

Birmingham City Council

Homes Overview and Scrutiny Committee

23 November 2023



Subject: Scrutiny of Delivery of 2023/24 Budget Savings

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

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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.
- 1.2 Appendix 1 sets out the red, amber, green (RAG) rated savings for 2023/24 by Committee progress on delivery of savings at Quarter 2.
- 1.3 This information (set out in 1.1 and 1.2) was initially presented to the Committee on 19 October 2023.
- 1.4 The purpose of this report is to continue to enable members to scrutinise the delivery of savings:
 - What was the rationale for each of the identified savings' areas?
 - What progress has been made towards achieving the medium-risk and high-risk savings?
 - What alternatives are being considered for savings classified as Potential Write Off at Quarter 2?
- 1.5 Members are asked to note that a Task and Finish Group has been established by Co-ordinating OSC and led by Finance and Resources OSC. It will look at budget and savings across the council in further detail.

2 Recommendations

That the Committee:

- 2.1 Notes the information set out in the appendices and the updates provided by officers in relation to in year savings including those issues set out in 1.4 above.

- 2.2 Identifies future issues regarding delivery of 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.

3 Any Finance Implications

- 3.1 Following the review of the savings, if these are deemed deliverable then this will help reduce the budget gap from 2023/24 onwards. If these are deemed unachievable then alternative saving ideas/options will need to be put forward to reduce the council's budget gap from 2023/24 onwards.

4 Any Legal Implications

- 4.1 There are no legal implications directly arising from this report, however the Task and Finish Group led by Finance and Resources may require legal advice and support on specific issues as its work progresses.

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: Update on Delivery of 2023/24 Savings During Q2 O&S Committee

Appendix 1: Homes OS Committee - 23/24 Savings Position as at Q2

Summary

This report updates Homes 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 three specific areas of savings in 23/24 totalling £6.594m that fall under the committee portfolio and these are listed below on page 2.

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 £6.594m total £0.502m is green, £0.592m is Amber and £5.500m is Black for 23/24.

The £0.592m due from additional fees & charges income is currently rated Amber denoting Medium Risk due to the lack of monitoring information available through Oracle. However, increases to fees & charges agreed by full Council have been implemented and there is some confidence that most if not all of the target will be achieved in year. Performance against income targets will be monitored throughout the year to ensure the full savings targets are achieved before the risk rating is changed.

The £5.500m rated Black and will not be realised this year relates to savings from Reducing/ Eradicating expenditure on B&B Accommodation. Reasons for this is included below on page 2.

List of 23/24 Savings Projects & RAG status as at Q2

Directorate	OSC Portfolio	Summary Description	Delivery Risk In-Year 2023/24 (Saving) £'000	Delivery Risk Over MTFS (Saving) £'000
City Housing	Homes OSC	3% Turnover factor (Vacancy management)	(502)	(502)
City Housing	Homes OSC	Fees & Charges 5%	(592)	(592)
City Housing	Homes OSC	Reducing / Eradicating B&B Accommodation	(5,500)	(5,500)

Narrative for 23/24 in-year Non-Delivery**Homes OSC**

Dir	Summary Description	2023/24 (Saving) £'000	Explanation
City Housing	Reducing / Eradicating B&B Accommodation	(5,500)	Deferred to 2024/25, reinstated the £5.4m back in the 23/24 budget. Since target set, following pandemic and 45% increase in homeless assessments over 3 years and increasing evictions from PRS and additional demands from Home Office decisions/placements into Birmingham. Opening of Oscott Gardens and circa 50% prevention outcomes, stabilised but didn't reduce numbers in B&B. Currently met B&B reduction target (agreed with DLUHC for April - August 2023, with target of 0 over 6 weeks with dependents in B&B by July 2024. Costs across TA provision have risen, rent and service charge setting for 2024-25 will seek to reflect some of this.

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.