

Members are reminded that they must declare all relevant pecuniary and non-pecuniary interests relating to any items of business to be discussed at this meeting

BIRMINGHAM CITY COUNCIL

CORPORATE RESOURCES AND GOVERNANCE OVERVIEW AND SCRUTINY COMMITTEE

WEDNESDAY, 04 OCTOBER 2017 AT 10:30 HOURS
IN COMMITTEE ROOM 6, COUNCIL HOUSE, VICTORIA SQUARE,
BIRMINGHAM, B1 1BB

A G E N D A

1 NOTICE OF RECORDING/WEBCAST

The Chairman to advise/meeting to note that this meeting will be webcast for live or subsequent broadcast via the Council's Internet site (www.birminghamnewsroom.com) 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 - 8

3 CORPORATE RESOURCES & GOVERNANCE ACTION NOTES-06 SEPTEMBER 2017

To confirm action notes from the meeting held on 06 September 2017

9 - 18

4 CABINET MEMBER FOR VALUE FOR MONEY AND EFFICIENCY

Report from Cllr Majid Mahmood, Cabinet Member for Value for Money and Efficiency

19 - 22

5 WELFARE REFORM UPDATE

Report of the Service Director of Customer Services

23 - 26

6 CORPORATE RESOURCES AND GOVERNANCE WORK PROGRAMME OCTOBER 2017

To note the work programme

7 **REQUEST(S) FOR CALL IN/COUNCILLOR CALL FOR ACTION/PETITIONS RECEIVED (IF ANY)**

To consider any request for call in/councillor call for action/petitions (if received).

8 **OTHER URGENT BUSINESS**

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

9 **AUTHORITY TO CHAIRMAN AND OFFICERS**

Chairman to move:-

'In an urgent situation between meetings, the Chair jointly with the relevant Chief Officer has authority to act on behalf of the Committee'.

BIRMINGHAM CITY COUNCIL

CORPORATE RESOURCES AND GOVERNANCE O&S

COMMITTEE

1030 hours on 6th September 2017, Committee Room 2 – Action Notes

Present:

Councillor Mohammed Aikhlaq (Chair)

Councillors Mohammed Afzal, Randal Brew, David Barrie, Ewan Mackey, Yvonne Mosquito, Rob Pocock, Sybil Spence, Waseem Zaffar

Also Present:

Cllr Tristan Chatfield, Cabinet Member for Transparency, Openness and Accountability

Iram Choudry, Research & Policy Officer, Scrutiny Office

Chris Gibbs, Service Director Customer Services

Cllr Ansar Ali Khan, Assistant Leader

Cllr Marge Bridle, Assistant Leader

Chris Jordon, Assistant Director

Cllr Narinder Kooner, Assistant Leader

Tim Savil, Assistant Director Revenue and Benefit

Emma Williamson, Head of Scrutiny Services

1. NOTICE OF RECORDING/WEBCAST

The Chairman advised the meeting to note that this meeting will be webcast for live and subsequent broadcast via the Council's Internet site (www.birminghamnewsroom.com) and that members of the press/public may record and take photographs.

2. APOLOGIES

Apologies were received from Councillor Paul Tilsley

3. CORPORATE RESOURCES & GOVERNANCE – ACTION NOTES

RESOLVED

(See document No 1)

The action notes from August 2017 we agreed.

4. CABINET MEMBER FOR TRANSPARENCY, OPENNESS AND EQUALITY

(See document No 2)

The Cabinet Member outlined his key responsibilities and priorities. Points to note were

- He was meeting shortly with officers from the West Midlands Combined Authority to discuss a regional co-ordinated response to the Smart City agenda
- A data portal for publishing all FOI requests would be launched shortly along with a new policy platform containing all BCC policy documents on one site. The link for these would be sent through to the Committee.
- On questions relating to the recent exchange visit to Denver to discuss counter extremism measures, the Cabinet Member was keen to stress the importance of sharing good practice with colleagues from the USA on this important area of work. The group was made up of academics from Birmingham University, West Midlands Police and the Council and they would continue to meet on an informal basis to share good practice and information. There were lessons to be learnt from both countries particularly in terms of civil engagement.
- In relation to the upcoming roll out of the new Universal Credit, the Cabinet Member pointed out that one of the areas yet to be determined was issues involving Councillor referrals. This work was on-going and he would be able to provide an update when he next attends scrutiny.
- Bereavement Services is a new addition to this portfolio. Councillors raised a number of concerns relating to the time taken for the release of bodies. Cllr Chatfield stated there had been a reduction in the time taken for the release of the deceased from 2.6 days to 1.8 days but he would be happy to meet with members to discuss their concerns outside of this meeting.
- Working with the third sector and developing a consistent approach would help avoid tensions where external organisations are both partners and contractors.
- Refugee Resettlement Programme: further details would be available at his next committee update
- The Cabinet Member made clear that there is a distinction between formally constituted cabinet meetings where decisions are made and informal meetings of the Cabinet.

5. ASSISTANT LEADERS UPDATE

The Assistant Leaders made the following key points

- In order to support Councillors within their local areas, the Assistant Leaders were working on producing a table outlining details of all front line services and relevant officers within each ward
- Ward Action Co-ordinators (WAC): They are currently looking at identifying existing staff from within the Place Directorate looking for a career development opportunity to take on these roles with a focus on those staff that can be released from their existing job roles without the need for backfilling.
- They would welcome support from the Committee in taking forward this agenda
- Local Innovation Fund: Most Wards have submitted proposals and 15 additional applications would be considered at the next Cabinet meeting for Local leadership. Cllr Khan urged members to ensure all wards submitted applications as 12 wards were yet to make an application

In response to questions from members, the Assistant Leaders made the following points

- They stressed that they would like each ward to have access to a WAC resource and this officer would more than likely support a number of different wards. Members requested that they should have responsibility for wards in a similar geographical area.
- Job description: It has gone through the councils HR processes and would be circulated to the committee once agreed.
- District Committees: A report would be presented to Full Council in November recommending the abolition of District Committees and related Committee Chair posts. Members raised concerns about the lack of governance infrastructure as a result of abolishing District committees. Mechanisms should be established to ensure members from neighbouring areas still had the opportunity to meet and discuss issues affecting all of their areas e.g. anti-social behaviour and community asset management
- Details on the timelines and ward clusters would be discussed at the next meeting of the Cabinet Committee for Local Leadership on September 21st, 2017. Members requested that they should be consulted on any proposals relating to ward clusters.
- Ward Plans: For the purposes of this year, the Assistant Leaders would circulate a one sided template to all members to complete in order to capture current ward priorities and feed into the Councils budget setting process. From 2018 a more detailed approach would be used. Members indicated that any data and statistics relating to specific wards should be shared with them in order to support the development of these plans.
- Members also raised concerns about the level of support needed for single member wards and requested a clear plan of action for taking this forward.

- The Chair was keen to stress that the Committee would be happy to support the Assistant Leaders in taking forward their programme of work.

RESOLVED

Assistant Leaders to provide committee with an update in 6 months' time.

6. REVENUE SERVICE UPDATE

Chris Gibbs , Service Director introduced Tim Savill , the newly appointed Assistant Director for Revenue and Benefits. Chris Gibbs made the following points

- The service is responsible for collecting £800 million of Council Tax and Business Rates and is an important source of income generation for the council.
- Bringing the service in-house has resulted in a £1.2 m one- off revenue saving and an ongoing saving of £450,000.
- The service has also recruited a number of staff to key positions resulting from the service being bought in-house and all staff are now on BCC working terms and conditions.
- Analysis identified £30 million in Council Tax arrears spanning up to 5 years. In response to this, the service has introduced a debt consolidation process in order to put together a more holistic approach in supporting citizens and maximising the collection of debt. The Council will no longer use enforcement agents in the case of Council tax support cases, instead recovering these arrears through direct deductions from claimants benefit entitlements.
- Business Rates: A report would be presented to Cabinet setting out the Councils policy on awarding rate relief to Businesses.
- In order to maximise the tax base for council tax and business rates the service carried out a pilot programme on Erdington High street and identified a number of properties which were either missing or undervalued resulting in an additionality of income of approximately £0.5m

In response to members questions, the following points were made

- The electoral roll is used and other data sharing tools when identifying the Single Persons Discounts. The plan is to review this every three years.
- The service is exploring the use of an early warning system in order to identify debts before they become a problem.
- Multi-year debtors – The next step is to have a more joined up approach across the Council by matching with other debts held by the Council (e.g. housing)

The committee congratulated Chris and his team for the excellent service they provide to both members and citizens

7. WORK PROGRAMME

Members were asked to confirm their attendance for the 18th September
Procurement strategy work

RESOLVED

To note the work programme

8. REQUEST(S) FOR CALL IN/COUNCILLOR CALL FOR ACTION/PETITIONS RECEIVED (IF ANY)

None

9. OTHER URGENT BUSINESS

Cllr Brew raised concerns about the current industrial crises and suggested a short piece of work to scrutinise what has happened and draw lessons learnt from the dispute. Cllr Pocock suggested this take place once the situation has been resolved.

10. AUTHORITY TO CHAIRMAN AND OFFICERS

Agreed

The meeting finished at 1225 hours.

Corporate Resources and Governance O&S Committee – 4 October 2017

Priority Report of the Cabinet Member for Value for Money and Efficiency

Report by: Councillor Majid Mahmood

1. Purpose of report

This report sets out my Constitutional responsibilities and identifies my portfolio priorities for 2017/18.

Given the relatively recent approach to commercialism by the Council I have focussed my report on the establishment and work of the Commercialism board.

2. Accountability and Responsibilities

In accordance with the City Council Constitution I have accountability for the management of all commissioning, procurement, contract compliance and council wide efficiency. My responsibilities are as set out in the Constitution.

3. Priorities

Working towards the shared vision for Birmingham to be a city of growth where every child, citizen and place matters with a clear focus on Children, Housing, Jobs and Skills and Health my portfolio priorities for 2017/18 are:

- Establishing a Commercialism Board to explore and progress commercial opportunities across the Council to protect services to the citizens of Birmingham.
- Maximising Income Generation and Savings through Procurement
- Increasing Social Value acquisition through closer Partnership Working
- Promoting the Birmingham Business Charter for Social Responsibility and Find it in Birmingham
- Improving Governance and Assurance in Procurement

4. Activity

4.1. Commercialism

4.1.1. The activity that will help to achieve this priority includes: developing and implementing a targeted commercialism approach across the Council. (see appendix 1 for full report)

4.2. Maximising Income Generation and Savings through Procurement

4.2.1. The activity that will help to achieve this priority includes: driving additional income from the commercial advertising portfolio, growing the external work and reach of Corporate Procurement Services, driving savings through smart procurement.

4.2.2. Progress on this includes:

- New opportunities to generate additional income have been identified in the outdoor advertising contract with Signature Outdoors Ltd.
- New assets are being developed at Bristol Street and near Lancaster Circus and are due to go live before the end of the financial year.
- The first phase of expanding “The Loop” pavement advertising portfolio has been completed and the second phase for a further 100 assets across the city has commenced.
- As at the end of June 2017 and against a target of £9m per annum, new cashable savings for the Council of £7,118,030 have been achieved through the work of Corporate Procurement Services.
- Contact has been made with over 500 West Midlands non-Local Authority, non-trust educational establishments promoting the work of Corporate Procurement Services and seeking subscription to its services.
- Over £15,000 of outstanding invoices from 2016/17 have now been paid through follow up contact.
- A new agency contract was launched on 4 September 2017, the work streams covered to enable this included: data validation and transfer, signing up existing agencies under third party agreements with the new provider to ensure continuity of supply, the build of a new agency worker system, the delivery of multiple communications and training sessions to agency workers and hiring managers and finalisation of commercials, MI and Key Performance indicators. This was a complex task involving the consolidation of nearly 40 existing agencies into 1 contract, over 500 hiring managers and 2,000 agency workers across a diverse range of services.

4.3. Increasing Social Value acquisition through closer Partnership Working

4.3.1. The activity that will help to achieve this priority includes: Increasing the proportion of spend with Business Charter accredited organisations, Increasing the number of apprenticeships by Charter accredited organisations, developing a joint commissioning plan with the WM Combined Authority, co-developing the WMCA approach to social value and exploring the potential for a virtual partnership commissioning hub and developing proposals to achieve greater benefits with partners.

4.3.2. Progress on these includes:

- There is a 5% increase against 2016/17 result of 28% in the target for the proportion of spend with Charter accredited organisations, it currently stands at 39% at end of Quarter 1 and is therefore ahead of target.
- Against an end of year target of 102 apprenticeships, the current position is that 67 apprentices are in place.
- 28 Matching projects have been identified by third sector organisations and assessed against Council’s key priorities by Social Value Operations Group. These are publicised on FIIB and also promoted by Social Value Plus CIC.
- Work is progressing across the region to explore and determine opportunities for regional collaboration on procurement.
- Steered and influenced by our own Social Value policy the Mayor of the WMCA has agreed to adopt a WMCA SV policy which has been drafted and circulated to the other LAs for

feedback. It is anticipated that this will be approved by the WMCA in September and launched at the national Social Value conference, being held in Birmingham, in November. Work is also progressing with the National Social Value Taskforce to develop the Themes, Outputs and Measures and the Maturity Index.

- Work is being undertaken to compile a list of key internal and external stakeholders who will need to be consulted as the potential for a virtual partnership commissioning hub is explored, the aim being to achieve greater benefits for the Council and for partners.
- We are currently reviewing the opportunity to incorporate delivery of Social Value into Planning. The Council's legal team are involved in this work and meetings are scheduled with internal and external parties to discuss the way forward.

4.4. Promoting the Birmingham Business Charter for Social Responsibility and Find it in Birmingham

- 4.4.1. We continue to host FiiB 'meet the buyer' breakfast events with the last one held on 7 September. Given the Council's Housing priority this event focussed on Birmingham's housing needs and the demand for new homes in the city for social housing and private accommodation. Key speakers from the Homes & Communities Agency (HCA), Birmingham City Council and Kier Living enabled attendees to find out about the current and future development growth opportunities available throughout the region and what local supply chain opportunities it will generate.
- 4.4.2. The BCC4SR was reviewed and updated in December 2016 and continues to be the Council's primary source for securing additional social value through Council spend for Birmingham's citizens, to date there are 421 Charter signatories.

4.5. Improving Governance and Assurance in Procurement

- 4.5.1. The activity that will help to achieve this priority includes: Finalising and embedding the 2017+ Commissioning Strategy, ensuring adherence to the Procurement Governance Arrangements (PGA) and addressing the financial challenge by identifying and supporting new ways of delivering services in line with BCC Future Operating Model.
- 4.5.2. Progress on these includes:
- The Commissioning Strategy was approved by Cabinet on 25th July 2017. Implementation of the agreed communications and timeline to share the strategy and the benefits to stakeholders is underway.
 - The terms of reference for the Corporate Commissioning Board have been reviewed and agreed by the CCB on 16th August 2017.
 - Officers in CPS are working with Social Value Plus CIC to support orgs to increase number of charter accreditations, the quality of submissions and enabling/encouraging engagement with suppliers and non-contracted companies.
 - Having initiated a review into the Council's PGA and specifically in respect of reporting contract award dates an instruction was sent to senior officers reminding them of the need for compliance, improvements to the template used for reporting Planned Procurement Activities have also been made to provide specific information in respect of Single Contractor Procurements.

- The mechanism I put in place to manage the submission of late reports continues to work well with only 3 in July (2 public, 1 private) and 2 in August (1 public, 1 private) having been submitted in the current financial year.
- Work is being carried out to devise a new grant toolkit and revised forms to improve efficiency. Points being considered include: the need for greater flexibility on small grants to make it easier for people to work with the Council, use of a digital mechanism for grant forms and ensuring alignment with the Council's governance arrangements in respect of issuing grants.

5. Executive Decisions Taken (CM for Value for Money and Efficiency as a signatory, (June 2017 to date):

5.1. Cabinet

- Future Options for the Wellbeing Service Birmingham
- BCC Energy Company - FBC PDD
- Battery Way Extension LGF Improvements - Revised Financial Appraisal
- Swallow Street Metro Complementary Highway Works - Project Update and Delivery Strategy
- Development of an investment vehicle for commercial property and the disposal of surplus properties
- Budget Savings Application to the Supporting People Contracts and Third Sector Grant funded Organisations
- Provision of Permanent Accommodation to meet basic need - Full Business Case & Contract Award
- Provision of Additional School Places: St Barnabas CE Primary School Full Business Case and Contract Award
- Planned Procurement Activities (July 2017 – September 2017)
- Birmingham Smithfield Development Procurement Strategy
- Highway Maintenance and Management PFI Contract
- Commissioning Strategy 2017+
- Replacement Social Care IT System (Children and Adults) Approval to Award Contract
- Establishment of a commercial venture between the Library of Birmingham and the Birmingham Repertory Theatre - Full Business Case and Contract Award
- Procurement Contract - Procurement Strategy for the Provision of Design Construction and Facilities Management Services (DCFM)
- Planned Procurement Activities (August 2017 – October 2017) and Quarterly Award Schedule (April 2017 – June 2017)
- Temporary Accommodation - Refurbishment of Council Owned Properties for Use as Temporary Accommodation - Full Business Case and Contract Award
- Tender Strategy for the Repair, Maintenance and Major Refurbishments of Lifts
- Planned Procurement Activities (September 2017 - November 2017)
- Building Birmingham: Full Business Case - Delivering the BMHT housing development programme for 2017-19 with SME house-builders
- Birmingham and Solihull Industrial Symbiosis - Approval to Accept Grant
- Planned Procurement Activities (October 2017 – December 2017)

5.2. Cabinet Member/Chief Officer

- 20 mph Pilot Area B2 FBC
- BCR A38 Bristol Road Selly Oak to City Centre FBC
- Purchase of Professional Academic & Research Expertise and Practice Modules (West Midlands Social Work Teaching Partnership)
- Full Business Case for the Refurbishment of Kingstanding Wellbeing Centre
- BCR Big Birmingham Bikes Tranche 2 FBC
- BCR Hatchford Brook Green Route FBC and wider programme management funding
- Creation of Brays Special Academy On The International School Site – Final Phase Works – FBC
- Erdington Controlled Parking Zone FBC
- Contract Award for a Cashless Parking Payment Service
- Cisco Catalyst 6509 switch – partial upgrade and full replacement - Full Business Case
- Single Contractor Negotiation: Integrated Assessment of Recovery, Rehabilitation and Reablement Services
- Holloway Circus Improvement Revisions to FBC and Contract Award
- Provision of Nursery Places (Little Builders at Jervoise School) to meet Requirements for 30 hour Provision for Working Parents – FBC
- Priority School Building Programme 2
- Full Business Case Southside Hurst Street, Proposed Permanent Traffic Restrictions Phase 2
- Contract Award for a Private Sector Leasing Scheme

Councillor Majid Mahmood

Cabinet Member for Value for Money and Efficiency

Birmingham City Council's approach to Commercialism

1. Background:

In an environment of ongoing funding pressure for local authorities Birmingham, along with many other Councils, has sought to explore the financial opportunities associated with adopting a commercial approach. Following my meeting with Councillor Graham Chapman, the Deputy Leader of Nottingham City Council and officers and further research about activity taking place in other authorities, membership of the Advanced Commercialism Group (run by the Local Government Association) and an initial view of the potential areas to be explored the decision was made to recruit a Head of Commercialism on an 18 month Fixed Term Contract, along with a small amount of temporary support resource, to progress the Council's commercial approach.

Following the appointment of The Head of Commercialism in December 2016 a member/officer Commercialism Board was established to oversee and drive progress. The first meeting of the Board took place in January 2017 and agreed the terms of reference and purpose.

2. Terms of Reference of the Commercialism Board:

Purpose of Commercialism

The purpose of commercialism is to generate a surplus within business units: *'To protect services to our city and to the citizens of Birmingham'*.

Vision for Commercialism

The vision for Commercialism is to: *Take a more business-like approach to everything we do by:*

- Planning for and Investing in Growth
- Realising efficiencies
- Embracing and Embedding a culture of innovation and empowerment

Aims and Objectives:

The vision and purpose will be achieved by focussing on four key aims and objectives:

1. Focussing on High Income Opportunities – Identify areas of high commercial opportunity, agree the ambition regarding growth/surplus, monitor and drive the achievement of commercial business plans – leading to cashable savings.
2. Unblocking Barriers - Unblock issues and barriers to achieving commercial success across the organisation – leading to an infrastructure and practices that facilitate successful commercialism.
3. Embedding Across the Organisation - Oversee the development of an innovative, empowered commercial culture across the organisation – leading to commercial initiatives being developed and implemented by staff across the organisation.
4. Enabling Innovation and Assessing New Opportunities - Operate as a 'think tank' and decision making forum for areas with high risk/potential to move in to new ground – including decisions on how services should be delivered (i.e. in-sourced, JV, mutual or outsourced) – leading to robust and effective business cases being produced around

innovative approaches

Membership of the Board:

To enable the board to fulfil its function effectively the membership is comprised of strategic leads of departments and cabinet members. Paul Faulkner (Chief Executive, Birmingham Chamber of Commerce) was also invited to join the board as a Non-Executive Director to provide a private sector perspective and external challenge. Guests and advisors will be invited to the board as appropriate.

- Angela Probert (Chief Operating Officer) – Chair and Sponsor
- Cllr Ian Ward (Interim Leader of the Council)
- Cllr Majid Mahmood (Cabinet Member for Value for Money and Efficiency)
- Cllr Lisa Trickett (Cabinet Member for Clean Streets, Recycling and Environment)
- Jacqui Kennedy (Corporate Director for Place)
- Waheed Nazir (Corporate Director for Economy)
- Guy Olivant (Head of City Finance)
- Connie Price (Head of Legal)
- Nigel Kletz (Director for Commissioning and Procurement)
- Paul Faulkner (Chief Executive, Birmingham Chamber of Commerce)
- Ken Lyon (Head of Commercialism)

3. Progress of Commercialism:

Focussing on High Income Opportunities

As part of the objective to drive progress in high income areas 8 core areas of the business were identified that had a high level of commercial potential, including Property Services, the Corporate Digital Mail centre, CityServe, Library of Birmingham, Car Parks and Shelforce and Services to Schools. Successful outcomes from the Commercialism Portfolio include:

- CityServe winning three prestigious national awards for their social commercialisation of their schools catering business – the ‘all about the kids’ approach delivering a substantial surplus to be reinvested in Council services
- Approval to create a property company for commercial investments and purchase of two assets (to be completed October 2017) securing future capital growth and an annual revenue benefit.
- Development of a ‘Unique Venues Birmingham’ a commercial partnership with between the Library of Birmingham and the Birmingham Repertory Theatre (formally launched on 1 October) that will generate for the Council an additional income rising to £0.15m pa by 2019/20
- A commercial approach to the sheltered workforce organisation Shelforce which has worked in partnership with housing contractors to transform a £1.8m pa deficit to a surplus and resulted in significant costs being avoided in care packages and other support mechanisms
- Greater utilisation of the Corporate Digital Mail Centre, including expanding the customer base to include more authorities in the West Midlands Combined Authority, undertaking public sector work outside of the West Midlands and expanding the operations to in-source parking and bus lane enforcement activity equating to an additional £0.15m pa
- Further growth of the Commercial Advertising Portfolio, including the development of new

assets and expansion of the 'Loop' pavement advertising portfolio, contributing to a predicted surplus of £2.9m in 2017/18.

The Commercial area of work has also seen a single web platform developed for professional services to schools to support cross selling, development of car parking charges in parks and a wider business plan approach and growth of the commercial advertising portfolio.

Enabling Innovation and Assessing New Opportunities

The Commercialism Board also plays a key role in assessing, debating and challenging the development of new opportunities – ensuring that appropriate rigour has been applied to business cases and organisational synergies identified – prior to undertaking formal decision making processes.

The board has played a key role in understanding, commissioning and providing challenge to the development of a full business case for a proposal to develop a Council owned Energy Company alongside the development of growth opportunities for the business units outlined above.

4. Future Priorities for Commercialism:

Focussing on High Income Opportunities:

There is a key focus to drive further value from the opportunities that have currently developed and delivered commercial success for the Council, for example:

- Greater utilisation of Shelforce in more of the Council's activities, including provision of windows and doors for new homes built via the Birmingham Municipal Housing Trust and expansion in to installation across the repairs and maintenance programme – alongside greater development of external work
- Growth of CityServe in to provision for schools and academies beyond the boundaries of Birmingham (including use of the new CitySeve 'select' consultancy service) and partnerships with other organisations and expansion in the commercial catering market – utilising city assets to drive a commercial return for the Council
- Development of a refreshed commercial property approach as part of a new Property Strategy, which will focus on driving commercial decisions to acquisitions, disposals and lets across a revised commercial property portfolio and exploring a variety of methods to maximise return
- Rebranding and use of a current BCC asset Birmingham Venture Capital to facilitate access in to new markets for a number of BCC businesses (including the Corporate Digital Mail Centre and a number of professional services currently provided to schools) to enable effective trading with the private sector.

Other areas that the board is keen to explore the opportunities to maximise the commercial potential in include car parking and physical service to businesses (e.g. waste, grounds maintenance and pest control).

Feedback and Areas for Further Commercial Growth

The Commercialism Board welcomes feedback from scrutiny of the areas developed to date and approaches that could leverage further commercial gain.

The board also invites ideas from scrutiny members on any additional or further areas across the Council which have a high level of commercial potential, so that these can be incorporated with the plans for ongoing commercial development.

Unblocking Barriers

The Commercialism Board has currently identified a number of barriers (process, cultural and structural) to commercial success, part of the remit for the board in the next phase of Commercialism is to effect meaningful change to provide an environment in which Council services operating in a commercial environment can thrive. Examples of areas that the board will be seeking to challenge in the next phase include:

- Decision Making Processes – developing greater clarity, flexibility and agility to Council decision making processes enabling services to respond in a timely way to market opportunities
- Commercial Accounting – developing commercial accounting principles within traded accounts based on profit and loss and to enable business like decisions to investment, growth and withdrawal from markets
- Risk Appetite – developing an agreed risk appetite to commercial opportunities and a greater ability to innovate and undertake new opportunities which are outside of areas that the Council has traditionally operated if they provide a social/commercial benefit.

5. Embedding Across the Organisation

As part of the review of progress of the impact of the board a recommendation will be made as to how to best embed the Commercial approach across the organisation, which will seek to understand the commercial structure required to maximise the impact. A report has been commissioned to explore the most effective way to create synergies from commercial resource already invested across the organisation and where maximum return will be gained through future investments.

Options to support this for the future include:

1. **Withdraw from organisational commercial approach** – cease investment in centralised commercial resource and revert to departments operating independently
2. **Continue with minimal approach** – continue to invest in a Head of Commercialism as a catalyst to commercial thinking but with no structural authority and very limited resource in place
3. **Create Commercial and Business Development function** – centralisation and oversight of existing business development and commercial support roles (e.g. marketing, financial, legal) in to a single place to provide synergies, learning, greater expertise and maximise impact on organisation and to identify where future investments would realise a return
4. **Create a commercial delivery department** – centralisation of traded and commercial services in to a single management structure to provide commercial focus and decision making across the portfolio of delivery functions – approach would require significant organisational investment to remove commercial functions from domestic/non-commercial activity.

**Report of the Assistant Director, Revenues and Benefits to the
Corporate Resources and Governance Overview and Scrutiny Committee
4th October 2017**

1. Purpose

- 1.1 To provide an update to the Committee on Welfare Reform.
- 1.2 To report on the implementation of Universal Credit and associated issues for the council and citizens of Birmingham.

2. Background

- 2.1 The Council put in place a Welfare Reform Multi-Agency Committee to help to mitigate the impact of the significant welfare reforms (for working age people) introduced by the Government in 2013. The group consisted of a wide range of internal and external partners from both voluntary and statutory agencies across the entire city. In the main, the reforms included:
 - The Benefit Cap – meaning housing benefit was reduced where couples and families were in receipt of more than £26,000 per annum in welfare benefits. This was subsequently reduced to £20,000 from the Summer of 2015.
 - The social sector size reduction – for people living in council or registered social landlord accommodation which was deemed to be ‘under-occupied’.
 - The introduction of Local Welfare Provision – replacing elements of the Social Fund, previously administered by the Department for Work and Pensions (DWP).
 - The localisation of council tax support – which replaced the national council tax benefit system.
- 2.2 Having achieved the initial remit, the group disbanded as the reforms bedded-in. Universal Credit implementation was a further significant reform, originally to be introduced from October 2013. Universal Credit (UC) replaces a number of other benefits (Income Support, Job Seekers Allowance, Working and Child Tax Credits, Employment and Support Allowance and Housing Benefit). Importantly, it is paid in arrears with the default payment made direct to tenants. Up until now most social sector tenants have their housing costs paid to their landlords (including council tenants). The other significant issue for tenants and landlords is a delay of payment for at least five weeks at the start of UC claims.
- 2.3 The timescales for the implementation of the full rollout of Universal Credit were adjusted by the Department for Work and Pensions (DWP). This meant that a limited number of working age people started receiving UC in Birmingham from 13th April 2015 – this phase of the rollout is referred to as ‘live service’ by DWP. Typically, the people claiming UC at present are the more straightforward cases (single people aged under 35). The number of council tenants currently receiving their housing costs through UC in Birmingham (who would have previously claimed Housing Benefit) has slowly risen to around 1,300. A similar number is likely in Housing Association properties and private tenants. However, the next phase of the rollout is about to commence – referred to as ‘Full Service’. This will see the numbers of working age people receiving UC rise significantly from November 2017 onwards.
- 2.4 Of the twelve job centres in Birmingham, six will implement ‘Full Service’ in November 2017 with the remaining further six in December. The ‘Full Service’ will include all new claims for housing costs and many changes in circumstances. This will include families with up to two children. Although there are some exclusions, it will impact on

people whose circumstances can make them vulnerable. Remaining working age HB claims will gradually migrate to UC by around 2022.

- 2.5 As a result of this significant change, the Task and Finish Group has been reformed. This report is to update members on the progress made so far as well as outlining some of the challenges ahead.

3. The work of the Task and Finish Group

- 3.1 Chaired by Councillor Chatfield, the group meets monthly and it is made up of representatives from the Council and stakeholders (including DWP, third sector, and Registered Social Landlords). The purpose of the group is to work collaboratively to see how best to mitigate the impact the Government changes have on Birmingham residents. It has identified four key priority areas and established smaller working groups to examine the main priorities. The working groups are:
- Customer Journey – to examine the issues for citizens which are likely to impact on their experience under the new UC system (see appendix 1 for details identified).
 - Communications – to assess the most effective ways of sharing the key messages around the impact of UC.
 - Personal Budgeting Support (PBS) to provide help for citizens with specific needs to deal with the new method/frequency of payment; and
 - Assisted Digital Support (ADS) – to understand the needs of citizens requiring extra support to access UC ‘on line’.
 - Discretionary Housing Payments (DHP) and Local Welfare Provision (LWP) – to examine how these limited budgets can help with the transition to UC.
- 3.2 There are a number of issues which will require close working between the Council and its partners to support people on UC. The ongoing work of the group will assist this process and help to ensure that the needs of Birmingham residents are fully taken into account. This will include working closely with Job Centre Plus on related issues to getting people into work, which is a key priority for the Council.

4. Implications for the Council and the City

- 4.1 There are significant issues for Birmingham. The Council has around 62,500 properties with ‘landlord’ responsibilities. There are 42,400 of these households which rely on housing benefit to assist with their rent. The big change (with the introduction of UC) is the issue relating to UC payments being made (with some exceptions) directly to the tenant and not the Council
- 4.2 This, coupled with the delay in payment at the start of the claim will cause additional pressure to the Council due to the potential impact on rent arrears. In preparation for this change, a pilot initiative is being undertaken to examine existing cases in receipt of UC. The pilot will look to identify the positive examples where people have claimed UC and not gone into rent arrears. Similarly, it will examine cases where arrears have built up, and look at what interventions may have prevented this situation arising.
- 4.3 Universal Credit has been in Full Service at other councils before Birmingham. Close working with these councils has helped to identify the likely key issues for Birmingham. In relation to benefits administration, these include:
- delays in the receipt of information;
 - duplication of information;

- inconsistent and contradictory paperwork;
- information for other Councils; and
- ineffective escalation routes.

- 4.4 From a housing rent collection perspective, other councils report much lower levels of rent collection. Arrears on UC claims appear to be a relatively high proportion of all rent arrears.
- 4.5 Work is underway to examine the impact the changes could have for the Council. This includes modelling of existing tenants payment patterns while in receipt of UC and extrapolating this to inform the Council of the expected numbers going forward. This will help the Council's financial planning and the pilot will determine the associated structural and behavioural changes needed.
- 4.6 Registered Social Landlord partners in the City will be facing the same pressures as the Council in terms of potential delays (in rent payment) and lack of direct payments. Tenants in privately rented accommodation are probably the most vulnerable group and there is a risk that some private landlords will cease renting to people claiming UC.
- 4.7 As an employer the workload for the Council on housing benefit claims will reduce over time. The Council receives a grant from the DWP to assist with the administration of Housing Benefit. This has seen a reduction of £500,000 for 2017/18 and is expected to continue to decrease year on year until 2022.
- 4.8 The reduced funding is theoretically linked to the reducing caseload as more people move across to Universal Credit. Lessons learned from other councils on an earlier roll-out to Birmingham (for UC Full Service) suggests that the reduction in caseload is not as severe as initially expected. There is additional work for the Council in providing DWP with HB information – and vice versa for information to assess entitlement for Council Tax Support. The Council will therefore need to find the right balance of funding against the need to reduce staff numbers with less funding from DWP. We expect to know our funding for the administration grant from DWP in late November 2017.
- 4.9 The Benefits Service has undertaken a review of its provision, staffing model and capacity and has formulated a future operating model based upon the reducing caseload. Once the Administration budget is announced, the Benefit Service will ensure this new staffing model is mapped against this funding. Proposals for any changes in staff numbers will require trade union and staff consultation. This new model will be effective from April 2018 when we expect to see the beginning of the impact of UC Full Service.

5. Discretionary Housing Payments (DHP)

- 5.1 Discretionary Housing Payments (DHPs) help to protect tenancies where people face a shortfall between their housing benefit and their rent. They can also be used to help people move to a more affordable property by using it as a 'bond' or 'rent in advance'. It is not intended to be a long-term form of support, but can be used to help ease a short term problem – such as temporary assistance once people first have their benefit 'capped'. The Government gives councils an annual grant for this purpose.
- 5.2 The DHP budget for 2017/18 is £5,283,667. The strategic use of DHP is a key priority of the sub group of the Welfare Reform Task and Finish group. There is an increased pressure on this fund due to Universal Credit and the full effects of the Benefit Cap, which is now fully rolled out. It is important to maximise this limited fund to ensure the

right people get the help they need to retain their tenancy, or move to somewhere more sustainable.

6. Local Welfare Provision (LWP)

- 6.1 From 1 April 2013, under the provisions of the Welfare Reform Act 2012, central government abolished two elements of the discretionary Social Fund — Crisis Loans and Community Care Grants. Responsibility for providing this type of emergency hardship support was passed over to councils, and became known as Local Welfare Provision (LWP). LWP is funded from the Councils general fund. The budget has seen a number of reductions since it was introduced. For 2017/18 the budget is £1.3 million. This was a reduction in the provision from the £1.85 million (which included an underspend of £245k from the previous year).
- 6.2 The Scheme provides support for some of the most vulnerable members of the community following a disaster, emergency or during a period of financial difficulty. Support is typically provided to help purchase emergency provisions (food vouchers). It is also used to help support people set up their homes with very basic emergency 'white goods'.
- 6.3 The Task and Finish sub-group will consider how best to continue with this funding to ensure it is targeted at the right people, and helps to support sustainable tenancies.

7. Personal budgeting support (PBS) and Assisted Digital Support (ADS)

- 7.1 DWP provide funding to councils to help people who may need support with the move to UC. This includes help with their budgeting and digital access. UC claims and claim management is all 'on line'. Many people will not have access to the internet, or the skills needed to manage their UC accounts. The Council has put in place arrangements (ADS) to assist people with this support, in the main through the Library service.
- 7.2 The Neighbourhood Offices (NAIS) will provide the PBS until at least April 2018. Assisted Digital Support is provided through the Council's library network. This will help to support people who do not have the access or skills to help them with their claims. Future provision will be considered as part of a procurement process over the coming months. NAIS receives referrals from the DWP work coaches and provides two hour PBS sessions. For the first quarter (April to June) 2017 a total of 95 referrals were received from DWP work coaches and 84 people were supported with PBS. (11 failed to attend).

8. Conclusion

- 8.1 The coming months will see a significant change for many people in the City. There are many issues for the Council to consider. As a 'landlord', there are important issues in relation to rent arrears and the impact on the council's housing budget. For working age Birmingham residents (in receipt of housing benefit), the Government changes to the benefits system means a fundamental change in the way their housing costs are dealt with. Related issues with social housing and private tenants need to be considered in order to ensure affordable tenancies are maintained and the associated costs of homelessness are minimised.

Tim Savill
Assistant Director, Revenues & Benefits



Corporate Resources and Governance O&S Committee: Work Programme 2017/18

Chair	Cllr Mohammed Aikhlaq
Deputy Chair	Cllr Randal Brew
Committee Members:	Cllrs Muhammad Afzal, David Barrie, Changese Khan, Ewan Mackay, Yvonne Mosquito, Rob Pocock, Valerie Seabright, Sybil Spence, Paul Tilsley, Waseem Zaffar
Committee Support:	Scrutiny Team: Emma Williamson (464 6870), Iram Choudry (303 8263) Committee Manager: Victoria Williams (303 7037)

1 Meeting Schedule

Date	Item	Officer contact
28 June 2017 10.30am Committee Room 6	<i>Informal:</i> Work Programme Discussion <i>Outcome:</i> to determine the work programme priorities for the year	Emma Williamson/Iram Choudry, Scrutiny Office
26 July 2017 10.30am Committee Room 2	1) Report of the Leader of the Council <ul style="list-style-type: none"> Priorities for the year in relation to corporate leadership; BIIP Feedback; Council of the Future; Partnership working Evolution of Devolution: Cabinet Committee Local Leadership and Local Innovation Fund; West Midlands Combined Authority and Mayor update; 	Geoff Coleman, Cabinet Office
6th September 2017 10.30am Committee Room 6	1. Cabinet Member for Transparency, Openness and Equality – update <ul style="list-style-type: none"> Priorities for the year in relation to transparency and openness (to include an update Bereavement Services) 2. Assistant Leaders – update 3. Revenue Services update	Marcia Wynter, Cabinet Support Officer Chris Gibbs



Date	Item	Officer contact
4th October 2017 10.30am Committee Room 6	1. Cabinet Member for Value for Money and Efficiency <ul style="list-style-type: none"> Priorities for the year (to include an update on the work of the Commercialism Board and BCC strategies for income generation) 2. Welfare Reform Update	Jon Lawton, Cabinet Support Officer Chris Gibbs
1st November 2017 10.30am Committee Room 6	Deputy Leader update	Rebecca Grant
13 th December 2018 10.30am Committee Room 6		
3 January 2018, Committee Room 6	1. Leader – Update on priorities 2. Update on the BRUM account	Geoff Coleman, Leader's Office Paula Buckley, Assistant Director Customer Service
7 February 2018, Committee Room 6	1. Deputy Leader Update <ul style="list-style-type: none"> Citizen Engagement Tracking, Customer Satisfaction update 	Rebecca Grant, Cabinet Support Officer Paula Buckley Chris Gibbs/ Paula Buckley
7 March 2018	1) Cabinet Member for Value for Money and Efficiency <ul style="list-style-type: none"> Update on Priorities 	Jon Lawton, Cabinet Support Officer
	2) Cabinet Member for Transparency, Openness and Equality <ul style="list-style-type: none"> Update on Priorities 	Marcia Wynter, Cabinet Support Officer
4th or 11th April 2018 (TBC) 10.30am Committee Room 6		

2 Other Meetings / Working Groups

Partnership Working-BCC Parish/Town Councils: (Membership: Cllrs Aikhlaq, Brew, Barrie, Pocock)

3 Other Suggested Work Areas

- Inquiry Work – Consultation and the Democratic reporting process
- BCC and Partnerships across Birmingham



- Visit to Citiserve

4 Other Meetings

Call in

10th August 2017 Taking Forward Local Leadership Request for Call In

Petitions

None scheduled

Councillor Call for Action requests

None scheduled

Informal meetings

21st September 2017 Member Briefing on Workforce issues
3rd October 2017 Evidence gathering for overview of the procurement strategy for the provision of Design, Construction and Facilities Management Services (DCFM)

5 Forward Plan

Deputy Leader		
004112/2017	ICT & Digital Strategy - Annual Update Report - PUBLIC	05 Oct 17
003675/2017	Corporate Revenue Monitoring Report Months 5 and 6	14 Nov 17
003704/2017	Capital and Treasury Monitoring Quarter 2 (July to September 2017)	14 Nov 17
003662/2017	Performance Monitoring - April to September 2017	12 Dec 17
003677/2018	Corporate Revenue Monitoring Report Months 7 and 8	23 Jan 18
Leader		
004162/2017	Delivery Team for the Curzon, EZ and HS2 East Birmingham Investment Programmes	03 Oct 17
003690/2017	Phoenix Business Park, Brickfield Road, Tyseley – Proposed Compulsory Purchase Order	03 Oct 17
001429/2016	Disposal of Surplus Properties	24 Oct 17
004144/2017	Regeneration of the Druids Heath Estate – Appropriation of the Former Baverstock School	24 Oct 17
000318/2015	Discharge of Accountable Body Arrangements for AMSCI - Standing Item	14 Nov 17
000812/2015	Winning Resources for Birmingham City Council Priorities - Standing Item	14 Nov 17
004111/2017	Draft Birmingham Urban Centres Framework or Inclusive Growth Public Consultation	14 Nov 17
004150/2017	Paradise (Redevelopment) Update	14 Nov 17
004155/2017	Innovation Birmingham Ltd	14 Nov 17
002536/2016	Former Curzon Street Station Refurbishment	12 Dec 17
002864/2017	Snow Hill Square Improvement Scheme (Tranche 1)	24 Jan 18



Value for Money		
003629/2017	Commissioning Security for Council Premises – PUBLIC	03 Oct 17
004073/2017	Supply and distribution of Grocery and Frozen Food – Public	03 Oct 17
003712/2017	Grounds Maintenance - Contract Overrun (F066) Public	14 Nov 17