

BIRMINGHAM CITY COUNCIL

**CABINET MEETING
TUESDAY, 16 JANUARY 2024**

**MINUTES OF A MEETING OF THE CABINET COMMITTEE HELD ON
TUESDAY 16 JANUARY 2024 AT 1000 HOURS IN COMMITTEE ROOMS
3&4, COUNCIL HOUSE, VICTORIA SQUARE, BIRMINGHAM, B1 1BB**

PRESENT: - Councillor John Cotton, Leader in the Chair

Councillor Nicky Brennan, Cabinet Member for Social Justice, Community Safety and Equalities
Councillor Liz Clements, Cabinet Member for Transport
Councillor Jayne Francis, Cabinet Member for Housing and Homelessness
Councillor Brigid Jones, Cabinet Member for Finance and Resources
Councillor Majid Mahmood, Cabinet Member for Environment
Councillor Karen McCarthy, Cabinet Member for Children, Young People and Families
Councillor Robert Pocock, Interim Cabinet Member for Health and Social Care
Councillor Saima Suleman, Cabinet Member for Digital, Culture, Heritage and Tourism

ALSO PRESENT:-

Councillor Robert Alden, Leader of the Opposition (Conservative)
Councillor Roger Harmer, Leader (Liberal Democrat)
Councillor Ken Wood (Conservative)
Professor Graeme Betts, Director, Adult Social Care (DASS)
Richard Brooks, Director, Strategy Equalities and Partnerships
Deborah Cadman, Chief Executive
Craig Cooper, Strategic Director of City Operations
Wayne Davies, Service Director Asset Management
Katy Fox, Director of People Services
Fiona Greenway, Interim Finance Director and Section 151 Officer
Andrew Healey, Finance Business Partner
Paul Kitson, Strategic Director of Place, Prosperity and Sustainability
Paul Langford, Strategic Director, City Housing
Naomi Morris, Head of Service (Strategic Housing & Enabling Service)
Marie Rosenthal, Interim City Solicitor and Monitoring Officer
Steve Sandercock, Assistant Director, Procurement
Mark Shelswell, Assistant Director Highways & Infrastructure
Jo Tonkin, Assistant Director, Partnerships Insight and Prevention
Errol Wilson, Committee Team Leader

NOTICE OF RECORDING/WEBCAST

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

283. An apology for absence was submitted on behalf of Councillor Sharon Thompson for her inability to attend the meeting. Susan Harrison, Director for Children and Families
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DECLARATIONS OF INTERESTS

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

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

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

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

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

Councillor Robert Alden declared his interest in Agenda item 12 on the basis that he worked parttime for Gary Sambrook, MP who made comment to the Council around Dublin Road disposal and the processed that was followed around it.

MINUTES

285. **RESOLVED:** -

The Minutes of the meeting held on 12 December 2023, having been previously circulated, were confirmed and signed by the Chair.

EXEMPT INFORMATION – POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC

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The Chair advised that the reports at Agenda items 11 and 16A, contained an exempt appendix within the meaning of Section 100I of the Local Government Act 1972.

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

The committee noted that there were two items with exempt appendices i.e. items 11 and 16A. The Chair advised that in respect of item 16A which was a late report which was added for noting we needed to move into private session at the end of the Agenda for that item and then come back into public session to take the decision.

286. RESOLVED:–

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

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

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

The Leader introduced the item and drew the attention of Cabinet to the information contained in the report and highlighting the key points.

The Cabinet Member for Finance and Resources acknowledged the hard work of staff and officers particularly over the Christmas break. She added that it has been a challenging period, but we were committed to being open and honest about the difficulties we were facing. We were not the only Council in this position. The scale of our challenge was bigger and as the Leader had stated there were Birmingham specific elements to it and there were Councils of all political stripes who were struggling, and it would continue this way until a stable local government settlement was found. We have written to the Department for Levelling Up, Housing and Communities (DLUHC) for exceptional financial support to enable the setting of a balanced budget for 2024/25. We were clear that this was no silver bullet, and it was not going to ...

Councillor Roger Harmer voiced concerns about the report and stated that the biggest pressures in local government was the rising cost of Adult and Social Care which has still not been resolved nationally in terms of how to fund it and the burden was falling significantly on local government. The phrase was that Birmingham was the youngest city in Europe, therefore we should not be vulnerable to that. The issues we have and were wrestling with were primarily

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of our own making. There would have been difficulties and there would have been cuts but the reasons the Section 114 notices were issued was down to the failings of this Council. It would have been appropriate if the leader had spent more time talking about how those had been dealt with than talking about the national situation. The question was given that things had gotten worse, and we were talking of tens of millions over the £300m, who this would be coped with in the process. Whether we were looking at further cuts since the Cabinet last met and whether we were looking at greater rises in the Council Tax. A further question was what the proposals were to deal with the extra tens of millions of pounds that had been uncovered.

Councillor Robert Alden expressed thanks to the staff for their on-going work in pulling this together both across all the directorates and also the Scrutiny teams. As a group we have long supported calls for more support for local government and more support where there were pressures nationally. He remarked that the Cabinet proudly claimed that the Council was in the best financial position for 30 years only a year ago and now we expect the people of Birmingham to believe us that this was to do with other people. The Council was not saying it was unable to balance its books a year ago. Looking at the report the Council was unable to set a legal budget. The Council was not saying a year ago that it was unable to set a legal budget. It was saying its finance was the best it had been for 30 years. It was not credible to claim that this was anything other than a catastrophic failure of this administration to manage the Council's budget. It was worth remembering the context of the December report where the commissioners had requested by the 7 January 2024 that the Council had a credible plan to meet a £300m savings over two years.

The Commissioners were clear in their statement that this was achievable. What we had instead paragraph 3.10 refers - 45% of savings that did not met the target that was set were listed as Red or Amber. This was a serious position that this Council in the introduction did not seemed to be grasping was the level of seriousness. Paragraph 3.7 refers the financial grant could be growing by tens of millions over the £300m which was a further issue on top of that. The Commissioners were concerned about the 2024/25 savings and if we did not get a grip of this quickly it would be the utter destruction of the services that residents in the city rely upon and a total failure of the obligations of people running the Council to ensure that the citizens of Birmingham were protected. There was a report coming from the Budget Scrutiny Committee that considered a lot of issues around the proposals and it was important that Cabinet gives proper weighting to those issues when it considers the financial statement.

Councillor Alden referred to the Public Health Grant and stated that it was vital that the Council assured itself that there was appropriate use of that grant and other similar grants when it comes to finalising the proposals, not least as the Council had had to return money from the Public Health Grant that had been considered to not have been appropriately used following challenges by the OSAID previously. What the people of Birmingham wanted to know was how was the Council going to ensure that those savings were delivered. It cannot be business as usual as business as usual for this administration over the last 10 years had been to miss significant numbers of savings.

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The Cabinet Member for Transport commented that we all understand how serious the situation was and the work that had gone on had been intense and rigorous. We were looking at how we could make savings in areas which would not impact the most vulnerable. We could not ignore the context and last week there were press stories about the Government looking at relaxing the Public Sector Accounting rules for the whole sector to allow Councils to capitalised assets. This was the consequence of 12 -13 years of austerity which was disproportionately impacted Councils like Birmingham.

The interim Cabinet Member noted Councillor Harmer's comments concerning the city's age structure and stated that the latest figures showed that the most rapidly growing demographics were the over 65 age group. This did not take away from the fact that we had a lot of young people, but there was an increasing and growing fraction of our community hitting the 65 and plus age limit and the care consequences that flows from that. There was a need to readjust our view that the demands on the city's services to recognised that growing segment. The Director of Public Health will be producing a Public Health report next year which will detailed the demographics in the city for the benefit of projecting the implications on services.

The Chair emphasised that nobody was in denial about specific issues that were facing this Council and the Birmingham specific issues to be addressed and indeed that the report contained a number of observations around how we were seeking to address those matters. However, the point was also clear that this was not happening in a vacuum and that there was a crisis in the wider financing of local government. We have to be mindful of that as we seek to address the specific challenges facing this Council. With regard to the question of how we dealt with the further emerging challenges as we continue to do due diligence on the budget, clearly we were in a two-year budget process, so the aim was to seek to balance that budget over the two-year period and was the reason we were also seeking that exceptional financial support from Government to be able to do that. There will be a whole series of transformative savings that we needed to make as part of the 2025/26 budget year.

The Chair continued that in terms of the Public Health Grant it was clear that that had to be deployed appropriately and in accordance with the guidance and regulations that surrounds Public Health. The Chair gave assurance that the Public Health Director had been absolutely robust in ensuring that that was the case with any proposals that came forward. A valid point was made concerning the deliverability of the savings that were not being delivered previously. The whole area of governance around this had been gripped closely by Cabinet through a series of budget assurance forums which was also supported by the Commissioners through the Finance Board which Members of all parties were represented on. We needed to ensure that any savings proposals that came forward were absolutely deliverable and that deliverability would be tracked throughout the coming year.

287. RESOLVED UNANIMOUSLY: -

That Cabinet:-

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- a. Noted the update on the overall financial position and savings programme for 2024/25 and 2025/26 (paragraphs 3.3 to 3.13 refers);
 - b. Noted the current status of the progress towards setting the budget and Council Tax Requirement for 2024/25 (paragraphs 3.14 to 3.30 refers); and
 - c. Noted the update on the savings and transformation programme for 2025/26 (as stated in paragraphs 3.31 to 3.38 of the report.
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COUNCIL TAX TAX-BASE FOR 2024/25

The Cabinet Member for Finance and Resources introduced the item and drew the attention of Cabinet to the information contained in the report.

Councillor Robert Alden commented that there were some key points in the report. Firstly the Commissioners highlighted that they wanted a review of the Council Tax support scheme. It was worth noting that that was a requirement to raise Council Tax beyond the national referendum limit. In terms of the proposal to increase the collection this was welcomed that the Commissioners stated that this was achievable and the Council also agreeing that that was achievable not least that we have been raising this for a number of years. The Council was suffering from a failure to have delivered more of the larger family homes that the city needed to meet its population needs and would have delivered a higher Council Tax base without having to increase Council Tax. Other Councils did that to ensure those houses were supplied.

The Cabinet Member for Social Justice, Community Safety and Equalities stated that in relation to the review of the Council Tax Support Scheme it was important that this be kept in place to protect our most vulnerable citizens.

The Cabinet Member for Housing and Homelessness commented that regarding the Council Tax empty homes premium referenced in paragraph 3.6 of the report and work that was being done to bring homes back into the market. Empty homes could have a significant detrimental impact on communities especially when they fell into disrepair. They could attract antisocial behaviour vandalism and infestation of vermin all of which affected neighbouring homes and families negatively.

Against the backdrop of the national housing crisis it was vital that we bring every house back into the market and help tackle the increase in demand for homes. In 2019 we introduced the new property strategy which included the use of an empty homes premium on Council Tax to discourage people letting homes if they were empty. Previously we were only able to charge the empty homes premium after two years because of non-occupancy. She highlighted that she was pleased to announced that from April 2024 onwards we will be able to charge the premium after one year of a house lying empty to ensure that good quality family homes were on the market as soon as possible.

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The Cabinet Member for Finance and Resources stated that concerning Council Tax support we had tried to review this in 2020 but had to abandoned plans to do so as a result of the pandemic destabilising the cohort of people receiving Council Tax support. The legislation was clear that we needed a stable cohort on which to model the changes and consult. In terms of the collection of funds we were behind where we wanted to be, and this was exacerbated over the last year with problems with our IT system for finance and HR which had not given us a clear picture of where debts lay. We did not want to pursue people unnecessarily for debts they may not owed. We have two sets of savings in the next year's financial plan one of which was drafting in new staff to work on Council Tax debt owed. The other was to review single person discounts which frequently rolled over for years to ensure these were appropriately applied. In terms of building larger homes we would be happy to do so if the land could be found and the planning system was reformed.

The Cabinet Member for Finance and Resources noted Councillor Ken Wood's enquiry regarding the collection of outstanding rent and advised that rent owed was dealt with separately. She undertook to investigate the issue and get a response to Councillor Wood.

288. RESOLVED UNANIMOUSLY: -

That Cabinet:-

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

BIRMINGHAM AND SOLIHULL SEXUAL HEALTH TREATMENT AND PREVENTION SERVICE – CONTRACT AWARD

The Interim Cabinet Member for Health and Social Care presented the item and drew the attention of Cabinet to the information contained in the report. He then congratulated Councillor Mariam Khan the Cabinet Member for Health and

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Social Care on her new arrival. Members of the meeting then expressed congratulations to Councillor Mariam Khan.

The Cabinet Member for Finance and Resources commented that she was pleased that the Commissioner had supported the report. She added that there had been comments about the lack of tenders for this contract but that this highlighted the fact that there was not a market out there for several types of NHS services. There was a flaw in the Government's approach to forcing the constant retendering for some of those things, but we were stuck with what we had, and it was a process we had to follow. She further added that she was pleased that this service would provide some continuity to those that used it.

The Cabinet Member for Social Justice, Community Safety and Equalities commented that the Interim Cabinet Member for Health and Social Care referred to the partnership work that was undertaken with this service. She stated that often victims of sexual abuse would go to a centre like this or people that do not often realised that they were being sexually exploited. It was important that we have those pathways in place for people in Birmingham and Solihull Women's Aid so that victims could get the right support they needed. There were staff at these facilities that understood what sexual exploitation was, what domestic abuse was and were able to support victims whether they wanted to make a case to the police or to get other support they needed to cope and recover from the abuse they have suffered.

In response to questions and comments the Deputy Director of Public Health responded as follows:

- a. That she could speak directly to the questions raised by the Commissioners but that she could not respond to the questions concerning the wider process. The questions that were asked of us were ones that we had already addressed and asked ourselves throughout the procurement process.
- b. With regard to the tendering of an integrated service delivery model that was the national model for sexual health services. This was the model of best practice we did not have any and would not wish to change that mode of delivery.
- c. Therefore a disaggregated delivery model would not be appropriate having been historically tested and not effective in delivering the outcomes that we required.
- d. In terms of marketing engagement and market testing, that was part of the procurement process. It was not surprising that at an early stage we could get a high number of providers who were potentially interested as it was at that stage that they could receive the detail of our specification what we wanted to purchase.
- e. That information was useful information to nay providers who had intended to consider bidding in Birmingham but also it informed their strategy for bidding in other parts of the country. This was part and parcel of the process.
- f. We went back to the subsequent providers who then put forward proposals and we assessed their reasons and looked at whether we could have changed our strategy and it was our conclusion and this was

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what we shared with the Commissioners that we could do nothing at that stage.

- g. In terms of our joint working with Solihull all of the decision making were now signed off with Solihull at a point in which the Commissioners asked the question there was an outstanding issue which have now been resolved.
- h. Regarding the changes in the contract values that referred specifically to and including a customer relation to an HIV was not an escalation of the contract price which resulted from the procurement process was provided with significant details around contract management which was robust in the delivery of clinical services.
- i. There was a national statutory dataset in terms of contract and commercial leavers. We have robust monitoring in place and other leavers had been tested in other major procurement processes in relation to the delivery of public health services have not generally demonstrated themselves to be effective.
- j. We have provided some indication to Commissioners about what the role of the partnership board was.
- k. Regarding the procurement of Public Health there had been a change to procurement legislation nationally with the introduction of the provider selection regime. This was an indication that competitive processes in this context where services were delivering a high-quality services already did not best met the outcome of our population.
- l. We work in a collaborative way notwithstanding the robust monitoring of these services.

The Interim Cabinet Member for Health and Social Care stated that the competitive tendering environment limits the effectiveness of marketisation work of this sort. The market was unable to support a competitive tender and a compliant tender for a service of this capacity, so it rightly went to the provider who was able to meet the requirement to cover a city the size of Birmingham. To find the premises themselves was a huge challenge for a tender. Constraint on the ability of the market to provide options for this service. The Tier Four model was to make communities accessibility as strong as possible and for confidentiality to be paramount in the way in which people could access the service.

289. RESOLVED UNANIMOUSLY: -

That Cabinet:-

- a) Approved the award of a 4-year contract for the provision of the Birmingham and Solihull Sexual Health Treatment and Prevention Service to University Hospitals Birmingham NHS Foundation Trust , commencing on 1st April 2024, with an option to extend for a further 2 years to 31st March 2030 subject to budget availability and satisfactory performance for the estimated value of up to £62,205,055 for Birmingham for the initial 4-year contract term and up to £32,028,257 for the 2-year extension;
- b) Approved delegated authority for the Director of Public Health in conjunction with the Cabinet Member for Health & Social Care, Assistant

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Director – Procurement (or their delegate), Strategic Director of Council Management (or their delegate) and the City Solicitor & Monitoring Officer (or their delegate) to approve any option to extend beyond the initial 4-year period up to a maximum of 2 additional years, subject to satisfactory performance and continued budget availability; and

- c) Authorised the City Solicitor to execute and complete all necessary legal documents to give effect to the decisions above.

HOUSING REVENUE ACCOUNT (HRA) BUSINESS PLAN AND RENT SETTING 2024/2025

The Cabinet Member for Housing and Homelessness presented the item and drew the attention of Cabinet to the information contained in the report.

The Cabinet Member for Finance and Resources stated that the fundamental thing behind this was that we were committed to ensure everyone in Birmingham had a safe affordable and good quality place to live. The investment plan had recalibrated our spend to ensure that the money goes where our priorities were.

The Cabinet Member for Finance and Resources then highlighted the following:

- £4.3b investment going in to ensure that our homes met statutory and compliant obligations which was vital for us going forward. This would help to provide a solid foundation that we needed to see across our Council housing.
- We have over £0.5b investment to develop a direct delivery pipeline of affordable homes in a timely generation.
- £0.25b investment going towards decarbonisation and £0.1b of revenue going to deliver quality services to our residents.
- We knew there had been challenges to our housing services locally but there were improvement plans in place to turn that around.
- It must be acknowledged nationally that we were living in a long-term housing crisis exacerbated by the ongoing cost of living crisis.

Members then made the following statements:-

Councillor Ken Wood referred to paragraph 4.1 of the report and stated that there was not a second vote on Stock Transfer and that what there was in 2004 – 2006 by the Conservative/Liberal Democrat administration at the time was an Options Appraisal that had overwhelming backing of the administration approach of positive changing of the housing stock. In 2002 the Labour Administration led by Councillor Sir Albert Bore stated that there was no Plan B and had embarked on a media campaign stating that there was no choice but to vote for Stock Transfer or they would have to continue living in the squalor. He added that the report felt more of the same by trying to argue that if our tenants had voted for Stock Transfer then we possibly would not be in the same mess now. He further added that this was disingenuous as it attempted to pass the buck.

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Councillor Wood continued that the 2012 HRA Business Plan had set out a long-term strategy to maintain the homes at decent standards. This would have been self-financing and not affected by any national changes and just need the incoming Labour administration to keep the same level of decent homes. He added that he was horrified that housing did not have its own directorate when he rejoined the Council and was sat under the Neighbourhoods Directorate. This showed that there was a lack of importance going to housing by the administration at the time.

Councillor Harmer commented that housing was often the ignored part of the current crisis in the City Council. Huge collapse in decency levels were seen. 99% in 2012 to just over 60% now. The report points to the pressure in local government finance but Leeds and Sheffield have both been under the same generic pressures and had maintained 99% decency standard during that time. As we look at how Scrutiny was looked at with the changes and the resetting of the Council he had complained at the time in May 2022 that Scrutiny arrangement being discussed would mean that there would be no Scrutiny reports about housing. He added that he had also raised the point that we were seeing more findings against the Council by the Ombudsman and that the Scrutiny Committee needed to look at that and what the reasons were behind that.

Before that happened we got the report by the Ombudsman which was behind a lot of what we were seeing today. We needed to ensure that when we looked at the structure of Scrutiny that where we were able to look at the significant issues like the deterioration of the situation in housing and used that diligence within the Council to try and pick up these issues before they got to this state. Understandably a lot of the impact of the increase in the rent and the work being planned was to tackle the decline in decency which had to be a huge priority.

We also needed to consider that we have huge number of residents living in temporary accommodations. We needed to consider the decency of the accommodations they were living in. The prioritisation of getting back to decency central as that was pointed to bleak prospects for those residents who needed socially rented housing and did not currently have it. We desperately needed a significant and most importantly prolonged decades in building new socially rented housing.

Councillor Robert Alden stated that the Council had a moral obligation as a landlord to ensure that the Council was providing safe homes for the residents of Birmingham who were our Council tenants. Frankly, the Council would expect any other landlords in the city to do so and it should hold itself at no lesser standards than it was holding other people. The failure of the Council to have done that over the last 10 years was no doubt why the press have at times called Birmingham City Council the biggest slum landlord in the city. It was welcomed in the Commissioners comments that the Commissioners were highlighting the Council were now accepting that they did not invest in the housing stock of the city for a significant period and that they failed to do the landlord functions properly.

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In terms of service charges there were cases in his Ward where in the past the Council had not correctly levied those service charges. An issue had arisen in a resident tower block in Erdington where they took away the service they were charging for and continued to charge residents for years afterwards. It was important that the Council ensured that this did not happen again. Councillor Alden enquired whether the Council had undertaken any research to ascertain the impact on rent increase in the city if they were to be forced to go out to stock transfer by a sole provider rather than the current provision for the Council. It would be disingenuous not to be open and honest to resident about what the anticipated impact would be on the rent to them under that circumstance. Councillor Alden referred to paragraph 4.3 of the report and commented that it was important to remember that this was the Housing Revenue Account (HRA) Business Plan and was not the general fund and in fact a ringfenced fund.

The Cabinet Member for Transport referred to Councillor Wood's comments and stated that it was necessary to have a full account of history. She added that the Stock Transfer Ballot occurred in a context and had taken place over 20 years of selling off Council houses under the Right to Buy scheme and the fact that Councils could not keep the receipts resulted in years of underfunding in Council housing. She stated that it was interesting for Councillor Alden to reflect on housing decency without stating that within the whole period of the Conservative/Liberal Democrat administration we had a Labour Government who had implemented the Neighbourhood Renewal Scheme which had a series of floor targets one of which was about housing decency and warm houses. She further added that we needed to have this on a wider context.

The Cabinet Member for Housing and Homelessness stated that investments were not without risks, but we needed the investments in order to improve our housing stock. Of importance was ensuring that our citizens lived in housing that was safe and secure. The role of Scrutiny was important, and we now have some things on the Scrutiny agenda that ensures that we effectively monitor the impacts and effects of what we were doing.

The Strategic Director, City Housing advised that in relation to point raised about scrutiny, agreement was had to go to Scrutiny on a quarterly basis for updates on both regulations, compliance and investments was an important part of what we intended to do moving forward.

290. RESOLVED UNANIMOUSLY: -

That Cabinet:-

- 1) Approved the HRA Business Plan 2024/25 as the strategic framework for operating the HRA, see Appendix 1 to the report;
- 2) Approved the 7.7% increase (to reflect CPI+ 1%) for social housing rents;
- 3) Approved the 7.7% increase in temporary accommodation rents (dispersed);

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

ASSET MANAGEMENT STRATEGY 2024-2029

The Cabinet Member for Housing and Homelessness presented the item and drew the attention of Cabinet to the information contained in the report.

In response to questions and comments the Cabinet Member for Housing and Homelessness and the Service Director, Asset Management made the following statements:

- a. That the allocations policy would be looked at as there were some significant issues in relation as to who got a place where.
- b. We were keen to explore the use and effectiveness of the CCTV as it gave many of our residents some significant security.
- c. That Stephen Gabriel who was present at the meeting was doing a lot of work around how we managed our estates and ensuring that staff and officers were out more and capturing real time information needed to make those improvements in our services.
- d. Regarding consultation feedback it was important to know what was being stated and this would be picked up.
- e. CCTVs were important in the city, and this was a feedback from the residents, and this was supported by Members. This was only a pilot in terms of establishing a long-term programme.
- f. It was taken into consideration the local circumstances working with stakeholders such as police, residents and also ensuring that not only could we produce the CCTV in question but also monitoring it for the long-term.
- g. Our links with the Community Safety team was critical as we were ensuring that it was a long-term investment that could be monitored closely and to show output in terms of the fact that the CCTV had made a difference.
- h. With regard to the sheltered housing scheme from a management perspective this was not surprising given the decency provision.
- i. Looking at some of our sheltered accommodations and indeed many of our Highrise that were identified for investment not only from an environmental aspect for decarbonising the buildings but also in terms of improvement for which CCTV and all the compliance measures were just a few to mention.
- j. In time over the next 7 – 8 years we would have seen that investment starting to take place across the city. The strategies were only set for five years purely because asset management have changed significantly over the last 10 years particularly around compliance.

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- k. Also following some key tragedies such as Grenfell Tower but also Awaab and now Awaab's Law in terms of the impacted damp and mould. We were taking a holistic approach with the asset management strategy and will be reviewing the strategy in five years' time from which point we will have Decent Homes Two which was promised not only on age but also on stock condition.
- l. Whilst we were taking a view of the impact of Decent Homes Two although it is under consultation at present we will be building that as part of our approach in the strategy on the basis that we wanted to do things once and do them well.
- m. As part of the interim solution, the Council did have four contract areas. Historically we now have two because of not necessarily the size and scope of the contracts but the type of contract that we have as a Council.
- n. It was a complex contract which was very demanding on contractors. Two of the contractors did not work with the Council was because of the risks of the cost for them as contractors.
- o. Therefore, the longer-term view was that we will need to consult with the Council Members, residents the City Housing Liaison Board to design a contract moving forward that was attractive to the marketplace but also delivered the services that we wanted for residents.

291. RESOLVED UNANIMOUSLY: -

That Cabinet:-

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

CONTRACT AWARD FOR THE PROVISION OF REPAIRS AND MAINTENANCE, GAS SERVICING AND CAPITAL IMPROVEMENT WORKS PROGRAMMES – INTERIM CONTRACT 2024-2026

The Cabinet Member for Housing and Homelessness presented the item and drew the attention of Cabinet to the information contained in the report.

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The Cabinet Member for Finance and Resources commented that she did not believe anyone would pretend that the service that our residents has had was good enough as it was clearly not been. She advised that the reason we were pausing on this to consider our longer-term options for a contract was exactly that our residents deserved significantly better from our contractor. This was the right approach to ensured that we had the right contracting going forward. The Cabinet Member for Finance and Resources noted Councillor Wood's comments concerning the KPI's and stated that he was right as sometimes our KPIs reporting corporately was somewhat out of kilter with the astonishing levels of complaints we were getting from our residents in our council homes through the complaints process. This highlighted some of the issues we have that had led to a change in the way that we monitor our contracts going forward.

The Service Director, Asset Management noted Councillor Ken Wood's comments concerning the awarding of the contract and advised that the reason we had retrospectively request permission was that there was little time to renegotiate the existing contractual arrangements with the existing contractors. This contract was significantly different, and we have already covered the requirements in the HRA Business Plan, and the levels of investments required. One thing that was really clear was that the level of investment required by the contractors even for an interim two-year period was substantial. Therefore, in our simple example moving from a few hundred kitchens to thousands of kitchens each year per contractor was significant. That changed the pricing metrics and meant that in negotiations that we undertook we needed to do this quickly but to do them in a diligent way to ensured that we got value for money.

As part of all of this we looked at the detailed design specifications to establish best value for money and more importantly better outcome for residents in terms of the quality of the kitchens we were installing. The point of this was that we had undertaken an intensive deep dive. We have been in negotiation for the last two and a half months in details with the contractor. We were close to finalising this in terms of the legal agreement and he contract amendments and today was about receiving that approval so that we could finalised those contracts.

292. RESOLVED UNANIMOUSLY: -

That Cabinet:-

- a. Approved the award of contracts for the provision of Responsive Repair & Maintenance Services, Gas Servicing and Capital Improvement Work Programmes (including Major Adaptations to Council Housing Stock) regarding the Council's housing stock in all areas of Birmingham, as follows:
 - To Equans Regeneration Limited for the North, West and East areas of the city for a two-year period commencing 1st April 2024 for the value of £259.7m up to a maximum of £371.3m to include standalone1 projects.

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- To Fortem Solutions Limited for the South area of the city for a two-year period commencing 1st April 2024 for the value of £163.3m up to a maximum of £231.7m to include standalone projects;
- b. Retrospectively approved the commencement of negotiations with the incumbent contractors (Equans and Fortem) in accordance with the Procurement and Contract Governance Rules, which states ‘when negotiating contracts without competition with a value above £500K revenue and with a value above £1m capital, authorisation to commence the procurement activity is obtained through consultation with Cabinet Member(s) and relevant Scrutiny Chair(s) prior to Cabinet Inclusion on Forward Plan, Formal Cabinet Report including the Procurement Strategy’; and
- c. Authorised the City Solicitor and Monitoring Officer (or their delegate) to negotiate, execute and complete all necessary legal documents to give effect to the above decisions.

BUILDING BIRMINGHAM: DEVELOPMENT STRATEGY FOR VARIOUS HOUSING SITES

The Cabinet Member for Housing and Homelessness presented the item and drew the attention of Cabinet to the information contained in the report.

The Cabinet Member for Children, Young People and Families commented that she had previously stated that every part of the Council needed to be engaged on making Birmingham a better place for children and young people to grow up. Housing was top of the list for those services that needed to play their part and that she welcomed the report as it would help to do that. We were seeing an increased number of families with children in temporary accommodation, and we needed to get those families into affordable housing so that they could have their own homes close to schools, amenities and services and that they have a future in a local community.

At the moment families were in temporary accommodations despite our best efforts school availability did not necessarily match up with that and that impacted on school attendance which was of top priority. Also in terms of engagement in understanding their future in the city what was available to them going forward and all those other aspects of what the city and our partners and employers in the city could offer. This affordable housing will make a difference to young people and children and although it will take time she was happy to offer her support to the report.

Councillor Robert Alden declared his interest in the item on the basis that he worked parttime for Gary Sambrook, MP who made comment to the Council around Dublin Road disposal and the process that was followed around it.

In response to questions and comments officers responded as follows:-

1. The officer noted Councillor Robert Alden’s comments in relation to community involvement and consultation would be taken on board.

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Some of the sites that were listed in the paper have detailed planning consent.

2. As part of the direct delivery that would have been undertaken Ward Members were involved in some of that process, but going forward that comment would be taken on board.
3. In terms of the depots there was a site review and a number of sites, but she was not personally involved in the reviews but that she understood that the two sites that were listed in the report were not available at the moment as we did not have vacant possession. However, there was early indication that they would be available subject to looking at it from April 2026.
4. What we were looking at and as was stated with the HRA sites if we were looking at a disposal that was subject to planning the timescale realistically was going to be 18 months if we were looking at the consultation going through the planning process. We were not saying that they were vacant and available we were saying that we were going to do that as part of the review going forward.
5. Regarding tenure some of the sites that would have been directly delivered included sale units that was part of the original model and therefore what he have got were current planning consents in place where we were looking at what would have been social rent and homes for sale. We needed to have a look at where the sale units were. We will do an options appraisal for each of these sites and would be happy to take comments on board.
6. Some of the sites that were to be directly delivered by the Council were not all for 100% social rent. With regards to public sector bodies and reference to such bodies acquiring sites was because the Combined Authority and Homes England have had referenced and have had meetings and discussions about a whole portfolio of sites and there may be an opportunity where they have landholdings to acquire.

Councillor Alden stated that it sounded like the College Road site tied into when the maintenance contract ended in terms of need. He requested that we ensured that we did the new maintenance contract before we determined to sell the site just in case when we did the new contract it turned out that that site was actually needed to meet the maintenance requirements.

The Cabinet Member for Environment stated that 11 of the 21 sites fell within his Ward of Bromford and Hodge Hill and the potential for 198 homes we have had meaningful consultations with Housing Officers over the last few years and a number of engagement exercises with residents around the build. Originally the plan was to use our own Birmingham Housing Municipal Trust. This was no longer going to happen, but he was aware of two sites which were subject to petitions – one where the residents did not want the build to go through and the other was around the access way for vehicles. It was hoped that there would be meaningful dialogue as we needed to be fully involved from the outset. What we did not want was for the sites to be put up for sale and then we have the petition which was still outstanding, and the residents were up in arms.

The Cabinet Member for Housing and Homelessness referred to Councillors Harmer and Alden's comments concerning the relationships we have with the

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local Registered Social Landlords and stated that she was committed to ensuring that was improved on.

The Chair stated that it was important that we were demonstrating that ongoing commitment to partnership working in terms of delivery of housing and the discussion we had this morning reflected the importance of delivering affordable housing for the people of this city. The Chair highlighted that we have the city's first ever Housing Week taking place between the 5-9 February 2024 in collaboration with local partnerships and educational charity. This would look at housing provision but also housing investment and employment opportunity in the sector.

293. RESOLVED UNANIMOUSLY: -

That Cabinet:-

- a. Declared surplus to the Council's requirements the land as detailed in Appendix 1, to the report, with the capacity to deliver in the region of 1,176 homes;
- b. Approved the principle for the sale of the Council's interest in identified surplus land identified in Appendix 1, to the report, to Registered Housing Providers, Developer Partners or other public sector bodies to deliver housing, with the best route to disposal to be agreed at Cabinet Committee – Property;
- c. Noted the proposed approach for each site will be for an options appraisal assessing the financial and non-financial implications and the final transaction details for disposal arrangement to be decided by Cabinet Committee - Property and taking into account the constraints of funding within the HRA Business Plan;
- d. Noted the land assets have been identified for sale from both the Council's General Fund and Housing Revenue Account (HRA) to provide primarily affordable housing across the city with the Council retaining Nomination Rights for those on its housing register;
- e. Approved a budget of £350,000 capital funds from the Housing Revenue Account for the disposal of sites to cover legal, valuation and agent fees and any site due diligence and surveys required for marketing. This will be repaid by the capital receipts obtained. General Fund receipts will be paid into the General Fund (minus disposal costs) and HRA receipts will be paid into the HRA;
- f. Delegated authority to the Strategic Director for Place, Prosperity, and Sustainability (or their delegate), in consultation with the Assistant Director Corporate Procurement (or their delegate), the Interim Finance Director (s151 Officer), (or their delegate), and the City Solicitor & Monitoring Officer (or their delegate) to approve the procurement strategy and the award of contract(s), for professional services (including legal, market and valuation advice) to support the sale process;

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- g. Delegated authority to the Strategic Director for Place, Prosperity, and Sustainability, in consultation with the Assistant Director Corporate Procurement (or their delegate), the Interim Finance Director (s151 Officer), (or their delegate) and the City Solicitor & Monitoring Officer (or their delegate) to approve the procurement strategy and the award of contract(s) for any developments requiring compliance to the Procurement Contract Regulations 2015 (or 2024 update);
- h. Delegated authority to the Strategic Director for Place, Prosperity, and Sustainability to submit further applications to Homes England (HE) and West Midlands Combined Authority (WMCA) and the Department of Levelling Up, Housing and Communities (DLUHC) or other government departments where opportunities arise for grant funding to support future phases of new housing development and to negotiate and accept such funding in the event of such applications being successful by entering into funding agreements;
- i. Noted that there is an existing two-year corporate Affordable Housing Delivery Programme, (started in April 2023) to support increasing affordable housing output covering themes of partnership working, governance and direct delivery;
- j. Noted it is proposed as part of this programme to complete an independent review of the Council's direct delivery to ensure there is a clear reflection on the approach and the options available to the City Council along with their implications. The review will cover value for money, resource capacity, risks and opportunities and set out recommendations for consideration as part of a review of delivery models. Results of this review are expected to be reported back to Cabinet;
- k. Agreed that the Dawberry Fields scheme presented to Cabinet on 25 April 2023 and subsequently called in on 17 May 2023 will not progress as planned. The planning application has been withdrawn and alternative delivery routes for the site within the wider context of the approaches outlined within this report will be brought to Cabinet Committee - Property in due course, with a commitment to engage with the local community and Ward members;
- l. Authorised the City Solicitor and Monitoring Officer to prepare, execute, and complete all relevant legal documentation to give effect to the above decisions; and
- m. Noted that an update on disposals will be reported to the Cabinet Committee - Property as part of routine monitoring.

CITY HOUSING COMPENSATION POLICY

The Cabinet Member for Housing and Homelessness presented the item and drew the attention of Cabinet to the information contained in the report.

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The Head of Service (Strategic Housing & Enabling Service) note Members questions and comments and responded as follows:-

The Cabinet Member for Finance and Resources

- I. That all of the recommendations for the Ombudsman Special Report have been built into the contract and that included that work. We have complete freedom to work with the contractors to ensure that they were the right person to pay the compensation.
- II. In terms of the amended complaints policy that was also a requirement of the Ombudsman in a special report – the Compensation Policy and the Complaints Policy which interlinked with one another. The Complaints Policy will be amended once the Compensation Policy was approved and published.
- III. The Policy was developed in line with the Ombudsman new guidelines around financial redress, so we have used the same timelines as the Ombudsman. We were also looking at Stage 1 and Stage 2 complaints when they reached that process perhaps before they go to the Ombudsman in areas where we might be liable making those payments even earlier.
- IV. The aim of this Policy was that we try and intervene early. In terms of the delay, there were a couple of reasons in that the Ombudsman released the Published Guidance on Financial Redress mid-way through the process, so we needed to ensure that the new policy aligned to those.
- V. Across the Council we provide compensation in a lot of different services in a lot of different ways, and we needed to ensure that we had everything squared off and legal in terms of not inhibiting another area of the Council as this was specific to Housing Ombudsman and Housing recommendations.

294. RESOLVED UNANIMOUSLY: -

That Cabinet endorsed the implementation of the Compensation Policy (Appendix 3, to the report).

KEY DECISION PLANNED PROCUREMENT ACTIVITIES (FEBRUARY 2024 – APRIL 2024)

The Cabinet Member for Finance and Resources presented the item and drew the attention of Cabinet to the information contained in the report.

Councillor Robert Alden referred to the Social Housing Decency Fund and stated that it was announced in January 2023 and that Manchester went live with their work on it in June 2023. It has taken the Council until January 2024 to bring this report to Cabinet. He voiced concerns that this would impact on the effective use of that money as the deadline for spend was June 2023.

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The Service Director, Asset Management advised that it had taken time to procure and pull the process together and understanding the detail to support the fund so we could spend the money wisely. This had taken time and our capability around the stock data information was still ongoing. It was fair to say that that was the reason it had taken that time to pull this together. We were convinced that we already have programme in place to support this fund and the grant spend.

The Chair requested further clarity on the issue outside the meeting so that Members had a degree of reassurance. The Service Director, Asset Management undertook to do so.

295. RESOLVED UNANIMOUSLY: -

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

APPOINTMENTS TO OUTSIDE BODIES

The Leader presented the item and drew the attention of Cabinet to the information contained in the report.

296. RESOLVED UNANIMOUSLY: -

That Cabinet agreed the continuation of Honorary Alderman John Lines and Honorary Alderman Sue Anderson as representative trustees for a further 4 year-term on the Alderson Disabled Ex-Servicemen's Homes Trust expiring on the 15 January 2028.

HIGHWAYS MAINTENANCE AND MANAGEMENT SERVICES PFI CONTRACT

The Cabinet Member for Transport presented the item and drew the attention of Cabinet to the information contained in the report.

297. RESOLVED UNANIMOUSLY: -

That Cabinet noted the contents of the report and received a verbal update.

OTHER URGENT BUSINESS

298. No further item of urgent business was raised.

The meeting ended at 1242 hours.

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CHAIRPERSON