

CITY COUNCIL

5 MARCH, 2024

**AMENDMENTS TO
MOTIONS IN THE
COUNCIL AGENDA
RECEIVED IN ADVANCE
OF THE MEETING**

Birmingham City Council

Report to City Council

5 March 2024



Subject: 2024/25 Budget Setting Process: Amendments

Commissioner Review

- 1.1 Commissioners have no observations to make on the text of motions or preambles to alternative budget proposals. It is perfectly proper for the Council to challenge and hold to account those who took the decisions and oversaw activity which has led the Council to this place.
- 1.2 The Cabinet recommended budget proposals in front of Council have arrived here having been subject to cross-party scrutiny, challenge and validation under Commissioner supervision and been subject to the necessary Equality Impact Assessments as legislation dictates. Even so, the proposals do not deliver a balanced budget without central government support. The Council is only able to set a lawful budget because the Secretary of State has authorised the Council to set a Council Tax increase of up to 9.99% without the need for a referendum and is minded to provide EFS of up to £1.25bn.
- 1.3 Although the Council bid for a 2-year increase in Council Tax of 9.99% in each year, giving rise to the reported 21% tax rise, this has not been agreed. Government has continued with its approach of only agreeing one year at a time. EFS is not a free loan. If the Council cannot cover this by capital receipts, it will pay a penalty interest rate resulting in even greater revenue reductions.
- 1.4 The current proposals do not yet get the Council into a balanced position by the end of the year. It is a 2-year look, and a significant part of the year 2 savings are yet to be articulated. Getting the Council into a position where it can decide the pluses and minuses for itself without government support has to be the overriding priority and any proposal that just defers action is a continuation of the smoke and mirrors approach that has ill served for too long.
- 1.5 Many of the savings initiatives in the amendments are already under active consideration for year 2. All are worthy of serious consideration so that they can be tested and brought forward. Commissioners view is that additional savings must first be applied to meeting the budget gap in 2025/26. The Council must not start from the premise that EFS and exceptional Council Tax increases is a base line. Had these savings proposals come forward earlier so there was time to develop, test and plan them, the EFS request, which amounts to over half the total amount that Government announced in supporting 23 Councils, would and should have been smaller.

Birmingham City Council

City Council

5 March 2024



Subject: **2024/25 Budget Setting Process:**
Conservative Group Amendment
Resolution for 2024/25

Report of: **Conservative Group**

Does the report contain confidential or exempt information? Yes No

If relevant, state which appendix is exempt, and provide exempt information paragraph number or reason if confidential:

In accordance with the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014, a recorded vote will be taken at Full Council and Cabinet on any vote in respect of the Council's budget and council tax. The names of Members who voted for or against such a decision or abstained shall be recorded and entered into the minutes of the relevant meeting. A recorded vote shall also be taken on any proposed amendments relation to the Budget and Council Tax

1. Foreword

“Budget cuts and the size of the city are used as reasons to explain the situation however, this does not hold up to scrutiny. Other large Local Authorities with similar levels of deprivation and inequality have also suffered large, in some cases greater, cuts without the same issues with basic services, and Birmingham’s size gives real opportunities for economies of scale in universal services.”

Labour Party, Campaign Improvement Board

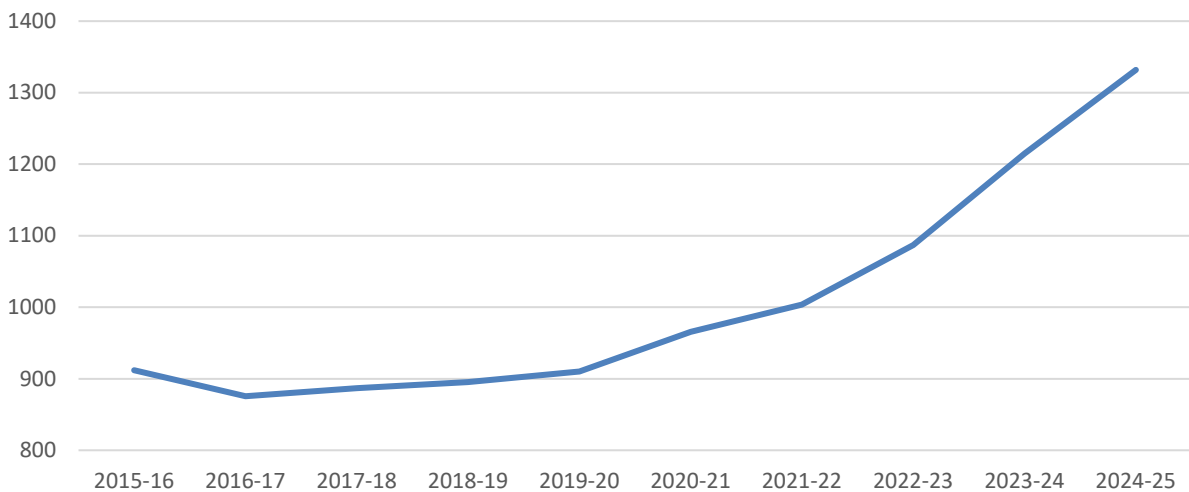
- 1.1. Birmingham Labour has wrought a financial crisis in Birmingham on a scale not seen before in local government. More than a decade of financial mismanagement, of poor decision-making, and of failing to act on repeated warnings, means that residents are now faced with a double whammy of fewer services and higher tax bills, made worse by the loss of valued community assets. The mistakes may have been made by Labour, but the price is being paid by Brummies. From Soho to Shard End, from Rubery to Roughley, everyone will be paying more tax for fewer services.
- 1.2. The extent of Labour’s failure is such that there are no easy choices. The Council will have to be radically different - and smaller - than it has been before and there are few in the city who will not be impacted by the savings that now have to be found. The Administration needs to be honest with the public about this. But just because there are no easy choices, does not mean there is no choice at all. Even now, faced with finding savings that dwarf anything that has gone before, there is a choice. A choice between slashing the heart out of our communities with swingeing cuts that have scant regard for those whom councillors are elected to serve, or plotting a new path toward a better, more collaborative, more agile, and more responsive council. A Council that may no longer be able to do everything we would wish it to do, but which does what it can do well, and gets value for every pound of public money it spends. A Council that keeps costs down, to keep more money in residents’ pockets.

- 1.3. That is the alternative set out in the Conservative budget amendment, a new path to a better future. There is no doubt that things could have been very different, many of the proposals set out in our amendment are things we have been calling on the Administration to do for years and which other, well-run councils, have long since adopted. Had they listened then, we would not be here now. But the mistakes of the past should not be compounded by failing to grasp the opportunities for the future. Our alternative budget provides a starting point for that positive transformation and will allow us to reverse some of the more damaging proposals Labour plans to inflict on the city.
- 1.4. Our amendment protects every library in the city, ensures more funding for a cleaner and safer city, scraps Labour's Rat Tax, and more. Whilst our future plans would make a more efficient, streamlined council, enabling us to protect valuable local services and keep costs on residents lower. It will require changes in governance, leadership, and culture starting at the very top of the organisation, but that is not something the council can shy away from any longer. In short we need a city that simply works for everyone. The best time to start was yesterday, the second-best time is today.

Spending Power

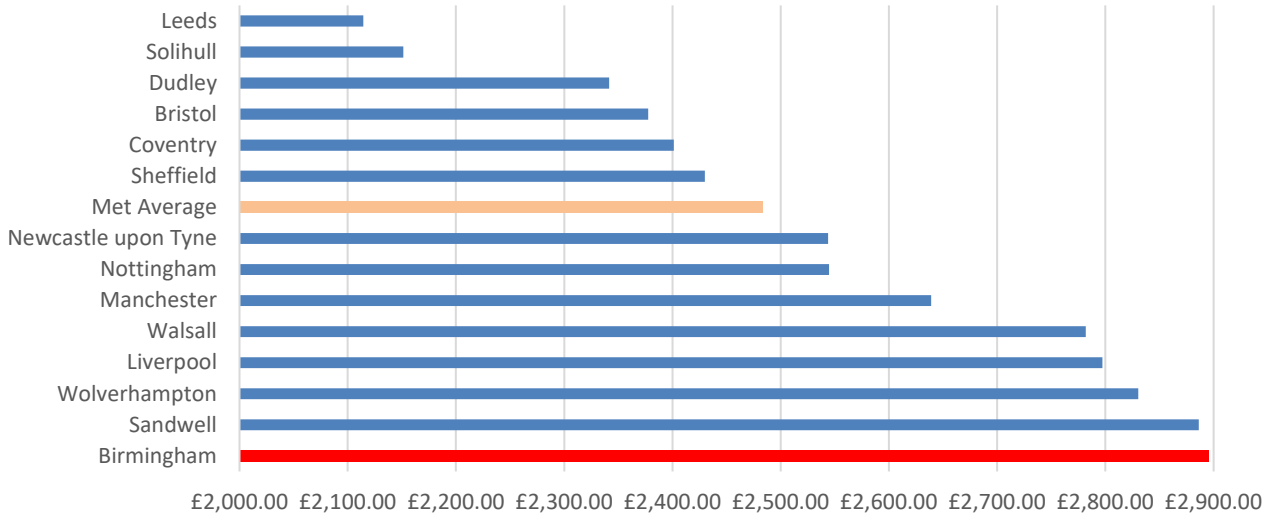
- 1.5. Whilst there is no doubt that spending pressures from increased demand are impacting the sector as a whole. Birmingham Local Conservatives have long lobbied for more sustainable long-term funding for local government. However, this does not explain the situation in Birmingham whose funding levels compare favourably with other councils who have better managed their budgets. Before taking into account Labour's proposed additional council tax increase for 2024/25, the Council's Core Spending power has increased by 43% since 2015.

Change in core spending power



1.6. Birmingham has the 4th highest core spending power per dwelling in the country, behind Knowsley, Hackney and Camden. The Council has £256 more to spend for every household in the city than Manchester, and £554 more for every household than Dudley. This increases to £744 and £781 more than Solihull or Leeds

Core Spending Power Per Dwelling



How did we get here?

1.7. The statutory notices, comments from commissioners¹ and external auditors, and the ministerial direction, all make clear that the issues faced by Birmingham City

¹ [Guardian](#), 12 November 2023.

Council are self-inflicted failings that happened under the current Labour Administration. They can be broken down into 3 main areas:

- a) A potential Equal Pay Liability resulting from decisions made in settling the 2017 waste dispute and later allowing the introduction of task and finish working practices.
- b) The botched implementation of the new “£19m” finance and HR ERP system, Oracle, that is now costing £140m to fix and has left the council unable to produce a reliable set of accounts or effectively monitor in-year spending.
- c) The enduring problem of non-delivery of savings and weak financial management, masked by the use of reserves and debt financing.

1.8. Even where national issues with increasing complexity of demand, inflation, etc. have contributed to the financial position of the council, the Administration failed to properly account for these in its base budget. For example, they presumed 0% for general inflation at a time when global inflation was increasing. As the s151 officer stated in their update report: ‘Many of these items should have been considered within the base budget for the Council in prior years. Since these items continue to result in overspending and budget gaps in future years, this suggests a structural deficit in the underlying budget for the Council.’² The failure to do so, and to put off taking difficult decisions, has made the situation inexorably worse, missing opportunities to deliver transformation that could have protected front-line services and ramping up costs.

1.9. The overriding story of Birmingham City Council over the last decade has been a Labour Administration that has failed to heed multiple warnings, failed to take the tough decisions necessary, and failed to put the interests of residents and taxpayers, ahead of its own party brand. Labour have been too busy focussing on their pet projects and internal squabbles to get the basics right.

² [Section 151 Officer Update on the Financial Position of the Council](#), Birmingham City Council, 14 November 2023.

Where we need to get to

- 1.10. What is absolutely crystal clear is that the council must learn to live within its means. It has both a legal and moral duty to ensure value for every pound of public money it spends, and cannot spend more than it receives in tax, income and grants. Whatever the source of that money, it is not the council's money, it is public money.
- 1.11. However, how the council chooses to adjust its spending to meet those obligations will have a profound impact on residents across the city. It could – as the Administration's budget sets out - retreat to the centre, pull up the drawbridge on communities, and continue to work in the way it always has done but with siloes that are smaller and even less responsive.
- 1.12. Or it could - as our proposals set out – target corporate back-office savings in the short-term to protect some of the services communities rely on the most, whilst embarking on a fundamental transformation of the way the council operates to deliver longer-term efficiencies that will put the council back on a sound financial footing and enable it to invest it what matters most to residents.



Proposed by

Councillor Robert Alden



Seconded by

Councillor Ewan Mackey

2. 2024/25 Council Tax Resolution

2.1. The Conservative Group recommends that the Leader and Cabinet's 2024/25 Budget be approved, subject to the variations listed in paragraphs 2.3 to 2.13 and Section 3 below.

2.2. That the following calculations be now made in accordance with Section 31A of the Local Government Finance Act 1992, for the financial year commencing on 1st April 2024, **Table 1** refers:

Table 1: 2024/25 Council Tax Requirement

	£
a. Aggregate of estimated City Council expenditure, contingencies, and contributions to financial reserves	4,195,082,194
b. Parish Precepts	1,930,010
c. Aggregate of estimated income (including Top-Up Grant), and use of financial reserves (Note 1)	(3,324,258,103)
d. net transfers to/(from) the Collection Fund in relation to Business Rates	(394,626,529)
e. Transfer to/(from) the Collection Fund in relation to Council Tax	4,221,000
f. Council Tax Requirement, being the aggregate of (a) to (e) above	482,348,571

Note 1: To note that the income figure is calculated by taking the aggregate of estimate City Council income, the total Top Up Grant due to the Council in 2024/25 and the amount of the Council's Exceptional Financial Support request to balance the 2024/25 budget

2.3. The following amendments are proposed to be incorporated in full within the City Council's 2024/25 Budget:

Growth Proposals

2.4. The following growth item is proposed to be incorporated within the City Council's 2024/25 budget, **Table 2** refers:

Table 2: 2024/25 Growth Proposals

Proposal	2024/25 £'000	Indicative 2025/26 £'000
Local Welfare Provision Scheme, only what is generated from voluntary contributions will be spent (as noted in Table 5, Ref ALTC010)	300	300

Removal of Existing Savings Proposals

2.5. The following savings are proposed to be removed from the City Council's 2024/25 budget, **Table 3** refers:

Table 3: Removal of Proposed Savings

Ref	Saving title	2024/25 £'000	Indicative 2025/26 £'000
193	NAIS and Community Libraries	1,260	2,285
15	Replace the Local Engineering saving with a saving achieved through merging engineering service teams to create a blended service model to retain a local engineer function	0	0
24	Pest Control - rat charges	195	195
27	Cease non statutory Waste Prevention activities	180	200
31	Introduce charging for car parks in parks	0	381
42	Reduce Graffiti Crew	100	100
44	Reduction in Street Cleansing Posts	200	200
61	Cultural Organisation Grant Reductions save 25% grant	0	316
70	Changes to Business Improvement District Service, undo saving except retain the proposed saving for supplies and services	27	50
170	Reduce Flood Risk Maintenance Budget	50	50
49	Amend the Community Safety Partnership	66	66
13	Keeping Street Lights on. A review of all roads Labour are proposing to dim street lights on would take place and those which leave residents at most risk would be cancelled	100	100
	Totals	2,178	3,943

Contributions to Reserves

2.6. The following additional contribution to reserves to be made, **Table 4 refers**.

Table 4: 2024/25 Contributions to Strategic Reserve

Reference	Proposal	2024/25 £'000	Indicative 2025/26 £'000
SR1	Contribution to Strategic Reserve	495	40

New Savings Proposals

2.7. The following new savings are proposed to be incorporated within the City Council's 2024/25 budget, **Table 5 refers**:

Table 5: 2024/25 Saving Proposals

Code	Proposal	2024/25 £'000	Indicative 2025/26 £'000
ALTC010	Voluntary Contribution to Local Welfare Provision Scheme	300	300
ALTC009	Increase Parking Enforcement	126	210
ALTC011	Reduce the amount spent on advertising	70	70
ALTC003	Reduction in Cabinet/Leader Support	295	865
ALTC007	Reduce Council Communications	793	1,359
ALTC012	Reduction in Grant to The Active Wellbeing Society	525	0
ALTC004	Step up of EDI savings	119	204
ALTC018	Reform of NAIS service	300	600
ALTC005	Lane Rental Scheme	0	200
ALTC014	Review of Corporate Leadership Team	300	300
ALTC019	Reduction in Overview & Scrutiny Committees	145	175
	Totals	2,973	4,283

Council Tax Requirement

Council Tax - Basic Amount

- 2.8. That the Basic Amount of Council Tax for the financial year commencing on 1st April 2024 be set at £1,800.21, pursuant to the formula in Section 31B of the Local Government Finance Act 1992, being the Council Tax Requirement of £482,348,571 divided by the Council Tax Base of 267,940 Band D properties (as agreed by Cabinet on 16 January 2024).

Council Tax – City Council and Parish Precepts

- 2.9. That the basic amount of Council Tax for City Council services for the financial year commencing on 1st April 2024 be set at £1,793.01 pursuant to the formula in Section 34(2) of the Local Government Finance Act 1992:

a.	Basic Amount calculated under Section 31B		£1,800.21
	LESS		
b.	Parish precepts	£1,930,010	
	DIVIDED BY		
	City Council Tax base (no. of Band D Properties)	267,940	£7.20
			£1,793.01

- 2.10. That, pursuant to Section 52ZB of the Local Government Finance Act 1992, the Basic Amount of Council Tax for City Council services is not excessive in relation to determining whether a referendum is required on the level of Council Tax.

New Frankley Parish Council Precept

2.11. That the basic amount of Council Tax for New Frankley in Birmingham Parish for the financial year commencing on 1st April 2024 be set at £1,836.21 pursuant to the formula in Section 34(3) of the Local Government Finance Act 1992:

a.	Basic Amount calculated under Section 34(2)		£1,793.01
	PLUS		
b.	The New Frankley in Birmingham Parish precept	£59,308	
	DIVIDED BY		
	The tax base for New Frankley in Birmingham Parish (no. of Band D properties)	1,373	£43.20
			£1,836.21

Royal Sutton Coldfield Town Council Precept

2.12. That the basic amount of Council Tax for the Royal Sutton Coldfield Town Council for the financial year commencing on 1st April 2024 be set at £1,842.97 pursuant to the formula in Section 34(3) of the Local Government Finance Act 1992:

a.	Basic Amount calculated under Section 34(2)		1,793.01
	PLUS		
b.	The Royal Sutton Coldfield Parish Council precept	£1,870,702	
	DIVIDED BY		
	The tax base for Royal Sutton Coldfield Town Council (no. of Band D properties)	37,444	£49.96
			£1,842.97

Council Tax – Total

That, in accordance with Section 30 of the Local Government Finance Act 1992, the amounts of Council Tax set for the financial year commencing on 1st April 2024 for each category of dwelling listed within a particular valuation band, shall be calculated by adding:

- a. the amount given by multiplying the basic amount of Council Tax for the relevant area by the fraction whose numerator is the proportion applicable to dwellings listed in a particular valuation band, and whose denominator is the proportion applicable to dwellings listed in valuation Band D; to
- b. the amounts which are stated in the final precepts issued by the West Midlands Fire and Rescue Authority and the West Midlands Police and Crime Commissioner (PCC); and are shown in Table 6 below.

Table 6 – Total Council Tax Amounts for the 2024/25 year

	Areas without a Parish Council				New Frankley in Birmingham		Royal Sutton Coldfield	
Band	City Council £	Fire and Rescue Authority £	West Midlands PCC £	Total excl. Parish / Town Precept £	Parish Precept £	Parish Total £	Town Precept £	Town Total £
A	1,195.34	50.13	143.70	1,389.17	28.80	1,417.97	33.31	1,422.48
B	1,394.56	58.49	167.65	1,620.70	33.60	1,654.30	38.86	1,659.56
C	1,593.79	66.84	191.60	1,852.23	38.40	1,890.63	44.41	1,896.64
D	1,793.01	75.20	215.55	2,083.76	43.20	2,126.96	49.96	2,133.72
E	2,191.46	91.91	263.45	2,546.82	52.80	2,599.62	61.06	2,607.88
F	2,589.90	108.62	311.35	3,009.87	62.40	3,072.27	72.17	3,082.04
G	2,988.35	125.33	359.25	3,472.93	72.00	3,544.93	83.27	3,556.20
H	3,586.02	150.40	431.10	4,167.52	86.40	4,253.92	99.92	4,267.44

3. 2025/26 and Future Years

3.1. The following additional recommendation to City Council that:

- a) Council approves the direction of travel for the efficiency and transformation of services and new spending priorities as set out in **Section 3 below**, with detailed delivery plans for each proposal produced by September 2024

3.2. Regarding the Council's budget in year two of this budget (2025/26), and for future years, we are clear that significant savings can be found through transformative cross-cutting measures. The Council can and should be seeking to save several tens of millions through a fundamental change in approach both in what it does and how it does it. This is critical, not only due to the overwhelming financial imperative to reduce costs, but also because these changes will result in a more responsive and resident-focused organisation, better equipped to meet demand whilst getting better value for public money. The Council should be looking to share services with other councils and public sector organisations where appropriate. The workforce should move to become more agile and flexible, breaking down siloes that have traditionally frustrated those seeking help. The Council should also be seeking savings through the procurement of goods and services, using its size to drive down prices, and following a whole commissioning cycle that focuses on outcomes, removes duplication and effectively manages end-to-end costs.

3.3. We are clear that savings in the order of several tens of millions could and should be made through efficiencies and transformation as outlined above and below. However, it is also clear that the Administration have totally and utterly failed to start any of the preparations this would require, despite almost every other Council in the Country doing these things a decade ago. It is also clear that the current Labour Leadership and Cabinet completely lack the skills, desire, and willingness to accept that their previous approach to both budget setting and delivery has been wrong. This means that the savings highlighted in the 'areas of focus for future savings' section would, under the current leadership, be at high risk of non-delivery. Therefore, given the Cabinet's shortcomings, we have not placed numbers against these, however, we have set out below what our priorities are for the use of any savings that are delivered through this route.

3.4. Areas of focus for future savings (see section for further details)

- a) Commissioning and Procurement
- b) Energy and Heat – use and generation
- c) Agile Workforce
- d) Shared Services
- e) Use of Consultants
- f) Use of Agency

3.5. We would seek to use the future years' savings generated to rapidly reduce the £67.4m deficit the Labour Administration's budget still contains in year 2. This is because delivering a lawfully balanced budget is the number one priority, without the ability to do that, everything else falls away and the council's whole future is in serious jeopardy.

3.6. We would also seek to protect residents from some of the worst effects of Labour's devastating budget proposals, and to keep council tax at a level lower than they have inflicted on residents. Clearly, the more money that can be saved, the more services that can be protected and the lower council tax can be. We believe a suitable ambitious, well-run council of Birmingham's size and spending power, should be able to deliver savings of an order of magnitude more than enough to do all of this and more.

3.7. Future Years Spending priorities, in addition to those set out in our amendment, enabled by the delivery of transformation as set out:-

- a) Clearing the deficit to reduce the debt repayments and assets required to be sold to otherwise balance the Labour administration's budget.
- b) Retaining at least 2 of the Adult Social Residential Care Centres,
- c) Keeping weekly bin collections,
- d) Investing more in the maintenance of pavements, street lights and highways
- e) Keeping all the street lights on;
- f) and keeping Council Tax lower.

3.8. This is of course on top of the services that are already retained as part of the Conservative Group amendment.

3.9. Services protected:

- a) the retention of all the libraries in Birmingham,
- b) more funding for street cleaning crews and graffiti cleaning teams and waste prevention
- c) retain the flood maintenance budget,
- d) protect 50% of the Cultural Organisation grants,
- e) safer streets through keeping street lights on,
- f) keeping our parks free by stopping Labour's car park charges being introduced,
- g) support Business Improvement districts to help our local centres,
- h) more funding for youth services and early years support,
- i) continuing with the vital welfare provision scheme that helps Brummies who are in desperate need; and
- j) of course scrapping Labour's hideous rat tax!

3.10. If the Administration took this amendment and set their mind to delivering the proposed changes above this would, if done properly, reduce the deficit, protect vital front-line services, and keep more money in the pockets of hard-working Brummies.

Areas of Focus for Future Savings

3.11. Council should commit to bring forward detailed proposals by September 2024, covering each of the following areas to drive out savings for 25/26 and beyond and rebalance away from cuts toward efficiencies.

Commissioning and Procurement

3.12. This would be a transformation of the way the Council commissions services ensuring we adopt best practice from other local authorities and national reviews. This would increase value for money on procurement in Birmingham. There would be a reduction on the number of contracts renewed late or exceeding contract allowances. Commissioning activity is not simply 'negotiating better'; it is a holistic view about what the organisation needs and how best to deliver it. Commissioning

along with other corporate activities should be aligned to the needs of front-line services and supporting them to deliver efficiently and effectively.

- 3.13. The proposal is to implement a range of changes that would deliver significant savings to the Council in the medium term. It covers improvement to the whole commissioning cycle.
- 3.14. Savings will be driven through procurement and commissioning of services for the City, including reviewing all current contracts and better management of the timeliness of re-procurement activity to avoid late renewals and single contractor negotiations.
- 3.15. A national review of procurement found that savings of 5-15% can be made in the short term through quick wins (an overall figure of just over 5% is where we propose to reach after 4 years) rising to 25-40% in the longer term through more fundamental redesign. Our savings are based on taking a prudent view of the achievability of delivering the 5-15% short term savings that the national review indicate are possible.
- 3.16. Other local councils have shown what can be achieved by refreshing their policies including Manchester City Council who saved £65m from procurement efficiency savings, and Copeland 14% of their procurement budget.

Energy And Heat - use and generation

- 3.17. This covers efficiencies in the use of energy and heat by using less (in the buildings we retain) and generating more. It does not cover contractual savings on energy unit costs or reduced use through building closures which are covered elsewhere in the savings programme.
- 3.18. The project could be delivered through a partnership with the private sector based on a share of savings, with private sector capital being matched by council asset use.
- 3.19. The Council is asset-rich, even after the planned disposals (assuming the financial recovery plan is delivered on time) especially when including the schools estate, which will not be sold. There are companies set up (inc subsidiaries of the big energy companies) designed to undertake this type of contract. We can also exploit grant funding available from government to meet carbon targets.

- 3.20. Edinburgh Council have signed a contract that delivers savings of 24 % on its energy bill, while Leeds are saving 26% of their bill across 9 buildings in a partnership with EON, <https://www.eonenergy.com/for-your-business/large-energy-users/manage-energy/energy-efficiency/energy-efficiency-case-studies/leeds-council-epc?device=desktop&perminent=false>
- 3.21. Working with energy firms also allows partnerships to be formed which will transfer capital costs to be borne by partner companies and reduce the financial risk to the council.
- 3.22. Cambridgeshire County Council delivered a 17% reduction in energy use, thereby saving money and reducing emissions through a mobilising a local energy programme.
- 3.23. Technological use, often in partnership is a good way to deliver savings. By analysing and anticipating demand and supply Google saved 15% from their overall energy consumption. Source: <http://uk.businessinsider.com/>. Within nine months annual savings were shown to be up to 30%, this being attributed to the software analysis improving as more business data was, source www.internetofbusiness.com.
- 3.24. Energy performance contracts are also a way of delivering savings. Work by SSE delivered a 26% reduction in carbon emissions and a 25% reduction in energy use at Calderdale Council. Contracts offered an agreed level of guaranteed savings to the council and then a sharing of excess savings. Source SSE Energy.
- 3.25. It should also be noted that West Lothian Council discovered that savings were also generated through reduced maintenance costs as well as from the reduced energy use, costs and income sources. Source: www.ameresco.com.

Agile Workforce

- 3.26. Birmingham City Council has been identified as an organisation in desperate need of change and modernising over several external reviews. As an organisation the Council employs thousands of staff across numerous buildings. We need to break the silo mentality at the council and foster a culture change that enables a motivated, more agile workforce that puts addressing residents needs first and is able to work across specialisms to deliver outcomes.

- 3.27. The proposal is to save money from changing the way of working in Birmingham to create an agile workforce by delayering management structures, creating more generic job descriptions, and multiskilling staff to work across a range of services. It would ultimately bring an end to a culture whereby residents are passed around different services to get the outcomes they need by generating a workforce with the tools, flexibility and freedoms to take ownership of issues from end to end.
- 3.28. PwC have highlighted that the benefits of an agile council are – reduced costs, enhanced customer experience, better outcomes, better performance and increased employee satisfaction. They have shown that large savings can be achieved - “Typically councils can achieve benefits of up to 10% from changing structures – and if they include processes, they can achieve 30%. A further shift to focussing on outcomes could underpin benefits of up to 50%”.
- 3.29. The full benefits will be felt across a longer term as the council fully adapts to the new way of working.

Shared Services

- 3.30. The proposal is to save money by sharing services with other councils or partners to reduce costs and improve the quality of the offer. There are a range of services that could be delivered in this way.
- 3.31. Nationally local government is a leader in public sector collaborative service delivery. The LGA highlights that these projects have saved over £1.34billion through 626 partnerships. With annual efficiencies of around £200m so far.
- 3.32. There are many ways that Councils can save from shared services. Richmond and Wandsworth Councils have a shared management structure saving them £17.932m a year. While Havering and Newham save £14.88m a year through their shared management structure. While a collection of district and borough Councils in the South West have joined up back offices to save £7.642m a year. While similar arrangements in South Holland and East Lindsey have saved £2.1m a year. Orbis set up between East Sussex and Surrey County Councils saves them £6m a year through shared management. While Breckland and South Holland Councils also have a shared senior leadership saving £1.2m a year.

- 3.33. Hertfordshire County Council and partners have joined up their financial services and finance teams to save £6.8m a year. While in Lincolnshire councils save £1.4m in a shared finance partnership.
- 3.34. South Hams and West Devon shared services save money across a range of cross council services, totalling £6.1m a year.
- 3.35. In Worcestershire Councils have saved money through a shared one public estate model saving £2.1m a year.
- 3.36. In East Sussex four district Councils have shared environmental services saving over £1.3m a year while in East Hampshire a partnership is saving £1.6m a year around cleaner streets.
- 3.37. In Worcestershire District Councils also have a shared service around Housing revenues, benefits and homelessness saving £1.6m a year.
- 3.38. This are just a few of the examples from across the Country that demonstrate what can be achieved and delivered by sharing some services with other Councils.
- 3.39. These examples are key to highlighting what is possible, as highlighted by practicallaw.com, “expanding established shared service centres is the way to go. If the hard work has already been done elsewhere then the report points out that it is sensible to take advantage of this, and the expansion of existing shared service projects is encouraged as a way of delivering savings due to economies of scale”.
- 3.40. A review of the benefit of shared services published by the LGA highlighted that “A key lesson from the case studies is that when the decision is made to go ahead it is better for the organisations and staff involved to move quickly”.

Use of Consultants

- 3.41. This will look to reduce the reliance on management consultants. Whilst it is focussed on the general fund, the change in approach will also benefit the HRA and Capital Programme. Whilst Spend Control Board has started to get a grip on some of the excessive spend in this area, this proposal will deliver further, ongoing savings with the permanent removal of all officer delegations for consultancy spend.
- 3.42. We also introduce changes to the way that follow-up work is carried out with consultants to prevent laddering of contracts, where an initial low price is laddered into much larger amounts through add on work. The presumption built into all

consultancy work contracts is that it will be bespoke and one-off, based on sound business case with clear deliverable and measurable outputs and outcomes.

Reduce use of Agency Staff

3.43. We would look to renegotiate the agency costs of continued use of Agency Staff, as well as introduce controls on use of agency staff to make savings across the council directorates.

Birmingham City Council

City Council

5 March 2024



Subject: **2024/25 Budget Setting Process:**
Liberal Democrat Group Amendment
Resolution for 2024/25

Report of: **Liberal Democrat Group**

Does the report contain confidential or exempt information? Yes No

If relevant, state which appendix is exempt, and provide exempt information paragraph number or reason if confidential:

In accordance with the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014, a recorded vote will be taken at Full Council and Cabinet on any vote in respect of the Council's budget and council tax. The names of Members who voted for or against such a decision or abstained shall be recorded and entered into the minutes of the relevant meeting. A recorded vote shall also be taken on any proposed amendments relation to the Budget and Council Tax

1. Foreword

1.1. This Labour budget will do tremendous damage to the residents of Birmingham, through dramatic cuts to council services and increased council tax.

- a. Despite this, a balanced budget has not been able to be set, and Exceptional Financial Support (EFS) is required which will result in the sale of a significant proportion of the council's assets. This will lead to a reduction in future income.
- b. This is the result of a significant period of mismanagement by the current Labour administration, which has seen a failure to implement the new Oracle IT system properly, the failure to manage previous budgets and the creation of further potential Equal Pay Liabilities which are currently estimated at £867.1m.
- c. This mismanagement overlays a tough Government spending environment, which would in itself have led to budget cuts. However, it is important to accept that the cause of the current, unprecedented intervention is down to the failures of the Labour administration described above.

1.2. The impact on Birmingham residents will be multiple. It will:

- a. Impact every resident.
- b. Have a disproportionate impact on groups of people who rely significantly on council services. This includes, but is not limited to:
 - i. Parents and children accessing special needs services
 - ii. Residents living in social housing and temporary accommodation
 - iii. Communities which are blighted by fly tipping and litter
 - iv. People who use their local library to access a wide range of local services and community activities.
 - v. People who rely directly and indirectly on adult social care services

1.3. The Labour budget will also:

- a. Damage local economic growth
- b. Delay efforts to reduce climate change
- c. Slow down improvements to transport and connectivity
- d. Risk community safety and wellbeing

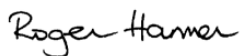
- e. Harm public health

Our Amendment

1.4 To tackle these issues, we propose:

- a. Delaying the Ladywood Regeneration Scheme until 2026/2027 to allow it to be reset, with full community engagement, and developed when the council has got past the current crisis, and therefore has the capacity to deliver successful outcomes that will benefit Birmingham for generations to come.
- b. Using resources freed up by 1.4a, reduce the level of cuts to community libraries.
- c. Develop proposals to improve the efficiency of the waste collection service by double shifting vehicles, and thereby reducing the amount of capital investment required. This would have the aim of freeing up resources to develop a number of improvements including enabling a phased rollout of food waste collection and preventing a reduction in the waste enforcement team.
- d. Develop proposals to give greater local involvement in how services are delivered in each area, to improve efficiencies, reduce waste and tailor services to the needs of our different communities.
- e. Making budget scrutiny more robust and transparent right across all service areas by electing opposition members as chairs of all scrutiny committees.

Proposed by



Councillor Roger Harmer

Seconded by



Councillor Morriam Jan

2. 2024/25 Council Tax Resolution

2.1. The Liberal Democrat Group recommends that the Leader and Cabinet's 2024/25 Budget be approved, subject to the variations listed in paragraphs 2.3 to 2.5 and Section 3 below.

2.2. That the following calculations be now made in accordance with Section 31A of the Local Government Finance Act 1992, for the financial year commencing on 1st April 2024, **Table 1** refers:

Table 1: 2024/25 Council Tax Requirement

	£
a. Aggregate of estimated City Council expenditure, contingencies, and contributions to financial reserves	4,195,082,194
b. Parish Precepts	1,930,010
c. Aggregate of estimated income (including Top-Up Grant), and use of financial reserves (Note 1)	(3,324,258,103)
d. net transfers to/(from) the Collection Fund in relation to Business Rates	(394,626,529)
e. Transfer to/(from) the Collection Fund in relation to Council Tax	4,221,000
f. Council Tax Requirement, being the aggregate of (a) to (e) above	482,348,571

Note 1: To note that the income figure is calculated by taking the aggregate of estimate City Council income, the total Top Up Grant due to the Council in 2024/25 and the amount of the Council's Exceptional Financial Support request to balance the 2024/25 budget

2.3. The following amendments are proposed to be incorporated in full within the City Council's 2024/25 Budget:

Removal of Existing Savings Proposals

2.4. The following savings are proposed to be removed from the City Council's 2024/25 budget, **Table 2 refers:**

Table 2: Removal of Proposed Savings

Ref	Saving title	2024/25 £'000	Indicative 2025/26 £'000
193	Community Libraries – reduction in services	150	150
	Totals	150	150

New Savings Proposals

2.5. The following new savings are proposed to be incorporated within the City Council's 2024/25 budget, **Table 3 refers:**

Table 3: 2024/25 Saving Proposals

Code	Proposal	2024/25 £'000	Indicative 2025/26 £'000
ALTLD01	Delay Ladywood Regeneration Scheme until 2026/7	150	150
	Totals	150	150

Council Tax Requirement

Council Tax - Basic Amount

- 2.6. That the Basic Amount of Council Tax for the financial year commencing on 1st April 2024 be set at £1,800.21, pursuant to the formula in Section 31B of the Local Government Finance Act 1992, being the Council Tax Requirement of £482,348,571 divided by the Council Tax Base of 267,940 Band D properties (as agreed by Cabinet on 16 January 2024).

Council Tax – City Council and Parish Precepts

- 2.7. That the basic amount of Council Tax for City Council services for the financial year commencing on 1st April 2024 be set at £1,793.01 pursuant to the formula in Section 34(2) of the Local Government Finance Act 1992:

a.	Basic Amount calculated under Section 31B		£1,800.21
	LESS		
b.	Parish precepts	£1,930,010	
	DIVIDED BY		
	City Council Tax base (no. of Band D Properties)	267,940	£7.20
			£1,793.01

- 2.8. That, pursuant to Section 52ZB of the Local Government Finance Act 1992, the Basic Amount of Council Tax for City Council services is not excessive in relation to determining whether a referendum is required on the level of Council Tax.

New Frankley Parish Council Precept

2.9. That the basic amount of Council Tax for New Frankley in Birmingham Parish for the financial year commencing on 1st April 2024 be set at £1,836.21 pursuant to the formula in Section 34(3) of the Local Government Finance Act 1992:

a.	Basic Amount calculated under Section 34(2)		£1,793.01
	PLUS		
b.	The New Frankley in Birmingham Parish precept	£59,308	
	DIVIDED BY		
	The tax base for New Frankley in Birmingham Parish (no. of Band D properties)	1,373	£43.20
			£1,836.21

Royal Sutton Coldfield Town Council Precept

2.10. That the basic amount of Council Tax for the Royal Sutton Coldfield Town Council for the financial year commencing on 1st April 2024 be set at £1,842.97 pursuant to the formula in Section 34(3) of the Local Government Finance Act 1992:

a.	Basic Amount calculated under Section 34(2)		1,793.01
	PLUS		
b.	The Royal Sutton Coldfield Parish Council precept	£1,870,702	
	DIVIDED BY		
	The tax base for Royal Sutton Coldfield Town Council (no. of Band D properties)	37,444	£49.96
			£1,842.97

Council Tax – Total

That, in accordance with Section 30 of the Local Government Finance Act 1992, the amounts of Council Tax set for the financial year commencing on 1st April 2024 for each category of dwelling listed within a particular valuation band, shall be calculated by adding:

- a. the amount given by multiplying the basic amount of Council Tax for the relevant area by the fraction whose numerator is the proportion applicable to dwellings listed in a particular valuation band, and whose denominator is the proportion applicable to dwellings listed in valuation Band D; to
- b. the amounts which are stated in the final precepts issued by the West Midlands Fire and Rescue Authority and the West Midlands Police and Crime Commissioner (PCC); and are shown in Table 4 below.

Table 4 – Total Council Tax Amounts for the 2024/25 year

	Areas without a Parish Council				New Frankley in Birmingham		Royal Sutton Coldfield	
Band	City Council £	Fire and Rescue Authority £	West Midlands PCC £	Total excl. Parish / Town Precept £	Parish Precept £	Parish Total £	Town Precept £	Town Total £
A	1,195.34	50.13	143.70	1,389.17	28.80	1,417.97	33.31	1,422.48
B	1,394.56	58.49	167.65	1,620.70	33.60	1,654.30	38.86	1,659.56
C	1,593.79	66.84	191.60	1,852.23	38.40	1,890.63	44.41	1,896.64
D	1,793.01	75.20	215.55	2,083.76	43.20	2,126.96	49.96	2,133.72
E	2,191.46	91.91	263.45	2,546.82	52.80	2,599.62	61.06	2,607.88
F	2,589.90	108.62	311.35	3,009.87	62.40	3,072.27	72.17	3,082.04
G	2,988.35	125.33	359.25	3,472.93	72.00	3,544.93	83.27	3,556.20
H	3,586.02	150.40	431.10	4,167.52	86.40	4,253.92	99.92	4,267.44

3. 2025/26 and Future Years

3.1. The following additional recommendation to City Council that:

- a. Council considers the following ideas as set out in paragraphs 3.2 to 3.4, to look at the potential to generate more savings and efficiencies:
 - i. Develop proposals to improve the efficiency of the waste collection service by double shifting vehicles, and thereby reducing the amount of capital investment required. This would have the aim of freeing up resources to develop a number of improvements including enabling a phased rollout of food waste collection and preventing a reduction in the waste enforcement team.
 - ii. Develop proposals to give greater local involvement in how services are delivered in each area, to improve efficiencies, reduce waste and tailor services to the needs of our different communities.
 - iii. Making budget scrutiny more robust and transparent right across all service areas by electing opposition members as chairs of all scrutiny committees.