

BIRMINGHAM CITY COUNCIL

PUBLIC REPORT

Report to:	CABINET – LATE REPORT	<i>Exempt information paragraph number – if private report:</i>
Report of:	Joint Report Of Strategic Director - Finance & Legal And Strategic Director - Change And Support Services	
Date of Decision:	16th February 2016	
SUBJECT:	Draft Birmingham City Council Business Plan And Budget 2016+	
Key Decision: Yes / No	No	
If not in the Forward Plan: (please "X" box)	Chief Executive approved	<input type="checkbox"/>
	O&S Chairman approved	<input type="checkbox"/>
Relevant Cabinet Member(s):	Leader /ALL	
Relevant O&S Chairman:	ALL	
Wards affected:	ALL	

1. Purpose of report:
To consider the draft Birmingham City Council Business Plan and Budget 2016+ for recommendation to the City Council.
2. Decision(s) recommended:
Cabinet is recommended to:
2.1 Endorse the attached draft Birmingham City Council Business Plan and Budget 2016 + for consideration by the City Council on 1 st March 2016 subject to recommendation 2.2 below.
2.2 Delegate authority to the Strategic Director - Finance and Legal to make amendments or corrections to the draft Business Plan and Budget 2016+ as detailed in paragraph 5.8
2.3 Note that the attached draft Business Plan and Budget 2016+ will be subject to further amendment in accordance with clause 8.

Lead Contact Officer(s):	Jon Warlow – Strategic Director - Finance & Legal Angela Probert – Strategic Director - Change & Support Services
Telephone No:	Jon Warlow - 303 2950 Angela Probert - 303 2550

E-mail address:

jon.warlow@birmingham.gov.uk

angela.probert@birmingham.gov.uk

3. Consultation

3.1 Internal

The “The Council Business Plan and Budget 2016+ Consultation” document has received widespread publicity via e-mail, Inner Voice and staff briefings. Staff have submitted comments to the budget views website and attended public meetings. Consultation with the Trades Unions has been taking place corporately. In addition, consultation with staff and Trades Unions has been led by directorates in relation to individual budget proposals.

3.2 External

Extensive consultation has taken place through the brumbudget16 website, in publications including Forward, an on-line Be heard survey, interactive webcasting and postal comments. There have also been a range of meetings across the city, beginning with a roadshow of community meetings and including public meetings, People’s Panel, consultation meetings with disability groups and business rate payers. Consultation responses are available on the City Council’s website at <http://www.birmingham.gov.uk/brumbudget16>.

In addition to this corporate consultation, directorate-based consultation with affected service users, will continue to take place. The consultation processes, the key issues raised and the proposed responses are described in the draft Business Plan and Budget 2016+.

4. Compliance Issues:

4.1 Are the recommended decisions consistent with the Council’s policies, plans and strategies?

The draft Business Plan and Budget 2016+ document is central to the Council’s Policy Framework and articulates the policy and planning approach for the City Council.

Due to the scale of funding reductions but also the changing times in which we operate, the City Council has recognised that there is a need for radical change in how our organisation works – its role and functions and the culture that determines how we work together with the people of the city. To address these challenges, our Future Council programme has been set up to deliver an integrated and strategic approach to managing the necessary changes and the draft Business Plan and Budget 2016 + enshrines this new approach in our strategic planning

The draft Business Plan and Budget 2016+ is thus consistent with other policy framework plans and key strategies, and provides a framework for City Council actions. The draft Business Plan and Budget 2016+ sets out how the Council intends to tackle its future challenge and details how this will be achieved in practice, integrating this vision with the Council’s Budget and Financial Plan, and including strategies for its employees, capital and service assets, property and physical assets, performance management and information, communication, technology and digital services.

4.2 Financial Implications.

The draft Business Plan and Budget 2016+ takes account of the local and national context, reflecting the financial, social, economic and demographic issues facing Birmingham today and in the future. It summarises how we will be planning for the future, given the forecast financial position of the Council

4.3 Legal Implications

A Council Business Plan is an important element in our Policy Framework, as set out in the Local Government Act 2000.

The Council must set a balanced revenue budget and Council Tax in accordance with the requirements of the Local Government Finance Act 1992, as amended by the Localism Act 2011. These, together with the Capital Programme and Treasury Management Strategy and Policy, are key components of the Policy Framework which must be approved by the Council. These then set the resource framework and limits within which services must be delivered.

4.4 Public Sector Equality Duty. (see separate guidance note)

An Equality Analysis (EA) of the new budget proposals set out in the draft Business Plan and Budget 2016+ has been undertaken where appropriate, and this work is on-going. Where necessary, mitigations and the availability of alternatives have and are being evaluated in order that the Council can fulfil its Public Sector Equality Duty. The draft Business Plan and Budget 2016 + sets out an overview of the processes and initial assessments which the Council has put in place.

A summary of feedback from public consultation is captured in the draft Business Plan and Budget 2016+ and this has been considered as part of the EAs. Further consultation is on-going, or is planned and the full EA for service specific decisions will be considered before decisions are implemented.

The draft Business Plan and Budget 2016+ sets out individual resource allocations. These may need to be revised in the light of the on-going and further planned consultations and equalities assessments on individual savings proposals.

5. Relevant background/chronology of key events:

- 5.1 Due to the scale of funding reductions but also the changing times in which we operate, the City Council has recognised that there is a need for radical change in how our organisation works – its role and functions and the culture that determines how we work together with the people of the city.
- 5.2 Through its Future Council 2020 Programme the Council has prepared the draft Business Plan and Budget 2016 + which sets out the high level short and medium term corporate plan for the Council, incorporating our key priorities and the budget, resources and workforce plans that support them. It sets the direction for business planning across the whole organisation and how we will deliver an integrated and strategic approach to managing the necessary changes. This is taking on board the recommendations of the Kerslake review of corporate governance.
- 5.3 The draft Business Plan and Budget 2016+ is put forward to achieve the necessary level of savings whilst continuing to enable the highest priority services and support to residents and businesses to continue. The vision and the design principles that drive the achievement of that vision are set out in this Plan.
- 5.4 The Council has further developed its medium and longer term financial planning approach and this draft Business Plan and Budget 2016+ contains a 2016/17 Budget, an Indicative 2017/18 Budget (as required by the DCLG as part of the Council's Improvement Plan), financial forecasts for 2018/20 and a 10 year Long Term Financial Strategy and Efficiency Statement. Our strategic approach to managing property, assets and other resources is also summarised in the draft Business Plan and Budget 2016+.
- 5.5 The Council's financial position and the proposed actions in the draft Business Plan and Budget 2016+ will necessitate a reduction of the number of staff employed by the Council. The Council has been consulting with Trade Unions and employees on this and will seek to minimise any necessary compulsory redundancies. Further detail on the approach to working with employees is set out in the plan. The proposed "Pay Policy Statement 2016/17" is included in the draft Business Plan and Budget 2016 + (and it will be recommended to Council on 1st March 2016 that the Policy be adopted).
- 5.6 The Budget proposals set out in the draft Business Plan and Budget 2016+ are based upon a base Council Tax increase of 1.99% in 2016/17. In addition, it is proposed that the City Council adopts the Social Care Precept, a 2% increase in Council Tax, as allowed by the Government, making an overall Council tax increase of 3.99%. This increase will not require a referendum as it is below the 4% threshold set by the Government for 2016/17. It should be noted that the proposed investment in adult social care, (which is particularly in respect of costs associated with the increasing number of older people requiring care and the costs associated with the implementation of the Living Wage in the social care sector), is significantly in excess of the additional income resulting from the implementation of the Social Care Precept.
- 5.7 The Fire & Rescue Authority will have met on 15 February 2016 to approve its precept for 2016/17 and the Police and Crime Commissioner is required to set his budget and precept by 1 March 2016. The New Frankley in Birmingham Parish Council met on the 18 January 2016 to approve its' precept. Following a Community Governance Review, the City Council

on the 15th September 2015 approved the creation of Sutton Coldfield Parish Council. The Council Business Management Committee agreed the Reorganisation Order at its meeting on 4 January 2016. This included approving the budget requirement for the 2016/17 financial year. The Integrated Transport Authority approved its budget and levy at its meeting on 27 January 2016. The amount of the Environment Agency Levy has not yet been finalised. The appropriate information will be incorporated into the final version of the Business Plan and Budget 2016+, for the meeting of the City Council on the 1st March 2016.

5.8 It is recommended that authority is delegated to the Strategic Director – Finance and Legal to amend the attached draft Business Plan and Budget 2016+ to take account of, and limited to, the following:

- a) any amendments agreed at or as a result of this Cabinet meeting on 16th February 2016; and
- b) the impact of the decisions as set out in paragraphs 5.7 above, and;
- c) any non material corrections/changes to enable the production of a final version of the Birmingham City Council Business Plan and Budget 2016+ document for consideration at a Full Council meeting on 1st March 2016.

6. Evaluation of alternative option(s):

6.1 The Council must approve a budget and Council Tax level in order to identify resources for the provision of its services. The proposed Birmingham City Council draft Business Plan and Budget 2016+ (which includes the detailed budget) is the product of the careful evaluation of budgetary needs and policy priorities.

7. Reasons for Decision(s):

7.1 The proposals set out in the Birmingham City Council draft Business Plan and Budget 2016 + satisfy the requirements for setting a budget for the City Council, and the Council Tax for the coming year, together with the related decisions required under the Localism Act 2011.

Signatures

Date

Cabinet Member:

.....

Chief Officer:



12/02/16

List of Background Documents used to compile this Report:

Birmingham City Council Draft Business Plan and Budget 2016+

List of Appendices accompanying this Report (if any):

Report Version

Dated

PROTOCOL PUBLIC SECTOR EQUALITY DUTY

- 1 The public sector equality duty drives the need for equality assessments (Initial and Full). An initial assessment should, be prepared from the outset based upon available knowledge and information.
- 2 If there is no adverse impact then that fact should be stated within the Report at section 4.4 and the initial assessment document appended to the Report duly signed and dated. A summary of the statutory duty is annexed to this Protocol and should be referred to in the standard section (4.4) of executive reports for decision and then attached in an appendix; the term 'adverse impact' refers to any decision-making by the Council which can be judged as likely to be contrary in whole or in part to the equality duty.
- 3 A full assessment should be prepared where necessary and consultation should then take place.
- 4 Consultation should address any possible adverse impact upon service users, providers and those within the scope of the report; questions need to assist to identify adverse impact which might be contrary to the equality duty and engage all such persons in a dialogue which might identify ways in which any adverse impact might be avoided or, if avoidance is not possible, reduced.
- 5 Responses to the consultation should be analysed in order to identify:
 - (a) whether there is adverse impact upon persons within the protected categories
 - (b) what is the nature of this adverse impact
 - (c) whether the adverse impact can be avoided and at what cost – and if not –
 - (d) what mitigating actions can be taken and at what cost
- 6 The impact assessment carried out at the outset will need to be amended to have due regard to the matters in (4) above.
- 7 Where there is adverse impact the final Report should contain:
 - a summary of the adverse impact and any possible mitigating actions (in section 4.4 or an appendix if necessary)
 - the full equality impact assessment (as an appendix)
 - The equality duty – see page 9 (as an appendix).

Equality Act 2010

The Executive must have due regard to the public sector equality duty when considering Council reports for decision.

The public sector equality duty is as follows:

1	<p>The Council must, in the exercise of its functions, have due regard to the need to:</p> <ul style="list-style-type: none">(a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by the Equality Act;(b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;(c) Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
2	<p>Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:</p> <ul style="list-style-type: none">(a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;(b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;(c) Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
3	<p>The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.</p>
4	<p>Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:</p> <ul style="list-style-type: none">(a) tackle prejudice, and(b) Promote understanding.
5	<p>The relevant protected characteristics are:</p> <ul style="list-style-type: none">(a) age(b) disability(c) gender reassignment(d) pregnancy and maternity(e) race(f) religion or belief(g) sex(h) sexual orientation