concerning was her report of damp and mould appearing inside the property and her child developing coughs and respiratory issues.

Miss M raised a formal complaint with the landlord in April 2021 which was escalated through its complaint's process. Miss M was assured at Stage 1 of the complaints process that the leak would be repaired. She was dissatisfied with the length of time it had taken the landlord to address the leak, the internal damage to her property, health impacts to her family and costs she had incurred. In its Stage 2 response the landlord responded to acknowledged it had failed to repair the leak despite attending on several occasions but advised Miss M she would need to claim for any internal damage to her property via her insurers.

Miss M raised a liability claim to the landlord who did agree to pay for the costs of the work carried out by her water supplier. The landlord offered an apology for the delay in repairing the leak but did not offer any compensation.

Our findings showed severe maladministration by the landlord taking into account the extent of the water leak and how long it was ongoing, the impact this was potentially having on the building and living conditions of the property. We found that they were incorrect not to offer compensation due to the time and trouble Miss M had invested in fixing the issue. We also found that as the leak had caused damage to the structure of the property, any cost for fixing the damage would fall under the landlords building insurance policy. Any internal damage that Miss M had to pay for or anything she had to pay towards her insurers excess should have been covered by the landlord due to the delay in the leak being fixed.

We ordered the landlord to pay Miss M £800 compensation for the distress and inconvenience of its handling of the repair and the handling of the complaint. In addition we ordered it to arrange for the internal damage to be repaired and to carry out a review of its handling of Miss M's repair and formal complaint to see what it can learn to prevent this being repeated.

## Record keeping

Good record keeping provides landlords with firm foundations. With good record keeping comes certainty over who has done what, and when. If a resident complains a landlord can be certain in its actions and response. Without good record keeping a landlord cannot identify where things are going wrong and act quickly. It cannot identify themes and trends, and it cannot evidence its actions.

As a local authority, the landlord is also bound by the Freedom of Information Act 2000. This provides the public with access to information held by public authorities, ensuring local authority landlords are more open with residents.

Throughout the monitoring period the landlord's response to repair requests and complaints showed the impact of poor record keeping. The landlord has no framework in place for the record keeping it expects of its staff and contractors. This is a significant weakness in the landlord's approach and the cause of repeated service failure.

There are poor records of repairs and their progress meaning the landlord has limited information about what needs doing and then whether it has been done. This leads to delays in responding to repairs and then poor diagnosis of the issue meaning it is difficult for the landlord to address issues correctly the first time. The landlord's contractors often keep poor records of appointments or attend without an appointment giving residents little chance of being home to discuss the issue.

In one case a resident made repeated repair requests for over four years. The landlord told a resident its contractor had carried out repairs to the resident's satisfaction, despite the resident complaining about the delay in repairs and all evidence showing the repairs remained incomplete. The repairs remained incomplete by the time the resident came to the Ombudsman.

The landlord's inadequate record keeping inevitably leads to delays and incomplete responses to service requests, forcing residents to complain. The impact is then compounded as the lack of information makes any substantive complaint response difficult.

### **Case Study – Record Keeping (202109066)**

Miss T is a leaseholder of a top floor flat with Birmingham City Council being the freeholder and landlord and therefore responsible for any repairs to the structure of the building.

In December 2020 the roof was damaged and water began to leak into Miss T's property causing damage internally, with damp and mould occurring as a result.

The landlord had not repaired the roof or made further contact with Miss T who then made a complaint in February 2021. The landlord responded to the complaint advising it would begin the work in March 2021.

However, Miss T notes that between December 2020 and February 2021 she had made approximately 20 telephone calls to the landlord. Noting that every time she called about the repair she had to explain herself and the situation to each person she spoke to. The landlord acknowledged within its internal notes that their system had changed and as a result was not keeping a record of her calls or requests.

As of May 2021 the work had not been carried out and Miss T contacted the landlord again to question the delay and progress the complaint. Due to the lack of records being kept, the landlord failed to class the repair as an emergency and had not provided necessary information to Miss T about a shed blocking its roof access, which further delayed the repair.

The lack of thorough record keeping and communication had led to a ten month delay in repairing the roof. It was unclear why there had been an initial delay carrying out the repair between December 2020 and February 2021 and why there was a delay informing Miss T about the need to remove a shed between February 2021 and May 2021. Due to the lack of records provided to explain these delays it would appear the landlord was not proactive, taking until August 2021 to remove the shed and begin work. By this time damage had occurred inside Miss T's property which the landlord was ordered to put right, including treating any damp and mould.

The Housing Ombudsman found the landlord's handling of the records were not as expected and recommended they carry out a review of their record keeping practices for repairs. Ensuring that detailed and accurate records are kept of any repair requests and appointments and that this information can be accessed by all staff.

The landlord were also ordered to provide a payment of £500 to recognise its poor complaint handling and the inconvenience due to poor communication.

## Complaint handling

When a repair has not been resolved, and poor records kept over what has been done, this leads to complaints. Our Complaint Handling Code, launched in 2020, and revised in 2022, sets out good practice that allows landlords to respond to complaints effectively and fairly, supporting a positive complaint handling culture. Landlords are expected to self-assess their performance annually against the Code so it can identify any failings and act on them.

The landlord's complaints policy that was in effect during the monitoring period fails to comply with many of the requirements of the Code, meaning there is little chance of individual complaints being handled appropriately. The policy has a "pre-complaint" stage which attempts to resolve "informal" complaints without logging them. This is a serious failing as it delays access for residents to the formal procedure and the absence of clear records means the landlord is unable to respond effectively when the complaint does enter the formal process. The landlord also allows 15 working days for its stage 1 response when it should be 10 working days.

Since 2020 the landlord has only completed one self-assessment. The assessment identifies the areas which need improving but the landlord has failed to act on these or carry out subsequent self-assessments since. When asked in the self-assessment whether the Code had made a difference to the how the landlord responds to complaints, the landlord answered no.

The impact of not complying with the Code and acting on identified failings in its policy can be seen in the cases we monitored. We found maladministration for the way in which the landlord handled the complaint in 11 of the 14 cases – this is every case where complaint handling formed part of the investigation. This included:

- Delayed complaint responses
- Incomplete and inaccurate responses
- Missed opportunities to put things right early on in the complaint process
- Poor liaison with third party contractors, often taking a contractor response at face value rather than reviewing and challenging where necessary
- Failure to ensure third parties handle complaints in line with the complaints policy
- The same officer considering the complaint at stage 1 and stage 2 of the complaints procedure

The landlord continues to operate an informal complaint stage and 15 working days for stage one. In the last twelve months 2022 we have issued six complaint handling failure orders against the landlord for unreasonable delays in its complaint process.

### **Case Study – Complaint handling (202170243)**

Ms M is the leaseholder of her property and Birmingham City Council is the freeholder and landlord. They are responsible for the communal water pipes servicing the building.

Ms M reported to the landlord about a leak into her property in March 2021 but little action was taken. The landlord's policy outlined that emergency repairs would be attended to within 2 hours, urgent repairs within one to seven days and routine repairs completed within 30 days.

As a result of a lack of action, Ms M raised a complaint in April 2021 again reporting the leak and where she thought it was coming from. The landlord did not respond within its own timescales of 15 days and instead provided a response to Ms M in June 2021. It apologised and explained scaffolding was needed and would be erected later that month with work beginning shortly after.

Ms M escalated her complaint due to the lack of continued action from the landlord. While it had carried out initial checks and erected the scaffolding it had not found the issue and reported it was a drainage issue rather than an issue impacting the roof. At this point Ms M was unhappy that the landlord had left her with an uncontained leak in her property since March 2021. Ms M continued to complain and the source of the leak was identified and corrected in September 2021, this completed repair was well outside of the 30 days listed for routine repairs in the landlord's policy.

We found that as the leak was uncontrollable, the landlord should have made every attempt to repair the leak as soon as possible with the expectation that it would provide full communication with Ms M throughout. We found that after raising the complaint, the landlord carried out minor repairs which did not fix the leak. However, at this point it closed Ms M's complaint and she had to begin the complaint again, this time seeking the help of her local MP.

A closer look at the landlord's complaint policy outlines that initial responses will be sent within 15 working days with any escalated stage 2 complaints expecting a response within 20 working days. The policy also confirms that two separate people will respond to each complaint stage to ensure non bias. This did not happen with Ms M's complaint, she experienced long delays receiving her complaint responses and both were handled by the same member of staff. There was no evidence provided to explain why there was a delay in the complaint handling, with no apology or acknowledgement of the delay in the complaint response.

We determined that the landlord's complaint handling on this case was poor, they failed to demonstrate adequate investigation. The landlord did not take the opportunity of the formal complaints process to fully investigate the reports, formally confirm its position, and adequately redress any identified service failings. It has also not demonstrated compliance with the Ombudsman's Complaint Handling Code. We ordered the landlord to provide £400 in compensation, £150 of which related directly to the poor complaint handling. We also recommended that staff were trained on complaint handling to ensure the correct processes are followed.



## Compensation

When a resident complains and something has gone wrong we expect the landlord to put it right and remedy any impact on the resident. Our Complaint Handling Code says any remedy must reflect the level of detriment caused to the resident as a result of what has gone wrong, considering factors such as:

- length of time that a situation has been ongoing
- frequency with which something has occurred
- severity of any service failure or omission
- number of different failures
- cumulative impact on the resident
- resident's particular circumstances or vulnerabilities.

Where a resident has a legal entitlement to redress, the landlord should still offer a resolution where possible.

The landlord's complaints policy makes no reference to how it will put things right following a complaint. In addition to its complaints policy, the landlord has a self-contained compensation claims policy with its own appeal and re-appeal stages. At the time of the monitoring period the policy did not allow for compensation to be paid for distress, inconvenience, time and trouble. It also said it could not make payments where the landlord decided there was no liability, which is entirely false. Once completed the policy said a resident cannot pursue compensation or a complaint against the landlord. If any claim for personal injury is likely to be over £750 the landlord will refer the claim to its insurers.

The landlord should be able to remedy any unfairness through its complaint process. A resident should not have to go through any other processes. The landlord's approach of operating both a complaints and compensation policy leads to confusion and delay in putting things right and makes residents go through two processes when they should only have to use one. While the compensation policy itself meant residents could never achieve an appropriate remedy when the landlord got something wrong.

In the cases we monitored residents were often refused a rightful remedy and were signposted to the compensation policy or insurers when the issue should have been resolved through the complaints process. The landlord:

- refused to remedy distress and inconvenience from property damage
- advised residents to claim on their own insurance
- refused to remedy property damage due to negligence identified through the complaints process.

In one case the landlord initially refused to pay a financial remedy direct to the resident, instead wishing to offset it against rent arrears. The Ombudsman's guidance on remedies is clear that compensation awarded by this Service should not be offset against arrears. Such an approach only exacerbated the landlord's adversarial approach to repairs, complaint handling and paying compensation when something has gone wrong.



While the landlord has improved its complaints policy following orders from the Ombudsman, its approach still falls short of a fair and effective approach to compensation, placing the onus on the resident to 'claim' compensation when it should be routinely considered by the landlord where there has been a service failure.

### **Case Study – Compensation (202106521)**

Mr M is a resident of a property owned and managed by Birmingham City Council (the landlord) and lives with his vulnerable wife and daughter.

The landlord's records show that Mr M reported issues with damp and mould in his property 14 times between 2010 and 2021 with all repair reports showing as completed. The notes from the repairs show that Mr M was concerned about the impact to his families health as far back as 2010 and noted that just painting over the mould was not removing it.

In September 2020 a new housing officer visited the property and arranged a landlord inspection who raised a repair job for extensive mould due to structural disrepair. The landlord's notes show that all repairs were completed in October 2020 but Mr M was reporting outstanding work in the following months.

The following month saw Mr M raising a compensation claim of £6,093.37 against the landlord for damages to his property as a result of the damp and mould. It also included the impact to the families health who were reporting breathing, eye and throat issues. The landlord acknowledged the claim on 24 November 2020 and promised a reply within 15 working days.

The landlord did not provide a response to the claim until 16 July 2021 despite Mr M asking for updates six times and him approaching the Housing Ombudsman who asked the landlord twice for a complaint response. This was well outside of the promised timescales set by the landlord. The landlord said the compensation claim was being investigated by its insurers due to the level of the claim. Some time after it made a good will payment of £500.

The Housing Ombudsman found severe maladministration around the landlord's handling of the damp and mould and Mr M's request for compensation. We also found maladministration in the landlords handling of the complaint, failure to inspect the property sooner and not keeping him updated throughout.

The landlord was ordered to pay an additional £2,050 to Mr M in acknowledgement of the above. It was also ordered to progress with the compensation claim, inspect the property and provide a full schedule of any works needed.

## Governance and learning

Effective learning from complaints is a core element of effective governance. Those at the very top of an organisation should have sight of the learning from complaints. Without appropriate arrangements in place to facilitate learning, as with poor record keeping, the landlord has little idea what the problems are and what it needs to do to put things right.

Unfortunately, there was limited evidence of learning from complaints and suitable governance in the cases we monitored, with the same issues repeated. Until residents complained to the Ombudsman, policies and procedures remained unchanged, the impact on residents was compounded, with no systems in place to channel the learning from complaints into service improvement.

There are extensive and reoccurring service failures that the landlord has to understand and address. Embedding change across a large organisation will be challenging. In particular this requires effective communication across different departments and with third parties, including external contractors.

It is also critical for the landlord to be able to sustain and embed change during period of organisational and staffing change.

Strong and effective leadership and governance is required to oversee service improvement. The Ombudsman has serious concerns about the adequacy of the landlord's plans to deliver this successfully.

# Compliance

In the 14 cases we monitored we ordered the landlord to pay over £7500 in compensation to residents. We also ordered reimbursement of costs and repairs to be carried out to remedy the impact on residents. More significantly we made several orders and recommendations to try and prevent the same problems happening again.

## Repair handling

Following a senior management review the landlord's contractor acknowledged improvements were needed in its response to repairs and communication. The landlord implemented an improvement action plan including:

- Further staff training
- Contractor presence at service delivery meetings
- Site visits by landlord staff where contractors version of events contradicts residents.

## Complaint handling

The Landlord carried out an internal review of complaint handling resulting in:

- Complaint handling presence at service delivery meetings
- Changes to its compensation policy and ability for complaint handlers to award up to £250 without approval.
- Creation of a central complaints team with the aim of responding to complaints within 10 working days at stage 1
- A quality audit check of a proportion of complaint responses
- Workshops and training for complaint handlers.

## Record keeping

We recommended the landlord review:

- Its record keeping processes to ensure that it has adequate records of repairs and communication
- Why it could not provide appropriate repair records to the Ombudsman.

## Compensation policy

Since the monitoring period the landlord has drafted a separate compensation policy dealing with housing. The proposed wording allows compensation for distress, inconvenience, time and trouble. It also no longer says it is illegal to make payments where there is no liability.

However, we still have concerns with the wording of the new policy. In particular:

- There is no provision for routinely paying compensation as redress when service failure has been identified as part of the landlord's internal complaints process.
- Before making any decision on a claim for compensation every decision maker must consider the question of liability i.e. compensation payments will only be made when there is liability.
- The landlord will only consider paying compensation where compensation has been claimed or requested.

# Engagement with Birmingham City Council

Since the start of the monitoring period the landlord has engaged with the Ombudsman. The landlord accepts it has got things wrong and there is a need to improve. The landlord says it has already taken steps toward this by acting on orders from the Ombudsman.

Since the monitoring period and orders made the landlord has commissioned an independent report into its complaint handling. The report focuses on the 14 cases identified in this report, complaint handling trends and learning. The report was completed in November 2022. It acknowledged the progress already made since the monitoring period and recommended:

- Expanded root cause analysis of issues with service areas
- Dedicated service improvement action plans
- Lead contacts for contractors
- Further work to address quality and timeliness of complaint responses
- Further work to identify the underlying cause of complaints as part of business as usual.

The landlord is currently developing an action plan based on the findings.

# Conclusions

The weakness in policies, repeated failings and common points of service failure, has led the Ombudsman to conclude its findings are indicative of wider failure in repairs, record keeping, complaint handling and compensation. Whether wider service failures constitute a 'systemic failing' by a landlord is a matter for the Regulator of Social Housing to determine.

The failings identified cut across every aspect of a residents interaction with the landlord. From asking for a repair to receiving appropriate compensation when something has gone wrong the cases we have monitored show residents facing an uphill battle with the landlord. The landlord's inability to channel the learning from complaints and put in place appropriate governance and learning meant the same mistakes were repeated and there was little chance of service improvement.

The landlord has accepted responsibility and already taken steps to address the issues identified. The Ombudsman continues to see cases that show poor repair handling, record keeping and complaint handling. How the landlord responds to this report and its own independent review will demonstrate whether it is capable of fundamentally addressing these issues once and for all.

# Recommendations

The landlord is developing an action plan based on its own independent review. It should incorporate the below recommendations into that work.

Within three months of this report, the landlord should publish and provide the Ombudsman with:

## Repairs

1. An action plan of how it intends to act on the failings identified with its response to repairs. In particular, how it intends to:
  - Triage repair requests, accurately classifying them by severity and acting on requests within the period specified in its policy.
  - Monitor and review repair progress with its contractors to ensure residents do not have to make repeated requests for repairs.
  - Escalate problem and recurring repairs to someone of appropriate seniority.
  - Take a pro-active approach to repairs, making best use of void periods and intelligence to tackle problems before they arise.

## Record keeping

2. A framework for its record keeping standards, including the standards expected of contractors acting on its behalf.
3. An action plan for how it intends to embed the use of the framework throughout the landlord and its contractors to ensure people have access to relevant information when needed. In particular, that its complaint handling staff have access to appropriate and relevant records when responding to complaints.
4. An action plan for cross departmental communication and information sharing to ensure a joined up coherent response to issues.

## Complaint handling

5. An updated complaints policy that is compliant with the Complaint Handling Code. In particular outlining how the landlord will routinely consider and offer financial redress where failures have been identified.
6. A new self-assessment against the Code explaining the actions it intends to take to address areas of non-compliance.
7. Identify a lead member on its governing body who will be responsible for monitoring complaint handling performance. This should be communicated across the organisation (including contractors) and publicised to residents.
8. An action plan to ensure its governance receives the following:
  - regular updates on the volume, categories and outcome of complaints, alongside complaint handling performance.
  - regular reviews of issues and trends arising from complaint handling; and

- an annual complaints performance report, for scrutiny and challenge which must include:
  - analysis of the organisation's complaint handling performance;
  - the annual self-assessment against the Complaint Handling Code;
  - the Ombudsman's annual report about the organisation's performance; and
  - any other relevant reports or publications produced by the relevant Ombudsman in relation to the work of the organisation.

## Compensation

9. A new compensation policy which aligns with the approach to redress set out in the new complaints policy, addressing the concerns highlighted in this report to ensure it can remedy any injustice to a resident as a result of the landlord's failings without having to pursue a separate compensation claim.



# Statement by Birmingham City Council

Birmingham City Council is the largest local authority social housing landlord in England with over 60,000 homes and carries out over 250,000 repairs per year.

Following the historical cases highlighted in the report, we have progressed in terms of improving the service for tenants and this will continue through our Transformation Programme and the new Housing Strategy.

The findings of a recent independent review and the recommendations made by the Housing Ombudsman in the Special Report have been incorporated into a detailed action plan which focusses on addressing process inefficiencies in its response to repairs, record keeping and complaint handling.

A new corporate complaints process was introduced in May 2021 which preceded the date of the cases included in the Paragraph 49 investigation. This included bringing in additional dedicated resources with the objective of delivering a consistently high standard of service, reducing delays and improving the quality of responses.

As a result of performance issues, we terminated a failing repairs contractor in March 2022. We are working with our Repairs Contractors to develop process improvements which will help mitigate against future service failure.

We welcome the opportunity to work with the Housing Ombudsman during the implementation of their recommendations and we are fully committed to delivering service improvements for the benefit of all Birmingham City Council tenants.

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Decision

# Regulatory Notice: Birmingham City Council (24 May 2023)

Published 24 May 2023

**Applies to England**



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# RSH Regulatory Notice

- Provider: Birmingham City Council
- Registration number: 00CN
- Publication date: 24 May 2023
- Reason for publication: Consumer Standards
- Regulatory route: Reactive Engagement

## Other providers included in the judgement

None

## Regulatory Findings

The regulator has concluded that:

- a) Birmingham City Council (Birmingham CC) has breached the Home Standard and the Tenant Involvement and Empowerment Standard; and
- b) As a consequence of this breach, there was the potential for serious detriment to Birmingham CC tenants.

The regulator will work with Birmingham CC as it seeks to remedy this breach.

## The issue

Following the Housing Ombudsman's Special Report on Birmingham CC's complaint handling, we investigated the council's compliance with the consumer standards. Through our investigation we identified Birmingham CC had not completed fire, electrical and asbestos checks and inspections for every property that needed one and that a significant proportion of Birmingham CC properties do not meet the Decent Homes Standard (DHS). We also learned that Birmingham CC has failed to handle complaints effectively and failed to treat tenants with fairness and respect.

## Our investigation

As a registered provider, Birmingham CC is required to comply with the consumer standards, including the Home Standard and the Tenant Involvement and Empowerment Standard. The Home Standard requires registered providers to ensure tenants' homes meet the criteria set out in government's DHS.<sup>[footnote</sup>

<sup>1]</sup> The Home Standard also requires registered providers to meet all applicable statutory requirements that provide for the health and safety of tenants in their homes. The Tenant Involvement and Empowerment Standard requires registered providers to have an approach that ensures complaints are resolved promptly, politely and fairly and to treat tenants with fairness and respect.

In respect of fire safety, Birmingham CC has a statutory duty<sup>[footnote 2]</sup> to regularly assess the risk of fire and to take precautions to prevent the risk of fire. The council reported that more than 1,000 Fire Risk Assessments are overdue. These are predominately for low-rise blocks. For electrical safety, Birmingham CC is required to ensure that electrical installations are in working and safe condition both at the start of any tenancy and throughout that tenancy.<sup>[footnote 3]</sup> At the time of our investigation the council reported around 500 communal and 15,000 domestic electrical inspections were overdue. In addition to this, more than 1,000 domestic electrical remedial actions were overdue. For asbestos safety,<sup>[footnote 4]</sup> the evidence provided to the regulator showed that Birmingham CC had almost 17,000 asbestos surveys overdue.

In relation to the quality of its homes, Birmingham CC reported that 39% of its properties did not comply with the DHS. The council does not hold recent or complete data for its properties so is unable to clearly identify the risks in its non-decent homes.

Regarding complaints handling, the Housing Ombudsman's Special Report identified fundamental flaws in this service, including poor record keeping, poor communication and a failure to learn from complaints. Through our investigation we also identified that more than 1,000 complaints (around 60% of open complaints) were overdue. In relation to Birmingham CC's engagement with tenants, external reviews carried out in 2021 and 2022 found there was a lack of proactive, frequent and effective communication with tenants. The reviews also found that tenants' needs were not understood, and they did not feel valued.

The regulator considered the case as a potential breach of parts 1.1 and 1.2 of the Home Standard and has concluded that Birmingham CC did not have an effective system in place to allow it to meet its responsibilities both in relation to the quality of its homes, and in relation to statutory health and safety compliance across a range of areas.

The regulator also considered the case as a potential breach of parts 1.1.1 and 1.3.1 of the Tenant Involvement and Empowerment Standard and has concluded that Birmingham CC has failed to treat tenants with fairness and respect, and in particular, has failed to provide an effective process for tenants to raise complaints.

In response to the problems identified, Birmingham CC is seeking to understand the extent of the issues and through its plans, is taking steps to address the failings. However, taking into account the seriousness of the issues, the duration for which tenants were exposed to risk, and the number of tenants potentially affected, the regulator has concluded that Birmingham CC has breached the Home Standard and the Tenant Involvement and Empowerment Standard and that there is a risk of serious detriment to tenants during this period.

## Our engagement

Birmingham CC has started to put in place a programme to rectify these failures. The regulator will work with Birmingham CC as it continues to address the issues which have led to this situation, including ongoing monitoring of how it delivers its health and safety and decency programmes and improvements in how it engages with tenants. We will continue to keep our use of statutory powers under regular review through our engagement with Birmingham CC.

Section 198A of the Housing and Regeneration Act 2008 (as amended) states that the regulator's regulatory and enforcement powers may be used if a registered provider has failed to meet a consumer standard. In order to use regulatory or enforcement powers, as well as the failure to meet the standard, there should also be reasonable grounds to suspect that the failure has resulted in a serious detriment to the provider's tenants (or potential tenants) or that there is a significant risk that, if no action is taken by the regulator, the failure will result in a serious detriment to the provider's tenants (or potential tenants).

## About our Regulatory Notices

Regulatory notices are issued in response to an event of regulatory importance (for example, a finding of a breach of the Rent Standard or of a consumer standard that has or may cause serious harm) that, in accordance with its obligation to be transparent, the regulator wishes to make public. More detail about Regulatory notices is set out in [Regulating the Standards](https://www.gov.uk/government/publications/regulating-the-standards) (<https://www.gov.uk/government/publications/regulating-the-standards>).

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1. [A Decent Home: Definition and Guidance for implementation \(June 2006 - Update\)](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/7812/138355.pdf)  
([https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/7812/138355.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/7812/138355.pdf))
  2. The Regulatory Reform (Fire Safety) Order 2005
  3. Landlord and Tenant Act 1985
  4. The Control of Asbestos Regulations 2012

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# City Housing Compensation Policy

<b>Version</b>	V6 DRAFT FINAL
<b>Date written</b>	24 October 2023
<b>Author</b>	Grant Kennelly/Naomi Morris
<b>Agreed by</b>	
<b>Review date</b>	

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## **1.0 SCOPE AND PURPOSE**

1.1 Birmingham City Council (“the Council”) is committed to consistently providing a high-quality service to all customers, although we recognise there may be times when services do not always meet the Council’s high standards and customers are inconvenienced. Section 92 of the Local Government Act 2000 permits the Council to remedy injustice arising from poor service, including by way of making a payment (“Compensation”) to the person adversely affected.

1.2 The Council is a member of the Housing Ombudsman Scheme and The Local Government and Social Care Ombudsman Scheme, as such, it has introduced this policy as part of its commitment to compliance with the Housing Ombudsman’s Complaint Handling Code for member landlords and the Local Government and Social Care Ombudsman’s Complaint Handling guidance.

1.3 Where a complaint is justified, an apology may be sufficient to correct any inconvenience caused. However, the Council recognises that where there is evidence that a complainant may have suffered loss or injustice, other remedial action may also need to be considered, including financial compensation.

1.3 Accordingly, this policy sets out the circumstances in which the Council will consider an award of Compensation and use of its power to make discretionary payments, in its capacity as a landlord or Housing Authority.

1.4 This policy is supplemental to the Council’s general complaints policy and process, insofar as those policies are also used to report concerns to the Council in its capacity as a Housing authority or residential landlord. For the avoidance of doubt, this policy does not apply in circumstances where the Council is a commercial landlord, or to circumstances involving other non-housing/non-residential land owned or controlled by the Council.

1.5 This policy applies to:

- Council Tenants (where the issues relate to housing).
- Leaseholders where the Council is Landlord (including shared owners).
- Applicants for a Council Home (either via the Council’s Housing Register or through the Council’s statutory homelessness functions).
- Individuals who live close to, or are affected by, a property we own or manage in our capacity as Housing Authority or residential landlord.
- Citizens who have approached the Council as homeless, or who are registering a housing need on the Birmingham Allocations system.
- Natural persons interacting with the Council in its capacity as Housing Authority or residential landlord, or in circumstances relating to land and property held by the Council for the same purpose.

1.6 Notwithstanding item 1.4, this list is not exhaustive and at the sole discretion of the Council, we may choose to apply this policy in any other circumstance relating to Housing.

## **2.0 HOW COMPENSATION IS MANAGED**

2.1 The Council applies the following principles when managing claims under this policy:

- a) We, and the contractors acting on our behalf, aim to provide a good quality service to all our customers. When we fail to meet these standards and commitments, we will take reasonable action to put this right as quickly as possible.
- b) In the majority of cases where the Council identifies a fault or failing, an apology, alongside rectification of the issue which caused the complaint to be made, will be entirely sufficient. However, there may be some cases where the Council considers it appropriate to offer compensation in addition. Any consideration to compensation will be undertaken in accordance with the Housing Ombudsman Remedy Guidance (2022) or the Local Government and Social Care Ombudsman's Guidance on Remedies, dependent upon the relevant Ombudsman service for the issue under consideration
- c) We may consider practical action to provide all or part of a reasonable solution to the service failure as well, or instead, of any other remedy.
- d) We, and the contractors working on our behalf, will deploy a set of agreed service standards and try to address issues as soon as possible to prevent complaints and compensation being necessary.
- e) When considering what is reasonable and proportionate, we will take into consideration factors such as, at what point we knew about a situation and whether we acted in line with our policies, as well as whether anyone else, including the complainant, may have contributed towards the issue or delay.
- f) Residents should always make a claim on their own contents insurance where there has been damage to their belongings. If the tenant's insurers believe that we are responsible, they can submit a claim to our insurers by contacting us for their details.
- g) The Council recommends that all tenants take out contents insurance – advice is provided at the outset of the tenancy or can be accessed via the Council's [Neighbourhood Advice and Information Service](#).

2.2 In assessing potential remedies, due consideration will be given to the guidance set out within the [Housing Ombudsman's Complaint Handling Code](#) and to the [Local Government and Social Care Ombudsman's guidance on remedies](#).

### 3 EXCLUSIONS AND EXEMPTIONS

3.1 Please note, this policy is not intended to be used to duplicate or enhance payments or claims, which exist separately. Accordingly, this policy will not apply in the following circumstances:

- (a) Where there is a legal claim, or where someone has threatened or may make a legal claim for housing disrepair.
- (b) Where there is a legal claim, or where someone has threatened or may make a legal claim for injury, loss or damage, which may be on the basis of insurance, or otherwise.
- (c) As an appeal process or to request a different outcome, for any of the matters referred to at (a) or (b).
- (d) Where the claim relates to land or property not owned or managed by the Council.
- (e) In relation to Birmingham Municipal Housing Trust properties that are still within the 12 month "defect period" where repairs will be remedied by the relevant contractor.

- (f) Loss or damage to possessions where there is evidence that this is as a result of a deliberate act, or the failure to take reasonable actions to remedy an issue, save where the loss or damage is directly attributable to the actions of the Council or a contractor(s) acting on the Council's behalf.
- (g) Mandatory compensation claims (see section 4.2.)
- (h) Where the Council has acted appropriately to resolve an issue but external factors beyond the Council's control (for example; severe weather, inability to gain access to the property, or other issues not within the Council's control) have delayed or prevented the issue from being resolved in a more timely manner.
- (i) Where tenants have not reported issues to the Council promptly, or at all, or where the tenant is responsible for the loss or delay of a service.
- (j) Where a sub-tenant is seeking compensation from the Council.
- (k) Where additional rental costs are incurred during the process of moving into a new property.
- (l) For requests of reimbursement due to loss of earnings.

3.2 Each case will be considered on its merits, in line with the Council's policies and the guidance from the relevant Ombudsman, and the Council may choose, at its sole discretion, to consider a remedy under this policy even where these exclusions apply.

3.3 Any decision to use this policy, and any decision made under this policy, will strictly not be an admission of liability or concession on behalf of the Council, in relation to any claim or legal proceedings.

3.4 For the avoidance of doubt, the existence of this policy does not limit or restrict the right of any person to issue legal proceedings, if they consider they have a claim. However, the Council may decline to offer compensation under this policy, if it considers such sum may be duplicative of any alleged loss or damage claimed, or potentially recoverable under any other process.

3.5 This policy is designed to work alongside the Council's Complaints policy, relating solely to housing issues, to resolve complaints fairly and consistently. This policy has been written in line with the Ombudsmen's' dispute resolution principles and expanded to reflect Birmingham City Council's general approach to dealing with reports of dissatisfaction:

- **Be fair:** Treat people fairly and follow fair process, keeping them updated with progress within published timescales.
- **Be objective:** Ensure that matters are dealt with impartially at every stage.
- **Put things right:** Work to put the customer back into the position they were in before the issue occurred. Acknowledge and apologise for any mistake or service failure, providing an explanation of what went wrong where we (or a contractor working on BCCs behalf) were at fault.
- **Be consistent:** Compensate customers in line with this policy.

- **Learn from outcomes:** Learn from all feedback and use it to improve services.

## 4 TYPES OF COMPENSATION

There are three types of compensation payment:

1. Mandatory (statutory and contractual)
2. Quantifiable loss payments (where actual loss is demonstrated)
3. Discretionary payments (for time and trouble/distress and inconvenience).

It is important that tenants or those interacting with housing services are compensated fairly where there is a failure to deliver to the standards expected, and that funds are spent appropriately.

### 4.2 Mandatory Compensation

Note: this policy does not govern decisions relating to any form of mandatory compensation. Therefore, the examples referred to in this section are for information only:

#### 4.2.1 Home loss and Disturbance

This is a statutory scheme covering payments to tenants and leaseholders with a qualifying interest in land where they are required to move for specific reasons and disturbance payments may also apply. This scheme is administered by the Council.

The Council will make Home Loss payments in accordance with the statutory levels set under the Land Compensation Act 1973, as amended by The Home Loss Payments (Prescribed Amounts) (England) Regulations 2022 (Statutory Instrument 2022 No.793) ('2022 Regulations').

Payments are made when a tenant is moved on a permanent basis due to improvement or redevelopment of their home. The changes must result in it being unsuitable for the tenant to return to their property, for example, changes due to demolition, compulsory purchase, or where remodelling affects the size of the accommodation.

Payments are not intended to cover costs associated with moving home. Disturbance grants can be made under the Housing Act 1985 (Part II, Section 26), whereby the Council has discretion to give financial assistance towards tenants' removal expenses.

#### 4.2.2 Compensation for improvements

Council tenants whose tenancy is ending can apply for compensation for previously approved 'qualifying improvements' they had made to the home.

#### 4.2.3 Right to Repair

This is a statutory compensation scheme which enables tenants to have qualifying repairs which affect their health or safety completed quickly or receive compensation where they have not been completed within the prescribed time.

Qualifying repairs must cost £250 or less and can include the following (This is not an exhaustive list but the following examples are indicative of circumstances where compensation may be considered):

- Total or partial loss of electrical power
- Unsafe power, lighting socket or electrical fitting
- Total or partial loss of water supply
- Total or partial loss of gas or oil supply
- Blocked flue to open fire or boiler
- Total or partial loss of space or water heating
- Blocked or leaking foul drain, soil stack or (where there is no other working toilet in the dwelling house) toilet pan
- Toilet not flushing (where there is no other toilet in the house)
- Blocked sink, bath, or basin
- Tap which cannot be turned
- Leaking from water or heating pipe, tank, or cistern
- Leaking roof
- Insecure external window, door, or lock
- Loose or detached banister or handrail
- Rotten timber flooring or stair tread
- Door entry phone not working
- Mechanical extractor fan in internal kitchen or bathroom not working

#### **4.2.4 Disrepair:**

Claims and notifications of disrepair will be managed according to separate processes which have been written to comply with relevant legislation. Disrepair claims will not be considered as part of this policy.

### **4.3 Quantifiable loss**

Compensation payable for quantifiable loss is where the service failure has resulted in a measurable loss. Examples include:

- Higher energy costs of running alternative sources of heating when we have failed to repair the heating system within a reasonable timeframe from receipt of notification by the Council of the system failure;
- Higher water bills due to failure to remedy a leak. Although, we may consider paying compensation for part of the loss that can reasonably be equated to charges related specifically to the leak;
- The reasonable additional cost of buying take-away food when there are no cooking facilities, or inadequate cooking facilities, in bed and breakfast or hostel accommodation;
- Charges to store personal belongings when the Council has breached the six-week maximum limit for families in bed and breakfast accommodation and an earlier move to alternative temporary accommodation would have enabled them to take their belongings out of storage earlier;
- Extra travelling costs to get to school or work if a household is inappropriately placed in accommodation outside of the Council's area;
- Any outstanding charges for temporary accommodation where the accommodation was clearly unsuitable for the household's needs.

Evidence of the costs must be provided, which must have been reasonably incurred. The Council may offer discretionary compensation on top of compensation to cover loss, if it deems this appropriate, at its sole discretion.

Compensation will not be awarded if the loss of facility is caused by:

- A third party (e.g., the tenant's utility supplier).
- The tenant's own action / inaction (including where this has partially contributed to the loss).
- Planned works agreed in advance with the tenant unless the loss is for longer than agreed.

#### **4.3.1 Loss of rooms and facilities in the property**

Tenants will be awarded a payment when rooms within accommodation provided by the Council cannot be used for an unreasonable period of time. Excluding where:

- This has not been reported to Council, or has not been reported promptly
- The repair has been completed in line with the Council's published repair response times.
- The tenant has been temporarily decanted by the Council, or has refused a suitable offer of a decant.

The award will be based on the net rent and number of rooms in the property that could not be used.

#### **4.3.2 Loss of communal services or facilities**

Compensation for loss of communal services or facilities will not be paid, except in exceptional circumstances. For example:

- If there is a service failure due to the Council;
- Where there is a lift failure (Excluding ground floor tenants) and:
  - There is no access to another lift in the same block, and
  - The lift has been out of action for more than 7 consecutive days, and/or
  - There have been 3 or more instances of lift failure during a 1 month period (Irrespective of the duration of each outage)

Decisions will be made on a case by case basis.

#### **4.3.3 Defects in new properties**

The Council does not pay compensation solely because there are defects in new build properties, this includes where faulty items such as lighting or doors need to be replaced. Also see 3.1(e).

However, the Council may pay compensation where:

- The length of time to resolve the defect is excessive. This will be considered on a case-by-case basis, considering the contractual arrangements in place for individual schemes.
- The tenant experience service failure in the rectification of defects such as failure to attend agreed appointments, or where the defect has caused additional damage or hardship, this will be considered on a case-by-case basis.

#### **4.4 Discretionary Compensation**



Discretionary compensation payments may be made to recognise the inconvenience caused by the service failure, and to show that the Council is committed to making amends and to restore good relations.

Discretionary compensation is made on a case-by-case basis, generally with an amount not exceeding £250, except when recommendations by the relevant Ombudsman might indicate that this is necessary. Each case will be assessed on its own merit and there will be an approvals process where payments in excess of £250 are required.

Examples of situations where discretionary compensation payments may be made include:

- Failure or delay providing a service, for example completing a repair;
- Failure to meet target response times;
- Not following BCC policies or procedures;
- Poor complaint handling.

## **5 NON-FINANCIAL REMEDIES**

5.1 The Council will always consider offering non-financial remedies in addition to, or instead of, financial awards if appropriate.

These could include:

- The actions needed to put things right, such as carrying out a repair.
- Acknowledging when things have gone wrong.
- Providing a full response to explain why the service fell below the expected level.
- Apologising.
- Taking swift action if there has been a delay.
- Reconsidering or changing a previous decision.
- Amending a record.
- Offering an additional service which would not usually be given, for example decorating.
- Carrying out a new assessment of need.
- Carrying out agreed adaptations within a set timescale.
- Inspecting work done and arranging remedial action.

5.2 In addition, the Council may:

- Review a policy or process where there is evidence of a flaw or gap (informing the tenant that this will be done).
- Offer staff guidance or training if there is evidence of failure (informing the tenant that this will be done).
- Take appropriate action against an employee or contractor.

5.3 The bullet points above contain examples of additional activities the Council may undertake; the list is not exhaustive but is designed to illustrate the Council's commitment.

## **6 RECEIVING COMPENSATION AND MAKING A COMPLAINT**

6.1 Residents are actively encouraged to give feedback. If a service has not been delivered and residents are dissatisfied, the Council has a Complaints Policy [\[LINK HERE WHEN POLICY PUBLISHED\]](#) which sets out the ways in which residents can make a complaint. Any person to whom this policy applies (or a representative acting on their behalf) may request that compensation is considered at any time throughout the complaints process.

6.2 A team will assess all requests around compensation to make sure that requests are managed in a consistent way and are considered on a case-by-case basis on their own individual merit. There are internal procedures which set out how compensation should be assessed, and this is delivered with the principles of the Housing Ombudsman remedies guidance in mind.

6.3 Senior officers in the City Housing Directorate and the Council's Finance Team will be made aware of all compensation requests, through a quarterly reporting process at Compliance Board. All compensation payments will be made through the Council's online finance system to demonstrate transparency around reporting.

6.4 To seek advice on compensation queries or to request compensation, the contact details below set out the appropriate route:

- Online: [https://www.birmingham.gov.uk/downloads/download/564/housing\\_repairs\\_compensation\\_claim\\_form](https://www.birmingham.gov.uk/downloads/download/564/housing_repairs_compensation_claim_form)
- By email: [housingombudsmancasemanagement@birmingham.gov.uk](mailto:housingombudsmancasemanagement@birmingham.gov.uk)
- By phone: 0121 303 1111
- By post: City Housing  
PO BO 16832  
Birmingham  
B2 2RL

## **7 Appeals/Reviews**

7.1 Where the Council makes an offer following a claim for compensation, the customer will be invited to indicate their acceptance of the offer made in writing. The customer's right to request a review of the offer made will be confirmed in the decision letter.

7.2 If a customer requests for the offer to be reviewed, this will be considered by an alternative decision maker, in line with the Council's Complaints Policy. The outcome of this review will constitute the final internal decision; the decision letter will confirm the customer's rights to seek assistance via the relevant Ombudsman.

7.3 Where an offer of compensation is made as part of the Council's offered resolution to a Stage 1 complaint, the customer will have the right to request a review of the decision made or of the compensation offered; this will be confirmed in the Council's decision letter.

7.4 If a customer requests a review of the decision made or the compensation offered as a result of a Stage 1 complaint, this will be considered by a different officer under the Council's Stage 2 process, as confirmed in the Council's Complaints Policy. The outcome

of this review will constitute the final internal decision; the decision letter will confirm the customer's rights to seek assistance via the relevant Ombudsman.

## **8 QUALITY**

8.1 The Council is committed to delivering compensation payments in accordance with the relevant guidance in a consistent way. The aim is to continually improve the way the Council works and to acknowledge, and try to learn from, the occasions when the Housing service fails to meet expectations.

8.2 All claims received, investigations undertaken, outcomes and payments are recorded on a central database, to ensure consistency of decision making and to ensure compensation and remedies are analysed as part of learning and continuous improvement.

## **9 EQUALITY AND DIVERSITY**

9.1 Equality and diversity are of fundamental importance to services provided regardless of a person's protected characteristics under the Equality Act 2010 (age, disability, gender reassignment, marriage and civil partnership, religion pregnancy and maternity, race, belief, or sex).

9.2 All must be treated with respect, and this is reflected through the Council's 'Everybody's Battle, Everybody's Business' action plan.

9.3 The Council treats everyone it houses, serves, and employs, fairly, and encourages others to do the same.

9.4 In meeting the aims of this policy, the Council will provide information that is clear, accessible, and in an appropriate format (such as translated into another language, or in large print).

9.5 Where appropriate, Council Officers will assist tenants to make their complaint, by, for example, helping to complete paperwork. This policy provides assurance that compensation is offered in a fair and consistent way.

## **10 COMMUNICATION AND CONSULTATION**

10.1 We will provide information on this policy and how we calculate compensation on the Birmingham City Council website.



Title of proposed EIA	City Housing Compensation Policy
Reference No	EQUA1207
EA is in support of	New Policy
Review Frequency	Annually
Date of first review	23/10/2024
Directorate	City Housing
Division	Strategic Enabling
Service Area	Housing Ombudsman Case Management Team
Responsible Officer(s)	<input type="checkbox"/> Grant Kennelly
Quality Control Officer(s)	<input type="checkbox"/> Naomi Morris
Accountable Officer(s)	<input type="checkbox"/> Guy Chaundy
Purpose of proposal	New Compensation Policy to align with Regulatory/Ombudsman standards.
Data sources	Consultation Results; relevant reports/strategies
Please include any other sources of data	This policy is in response to the Housing Ombudsman's Special Report (Jan 2023) and the Regulator of Social Housing's Breach Notice (May 2023). Regulatory Notice: Birmingham City Council (24 May 2023) - GOV.UK ( <a href="http://www.gov.uk">www.gov.uk</a> ) Birmingham-Special-Report-FINAL-January-2023-1.pdf ( <a href="http://housing-ombudsman.org.uk">housing-ombudsman.org.uk</a> )

#### ASSESS THE IMPACT AGAINST THE PROTECTED CHARACTERISTICS

Protected characteristic: Age	Not Applicable
Age details:	This policy is applicable and available to all tenants of BCC owned/managed properties (or to those affected by the Council acting as a landlord). There are no expected specific effects of this policy on any tenant/claimant on the basis of any protected characteristic.
Protected characteristic: Disability	Not Applicable
Disability details:	This policy is applicable and available to all tenants of BCC owned/managed properties (or to those affected by the Council acting as

Protected characteristic: Sex

Gender details:

a landlord). There are no expected specific effects of this policy on any tenant/claimant on the basis of any protected characteristic.

Not Applicable

This policy is applicable and available to all tenants of BCC owned/managed properties (or to those affected by the Council acting as a landlord). There are no expected specific effects of this policy on any tenant/claimant on the basis of any protected characteristic.

Protected characteristics: Gender Reassignment

Gender reassignment details:

Not Applicable

This policy is applicable and available to all tenants of BCC owned/managed properties (or to those affected by the Council acting as a landlord). There are no expected specific effects of this policy on any tenant/claimant on the basis of any protected characteristic.

Protected characteristics: Marriage and Civil Partnership

Marriage and civil partnership details:

Not Applicable

This policy is applicable and available to all tenants of BCC owned/managed properties (or to those affected by the Council acting as a landlord). There are no expected specific effects of this policy on any tenant/claimant on the basis of any protected characteristic.

Protected characteristics: Pregnancy and Maternity

Pregnancy and maternity details:

Not Applicable

This policy is applicable and available to all tenants of BCC owned/managed properties (or to those affected by the Council acting as a landlord). There are no expected specific effects of this policy on any tenant/claimant on the basis of any protected characteristic.

Protected characteristics: Race

Race details:

Not Applicable

This policy is applicable and available to all tenants of BCC

	owned/managed properties (or to those affected by the Council acting as a landlord). There are no expected specific effects of this policy on any tenant/claimant on the basis of any protected characteristic.
Protected characteristics: Religion or Beliefs	Not Applicable
Religion or beliefs details:	This policy is applicable and available to all tenants of BCC owned/managed properties (or to those affected by the Council acting as a landlord). There are no expected specific effects of this policy on any tenant/claimant on the basis of any protected characteristic.
Protected characteristics: Sexual Orientation	Not Applicable
Sexual orientation details:	This policy is applicable and available to all tenants of BCC owned/managed properties (or to those affected by the Council acting as a landlord). There are no expected specific effects of this policy on any tenant/claimant on the basis of any protected characteristic.
Socio-economic impacts	There are no perceived socio-economic impacts of this policy; the purpose of the policy is to ensure that all tenants are able to claim and receive compensation where a service failure has been identified, or where there is a quantifiable financial or emotional impact of the Council's failure on the household.
Please indicate any actions arising from completing this screening exercise.	NA
Please indicate whether a full impact assessment is recommended	NO
What data has been collected to facilitate the assessment of this policy/proposal?	This policy has been assessed using the Housing Ombudsman and the Regulator of Social Housing's best practice guidance and the Paragraph 49 special report and breach notice referred to above. The main purpose is to ensure that the Council makes compensation payments as required by the relevant regulators to recognise

	<p>service failure. There is limited existing data due to the way in which compensation is paid under the current model - this policy includes provision for assessment on an ongoing basis.</p>
Consultation analysis	<p>This policy has been consulted on with Legal Services, HR, Procurement and Finance. Tenant consultation will take place via City Housing Liaison Board. This policy has been shared with the Housing Ombudsman to ensure compliance with the principles set out in the Complaint Handling Code.</p>
Adverse impact on any people with protected characteristics.	<p>There is no anticipated adverse impact on any person with a protected characteristic(s).</p>
Could the policy/proposal be modified to reduce or eliminate any adverse impact?	<p>NA - no anticipated adverse impact.</p>
How will the effect(s) of this policy/proposal on equality be monitored?	<p>This policy will be monitored through reporting on compensation payments made; this reporting will include the use of data held on protected characteristics to ensure accessibility is consistent and that no group(s) are adversely affected or unable to access compensation.</p>
What data is required in the future?	<p>This policy will be managed via NEC Housing and Power BI to produce reports which will enable effective monitoring and reporting.</p>
Are there any adverse impacts on any particular group(s)	<p>No</p>
If yes, please explain your reasons for going ahead.	<p>NA</p>
Initial equality impact assessment of your proposal	
Consulted People or Groups	
Informed People or Groups	
Summary and evidence of findings from your EIA	<p>Existing evidence confirms that all tenants are able to access compensation payments where needed under the existing processes. This policy does not alter the ways in which compensation will be paid; the implementation of this policy will</p>



however enable more accurate and tailored reporting to ensure accessibility for all residents.

#### QUALITY CONTORL SECTION

Submit to the Quality Control Officer for reviewing?

Yes

Quality Control Officer comments

Decision by Quality Control Officer

Proceed for final approval

Submit draft to Accountable Officer?

Yes

Decision by Accountable Officer

Approve

Date approved / rejected by the Accountable Officer

24/10/2023

Reasons for approval or rejection

Please print and save a PDF copy for your records

Yes

Content Type: Item

Version: 23.0

Created at 23/10/2023 02:26 PM by ☐ Grant Kennelly

Last modified at 24/10/2023 10:17 AM by Workflow on behalf of ☐ Grant Kennelly

Close



<b>Project Title: City Housing Compensation Policy</b>				
<b>Department:</b> Strategic Enabling	<b>Team:</b> Housing Ombudsman Case Management Team			<b>Person Responsible for assessment:</b> Grant Kennelly
<b>Date of assessment:</b> 23 October 2023		<b>Is it a new or existing proposal?:</b> New		
<b>Brief description of the proposal:</b> The implementation of a new Compensation Policy aligned to the relevant regulatory/consumer standards.				
<b>Potential impacts of the policy/development decision/procedure/ on:</b>	<b>Positive Impact</b>	<b>Negative Impact</b>	<b>No Specific Impact</b>	<b>What will the impact be? If the impact is negative, how can it be mitigated, what action will be taken?</b>
Natural Resources- Impact on natural resources including water, soil, air			X	
Energy use and CO <sub>2</sub> emissions			X	
Impact on local green and open spaces and biodiversity			X	
Use of sustainable products and equipment			X	
Minimising waste			X	

Council plan priority: a city that takes a leading role in tackling climate change			X	
Overall conclusion on the environmental and sustainability impacts of the proposal	There is no evidence of any environmental or sustainability impacts resulting from the implementation of this policy.			

# Birmingham City Council

## Cabinet

16 January 2024



**Subject: KEY DECISION PLANNED PROCUREMENT  
ACTIVITIES (FEBRUARY 2024 – APRIL 2024)**

### Commissioner Review

BCC is tendering for the Security Services Contract against the backdrop of a significant Council budget deficit over the period of the contract. Commissioners expect this procurement process to achieve greater efficiency of the service delivery that meets the Council's security requirements driving best value for the Council and the city. The description of this procurement in Appendix 2 states that "it is It is not possible to quantify any savings at this stage". An update on savings achieved would be useful as any savings delivered will contribute to closing the budget gap.

Addressing the challenge of damp and mould in the Council's housing portfolio is a high priority for the organisation. The Social Housing Decency Grant funding for Repairs and Maintenance, specifically damp and mould, enables the Council to further deliver on its obligations to resolve these issues.

Commissioners Support the submission of this Cabinet Paper



# Birmingham City Council

## Report to Cabinet

Date: 16<sup>th</sup> January 2024



**Subject:** KEY DECISION PLANNED PROCUREMENT ACTIVITIES (FEBRUARY 2024 – APRIL 2024)

**Report of:** ASSISTANT DIRECTOR – PROCUREMENT

**Relevant Cabinet Member:** Councillor Brigid Jones, Cabinet Member for Finance and Resources

**Relevant O &S Chair(s):** Councillor Jack Deakin, Chair of Finance and Resources OSC

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

Are specific wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s):		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 012264/2024		
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 type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential :		

### 1 Executive Summary

- 1.1 This report provides details of the planned procurement activity for the period February 2024 – April 2024 which are key decisions. 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 To approve the planned procurement activities as set out in Appendix 1 and approve Chief Officer delegations, set out in the Constitution, for the subsequent decisions around procurement strategy and contract awards.

## **3 Background**

- 3.1 The report approved by Council Business Management Committee on 16 February 2016 set out the case for introducing this process.
- 3.2 At the 12<sup>th</sup> July 2022 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 for key decisions 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.
- 3.3 In line with the Procurement and Contract Governance Rules 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.
- 3.4 This report sets out the planned procurement activity over the next few months where the contract value is between the procurement threshold £179,086.67 (excluding VAT) and £10m (excluding VAT) for key decisions. 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.
- 3.5 It should be noted that the procurement threshold has changed from £177,897.50 to £179,086.67 (excluding VAT) and applies from 1st January 2024 for a period of 2 years.
- 3.6 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.
- 3.7 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.
- 3.8 A briefing note with details for each item to be procured is listed in Appendix 2.



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

### **4.1 The options considered are:**

- To identify specific individual procurements as listed in appendix 1 for further consideration, along with clear reason(s) for such additional consideration, to Cabinet around the procurement strategy and contract award.
- To approve the planned procurement activities for all the projects listed in appendix 1 and approve Chief Officer delegations as set out in the Constitution, for the subsequent decisions around procurement strategy and contract awards.– this is the recommended option.

## **5 Consultation / Engagement**

- 5.1 This report to Cabinet is copied to Cabinet Members, 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 Members should note that in respect of any procurement projects which are sought to be referred back to Cabinet for further considerations these may impact on timescales around the delivery of those projects.
- 6.2 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 Members are reminded that as a Local Authority the Council has specific duties under public sector procurement, specifically the Public Contract Regulations 2015.
- 7.2.2 Specific details of any implications related to public sector procurement Regulations are set out- in the individual reports appended to this report.

### **7.3 Financial Implications**

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

- 7.3.2 Any cashable savings generated as a result of the procurement exercises are detailed in Appendix 2 to the delivery of procurement related savings and be removed from Directorate where identified in addition to the existing service area savings target as set out in the Medium-Term Financial Plan (MTFP) in line with the principles to treatment of identified savings against third party contracts as agreed by CLT on 24th January 2022.

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

- 7.4.1 As noted under the Legal Implications the Council has a duty to ensure that public sector procurement activity is in line with public sector legislation, specifically the Public Contracts Regulations 2015.
- 7.4.2 For each of the individual projects the specific procurement implications associated to the legislation are set out and 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 which should also give consideration to application of Equality Impact Assessments in line with Council Policy

### **8 Background Documents**

- 8.1 List of Appendices accompanying this Report (if any):
- 1. Appendix 1 - Planned Procurement Activity February 2024 – April 2024
  - 2. Appendix 2 – Background Briefing Paper

## APPENDIX 1 – PLANNED PROCUREMENT ACTIVITIES (FEBRUARY 2024 – APRIL 2024)

No.	Type of Report	Title of Procurement	Ref	Brief Description	Contract Duration	Directorate	Portfolio	Finance Officer	Contact Name	Planned CO Decision Date
1	Strategy / Award	Provision of Staffed Security Services	TBC	<p>The Council requires security services for its premises where there is no in-house provision available for areas including offices, depots, homeless centres, libraries, public buildings, commercial sites, car parks and other sites such as schools. The services include:</p> <ul style="list-style-type: none"> <li>•Guarding (both static and mobile patrols)</li> <li>•Open &amp; Lock Services</li> <li>•Alarm Response Services</li> <li>•Concierge</li> <li>•CCTV Monitoring of premises (internal and perimeter)</li> </ul>	1 year 2 months	Place, Prosperity & Sustainability	Leader	Azhar Rafiq	Angela Marsh / Andrea Webster	26/02/2024
2	Strategy / Award	Social Housing Decency Fund	TBC	<p>The Council has been allocated funding from the West Midlands Combined Authority under the Social Housing Funding Grant.</p> <p>The grant will allow the Council to add value and capacity to the current programme which did not have funding included to deliver long term solutions to damp and mould issues.</p> <p>The grant funding will allow a programme of works to be developed and delivered targeting properties where:</p> <ul style="list-style-type: none"> <li>•The construction types are prone to damp and mould.</li> <li>•The EPC rating is lower than D.</li> <li>•There have been more than 5 reported instances of damp and mould by the resident over a 2-year period between 2021 and 2023.</li> <li>•There have been cases of disrepair based on Category 1 Hazards</li> </ul>	up to 6 months	City Housing	Housing and Homelessness	Andrew Healey	Asha Patel / Lucy Ford	26/02/2024

## APPENDIX 2

### **BRIEFING NOTE ON PLANNED PROCUREMENT ACTIVITIES** **CABINET – 16<sup>th</sup> JANUARY 2024**

<b>Title of Contract</b>	<b>Provision of Staffed Security Services</b>
<b>Contact Officers</b>	<b>Director / Assistant Director:</b> Philip Nell, Director Property & Investment <b>Client Officer:</b> Angela Marsh, Security Services Manager <b>Procurement Officer:</b> Andrea Webster, Sub Category Manager
<b>Relevant Portfolio</b>	<b>Councillor John Cotton - Leader</b>
Briefly describe the service required	The Council requires security services for its premises where there is no in-house provision available for areas including offices, depots, homeless centres, libraries, public buildings, commercial sites, car parks and other sites such as schools. The services include: <ul style="list-style-type: none"> <li>• Guarding (both static and mobile patrols)</li> <li>• Open &amp; Lock Services</li> <li>• Alarm Response Services</li> <li>• Concierge</li> <li>• CCTV Monitoring of premises (internal and perimeter)</li> </ul>
What is the proposed procurement route?	The award of call off contracts under the Council's existing Security framework agreements.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	There is a Council Framework agreement, two suppliers both providing services on 2 lots: <ul style="list-style-type: none"> <li>- Lot 1- Transport/Vehicular/Plant/Commercial/Void Premises</li> <li>- Lot 2- Specific Service Sites</li> </ul> Both frameworks will expire in March 2025.
Will any savings be generated?	Any savings will be generated from the continuation of the periodic review of sites and the service provided and an acceptance by the various service areas to accept the savings proposals & any additional element of risk as a result of not protecting property & people. It is not possible to quantify any savings at this stage.
Has the In-House Preferred Test been carried out?	Yes, and the test demonstrated this is not suitable to be carried out in-house as there is not the resources within the Council to provide these services.
How will this service assist with the Council's commitments to Route to Zero?	As part of their commitment to BBC4SR the Framework contractors are committed to local employment to reduce carbon emissions from transport, using electric or eco-friendly vehicles and vehicle tracking software to monitor CO2 emissions. Promoting and raising awareness of environmental and sustainable issues which affect the business and the communities in which we work. Using technology and software to reduce paper waste.
How do these activities assist the Council with Everybody's Battle; Everybody's Business?	As part of their commitment to BBC4SR the Framework contractors are committed to local employment with particular emphasis on the most deprived wards. Their employee demographic is representative of the diverse population of Birmingham.
Is the Council under a statutory duty to provide this service? If not, what is the justification for providing it?	There is a statutory duty as this is an essential Health & Safety provision to protect Council staff, members of the public etc. In addition, such services are provided to protect Council assets from theft & damage and unlawful entry of Council buildings, break in & theft from vehicles and vulnerable adults and children in care centres and homeless centres. Examples include locking Parks at night to prevent fly tipping, safety of the public and their property in carparks, protecting the new development on the A34 in Perry Barr to prevent theft & damage, closed education sites to stop trespassers hurting themselves complying with the obligation to keep people safe.
Approval via Spend Control Board.	This is permitted spend under the Mandatory Spend Controls due to it being a clear statutory obligation and authorisation has been received from Directorate spend control board Place, Prosperity & Sustainability on 21 <sup>st</sup> November 2023 and S151 board on 23 <sup>rd</sup> November 2023 (ID 3105).

Estimated value of project (note: value estimated at time of submission of PPAR, this may change at time of advancing any related procurement activity)	The estimated value for the period of the contract is £2,300,000 based on anticipated future spend.
What budget is the funding from for this service?	This is funded from approved existing Directorate budgets.
Proposed start date and duration of the new contract	The proposed start date is February 2024 for a period of up to 1 year 2 months.

<b>Title of Contract</b>	<b>Social Housing Decency Fund</b>
<b>Contact Officers</b>	<b>Director:</b> Wayne Davies, Service Director of Asset Management <b>Client Officer:</b> Asha Patel, Interim Head of Repairs & Maintenance <b>Procurement Officer:</b> Lucy Ford, Sub-Category Manager
<b>Relevant Portfolio</b>	Cabinet Member for Housing and Homelessness
Briefly describe the service required	The Council has been allocated funding from the West Midlands Combined Authority under the Social Housing Funding Grant. The grant will allow the Council to add value and capacity to the current programme which did not have funding included to deliver long term solutions to damp and mould issues. The grant funding will allow a programme of works to be developed and delivered targeting properties where: <ul style="list-style-type: none"> <li>• The construction types are prone to damp and mould.</li> <li>• The EPC rating is lower than D.</li> <li>• There have been more than 5 reported instances of damp and mould by the resident over a 2-year period between 2021 and 2023.</li> <li>• There have been cases of disrepair based on Category 1 Hazards</li> </ul>
What is the proposed procurement route?	The intention is for the programme of works to be delivered through the Council's contracts for housing repairs and maintenance.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	There are existing contracts in place for the delivery of repairs and capital improvements across the city with the incumbent contractors until 31 March 2024. The council is currently in the process of seeking approval to award interim contracts to the incumbent contractors from April 2024 to March 2026 from Cabinet in January 2024.
Will any savings be generated?	No direct savings will be generated; however the programme of works will contribute towards the ongoing maintenance and investment in the Council's housing stock and avoid impairment/disrepair charges.
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 insufficient capacity within the Council for this service and there are contracts in place.
How will this service assist with the Council's commitments to Route to Zero?	By investing in more thermally efficient solutions, we are aligned with reducing energy costs and improving the energy performance of our housing stock.
How do these activities assist the Council with Everybody's Battle; Everybody's Business?	The repairs service delivers to all customers equally and the Asset Strategy is linked to EBEB with the commitment for all residents being able to live in warm, safe and sustainable homes. Customer and tenant consultation around our investment, repairs and customer service ensures we are "actively listening to the voices of lived experience" through a series of engagement sessions covering customers from all demographics and profiles to ensure equal representation. This will allow us to "Understand the diverse range of views and perspectives of citizens and ensure solutions are based on the widest available evidence. Our data analysis is now based on property and customer profile data

	<p>to understand how people experience inequality according to their social class, age, gender, ethnicity, disability and sexual orientation.</p> <p>We use plain language in our publications and ensure all leaflets and advice has been reviewed for accessibility and equality</p> <p>Locality working and getting the basics right will enable us to locally influence services to customers and aligns to aim 5 which is to “focus on place-based approaches that improve access to opportunities”.</p>
Is the Council under a statutory duty to provide this service? If not, what is the justification for providing it?	Housing Services are a statutory function under the responsibility of the Council.
Approval via Spend Control Board.	Submitted to spend control on 27 <sup>th</sup> November 2023. Approval received on 5 <sup>th</sup> December 2023 from departmental spend control and 7 <sup>th</sup> December 2023 from S151 spend control.
Estimated value of project (note: value estimated at time of submission of PPAR, this may change at time of advancing any related procurement activity)	The estimated value of the grant for the period of the contract is £2,100,000 as a fixed term for completion by 30 June 2024.
What budget is the funding from for this service?	This is funded from external grant funding.
Proposed start date and duration of the new contract	The proposed start date is January 2024 for a period of up to 6 months.

# Birmingham City Council

## Cabinet Committee

Date 16 January 2024



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**Subject:** **Appointments to Outside Bodies**

### Commissioner Review

The Commissioners have reviewed this report and the recommendations are supported.





# Birmingham City Council

## Report to Cabinet

16 January 2024



**Subject:** APPOINTMENTS TO OUTSIDE BODIES

**Report of:** Interim City Solicitor

**Relevant Cabinet Member:** Cllr John Cotton, Leader of the Council

**Relevant O & S Chair(s):** Cllr Sir Albert Bore, Chairman of Co-ordinating Overview and Scrutiny Committee

**Report author:** Errol Wilson, Committee Services

Tel: 0121 675 0955

e-mail: [errol.wilson@birmingham.gov.uk](mailto:errol.wilson@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 type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential :		

### 1 Executive Summary

- 1.1 The report seeks the approval of the Cabinet to the appointment of representatives to serve on outside bodies detailed in the appendix to this report.

### 2 Recommendations

- 2.1 That Cabinet agrees to appoint representative(s) to serve on the Outside Bodies detailed in the appendix to this report.

### **3 Background**

- 3.1 At a meeting of all Councillors on 11 July 2017, the City Council approved changes to the Constitution that set out those appointments that are reserved to the full City Council to determine. All other appointments of Members and officers to outside bodies shall be within the remit of Cabinet to determine and the proportionality rules will not automatically apply.

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

- 4.1 These appointments are a matter for the Cabinet to determine, in accordance with the City Council's current Constitution.

### **5 Consultation**

For appropriate items, the Secretaries to the Political Groups represented on the Council.

### **6 Risk Management**

- 6.1 The main risk of not making appointments might lead to the City Council not being represented at meetings of the bodies concerned. It is always important in making appointments to have regard to the City Council's equal opportunities policies.

### **7 Compliance Issues:**

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

- 7.1.1 The appointments are consistent with the legal and constitutional requirements of the City Council.

#### **7.2 Legal Implications**

- 7.2.1 As set out in paragraph 7.1.1 above.

#### **7.3 Financial Implications**

- 7.3.1 There are no additional resource implications. Where applicable, those implications arise at the time that the relevant body, or a grant to it, is established.

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

- 7.4.1 Not applicable.

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

- 7.5.1 Not applicable.

#### **7.6 Public Sector Equality Duty**

- 7.6.1 As set out in paragraph 6.1 above.

## **8 Background Documents**

- 8.1 Report of the Council Business Management Committee to City Council on 11 July 2017 “Revised City Council Constitution”; along with relevant e-mails/file(s)/correspondence on such appointments.

**Attached:** Appendix to Report to Cabinet – 16 January 2024 - Appointments to Outside Bodies



**APPENDIX 1**

**APPENDIX TO REPORT TO CABINET 16 JANUARY 2024**  
**APPOINTMENTS TO OUTSIDE BODIES**

**1. Summary of Decisions**

On 15 August 2017, Cabinet resolved under decision number 004096/2017 that the practice be continued of contacting each representative when their term of office is due to expire to ascertain whether they are willing to be re-appointed and that, unless indicated otherwise in the report to Cabinet, it will be understood that such representatives are not willing to be re-appointed.

**2. Non - Annual Appointment**

**Alderson Disabled Ex-Servicemen's Homes Trust**

The terms of office for Honorary Alderman John Lines and Honorary Alderman Sue Anderson on the Alderson Disabled Ex-Servicemen's Homes Trust have expired. However, they have both expressed their wish to continue to serve the Trust for a further 4 years. The Conservative Group Secretary and the Liberal Democrat Group Secretary has agreed that they both continue to serve for a further 4 years. Therefore, it is

**RECOMMENDED:-**

That Cabinet agrees the continuation of Honorary Alderman John Lines and Honorary Alderman Sue Anderson as representative trustees for a further 4 year-term on the Alderson Disabled Ex-Servicemen's Homes Trust expiring on the 15 January 2028.



**Birmingham City Council**  
**Cabinet Committee**

Date 16 January 2024



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**Subject:** **Highways Maintenance and Management Services**  
**PFI**

**Commissioner Review**

The Commissioners have been fully involved in the discussions leading up to the actions taken and the preparation of this report.





Birmingham City Council

**Reports not on the Forward Plan / Late Report / Confidential or  
Exempt Information not Notified**

## **Birmingham City Council**

**Cabinet – 16<sup>th</sup> January 2024**



**Subject:** Highways Maintenance and Management Services PFI  
**Report of:** Marie Rosenthal, Interim City Solicitor & Monitoring Officer  
**Report author:** Marie Rosenthal, Interim City Solicitor & Monitoring Officer

### **1) Key Decisions not on the Forward Plan / Urgent Decisions**

To be completed for Key Decisions not on the Forward Plan 28 days before the Cabinet meeting at which the decision is to be taken.

<i>Reasons for Urgency / why not included on the notification</i>	N/A
<i>Date Chief Executive Agreement obtained:</i>	N/A
<i>Name, Date and any comments of O&amp;S Chair agreement obtained:</i>	N/A

### **2) Key Decisions not notified on the Notification of Intention to Consider Matters in Private**

To be completed for Key Decisions not on the Forward Plan 28 days before the Cabinet meeting at which the decision is to be taken.

<i>Reasons for Urgency / why not included on the notification</i>	N/A
<i>Name, Date and any comments of O&amp;S Chair agreement obtained:</i>	N/A

### 3) Late Reports

To be completed for all late reports, i.e. which cannot be despatched with the agenda papers i.e. 5 clear working days' notice before meeting.

<i>Reasons for Urgency / why late</i>	Following the Department for Transport's decision to reject BCC's Outline Business Case in November 2023, the Council has been forced to consider its position in relation to the Highways PFI. An urgent late report was required to present an update to Cabinet on this.
<i>Date agreement obtained (Executive e.g. Leader and/or CEX):</i>	15 <sup>th</sup> January 2024