

BIRMINGHAM CITY COUNCIL

NEIGHBOURHOODS OVERVIEW AND SCRUTINY COMMITTEE

WEDNESDAY, 04 OCTOBER 2023 AT 14:00 HOURS
IN COMMITTEE ROOM 6, 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.

Information on the Local Government Association's Model Councillor Code of Conduct is set out via <http://bit.ly/3WtGQnN>. This includes, at Appendix 1, an interests flowchart which provides a simple guide to declaring interests at meetings.

- 5 - 12**
- 4 **MINUTES**
- To confirm the minutes for the Neighbourhoods Overview and Scrutiny Committee meeting held on 6 September 2023.
- 13 - 14**
- 5 **ACTION TRACKER**
- To note the action tracker.
- 15 - 92**
- 6 **SCRUTINY OF DELIVERY OF 2023/24 BUDGET SAVINGS AND UPDATE ON THE COUNCIL'S RESPONSE TO S144 NOTICE AND FINANCIAL RECOVERY PLAN**
- Appendix 2 was to follow and has now been published on the day of the committee meeting.
- 93 - 108**
- 7 **CLEANER STREETS TRACKING**
- Cllr Majid Mahmood, Cabinet Member, Environment, and Darren Share, Director, Street Scene in attendance.
- 109 - 116**
- 8 **FLY TIPPING ENFORCEMENT**
- Cllr Majid Mahmood, Cabinet Member, Environment, and Darren Share, Director, Street Scene in attendance.
- 117 - 140**
- 9 **WORK PROGRAMME**
- Members to agree the work programme.
- 10 **DATE AND TIME OF NEXT MEETING**
- To note the date of the next meeting on 1 November, 2023 at 1400 hours in Committee Room 6.
- 11 **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).
- 12 **OTHER URGENT BUSINESS**
- 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.

13 **AUTHORITY TO CHAIR AND OFFICERS**

Chair 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

NEIGHBOURHOODS O&S COMMITTEE – PUBLIC MEETING

1400 hours on Wednesday, 6 September 2023, Committee Room 6, Council House

Minutes

Present:

Councillor Shabrana Hussain (Chair)

Councillors: Deirdre Alden, Marcus Bernasconi, Kerry Brewer, Marje Bridle and Ray Goodwin

Also Present:

Jayne Bowles, Scrutiny Officer

Sarah Fradgley, Overview and Scrutiny Manager

Wendy Griffiths, Assistant Director, Customer Services and Business Support

Chris Jordan, Assistant Director, Neighbourhoods (Online)

Richard Lloyd-Bithell, Assistant Director, Financial Strategy (Online)

Mohammed Sajid, Interim Head of Financial Strategy

Christian Scade, Head of Scrutiny and Committee Services

Amelia Wiltshire, Overview and Scrutiny Manager

1. NOTICE OF RECORDING/WEBCAST

The Chair advised that this meeting will be webcast for live or subsequent broadcast via the Council's Public-I microsite and that members of the press/public may record and take photographs except where there are confidential or exempt items.

2. APOLOGIES

Apologies were received on behalf of Cllr. Izzy Knowles.

3. DECLARATIONS OF INTERESTS

Members were reminded they must declare all relevant pecuniary and other registerable interests arising from any business to be discussed at this meeting, and none were declared.

4. MINUTES

(See document No. 1)

Amelia Wiltshire provided a point of clarification on the Minutes of the 5 July 2023 meeting regarding the references by Darren Share to two outstanding recommendations from the Fly-tipping Inquiry. It was confirmed that the inquiry had been closed last year and what had been agreed was for information to be provided in relation to two of the recommendations and to give the Committee scope to request additional information.

RESOLVED:

That the minutes of the committee meeting held on 5 July 2023 were agreed.

5. ACTION TRACKER

(See document No. 2)

The following points were raised on actions from the 5 July 2023 meeting:

Fly-tipping Enforcement – it was confirmed the key points from the discussion have been made into recommendations which have been shared with the Committee and they will be incorporated into the relevant agenda item in October.

The action in relation to whether the ward information is, or if not, whether it can be shared with the City Observatory will also be picked up by Darren Share as part of his October report.

Birmingham Community Safety Partnership (BSCP) – the list of local managers for the six locations had not been received and Cllr Bridle requested that this be chased.

RESOLVED:

That the action tracker was noted.

6. SCRUTINY CONTRIBUTION TO THE BUDGET SAVINGS AND RECOVERY PLAN

(See document No. 3)

Mohammed Sajid, Interim Head of Financial Strategy, and Wendy Griffiths, Assistant Director, Customer Services and Business Support, were in attendance for this item. Chris Jordan, Assistant Director, Neighbourhoods, and Richard Lloyd-Bithell, Assistant Director, Financial Strategy, were in attendance online.

The Chair informed the Committee that given the announcement that the Chief Finance Officer had issued a Section 114 notice, it was important that the Committee understood this before discussing the report provided in the agenda pack.

At this point, the Chair invited Richard Lloyd-Bithell to share more information on this with Members and the following key points were made:

- Fiona Greenway as the Council's S151 Officer had issued the Section 114 notice under the Local Government Finance Act 1988.
- The notice had been issued for a number of different factors and the statement made at Cabinet on 5 July was reiterated.
- The reports deferred at that Cabinet meeting will be considered by the Spend Control Panel this week.
- This changes the governance and approval arrangements of the Council, with any delegations now superseded by the Section 114 notice.
- A new manual and framework will be published today on the Council's website. Spending Control Panels will still be in place in consultation with relevant Cabinet portfolio holders.
- Proposals will go to a newly formed S151 Board, chaired by Fiona Greenway, for final ultimate approval of any new spend falling outside of categories of statutory spend.
- Contractual payments will continue to be made, for example payroll and payments for goods and services received.
- Over the next 20 days there will be an extraordinary council meeting held to consider a report from the Chief Executive and Head of Paid Service on the budget recovery plan and roadmap to move the Council away from the current financial risk situation and out of Section 114 territory.
- Overview and Scrutiny Committees will provide a valuable contribution in this process in terms of continuing to look at savings and reference was made to the information included in the agenda pack.

Chris Jordan made the following points on the City Operations savings:

- The in-year savings associated with the City Operations Directorate in Appendix 3 of the report are broadly split into two categories – those that sit with City Operations and those that sit with Customer Services.

- With regard to the limited amount of in-year savings within City Operations, the first is an ongoing piece of work around superloos which has been in the savings profile for a number of years and is on track.
- There is a sizeable saving associated with staff vacancies. This is being monitored and is reported as Amber, which is largely down to needing greater clarity on monitoring processes. The Directorate is holding a large number of vacancies but to get an accurate assessment they will need to look at the Period 6 monitoring figures when they come through.
- Fees and Charges - £1.5m in terms of increased income generation – the fees and charges have been increased but, again, they will need to look at the Period 6 figures to assess how close they are to achieving that uplift in income.

Wendy Griffiths made the following points on the Customer Services savings:

- The Customer Services programme is driving up customer standards across the Council. A number of these sit with City Operations – Pest Control, Markets, Bereavement Services and Garden Waste.
- These are flagged Red because some of the technological solutions needed have taken longer than anticipated and they are awaiting information on what the costs will be. An example of this is the automated process for garden waste.
- With regard to Bereavement Services, more scrutiny is needed around numbers.
- There are a number of cross-cutting programmes, for example automation and workforce savings, and they will work with City Operations and Finance business partners on due diligence around those numbers.
- They are working with directorates to see whether there is an opportunity to achieve savings and, if not, they will have to go back to Corporate Finance colleagues in terms of deliverability of those numbers.

During the discussion, and in response to Members' questions, the following were among the main points raised:

- The Chair asked what systems are in place to programme and monitor the changes required to achieve savings, and what happens if Amber savings turn to Red.
- The Committee was told that the Amber saving refers largely to employee turnover and income generation and there will be a need to see how the figures flow through. If the 3% turnover figure was accurate, the expectation would be for that to be achieved, but they do not yet have the monitoring information to confirm that. That saving is within the control of managers as and when vacancies arise.
- Fees and Charges is less certain as it links to the usage of facilities, so whilst prices can be increased by 5%, there needs to be an understanding of whether

that affects the number of users. Again, they will need to wait for the monitoring information.

- With regard to the Customer Services savings, there is a robust governance process in place corporately to provide assurance around the work being done and how risks can potentially be mitigated.
- Concerns were raised in relation to the potential for savings on garden waste by auto renewal, with Councillors knowing from experience from casework that full or partial refunds are being given for missed collections.
- Members were told the level of missed collections would need to be discussed with Darren Share to understand the rebate level and ascertain the scale of income being lost through that process. Chris Jordan confirmed he would be happy to pick that up to understand more about the service failure.
- Wendy Griffiths informed the Committee that there had been a positive reduction in the number of complaints received about missed collections, however there are still reports which are avoidable and complaints are followed up with the depots.
- It was stressed that good communication with residents was important, as they are more understanding if they know the reasons for missed collections.
- It was queried whether the redevelopment of the Lifford Lane depot would still be going ahead and Richard Lloyd-Bithell undertook to look into that and provide a response, pointing out that as part of the new arrangements, anything agreed without contractual commitment will be reviewed.
- It was suggested that when looking at budget savings, O&S needs to be asking a set of questions – where savings are coming from, why they are doing it, what has worked before and what does this mean for our communities.
- There was a discussion about the role of O&S moving forward and Christian Scade, Head of Scrutiny and Committee Services, told Members there had been a conversation with the Chief Executive, the S151 Officer and the Monitoring Officer and there will be future opportunities for O&S to make recommendations to achieve the savings required.
- There is work currently being done with the Chair of Co-ordinating O&S Committee to develop a flowchart, which will provide a clearer picture and a plan of how O&S can contribute and, at the Co-ordinating O&S Committee on 15 September 2023, feedback will be gathered from committees on the September round of meetings.

RESOLVED:

That:

- The report was noted.

- Responses would be provided to Members on the following points:
 - The level of missed garden waste collections and the scale of income being lost through the refund process.
 - The position on the redevelopment of the Lifford Lane depot and whether this would still be going ahead.

7. WORK PROGRAMME

(See document No. 4)

The following matters were raised:

Youth Justice Plan - the Chair referred to the committee meeting held in August to consider the draft Youth Justice Plan and confirmed that the report would be going to City Council next week.

Fly-tipping Enforcement – Members to let scrutiny officers know if they have any further comments on the recommendations to be incorporated into the report for the October meeting.

Customer Services – Waste and Bereavement Services - this work had been commenced by the Co-ordinating O&S Committee in the last municipal year and has now been passed on to the relevant committees to take forward. There is a recommendation in the work programme report for this Committee to agree how it intends to follow up any further action required to ensure the improvements are implemented for Waste and Bereavement Services.

There was a discussion about reviewing the work programme in view of the fact that it was set before the S114 notice was issued. It was agreed that the agenda for the October meeting would be kept as it is at the moment and await feedback from City Council and Co-ordinating O&S Committee as it might be that O&S will be done differently and need to look at timelines and determine the best method of scrutiny.

The Chair was requested to keep members of the committee informed leading up to the October meeting.

RESOLVED:

That the work programme was noted.

8. DATE OF THE NEXT MEETING

RESOLVED:

The Committee noted that the next formal meeting will be held on 4 October 2023 at 1400 hours in Committee Room 6.

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

None.

10. OTHER URGENT BUSINESS

None.

11. AUTHORITY TO CHAIR AND OFFICERS

RESOLVED:

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

The meeting ended at 14.54 hours.

NEIGHBOURHOODS O&S COMMITTEE
ACTION TRACKER 2023/24

| Date | Agenda Item | Action | Notes / Update |
|------------|--|--|--|
| 7 Jun 2023 | Action Trackers | The 'slab in the cab' will be discussed at a committee meeting, with this information then being available to all Members. | TBC. |
| 7 Jun 2023 | Developing the Neighbourhoods O&S Committee's Work Programme 2023/24 | The following to be provided: | |
| | | <ul style="list-style-type: none"> The cleaner streets paper, and recommendations made to the Cabinet Member to be e-mailed to the Committee. | E-mailed on 20 June 2023. |
| | | <ul style="list-style-type: none"> Officers to report back on how the Council can measure how localisation is having an impact and is making improvement to services (localisation is an item for the committee meeting on 4 October 2023). | Awaiting information. |
| | | <ul style="list-style-type: none"> The Commonwealth Games Legacy Framework to be e-mailed to Members. | E-mailed on 21 June 2023. |
| | | <ul style="list-style-type: none"> A copy of the briefing paper for the Cabinet Member regarding the Community Safety Partnership review day to be e-mailed to the Committee. | This information was provided in the presentation at the 5 July 2023 committee meeting. |
| | | <ul style="list-style-type: none"> Cleaner Streets and Fly Tipping – a position paper to include an update on the meeting with officers from legal services, and performance on fly tipping. | Some information was provided in the Fly Tipping Enforcement Position Statement Presentation, and further information to be provided for the October 2023 committee meeting. |
| 5 Jul 2023 | Birmingham Community Safety Partnership (BCSP) | A list of the local managers for the six locations to be provided. | E-mailed the information on 7 September 2023. |

NEIGHBOURHOODS O&S COMMITTEE
ACTION TRACKER 2023/24

| Date | Agenda Item | Action | Notes / Update |
|-------------|---|--|---|
| 5 Jul 23 | Fly Tipping Enforcement | The key points from the discussion will be developed into recommendations by Fiona Bottrill and agreed by the Committee following the committee meeting. | The key points from the discussion have been made into recommendations which have been shared with the Committee and have been incorporated into the relevant agenda item for the October 2023 committee meeting. |
| | | The requested data and information to be provided for discussion at the next committee meeting. | This item has now been moved to the October 2023 committee meeting. |
| | | Darren Share to confirm whether the ward information is, or if not, whether it can be shared with the City Observatory. | To be picked up at the October 2023 committee meeting. |
| 6 Sep 23 | Scrutiny Contribution to the Budget Savings and Recovery Plan | The level of missed garden waste collections and the scale of income being lost through the refund process to be provided. | |
| | | The position on the redevelopment of the Lifford Lane depot and whether this would still be going ahead to be provided. | |
| 6 Sep 23 | Work Programme | Members to let scrutiny officers know if they have any further comments on the recommendations to be incorporated into the report for the October meeting. | No further comments received. |

Birmingham City Council

Neighbourhood Overview and Scrutiny Committee

Date 4 October 2023



Subject: Scrutiny of Delivery of 2023/24 Budget Savings and Update on Council's Response to Section 114 Notice and Financial Recovery Plan

Report of: Christian Scade, Head of Scrutiny and Committee Services

Report author: Sarah Fradgley, Overview and Scrutiny Manager
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0121 303 1727

1 Purpose

- 1.1 It was agreed at Co-ordinating Overview and Scrutiny Committee on 15 September 2023 that all O&S Committees will continue to scrutinise the delivery of existing 2023/24 savings. Appendix 1 sets out the red, amber, green (RAG) rated savings for 2023/24 by Committee and Directorate at the end of Quarter 1. Appendix 2 sets out the progress on delivery of savings during Quarter 2 and 3.
- 1.2 This agenda item also provides an opportunity for the Committee to consider the following and implications for the Committee's work programme:
- The report considered at City Council on 25 September on the Council's Response to the Section 114 Notice and Financial Recovery Plan.
 - The announcement made by the Secretary of State for the Department of Levelling Up, Housing and Communities in the House of Commons on 19 September and the Section 5 Notice and supplementary Section 114 Notice issued on 21 September.
- 1.3 To assist with the task above the Scrutiny Team are in the process of contacting other authorities with similar experiences. Feedback on themes identified will be provided at the meeting.

2 Recommendations

The Committee:

- 2.1 Notes the Quarter 1 2023/24 savings set out in Appendix 1.

2.2 Receives the update for Q2 / Q3 attached as Appendix 2 and examines progress on delivery of the 2023/24 savings within the remit of the Committee's terms of reference (outlined in the [Council's Constitution, Part B, section 11.5](#)) and agrees any comments.

2.3 Considers the implications of recent events (highlighted in Section 1) on the scrutiny work programme.

3 Any Finance Implications

3.1 Financial implications are set out in the relevant appendices.

4 Any Legal Implications

4.1 Legal implications are set out in the relevant appendices.

5 Any Equalities Implications

5.1 The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

5.2 The protected characteristics and groups outlined in the Equality Act are: Age; Disability; Gender Reassignment; Marriage and Civil Partnership; Pregnancy and Maternity; Race; Religion and Belief; Sex, and Sexual Orientation.

5.3 The Committee should ensure that it addresses these duties by considering them during work programme development, the scoping of work, evidence gathering and making recommendations. This should include considering: How policy issues impact on different groups within the community, particularly those that share a relevant protected characteristic; Whether the impact on particular groups is fair and proportionate; Whether there is equality of access to services and fair representation of all groups within Birmingham; Whether any positive opportunities to advance equality of opportunity and/or good relations between people are being realised.

5.4 The Committee should ensure that equalities comments, and any recommendations, are based on evidence. This should include demographic and service level data and evidence of residents/service-users views gathered through consultation.

6 Appendices

- 6.1 Appendix 1: 2023/24 Savings Q1 Position by O&S Committee
- 6.2 Appendix 2: Update on Delivery of 2023/24 Savings During Q2 and Q3 by O&S Committee
- 6.3 Appendix 3: Council's Response to the Section 114 Notice and Financial Recovery Plan
- 6.4 Appendix 4: Birmingham City Council, Letter to Chief Executive 19 September
- 6.5 Appendix 5: Section 5 Report - 21 September
- 6.6 Appendix 6: Supplementary Section 114 Notice – 21 September

23/24 Savings Q1 Position by O&S Committee**Summary**

| Savings by OSC Portfolio | Delivered | Low Risk | Medium Risk | High Risk | TOTAL |
|--|------------------|-----------------|--------------------|------------------|-----------------|
| Co-ordinating OSC | | | | (14,851) | (14,851) |
| Economy and Skills OSC | | (133) | (816) | (9,595) | (10,544) |
| Education, Children and Young People OSC | | | (4,465) | (6,000) | (10,465) |
| Finance and Resources OSC | | (1,269) | (8,799) | 1,457 | (8,611) |
| Health and Adult Social Care OSC | | (700) | (9,008) | 2,000 | (7,708) |
| Homes OSC | | (502) | (592) | (5,500) | (6,594) |
| Neighbourhoods OSC | | (19) | (4,837) | (990) | (5,846) |
| Sustainability and Transport OSC | | | | | |
| TOTAL | | (2,623) | (28,517) | (33,479) | (64,619) |

List of Savings Projects

| Directorate | O&S Committee | Savings Description | 2023/24 (Saving) £'000 |
|---------------------|--------------------------------------|--|---------------------------------------|
| Adult Social Care | Health and Adult Social Care OSC | Adults Transformation Programme. | (3,700) |
| Adult Social Care | Health and Adult Social Care OSC | Adult Packages of Care (Reversal of previous year one-off savings) | 1,000 |
| Adult Social Care | Health and Adult Social Care OSC | Income Collection (Reversal of previous year one-off savings) | 1,000 |
| Adult Social Care | Health and Adult Social Care OSC | 3% Turnover factor (Vacancy management) | (2,850) |
| Adult Social Care | Health and Adult Social Care OSC | Special Impact team (SIT) complex case review accelerated and expanded to cover high cost packages | (500) |
| Adult Social Care | Health and Adult Social Care OSC | Case load packages Review | (200) |
| Adult Social Care | Health and Adult Social Care OSC | Looking at ways to enhance ICS/CCG partnership to harness pooled resources more efficiently eg BCF Inflation | (1,000) |
| BCT | Education, Children and Young People | Children's Trust - Family and Friends Cars | (2,000) |
| BCT | Education, Children and Young People | Children's Trust - Stronger Families Programme | (3,000) |
| BCT | Education, Children and Young People | Children's Trust - Tackling Domestic Abuse to Support Families | (1,000) |
| Children & Families | Education, Children and Young People | Schools Balances | (328) |
| Children & Families | Education, Children and Young People | Education and Skill Early Retirement | (210) |

| | | | |
|---------------------|--------------------------------------|--|---------|
| Children & Families | Education, Children and Young People | 3% Turnover factor (Vacancy management) | (1,921) |
| City Housing | Homes OSC | Reducing / Eradicating B&B Accommodation | (5,500) |
| City Housing | Homes OSC | 3% Turnover factor (Vacancy management) | (502) |
| City Ops | Sustainability and Transport OSC | Street Work Permits | (100) |
| City Ops | Neighbourhoods OSC | Removal of Universal Superloos | (19) |
| City Ops | Co-ordinating OSC | Capitalise Salaries of Alexander Stadium Build (Reversal of previous year one-off savings) | 40 |
| City Ops | Co-ordinating OSC | Revenue Benefit from Capitalising the Cost of Indoor Track at Arena (Reversal of previous year one-off savings) | 150 |
| City Ops | Neighbourhoods OSC | 3% Turnover factor (Vacancy management) | (3,307) |
| Corporate Items | Co-ordinating OSC | Localities / Public Hub (Savings from implementation of EIP Model) | (2,500) |
| Corporate Items | Co-ordinating OSC | BCC Target Operating Model Design Principles - Voluntary Workforce Savings Programme | (2,000) |
| Corporate Items | Co-ordinating OSC | B/F_BCC Target Operating Model Design Principles - Voluntary Workforce Savings Programme | (2,000) |
| Corporate Items | Finance and Resources OSC | Maximise the Use of Grant Funding – Identifying opportunities to use grant funding to fund existing GF spend releasing GF budgets for savings. | (1,000) |
| Corporate Items | Finance and Resources OSC | B/F_Maximise the Use of Grant Funding - Identifying opportunities to use grant funding to fund existing GF spend releasing GF budgets for savings. | (1,000) |
| Corporate Items | Finance and Resources OSC | Improvements in Debt Management – Review Debt Management Process with a view to improving collection and reducing bad debt. | (900) |
| Corporate Items | Finance and Resources OSC | B/F_Improvements in Debt Management – Review Debt Management Process with a view to improving collection and reducing bad debt. | (1,000) |
| Corporate Items | Co-ordinating OSC | Traded Services – Review of traded services with a view to greater commercialisation and reduced GF subsidy) | (1,500) |
| Corporate Items | Co-ordinating OSC | B/F_Traded Services - Review of traded services with a view to greater commercialisation and reduced GF subsidy) | (1,600) |
| Corporate Items | Finance and Resources OSC | Repayment of Borrowing Following Asset Disposal Resulting in Reduced Debt Management Costs (Reversal of one-off savings from previous years) | 4,500 |
| Corporate Items | Finance and Resources OSC | Release Highways policy contingency for one year – Accounting Adjustment (Reversal of one-off savings from previous years) | 800 |
| Corporate Items | Economy and Skills OSC | B/F_Corporate Landlord (Efficiencies in Asset Management through Consolidation and Rationalisation of Council Assets/ Buildings) | (500) |
| Corporate Items | Co-ordinating OSC | Automation – Use of Robotic Process Automation Technology to automate manual processes and reduce manual handling, leading to efficiencies in process and savings on time/resource required to deliver services. | (1,000) |
| Corporate Items | Co-ordinating OSC | B/F_Automation - Use of Robotic Process Automation Technology to automate manual processes and reduce manual handling, leading to efficiencies in process and savings on time/resource required to deliver services. | (850) |
| Corporate Items | Co-ordinating OSC | Reducing Workforce (Centres of Excellence) – Consolidation of similar roles and teams to reduce duplication of effort and achieve efficiency in resource/process | (1,791) |

| | | | |
|--------------------|---------------------------|---|---------|
| Corporate Items | Co-ordinating OSC | Automation (Voice Automation) – Use of voice automation technology to reduce volume of manual call handling, leading efficiencies and better customer services. | (1,000) |
| Corporate Items | Finance and Resources OSC | Automation (Oracle Optimisation) – Use of new oracle system to generate process efficiencies | (500) |
| Council Management | Finance and Resources OSC | Digital advertising on key assets to generate additional income | (200) |
| Council Management | Finance and Resources OSC | Operational Hub Programme – rationalisation of assets. | (161) |
| Council Management | Finance and Resources OSC | Application platform modernisation. | (11) |
| Council Management | Finance and Resources OSC | 3% Turnover factor (Vacancy management) | (4,265) |
| Council Management | Finance and Resources OSC | Review all BCC leased properties and reduce cost of lease payments for assets | (460) |
| Council Management | Finance and Resources OSC | System Efficiencies | (600) |
| Council Management | Neighbourhoods OSC | Customer Services – Bereavement. Improvements in service design to deliver efficiencies | (460) |
| Council Management | Neighbourhoods OSC | B/F_Customer Services - Bereavement. Improvements in service design to deliver efficiencies | (250) |
| Council Management | Neighbourhoods OSC | Customer Services - Garden Waste. Introduce autorenewal and other process improvements to maximise levels of annual subscriptions. | (40) |
| Council Management | Neighbourhoods OSC | B/F_Customer Services - Garden Waste. Introduce autorenewal and other process improvements to maximise levels of annual subscriptions. | (40) |
| Council Management | Neighbourhoods OSC | Customer Services - Markets | (50) |
| Council Management | Neighbourhoods OSC | B/F_Customer Services - Markets | (50) |
| Council Management | Neighbourhoods OSC | Customer Services - Pest Control | (50) |
| Council Management | Neighbourhoods OSC | B/F_Customer Services - Pest Control | (50) |
| Council Management | Finance and Resources OSC | Development & Commercial - Digital advertising income and offer up of growth | (60) |
| Council Management | Finance and Resources OSC | Procurement - 2020/21 Expenditure Budget covered by funding | (106) |
| Council Management | Finance and Resources OSC | Audit - increase trading opportunities with Police, Housing Associations and Acivico | (60) |
| Council Management | Finance and Resources OSC | Finance - refinancing legacy systems | (700) |
| Council Management | Finance and Resources OSC | Personal Assistant Allocation - review use of Personal Assistant Support | (200) |
| Council Management | Finance and Resources OSC | Business Support Efficiencies | (50) |

| | | | |
|------------------------------------|--------------------------------------|--|-----------------|
| Council Management | Finance and Resources OSC | Customer Services Efficiencies | (50) |
| Council Management | Finance and Resources OSC | Review Human Resources Target Operating Model - reduce posts that are vacant | (170) |
| Council Management | Finance and Resources OSC | Human Resources reduce growth request in Medium Term Financial Plan (MTFP) | (113) |
| Place, Prosperity & Sustainability | Economy and Skills OSC | B/F_CAB Premises - excluding Council House. Reduced costs associated with Council Admin Buildings | (1,314) |
| Place, Prosperity & Sustainability | Economy and Skills OSC | CAB Premises - excluding Council House. Reduced costs associated with Council Admin Buildings | (2,431) |
| Place, Prosperity & Sustainability | Economy and Skills OSC | CAB Premises - Council House Commercialisation Income generation through improved commercial offer including banqueting and events. | (50) |
| Place, Prosperity & Sustainability | Economy and Skills OSC | Commercial Property - Lease Event Opportunities Review of commercial property leases – includes rent reviews and extension options | (600) |
| Place, Prosperity & Sustainability | Economy and Skills OSC | Commercial Property - Active Investment Additional income through investment in Public Works Loan Board (PWLb) compliant commercial property | (2,250) |
| Place, Prosperity & Sustainability | Economy and Skills OSC | Commercial Property - Blended Approach Investment and Lease Events Additional income generated through a combination of lease reviews and investment | (2,500) |
| Place, Prosperity & Sustainability | Sustainability and Transport OSC | Street Work Permits - moved directorate | 100 |
| Place, Prosperity & Sustainability | Economy and Skills OSC | 3% Turnover factor (Vacancy management) | (666) |
| Place, Prosperity & Sustainability | Economy and Skills OSC | Review all £5-10k leases – with a view to optimising lease income. | (150) |
| Strategic Equals & Partnership | Finance and Resources OSC | 3% Turnover factor (Vacancy management) | (116) |
| Strategic Equals & Partnership | Finance and Resources OSC | Efficiencies amongst non-staffing budgets | (116) |
| Corporate Items | Co-ordinating OSC | B/F_New Ways of Working_Fieldworker. Rolling out field worker module to allow staff working in the field to update host systems directly rather than returning to office to update | (800) |
| Adult Social Care | Health and Adult Social Care OSC | Fees & Charges 5% | (1,458) |
| Children & Families | Education, Children and Young People | Fees & Charges 5% | (2,006) |
| Council Management | Finance and Resources OSC | Fees & Charges 5% | (2,073) |
| City Ops | Neighbourhoods OSC | Fees & Charges 5% | (1,530) |
| City Housing | Homes OSC | Fees & Charges 5% | (592) |
| Place, Prosperity & Sustainability | Economy and Skills OSC | Fees & Charges 5% | (83) |
| | | Total | (64,619) |

Caveats:

- Many targets fit into multiple O&S portfolio, such as Fees & Charges, vacancy factor, thus for simplicity we have allocated to the O&S Committee where most of the target is more likely to fall.
- Some services also fall into more than one O&S portfolio – we have allocated the full target for these to the committee of higher alignment rather than split amounts.
- The total savings that need to be delivered in the 23/24 financial year may increase. Finance is currently working to close the 22/23 financial year accounts – this includes final assessment of savings delivery for the last financial year. Any further undelivered savings in 22/23 will need to be brought forward and found in 23/24 thereby increasing the overall target for 23/24.

Criteria for determining the RAG status of savings

| Assessment Criteria | Delivered | Low Risk | Medium Risk | High Risk |
|---------------------|--|--|---|--|
| Savings RAG | Saving or income realised and evidence provided that costs have been reduced or income increased. | Saving or income detail documented and robust plan in place to deliver agreed targets, showing when and who is responsible. - and / or - Saving / income will be delivered within agreed timeframes. | Saving or income lacks some clarity and / or not detailed at an adequately granular level, or at risk, but agreed plan in place to resolve and being actively managed. - and / or - Some risk of not delivering saving within agreed timeframe, leading to cost of slippage. | Limited confidence in agreed saving / income being delivered - and / or - Saving / income unclear and / or not specified at adequate granular level. - and / or - Inadequate plan / no plan agreed. - and / or - <i>Saving not yet agreed by Directorate / Service Manager</i> - and / or - Major risk of not delivering saving / income within agreed timeframe, leading to cost of slippage. |
| Headcount Example | Officer has departed, budget has been reduced and posts have been deleted from the approved establishment. | Timescales and the specific posts to be vacated / deleted have been agreed. | Budget Manager has confirmed that posts (to agreed value and timing) will be vacated and deleted from budget. | Headcount saving proposed, but no clarity RE timescales/ posts. |

Birmingham City Council

City Council

25th September 2023



Subject: **Response to Section 114 Notice –
Financial Recovery Plan**

Report of: **Deborah Cadman, Chief Executive**

Report author: **Richard Brooks, Director of Strategy, Equality &
Partnerships**

Does the report contain confidential or exempt information? ☐ Yes ☒ No

1 Executive Summary

- 1.1 On 5th September, the Section 151 Officer (Interim Director of Finance) issued a notice under Section 114 of the Local Government Finance Act 1988. The Council must now agree and implement a Financial Recovery Plan which balances our expenditure with our income, and funds or finances our liabilities. Our work to address the situation must be urgent, will involve hard choices about what we deliver and how we operate, and will result in a smaller organisation.
- 1.2 This report sets out the elements of our Financial Recovery Plan and how these are being taken forward. Further reports and decisions will be required as the detail is developed, including on savings and a revised Emergency Budget for 2023/24; on asset disposals; on redesigning our organisation to achieve a sustainable Medium Term Financial Plan; and on generating additional income. The Council is likely to require Exceptional Financial Support from government, including agreement to

capitalise some of our revenue liabilities and repay the associated borrowing over a period of time.

- 1.3 Developing our full Financial Recovery Plan must proceed quickly. Given the scale of the challenge, implementation is likely to be lengthy and there will need to be an extended period of rigorous spending control and tight financial constraint. We must find the best possible ways of working more effectively with our partners and more efficiently as an organisation. Throughout this we must remain focused above all on our citizens, protecting our vulnerable residents and communities, and must always put their needs first.

2 Recommendations

- 2.1 Full Council is recommended to:

- I. Agree to accept the Section 114 notice issued on 5th September 2023 and the views set out within it, as described in section A below and Appendix 1.
- II. Agree to continue Spending Control measures under the direction of the Section 151 Officer until such date as the Council has passed an approved balanced Budget for 2024/25, as described in section B below and Appendix 2.
- III. Endorse the following activity now underway as part of our Financial Recovery Plan and described in section C below:
 - a. Measures to reduce spending and mitigate budget pressures for 2023/24, leading to a revised Emergency Budget for 2023/24.
 - b. Organisational Redesign work to reshape our services around citizens and within our available resources, to inform the 2024/25 Budget and deliver a balanced MTFP.
 - c. A Capital Strategy and Assets Review to identify options to raise funds and minimise borrowing costs.
 - d. A review of council-controlled companies and traded services to identify options to raise funds, reduce costs and reduce risk.
 - e. An Income Review to maximise sustainable income from all sources, including Business Rates, Council Tax, Grants and other income.

- f. Measures to achieve pay equity and stop the growth of our equal pay liability, including work to reduce the value of the potential liability and fund the actual liability.
 - g. Formal dialogue with DLUHC to explore options for Exceptional Financial Support, including potential capitalisation of revenue liabilities.
- IV. Agree to receive a further report and revised Emergency Budget for 2023/24 at an Extraordinary Council Meeting in late October; to note equalities considerations; to involve Overview & Scrutiny Committees; and to undertake public consultation and engagement as described below in section D below.

3 Background, considerations and proposals

A. Section 114 Notice

- 3.1 On 5th September, the Section 151 Officer (Interim Director of Finance) issued a notice under Section 114 of the Local Government Finance Act 1988. This was on the basis of a potential liability relating to Equal Pay claims in the region of £650m to £760m. The Council does not have sufficient resources to cover this potential liability.
- 3.2 In addition, the Council has also identified a budget shortfall for the current financial year (2023/24) of £87m, which is projected to rise to £165m in 2024/25; £177m in 2025/26, £172m in 2026/27 and £180m in 2027/28. These recurrent budget gaps highlight the seriousness of the underlying financial challenges faced by the council in addition to its potential Equal Pay liability.
- 3.3 Birmingham City Council set a budget for net expenditure of £925m in 2023/34. The scale of our financial challenge, and especially our potential Equal Pay liability, is large relative to the organisation's budget.
- 3.4 At the time the Section 114 notice was issued, the Council had moved into a negative General Fund position. In addition, the Council was not able to agree a solution for funding or financing its liabilities. For these reasons the Section 151 Officer was required in line with their statutory responsibilities to issue the Section 114 notice. **Members are recommended to consider the notice at Appendix 1 and accept it and the views expressed within it.**

- 3.5 Our work to address the situation must be urgent, will involve hard choices about what we deliver, how we operate, and the shape and size of the organisation. The Council acknowledges that the current situation will create uncertainty and in some cases disruption, and unreservedly apologises. It is committed to ensuring that citizens, partners and our own staff are regularly updated on the current situation and its future implications.
- 3.6 These serious challenges will not diminish the Council's ambition in supporting the upward trajectory of the City of Birmingham. Record levels of investment continue to flow into the city, and the Council will work with our partners to ensure this remains the case.
- 3.7 The Council also remains committed to working with key stakeholders in our diverse communities across the city, taking full account of equalities issues, and using all possible means to mitigate the impacts of the current cost of living crisis on our most vulnerable citizens.

What the Council needs to do, as a result of the Section 114 notice

- 3.8 Only approve new spending if it is essential during the period in which the restrictions brought in by the Section 114 notice remain in place – the spending controls that have been implemented are described in Section D.
- 3.9 Reduce spending to tackle the current budget gap in the 2023/24 financial year and the forecast budget gap for the 2024/25 financial year – the scope of this Financial Recovery Plan is described in Section E.
- 3.10 To set a balanced budget for the 2024/25 financial year (i.e. in which expenditure is covered by income), the Council must tackle the following financial pressures:
- a. Forecast financial pressures – as laid out in the Medium-Term Financial Plan update to Cabinet on 25th July 2023); and
 - b. Equal pay pressures – to quantify and cover the costs of the new Equal Pay claims.
- 3.11 These financial pressures must be tackled in time to enable Full Council to approve a balanced budget for 2024/25 by the end of February 2024.

B. Spending controls

- 3.12 Spending controls were already in place prior to the issuance of the Section 114 notice. Since the Notice was issued, these controls have been strengthened in line with the requirements of the law. A Spend Control Board is in place, chaired by the Section 151 Officer, and a rigorous spend control process has been established across the organisation. No new non-essential spending is allowed, and any new essential spending must follow the agreed approval process. All financial delegations have been removed and no new agreements or commitments for expenditure are allowed without the explicit agreement of the Section 151 Officer.
- 3.13 To be considered essential, spending must meet one of the following criteria:
- a. It delivers a clear and referenced statutory obligation.
 - b. It delivers a cashable saving compared to a current spending within a quantified time period.
 - c. It is already legally committed.
 - d. It is required to safeguard vulnerable citizens.
 - e. Or, it is fully funded by an external grant. If partially funded, it must be considered against a-d above.
- 3.14 The Spending Control Manual, which sets out the full process, is included as Appendix 2. The Manual includes examples and some of the main categories of essential expenditure (version as of 18.09.23). To ensure transparency, the decisions of the Spend Control Board are published on the Council's public website (CMIS).
- 3.15 Continued Spending Control is an important element of the Council's Financial Recovery Plan, as all new spending creates additional pressures that must be funded. For this reason, **Members are recommended to continue Spending Control measures under the direction of the Section 151 Officer until such date as the Council has passed an approved balanced budget for 2024/25.**

C. Financial Recovery Plan

3.16 The Council's Financial Recovery Plan will be overseen by a Financial Recovery Board working alongside the Spend Control Board. These will both report to a Strategic Team chaired by the Chief Executive, which will set direction, manage risk and ensure delivery. The Strategic Team will engage with both Elected Members and external partners of the Council. A Communication and Staff Engagement group supporting this structure will ensure that we communicate openly and transparently with all our key stakeholders in a consistent way.

Approach to in-year 2023/24 savings

3.17 The Cabinet received an update on the Council's Medium Term Financial Plan (MTFP) on 25th July 2023, including Quarter 1 of Financial Year 2023/24 (see Appendix 3). The report presented forecast budget pressures and inflation forecasts over the current financial year (2023/24) and the remaining financial years that make up the MTFP. It projected an in-year budget shortfall of £87m in 2023/24, rising to £165m in 2024/25, £177m in 2025/26, £172m in 2026/27 and £180m in 2027/28. These projected budget shortfalls did not reflect any additional costs relating to Equal Pay, including potential future liabilities or the cost of implementing any scheme of job evaluation. A budget of up to £20m for implementing a scheme of job evaluation was agreed by Cabinet on 25th July 2023 and will need to be reflected in an updated MTFP.

3.18 Many of the underlying forces driving these overspends are being felt by councils across the country. These include:

- a. **Rising demand and complexity pressures in essential services**, including provision of temporary accommodation; provision of social care and SEND services for children; and provision of adult social care. In total, demand and complexity growth adds £56m to the 2023/24 budget gap.
- b. **Rising costs of inflation**, primarily general inflation on costs of premises, transport, supplies and services costs. In total, inflation adds £21m to the 2023/24 budget gap.
- c. **Undelivered savings** which were agreed as part of the 2023/24 budget process but which are now considered to be at high risk. In total, savings considered to be at high risk add £33m to the 2023/24 budget gap.

- d. **Additional costs of Oracle implementation** have added to the pressures on the Budget and MTFP.

- 3.19 Services are now developing options for the maximum deliverable 2023-24 cashable revenue savings or additional 2023/24 income in their areas of responsibility. These may be one-off for 2023/24 or recurrent, but the more that is recurrent the more we can close the future MTFP gap. Proposals will include delivery timescales, milestones and an assessment of impact on services and citizens. Each proposal will have an identified officer below Director level to lead the development and implementation of the proposal. Savings must impact the General Revenue Fund, but within this we are not excluding any budget or service up front.
- 3.20 On the basis of this work, a revised Emergency Budget for 2023/24 will be presented to a further Extraordinary City Council meeting in late October.

Organisational redesign for 2024/25 onwards

- 3.21 The Council's expenditure is a consequence of our organisational design. The way we organise our resources to deliver services determines our cost base. Our latest review of our medium-term financial plan – with large imbalances currently forecast for all four years of the plan – demonstrates that our organisational shape and size is now out of balance with our income. We must therefore redesign our organisation around citizen needs in a way that fits our future budgets and delivers a balanced MTFP. We must also meet our Best Value duty under the Local Government Act 1999. We must be able to show that we have arrangements in place to secure continuous improvement and value for money in how we carry out our work, including our use of resources (one of seven themes in the Draft Best Value framework¹).
- 3.22 There are some key opportunity areas and building blocks for creating a more economical, effective and efficient organisation through organisational redesign. These include:
- a. Leaner corporate services, based on successful implementation of Oracle and associated savings.

¹ [Best value standards and intervention draft guidance \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

- b. Leaner service structures, cutting out duplication of functions and a focus on what value each role adds.
- c. Greater clarity about our service offers to citizens.
- d. More effective early intervention to reduce demand and cut costs of failure.
- e. More effective partnership with other public, private and community sector orgs, and a reduction in our own service provision.

3.23 In reviewing the design of the organisation, we will apply some key principles:

- a. Use a Values Framework that puts citizens first to guide decisions.
- b. Use evidence about citizen needs, value for money and impact.
- c. Develop a service offer and organisational design that fits the MTFP.
- d. Plan for staff reductions and support our staff through the process.
- e. Avoid crude ring-fencing and salami slicing of budgets.

3.24 Services that are considered statutory, and spending which is considered essential, are within the scope of this work. Even where we are meeting statutory duties, we need to consider how best to do this in the interests of citizens, in the most efficient and effective way. We will put citizen needs at the heart of this process and design our organisation around them, not simply seek to make existing services more efficient. In some cases this is likely to involve transfers of services and assets to other organisations.

3.25 We recognise that this process will result in a smaller organisation that employs fewer people. We have already launched a Mutually Agreed Resignation Scheme (MARS) which allows staff to express an interest in voluntarily resigning and, if this is agreed, receiving a non-negotiable exit payment. In addition, we are identifying a range of potential savings from the use of consultancy, interim and agency staff, which will inform the revised 2023/24 Budget as well as longer term organisational design thinking. To deliver best value for our citizens it is vital that we keep the best people in the organisation and attract the best talent to the Council.

3.26 Organisational Redesign work will be taken forward through the Financial Recovery Board, drawing on all other elements of the wider Financial Recovery Plan outlined in this report. The results will inform the development of a balanced Budget for 2024/25 and the Medium-Term Financial Plan.

Limitation and funding of Equal Pay potential liability

- 3.27 Our estimated potential equal pay liability was made public in a Council statement on 28 June 2023. That statement gave a range of between £650m and £760m and an accrual rate of £5m to £14m per month. The potential liability of £650-760m is calculated as at 31st March 2025. The principal solution to the Council's equal pay issues is the delivery of new terms and conditions of employment following a job evaluation study and a new pay structure that complies with the Equality Act 2010. Once we are paying all our people fairly and in accordance with the law, the liability stops accruing.
- 3.28 On 1st September 2023 the Council Business Management Committee met to consider options for a renewed Pay Equity System (PES) consisting of a job evaluation study and new pay structure, to be delivered by no later than 1st April 2025. This is the date at which the £650-760m potential liability is assumed to end. A new PES removes job inequality and means, from that date, employees should not have a further Equal Pay claim. If our implementation of the new pay structure is delayed beyond then, the potential liability will continue to increase.
- 3.29 There have been extensive discussions between the recognised trade unions and the Council with the intention of ensuring that employee interests are properly represented and protected through this process. It is strongly in the interests of all parties to conclude the job evaluation study and implement the new pay structure without delay, and for the whole process to be robust and fair. Delays will increase financial strain for the Council, which may result in the need for further spending reductions. If the process is not robust and fair, it will be open to challenge and may generate future claims.
- 3.30 Whilst the potential liability has been estimated at £650-760m, we do not yet know with certainty the actual amount the Council will pay to settle claims. An important next stage of work will involve examining whether and how we can reduce the overall liability, for example by agreeing to pay some claims early.
- 3.31 Equal Pay claims are a revenue liability, and normally it is not allowed to use capital receipts or borrowing to fund revenue costs. Given the size of the potential liability relative to our net expenditure budget of £925m in 2023/24, we will need to seek permission from the Department for Levelling Up, Housing and Communities

(DLUHC) to capitalise some or all of the costs. See sub-section below on Exceptional Financial Support arrangements.

Asset sales and capital strategy

3.32 The Council holds a large portfolio of assets, including extensive land and buildings around the city; ownership or part ownership of companies; and financial assets. The Council holds a large portfolio of liabilities including Gross Loan Debt of £3.3bn at 31st March 2023, and budgeted debt servicing costs are £239m for 2023/24.

3.33 A Capital Strategy and Assets Review will develop options for generating capital receipts and to reduce borrowing costs. This will involve reviewing:

- a. Committed capital spend: a review of all current capital programmes to understand what can be paused and what should continue.
- b. Borrowing costs: a review of existing borrowing to assess whether refinancing could reduce interest costs.
- c. Existing reserves: a review of all reserves and capital receipts that are committed to future spending plans.
- d. Assets: a review of all assets to assess which can and should be sold (and estimate the potential sale price). This will likely lead to an assets disposal programme.

3.34 Capital receipts will be necessary to help fund the potential Equal Pay liability (on the assumption that the liability can be fully or partly capitalised). They will also reduce the need for further borrowing and will therefore reduce the strain of debt on the Council's revenue budgets, allowing us to protect services for our citizens.

Maximising income

3.35 Alongside reducing expenditure and sales of assets, the Council must consider options for maximising income. Our main sources of income are Business Rates, Council Tax, grants and other income including fees and charges. We will need to consider a wide range of options to balance income against expenditure over the period of Medium-Term Financial Plan.

Requirement for Exceptional Financial Support

3.36 Since 2020, the government has agreed to provide a small number of local authorities with support via the Exceptional Financial Support framework, following

requests from these councils for assistance with financial pressures that they considered unmanageable within the normal local government financial arrangements. Such support comes with significant conditions, including:

- a. An external assurance review focused on the council's financial position, and its ability to meet its budget gap without additional borrowing, for example through additional cost reductions.
- b. An effective response by the council to any recommendations from the external review, and regular progress reports (to DLUHC).
- c. An assumption that the council meets its own cost of exceptional financial support over time.

3.37 It is important to recognise that Exceptional Financial Support is almost never provided in the form of grant, but as permission to borrow or to apply capital receipts from asset sales. If Exceptional Financial Support is agreed, this is usually via a Capitalisation Directive from the Secretary of State. Any borrowing will then create future costs of servicing and paying off the debt.

3.38 The Council maintains regular communication with the Department for Levelling Up, Housing and Communities, and has been in discussions about a range of financial matters over recent months. This has included open and transparent discussions about our potential Equal Pay liabilities and wider financial pressures.

3.39 The Council has not up to this point formally sought Exceptional Financial Support. However, given the scale of the Equal Pay liabilities, such support is likely to be required, and this will require agreement with the Secretary of State for the Department for Levelling Up (DLUHC). Agreement of Exceptional Financial Support (EFS; likely a loan from DLUHC) is subject to negotiations. To enable the Council to set a balanced budget for 2024/25, such agreement will need to be in place (at least in principle) by the end of February 2024.

3.40 To get this agreement by end of February 2024, the Council will need to:

- a. Apply for EFS from DLUHC – including final confirmation of the Equal Pay liability, based on latest estimates.
- b. Carry out the work required to obtain an EFS – this will include review of savings, additional income (including potential additional Council Tax increases) and asset sales – to demonstrate to DLUHC that any funding

request would come after BCC had made tough choices and used existing assets.

- c. DLUHC Officials have confirmed that any EFS is only normally offered “for the residual funding amount” once a council has demonstrated a plan to reduce the amount required through savings proposals, asset sales and other activities as part of its Financial Recovery Plan.

D. Engagement with Overview & Scrutiny, public consultation and engagement

3.41 Overview and Scrutiny (O&S) is a key element of good governance and central to achieving best value for citizens. The Council’s O&S Committees have already held a round of meetings about the Section 114 notice and its implications, and have challenged specific factors contributing to our budget deficit including the non-delivery of savings. Going forward, O&S Committees will continue to have a key role both before and after decision making, challenging and improving proposals, and providing additional accountability for the effective implementation of agreed plans.

3.42 As we further develop and implement our Financial Recovery Plan, we will engage with residents and consult on how we will meet our Best Value Duty. Key opportunities for public engagement at the level of the whole local authority include setting our budgets and the medium-term financial plan. Further details of the Financial Recovery Plan will need to be developed by the end of October, to enable sufficient review and consultation prior to a draft budget for 2024/25 being completed, in time for formal consultation. In addition, there will be individual services where citizen engagement will be important as part of co-designing and changing what we do and how we do it, to best meet our residents’ needs within our available resources.

4 Legal Implications

4.1 Section 114 (3) requires that: “The chief finance officer of a relevant authority shall make a report under this section if it appears to him that the expenditure of the authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure.” The process for issuing a Section 114 report and the effect of it are set out in various sections under the 1988 Act. Subsection 3(A) requires the chief

finance officer to consult, so far as reasonably practicable, the Head of Paid service and the Monitoring Officer.

- 4.2 Section 115 of the 1988 Act requires Full Council to consider and decide on the report made under Section 114 within 21 days beginning on the day the report is issued. Full Council must consider the report at a meeting where it shall decide whether it agrees or disagrees with the views contained in the report and what action (if any) it proposes to take in consequence of it.
- 4.3 Section 115 (6) states that pending consideration of the report by Full Council, there is a prohibition period which runs from the date the report is made to the date of the Full Council meeting. During this period, the Council must not enter into any new agreement which may involve the incurring of expenditure (at any time) by the authority unless the chief finance officer of the authority authorises it to do so. Section 115(6A) states the chief finance officer may only give authority for the purposes of subsection (6) if he considers that the agreement concerned is likely to:
- a. prevent the situation that led him to make the report from getting worse, b. improve the situation, or c. prevent the situation from recurring.
- 4.4 Section 116 requires the Council to notify its external auditors of the report and the time, date and place of the full Council meeting. The external auditors also need to be informed of the outcome of the meeting as soon as practicable. The external auditors have been kept informed of the emerging financial position and the planned work. The external auditors will need to consider the implications of this report on their statutory functions and the implications for their opinion on the 2019/20 and subsequent accounts which remain unaudited at the date of this report.
- 4.5 The Council's legal duties around budget setting are set out in Section 31A of the Local Government Finance Act 1992, which states:
- a. In relation to each financial year a billing authority in England must make the calculations required by this section.
 - b. The authority must calculate the aggregate of:
 - i. the expenditure which the authority estimates it will incur in the year in performing its functions and will charge to a revenue account, other than a BID Revenue Account, for the year in accordance with proper practices.

- ii. such allowance as the authority estimates will be appropriate for contingencies in relation to amounts to be charged or credited to a revenue account for the year in accordance with proper practices.
- iii. the financial reserves which the authority estimates it will be appropriate to raise in the year for meeting its estimated future expenditure.
- iv. such financial reserves as are sufficient to meet so much of the amount estimated by the authority to be a revenue account deficit for any earlier financial year as has not already been provided for.
- v. any amounts which it estimates will be transferred in the year from its general fund to its collection fund in accordance with regulations under section 97(2B) of the 1988 Act,
- vi. any amounts which it estimates will be transferred in the year from its general fund to its collection fund in accordance with section 97(4) of the 1988 Act; and
- vii. any amounts which it estimates will be transferred from its general fund to its collection fund pursuant to a direction under section 98(5) of the 1988 Act and charged to a revenue account for the year.

5 Financial Implications

5.1 Financial issues are the subject of this report and are addressed in the body text.

6 Public Sector Equality Duty

- 6.1 The Council is strongly committed to equality and has statutory responsibilities to comply with both the Public Sector Equality Duty and the Equality Act 2010. These duties are concurrent with the duties imposed by the Section 114 notice, and we will continue to consider equalities implications in all relevant decision making, including decisions of the Spend Control Board. All spending control decisions are supported by information about the equalities implications of proceeding or not proceeding with the spending.
- 6.2 Birmingham is a superdiverse city with a high level of poverty and deprivation, and poor outcomes for key measures such as health and employment are associated

with specific protected characteristics. We will use the information now available through the City Observatory to inform decision making through our Financial Recovery Plan, including by providing evidence and insight about the pattern of need to allow more accurate targeting of our resources.

7 Background Papers / Appendices

Appendix 1: Section 114 Notice issued 5th September 2023

Appendix 2: Section 114 Spending Control Manual

Appendix 3: Medium Term Financial Plan (MTFP) Refresh – update to Cabinet at Quarter 1 of the 2023/24 Financial Year (25th July 2023)

Report to all Elected Members of Birmingham City Council
Under
Section 114 (3) of the Local Government Finance Act 1988
By
Fiona Greenway CPFA
Interim Director of Finance (Section 151 Officer), Birmingham City Council
Date of Report: 5th September 2023

Purpose of Report

1. Members of the Council are asked to consider this report by the Section 151 Officer (the Chief Finance Officer). The report is made under section 114 (3) of the Local Government Act 1988 because the Section 151 Officer is of the opinion that:
 - a. The Council is currently in a negative General Fund position. That is because of the cost of providing for Equal Pay claims, that the Council is now legally obligated to recognise, will result in exceeding the financial resources available to the Council. This means that spend due within that period exceeded the financial resources available to the Council in that same period.
 - b. The Council has insufficient resources to meet that expenditure and the Council is not currently able to agree a solution that will allow suitable funding or financing to be obtained for this liability.
2. This report is being issued now because of the following individual factors:
 - a. Correspondence from External Audit on 1st September 2023 which raises concerns around the provisions for Equal Pay in prior year accounts, 2020/21 and 2021/22, being materially understated which means the Council would have exhausted its General Fund balance on an accounting basis.
 - b. Further confirmation of the historic value of the potential Equal Pay liability impacting prior years, which is becoming more evident that it is unaffordable for the council based on existing available reserves. Since the announcement of the Equal Pay liability we have received additional correspondence to put the Council on notice of further litigation from recognised Trade Unions and claimant lawyers.
 - c. Correspondence from External Audit on 1st September 2023 also enquires around the likelihood of the Council being able to generate savings, additional revenue income, and/or capital receipts to mitigate the financial challenges.
 - d. A projected deficit of £87m for the 2023/24 financial year, for which the Council does not have sufficient reserves based on the Equal Pay liability above, which is forecast to grow in the 2024/25 financial year.
 - e. Concerns over the speed and effectiveness of the mitigations which have been put in place to address the in-year budget challenges, and the ability of the Council to address our financial position. We must now make challenging financial decisions and stop non-essential spending.
 - f. Extensive discussions with External Auditors, regulatory stakeholders, and leading Kings Counsel who have confirmed our assessment of our financial position (i.e. liabilities exceeding assets) and statutory position (i.e. the requirement to issue a S114). This advice has confirmed the points raised above and the case for issuing a S114 notice.
3. As a result the Council is unable to finalise the provisions for Equal Pay set out in the 2020/21 and 2021/22 draft accounts, nor can I write the supporting going concern statements for these financial years, nor can I make a Section 25 statement in the Local Government Act 2003, nor

can I approve accounts for three financial years (2020/21, 2021/22, and 2022/23). Following extensive discussions with External Auditors and other regulatory stakeholders over the last few months, I have come to this conclusion.

4. The Section 114 Notice is issued following statutory consultation with both the Chief Executive (Head of Paid Service) and the Monitoring Officer. At the date of this report that consultation has taken place. Following the issuance of the Section 114 Notice the Council has 21 days to hold a meeting of Full Council to consider the report from the Section 151 Officer and decide how it will respond.
5. The purpose of this Section 114 report is to make it clear to Members of the Council that immediate steps must be taken to mitigate the financial consequences of Equal Pay claims. This means agreeing a plan which provides a route to bringing the General Fund back to a positive position and assurance that this will be successfully delivered. This should include:
 - a. An appropriate savings plan;
 - b. Full assessment of the capital programme (including delaying existing projects and reviewing assets for sale); and,
 - c. Engagement with Central Government via the Department for Levelling Up, Housing and Communities (DLUHC), resulting in a formal request for Exceptional Financial Support (EFS).

Recommendations

6. That Elected Members of Birmingham City Council must consider this report by Fiona Greenway, Interim Director of Finance (Section 151 Officer/ Chief Finance Officer) issued under Section 114 (3) of the Local Government Finance Act 1988.
7. That this report must be considered at an extraordinary meeting of Full Council, held no later than the end of 21 days (the maximum allowable period set out within the Local Government Finance Act 1988) from the date of issue of this report.
8. That Birmingham City Council (by which this means a meeting of Full Council) must decide whether it agrees or disagrees with the views documented within this report and outline what action it proposes to take because of this report.

Summary of key issues

9. This report is being issued now for the following reasons:
 - a. Officers informed Cabinet on 28 June 2023 that the potential cost of new Equal Pay claims (brought about as a result of existing claims of job enrichment and evidence of task and finish practices taking place in some teams) would be between £650 million and £760 million. This advice made clear that the Council does not have sufficient resources to cover this potential liability. It is likely that the Council will need to recognise this liability in the current or previous financial years which will result in a negative General fund balance. This is an unsustainable financial position for the Council to be in.

- b. In Q1 of FY23/24, the Council forecasted an overspend of £87m for the financial year, which was reported to Cabinet on 25th July 2023 and sets the context of the gravity and urgency of the Council's financial challenge. In the interim period a series of mandatory 'S114 like' spending controls have been in place across the Council to restrict exceptional spend. Progress made against the projected overspend has started, however pace of delivery needs to increase.
- c. Further, work has been ongoing on developing a savings programme to address the in-year budget gap for FY23/24, which is an issue to the Council regardless of the potential Equal Pay liability.
- d. The council's external auditor has now indicated that it expects the potential EP liability to be recognised in 2020/21 and 21/22. Based on current estimates it is expected there will be a negative General Fund balance. As such the Council's expenditure is now greater than the resources available to it (including reserves).

Consequences of a Section 114 Notice

10. The issuing of the Section 114 report has the following impact on the work of the Council:

- a. Elected Members must by law agree to cease all non-essential expenditure and reduce the Council's operational and service delivery costs immediately.
- b. Financial Controls will be exercised by a S151 Spend Control Board. Based on this S114 report, from this date this S151 Spend Control Board will be chaired by the Section 151 Officer. The controls will mean that from this date:
 - i. The Council is prevented, without explicit agreement of the Section 151 Officer, from entering into any new agreement or commitment for expenditure until Full Council has met to consider the Section 114 report. These controls may be re-applied after the date of this Full Council meeting.
 - ii. Temporary Measures are now in force such that all non-essential expenditure will now stop with immediate effect without written confirmation from the Section 151 Officer. For avoidance of doubt, non-compliance with this requirement will be considered a disciplinary matter by the Council. This supersedes all previous guidance on non-essential expenditure, with no exclusions or delegations of authority to Corporate Leadership Team (CLT).
 - iii. The controls outlined in (i) and (ii) will apply to all services being delivered through companies controlled by the Council, or where the Council supplies funding to companies that are jointly or partly owned by the Council.
 - iv. The Financial Controls apply to all Council services, including statutory services, services delivered through controlled companies and connected entities. A framework will be set in place to ensure this happens whilst ensuring that key services to children and vulnerable people are not affected because of these controls.
 - v. Spending Controls will now remain in place for the foreseeable future, with a Financial Recovery Plan reported to Full Council on a quarterly basis moving

forwards. This is not a plan that is developed in isolation by Finance, but a plan that is created and owned by all Directorates and Members.

- vi. Due to the significant potential Equal Pay liability, and no route for financing or limiting this liability, the Council's Capital Financing Requirement will need to be reviewed and re-calculated as a potential route to financing the liability. This means that no further loans will be sought from the Public Works Loan Board (PWLB) unless these are to be applied for capital purposes for which the Council is in contract, for the replacement of existing maturing loans, the maintenance of working capital, or other specified matters agreed by the PWLB in conjunction with DLUHC and the Section 151 Officer.
 - vii. Financial controls will generally have an adverse impact on the profit and loss accounts of various accounts and entities in receipt of support from the Council. The boards of these companies may look to the Council to make up for the lost funding from revenue resources. However, based on the current financial position of the Council, and the issuance of a S114 notice, the Council is unlikely to be able to consider provision of such support.
 - viii. If Financial Controls are not adhered to, or do not achieve the required outcomes, a further S114 notice will need to be issued.
- c. The Council has already implemented Financial Controls on spending – these are detailed in the report to Cabinet on 25 July of this year (entitled Medium Term Financial Plan (MTFP) Refresh – update to Cabinet at Quarter 1 of the 2023/24 Financial Year). This report extends these controls, such that, **the Council is prevented, without explicit agreement of the Section 151 Officer, from entering into any new agreement or commitment for expenditure until Full Council has met to consider the Section 114 report.**
- d. Depending on the outcome of the Full Council meeting, these Financial Controls may need to remain in place until a solution is found to fund the costs of these Equal Pay claims. This is because the Council will lack the resources to maintain spending in all areas moving forward.

Financial Situation

11. As announced on 28 June 2023, following refreshed analysis it is estimated that as of the 31 March 2023 the Council's current potential Equal Pay liability is in the region of £650-760m. Detailed calculations are now being finalised for inclusion within the accounts for the 2020/21, 2021/22 and 2022/23 financial years, but they are material enough to warrant disclosure now.
12. Officers have begun consultation with the Department for Levelling Up, Housing and Communities (DLUHC). Potential support could enable the Council to make local arrangements to finance the cost, but would still require the Council to set a balanced budget and therefore make significant additional savings.
13. To enable the Council to cover the costs of any future loans, budget savings would need to be made. To address this challenge the Council has:
 - a. **Implemented Mandatory Spending Controls** for all non-essential expenditure. Mandatory spending controls mean that no new agreements or commitments for all

expenditure (including revenue, workforce, and capital) can be made unless specific criteria are met. Individual Directorate arrangements have acted as a first line of defence for the application of criteria, with a Finance Governance Board (chaired by the Leader with a panel of Members, including Independent Financial Advisor) in place to discuss exceptional spend decisions above £200k. This has now been in place since July, and we have seen additional control over exceptional spend. However, there is still a large value of spend being incurred across the Council in relation to the delivery of services against the criteria outlined as allowable expenditure.

- b. **Developed a Robust Budget Savings and Recovery Plan** which is a multi-workstream plan to address both in-year financial challenges and the longer-term transformational changes required to reduce the cost base for delivery of services across the Council. This plan has a number of identified workstreams and Directors have commenced developing saving opportunities with their teams. However, the savings identified will not be sufficient to address the significant Equal Pay liability.

- 14. This action has not yet been sufficient enough to mitigate Equal Pay pressures or tackle a range of existing budget pressures. These budget pressures are detailed in the report to Cabinet on 25 July of this year (entitled Medium Term Financial Plan (MTFP) Refresh – update to Cabinet at Quarter 1 of the 2023/24 Financial Year).

Legal Framework

- 15. Section 114 (3) requires that: “The chief finance officer of a relevant authority shall make a report under this section if it appears to him that the expenditure of the authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure.”
- 16. The process for issuing a Section 114 report and the effect of it are set out in various sections under the 1988 Act. Subsection 3(A) requires the chief finance officer to consult, so far as reasonably practicable, the Head of Paid service and the Monitoring Officer. Both of these statutory officers have been fully briefed and consulted in the preparation of this report.
- 17. Section 115 of the 1988 Act requires Full Council to consider and decide on the report made under Section 114 within 21 days beginning on the day the report is issued. Full Council must consider the report at a meeting where it shall decide whether it agrees or disagrees with the views contained in the report and what action (if any) it proposes to take in consequence of it.
- 18. Section 115 (6) states that pending consideration of the report by Full Council, there is a prohibition period which runs from the date the report is made to the date of the Full Council meeting. During this period, the Council must not enter into any new agreement which may involve the incurring of expenditure (at any time) by the authority unless the chief finance officer of the authority authorises it to do so.
- 19. Subsection (6A) states the chief finance officer may only give authority for the purposes of subsection (6) if he considers that the agreement concerned is likely to: a. prevent the situation that led him to make the report from getting worse, b. improve the situation, or c. prevent the situation from recurring.
- 20. Subsection (6B) requires that authority for the purposes of subsection (6) shall:

- a. be in writing,
 - b. identify the ground on which it is given, and
 - c. explain the chief finance officer's reasons for thinking that the ground applies.
- 21. Subsection (8) states that if subsection (6) is not complied with, the Council shall be taken not to have had power to enter into the agreement (notwithstanding any option to do so under contract or otherwise). Therefore, the Council's actions will be deemed unlawful.
- 22. Section 116 requires the Council to notify its external auditors of the report and the time, date and place of the full Council meeting. The external auditors also need to be informed of the outcome of the meeting as soon as practicable. The external auditors have been kept informed of the emerging financial position and the planned work. The external auditors will need to consider the implications of this report on their statutory functions and the implications for their opinion on the 2019/20 and subsequent accounts which remain unaudited at the date of this report.
- 23. The Council's legal duties around budget setting are set out in Section 31A of the Local Government Finance Act 1992, which states:
 - a. In relation to each financial year a billing authority in England must make the calculations required by this section.
 - b. The authority must calculate the aggregate of:
 - i. the expenditure which the authority estimates it will incur in the year in performing its functions and will charge to a revenue account, other than a BID Revenue Account, for the year in accordance with proper practices.
 - ii. such allowance as the authority estimates will be appropriate for contingencies in relation to amounts to be charged or credited to a revenue account for the year in accordance with proper practices.
 - iii. the financial reserves which the authority estimates it will be appropriate to raise in the year for meeting its estimated future expenditure.
 - iv. such financial reserves as are sufficient to meet so much of the amount estimated by the authority to be a revenue account deficit for any earlier financial year as has not already been provided for.
 - v. any amounts which it estimates will be transferred in the year from its general fund to its collection fund in accordance with regulations under section 97(2B) of the 1988 Act,
 - vi. any amounts which it estimates will be transferred in the year from its general fund to its collection fund in accordance with section 97(4) of the 1988 Act; and
 - vii. any amounts which it estimates will be transferred from its general fund to its collection fund pursuant to a direction under section 98(5) of the 1988 Act and charged to a revenue account for the year.

Next Steps

- 24. The requirement of this S114 (3) notice is that an Extraordinary Meeting of the Full Council must happen within 21 days at which the Council must agree a response that addresses the issues outlined within this report. Full Council must consider whether it agrees or disagrees with the views contained within this report and determine action (if any) it proposed to take as a consequence. A failure to do so within the 21 days will lead to the issuance of a further s114 report.

25. As mentioned above, the Council needs to resolve funding the existing and accruing Equal Pay liability as well as address the Medium-Term Financial Plan Budget Gap for 2023/24 onwards.
26. The Financial Controls referred to in this report will operate from the date of this report. Elected Members must by law agree to cease all non-essential expenditure and reduce the Council's operational and service delivery costs immediately.
27. The timeline for activity over the coming months is as follows:
 - a. 5th September 2023 – Issue S114 Notice
 - b. Extraordinary Full Council Meeting by 26th September 2023 latest
 - c. Statutory deadline for Full Council to agree a response to this report by 26th September 2023 latest
28. Negotiations with DLUHC will continue over the coming months to determine an approach to financing the liability.

Fiona Greenway CPFA

Interim Director of Finance (Section 151 Officer), Birmingham City Council

5th September 2023

Section 114 Spend Control Manual

Guidance issued to support the Section 114 Report to all Elected Members of Birmingham City Council under Section 114 (3) of the Local Government Finance Act 1988, by Fiona Greenway CPFA, Interim Director of Finance (Section 151 Officer)

[S114 Notice](#) [for information]

Contents:

1. Spending Controls under the Section 114 Notice (page 2)
2. Process for Spending Controls and Approvals (page 3-4)
3. Wider activities to address financial challenges (page 5)

Appendices:

- i. Examples of essential and non-essential spending (page 6)
- ii. Frequently Asked Questions (page 7)

Temporary Measures are now in force such that all non-essential expenditure will now stop with immediate effect without written confirmation from the Section 151 Officer. For avoidance of doubt, non-compliance with this requirement will be considered a disciplinary matter by the Council. This supersedes all previous guidance on non-essential expenditure, with no exclusions or delegations of authority to Corporate Leadership Team (CLT).



1. Spending Controls under the Section 114 Notice

This section relates to new spending requests. Under the Section 114 notice, only essential spending requests will be approved. This means that no new non-essential spending is allowed and any new essential spending is only allowed subject to the approval process outlined in this document.

1.1. What is essential spending?

1.1.1. Is the spend request related to a clear (and referenced) statutory obligation?

a) *This includes regulatory and legal requirements – i.e. essential health and safety*

AND/OR

1.1.2. Will this spend request deliver a cashable saving compared to current spending within a quantified time period?

a) *Robust business case with short payback period required, i.e. less than 24 months;*

b) *Business Cases to be reviewed by a group (established by S151 officer);*

c) *Recruitment will only be allowed for posts meeting requirement of 1.1.1 above and where the post is currently being covered by an interim and will therefore deliver cashable savings.*

AND/OR

1.1.3. Is this spend already legally committed? This means:

a) *Existing staff **payroll** and **pension** costs;*

b) *Expenditure required through **existing legal agreements and contracts**;*

c) *Payments for goods and services which have **already been received**.*

AND/OR

1.1.4. Is this urgent expenditure required to safeguard vulnerable citizens?

AND/OR

1.1.5. Does this spend impact the General Fund? If not, it is allowable i.e.:

a) *Is this spend fully funded by external grants (e.g. Dedicated Schools Grant)?*

If this spend is partly funded by external grants, the S151 board will need to consider the specifics of the request

b) *Non-BCC funds do not impact the General Fund. Further guidance will follow on this area.*

1.2. Consideration can be given to the following spending requests, if quantified:

1.2.1. Prevents requirement for a more expensive statutory service;

1.2.2. Capital decisions that reduce borrowing requirements AND/OR provide a capital receipt;

1.2.3. Prevents the loss of an external funding source (e.g. PFI grant from central government) that is used to pay for a statutory service;

1.2.4. Generates an income stream for the Council;

1.2.5. A contractual obligation which is not required for statutory services, in which exiting the contract will cost more than the proposed spend requested; and

1.2.6. It mitigates additional commercial risk to the Council.

See Appendix 1 for examples of essential and non-essential spending.

2. Process for Spending Controls and Approval

This section relates to the process for approval of new spending requests of any value, as detailed in Section 1 (above). This includes setting a new board – the Section 151 Spend Control Board – that supersedes the previous Finance Governance Board.

2.1. The Council is prevented, without explicit agreement of the Section 151 Officer, from entering into any new agreement or commitment for expenditure until Full Council has met to consider the Section 114 report. These controls may be re-applied after the date of this Full Council meeting.

2.2. In practice, this means that:

- 2.2.1. The existing scheme of Financial Delegation is superseded by the S114 notice. Only the Section 151 Officer can sign off new spend. This applies to new spend of any value.
- 2.2.2. Relative to existing spending controls in place across the organisation, this means that Directorate Spending Boards (and the Finance Governance Board) do not have the authority to approve new spending. These Boards can recommend spending to the Section 151 Officer only – to be approved via the S151 Spend Control Board
- 2.2.3. Further details of the approval process are in paragraph 2.5 below.

2.3. S151 Spend Control Board Composition:

- 2.3.1. Membership:
 - Section 151 Officer
 - Head of Paid Service
 - Deputy Section 151 Officer
 - Assistant Director, Finance & Deputy Section 151 Officer
 - Monitoring Officer
 - Assistant Director, Finance Performance & Insight
 - Assistant Director, Procurement
 - Interim Director of HR
 - Secretariat support provided by Committee Services
 - Observers:
 - Cabinet Member for Finance & Resources
 - Independent Financial Advisor
 - Relevant CLT and Cabinet members for items in their Directorate
- 2.3.2. Regularity of meetings:
 - Daily boards
 - Weekly review sessions
- 2.3.3. Outcomes:
 - Decisions published on CMIS as written. These will be published at a set time every week (assume end of Friday).

2.4. Terms of Reference

- 2.4.1. To apply the Spend Controls outlined within the Section 114 report issued on 5th September 2023, and the guidance outlined within this Spend Control Manual.

2.5. Spending Controls Flowchart

Any financial delegations outlined in the Constitution or the scheme of delegation are now superseded by this S114 report. Decision making power has been removed and all financial decisions must be agreed and documented by the S151 Officer:



Note: Spend Form will be shared shortly and mirror the criteria for essential spending outlined in Section 1 of this document.

All approvals and rejections will be documented as evidence of the application of controls.

3. Financial Recovery Plan

This Section relates to work required to address the in-year and future year budget gaps, based on existing and committed spend.

3.1. Review of existing revenue spend – what should be stopped, based on the criteria in Section 1 above?

- 3.1.1. This should be part of the scope of work being led by Fiona Greenway and Richard Brooks on the Council's savings programme for current and future financial years

3.2. Review of capital programme – how can the Council reduce the impact of existing borrowing costs? Can the Council free up spending to tackle the Equal Pay liabilities? A requirement of this work – and likely from Department for Levelling Up, Housing & Communities (DLUHC) in advance of any Exceptional Financial Support (EFS) request – is confirmation of existing Council resources that can be used to mitigate the scale of any EFS request. (In simple terms, how much can the Council free up within existing resources, or what assets can it sell, to reduce the scale of any central government EFS package.) This will include reviews of:

- 3.2.1. Committed capital spend: This should include a review of all current capital programmes to understand what can be paused and what can continue
- 3.2.2. Borrowing costs: a review of existing borrowing to assess whether refinancing might reduce interest costs
- 3.2.3. Existing reserves: this includes a review of all reserves and capital receipts that are committed to future spending plans
- 3.2.4. Assets: the Council must review all assets to assess which can be sold (and estimate the potential sale price). This will likely lead to an assets disposal programme.

3.3. This work should be owned collectively by the Executive Management Team (Cabinet members and Corporate Leadership team members).

3.4. Section 114 controls will remain in place until a Financial Recovery Plan can be agreed by Full Council to mitigate the budget gaps. This will include:

- 3.4.1. A clear and actionable savings plan to tackle in-year and future year budget gaps – details in this section; and
- 3.4.2. Resolution on the EFS available from DLUHC.

3.5. Ultimately, it will be the decision of the Section 151 officer as to whether the Financial Recovery Plan is sufficient, delivering (i.e. signs of tangible progress are clear to see), and reported to Scrutiny to enable the lifting of the spending controls laid out in this document.

Appendix (i): Examples of essential and non-essential spending:

Essential Spending:

Statutory Services: These are services that the council is legally obligated to provide and are considered essential. They typically include:

- Education (e.g., schools and special educational needs support)
- Social services (e.g., child protection, adult social care)
- Public safety (e.g., police and fire services)
- Waste collection and management
- Public health services (e.g., public health inspections, disease control)
- Debt Servicing: Payments on outstanding loans and debts are essential to maintain the council's financial integrity
- A library service

Staffing for Essential Services: Employee salaries and benefits related to delivering statutory services.

Maintenance and Repairs: Funding for essential infrastructure maintenance and repairs to ensure public safety and service continuity.

Emergency Provisions: Funds set aside for unforeseen emergencies or contingencies that could impact essential services.

Non-Essential Spending:

Discretionary Services: These services are not legally required but may enhance the quality of life in the community. Examples include:

- Parks and recreational facilities
- Cultural and arts programs
- Leisure centres and sports facilities
- Library Buildings

New Capital Projects: Investments in new infrastructure or construction projects that are not immediately necessary for public safety or statutory obligations.

Consultancy and Professional Services: Spending on external consultants, advisors, or professional services that are not directly tied to essential services or legal requirements.

Marketing and Promotion: Advertising and promotional expenses that are not critical to the delivery of essential services.

Non-Urgent Capital Expenditures: Capital spending on equipment, vehicles, or technology upgrades that are not immediately required for essential services.

Non-Essential Staffing: Hiring or maintaining personnel for roles not directly related to statutory services, which may include administrative or non-essential positions.

Events and Entertainment: Expenses related to hosting events, conferences, or entertainment activities that are not crucial for service delivery.

Non-Critical Travel and Training: Travel expenses and training programs that are not essential for maintaining statutory services.

Appendix (ii): Frequently Asked Questions

- *Do these spend controls apply to **Birmingham Children's Trust (BCT)**?* – These controls apply to Birmingham Children's Trust (as this impacts Council spending through the General Fund), and the S151 Officer will work with the Director of Finance for the Trust to ensure spending controls mirror the guidance set out within this document.
- *Do these spend controls apply to **Capital spend**?* – These controls apply to all Council spend, including Capital spend. As well as approval at the Directorate Spend Control Board, Capital spend should be approved at the Capital Board prior to being added to the agenda for the S151 Spend Control Board.
- *Do these spend controls apply to **Grants**?* – These controls apply to all Council spend, including Grant and ringfenced spend. To approach Grant and ringfenced spend in the most pragmatic way possible, we are requesting that CLT Directors (or delegates) work with Finance Business Partners to assess Grant and ringfenced spend to identify approvals that are required for high frequency mandatory spend. This will allow a spend decision to be documented for this type of spend, whilst also limiting the need to repeat approvals.
- *What does **Value for Money** mean?* – For all spend requests relating to Value for Money should represent a cashable saving compared to the current spending within a quantified period of time. This means there should be a short payback period, delivering savings or reducing costs in a 24 month period. All business cases should be created in conjunction with Finance Business Partners, and approved prior to submission to the S151 Spend Control Board.
- *Does the S151 Control Board need to **approve everything**?* – Yes, as per the terms of the S114 notice. There needs to be a clear written and published decision for each decision made. That is why all decisions will need to go through this board. All of these decisions will be recorded on CMIS.
 - To approach spend in the most pragmatic way possible, we are requesting that CLT Directors (or delegates) work with Finance Business Partners to identify approvals that are required for high frequency mandatory spend. This will allow a spend decision to be documented for this type of spend, whilst also limiting the need to repeat approvals.
- *Which decisions need to go to **Cabinet or Full Council**?* – All spending decisions need to be approved by the S151 Officer. Once the spending decision is approved, if there is a further policy decision to be made, a request may need to go to Cabinet or Full Council for approval. Guidance will be provided by the Chief Monitoring Officer.
- *Do these spend controls apply to **Accountable Bodies**?* – These spending controls apply to any spending that will go through the General Fund.
- *What is the role of **Scrutiny Committees**?* – It is expected that Scrutiny committees, notably Finance & Resources, will receive a list of spending decisions made for comment and discussion.
- *How should **spending on extraordinary items** be approved?* – This document states that all spending should go through the process outlined in Section 2, namely through Directorate Spend Control Boards and then on to the S151 Spend Control Board. This includes current work to mitigate the issues with the Oracle.

THIS DOCUMENT WILL BE SUBJECT TO REVISION AS THE SPEND APPROVAL PROCESS EMBEDS AND IS REVIEWED BY THE SECTION 151 SPEND CONTROL BOARD.

Birmingham City Council

Report to Cabinet

25th July 2023



Subject: Medium Term Financial Plan (MTFP) Refresh – update to Cabinet at Quarter 1 of the 2023/24 Financial Year

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

Relevant Cabinet Member: Councillor John Cotton, Leader
Councillor Sharon Thompson, Deputy Leader
Councillor Brigid Jones, Cabinet Member for Finance and Resources

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

Report author: Peter Sebastian
Head of Financial Planning (interim)
Email Address: peter.sebastian@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: 011384/2023 | | |
| 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 |

1 Executive Summary

- 1.1 As part of the Council's approach to financial management, the Council provides updated forecasts across the Medium Term Financial Plan (MTFP) period to Cabinet three times a year – at Quarter One (this report); Quarter Two (in October) and at

Quarter Three (December/January, in the run up to formal budget-setting for the next financial year).

- 1.2 This report shows forecast budget pressures and inflation forecasts over the current financial year (2023/24) and the remaining financial years that make up the MTFP. It is projected that there is in-year budget shortfall of £87.4m in 2023/24, rising to £164.8m in 2024/25, reflecting the extent to which the costs of current service provision exceed the funding levels. These projected budget shortfalls do not reflect any additional costs relating to Equal Pay, including potential future liabilities as well as the cost of implementing any scheme of job evaluation.
- 1.3 Across the country, many councils are facing significant and similar budget pressures – mainly due to increased demand for services from residents, higher than forecast inflation and difficulty with delivering existing savings programmes in this current economic climate. Therefore, the current MTFP forecasts for Birmingham City Council (BCC), while serious and requiring immediate attention, are not unique.
- 1.4 What is unique, in the BCC context, is the significant and additional forecast liability for Equal Pay claims of between £650m and £760m. The Council has engaged with its External Auditors and is having ongoing discussions with the Department of Levelling-Up, Housing and Communities (DLUHC).
- 1.5 It is for this reason that this report supports the implementation of mandatory spending controls to give the Council time to further review financial pressures (including finalising the details of the Equal Pay liability) and mitigations.
- 1.6 In addition, this report recommends the implementation of a Robust Budget Savings & Recovery Plan to tackle existing budget pressures and the financial implications of the additional Equal Pay liability. This Plan sets out a series of activities that need to be delivered over the next five years to achieve financial stability within the Council, reviewing all aspects of BCC's financial management systems, processes and capability. This Plan will also seek to tackle financial pressures and rebuild corporate reserves over the medium term.

2 Recommendations

Cabinet is recommended to:

- 2.1 Note the MTFP budget pressures (inflation, savings, directorate pressures, Collection Fund update), as well as the Quarter One 2023/24 position (which provides a high-level assessment of a budget gap for this financial year) (**Section 5 of this report**);
- 2.2 Note the wider financial position of the Council, in terms of capital expenditure and available corporate resources, which demonstrate that the additional Equal Pay liability, alongside MTFP budget pressures, cannot be found within existing BCC resources (**Section 5**);

- 2.3 Note the work carried out to date to assess the potential scale of additional Equal Pay liabilities **(Section 4)**;
- 2.4 Endorse the mandatory spending controls which came into effect from 5 July 2023 **(Section 6)**;
- 2.5 Endorse the robust Budget Savings & Recovery Plan – to close the forecast budget gaps in the current financial year and future financial years– as per the timetable included in this report **(Section 6)**; and
- 2.6 Agree the 2024/25 budget-setting timetable, including the dates for the implementation of the recommendations in this report **(Section 7)**

3 Background

- 3.1 Birmingham City Council (BCC) approved its 2023/24 annual budget and Medium Term Financial Plan (MTFP) on 28 February 2023 as part of the annual budget setting cycle. Budgets were balanced up to 2023/24 (and across the MTFP period) on the assumption that:
 - a. £97.1m of savings were to be delivered over the next four years to 2026/27 (assuming no savings are brought forward undelivered from 2022/23);
 - b. Budget managers and budget holders are diligent in working within budgetary envelopes; and
 - c. Council tax was increased by 4.99% (including 2% for social care) with income levels largely returning to pre-Covid levels.
- 3.2 This paper:
 - a. Updates the assumptions (particularly inflation) that were used to set budgets for the 2023/24 financial year and provide an initial high-level

forecast (as at Period 3; Quarter One, April – June 2023) for the 2023/24 financial year;

- b. Updates the budget assessments over the MTFP period (from 2024/25 to 2027/28) based on the most recent forecasts (particularly with regard to inflation);
- c. Provides an update on Directorate spending to identify recent spending pressures, as well as progress against the agreed savings programme within the 2023/24 Financial Plan;
- d. Provides an outline of the Robust Budget Savings & Recovery Plan, including proposals for spending controls and key workstreams;
- e. Outlines the timetable and next steps required for the budget-setting process for the 2024/25 financial year, including budget consultation and engagement;
- f. Outlines the scale of the Council's existing capital programme – including a summary of existing borrowing (a full Capital and Treasury Management will come to Cabinet later this year); and
- g. Provides an initial assessment of potentially available corporate reserves that could be used to cover potential upcoming financial liabilities. It should be noted that these reserves are currently an estimate; a full review of reserves will be completed as part of the 2022/23 outturn report that will come to Cabinet in Autumn 2023.

3.3 This paper does not cover ringfenced revenue funding in the Housing Revenue Account (HRA) or the Dedicated Schools Grant (DSG) – it solely focuses on General Fund revenue budgets. The HRA Business Plan is expected to come to Cabinet in September 2023 for review; the DSG budget position is covered as part of the usual cycle of quarterly reporting to Cabinet.

4 National & Local Financial Context

4.1 Cabinet should note that there are a significant range of challenges that this Authority, and all public bodies, are currently facing. Research by the Special Interest Group of Municipal Authorities (SIGOMA) which represents 47 urban authorities, published on 19 June 2023, found that 55% of respondents were unsure whether they would be able to meet the budgets that were approved in March 2023 for the 2023/24 financial year. Based on the updated MTFP forecasts in Section Four of this report, without immediate and urgent action, BCC is in a similar position. The macroeconomic factors that are causing financial pressures include:

- a. **The impact of inflation** – compared to February 2023 when the budget for the 2023/24 financial year was agreed, inflation looks set to be higher than forecast. This manifests itself in a number of ways, from increased pay and materials budgets to rising energy costs; for example, the 2023/24 Financial Plan included an increased budget allocation of £18 million for the Council's energy bills and a £6 million increase for our schools. Further details on the impact of inflation are detailed in Section Five of this report;
- b. **Impact of Covid** – this continues to impact in a number of ways, from increased support needs for our residents (resulting in additional pressures on public services) to the income collection, as can be seen in the movement in the Collection Fund (most notably for business rates) that is described in Section Five;
- c. **Uncertain central government funding** – the Council's net revenue budget is funded from four main sources: Business Rates, Council Tax, government grants and fees & charges. (Where necessary, corporate reserves may also be used to cover specific expenditure or cover budget shortfalls.) Fees & charges are dependent on activity levels and residents' ability to pay. While Council Tax and Business Rates are also dependent on ratepayers' ability to pay, there are a number of uncertainties over these funding streams in future. Central Government has provided some clarity for the 2024/25 financial year only – namely that current Council Tax threshold levels (i.e., the amount that rates can be increased without the need for a referendum) will remain at 3% for Council tax and 2% for the Adult Social Care precept. Future reforms to the Business Rates system are currently delayed until 2025/26 at the earliest but may have a significant impact on BCC.

4.2 At present, there are also a number of challenges that are specific to BCC:

- a. Oracle finance system implementation – as approved by Cabinet on 27 June, this MTFP refresh includes £33.7m of costs from 2023/24 onwards to fix urgent issues, and to develop a plan that will deliver the Council's vision for an optimised Oracle. The total cost is £46.5m, including £12.8m of costs that had related to the 2022/23 financial year. In addition, the time taken to fix this Oracle system has delayed the completion of the 2022/23 outturn report and final reserves position, which means that this report cannot fully consider the impact on reserves of future cost pressures. This will be done at the Quarter Two MTFP refresh report due to come to Cabinet in October.
- b. Equal Pay challenges – the additional forecast Equal Pay liability is a key driver for the recommendations in this report. As noted above, initial estimates of the potential additional Equal Pay liability are between £650m and £760m.

4.3 Before the financial implications of this Equal Pay liability can be fully quantified for the MTFP, a more detailed calculation, using individual time-series data, to assess the full extent of the Equal Pay liability is being carried out. The results of this work are expected in August.

- 4.4 The overall scale of the liability needs to be quantified to assess total costs and enable BCC to explore all options for payment. A provision for Equal Pay liability will also need to be made within all accounts that are not currently signed off by auditors – this includes the 2020/21, 2021/22 and 2022/23 financial years – to demonstrate the scale of the issue at that point in time. This provision cannot be made until a financial solution is agreed with national government and stakeholders. At that point, the accounts can be reviewed and signed off by auditors.

5 MTFP – updated forecasts

- 5.1 The key movements from the MTFP position since BCC approved the budget for 2023/24 (and forecasts for future years) in February 2023 are shown in the table below. The projections identify a significant in-year budget shortfall of £87.4m in 2023/24, rising to £164.8m in 24/25, reflecting the extent to which the costs of current service provision exceed the funding levels:

| | 2023/24 £'000 | 2024/25 £'000 | 2025/26 £'000 | 2026/27 £'000 | 2027/28 £'000 |
|---|------------------|------------------|------------------|------------------|------------------|
| Total Net Expenditure (as per 2023/24 Financial Plan) | 925,078 | 1,018,314 | 1,035,612 | 1,049,934 | 1,083,206 |
| Total Resources (as per 2023/24 Financial Plan) | (925,078) | (1,018,314) | (1,035,612) | (1,049,934) | (1,079,093) |
| Budget gap as (as per 2023/24 Financial Plan) | - | - | - | - | 4,113 |
| Expenditure | | | | | |
| Budget Pressures | | | | | |
| Staffing | 3,844 | 3,973 | 4,070 | 4,170 | 4,273 |
| Demand/Complexity Growth | 55,586 | 37,736 | 44,027 | 42,240 | 39,840 |
| Statutory Requirement | - | - | - | - | - |
| Borrowing costs, investment etc | - | - | - | - | - |
| Budget Pressures Subtotal | 59,430 | 41,709 | 48,097 | 46,410 | 44,113 |
| Corporately Managed Budgets | (4,240) | (4,097) | (3,935) | (4,154) | (5,461) |
| Pay Inflation | - | - | (2,532) | (5,178) | (7,943) |
| Contract Inflation | 1,042 | 27,346 | 51,904 | 55,348 | 58,666 |
| Other Inflation | 19,875 | 28,352 | 35,367 | 42,593 | 50,063 |
| Fees and Charges Inflation | - | (357) | (365) | (372) | (378) |
| Inflation Sub-total | 20,917 | 55,341 | 84,374 | 92,391 | 100,408 |
| Savings | | | | | |
| High Risk Savings | 35,141 | 56,274 | 75,374 | 75,374 | 75,374 |
| Savings Subtotal | 35,141 | 56,274 | 75,374 | 75,374 | 75,374 |
| Total Net Expenditure Movements | 111,248 | 149,227 | 203,910 | 210,021 | 214,434 |
| Resources | | | | | |
| Business Rates | - | 14,100 | (27,677) | (40,165) | (41,052) |
| Council Tax | - | 2,019 | - | - | - |
| Other Grants Excl DSG & ABG | - | - | - | - | - |
| Top Up Grant | - | - | - | - | - |
| Other income | 5,044 | 2,589 | 2,589 | 2,589 | 2,589 |
| Net Payment to/(from) Reserves | (28,907) | (3,096) | (1,687) | - | - |
| Total Resources Movement | (23,863) | 15,612 | (26,775) | (37,576) | (38,463) |
| MTFP Budget Gap at July 2023 | 87,385 | 164,838 | 177,135 | 172,445 | 180,084 |

- 5.2 These projected budget shortfalls do not reflect any additional costs relating to Equal Pay, including potential future liabilities as well as the cost of implementing

any scheme of job evaluation. Full detail on these projections is included in paragraphs 5.3 – 5.15 below.

5.3 **Budget Pressures & Policy Choices** – this is made up of two elements:

- a. **Staffing** – this includes the correction of a previous budget issue that relates to the 1.25% planned increase in National Insurance contributions (and therefore pay costs) which was subsequently scrapped in September 2022. This planned increase was removed from base budgets, leaving a shortfall (£3.4m in 2023/24) to cover the forecast pay award.
- b. **Demand / Complexity** – this covers a range of directorate-specific spending pressures. The four largest areas of cost pressures are:
 - i. Oracle costs (assumed £33m from 2023/24 to 2025/26);
 - ii. Temporary Accommodation (assumed pressure of £8.6m in 2023/24, rising to £18.2m in 2024/25; based on the recent proposal to June Cabinet to purchase additional temporary accommodation which was approved);
 - iii. Children & Families pressures (£6.7m in 2023/24 and £3.9m in 2024/25), driven by demographic pressures requiring care (particularly in Unaccompanied Asylum Seeking Children) and home-to-school transport support, as well as an additional liability relating to Birmingham's Children's Trust pension liabilities for 2023/24 only (all of which will be further reviewed at Quarter Two); and
 - iv. Adult Social Care demand pressures (forecast £6.2m in 2023/24 and £8.9m in 2024/25) relating to increased numbers seeking care and increased placement costs (i.e. additional demand for more expensive residential care).

5.4 **Corporately Managed Budgets** – this includes a forecast reduction in borrowing costs of £3.9m in 2023/24 and £2.3m in 2024/25, as delays in the capital programme have led to lower than forecast loan debt (and therefore lower Treasury costs).

Inflation

5.5 **Other inflation** – this line covers General Price inflation on premises, transport, and supplies and services costs. The assumptions used in the 2023/24 Financial Plan have been reviewed in light of the latest Bank of England Consumer Price Index (CPI) forecasts from May 2023. The updated forecasts are based on the following assumptions:

| | 2023/24 | 2024/25 | 2025/26 |
|---|-------------|-------------|-------------|
| Apr-Jun | 8.2% | 3.4% | 1.1% |
| Jul-Sep | 7.0% | 2.9% | 1.0% |
| Oct-Dec | 5.1% | 2.3% | 1.0% |
| Jan-Mar | 4.4% | 1.5% | 1.1% |
| Average CPI Inflation | 6.2% | 2.5% | 1.1% |
| MTFP refresh assumptions used: | 6.2% | 2.5% | 2.0% |
| Assumptions used in 2023/24 Financial Plan: | 0.0% | 0.0% | 0.0% |

Source for MTFP refresh assumptions: Bank of England CPI forecasts, May 2023

Note: for the 2025/26 financial year and future financial years, MTFP forecasts are assumed to be 2.0% - a slight increase from Bank of England forecasts to ensure the MTFP is calculated on a prudent basis

5.6 As noted above, the increase in forecast inflation is due to the increase compared to the 2023/24 Financial Plan, in which assumptions were made that Directorates would not receive any inflationary uplift for premises, transport and supplies & services costs and would need to manage pressures within existing budgets.

5.7 **Contract inflation** – this relates to areas of spend which are tied to specific contracts, and so require specific inflation assumptions. The largest area of spend – and therefore the largest impact on the MTFP – relates to Adult Social Care (packages of care; estimated £18.6m increase in inflation forecasts in 2024/25) and Children's Social Care (third party payments to the Birmingham Children's Trust for care packages; estimated £7.3m increase in inflation forecasts in 2024/25). This is based on the following assumptions:

| | 2023/24 | 2024/25 | 2025/26 |
|--|-------------|-------------|-------------|
| <u>Adult Social Care packages</u> | | | |
| Assumptions used in the 2023/24 Financial Plan: | 7.5% | 0.6% | 0.0% |
| MTFP refresh assumptions used: | 8.7% | 6.5% | 4.9% |
| <u>Children's Social Care third party payments</u> | | | |
| Assumptions used in the 2023/24 Financial Plan: | 7.4% | 0.6% | 0.0% |
| MTFP refresh assumptions used: | 7.4% | 6.5% | 4.9% |

Source for MTFP refresh assumptions: Analysis of future ASC care package costs as at end of May 2023

Note: for Children's third-party payments, it is assumed that they will track ASC inflation movements in 2024/25 and 2025/26. The 2023/24 figures have not yet been updated and will form part of the next MTFP Refresh paper to Cabinet in October

5.8 **Pay inflation** – at present, pay inflation budgets look broadly accurate. The Financial Plan 2023/24 assumed 5.0% increase in 2023/24, 2.5% in 2024/25 and in future years. Based on Bank of England forecasts, this update revises this forecast to 2.0% from 2025/26 onwards.

5.9 **Savings** – progress against the savings agreed in the 2023/24 Financial Plan has been reviewed. Based on the table below, it is estimated that a total of £35.1m of savings are at high risk (i.e., assessed as unlikely to deliver). These are described in paragraphs 5.10-5.11 (£33.2m of savings at risk within the agreed corporate savings programme) and 5.12 (an additional £1.9m of savings that had been incorrectly applied).

- 5.10 From the agreed corporate savings programme, as laid out in the 2023/24 Financial Plan approved by Cabinet in February, the Financial Sustainability Programme Board is currently forecasting that £33.2m of savings are at high risk (i.e., assessed as unlikely to deliver) in 2023/24 with a further £21.1m unlikely to be delivered in 2024/25:

| £'000 | 2023/24 | 2024/25 | 2025/26 | Total | % of Target |
|-------------------------------------|-----------------|-----------------|-----------------|------------------|-------------|
| MTFP Target 23/24 to 25/26 | (55,165) | (28,137) | (19,544) | (102,846) | 92% |
| Previous Undelivered Savings | (9,454) | | | (9,454) | 8% |
| Total Target | (64,619) | (28,137) | (19,544) | (112,300) | 100% |
| Delivered | | | | | |
| Low Risk | (2,623) | (1,116) | (84) | (3,823) | 3% |
| Medium Risk | (28,517) | (5,888) | (360) | (34,765) | 31% |
| High Risk | (33,479) | (21,133) | (19,100) | (73,712) | 66% |
| To Be Confirmed | | | | | |
| Potential Write-Off | | | | | |
| Total Forecast | (64,619) | (28,137) | (19,544) | (112,300) | 100% |

- 5.11 The following points should be noted about this savings forecast:
- This assumes that, in addition to the £55.2m of budgeted savings in the MTFP for 2023/24, there will be £9.5m of undelivered savings in 2022/23 that will need to be rolled forward for a total savings target of £64.9m in 2023/24. This will need to be confirmed as part of the outturn report for 2022/23 (and the number of undelivered savings could rise or fall).
 - The projects that are not expected to deliver target savings in 2022/23 include: Workforce savings (£2m); Traded Services (£1.6m); Council Admin Buildings Premises (£1.3m); Automation (£0.85m); Fieldworker / new ways of working (£0.8m); and Customer Services (£0.4m).
 - An initial high-level review of savings projects by the Financial Sustainability Programme Board, as at mid-May, suggests that approximately £33m (50%) of the total £64.9m required in 2023/24 is currently at risk of slippage/non-delivery. Key projects currently at high risk of slippage/non-delivery include: Children's Trust Savings - £6m; Reducing Bed and Breakfast spend - £5.5m; Commercial Investment/Property - £4.7m; Workforce Savings - £4m; CAB Premises - £3.7m; Traded Services - £3.1m; EIP/Localities Hub - £2.5m; Automation - £1.850m; Centres of Excellence - £1.8m; Customer Services - £0.990m; and Fieldworker - £0.8m
 - Work is currently progressing to review the risk levels and options for mitigation. Further information will be provided in subsequent reports to Cabinet on the 2022/23 outturn and the Quarter Two MTFP Refresh in October.
- 5.12 In addition to the savings above, this MTFP includes an additional £1.95m of vacancy factor savings (i.e., holding staff positions vacant as people leave) that

had been incorrectly applied to Children & Families and City Operations. These had been applied on top of existing 3% savings across all Directorates.

5.13 **Resources** – this paper also considers a range of factors affecting future income. These include:

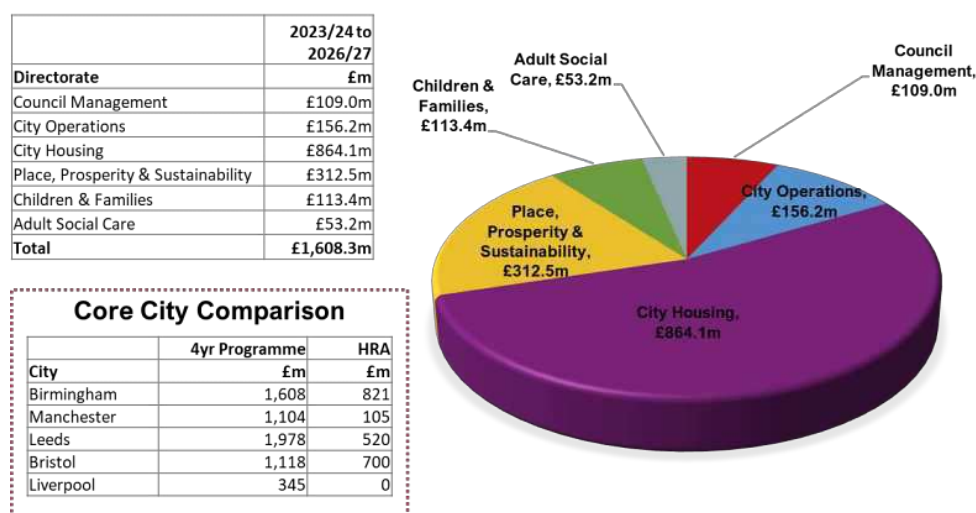
- a. **Business rates** – based on the draft 2022/23 outturn position for the Collection Fund, it is forecast that there is a deficit in business rates income of £27.8m due to a challenging economic environment for businesses (resulting in lower than forecast collection rates), a delay in enforcement activity (due to Oracle implementation issues) and an increase in business rates appeals (as this is the last year of the six year period in which businesses can query the latest set of rateable valuations (i.e. tax due) which were carried out in 2017).
- b. Under statutory guidance, the 2022/23 Collection Fund deficit will be charged to the General Fund for the next financial year (i.e. in 2024/25). However, this is offset by additional forecast income from business rates of £13.8m in 2024/25 and in subsequent years. Business rates are calculated by multiplying the rateable value of the property by the “non-domestic multiplier” which is adjusted to reflect the Consumer Price Index inflation figure for the September prior to the billing year. As Bank of England forecasts for CPI are expected to be higher than the forecasts used in the Financial Plan for 2023/24, this could result in additional income for the Council in future years.
- c. **Council tax** – as with Business Rates, there is projected to be a £2.0m deficit for 2022/23 in Council Tax income due to a reduction in collection rates. This will also be charged to the General Fund for 2024/25. It is worth noting that collection rates across Council Tax and Business rates fell in 2022/23, relative to 2021/22. For Council Tax, in year collection fell from 92.9% to 90.2%; for Business Rates, in year collection fell from 95.8% to 90.1%.
- d. **Grants** – there are two main categories of grant: 1) those used to fund wider Council services (e.g., Top Up Grant, Business-rates related Section 31 grants); and 2) those ringfenced to fund specific services (e.g., the Social Care Grant). At present, there is not sufficient information from central government to update forecasts for grant funding in 2024/25 and beyond. Further information is expected later in the 2023/24 financial year.
- e. **Other income** – this includes a range of pressures including a pressure of £1.5m on parking income (due to reduced demand with the city) and £1.5m on business waste collection income (again likely due to reduced office usage across the city).
- f. **Reserves** – at present, the only use of reserves assumed is to cover the additional expenditure required to support the remediation of the Oracle

finance system. A further review of reserves will be provided to Cabinet as part of the 2022/23 outturn report in the Autumn.

- 5.14 **Additional risks** – there are a range of other possible service pressures that are being reviewed by officers. For the purposes of this paper, only pressures that are 1) viewed as more than 50% likely to take place and 2) can be quantified are included in this report. Others will be reviewed and may be quantified as part of the Quarter Two refresh of the MTFP for Cabinet in October. This could include the potential cost implications relating to the current Private Finance Initiative (PFI) contract between the Council and Birmingham Highways Limited – a procurement exercise for a new sub-contractor is currently ongoing, so it is not possible to quantify any additional costs at this stage.
- 5.15 **Equal Pay** – further to the description in Section Four of this report, and for the purposes of this paper, a high level estimate of the potential financing costs has been made for information purposes. It is not yet included in the MTFP forecasts in this paper, as the work to finalise the figures is ongoing.

Capital Programme

- 5.16 **Size** – a review of the Capital programme is needed in light of the current financial situation with a view to add, reprioritise, accelerate, defer and descope the programme. This will need to be looked at across all Directorates within scope of the Capital Programme.
- 5.17 The current approved capital programme is for £1.6 billion of spending over this MTFP period:



- 5.18 The capital spend by Directorate includes:
- City Housing includes £820m for the Housing Revenue Account: investment in current housing stock as well as new social housing;
 - Council Management includes £54m transformation projects and £30m Corporate Contingency over four years;

- c. The above figures do not include the proposed £400m investment in the Council's Temporary Accommodation strategy, approved by Cabinet on 25 June; and
- d. Place, Prosperity & Sustainability includes £52.9m Enterprise Zone funded by borrowing to be repaid by the retention of future Enterprise Zone business rates.

Corporate Reserves

- 5.19 At present, officers are reviewing corporate reserves to finalise the outturn position for the 2022/23 financial year. These will need to be compared to the MTFP budget gap included in this paper and additional costs as a result of additional Equal Pay claims.
- 5.20 Using corporate reserves will, of course, significantly reduce the financial resilience of the council against future pressures. Once reserves have been used, they need to be rebuilt from existing budgets (i.e., through future savings that can be contributed to reserves). Once reserves have been spent, they are no longer available. That is why it is worth pursuing a savings programme first and retaining reserves to enable the authority to have some protection against future budget pressures. The method for pursuing these savings will be the Robust Budget Savings & Recovery Plan – outlined in the next Section of this report.

6 Robust Budget Savings & Recovery Plan

Background

- 6.1 The financial challenges being faced by the Council are of a sufficient size that they require immediate and sustained action to control. There is no doubting the scale of the financial challenge. There is a significant budgetary challenge arising, which includes:
 - a. The sizeable MTFP budget gaps identified in Section Five of this report; and
 - b. Additional financing costs for any future Equal Pay costs.
- 6.2 The Robust **Budget Savings & Recovery Plan** is made up of:
 - a. **Mandatory spending controls** – to enable the Authority to pause non-essential spending and to enable time to tackle the budget gap; and
 - b. **Detailed workstreams** – including Oracle Remediation, MTFP and Budget, and Workforce.

Mandatory Spending Controls

- 6.3 Based on the rationale in this report, **Mandatory Spending Controls** were implemented on 5 July.

6.4 **Mandatory spending controls mean that:**

- a. ***No new agreements or commitments for expenditure can be made, without engagement with the three statutory officers.***
- b. Temporary measures will be brought in to ensure all **new** non-essential expenditure will stop with immediate effect.

6.5 **The only allowable expenditure permitted under an emergency protocol includes the following categories:**

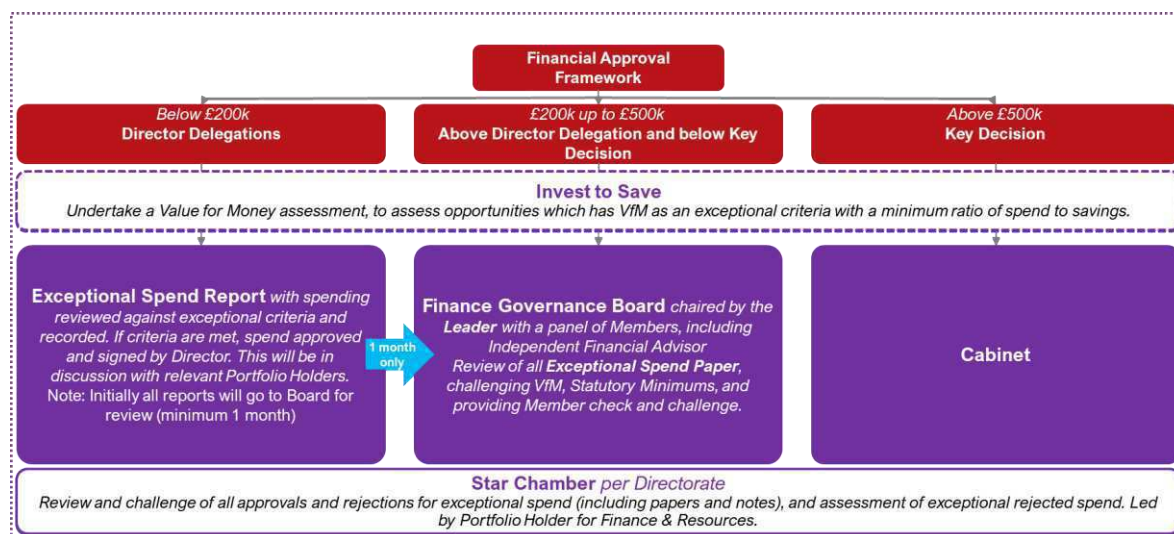
- a. Existing staff **payroll** and **pension** costs
- b. Expenditure required through **existing legal agreements and contracts**
- c. Expenditure on **goods and services** which have **already been received**
- d. Expenditure required to deliver the council's **provision of statutory services**
- e. Urgent expenditure required to **safeguard vulnerable citizens**
- f. Expenditure to address **services** which are **under regulation**
- g. Expenditure funded through **ring-fenced grants**
- h. Expenditure necessary to achieve **value for money** and / or **mitigate additional in year costs**
- i. Expenditure necessary to achieve **value for money** and / or **mitigate additional in year costs**
 - i. *Robust business case with short payback period required, i.e., less than 24 months;*
 - ii. *Value-for-Money Framework to be developed; and*
 - iii. *Business Cases to be reviewed by a group (to be established by Chief Executive)*

Robust Budget Savings & Recovery Plan

6.6 **Governance Arrangements – *three governance forums will be used to challenge spend within the Council:***

- a. **Director Delegations with Exceptional Spend Report** – To review spend against exceptional criteria and take delegated decisions against spend thresholds. In discussion with relevant Portfolio Holder.
- b. **Finance Governance Board** – To review spend above certain thresholds based on exceptional criteria, utilising senior stakeholders to challenge spend, and regularly review Director delegated decisions.
- c. **Star Chamber** – To review and challenge all approved exceptional spend (including papers and notes) and an assessment of exceptional rejected spend.

- 6.7 This will be implemented in line with a temporary scheme of delegation, aligned to the Finance, Procurement and Contract Governance Rules in Part D of the constitution:



*Notes: All forums will occur on a weekly basis to ensure spend is agile and responses to Directorate needs. This will apply to all spend over £500 as a de-minimus level. All spend must adhere to Council Procurement Governance. This includes spend and call-offs from frameworks. This includes **Capital and Ring-Fenced Grant Spend**. Consideration will be given to the volume of reports, needs to split by General Fund and Housing Revenue Account spend, and the timeliness of reporting and governance. This covers increase in spend **and** decrease in income.*

- 6.8 **Work plan** – this plan will inform the roadmap of activities that need to be delivered over the next five years to achieve financial stability within the Council.
- 6.9 There are nine activities which form this plan, split into Strategic and Operational Activities. The Strategic work streams are:
- Organisational Spending Review** – Review all spending for Value for Money and Outcome Focus across all services and budgets, including General Fund, Housing Revenue Account, Capital and external funding, Companies, Traded Services (i.e. Schools);
 - Equal Pay Resolution** – Roadmap of activities to understand and resolve the Equal Pay challenges, including detailing the potential costs over the next 5 years;
 - MTFP and Budget** – Quantification and remediation of the budget gap, revising the MTFP (next four financial years, Long-Term Financial Plan (next ten financial years), and Budget setting process. This will include the identification and delivery of savings, to be owned by the Corporate Leadership Team and Cabinet; and

- d. **Workforce** – Ensuring recruitment and retention is not at risk within the workforce, and developing contingency, creating capacity and flexibility, and exploring staff and people costs, including agency and interim costs.

6.10 The Operational work streams are:

- a. **Mandatory Spend Controls** – Implementation of mandatory spend controls, as outlined above, and the delivery of in-year spending savings through these controls, including Collection/Recovery of Income, balance sheet controls and use of Minimum Revenue Provision;
- b. **Oracle Remediation** – Activities to achieve Safe and Compliant, Stabilisation, and Optimisation of the Oracle Fusion implementation;
- c. **Governance and Controls Framework** – Review and remediation of governance and key financial controls, including but not limited to Internal Audit, Procurement, Value-for-money, Risk Management, Annual Governance Statement;
- d. **Closure of the Accounts** – Activities to deliver accounts for the Council across all financial years that remain open with External Auditors, including any further investigations and assessments; and
- e. **Finance and Governance Capacity and Capability** – Strengthened finance and governance knowledge, capability and capacity to deliver the planned improvements, including development of a Service Improvement Programme.

6.11 Work is already underway against a number of these areas. Each of the nine pillars above has a detailed plan of activities with responsible owners, risks, timelines, and allocated resources against each step.

6.12 The Robust Budget Savings & Recovery Plan will be reported to, and monitored by, the Finance Governance Board.

7 Next Steps

7.1 Significant work is required over the next few weeks to deliver on the proposed Budget Savings & Recovery Plan. A further update will come to Cabinet in October to update the MTFP position and assumptions over the medium term, in advance of the formal budget-setting process for 2024/25.

7.2 The timetable for the 2024/25 budget-setting process is as follows:

| Activities | Date |
|--|-----------------|
| Spending Controls implementation | 5 July 2023 |
| Implementation of Budget Savings & Recovery Plan | 25 July 2023 |
| Quarter Two Update on MTFP assumptions, budget position to Cabinet | 10 October 2023 |

| | |
|---|-----------------------------|
| Budget engagement on resource prioritisation | Mid October – December 2023 |
| Scrutiny of budget development proposals and Scrutiny review of Budget Savings & Recovery Plan for 2024/25 budget | November/December 2023 |
| Provisional Local Government Settlement | Mid December 2023 (TBC) |
| Cabinet – setting of council tax and business rate tax base | 16 January 2024 |
| Final Local Government Settlement | January/February 2024 (TBC) |
| Cabinet consideration of the 2023/24 budget and Financial Plan | 13 February 2024 |
| Full Council approval of 2023/24 budget and setting of Council tax | 28 February 2024 |

8 Next Steps

- 8.1 The Council believes that it is important that it engages with citizens and business when planning activity and the financial implications of those plans. An engagement plan is currently in development, focusing on gathering the views of Council Tax and Business Rates payers to feed into the 2024/25 budget setting process.

9 Risk Management

- 9.1 There remains significant uncertainty in respect of public spending levels and the level of funding for local government and therefore the assumptions outlined in this report will be subject to continual review over the coming months to ensure that the Council's short term and medium term financial stability can be protected and critical services delivered.

10 Compliance Issues:

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

- a. The Robust Budget Savings and Recovery Plan is an essential part of the Medium Term financial planning process. This will be informed by the priorities that led to its implementation, namely to provide a stable footing for the future financial position of the Council. In doing so, the Robust Budget Savings and Recovery Plan will seek to support the delivery of the Council's priorities, as laid out in the Council Plan, wherever possible within current and potential financial constraints. The

MTFP must remain focused on social justice, frontline services and the needs of residents and communities of the city.

10.2 Legal Implications

- a. A local authority is required under the Local Government Finance Act 1992 to produce a balanced budget.

10.3 Financial Implications

- a. The detailed financial implications have been covered throughout the report.

10.4 Procurement Implications (if required)

- a. There are no procurement issues arising directly from the contents of this report. Any procurement implications will be identified as specific budgets are developed.

10.5 Human Resources Implications (if required)

- a. There are no specific human resources implications arising from this report. Any Human resource implication will be identified as specific budgets are developed.

10.6 Public Sector Equality Duty

- a. In compliance with the Council's duties on equality, changes in the budget that impact on the provision of services will need to be properly assessed. An Equalities Impact Assessment will be undertaken on proposals as they are developed where this is considered necessary to do so.



**Department for Levelling Up,
Housing & Communities**

Max Soule

Deputy Director, Local Government Stewardship

**Department for Levelling up, Housing and
Communities**

Fry Building, 2 Marsham Street
London SW1P 4DF

www.gov.uk/dluhc

Deborah Cadman OBE
Chief Executive
Birmingham City Council

By email

19 September 2023

Dear Deborah

I am writing to invite your Authority, if it wishes, to make representations to the Secretary of State about the intervention package that he is proposing. This letter will be published on www.gov.uk.

The Secretary of State has carefully considered the evidence available. He is satisfied that your Authority is failing to comply with the requirements of Part I of the Local Government Act 1999 (the “1999 Act”), namely failing to comply with the Best Value duty, due to the Authority’s handling of its significant equal pay liabilities, governance concerns and systematic service weakness.

On that basis, he is considering exercising the powers of direction sections 15(5) and (6) of the 1999 in relation to your Authority to secure its compliance with the Best Value duty. The proposed intervention package is formed of two complementary parts: the first is a series of Directions which are set out at Annex A accompanied by a summary of the evidence that has led the Secretary of State to conclude that intervention is necessary and expedient to secure compliance with the best value duty. The proposed Directions provide Commissioners with the Authority’s functions concerning governance and scrutiny of strategic decision making, all functions associated with the strategic financial management of the Authority, all functions relating to the appointment, designation and dismissal of persons to positions as statutory officers, all functions associated with the Authority’s operating model and all functions pertaining to the performance management framework for officers holding senior positions and their recruitment. As well as this the Directions require the Authority to prepare an improvement plan within 6 months and report to Commissioners on said plan.

The second part is that the Secretary of State proposes to direct a local inquiry, which could consider the more fundamental questions around how Birmingham got to this position, assessing the Authority’s ongoing management of issues identified in the Kerslake review of the Authority in 2014 and the subsequent non-statutory intervention, and considering options for how it can become a sustainable organisation moving forward that secures best value for its residents.

Both parts share a common goal, which is to protect the interests and services of the people of Birmingham.

Your Authority is now invited to make such representations as it wishes about the Secretary of State's proposals. All such representations should be sent to interventions@levellingup.gov.uk, or in hard copy to the postal address above marked for my attention, to be received on or before **Tuesday 26 September 2023**. They will then be carefully considered by the Secretary of State. The Secretary of State considers the exceptional level of financial issues, significant governance concerns and the risks that these pose to your Authority's services and stability to be sufficiently urgent to carry out a shorter representations period than standard.

I am copying this letter to your Authority's Interim Section 151 Officer and Monitoring Officer.

Yours sincerely,

Maxwell Soule
Deputy Director, Local Government Stewardship

PROPOSED INTERVENTION PACKAGE

1. The Secretary of State is considering exercising his powers of direction under section 15 of the Local Government Act 1999 (“the 1999 Act”) in relation to Birmingham City Council (“the Authority”) to secure its compliance with the best value duty. He has considered the evidence, including the serious governance and service delivery concerns raised by three independent sources (the Local Government and Social Care Ombudsman, the Housing Ombudsman and the Department for Education’s Commissioner for Special Educational Needs and Disability at the Council); the flawed implementation of a new financial ledger system, Oracle; and the Authority’s handling of its significant equal pay liabilities, alongside the Section 114 notice issued on 5 September 2023.

2. The Authority has been beset by systemic failings over several years including poor culture, weak governance, a challenging relationship with trade unions and ineffective service delivery. These failings have been exacerbated by instability and churn at senior officer level. The Authority was in non-statutory intervention from 2015-2019 with an Advisory Panel, following the Kerslake report into the Trojan Horse affair. This found failings in governance, transparency, and financial management. The evidence from independent sources outlined above, alongside the Section 114 notice, highlight failings of great seriousness and provide evidence of significant and systemic best value failure. In light of this evidence, the Secretary of State is minded to implement the intervention package set out below. The Secretary of State believes the proposed intervention is necessary and expedient to secure compliance with the best value duty.

3. The Secretary of State has set out his proposals in order to assist the Authority to formulate any representations it may choose to make. He acknowledges that, save in cases of urgency, the Authority has a statutory right to make representations if the Secretary of State is considering making a direction. The Secretary of State considers the exceptional level of financial issues, significant governance concerns and the risk that these pose to the Authority’s services and stability to be sufficiently urgent to carry out a shorter representations period than standard. He will carefully consider those representations in deciding whether to make any and if so what Directions. He specifically reserves his ability to make further or revised Directions after implementing this, or any, intervention package (if that is what he decides to do).

Overall purpose and approach

4. The starting point is the evidence which highlight serious financial and governance concerns:

- On governance, whilst the Authority have commissioned an independent review which is due to report in the next few weeks, the seriousness and scale of the Equal Pay liabilities and failed implementation of the Oracle financial ledger system (estimated to be up to £100 million) highlight critical weaknesses in the Council’s broader internal control environment. There are also media reports of an internal report by the Labour Party that found a ‘dysfunctional’ climate amongst members, with associated implications for good governance and effective scrutiny.

- On financial governance, concerns have been present since the original intervention in 2015 and have been recently precipitated by the Authority's handling of the issues relating to Equal Pay and Oracle. The Section 114 notice was issued due to several factors, including correspondence from the external auditors Grant Thornton raising concerns around the provisions for Equal Pay in prior year accounts. Their assessment was that the size of the revised estimated Equal Pay (which the Authority currently estimates to be up to £760 million) means that the 2020/21 and 2021/22 accounts were materially misstated, and that the Authority did not have sufficient reserves to mitigate the cost of the liability due for these years. In addition to the acute financial position stemming from equal pay, the Authority is dealing with other difficulties. These include the costs of resolving the Oracle implementation, estimated at £100m, and the Authority's lack of progress in delivering planned savings – and that is before accounting for the potential liability relating to equal pay.
- On culture and leadership, the Authority has experienced extremely high levels of churn of senior staff in recent years. In the eight years prior to 2022, and following the 2014 Kerslake report, there had been nine chief executives and nine directors of children services. The Kerslake review also highlighted a culture of sweeping problems under the carpet or blaming them on others, rather than tackling them head-on.
- On services, the Authority has historic issues with its waste services as shown in the non-statutory intervention and recent cases considered by the Local Government and Social Care Ombudsman; a Department for Education Special Educational Needs and Disabilities intervention is in place; and the Local Government Social Care Ombudsman and Regulator of Social Housing have recently raised significant concerns with the Council about service delivery. The ongoing Equal Pay dispute is also causing continued friction with Trade Unions and there are risks of industrial action and impacts to service delivery.
- On capacity or capability to improve, the Kerslake review found that successive administrations had failed the City. It warned that the Authority lacked a clear vision, had failed to tackle deep-rooted problems such as low skills and was not doing enough to provide consistently good quality services. These problems have endured as highlighted by the Equal Pay liability issue and failed implementation of the Oracle financial ledger system.

5. The Secretary of State considers that given the evidence of financial and governance concerns, and the scale of the equal pay liabilities, intervention is necessary and expedient to address the circumstances of the Authority.

Draft Directions

6. The proposed package is centred on the appointment of Commissioners who would assume functions, as described in the enclosed draft Directions. The Commissioners will be backed by Directions, also enclosed in draft, issued to the Authority requiring them to take specific actions as a necessary and expedient action to secure compliance with their Best Value Duty.

7. Ministers will reflect on Commissioner appointments during the 'minded to' period to ensure they are fit for purpose to support the Authority moving forward. Given the scale of the issues the Secretary of State proposes that Directions to the Authority should be in place for five years, noting that the Authority's situation is severe, and the improvement and recovery journey is likely to take a number of years. If the Secretary of State considers at any time that it would be appropriate to change Directions or withdraw them, then he will do so. His concern will be to ensure that the Directions operate for as long, but only as long, and only in the form, as he considers it should operate in order to secure the objectives set out above.

ACTION THE AUTHORITY IS REQUIRED TO TAKE

In this Annex, the following expressions have the following meanings –

“the Authority” includes the Leader of the Council, Cabinet Members, any committee or sub-committee; and any other person who has responsibility for the matter in question.

The actions to be taken by the Authority are:

1. Prepare and agree an Improvement Plan, which considers actions to secure continuous improvement and restore public trust across all the Authority’s functions with a particular focus on housing, waste, finance, HR, governance and corporate services; to the satisfaction of the Commissioners (which may include or draw upon improvement or action plans prepared before the date of these Directions), within 6 months, with resource allocated accordingly.
2. In the first 12 months to review the provision and operation of corporate services, (including HR, legal, internal audit, risk management, IT and systems, procurement and the PMO), to enable and support the effective delivery of front-line services and the smooth running of the authority, and to implement any required changes thereafter to the satisfaction of Commissioners.
3. To secure as soon as practicable that all the Authority’s functions are exercised in conformity with the best value duty thereby delivering improvements in services and outcomes for the people of Birmingham.
4. To report to the Commissioners on the delivery of the Improvement Plan at 6 monthly intervals, or at such intervals as Commissioners may direct.
5. To undertake in the exercise of any of its functions any action that the Commissioners may reasonably require to avoid so far as practicable incidents of poor governance, poor financial governance or financial mismanagement that would, in the reasonable opinion of the Commissioners, give rise to the risk of further failures by the Authority to comply with the best value duty.
6. To allow the Commissioners at all reasonable times, such access as appears to the Commissioners to be necessary:
 - a. to any premises of the Authority;
 - b. to any document relating to the Authority; and
 - c. to any employee or member of the Authority.
7. To provide the Commissioners, at the expense of the Authority, with such reasonable amenities and services and administrative support as the Commissioners may reasonably require from time to time to carry out their functions and responsibilities under these Directions.

8. To pay the Commissioners reasonable expenses, and such fees as the Secretary of State determines are to be paid to them.
9. To provide the Commissioners with such assistance and information, including any views of the Authority on any matter, as the Commissioners may reasonably request.
10. To co-operate with the Secretary of State for Levelling Up, Housing and Communities in relation to implementing the terms of these Directions.

FUNCTIONS OF THE AUTHORITY TO BE EXERCISED BY THE COMMISSIONERS

In this Annex –

“The Authority” includes the Leader, Cabinet Members, any committee or subcommittee; and any other person who has responsibility for the matter in question.

“Statutory Officer” means any of: the Head of Paid Service designated under section 4(1) of the Local Government and Housing Act 1989; the Chief Financial Officer designated as having responsibility for the administration of the Authority’s financial affairs under section 151 of the Local Government Act 1972; the Monitoring Officer designated under section 5(1) of the Local Government and Housing Act 1989; and the Scrutiny Officer designated under section 9FB of the Local Government Act 2000 (and the expressions “statutory officer” and “statutory office” are to be construed accordingly).

“Senior positions” are defined as the Chief Executive, direct reports to the Chief Executive and their direct reports – tiers one, two and three.

The Commissioners shall exercise:

1. All functions associated with the governance and scrutiny of strategic decision making by the Authority.
2. All functions associated with the financial governance and scrutiny of strategic financial decision making by the Authority.
3. The requirement from section 151 of the Local Government Act 1972 to make arrangements for the proper administration of the Authority’s financial affairs, and all functions associated with the strategic financial management of the Authority, to include:
 - a. providing advice and challenge to the Authority on the preparation and implementation of a detailed action plan to achieve financial sustainability and to close any short and long-term budget gaps identified by the Authority across the period of its medium-term financial strategy (MTFS), including a robust multi-year savings plan;
 - b. providing advice and challenge to the Authority in the setting of annual budgets and a robust medium term financial strategy (MTFS) for the Authority, strictly limiting future borrowing and capital spending;
 - c. scrutiny of all in-year amendments to annual budgets;

- d. the power to propose amendments to budgets where Commissioners consider that those budgets constitute a risk to the Authority's ability to fulfil its best value duty;
 - e. providing advice and challenge to the Authority on the preparation of sustainable and affordable capital, investment and treasury management strategies; a strict debt reduction plan; and a revised minimum revenue provision (MRP) policy;
 - f. providing advice and challenge to the Authority on a suitable scheme of delegations for financial decision-making; and
 - g. ensuring compliance with all relevant rules and guidelines relating to the financial management of the Authority.
4. All functions relating to the appointment and dismissal of persons to positions the holders of which are to be designated as statutory officers, and the designation of those persons as statutory officers, to include:
- a. The functions of designating a person as a statutory officer and removing a person from a statutory office;
 - b. The functions under section 112 of the Local Government Act 1972 of –
 - i. Appointing and determining the terms and conditions of employment of an officer of the Authority, insofar as those functions are exercised for the purpose of appointing a person as an officer of the Authority principally in order for that person to be designated as a statutory officer; and
 - ii. Dismissing any person who has been designated as a statutory officer from his or her position as an officer of the Authority.
5. All functions to define the officer structure for the senior positions, to determine the recruitment processes and then to recruit the relevant staff to those positions.
6. All functions associated with the Authority's operating model and redesign of services to achieve value for money and financial sustainability.
7. All functions pertaining to the development, oversight and operation of an enhanced performance management framework for officers holding senior positions.

Report to all Elected Members of Birmingham City Council
Under
Section 114 (2) of the Local Government Finance Act 1988
By
Fiona Greenway CPFA
Interim Director of Finance (Section 151 Officer), Birmingham City Council
Date of Report: 21st September 2023

Purpose of Report

1. Members of the Council are asked to consider this Report by the Section 151 Officer (the Chief Finance Officer). The Report is made under section 114 (2) of the Local Government Act 1988 because the Section 151 Officer is of the opinion that:
 - a. The omission of a decision by the Council Business Management Committee has resulted in (a) a decision which involves the authority incurring additional expenditure which is unlawful, and (b) the course of action (i.e. inaction) if pursued to conclusion would be unlawful and cause a loss or deficiency on the authority.
2. This Report is being issued alongside a Section 5 Report from the Monitoring Officer, dated 21st September 2023, because:
 - a. The Council Business Management Committee agreed, on Friday 1st September 2023, to proceed with Option 2, on the basis that a signed addendum would be returned to the Council by the three recognised Trade Unions by 09:00 on Monday 11th September 2023.
 - b. On Monday 11th September 2023 two of the recognised Trade Unions responded confirming that they are unwilling to accept the proposed addendum, and the third has not responded to date.
 - c. As a result, the decision made by Council Business Management Committee on Friday 1st September 2023 is no longer valid.
 - d. The Monitoring Officer has since informed the Leader of the Council and Chair of the Council Business Management Committee of the options to move forwards, on Monday 11th September 2023 and Tuesday 12th September 2023.
 - e. A date for the Council Business Management Committee has not been agreed, with no intention to set a date or make a decision as a result.
 - f. There is currently no methodology proposed to resolve the Equal Pay challenges facing the Council, and hence no process to limit the accrual of additional liability past 1st April 2025 (as the current estimates of potential liability of £650m to £760m assume that a new Pay Equity System is implemented on 1st April 2025; at present, the potential liability is accruing at a range of £5m-£14m per month).
 - g. Further details of this omission can be found within the Section 5 Report from the Monitoring Officer dated 21st September 2023.
3. As a result of the omission of a decision by the Council Business Management Committee, and since the liability will now continue to accrue, it is my opinion that the Council is now (a) accruing additional unlawful expenditure in the form of a growing liability, and (b) making a decision (by omitting a decision) that will result in a loss or deficiency for the Council and council tax payers. As such this triggers a notice under section 114 (2) of the Local Government Finance Act 1988.

4. The Section 114 Notice is issued following consultation with both the Chief Executive (Head of Paid Service) and the Monitoring Officer. Following the issuance of the Section 114 Notice the Council has 21 days to hold a meeting of Full Council to consider the Report from the Section 151 Officer and decide how it will respond.
5. The purpose of this Section 114 Report is to make it clear to Members of the Council that immediate steps must be taken to mitigate the additional liability being accrued in relation to Equal Pay after the 1st April 2025. This means a suitable decision must be made such that a process commences to deliver a job evaluation programme (also known as Pay Equity System [PES]) that concludes by 1st April 2025.

Recommendations

6. That Elected Members of Birmingham City Council must consider this Report by Fiona Greenway, Interim Director of Finance (Section 151 Officer/ Chief Finance Officer) issued under Section 114 (2) of the Local Government Finance Act 1988.
7. That this Report must be considered at an extraordinary meeting of Full Council, held no later than the end of 21 days (the maximum allowable period set out within the Local Government Finance Act 1988) from the date of issue of this Report.
8. That Birmingham City Council (by which this means a meeting of Full Council) must decide whether it agrees or disagrees with the views documented within this Report and outline what action it proposes to take because of this Report.

Summary of key issues

9. Regarding the potential Equal Pay liabilities, there are two significant issues that the Council has to address:
 - a. The scale of the potential Equal Pay liabilities – this requires a Financial Recovery Plan to ensure the Council can pay for these liabilities. This was the subject of the S114 Report issued on the 5th September 2023 under section 114 (3) of the Local Government Finance Act 1988.
 - b. Ending the liabilities – by implementing a PES which would prevent the financial liability continuing to grow in the future. This is the subject of this S114 Report, issued as a supplementary document on the date shown, under section 114 (2) of the Local Government Finance Act 1988.

Consequences of a Section 114 (2) Notice

10. The issuing of the Section 114 (2) Report has the following impact on the work of the Council:
 - a. During the 21 day prohibition period the course of conduct which led to the Report being made shall not be pursued.

Legal Framework

11. Section 114 (2) requires that: “The chief finance officer of a relevant authority shall make a Report under this section if it appears to him that the authority, a committee or a joint committee on which the authority is represented—:

- a. has made or is about to make a decision which involves or would involve the authority incurring expenditure which is unlawful,
- b. has taken or is about to take a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency on the part of the authority, or
- c. is about to enter an item of account the entry of which is unlawful.”

Next Steps

- 12. The requirement of this S114 (2) Report is that an Extraordinary Meeting of the Full Council must happen within 21 days at which the Council must agree a response that addresses the issues outlined within this Report. Full Council must consider whether it agrees or disagrees with the views contained within this Report and determine action it proposed to take as a consequence. A failure to do so within the 21 days will lead to the issuance of a further S114 Report.
- 13. As mentioned above, the Council must make a lawful decision such that a process commences to deliver a PES that concludes by 1st April 2025. A failure to do so will lead to the issuance of a further S114 Report.
- 14. The timeline for activity over the coming months is as follows:
 - a. 21st September 2023 – Issue S114 Report
 - b. Extraordinary Full Council Meeting by 12th October 2023 latest
 - c. Statutory deadline for Full Council to agree a response to this Report by 12th October 2023 latest

Fiona Greenway CPFA

Interim Director of Finance (Section 151 Officer), Birmingham City Council

21st September 2023

**Report to all Elected Members of Birmingham City Council
Under
Section 5 of the Local Government and Housing Act 1989
By**

Janie Berry, City Solicitor and Monitoring Officer, Birmingham City Council

Date of Report: 21st September 2023

Purpose of Report

1. Members of the Council are asked to consider this Report prepared by the Monitoring Officer. This Report is prepared under Section 5 of the Local Government and Housing Act 1989. I am concerned that the Council has, at the date of this Report, failed to secure a decision relating to the implementation of a job evaluation programme (also known as Pay Equity System [PES]).
2. It is my duty as the Monitoring Officer to prepare a Report to the authority, if at any time it appears to them that:
 - a. *“any proposal, decision or omission by the authority, has given rise to or is likely to or would give rise to a contravention of any enactment or rule of law or of any code of practice made or approved by or under any enactment.”*
3. This includes the proposals, decisions or omissions by any committee or subcommittee of the authority, by any person holding any office or employment under the authority or by any joint committee on which the authority is represented.
4. This Report is published following statutory consultation with both the Chief Executive (Head of Paid Service) and the Interim Director of Finance and s151 Officer.
5. The purpose of this Report issued by the Monitoring Officer is to make it clear to Members of the Council that immediate steps must be taken to secure a robust PES which:
 - a. Is objective, robust and can be consistently applied and be Equality Act 2010 compliant so as to remove the risks of job enrichment, sex discrimination and cannot be open to legal challenge and thus incur future potential equal pay liability; and
 - b. Can mitigate the accruing potential equal pay liability published in June 2023, in the region of £650m-£760m with a monthly accruing liability of between £5m-£14m.

Recommendations

6. That Elected Members of Birmingham City Council consider this Report by Janie Berry, City Solicitor and Monitoring Officer issued under Section 5 Local Government and Housing Act 1989.
7. That this Report be considered at a meeting of Full Council, held no later than the end of 21 days (the maximum allowable period set out within the Local Government and Housing Act 1989) from the date of issue of this Report.
8. That Birmingham City Council (by which this means a meeting of Full Council) decide whether it agrees or disagrees with the views documented within this Report and outline what action it proposes to take because of this Report.

Summary of key issues

9. A number of issues have arisen over an extended timeline:

Context

- a. The context to the decision around a PES can be found within the Council Business Management Committee papers, dated 1st September 2023. The decision of this committee was to agree to proceed with Option 2 as outlined within the appendices to this Report.
- b. The decision by the Council Business Management Committee was required in order to limit the ongoing accrual of a potential liability in relation to Equal Pay which is current estimates to be £650m-£760m, and is accruing at a rate of between £5m-£14m per month after the 1st April 2025. Any extension to the timeline to deliver a PES by this date would incur additional liability.
- c. The quantum of this estimated liability was first shared in February 2023. This demonstrates the significant time period over which this issue has been known.

Timeline

- d. Following a Cabinet Meeting on the 25th July 2023 the funding envelope for a PES was agreed, with the delegated decision for a new PES given to Council Business Management Committee to be agreed at the earliest date.
- e. Council Business Management Committee were initially due to meet on the 17th August 2023. This was reconvened due to a delay in the publishing of papers for this committee, which was driven by the involvement of the Local Government Association in delivery of additional negotiations between Officers and Elected Members.
- f. Council Business Management Committee were subsequently due to meet on 29th August 2023 at an extraordinary meeting. This was opened and adjourned due to the receipt of a letter from Minister Rowley informing the Council of the need to ensure Best Value considerations were suitably included within any decision made by the Council.
- g. Council Business Management Committee met on 1st September 2023, and the Report to be considered excluded two of the four options on the grounds of unlawfulness as a conclusion and under the Council's Best Value duty.

Decision

- h. The decision made on 1st September 2023 to proceed with Option 2, as outlined within the appendices of this Report, was conditional on the agreement of the addendum by the three recognised Trade Unions by 09:00 on Monday 11th September 2023.
- i. At the time of writing this Report, two of the recognised Trade Unions have responded confirming that they are unwilling to accept the proposed addendum and the third has not responded in the time allowed or at all.
- j. I have as such notified the Leader of the Council (and Chair of the Council Business Management Committee) of the potential options to progress a subsequent decision by the committee. Notifications had been made on 11th September 2023 and 12th September 2023.
- k. Following consultation with the Leader on Friday 15th September 2023, the Leader agreed that a Council Business Management Committee would be scheduled to propose approval of Option 4 by the Committee.

- l. I have since received a request on Wednesday 20th September 2023 from the Leader of the Council that Council Business Management Committee does not meet at this time.
- m. As a result of this, currently there is an omission to act or make a decision on the part of the Chair of the Committee.

Consequences of a Section 5 Report

- 10. The effect of a Report issued by the Monitoring Officer is that the decision in question shall be suspended until the end of the first business day following consideration of the Report by an Extraordinary Meeting of Full Council.
- 11. During the period between issuing of the Report and the Extraordinary Meeting of Full Council no steps can be taken which give effect to any proposal or decision relating to the issue in question.

Legal Framework

- 12. In preparation of this Report and pursuant to the Local Government and Housing Act 1989, the Monitoring Officer is required to consult with the Head of Paid Service and the S151 Officer and has done so.
- 13. Section 5 of the Local Government and Housing Act 1989 requires an extraordinary meeting of Full Council to consider and decide on the contents of this Report within 21 days beginning on the day the of the Report being issued.
- 14. Further legal implications can be found within the Cabinet and Council Business Management Committee papers which are appended to this Report.

Next Steps

- 15. The requirement of this S5 Report is that an Extraordinary Meeting of the Full Council must happen within 21 days at which the Council must agree a response that addresses the issues outlined within this Report. Full Council must consider whether it agrees or disagrees with the views contained within this Report and determine action it proposes to take as a consequence.
- 16. As mentioned above, the Council must make a lawful decision such that a process commences to deliver a Pay Equity Scheme that concludes by 1st April 2025.
- 17. The timeline for activity over the coming months is as follows:
 - a. 21st September 2023 – Issue S5 Report
 - b. Extraordinary Full Council Meeting by 12th October 2023 latest
 - c. Statutory deadline for Full Council to agree a response to this Report by 12th October 2023 latest

Appendices

- i. Cabinet Report – 25th July 2023
- ii. Council Business Management Committee Report – 1st September 2023
- iii. S114 Report – 5th September 2023

Janie Berry

City Solicitor and Monitoring Officer, Birmingham City Council

21st September 2023

Appendix 2: Neighbourhoods Committee - 23/24 Savings Position as at Q2

Summary

This report updates Neighbourhoods OSC on the progress in delivering the 23/24 savings agreed in the MTFS 2023/26 that fall under this committee portfolio.

An extensive review process has been undertaken between Q1 and Q2 and the position reported below is as at Q2 (End of September 23).

Background

There are seven specific areas of savings in 23/24 totalling £5.846m that fall under the committee portfolio and these are listed below.

Each area has been risk rated to indicate the current level of confidence in achieving each savings target either in-year during 23/24 or over the longer term MTFS period 2023/26. Page 3 of this appendix explains the risk rating criteria.

Quarter 2 Position

Of the £5.846m £0.019m is green, £4.837m is Amber and £0.990m is Black for 23/24.

In relation to the £0.990m of savings associated with the customer services programme in bereavement, garden waste, markets and pest control, the programme team have delivered the agreed customer service improvements as scheduled. However this did not materialise in year savings due to savings being duplicated in service areas by other cross cutting proposals i.e. fees and charges/workforce savings etc however this has delivered improved customer service outcomes and an enhanced customer experience.

Decisions will need to be made around the longer term deliverability of these savings and where this is no longer possible they will need to be written off and longer term alternatives developed.

There are also savings targets associated with vacancy management and fees & charge increases. Currently these savings are rated Amber denoting Medium Risk due to the lack of monitoring information available through Oracle. Work to deliver these savings is progressing but will need to be managed and monitored carefully throughout the year to ensure the full savings targets are achieved.

List of Savings Projects & RAG status as at Q2

| Directorate | OSC Portfolio | Summary Description | In-Year 2023/24 (Saving) £'000 | Over the MTFS (Saving) £'000 |
|--------------------|--------------------|--|--------------------------------|------------------------------|
| City Ops | Neighbourhoods OSC | Removal of Universal Superloos | (19) | (19) |
| | | TOTAL | (19) | (19) |
| City Ops | Neighbourhoods OSC | 3% Turnover factor (Vacancy management) | (3,307) | (3,307) |
| City Ops | Neighbourhoods OSC | Fees & Charges 5% | (1,530) | (1,530) |
| | | TOTAL | (4,837) | (4,837) |
| Council Management | Neighbourhoods OSC | Customer Services – Bereavement. Improvements in service design to deliver efficiencies | (710) | (710) |
| Council Management | Neighbourhoods OSC | Customer Services - Garden Waste. Introduce autorenewal and other process improvements to maximise levels of annual subscriptions. | (80) | (80) |
| Council Management | Neighbourhoods OSC | Customer Services - Markets | (100) | (100) |
| Council Management | Neighbourhoods OSC | Customer Services - Pest Control | (100) | (100) |
| | | TOTAL | (990) | (990) |

Narrative for 23/24 in-year Non-Delivery

Neighbourhoods OSC

| Dir | Summary Description | 2023/24 (Saving) £'000 | Explanation |
|-------------|---|------------------------|--|
| Council Mgt | Customer Services – Bereavement. Improvements in service design to deliver efficiencies | (710) | Service improvement in customer services has been achieved but this will not result in in year cashable savings but will deliver improved customer service and customer experience |
| Council Mgt | Customer Services - Garden Waste. Introduce autorenewal and other process improvements to maximise levels of annual subscriptions. | (80) | Service improvement in customer services has been achieved but this will not materialise in year savings but will deliver improved customer service and customer experience |
| Council Mgt | Customer Services – Markets | (100) | Service improvement in customer services has been achieved but this will not materialise in year savings but will deliver improved customer service and customer experience |
| Council Mgt | Customer Services - Pest Control | (100) | Service improvement in customer services has been achieved but this will not materialise in year savings but will deliver improved customer service and customer experience |

Caveats:

- Many targets fit into multiple O&S portfolio, such as Fees & Charges, vacancy factor, thus for simplicity we have allocated to the O&S Committee where most of the target is more likely to fall.
- Some services also fall into more than one O&S portfolio – we have allocated the full target for these to the committee of higher alignment rather than split amounts.
- The total savings that need to be delivered in the 23/24 financial year may increase. Finance is currently working to close the 22/23 financial year accounts – this includes final assessment of savings delivery for the last financial year. Any further undelivered savings in 22/23 will need to be brought forward and found in 23/24 thereby increasing the overall target for 23/24.

Criteria for determining the RAG status of savings

| Assessment Criteria | Delivered | Low Risk | Medium Risk | High Risk | Potential Write-Off |
|---------------------|--|--|---|--|--|
| Savings RAG | Saving or income realised and evidence provided that costs have been reduced or income increased. | Saving or income detail documented and robust plan in place to deliver agreed targets, showing when and who is responsible. - and / or - Saving / income will be delivered within agreed timeframes. | Saving or income lacks some clarity and / or not detailed at an adequately granular level, or at risk, but agreed plan in place to resolve and being actively managed. - and / or - Some risk of not delivering saving within agreed timeframe, leading to cost of slippage. | Limited confidence in agreed saving / income being delivered - and / or - Saving / income unclear and / or not specified at adequate granular level. - and / or - Inadequate plan / no plan agreed. - and / or - <i>Saving not yet agreed by Directorate / Service Manager</i> - and / or - Major risk of not delivering saving / income within agreed timeframe, leading to cost of slippage. | Agreed saving cannot be delivered. - and / or - Alternative saving options to be identified. - and / or - CLT should consider writing off the agreed saving. |
| Headcount Example | Officer has departed, budget has been reduced and posts have been deleted from the approved establishment. | Timescales and the specific posts to be vacated / deleted have been agreed. | Budget Manager has confirmed that posts (to agreed value and timing) will be vacated and deleted from budget. | Headcount saving proposed, but no clarity RE timescales/ posts. | Headcount reduction is considered unachievable. |

Birmingham City Council

Neighbourhoods Overview and Scrutiny Committee

4 October 2023



Subject: Cleaner Streets: Monitoring the implementation of scrutiny recommendations

Report of: Councillor Majid Mahmood, Cabinet Member, Environment

Report author: Darren Share, Director, Street Scene

1 Purpose

To update Neighbourhoods Scrutiny Committee on the implementation of recommendations R01 – R012 from the meeting on 7 June 2023.

2 Recommendations

2.1 That this update be noted by the Committee.

3 Any Finance Implications

3.1 All finance implications in light of the S114 announcement on 4 September 2023 should be taken into consideration when reviewing the progress of the recommendations. Where spend was approved before the announcement then activities will continue up to the limit of that agreed expenditure. Where new spend is incurred after this date, requests will have to be made to and decided by the S151 officer. Waste collection is considered a statutory/essential service that the council is obliged to provide.

4 Any Legal Implications

4.1 Not applicable

5 Any Equalities Implications


5.1 Not applicable

6 Appendices

6.1 Appendix A: Cleaner Streets Response Table

| Ref | Recommendation | Response | What Does Success Look Like | Implementation |
|-----|---|--|--|---|
| R01 | Introduce Local First | <p>Our services are built up from the ground from each asset we maintain a work schedule is produced. This is reported on a Ward basis. Teams are deployed to work to these schedules.</p> <p>In 2017 these schedules were shared with the local councillors to test their relevance we are repeating that exercise now with depot visits and information sharing. Some local councillors have not been able to attend these briefings so their information will be shared with them and further opportunities created for depot visits</p> <p><u>06 September 2023</u> Any changes with the work programme will be sent to the relevant local councillor. We are currently investigating providing a digital solution combined with grounds maintenance data.</p> | Local Councillors are aware of their work programmes | <p>Work programmes shared by May 2023</p> <p>ACHIEVED - ONGOING</p> |
| R02 | Deliver a new Litter Prevention Strategy | <p>Due to intelligence and lessons learnt from the Commonwealth Games we recognised the need to review the policy. We will build upon the work started by the Scrutiny committee to develop a new strategy. We will be supported by Keep Britain Tidy.</p> <p><u>06 September 2023</u> Still working on this with KBT, we have examples of Litter Strategies from around the UK which is informing our plan for the City.</p> | A new Litter Prevention Strategy will be produced | <p>September 2023</p> <p>ON TARGET</p> |
| R03 | Implement localities approach to delivery | <p>There are currently 64 vacancies within the Street Cleansing Service. We are just about to recruit to these posts. Once we have these staff in place we will directly employ 100% of the workforce.</p> <p>Teams will be dedicated in areas to develop a better understanding and local knowledge.</p> <p>We will encourage staff to interact with communities.</p> | A fully committed workforce reflected of the local community | Recruitment June 2023 |

| Ref | Recommendation | Response | What Does Success Look Like | Implementation | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--------------------|---|-----------------------------|--------------------|-------------------------|------------------------|--------------------|------------------|---------------------|-----|--------|-------|------|-----------|---|-----|--------|-------|------|-----------|-------|----------|-------------|-------------|--------------|-----------|---|--|
| | | <p>Our Love Your Environment approach will target additional resources to areas of need through discussions with local councillors and communities.</p> <p>Each Ward will be allocated a manager and it would be good to identify and have regular walkabouts with the local managers, beat sweepers and ward crews.</p> <p><u>6 September 2023</u></p> <p>Vacancies have been paused, however vacancies are being covered by agency staff. The Love Your Environment days have continued</p> <table><tr><td></td><td>LYE Days completed</td><td>Total Tonnage collected</td><td>Dumped sacks collected</td><td>Litter Picked Bags</td><td>Graffiti removal</td></tr><tr><td>From Jan 23- Mar 23</td><td>106</td><td>563.35</td><td>16202</td><td>6538</td><td>2271 tags</td></tr><tr><td>From April 23- 25th July 23</td><td>117</td><td>923.60</td><td>24332</td><td>9854</td><td>6445 tags</td></tr><tr><td>Total</td><td>223 Days</td><td>1,486.95 tn</td><td>40,534 Bags</td><td>16,392, Bags</td><td>8716 tags</td></tr></table> <p>Each manager has been allocated to a Ward that can be shared with the local Councillors which can be found here:</p> | | LYE Days completed | Total Tonnage collected | Dumped sacks collected | Litter Picked Bags | Graffiti removal | From Jan 23- Mar 23 | 106 | 563.35 | 16202 | 6538 | 2271 tags | From April 23- 25 th July 23 | 117 | 923.60 | 24332 | 9854 | 6445 tags | Total | 223 Days | 1,486.95 tn | 40,534 Bags | 16,392, Bags | 8716 tags | <p>willing to engage with communities to identify and resolve problems.</p> <p>Local managers empowered to direct resources responding to local need</p> <p>An interactive relationship between the service at all levels and the community we serve.</p> | <p>Ward Manager Allocation May 2023</p> <p>ONGOING</p> |
| | LYE Days completed | Total Tonnage collected | Dumped sacks collected | Litter Picked Bags | Graffiti removal | | | | | | | | | | | | | | | | | | | | | | | |
| From Jan 23- Mar 23 | 106 | 563.35 | 16202 | 6538 | 2271 tags | | | | | | | | | | | | | | | | | | | | | | | |
| From April 23- 25 th July 23 | 117 | 923.60 | 24332 | 9854 | 6445 tags | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 223 Days | 1,486.95 tn | 40,534 Bags | 16,392, Bags | 8716 tags | | | | | | | | | | | | | | | | | | | | | | | |

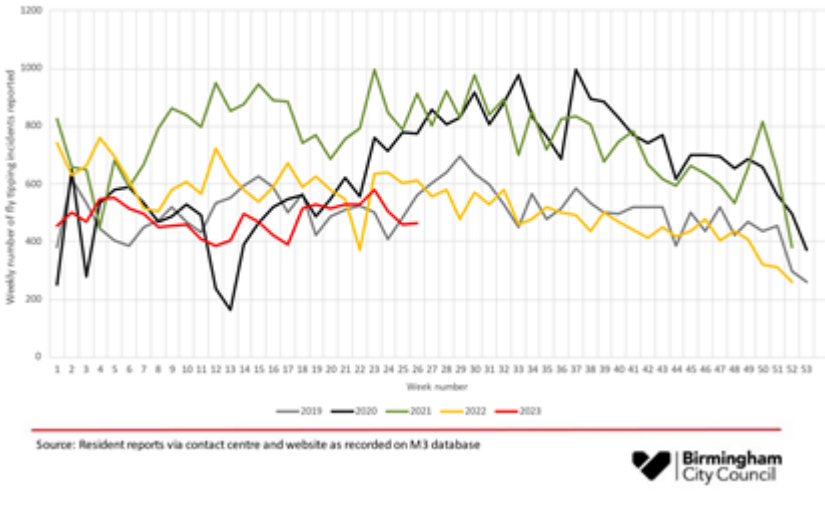
| Ref | Recommendation | Response | What Does Success Look Like | Implementation |
|-----|---|--|---|--|
| | |  Copy%20of%20WardsCoveredPerDepot.xls Managers responsible as at 20.09.23: Lifford Household, Recycling & Bulky – Lesley Sparkes Lifford Street Cleansing – Mark Airey Atlas Household, Recycling & Bulky – David P Miller Atlas Street Cleansing – Rachel Pearson Perry Barr Household, Recycling & Bulky – Richard J Smith Perry Barr Street Cleansing – Justin Hillyer. | | |
| R04 | Use key messages to deter litter and fly tipping tailored to the intended audience. | <p>We are working with Keep Britain Tidy to do this. They are bringing a series of options and examples we are exploring. One being chewing gum, using their materials we have seen a drop in chewing gum in the piloted areas. Working with KBT and Veolia we are looking at our communications and our current environmental educational offer. We have used crime scene tape and stencils to highlight fly tipping and more targeted communications are planned. We are currently investigating ECO schools the RHS campaign for School Gardening as ways to improve our environmental education.</p> <p><u>6 September 2023</u> Veolia are hosting videos and infographics on their website that details the journey of waste after it has been tipped https://www.birmingham.veolia.co.uk/journey-waste</p> | <p>A series of targeted messages are produced</p> <p>The information on services is available electronically</p> <p>The services and environmental delivery</p> | <p>June 2023</p> <p>July 2023</p> <p>September 2023</p> <p>ONGOING</p> |

| Ref | Recommendation | Response | What Does Success Look Like | Implementation |
|-----|--|---|--|----------------|
| | | <p>BCC web policy is such that third party content is not duplicated on the .gov website, hence the signposting from our site.</p> <p>The format of presentation for Grime Watch has been tweaked to embed videos in social media posts and we have engaged with Birmingham Updates to repackage the core Grime Watch episode into one more suited for the audience on TikTok, with a significant increase in viewership as a result.</p> | <p>programmes through Waste Prevention and the Ranger Service is updated and rolled out</p> <p>A second bid for KBT chewing gum project will be submitted.</p> <p>The new procurement process will require the providers to provide more educational resources for schools</p> | |
| R05 | Adopt a One Team, One Council approach | Staff will be dedicated to specific areas, this will be the same across the whole of Street Scene. There are close working relationships across the services. Under Love Your Streets Love Your Environment all teams | A One Council Approach to environmental | June 2023 |

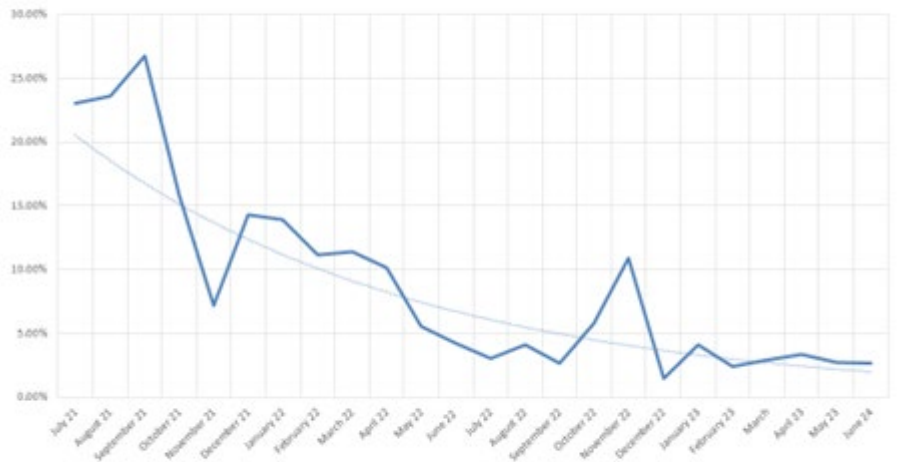

| Ref | Recommendation | Response | What Does Success Look Like | Implementation |
|-----|----------------|--|---|--|
| | | <p>come together to resolve any local issues and provide a joined up service delivery. We are currently in the process of transferring the Housing function to Street Scene that will bring all environmental operations under one service. A full training programmes has been developed for Street Cleaning and Grounds Maintenance Teams and had been implemented.</p> <p><u>6 September 2023</u> All is in train. A local team is established. People are kept in localities so local knowledge and continuity is kept. Waste Enforcement teams have been allocated across city; Grounds Maintenance are meeting regularly with Street Cleaning to liaise and tackle joint problems to improve the local environment. Everyone comes together to deliver Love Your Environment days and tackle hard to reach parts of the Ward.</p> | <p>management with empowered and trained staff.</p> <p>Increased in Love Your Environment days</p> <p>Love your environment will bring a coordinated approach across a number of teams</p> <p>No one will walk past a problem</p> | <p>July 2023</p> <p>May 2023</p> <p>ACHIEVED - ONGOING</p> |
| R06 | Culture Change | <p>We do recognise the work the teams are doing, they are doing a massive amount to make the city as clean as it is. It is a challenge to motivate staff when they read the press or reports that just say more work is needed or we are a failing service. We are going to recruit and along with that will come a training package and this year we are looking to train aspiring managers from within the workforce</p> | <p>We have introduced toolbox talks, recruitment is planned for April and a</p> | <p>June 2023</p> <p>ONGOING</p> |

| Ref | Recommendation | Response | What Does Success Look Like | Implementation | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|----------------|----------------|---|-----------------------------|----------------|--------|--------|----------------|-----|-----|-----|-------|--------|-------|--------|------|-------|------|--------|--|--------|--------|--------|--------|----------------|-----|-----|-----|-----|--|--|--------|--|--|-------|--------|---|--------|--------|--|--|
| | | <p><u>6 September 2023</u></p> <p>Toolbox talks have been introduced</p> <p>Training programme for all staff introduced</p> <p>Vacancies have been paused, however vacancies are being covered by agency staff</p> <p>We are continuing to develop links into the communities and support groups who want to help. We provide equipment and training and will collect anything they pick up</p> <p>Volunteer Data Jan23- March 23</p> <table><tr><td></td><td>Jan-23</td><td>Feb-23</td><td>Mar-23</td></tr><tr><td>Bags Collected</td><td>678</td><td>718</td><td>913</td></tr><tr><td>Hours</td><td>197.85</td><td>201.5</td><td>215.07</td></tr><tr><td>Days</td><td>39.57</td><td>40.3</td><td>43.014</td></tr></table> <p>Volunteer Data April – July 23</p> <table><tr><td></td><td>Apr-23</td><td>May-23</td><td>Jun-23</td><td>Jul-23</td></tr><tr><td>Bags Collected</td><td>687</td><td>792</td><td>835</td><td>727</td></tr><tr><td></td><td></td><td>256.02</td><td></td><td></td></tr><tr><td>Hours</td><td>276.97</td><td>3</td><td>317.44</td><td>272.26</td></tr></table> | | Jan-23 | Feb-23 | Mar-23 | Bags Collected | 678 | 718 | 913 | Hours | 197.85 | 201.5 | 215.07 | Days | 39.57 | 40.3 | 43.014 | | Apr-23 | May-23 | Jun-23 | Jul-23 | Bags Collected | 687 | 792 | 835 | 727 | | | 256.02 | | | Hours | 276.97 | 3 | 317.44 | 272.26 | <p>training package has started.</p> <p>We will support communities and work alongside them to clean up areas. We will recognise the work of the volunteers both formally and informally</p> | |
| | Jan-23 | Feb-23 | Mar-23 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Bags Collected | 678 | 718 | 913 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Hours | 197.85 | 201.5 | 215.07 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Days | 39.57 | 40.3 | 43.014 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Apr-23 | May-23 | Jun-23 | Jul-23 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Bags Collected | 687 | 792 | 835 | 727 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 256.02 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Hours | 276.97 | 3 | 317.44 | 272.26 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Ref | Recommendation | Response | What Does Success Look Like | Implementation |
|-----|---|--|--|--|
| | | <div> <div>Days</div> <div>51.204</div> <div>55.394</div> <div>6</div> <div>63.488</div> <div>54.452</div> </div> <p>Registered Volunteers: Total of 600 solo pickers and 194 groups registered since February 2023.</p> | | |
| R07 | Implement a proactive enforcement approach. | <p>The enforcement team have been increased from 8 to 19 plus 6 ward based neighbourhood enforcement officers. A very close relationship has been developed with the Neighbourhood Action Co-ordinators who are helping to target actions. 20 additional cameras have been brought and more are planned.</p> <p>We are working more closely with the litter enforcement teams and providing evidence to target this resource across the city.</p> <p><u>6 September 2023</u></p> <p>Flytipping stats for 2023 are continuing to be lower than in previous years. As of week 26, we are the lowest number of reported incidents for the corresponding week over the last 5 years.</p> | Fly tipping statistics are reducing with the approaches in place we would expect this to continue. | <p>June 2023</p> <p>ACHIEVED - ONGOING</p> |

| Ref | Recommendation | Response | What Does Success Look Like | Implementation |
|-----|---|--|---|----------------|
| | | <p><u>FLYTIPPING: NUMBER OF WEEKLY REPORTS OF FLY TIPPING (YEARLY COMPARISON)</u></p>  <p>Source: Resident reports via contact centre and website as recorded on M3 database</p> <p>Birmingham City Council</p> | | |
| R08 | Establish small grant budgets for all Wards | <p>Within the Street Scene budget there is no opportunity to devolve a budget to Wards. There is provision to support groups with equipment and resources. Since November 22 we have cleared 15,203 bags of rubbish collected by groups and supported 311 groups. A small seed corn grant is provided to Birmingham Open Spaces Forum for them to support local groups to bid for money that is not available to the City Council. In 2022/23 and £20,000 grant has brought in over £120,000 of projects delivered by community groups.</p> <p><u>6 September 2023</u></p> | Groups are fully supported in their requests. | |

| Ref | Recommendation | Response | What Does Success Look Like | Implementation |
|-----|---------------------------------------|---|--|--|
| | | Out of the scope of the City Operations to achieve this. However the service will continue to support local groups with equipment and pick up any rubbish they collect. | | |
| R09 | Extend the Love Your Environment Days | <p>Love Your Environment is an approach that started earlier this year to provide additional resources to target areas of need with a Ward. Since this initiative started we have completed 108 events. It is planned that these dates and locations are shared with Ward Councillors to ensure they are targeted in the right place.</p> <p><u>6 September 2023</u></p> <p>See RO3 table above</p> <p>We do monitor the LAMS scores across all Wards. The graph below does show how the LAMS score has changed since the introduction of</p> | Improved LAMs scores and cleaner Wards | <p>July 2023</p> <p>ACHIEVED - ONGOING</p> |

| Ref | Recommendation | Response | What Does Success Look Like | Implementation |
|-----|--|--|--|----------------|
| | | <p>the interventions</p> <p><u>FLYTIPPING: LAND AUDIT MANAGEMENT SYSTEM SURVEYS</u></p> <p>Percentage of LAMS assessments where the fly tipping grade was determined to be B or C (unacceptable standard)</p>  <p>Data reported from Waste Prevention Team</p> <p></p> | | |
| R10 | Introduce a proactive approach to graffiti and fly | <p>We do remove from private land and properties however we do need permission from the property owner. A process for the teams has been developed, once we have gained permission the disclaimer is ongoing</p> <p><u>6 September 2023</u></p> | Dedicated graffiti teams, well trained and aware of processes. A | June 2023 |

| Ref | Recommendation | Response | What Does Success Look Like | Implementation |
|-----|--|---|--|--|
| | posting on private land | Achieved – ongoing. We have maintained our relationship with Network Rail and Kier and we co-ordinate clearance of graffiti | full record of graffiti removed | ACHIEVED - ONGOING |
| R11 | Promote options for residents and businesses to dispose of items | <p>The website currently promotes the 2 reuse sites. Each Household Recycling Centre currently has an option to transfer items to the reuse shop at James Road. We will explore with the Web Team the option of promoting alternative venues. This will include other apps and opportunities such as Trolleywise.</p> <p><u>6 September 2023</u> Web policy does not currently support the promotion of external charity or private organisations, however the web team could encourage people to consider donating to their local charities or community reuse projects.</p> | Residents feel knowledgeable of how to dispose of unwanted items | September 2023 |
| R12 | Map current bin assets | <p>There currently isn't an up to date list of our bin assets. This work will be started.</p> <p><u>6 September 2023</u> We are currently identifying a system to record the information but crews are plotting bin locations onto paper maps for future input in onto the preferred IT solution (when found)</p> | A list of bin assets with emptying schedule will be completed and shared with Ward Councillors | <p>January 2024</p> <p>IN PROGRESS</p> |

Recommendation 3 - Ward and Depot

| Ward | Household/Recycling | Street Cleansing | Bulky Waste |
|-------------------------|------------------------------------|------------------------------------|-------------|
| Acocks Green | Atlas (Redfern) | Atlas (Redfern) | Lifford |
| Allens Cross | Lifford | Lifford | Lifford |
| Alum Rock | Atlas (Redfern) | Atlas (Redfern) | Perry Barr |
| Aston | Atlas (Montague) | Atlas (Montague) | Perry Barr |
| Balsall Heath West | Atlas (Redfern) & Lifford | Atlas (Redfern) | Lifford |
| Bartley Green | Lifford | Lifford | Lifford |
| Billesley | Lifford | Lifford | Lifford |
| Birchfield | Perry Barr | Perry Barr | Perry Barr |
| Bordesley & Highgate | Atlas (Montague) | Atlas (Montague) | Perry Barr |
| Bordesley Green | Atlas (Montague) & Atlas (Redfern) | Atlas (Montague) & Atlas (Redfern) | Perry Barr |
| Bournbrook & Selly Park | Lifford | Lifford | Lifford |
| Bournville & Cotteridge | Lifford | Lifford | Lifford |
| Brandwood & Kings Heath | Lifford & Atlas (Redfern) | Lifford & Atlas (Redfern) | Lifford |
| Bromford & Hodge Hill | Atlas (Redfern) | Atlas (Redfern) | Perry Barr |
| Castle Vale | Perry Barr | Perry Barr | Perry Barr |
| Druids Heath & Monyhull | Lifford | Lifford | Lifford |
| Edgbaston | Lifford | Lifford | Lifford |
| Erdington | Perry Barr | Perry Barr | Perry Barr |
| Frankley Great Park | Lifford | Lifford | Lifford |
| Garretts Green | Atlas (Redfern) | Atlas (Redfern) | Perry Barr |
| Glebe Farm & Tile Cross | Atlas (Redfern) | Atlas (Redfern) | Perry Barr |
| Gravelly Hill | Perry Barr | Perry Barr | Perry Barr |
| Hall Green North | Atlas (Redfern) | Atlas (Redfern) | Lifford |
| Hall Green South | Atlas (Redfern) | Atlas (Redfern) | Lifford |
| Handsworth Wood | Perry Barr | Perry Barr | Perry Barr |

| | | | |
|-------------------------|----------------------------------|----------------------------------|----------------------------------|
| Handsworth | Perry Barr | Perry Barr | Perry Barr |
| Harborne | Lifford | Lifford | Lifford |
| Heartlands | Atlas (Redfern) | Atlas (Redfern) | Perry Barr |
| Highters Heath | Lifford | Lifford | Lifford |
| Holyhead | Perry Barr & Atlas (Montague) | Perry Barr & Atlas (Montague) | Perry Barr & Atlas (Montague) |
| Kings Norton North | Lifford | Lifford | Lifford |
| Kings Norton South | Lifford | Lifford | Lifford |
| Kingstanding | Perry Barr | Perry Barr | Perry Barr |
| Ladywood | Atlas (Montague) | Atlas (Montague) | Lifford |
| Longbridge & West Heath | Lifford | Lifford | Lifford |
| Lozells | Perry Barr | Perry Barr | Perry Barr |
| Moseley | Atlas (Redfern) | Atlas (Redfern) | Lifford |
| Nechells | Atlas (Montague) | Atlas (Montague) | Perry Barr |
| Newtown | Perry Barr | Perry Barr | Perry Barr |
| North Edgbaston | Atlas (Montague) & Lifford | Atlas (Montague) & Lifford | Perry Barr |
| Northfield | Lifford | Lifford | Lifford |
| Oscott | Perry Barr | Perry Barr | Perry Barr |
| Perry Barr | Perry Barr | Perry Barr | Perry Barr |
| Perry Common | Perry Barr | Perry Barr | Perry Barr |
| Pype Hayes | Perry Barr | Perry Barr | Perry Barr |
| Quinton | Lifford | Lifford | Lifford |
| Rubery & Rednal | Lifford | Lifford | Lifford |
| Shard End | Atlas (Redfern) | Atlas (Redfern) | Perry Barr |
| Sheldon | Atlas (Redfern) | Atlas (Redfern) | Perry Barr |
| Small Heath | Atlas (Redfern) | Atlas (Redfern) | Perry Barr |

| | Atlas (Redfern) | Atlas (Redfern) | Perry Barr |
|---------------------------------|------------------|------------------|------------|
| Soho & Jewellery Quarter | Atlas (Montague) | Atlas (Montague) | Perry Barr |
| South Yardley | Atlas (Redfern) | Atlas (Redfern) | Lifford |
| Sparkbrook & Balsall Heath West | Atlas (Redfern) | Atlas (Redfern) | Perry Barr |
| Sparkhill | Atlas (Redfern) | Atlas (Redfern) | Lifford |
| Stirchley | Lifford | Lifford | Lifford |
| Stockland Green | Perry Barr | Perry Barr | Perry Barr |
| Sutton Four Oaks | Perry Barr | Perry Barr | Perry Barr |
| Sutton Mere Green | Perry Barr | Perry Barr | Perry Barr |
| Sutton Reddicap | Perry Barr | Perry Barr | Perry Barr |
| Sutton Roughley | Perry Barr | Perry Barr | Perry Barr |
| Sutton Trinity | Perry Barr | Perry Barr | Perry Barr |
| Sutton Vesey | Perry Barr | Perry Barr | Perry Barr |
| Sutton Walmley & Minworth | Perry Barr | Perry Barr | Perry Barr |
| Sutton Wylde Green | Perry Barr | Perry Barr | Perry Barr |
| Tyseley& Hay Mills | Atlas (Redfern) | Atlas (Redfern) | Lifford |
| Ward End | Atlas (Redfern) | Atlas (Redfern) | Perry Barr |
| Weoley & Selly Oak | Lifford | Lifford | Lifford |
| Yardley East | Atlas (Redfern) | Atlas (Redfern) | Perry Barr |
| Yardley West & Stechford | Atlas (Redfern) | Atlas (Redfern) | Perry Barr |

Birmingham City Council

Neighbourhoods Overview and Scrutiny Committee

4 October 2023



Subject: Flytipping Update Report

Report of: Councillor Majid Mahmood, Cabinet Member for Environment

Report author: Darren Share, Director, Street Scene

1 Purpose

- 1.1 To provide the Committee with an update on activity taken in the Street Scene service to tackle flytipping, provide an understanding of how data is analysed and being used to develop interventions.

2 Recommendations

- 2.1 That this report be noted for information.

3 Any Finance Implications

- 3.1 All finance implications in light of the S114 announcement on 4 September 2023 should be taken into consideration when reviewing the progress of the recommendations. Where spend was approved before the announcement then activities will continue up to the limit of that agreed expenditure. Where new spend is incurred after this date, requests will have to be made to and decided by the S151 officer. Waste collection is considered a statutory/essential service that the council is obliged to provide.

4 Any Legal Implications

- 4.1 Not applicable

5 Any Equalities Implications

- 5.1 Not applicable.

6 Appendices

- 6.1 Appendix A Flytipping activity update
- 6.2 Appendix B Grimewatch Episode 4
- 6.3 Appendix C Flytipping and Court Fines

APPENDIX A

NEIGHBOURHOODS SCRUTINY 4 OCTOBER 2023

FLYTIPPING UPDATE

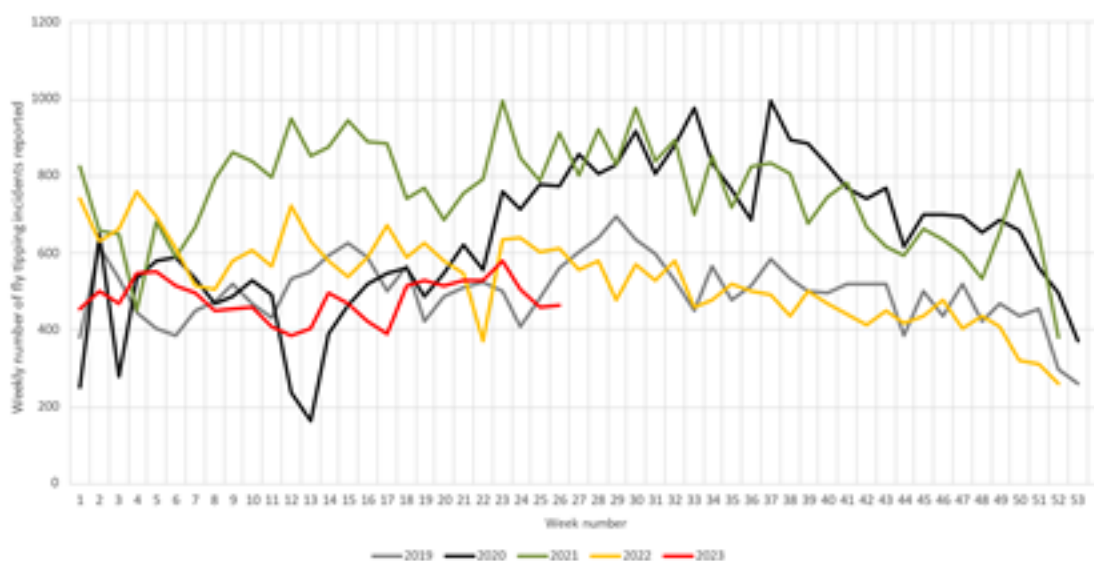
Grimewatch

Episode 4 of Grimewatch has now been released with episodes 5 and in the final stages of production for use in the near future (See Appendix B for further details). It is hoped that the release schedule can be maintained and a project is in place to expand upon the promotion of the episodes using other social media outlets and a dedicated web page for Waste Enforcement.

The obstacle above remains that all actions undertaken must be in line with the Policy on Publicising Flytipping cases.

Flytipping stats for 2023 are continuing to be lower than in previous years. Week 26 shows the lowest number of reported incidents over the last 5 years.

FLYTIPPING: NUMBER OF WEEKLY REPORTS OF FLY TIPPING (YEARLY COMPARISON)



Source: Resident reports via contact centre and website as recorded on M3 database



CCTV

The additional cameras have been purchased and are in circulation. Funding/budget has been identified for the solar powered cameras and the purchase request is currently going through procurement steps.

In addition, across 3 locations, AI enabled cameras went live in August as a result of the successful bid for a grant from DEFRA. These cameras are due to remain in

APPENDIX A

their locations in Edgbaston, Erdington and Aston until this month when the pilot phase of the project ends. At this stage they will be made available as part of the bank of assets used across the city to conduct surveillance in the worst-tipped areas.

| LOCATION | WARD | NO. CAMERAS IN SITU |
|-------------------------------|--------------------------------------|---------------------|
| Baker Street | Small Heath | 1 |
| Salisbury Tower | Ladywood | 2 |
| Uplands Road / Aylesford Road | Holyhead | 2 |
| The Roundabout | Northfield | 1 |
| Alfred / Beech Road | Sparkbrook and Balsall Heath East | 2 |
| Bottetourt Road | Weoley & Selly Oak | 1 |
| Yardley Green Road | Heartlands, Yardley West & Stechford | 3 |
| Grove Lane | Handsworth | 1 |
| Scribers Lane | Hall Green South | 1 |
| Dora Road | Small Heath | 1 |
| Hodge Hill Common | Bromford & Hodge Hill | 1 |
| Shenstone Road | North Edgbaston | 1 |
| Leaford Way | Glebe Farm & Tile Cross | 2 |
| Yew Tree Road | Aston | 2 |
| Colenso Road | North Edgbaston | 2 |
| Osborne Road | Erdington | 2 |

Prosecution Modelling

Scrutiny requested that a review of prosecution strategies for flytipping, in particular the use of fixed penalty notices, with a view to adopting the Barking & Dagenham approach, should be undertaken to ensure that this fits what is needed currently.

A meeting between senior management and Legal Services was held to review information gained from a meeting with the manager of the waste enforcement team at Barking and Dagenham.

It was identified that the difference in numbers of fixed penalty notices is most likely down to methods of offending, with B&D experiencing almost 100% on-foot dumping and having little to no incidents of vehicle based tipping – which is the vast majority of the problem profile of Birmingham.

An exploration of the enforcement approaches by B&D identified that the approach is in kind with BCC. A large number of the cases that came into B&D were caught on the battery powered deployable cameras similar to those currently in procurement for BCC. The success of the B&D cameras is promising, and we are hopeful that similar deployment will be effective in Birmingham.

APPENDIX A

The meeting with Legal Services highlighted that the approach of the officers within the Waste Enforcement Unit is within legal duties, is not overly risk averse and is in line with the B&D approach.

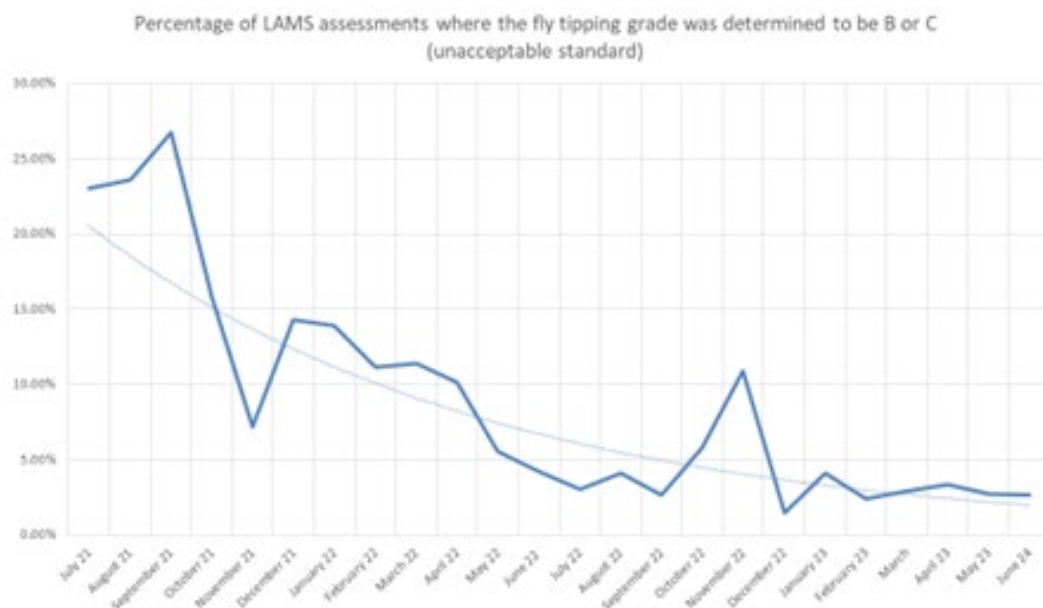
Appendix C shows the correlation between flytipping occurrences and court cases in Birmingham from 2019 to date.

Ward Data

Scrutiny has requested a demonstration of ward data and identification of flytipping hotspots. An informal meeting of scrutiny members will be arranged at which a live demonstration of the LAMS system will be combined with a demonstration of how “slab in the cab” technology works. A date for this meeting is currently being convened.

LAMS scores are monitored across all Wards. The graph below shows how the LAMS score has changed since the introduction of the interventions.

FLYTIPPING: LAND AUDIT MANAGEMENT SYSTEM SURVEYS



Data reported from Waste Prevention Team

Appendix B: Grime Watch Episode 4

Strategy

Due to the success of the shorter episode for episode 3 (which recorded the highest viewing figures to date), episode 4 followed the same strategy:

- Shorter episodes
- Production of shareable social media content
- An adaptable social media plan focusing on our free corporate BCC channels

In addition to this Episode 4 was edited for the Council's TikTok channel.

The stats

Total number of views of Episode 4: **54,118 views**

These can be broken down across our social media platforms as follows:

| Platform | No. of views |
|--|---------------------|
| Facebook | 6,015 |
| X (previously Twitter) | 7,664 |
| LinkedIn | 5,158 |
| Nextdoor (posted Sparkbrook residents) | 662 |
| You Tube | 719 |
| TikTok | 33.9k |

22 posts, 66,764 impressions, 28,853 reach, 34 clicks, 1.85% engagement

Here is a comparison of views and social media metrics between the previous three episodes:

| | Episode 4 July '23 | Episode 3 March '23 | Episode 2 Nov '22 | Episode 1 March '22 |
|-------------------------------|---|--|---|--|
| Total no. of views | 54,118 | 15,658 | 1,362 | 2,693 |
| Average no. of views per post | 2,460 | 746 | 124 | 207 |
| Social media stats | 22 posts 28.8k reach (excl. X and TikTok) 66.7k impressions 1.85% eng. | 21 posts 51k reach 55k impressions 0.75% eng. | 11 posts 6.4k reach 17k impressions 3.70% eng. | 13 posts 23k reach 36k impressions 2.80% eng. |

TikTok is largely responsible for the drastic increase in views

<https://www.tiktok.com/@beboldbebham/video/7257560191149919514?lang=en>.

However even without the TikTok figures there is an increase of 4,560 views when compared to episode 3.

There is a 345% increase in views from the previous highest figures in episode 3, and a 2,009% increase from episode 1. The average number of views per posts has risen by 329% from episode 3 to 4 and 1,188% from episode 1 to 4.

Email received

The email address grimewatch@birmingham.gov.uk is beginning to receive useful information from the public.

Media Coverage

The [Birmingham Mail](#) did a feature on Episode 4 which stayed very close to our messaging in the film. They also embedded our tweet – an improvement to episodes 1 and 2 whereby they edited the film themselves and embedded that in the article meaning our narrative and call to action was lost.

Recommendations for Episode 5

- Worked well focusing on one case and keeping the episode even shorter
- Continue to use the BCC TikTok channel

APPENDIX C FLYTIPPING AND COURT FINES 2019 - 2023

| Date Range | Investigations | Warning Letters | Statutory Notices | Flytipping FPNs | Littering FPN | Other FPN | Commercial DOC Inspection | Vehicles Seized | Prosecution Outcomes | Total Court Fines |
|------------|----------------|-----------------|-------------------|-----------------|---------------|-----------|---------------------------|-----------------|--|-------------------|
| 19/20 Q1 | 1133 | - | 168 | 15 | - | 55 | 706 | 1 | 17 x Fines | 12476 |
| 19/20 Q2 | 1090 | 10 | 207 | 21 | - | 83 | 514 | 3 | 16 x Fines, 1 x Custodial, 1 x Other | 11665 |
| 19/20 Q3 | 609 | 403 | 2 | 18 | - | 73 | 607 | - | 15 x Fines, 1 x Discharge | 80596 |
| 19/20 Q4 | 813 | 158 | 1 | 15 | - | 57 | 685 | 1 | 19 x Fines, 2 x Discharge | 16978 |
| 20/21 Q1 | 1124 | 216 | 8 | 10 | - | 36 | 57 | - | - | - |
| 20/21 Q2 | 1344 | 175 | 112 | 21 | - | 6 | 294 | 6 | 6 x Fines | 1652 |
| 20/21 Q3 | 993 | 267 | 507 | 13 | - | 2 | 641 | 4 | 12 x Fines, 2 x Dishcharge | 30235 |
| 20/21 Q4 | 1078 | 186 | 280 | 20 | - | 4 | 1336 | 0 | 12 x Fines, 1 x Community Service, 1 x Custodial | 6935 |
| 21/22 Q1 | 1175 | 52 | 0 | 17 | - | 4 | 249 | 2 | 13 x Fines, 1 x Discharge | 5815 |
| 21/22 Q2 | 1020 | 67 | 5 | 16 | - | 2 | 217 | 4 | 9 x Fines | 5063 |
| 21/22 Q3 | 806 | 133 | 2 | 8 | - | 4 | 260 | 1 | 10 x Fines, 1 Community Service, 1 x Custodial | 5330 |
| 21/22 Q4 | 903 | - | 113 | 36 | - | 30 | 155 | 5 | 5 x Fines | 8072 |
| 22/23 Q1 | 814 | - | 225 | 33 | - | 34 | 29 | 1 | 5 x Fines | 4218 |
| 22/23 Q2 | 822 | - | 94 | 22 | - | 44 | 117 | 2 | 2 x Fines, 1 x Custodial | 968 |
| 22/23 Q3 | 498 | - | - | 17 | - | 43 | 170 | 0 | 1 x Fine | 500 |
| 22/23 Q4 | 731 | - | 204 | 29 | 1 | 55 | 265 | 0 | 5 x Fines, 1 x Community Service | 7024 |

Birmingham City Council

Neighbourhoods Overview and Scrutiny Committee

4 October 2023



Subject: Neighbourhoods Overview and Scrutiny Committee's Work Programme

Report of: Christian Scade, Head of Scrutiny and Committee Services

Report author: Sarah Fradgley, Overview and Scrutiny Manager
Sarah.fradgley@birmingham.gov.uk
07927 665 829

1 Purpose

- 1.1 This report sets out the proposed work programme for the Neighbourhoods Overview and Scrutiny Committee for 2023-24, based on the Committee's meetings to date. Appendix 1 outlines the topics identified, aims and objectives and the preferred method of scrutiny to achieve these objectives.
- 1.2 The report also refers to other topics, which the Committee has identified, for future consideration, and this will be continuously updated during the year.

2 Recommendations

- 2.1 That the Committee:
 - Notes the information set out in Appendix 1 and identifies if any further topics need to be added to the menu of topics for the Committee to explore over the coming year.
 - Agrees, subject to further input from the Chair and Deputy Chair, the issues that the Committee will consider during November 2023 – December 2023, the proposed aims and objectives and the preferred method of scrutiny.
 - Agrees how it intends to follow any further action required to ensure that the identified end-to-end customer service improvements are implemented for Waste and Bereavement Services (Appendix 2).
 - Notes, subject to further input from the Chair and Deputy Chair outside of the meeting, its proposed work programme will be submitted to Co-

ordinating O&S to enable work to be planned and co-ordinated throughout the year.

3 Background

3.1 The [statutory guidance for local government overview and scrutiny](#) sets out the role it can play in holding an authority's decision makers to account. This makes it fundamentally important to the successful functioning of local democracy.

3.2 Effective Overview and Scrutiny should:

- Provide constructive 'critical friend' challenge.
- Amplify the voices and concerns of the public.
- Be led by independent people who take responsibility for their role.
- Drive improvements in public services.

3.3 The role and functions of Overview and Scrutiny Committees are outlined in [The City Council's Constitution | Birmingham City Council](#) They will:

- Make reports and/or recommendations to the full Council, the Executive and/or other organisations in connection with the discharge of the functions specified in their terms of reference.
- Consider any matter covered in their terms of reference that may affect or be likely to have an effect on the citizens of Birmingham; relevant to the Council's strategic objectives; relevant to major issues faced by officers in managing a function of the Council; and likely to make contribution to moving the Council forward and achieving key performance targets.

3.4 Effective scrutiny needs to add value. A well planned and timely work programme enables Overview and Scrutiny Committees to be involved at the right time and in the right way, and ensure their involvement is meaningful and can influence the outcome.

3.5 Members often have a number of topics suggested to them and are therefore required to **prioritise** matters for consideration. The Scrutiny Framework sets out the following factors to be considered:

- Public interest: concerns of local people should influence the issues chosen.
- Ability to change: priority should be given to issues that the Committee can realistically influence.
- Performance: priority should be given to areas in which the Council and Partners are not performing well.
- Extent: priority should be given to issues that are relevant to all or a large part of the city.
- Replication: work programme must take account of what else is happening to avoid duplication.

Looking Ahead

- 3.6 Overview and Scrutiny Committees will identify a 'menu' of issues (including policy development, policy review, issues of accountability and statutory functions) at the start of the year. Each Committee should then regularly review their 'menu' and decide which issues need to be examined further, and how that work would be undertaken. Scrutiny activities should be thorough and undertaken in a timely manner.

Scrutiny Methods

- 3.7 There are a range of ways to undertake scrutiny. The approach for 2023-24 enables flexible scrutiny and outlines a shift from monthly formal meetings to a combination of approaches. The Committee will choose the most effective scrutiny method to achieve the desired aims and objectives for each topic.
- 3.8 Based on Statutory Guidance published in 2019, different scrutiny methods include (but are not limited to):
- A single item, or items, on a committee agenda – this method fits more closely with the “overview” aspect of the Scrutiny function and provides limited opportunity for effective scrutiny. It is most appropriate for specific issues where the committee wants to maintain a watching brief.
 - A single item meeting, either as the committee or a more limited number of Members. It has the capacity to enhance the previous option by taking evidence from a number of witnesses.
 - A task and finish day - provided that these are properly focused, they ensure Councillors can swiftly reach conclusions and make recommendations and are effective even for complex topics.
 - A task and finish review – this is an enhancement of the previous option being held over four or six meetings spread over a limited number of months.

Neighbourhoods Overview and Scrutiny Committee

- 3.9 The Committee's Terms of Reference is to fulfil its functions as they relate to any policies, services and activities concerning:
- The collection and removal of waste from residential and other properties within the city.
 - Pest control.
 - Street cleansing, litter prevention, fly tipping/ placarding removal and enforcement, graffiti removal, scrap yard and motor salvage operator enforcement.
 - Parks and allotments.

- Local events held in parks.
- Cemeteries and crematoria, mortuary and Coroners Court services, Register Office services.
- Local Development Plans, Neighbourhood Plans, Development briefs, localisation.
- Commonwealth Games Legacy framework.

3.10 This Committee shall be the Crime and Disorder Committee (Police and Justice Act 2006) as referred to in the [Council Constitution](#). The [Crime and Disorder \(Overview and Scrutiny\) Regulations 2009](#) provides information to Local Authorities about how this function should be carried out. In fulfilling this function, the Committee will fulfil its functions as it relates to:

- Community safety, anti-social behaviour, fear of crime, support for victims of crime.
- Relationships with the Police and Crime Commissioner and West Midlands Police.
- Youth offending.
- Domestic abuse.

3.11 The Committee is chaired by Cllr Shabrana Hussain, and its membership comprises Cllrs. Deirdre Alden, Gurdial Singh Atwal, Marcus Bernasconi, Kerry Brewer, Marje Bridle, Ray Goodwin and Izzy Knowles.

4 Work Programme 2023-24

- 4.1 Appendix 1 sets out the topics the Committee will consider over the next few months, and also outlines future items for consideration.
- 4.2 The Committee may decide to add further items to the work programme during the course of the year. When considering this, the Committee is advised to consider where it can best add value through scrutiny, and how it can prioritise topics for consideration based on the Scrutiny Framework referred to in 3.5.
- 4.3 The Council's latest [Forward Plan](#) may assist Members in identifying future topics. The following reports are of particular relevance to this Overview and Scrutiny Committee:

| ID Number | Title | Proposed Date of Decision |
|-----------|------------------|---------------------------|
| | None at present. | |

- 4.4 Overview and Scrutiny Chairs are advised to maintain regular engagement with Cabinet Members to enable flexibility to be built into the Overview and Scrutiny work programme, so as to respond to the Council's policy priorities in a timely way.

- 4.5 The work programme, as set out in Appendix 1, also cross references the work of the Committee with the Council's Corporate Priorities 2022-26. During the period June – December 2023 the work of this Committee will contribute to 7 Corporate Priorities.

5 Customer Services Programme

- 5.1 Appendix 2 sets out the Customer Service programme and the work undertaken by the Co-ordinating Overview and Scrutiny Committee to review the recommendations submitted to the Highways, Waste, Bereavement Services and Housing Repairs services leads, and the further action to ensure the identified end-to-end customer service improvements are implemented. This work commenced in 2022-23 with a first review completed by January 2023. The review was undertaken by a Task and Finish group comprising Co-ordinating Overview and Scrutiny Committee members.
- 5.2 Following a further review in June and July 2023, the Co-ordinating Overview and Scrutiny Committee agreed that service owner committees will follow up any further action required to ensure that the identified end-to-end customer service improvements are implemented. The relevant service owner committees are:
- Homes: Housing Repairs
 - Neighbourhoods: Waste and Bereavement Services
 - Sustainability and Transport: Highways Repairs
- 5.3 During the June and July review, the Chairs for the relevant service owner committees were invited to attend to enable an effective transition and provide continuity.

6 Any Finance Implications

- 6.1 There are no financial implications arising from the recommendations set out in this report.

7 Any Legal Implications

- 7.1 There are no legal implications arising from the recommendations set out in this report.

8 Any Equalities Implications

- 8.1 The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:
- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act.
 - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.

- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

- 8.2 The protected characteristics and groups outlined in the Equality Act are Age; Disability; Gender Reassignment; Marriage and Civil Partnership; Pregnancy and Maternity; Race; Religion and Belief; Sex, and Sexual Orientation.
- 8.3 The Committee should ensure that it addresses these duties by considering them during work programme development, the scoping of work, evidence gathering and making recommendations. This should include considering how policy issues impact on different groups within the community, particularly those that share a relevant protected characteristic; whether the impact on particular groups is fair and proportionate; whether there is equality of access to services and fair representation of all groups within Birmingham; and whether any positive opportunities to advance equality of opportunity and/or good relations between people are being realised.
- 8.4 The Committee should ensure that equalities comments, and any recommendations, are based on evidence. This should include demographic and service level data and evidence of residents/service-users views gathered through consultation.

9 Appendices

- 9.1 Appendix 1: Work Programme 2023-24 – October
- 9.2 Appendix 2: Customer Service Programme Task and Finish Group - Report to Coordinating Overview and Scrutiny Committee, 14 July 2023

10 Background Papers

- 10.1 [Birmingham City Council Constitution](#)
- 10.2 Birmingham City Council Overview and Scrutiny Framework April 2021

Neighbourhoods Overview and Scrutiny Committee Work Programme 2023/24

| Month | Item/Topic | Aims and Objectives | Scrutiny Method | Cabinet Member/ Lead Officer | Other Witnesses | Additional Information and Outcome* |
|-------|--|--|--|---|-----------------|--|
| July | Fly Tipping Enforcement Corporate Priorities: 17 | <p>To outline the current position in relation to fly-tipping with specific regard to:</p> <ul style="list-style-type: none"> Identifying dedicated resources and which wards they are deployed in; Enforcement approach and how this is developing; How cameras are being used, and the specific impact of Grime Watch. <p>Understand if/ how this approach is making a difference to reduce fly tipping.</p> <p>Outline progress towards Cleaner Streets recommendations.</p> | <p>Committee Meeting single item: 5 July 2023 at 2pm</p> <p>Venue: Committee Room 6, Council House</p> <p>Deadline for Papers: 22 June 2023</p> | Darren Share, Director, Street Scene | | <p>The Committee will review this information with a view to considering whether they wish to undertake a more detailed inquiry.</p> <p>Related work from 2022-23: Reducing Fly tipping (April 2023)</p> <p>Cleaner Streets (April 2023)</p> <p>Performance Information (presented to Neighbourhoods O&S Committee, June 2023 by Programmes, Performance and Improvement)</p> <p>Co-ordinating O&S Customer Services (waste)</p> |
| July | Community Safety Localities Approach Corporate Priorities: 9 | <p>To inform the development of a new localities approach with particular focus on how ward councillors can contribute towards identifying local priorities, problem solving and reviewing impact</p> | <p>Committee Meeting single item: 5 July 2023 at 2pm</p> <p>Venue: Committee Room 6, Council House</p> | Pamela Powis, Acting Head of Partnership, Community Safety Team | | <p>This refers to the Local Partnership Delivery Groups which operate across the city.</p> <p>An all-day partnership event took place on 22 May 2023 to inform this new approach. Members were invited to attend.</p> |

| Month | Item/Topic | Aims and Objectives | Scrutiny Method | Cabinet Member/ Lead Officer | Other Witnesses | Additional Information and Outcome* |
|--------|---|---|---|---|--|--|
| | | | Deadline for Papers: 22 June 2023 | | | <p>The Neighbourhoods O&S Committee is the designated Crime and Disorder Committee for Birmingham. This will contribute towards discharging its duties.</p> <p>The statutory requirements, as Crime and Disorder Committee, are outlined here.</p> <p>Outcome: A list of the local managers for the six locations was provided to the Committee.</p> <p>The Delivery Plans together with contact details to be shared with Ward Councillors.</p> |
| August | Youth Justice Corporate Priorities: 8 and 9 | To inform the annual Youth Justice Plan | <p>Other - Briefing: 9 August 2023 at 2pm</p> <p>Venue: Committee Room 2 and on-line (hybrid)</p> | Janine Saleh, Head of Birmingham Youth Offending Service, Birmingham Children's Trust | Dionne McAndrew, Assistant Director Vulnerable Young People, Birmingham Children's Trust | <p>This is an annual report. The most recent report was approved by Council in October 2022.</p> <p>The intention is to bring this report to pre-decision Scrutiny when the draft report is available. As there were no Committee meetings scheduled in August, the Chair requested a hybrid briefing. Members of the Education, Children and Young People's O&S Committee were also invited.</p> |

| Month | Item/Topic | Aims and Objectives | Scrutiny Method | Cabinet Member/ Lead Officer | Other Witnesses | Additional Information and Outcome* |
|-----------|--|--|---|---|--------------------------------------|---|
| | | | | | | Outcome: Annual Plan updated. |
| September | Scrutiny Contribution to Budget Savings and Recovery | For the Committee to consider a report on current and future Budget Savings and Recovery Plans and implications for Neighbourhoods Overview and Scrutiny Committee | <p>Committee Meeting single item: Agenda at Neighbourhoods OSC Committee Meeting on 6 September 2023</p> <p>Venue: Committee Room 6, Council House</p> <p>Deadline: 25 August 2023</p> | Craig Cooper, Strategic Director, City Operations, Neighbourhoods | | <p>It was agreed at Co-ordinating Overview and Scrutiny Committee in July that all Scrutiny Committees would consider the implications of the Medium-Term Financial Plan at the September Committee meetings.</p> <p>Outcome: Members were informed of the Q1 budget savings position for the areas relating to the Committee remit. Members made suggestions for additional savings.</p> |
| October | Cleaner Streets Corporate Priorities: 17 | Outline progress towards the Cleaner Streets recommendations, and impact to date. To understand the impact of the S114 Notice on any activities relating to the recommendations. | <p>Committee Meeting single item: 4 October 2023</p> <p>Venue: Committee Room 6, Council House</p> <p>Deadline: 26 September 2023</p> | Cllr Majid Mahmood, Cabinet Member for Environment | Darren Share, Director, Street Scene | <p>In February 2023, the Housing and Neighbourhoods O&S Committee agreed key findings and recommendations for Cleaner Streets. This had followed informal best practice sessions with Derby, Rochdale and Wigan Local Authorities.</p> <p>In April 2023, Cabinet Member for Environment, Cllr Majid Mahmood attended O&S Committee to provide a formal response to the recommendations, and agreed to</p> |

| Month | Item/Topic | Aims and Objectives | Scrutiny Method | Cabinet Member/ Lead Officer | Other Witnesses | Additional Information and Outcome* |
|---------|--|---|--|--------------------------------------|-----------------|---|
| | | | | | | report progress to future committees. |
| October | Fly Tipping Enforcement Corporate Priorities: 17 | <p>Provide further information on how the Grimewatch initiative is progressing, and its impact.</p> <p>Provide further information on the enforcement approach (with specific regard to legal interventions).</p> <p>Analyse locality-based data and intelligence for fly tipping (as per recommendation 1 arising from the July O&S Committee)</p> <p>Share a snapshot of the Land Audit Management System (LAMS) ward information (as per recommendation 2 arising from the July O&S Committee)</p> <p><i>A separate demonstration of LAMS and 'Slab in the Cab' tablet to be organised so members can understand the mapping technology and data associated with fly tipping as well as the capabilities and reliability of the in-cab tablet.</i></p> | <p>Committee Meeting single item: 4 October 2023</p> <p>Venue: Committee Room 6, Council House</p> <p>Deadline: 26 September 2023</p> <p>Other: Workshop demonstration of LAMS and Slab in the Cab technology</p> <p>Date: TBC</p> | Darren Share, Director, Street Scene | | <p>The Committee developed the following recommendations seeking to understand the analysis of fly tipping data, how it's being used to develop interventions and the impact.</p> <p>Recommendation 1: The Street Scene Service undertakes an analysis of Locality based hotspot data and 'intelligence' – what's being dumped, who's likely to have dumped it and what's being done to try and stop them. Specifically, we also request the map data by Ward of waste items collected by locality during Love Your Environment Days. We request this is presented to the meeting of the Neighbourhoods Overview and Scrutiny Committee in October 2023. The report to the Committee should include a map of fly tipping hot spots across the city at ward level, the number of fly tipping incidents reported to or otherwise known to the Council, and the number of fines and prosecutions. Based on this analysis</p> |

| Month | Item/Topic | Aims and Objectives | Scrutiny Method | Cabinet Member/ Lead Officer | Other Witnesses | Additional Information and Outcome* |
|----------|----------------|--|--------------------------|-------------------------------------|--------------------------------------|---|
| | | Members will want to understand the impact of S114 Notice on any activities. | | | | <p>of this information the Street Scene Service should develop a fly tipping prevention plan in consultation with the Neighbourhoods Overview and Scrutiny Committee that will aim to change behaviour and stop fly tipping occurring.</p> <p>Recommendation 2: Ward level information from the Land Audit Management System (LAMS) is shared with all relevant ward members. In the first instance, information on the snapshot of ranked wards and also the trend across wards for the previous 12 months will be shared with the members of the Neighbourhoods Overview and Scrutiny Committee at the October 2023 meeting to agree the level on detail that should be provided. Further work should then be undertaken to make this information available on the City Observatory and that this is circulated to elected members.</p> |
| November | Domestic Abuse | Consider the proposed Domestic Abuse Prevention Strategy | Committee Meeting single | Kalvinder Kohli, Assistant Director | Shirin Marashi, Senior Commissioning | A new Domestic Abuse Strategy is scheduled to be discussed at Cabinet for approval in January- |

| Month | Item/Topic | Aims and Objectives | Scrutiny Method | Cabinet Member/ Lead Officer | Other Witnesses | Additional Information and Outcome* |
|----------|---|--|---|--|--|---|
| | Corporate Priorities: 10 | | <p>item: 1 November 2023</p> <p>Venue: Committee Room 6, Council House</p> <p>Deadline: 23 October 2023</p> | | <p>Officer, Adult Social Care</p> <p>Revinder Johal, Commissioning Manager</p> | <p>February 2024. This had initially been earmarked for December, but this will be too late as the strategy will be nearly complete. Therefore, the proposed timeline to present to O&S Committee is September – October 2023.</p> <p>Co-ordinating O&S Committee held a single theme meeting in February to review the previous strategy and input in the early stages of this strategy's development. A summary is provided here. A roundtable with service providers had also taken place to inform this review.</p> |
| November | Delays in Births and Deaths Registrations | <p>Provide an overview of, and demonstrate the impact of, the current engagement and work undertaken with the Coroner, partners and communities on steps to eliminate delays within the service.</p> <p>Outline the current progress towards developing a new mortuary facility for the city, including a permanent digital autopsy scanner.</p> | <p>Committee Meeting single item: 1 November 2023</p> <p>Venue: Committee Room 6, Council House</p> <p>Deadline: 23 October 2023</p> | Sajeela Naseer, Director of Regulation and Enforcement | Bev Nash, Head of Service will be attending on behalf of Sajeela Naseer | <p>Following Council Resolution on 14 June 2022, a report responding to the Motion was presented to Housing and Neighbourhoods O&S Committee on 26 September 2022. A summary of the discussion is here.</p> <p>The Committee requested a further update in 4-6 months' time.</p> |

| Month | Item/Topic | Aims and Objectives | Scrutiny Method | Cabinet Member/ Lead Officer | Other Witnesses | Additional Information and Outcome* |
|----------|---|---|---|---|---|---|
| December | Birmingham Community Safety Partnership Annual Report Corporate Priorities: 8, 9 and 10 | Review the annual Birmingham Community Safety Partnership annual report **The Committee may identify specific areas they wish to consider at future meetings** | Committee Meeting single item: 6 December 2023 Venue: Committee Room 6, Council House Deadline: 27 November 2023 | To be confirmed following BCSP Executive Board July | To be confirmed following BCSP Executive Board July | The Neighbourhoods O&S Committee is the designated Crime and Disorder Committee for Birmingham. The statutory requirements, as Crime and Disorder Committee, are outlined here . |
| | | | | | | |

*Outcome: This will be populated once the item/topic has been completed. It will highlight the added value and impact.

Menu of Options for Future Consideration

The following items had been identified as potential topics for future consideration. This approach enables the Overview and Scrutiny Committee to remain flexible and respond in a timely manner to emerging issues.

This is a live work programme work programme. New items may be added, or items removed during the course of the year. Proposed aims and objectives as well as scrutiny methodology may also be subject to change.

| Item/ Topic | Proposed Aims and Objectives | Proposed Scrutiny Method | Additional Information |
|--|--|---------------------------------|---|
| Customer Services – Bereavement Services | Monitor the progress and impact of the recommendations from the Customers Services programme (as previously undertaken by Co-ordinating O&S Committee) | To be confirmed in October 2023 | Co-ordinating O&S Committee convened Task and Finish groups to identify, and monitor progress of, recommendations to improve customer services in 4 areas including Bereavement Services. A final Task and Finish group took place on 12 June 2023, and a report presented to Co-ordinating O&S in |

| Item/ Topic | Proposed Aims and Objectives | Proposed Scrutiny Method | Additional Information |
|--|--|----------------------------------|--|
| | | | July. It was agreed that Neighbourhoods O&S Committee takes forward this work for Bereavement Services in the future. |
| Customer Services – Waste | Monitor the progress and impact of the recommendations from the Customers Services O&S programme | To be confirmed in October 2023 | Co-ordinating O&S Committee convened Task and Finish groups to identify, and monitor progress of, recommendations to improve customer services in 4 areas including Waste. A final Task and Finish group took place on 9 June 2023, and report presented to Co-ordinating O&S in July. It was agreed that Neighbourhoods O&S Committee takes forward this work for Waste in the future. |
| Localisation Corporate Priorities: 6, 7, 9, 17 and 21 | To ascertain how the Leader proposes to take forward the localisation agenda | Committee Meeting single item | The Housing and Neighbourhoods O&S Committee discussed this item in April 2023. Related strategies, policies and plans can be found here . This item was deferred in October in view of the S114 Notice and proposed government intervention to allow further discussion. |

Scrutiny Method Options:

Committee meeting - single item

Committee meeting - single theme

Task and Finish Group (outline number of meetings)

On location

Other - (describe)

Corporate Priorities, Performance and Outcomes

Corporate Priorities 2022 – 26:

- | | |
|--|---|
| 1 Support inclusive economic growth | 11 Increase affordable, safe, green housing |
| 2 Tackle unemployment | 12 Tackle homelessness |
| 3 Attract inward investment and infrastructure | 13 Tackle health inequalities |
| 4 Maximise the benefits of the Commonwealth Games | 14 Encourage and enable physical activity and healthy living |
| 5 Tackle poverty and inequalities | 15 Champion mental health |
| 6 Empower citizens and enable citizen voice | 16 Improve outcomes for adults with disabilities and older people |
| 7 Promote and champion diversity, civic pride and culture | 17 Improve street cleanliness |
| 8 Support and enable all children and young people to thrive | 18 Improve air quality |
| 9 Make the city safer | 19 Continue on the Route to Zero |
| 10 Protect and safeguard vulnerable citizens | 20 Be a City of Nature |
| | 21 Delivering a Bold Best in Class Council |

Information on the Corporate Priorities, Performance and City Outcomes was reported to the Neighbourhoods Overview and Scrutiny Committee OSC in June 2023: [Document.ashx \(cmis.uk.com\)](https://cmis.uk.com/document/ashx)

Birmingham City Council

Coordinating Overview and Scrutiny Committee

Date: Friday 14th July 2023



Subject: Customer Service Programme Task & Finish Group

Report of: Councillor Sir Albert Bore
Chair Co-ordinating Overview & Scrutiny

Report author: Nikki Spencer
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1. Purpose

- 1.1. The purpose of this report is to provide an update to the 9th December and supplementary 27th January report on the actions of the Co-ordinating Overview & Scrutiny Committee Task and Finish Group, established following the Customer Service Programme update report to Co-ordinating Overview & Scrutiny Committee in September 2022.

2. Recommendations

Co-ordinating O&S Committee:

- 2.1. Notes that the Task & Finish Group has completed its review of the recommendations submitted to service leads for Bereavement Services, Housing Repairs, Waste Management and Highway Repairs
- 2.2. Agrees that the Task & Finish Group should ask service owner Committees to follow up any further action required to ensure that the identified end-to-end customer service improvements are implemented.
- **Neighbourhoods:** Waste and Bereavement Services
 - **Sustainability & Transport:** Highway Repairs
 - **Homes:** Housing Repairs
- 2.4. Supports the further work of the Task & Finish Group to scrutinise how senior managers are responding to feedback from the Customer Standards Workshops to embed the Customer Service Strategy.

3. Background

- 3.1. Following approval of the Customer Service Strategy by Cabinet in December 2021, the Customer Service Programme was established in January 2021 for an initial 12-month period, to implement the Strategy deliverables and 'Fix the Basics'.
- 3.2. Phase 1 saw the programme deliver a number of customer benefits' from the creation of an [easy-read Customer Service Strategy](#), co-creating Our [Customer Charter](#), establishing the Customer Panel; to the cleanse and improvement of 948 web pages and counting; roll out of products such as the Landlord's Portal and features for automated advanced payments.
- 3.3. The user research the programme conducted of four high volume, high priority service areas for the Council resulted in a set of service improvement recommendations which highlighted opportunities for services to improve the customer experience and increase customer satisfaction.
- 3.4. This report follows the Task & Finish Group's first review of the recommendations submitted to the Highways, Waste, Bereavement Services and Housing Repairs service leads, reported to Co-ordinating Overview & Scrutiny Committee in January 2023; and the further action to ensure the identified end-to-end customer service improvement are implemented.
- 3.5. This round of Task & Finish Groups was also attended by Committee Chairs for Neighbourhoods, Homes and Sustainability and Transport to enable an effective transition of the responsibility of these committees and provide continuity in what we've done, where we've got to, and what is outstanding and still needs to be done.

4. Update on Customer Service Programme Task & Finish Group

- 4.1. Appendix A provides the outcomes of all Task & Finish Group meetings with the service area sponsor/leads for improving the customer experience and details the recommended opportunities for improvement.
- 4.2. Feedback was previously submitted to the committee (9 December 2022) on Bereavement Services, Housing Repairs and Waste Management; and a supplementary update (27 January) on Highway Repairs.
- 4.3. In this second review, it was noted the overall positive progress has been achieved in implementation by service leads of the Customer Service Programme service improvement recommendations but more still needs to be done to achieve 'Best in Class' customer service and ensure the best customer journey for our users to improve satisfaction levels and reduce complaints.

4.4. Highway Repairs

- 4.4.1. The Task & Finish Group is due to meet on 7th July 2023 with the Assistant Director for Inclusive Growth also to be attended by Customer Service Programme Operational Sponsor, Strategic Product Manager and Delivery Manager. A supplementary report will be issued following the meeting on the review of previous recommendations and a status update provided.
- 4.4.2. In summary, a total of 10 service improvement recommendations were presented to Highway Repairs, and all 10 retain an implementation status of 'to do'.

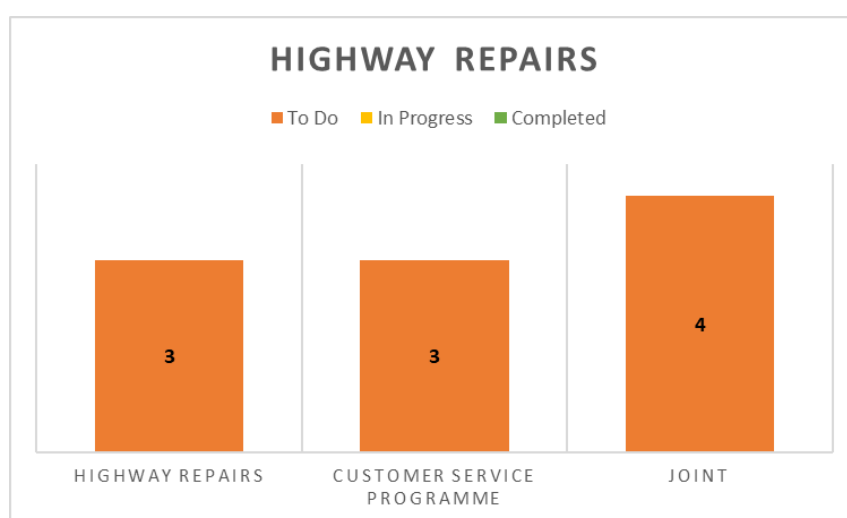


Figure 1 - Highway Repairs Status Overview

4.5. Bereavement Services

- 4.5.1. The Task and Finish Group met on 12th June 2023 with Assistant Director, Regulation and Enforcement, Head of Bereavement Services, Customer Service Programme Operational Sponsor and Strategic Product Manager, Lead Delivery Manager in attendance. All recommendations were reviewed, and status updates provided and clarified by the service leads.
- 4.5.2. Clear guidance has been created and improved content published on 'What to do when someone dies', and also clearly communicating to relatives' grave ownership and responsibilities in grave maintenance. Further work is required to include Coroners Service in online guidance and progress a small print run of the offline guidance.
- 4.5.3. A review of all onsite signage will be completed.
- 4.5.4. The top 20 paper forms have been prioritised for redesign and digitisation and will include automated advanced payment features, eliminating manual paperwork and enabling customers to complete requests in an easy and efficient way.
- 4.5.5. Exploration of technical options is underway to inform user need requirements for a new bereavement system / funeral directors' portal to support online

burial bookings, giving Funeral Directors' the ability to view, book and be updated.

- 4.5.6. A partial manual/mechanical back fill option is available to relatives on request where the resources to enable this are available. Resources to increase availability will be considered as part of any future operating model.
- 4.5.7. There are standardised processes, based upon best practice, in place across all sites. There are also individual standardised processes for particular sites which are based upon the specific needs of the site.
- 4.5.8. Recruitment of staff remains an issue within the service. There also needs to be a corporate response to more easily recruit agency staff as permanent staff.
- 4.5.9. In summary, a total of 28 service improvement recommendations were presented to Bereavement Services, and to date 10 have been implemented and 18 have an implementation status of 'in progress'.

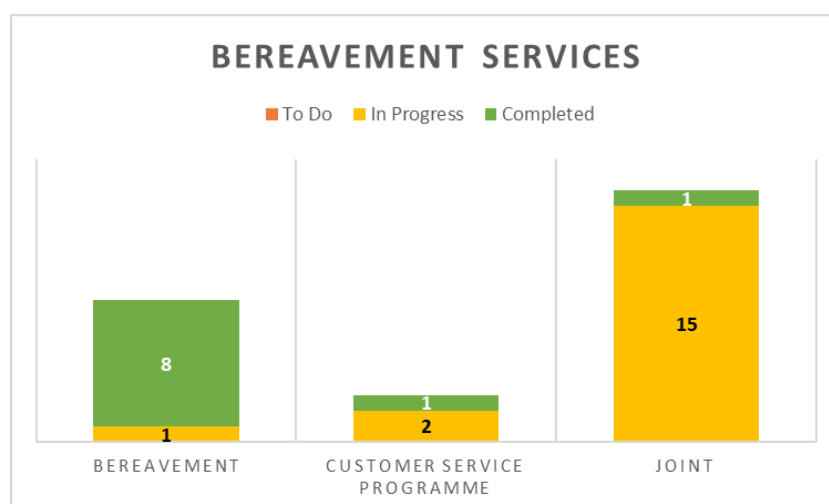


Figure 2 - Bereavement Services Status Overview

4.6. Waste Management

- 4.6.1. The Task and Finish Group met on 9th June 2023 with the Assistant Director, Street Scene and the Customer Service Programme Operational Sponsor and Strategic Product Manager, Lead Delivery Manager in attendance. All recommendations were reviewed, and status updates provided and clarified by the service leads.
- 4.6.2. The in-cab technology has been in place and in use in all vehicles since late January 2023 and addresses a number of the recommendations, although there are separate issues regarding provision of in-cab technology in rented vehicles. Work was undertaken to cleanse the data and the crews are monitored on their usage and reports are produced showing any problems; and work can be reallocated in real time to minimise missed collections, which is monitored by Service Managers.

- 4.6.3. A session with Neighbourhoods Overview and Scrutiny is being planned to provide a more in-depth view of the in-cab technology.
- 4.6.4. Missed collections are tracked, monitored and reported on a daily and weekly basis. The reports are showing an improvement in missed collections (alongside a significant reduction in missed collection complaints - down by 41% this April compared to April 2022). However, it is fully accepted that things are still not right, and more work is needed - particularly for the now vacated Montague Street (relocated to new Atlas depot in May 2023), and Lifford Lane depots where missed collections remain off target.
- 4.6.5. HMO's / Exempt accommodation continue to be an issue but work is underway to ensure that, where these properties are licenced, the appropriate bins are provided and the correct use of bins is monitored.
- 4.6.6. The service has a stable workforce (previously, the level of agency staff covering full time posts was approximately 30%). The service still operates with 23% agency cover for sickness and leave but teams are kept together where possible.
- 4.6.7. Over 70 of the older vehicles have been replaced, providing a more reliable service with a planned procurement to replace the remaining vehicles.
- 4.6.8. Working with Corporate Communications to develop simple comms for residents when there has been a need to remove their broken bin or pod.
- 4.6.9. In summary, a total of 12 service improvement recommendations were presented to Waste Management, and to date 6 have been implemented, 3 are 'in progress', and 1 retains an implementation status of 'to do'.

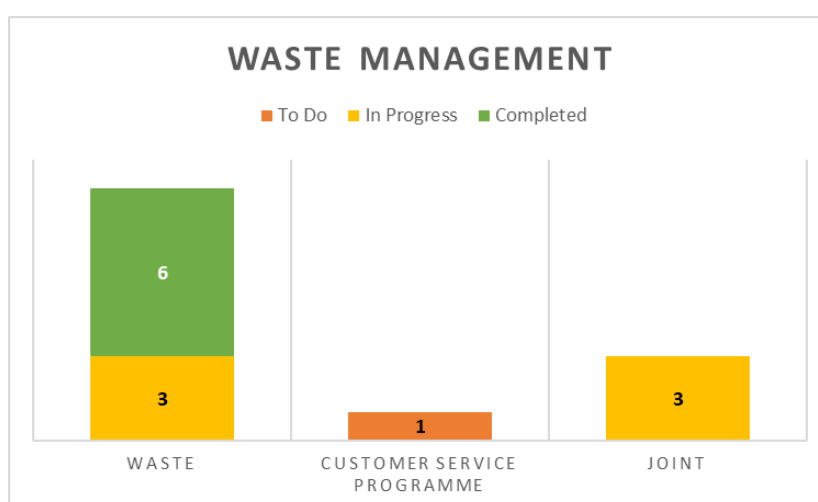


Figure 3 - Waste Management Status Overview

4.7. Housing Repairs

- 4.7.1. The Task and Finish Group met on 14th June with the Director, Asset Management Housing, Interim Head, Housing Repairs with the Customer

Service Programme Operational Sponsor, Strategic Product Manager and Lead Delivery Manager in attendance. All recommendations were reviewed, and status updates provided and clarified by the service leads.

- 4.7.2. The BRUM account process to report 'track a repair' has been end to end tested and issues highlighted, for example, some of the information submitted was not getting passed on to the contractor. The new functionality is now confidently expected for end August / early Sept. The delay was due to a dependency on the pending NEC (Housing Management software) Upgrade. Work is also in process into the quality of repairs and repeat calls about the same issue.
- 4.7.3. An option for tenants to book / manage their own repair appointments will be delivered as part of the changes to the Brum account. There is also ongoing work by repairs teams to look into and maximise appointment availability which has diminished. This work is expected to conclude by the end of September 2023.
- 4.7.4. Live updates to keep customers informed about changes regarding a repair, for example notifying a tenant that a contractor is running late, has been included in the Repairs Contract 2024, allowing text communication between operative and customer and live tracking.
- 4.7.5. Analysis of missed appointments due to no access is being carried out, to identify trends / customer profiles and check if our comms processes are working or need improvement. Findings to date are that process are not always being followed. Many customers say they were not aware of appointments, so focus is on the evidence around text and phone ahead which is part of the current process. This analysis is expected to conclude by December 2023.
- 4.7.6. Customer satisfaction on call handling is measured for randomly sampled calls – satisfaction levels are routinely around 80% for the way the agent handled call. Feedback is provided to service area and agents as appropriate.
- 4.7.7. The [Birmingham Choice](#) site is currently being reviewed and updated to make information more available to our customers. In addition there is a link on the front page of Birmingham Choice to a '[Housing Advice Pack](#)'. This gives customers information on numbers on the Housing Register, numbers of lets completed, waiting times, other housing options, etc.
- 4.7.8. The online information, advice and guidance on damp, condensation and mould has been reviewed and was updated 27 February on birmingham.gov.uk.
- 4.7.9. In summary, a total of 13 service improvement recommendations were presented to Housing Repairs, and to date 4 have been implemented and 9 have an implementation status of 'in progress'.

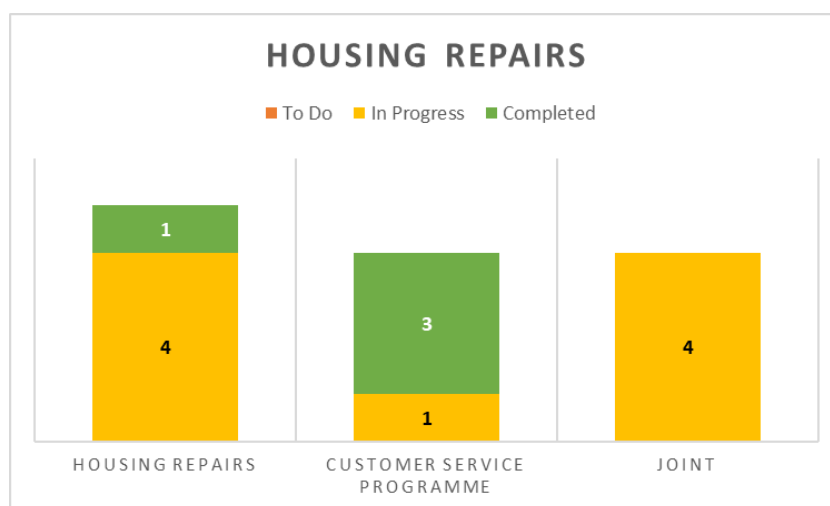


Figure 4 - Housing Repairs Status Overview

5. Any Financial Implications

- 5.1. The original Enhanced Business Case sought and approved total funding of £1.7m for Year 1 in December 2021. The Customer Service resource profile forecasts budget spend at the identified £ 1.7m costs allocated to the programme in final Quarter of 2021/22 and 2022/23.
- 5.2. The savings that are currently set out in the MTFP increase by £600k in 2023/2024, and phase 2 of the programme will help to deliver these and also identify future potential savings of over the next 2 years.
- 5.3. There are no procurement implications or financial implications of the recommendations in this report.

6. Any Legal Implications

- 6.1. The Council is under a duty under Section 3 of the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency, and effectiveness.
- 6.2. The City Council will carry out this work under the General Powers of Competence Section 1 of the Localism Act 2011.

7. Any Equalities Implications

- 7.1. Overall, implementation of the Customer Service Strategy and therefore the activities of the Task and Finish Group may impact a number of the nine protected characteristics (specifically Age, Disability and Race) with the channel shift to self-serve; however the vision of the Strategy is clear and will endeavour to ensure a high quality, consistent and efficient approach to the customer journey across all channels by ensuring our customers access the right information at the right time and content is accurate and up to date regardless of the channel.

8. Background Documents

8.1. [Customer Service Strategy](#)

8.2. [Our Customer Charter](#)

9. Appendices

9.1. A: Status overview of the Customer Service Programme recommendations

